

**PARMA CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2006**



**Mary Taylor, CPA**  
Auditor of State



PARMA CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY

TABLE OF CONTENTS

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

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**PARMA CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2006**

| Federal Grantor/<br>Pass Through Grantor<br>Program Title                                       | Pass Through<br>Entity<br>Number | Federal<br>CFDA<br>Number | Receipts         | Non-Cash<br>Receipts | Disbursements    | Non-Cash<br>Disbursements |
|---|----------------------------------|---------------------------|------------------|----------------------|------------------|---------------------------|
| <b>U.S. DEPARTMENT OF AGRICULTURE</b>   |                                  |                           |                  |                      |                  |                           |
| <i>Passed Through Ohio Department of Education:</i>   |                                  |                           |                  |                      |                  |                           |
| <b>Child Nutrition Cluster:</b>   |                                  |                           |                  |                      |                  |                           |
| Food Distribution Program   | N/A                              | 10.550                    | \$0              | \$255,008            | \$0              | \$255,008                 |
| National School Breakfast   | 044636-05PU-2005                 | 10.553                    | 1,671            | 0                    | 1,671            | 0                         |
|   | 044636-05PU-2006                 |                           | 5,649            | 0                    | 5,649            | 0                         |
| Total CFDA  |                                  |                           | 7,320            | 0                    | 7,320            | 0                         |
| National School Lunch Program   | 044636-LLP4-2005                 | 10.555                    | 294,050          | 0                    | 294,050          | 0                         |
|   | 044636-LLP4-2006                 |                           | 772,962          | 0                    | 772,962          | 0                         |
| Total CFDA  |                                  |                           | 1,067,012        | 0                    | 1,067,012        | 0                         |
| <b>Total U.S. Department of Agriculture - Nutrition Cluster</b>                                 |                                  |                           | <b>1,074,332</b> | <b>255,008</b>       | <b>1,074,332</b> | <b>255,008</b>            |
| <b>U.S. DEPARTMENT OF EDUCATION</b>   |                                  |                           |                  |                      |                  |                           |
| <i>Passed Through Ohio Department of Education:</i>   |                                  |                           |                  |                      |                  |                           |
| <b>Special Education Cluster:</b>   |                                  |                           |                  |                      |                  |                           |
| Special Education Grants to States  | 044636-6BPB-2004-P               | 84.027                    | (1,443)          | 0                    | 0                | 0                         |
|   | 044636-6BSF-2005                 |                           | 0                | 0                    | 445,641          | 0                         |
|   | 044636-6BSF-2006                 |                           | 3,516,814        | 0                    | 3,043,379        | 0                         |
| Total CFDA  |                                  |                           | 3,515,371        | 0                    | 3,489,020        | 0                         |
| Special Education - Preschool Grant   | 044636-PGS1-2005                 | 84.173                    | 23,106           | 0                    | 41,467           | 0                         |
|   | 044636-PGS1-2006                 |                           | 123,767          | 0                    | 98,676           | 0                         |
| Total CFDA  |                                  |                           | 146,873          | 0                    | 140,143          | 0                         |
| <b>Total Special Education Cluster</b>  |                                  |                           | <b>3,662,244</b> | <b>0</b>             | <b>3,629,163</b> | <b>0</b>                  |
| Adult Education- State Grant Program  | 044636-ABS1-2005                 | 84.002                    | 0                | 0                    | (6,660)          | 0                         |
|   | 044636-ABS1-2006                 |                           | 150,628          | 0                    | 166,726          | 0                         |
| Total CFDA  |                                  |                           | 150,628          | 0                    | 160,066          | 0                         |
| Grants to Local Educational Agencies<br>(ESEA Title I)  | 044636-C1S1-2005                 | 84.010                    | 0                | 0                    | 50,424           | 0                         |
|   | 044636-C1S1-2005                 |                           | (21,956)         | 0                    | 244,752          | 0                         |
|   | 044636-C1S1-2006                 |                           | 78,162           | 0                    | 43,583           | 0                         |
|   | 044636-C1S1-2006                 |                           | 21,956           | 0                    | 118,808          | 0                         |
|   | 044636-C1S1-2006                 |                           | 1,050,348        | 0                    | 915,761          | 0                         |
| Total CFDA  |                                  |                           | 1,128,510        | 0                    | 1,373,328        | 0                         |
| Education Technology State Grants   | 044636-TJS1-2005                 | 84.318                    | (3,592)          | 0                    | (2,305)          | 0                         |
|   | 044636-TJS1-2006                 |                           | 3,592            | 0                    | 0                | 0                         |
|   | 044636-TJS1-2006                 |                           | 40,696           | 0                    | 36,448           | 0                         |
| Total CFDA  |                                  |                           | 40,696           | 0                    | 34,143           | 0                         |
| Innovative Educational Program<br>Strategies  | 044636-C2S1-2005                 | 84.298                    | (666)            | 0                    | 19,647           | 0                         |
|   | 044636-C2S1-2006                 |                           | 666              | 0                    | 0                | 0                         |
|   | 044636-C2S1-2006                 |                           | 62,040           | 0                    | 66,717           | 0                         |
| Total CFDA  |                                  |                           | 62,040           | 0                    | 86,364           | 0                         |
| Drug-Free Schools Grant   | 044636-DRS1-2005                 | 84.186                    | 0                | 0                    | (8,094)          | 0                         |
|   | 044636-DRS1-2006                 |                           | 49,111           | 0                    | 53,341           | 0                         |
| Total CFDA  |                                  |                           | 49,111           | 0                    | 45,247           | 0                         |
| Vocational Education - Basic Grants to States   | 044636-20C1-2005                 | 84.048                    | 0                | 0                    | 99,320           | 0                         |
|   | 044636-20C1-2006                 |                           | 192,524          | 0                    | 155,085          | 0                         |
| Total CFDA  |                                  |                           | 192,524          | 0                    | 254,405          | 0                         |
| English Language Acquisition Grant  | 044636 T3S1-2005                 | 84.365                    | 11,451           | 0                    | 14,688           | 0                         |
|   | 044636 T3S2-2005                 |                           | (15)             | 0                    | 732              | 0                         |
|   | 044636 T3S1-2006                 |                           | 130,727          | 0                    | 129,628          | 0                         |
|   | 044636 T3S2-2006                 |                           | 15               | 0                    | 0                | 0                         |
|   | 044636 T3S2-2006                 |                           | 21,457           | 0                    | 29,165           | 0                         |
|   |                                  |                           | 163,635          | 0                    | 174,213          | 0                         |
| Title II-A - Improving Teacher Quality  | 044636 TRS1-2005                 | 84.367                    | 52,158           | 0                    | 70,234           | 0                         |
|   | 044636 TRS1-2006                 |                           | 315,969          | 0                    | 366,009          | 0                         |
| Total CFDA  |                                  |                           | 368,127          | 0                    | 436,243          | 0                         |
| <b>Total U.S. Department of Education</b>   |                                  |                           | <b>5,817,515</b> | <b>0</b>             | <b>6,193,172</b> | <b>0</b>                  |
| <b>U.S. DEPARTMENT OF HUMAN SERVICES</b>  |                                  |                           |                  |                      |                  |                           |
| <i>Passed Through Ohio Department of Education:</i>   |                                  |                           |                  |                      |                  |                           |
| Refugee and Entrant Assistance  | RIS1-2005                        | 93.576                    | 0                | 0                    | 9,146            | 0                         |
| Total CFDA  |                                  |                           | 0                | 0                    | 9,146            | 0                         |
| <i>Passed Through Ohio Department of Mental Retardation<br/>and Developmental Disabilities:</i> |                                  |                           |                  |                      |                  |                           |
| Medical Assistance/ Medicaid Title XIX  | N/A                              | 93.778                    | 199,664          | 0                    | 199,664          | 0                         |
| Total CFDA  |                                  |                           | 199,664          | 0                    | 199,664          | 0                         |
| State Children's Health Insurance Program   | N/A                              | 93.767                    | 5,111            | 0                    | 5,111            | 0                         |
| Total CFDA  |                                  |                           | 5,111            | 0                    | 5,111            | 0                         |
| <b>Total U.S. Department of Human Services</b>  |                                  |                           | <b>204,775</b>   | <b>0</b>             | <b>213,921</b>   | <b>0</b>                  |

PARMA CITY SCHOOL DISTRICT  
 CUYAHOGA COUNTY

SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
 FOR THE YEAR ENDED JUNE 30, 2006  
 (Continued)

| Federal Grantor/<br>Pass Through Grantor<br>Program Title    | Pass Through<br>Entity<br>Number | Federal<br>CFDA<br>Number | Receipts                  | Non-Cash<br>Receipts    | Disbursements             | Non-Cash<br>Disbursements |
|--|----------------------------------|---------------------------|---------------------------|-------------------------|---------------------------|---------------------------|
| <b><u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u></b> |                                  |                           |                           |                         |                           |                           |
| <i>Passed Through Ohio Department of Education:</i>          |                                  |                           |                           |                         |                           |                           |
| Learn and Service America                                    | 044636-SVS1-2005                 | 94.004                    | 5,565                     | 0                       | 7,645                     | 0                         |
|  | Total CFDA                       |                           | 5,565                     | 0                       | 7,645                     | 0                         |
| <b>Total Corporation for National and Community Service</b>  |                                  |                           | <b>5,565</b>              | <b>0</b>                | <b>7,645</b>              | <b>0</b>                  |
| <b>Totals</b>  |                                  |                           | <b><u>\$7,102,187</u></b> | <b><u>\$255,008</u></b> | <b><u>\$7,489,070</u></b> | <b><u>\$255,008</u></b>   |

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

**PARMA CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
JUNE 30, 2006**

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B – FOOD DISTRIBUTION**

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Values may change from month to month and are entirely subjective. At June 30, 2006, the District had no significant food commodities in inventory.

**NOTE C – NATIONAL SCHOOL LUNCH PROGRAM**

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

**NOTE D – RETURN OF RECEIPTS**

The District returned receipts in the amount of \$1,443 from the Special Education grant to the Ohio Department of Education because all of the grant funds had not been expended within the allowable grant period.

**NOTE E – FEDERAL TRANSFERS**

The Ohio Department of Education (ODE) transferred federal grant monies from grant year 2005 to grant year 2006 for the Title I Grant (CFDA #84.010), Education Technology State Grant (CFDA #84.318), Innovative Educational Program Strategies Grant (CFDA #84.298), and the English Language Acquisition Grant (CFDA #84.365). These transfers appear as negative receipts in the 2005 grant year and as positive receipts in the 2006 grant year. These transfers by ODE allowed the District to extend the availability period for expenditure of these receipts.

CFDA – Catalog of Federal Domestic Assistance.

N/A – Not applicable.

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# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Parma City School District  
Cuyahoga County  
5311 Longwood Avenue  
Parma, Ohio 44134

To the Board of Education:

We have audited the financial statements of the governmental activities, the 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, 2006, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 19, 2007. 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 the Comptroller General of the United States' *Government Auditing Standards*.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the District's management dated January 19, 2007, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

#### **Compliance and Other Matters**

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the District's management dated January 19, 2007, we reported other matters related to noncompliance we deemed immaterial.

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

We intend this report solely for the information and use of management, the Board of Education, and federal awarding agencies and pass-through entities. It is not intended for anyone other than these specified parties.

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

Mary Taylor, CPA  
Auditor of State

January 19, 2007



# Mary Taylor, CPA

## Auditor of State

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

Board of Education  
Parma City School District  
Cuyahoga County  
5311 Longwood Avenue  
Parma, Ohio 44134

#### 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 apply to each of its major federal programs for the year ended June 30, 2006. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs. 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 reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe 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 apply to each of its major federal programs for the year ended June 30, 2006.

#### Internal Control Over Compliance

The District's management 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 directly and materially affect a major federal program 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 reportable 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 caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

#### **Federal Awards Receipts and Expenditures Schedule**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Parma City School District as of and for the year ended June 30, 2006, and have issued our report thereon dated January 19, 2007. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of federal awards receipts and expenditures provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information 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 intend this report solely for the information and use of management, the Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Mary Taylor, CPA  
Auditor of State

January 19, 2007

**PARMA CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2006**

|  |
|--|
| <b>1. SUMMARY OF AUDITOR'S RESULTS</b> |
|--|

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

**PARMA CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2006  
(Continued)**

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

None

**3. FINDINGS FOR FEDERAL AWARDS**

None

**Parma City School District, Ohio**

*Comprehensive Annual Financial Report*

For The Fiscal Year Ended June 30, 2006

Prepared by:

Chief Financial Officer/Budget Director

Bruce Basalla





**Parma City School District, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Fiscal Year Ended June 30, 2006*  
*Table of Contents*

---

**I. INTRODUCTORY SECTION**

|                                       |       |
|---------------------------------------|-------|
| Table of Contents .....               | i     |
| Letter of Transmittal .....           | v     |
| Principal Officials .....             | xvii  |
| Administrative Organization .....     | xviii |
| ASBO Certificate of Achievement.....  | xix   |
| GFOA Certificate of Achievement ..... | xx    |

**II. FINANCIAL SECTION**

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

**Parma City School District, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Fiscal Year Ended June 30, 2006*  
*Table of Contents (continued)*

---

Combining Statements and Individual Fund Schedules:

Nonmajor Governmental Fund Descriptions ..... 55

Combining Statements – Nonmajor Governmental Funds:

Combining Balance Sheet – Nonmajor Governmental Funds..... 58

Combining Statement of Revenues, Expenditures and Changes in  
Fund Balances – Nonmajor Governmental Funds..... 59

Combining Balance Sheet – Nonmajor Special Revenue Funds..... 60

Combining Statement of Revenues, Expenditures and Changes in  
Fund Balances – Nonmajor Special Revenue Funds..... 64

Combining Balance Sheet – Nonmajor Capital Projects Funds ..... 68

Combining Statement of Revenues, Expenditures and Changes in  
Fund Balances – Nonmajor Capital Projects Funds ..... 69

Nonmajor Proprietary Fund Descriptions ..... 70

Combining Statements – Nonmajor Enterprise Funds:

Combining Statement of Fund Net Assets  
Nonmajor Enterprise Funds..... 71

Combining Statement of Revenues, Expenses and Changes in  
Fund Net Assets – Nonmajor Enterprise Funds ..... 72

Combining Statement of Cash Flows – Nonmajor Enterprise Funds..... 73

Agency Fund Descriptions..... 75

Combining Statement – Agency Funds:

Combining Statement of Changes in Assets and Liabilities – All Agency Funds ..... 76

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

Major Funds:

General Fund ..... 78

Bond Retirement Fund ..... 83

Permanent Improvement Fund ..... 84

Building Fund..... 86

Nonmajor Funds:

Public School Support Fund..... 87

Other Grants Fund..... 89

**Parma City School District, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Fiscal Year Ended June 30, 2006*  
*Table of Contents (continued)*

---

|   |     |
|---|-----|
| District Managed Student Activity Fund..... | 91  |
| Auxiliary Services Fund.....                | 92  |
| Professional Development Fund.....          | 93  |
| Disadvantaged Pupil Impact Aid Fund.....    | 94  |
| Network Connectivity Fund.....              | 95  |
| Ohio Reads Fund.....                        | 96  |
| Alternative Schools Fund.....               | 97  |
| State Grants Fund.....                      | 98  |
| Adult Basic Education Fund.....             | 100 |
| Title VI-B Fund.....                        | 101 |
| Vocational Education Fund.....              | 103 |
| Title I Fund.....                           | 104 |
| Title VI Fund.....                          | 106 |
| Drug Free Schools Fund.....                 | 107 |
| Preschool Grant Fund.....                   | 108 |
| Title VI-R Fund.....                        | 110 |
| Scholarship Fund.....                       | 111 |
| Venture Capital Fund.....                   | 112 |
| Managed Information Systems Fund.....       | 113 |
| Entry Year Grant Fund.....                  | 114 |
| School Net Subsidy Grant Fund.....          | 115 |
| Summer Intervention Fund.....               | 116 |
| Vocational Education Enhancements Fund..... | 117 |
| Poverty Aid Fund.....                       | 118 |
| Limited English Proficiency Grant Fund..... | 119 |
| Federal Refugee Children Fund.....          | 120 |
| Turf Replacement Fund.....                  | 121 |
| School Net Fund.....                        | 122 |

**Parma City School District, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Fiscal Year Ended June 30, 2006*  
*Table of Contents (continued)*

---

|                                      |     |
|--------------------------------------|-----|
| Food Service Fund.....               | 123 |
| Adult Continuing Education Fund..... | 124 |
| Extended Daycare/Preschool Fund..... | 125 |

**III. STATISTICAL SECTION**

|   |     |
|---|-----|
| Net Assets by Component – Last Six Fiscal Years .....   | S2  |
| Changes in Net Assets – Last Six Fiscal Years.....  | S4  |
| Program Revenues of Governmental Activities by Function – Last Six Fiscal Years.....                    | S6  |
| Fund Balances, Governmental Funds – Last Ten Fiscal Years.....  | S8  |
| Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years .....                              | S10 |
| Assessed and Estimated Actual Value of Taxable Property – Last Ten Years .....                          | S12 |
| Property Tax Rates (per \$1,000 of assessed value) – Last Eight Years .....                             | S14 |
| Property Tax Levies and Collections – Last Ten Years.....   | S18 |
| Principal Taxpayers, Real Estate Tax, 2005 and 1996.....  | S19 |
| Principal Taxpayers, Tangible Personal Property Tax, 2005 and 1996 .....                                | S20 |
| Principal Taxpayers, Public Utilities Tax, 2005 and 1996.....   | S21 |
| Ratio of Outstanding Debt<br>to Estimated Actual Value and Debt per Capita – Last Ten Fiscal Years..... | S22 |
| Computation of Legal Debt Margin – Last Ten Fiscal Years .....  | S24 |
| Computation of Direct and Overlapping Debt Attributable to Governmental Activities.....                 | S26 |
| Demographic and Economic Statistics.....  | S28 |
| Principal Employers .....   | S30 |
| Enrollment Statistics – Last Ten Fiscal Years.....  | S31 |
| School District Employees by Function/Program – Last Six Fiscal Years .....                             | S32 |
| Per Pupil Cost – Last Ten Fiscal Years.....   | S34 |
| Building Statistics by Function/Program – Last Six Fiscal Years .....                                   | S35 |
| Full-Time Equivalent Certified School District Employees by Education – Last Ten Fiscal Years .....     | S42 |
| Average Number of Students per Teacher – Last Ten School Years.....                                     | S44 |
| Attendance and Graduation Rates – Last Ten Fiscal Years .....   | S45 |

## Administration

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



**Parma City School District**  
*Serving Parma, Parma Heights and Seven Hills*

## Board of Education

Rosemary C. Gulick, President  
Karen S. Dendorfer, Vice President  
Cynthia Lee Bratz  
J. Kevin Kelley  
Kathleen A. Petro

January 19, 2007

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

We are pleased to submit to you the tenth annual Comprehensive Annual Financial Report (CAFR) of the 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 the 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. I make special note of the fact that this report is the School District's sixth year of compliance with the GASB Statement 34 reporting model. Please refer to page 3 which is the Management's Discussion and Analysis section of the CAFR. There will be an overview of the District's most significant funds as well as discussion of relevant financial issues.

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

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

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

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

## ***Reporting Entity***

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

The City of Parma, City of Parma Heights, City of Seven Hills and the Parent Teacher Association have not been included in the accompanying financial statements. Their 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, the Northeast Ohio Network for Educational Technology, and Ohio Schools Council Association, all jointly governed organizations whose relationship with the School District is described in Note 15 to the basic financial statements. A complete discussion of the School District's reporting entity is provided in Note 1 to the basic financial statements.

### ***School District Organization***

Parma City School District is the eleventh largest of the 612 school districts in the State of Ohio and the second largest of 31 school districts in Cuyahoga County. The School District provides education to 13,069 students in grades kindergarten through twelve. The average pupil/teacher ratio for fiscal year 2006 was 19.9 to 1. Additionally, the School District provides preschool, after school, twilight and summer school 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 academic and social skills and to promote the foundation for future learning.

***Elementary*** The elementary school program provides students with exposure to reading, language arts, mathematics, science, social studies, health, music, art and physical education. Basic skill development is the key, and problem solving has been a focus in the mathematics area. Science is taught in a hands-on manner at our fifteen elementary schools, and manipulative models are used extensively in the math classes. Currently, our elementary schools service students in kindergarten through grade six. Many of our elementary schools participate in the Governor's "Ohio Reads" Literacy program and the Contract-to-READ program in cooperation with the Cuyahoga County Public Library. Fifteen buildings receive reading and math 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, French, Spanish, computer keyboarding and industrial technology where students use the latest technology. Currently, our middle schools service students only in grades seven and eight. 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 - Grade 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 core subject and art for students who can meet the challenges of a college level course requiring the use of higher level thinking skills and self-discipline. High school courses have been expanded to include course offerings in business, computer science, art, music, family and consumer sciences, and physical education. A well-rounded, well-educated student is our goal. A comprehensive guidance program (individual and group) is maintained at each high school. A home liaison works with targeted students at the high school level and intercedes with their families when needed. Again this year, through drug free school monies, the high schools were able to hire drug and alcohol intervention specialists to work with students with substance abuse issues.

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

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

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

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

***Certified Staff*** The average experience of the certified staff is 13.5 years and 65.3 percent of the certified staff has a master's or doctorate degree. Textbook authors, doctorates, nationally known speakers and recognized experts in specific fields of study are among the School District's teachers and administrators. A blend of experienced staff along with many new teachers offer students of the Parma City School District one of the strongest faculties in the area.

## ***Programs of Special Interest***

***Media Center Program*** Each school has its own library/media center. These centers provide students with access to books, magazines, CDs, Internet access, and computers to work on research papers or to just stay in touch with the changes around the world. Printed, audio-visual and computer based materials are available in an “open” atmosphere where students are encouraged to use library skills. All schools have multi-media computer workstations.

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

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

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

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

***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. In addition, the School District employs a K-12 gifted education supervisor as well as middle school and high school teachers of the gifted.

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 career-technology 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, tech-prep automotive service technology, and occupational work experience, and networking (CISCO) academy. Some of these programs allow the students to earn college credit while still in high school. About 29 percent of the high school students participate in career-technology course programming. The School District continues to re-evaluate every career-technology program for validity in the work world and for upgrading as a result of technology advances.

**High School College Preparatory Program** The College bound program offers academically challenging courses for students planning to attend college. A student following this course pathway can gain unrestricted access to most colleges since qualifications are met on a general and extensive level. Students can also generally meet the requirements to obtain an “honors” diploma from the State Department of Education. Approximately 60 percent of the students in the School District participate in post secondary programs, including the challenging Advanced Placement Program through which they can earn college credit for high school course work. Students also enroll in post-secondary options through our local colleges and universities.

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

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

**Extended Daycare Program** The Parma City School District sponsors a self-supported, tuition-based Extended Day Care and Kindergarten Extended Day Care program. The Extended Day Care program is available in elementary schools from 6:00 a.m. to 9:15 a.m. and 3:00 p.m. to 6:00 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 6:00 p.m. These programs provide child care for children kindergarten through sixth grade on regularly scheduled school days. Tuition is based upon number of scheduled days.

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

**Graduate Equivalence Diploma (GED) Testing** The Parma City School’s GED program is one of the top test centers in the State of Ohio, with a pass rate of 71 percent. Individuals who prepare to take the test and meet requirements for test readiness have over a 90.0 percent chance of passing the GED test.

Individuals must be 18 years old or older and formally withdrawn from school; however, 16 and 17 year-olds can be eligible with completion of an age waiver form. Individuals do not have to live in the Parma area to participate in this program. Anyone who passes the pretest will receive a waiver for the test fee. The GED test is offered at least twice a month throughout the fiscal year. A recognition ceremony is held annually to honor those who participated in the program.

### ***Economic Condition and Outlook***

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

With major employers including General Motors, Parma Community General Hospital and the Parma City School District, the area continues to flourish. Recent economic developments include the comprehensive renovation of Parmatown Mall which included the addition of a Wal-Mart store.

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

### ***Major Initiatives***

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

Upon receiving the data driven District-wide objectives, buildings then begin the writing of their individual plans. Each plan affords our schools the opportunity to address the needs of their community while at the same time incorporating the District vision. The writing of CIP plans is completed by school and department teams designated by building administration. Writing teams often consist of administration, faculty, community business partners, students, and parents. Upon review by the Deputy Superintendent, plans are then submitted to the Board of Education for approval. The details and rigor of this process has recently received national accolades by receiving the Magna Award from the National School Boards' Association. The Parma City School District was also the cover story for the Ohio School Boards Association November 2005 Issue of the Journal.

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 has also launched a highly aggressive program of staff training in research-based classroom practice.

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. Two 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 School District also employs a science specialist and two mathematics specialists.

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

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

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

Communication with employees and stakeholders in the community continues through the publication of “Images” and “Images Online.” “Images” is a publication from the Superintendent. It was developed to inform the greater public of the activities of the district. It is published five times per year and mailed to local residents. The “Images Online” is the weekly e-publication that is created by the School District and distributed to all employees. The Superintendent discusses current initiatives, highlights outstanding employees, and recaps student performance.

### ***Financial Update***

During the previous fiscal year and fiscal year 2006, 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:

|                  |   |
|------------------|---|
| October 25, 2004 | Adoption of amended updated 2004-2005 budget estimate and fiscal projections 2005-2006 through 2008-2009.   |
| January 24, 2005 | Approval of the H.B. 264 Phase VII Energy Conservation Project.   |
| February 8, 2005 | \$9,197,860 renewal levy approved by voters.<br>New tax levy consisting of 4.9 mills for continuing operating expenses and 1 mill for on-going permanent improvements was not approved by the voters. |
| May 3, 2005      | New tax levy consisting of 4.9 mills for continuing operating expenses and 1 mill for on-going permanent improvements was approved by the voters.   |
| June 13, 2005    | Adoption of amended updated 2004-2005 budget estimate and fiscal projections 2005-2006 through 2008-2009.   |
| June 15, 2005    | Approval of \$11 million (TAN) Tax Anticipatory Note to continue permanent improvements within the District.  |

|                    |  |
|--------------------|--|
| October 17, 2005   | Adoption of amended updated 2005-2006 budget estimate and fiscal projections 2006-2007 through 2009-2010.  |
| February 27, 2006  | Approval of a three year labor agreement with the (PEA) Parma Education Association certified staff.   |
| April 20, 2006     | Approval of financing for improvements to the following buildings: Pleasant Valley Elementary School, Greenbriar Middle School, Valley Forge High School and Parma Senior High School. |
| September 18, 2006 | Approval of three year labor agreement with classified staff.  |
| October 9, 2006    | Adoption of amended updated 2006-2007 budget estimate and fiscal projections 2007-2008 through 2010-2011.  |
| November 7, 2006   | \$8,062,500 renewal levy approved by voters.   |

Throughout fiscal year 2006, 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 2005-2006 accomplishments:

- Susan Rueger, principal at Pleasant Valley Elementary School, was named Ohio Principal of the Year.
- The School District has maintained an Effective rating.
- Completed work on H.B. 264 Phase VII Energy Conservation Project.
- Began work on building consolidation with the following work in process or completed:
  - Moving central office administration to Parma Senior High School,
  - Renovating fourteen classrooms at Parma Senior High School and Valley Forge High School and eight new classrooms at Pleasant Valley Elementary School,
  - Relocating the maintenance department to Valley Forge High School, and
  - Making improvements to the pool at Parma Senior High School.
- Began program for high school students to run cable television station in conjunction with Cox Communications.
- Began project including the City of Parma, PSE Credit Union and the District where property is given to the Vocational Education students to renovate a home in the District under district staff supervision with proceeds from the sale of the completed home going toward the purchase of another property to make this an on-going learning experience for vocational students in the District.
- The School District earned the GFOA's Certificate of Achievement for Excellence in Financial Reporting and ASBO's Certificate of Excellence in Financial Reporting for the 2005 Comprehensive Annual Financial Report.

As we look forward, several major fiscal concerns are facing the School District. The first is the impact of school funding reform in the State of Ohio. The second is the continued rapid escalation of the cost of Special Education programming. The third is the concern over the rapidly escalating cost of health care insurance. The fourth is the impact of Community School funding reductions. The following are major open issues that were identified in the 2005-2006 budget and 2006-2007 budget:

- Ohio Legislative action to fully fund the Ohio Supreme Court's Ruling (DeRolph vs. State of Ohio).
- Funding the Technology Plan.
- Fund and implement new Voice Over IP phone system in the District.
- 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 and IDEA.
- Continue to improve buildings and grounds with an \$11,000,000 Permanent Improvement Project and to complete the \$12,500,000 consolidation and renovation projects scheduled at Pleasant Valley Elementary, Greenbriar Middel School, Valley Forge High School and Parma Senior High School.

The ongoing legislative efforts to support the existence of community (charter) schools come at the expense of our current State subsidy. This year \$2,978,563 will be deducted from our State subsidy and redirected to local community (charter) schools.

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

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

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

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

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

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

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

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

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

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

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

As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the School District. This discussion is presented in the financial section of this report after the Independent Accountants' Report and provides an assessment of the School District finances for 2006.

### ***Cash Management***

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

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC) as well by qualified securities pledged by the institution holding the assets. By law, financial institutions may establish a collateral pool to cover all public deposits. The market value of the pooled collateral must be equal to at least 105 percent of uninsured 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 fund and pays a premium based upon a rate per \$100 of salaries.

The School District contracted with the Indiana Insurance Company for property coverage insurance with a limit of \$258,589,726 with a \$25,000 deductible.

The School District contracted with Indiana Insurance to provide comprehensive general liability protection with a \$1,000,000 single occurrence limit for general liability and personal injury and \$2,000,000 general aggregate with no deductible.

Indiana Insurance provided the School District's vehicle coverage for the fiscal year 2006. The auto liability and uninsured motorist limits per accident were \$1,000,000 with no deductible.

The School District's school leader's errors and omissions coverage was provided by Indiana Insurance with a \$1,000,000 aggregate and a \$25,000 deductible.

The School District has a full time risk manager.

### ***Pension Plans***

All School District employees are covered by the state-wide School Employees Retirement System of Ohio (SERS) or the State Teachers Retirement System (STRS). The School District's employer contributions to both systems are based on a percentage of employees' salaries. State law requires the School District to pay the employer share as determined by each retirement system. See Notes 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 Mary Taylor, Auditor of State, was selected to render an opinion on the School District's financial statements as of June 30, 2006. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Pursuant to statute, the State prescribed a uniform accounting system to standardize accounting classification and financial reporting for all school districts in Ohio. The School District adopted and has been in conformance with that system beginning with its financial report for the 1999 fiscal year.

## *Awards*

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

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

## *Acknowledgments*

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

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

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

Respectfully submitted,

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

Dr. Sarah C. Zatik  
Superintendent  
Parma City School District



***Parma City School District***  
*Principal Officials*  
*June 30, 2006*

**Board of Education**

Rosemary C. Gulick..... President  
Karen S. Dendorfer..... Vice-President  
Cynthia Lee Bratz.....Member  
J. Kevin Kelley .....Member  
Kathleen A. Petro.....Member

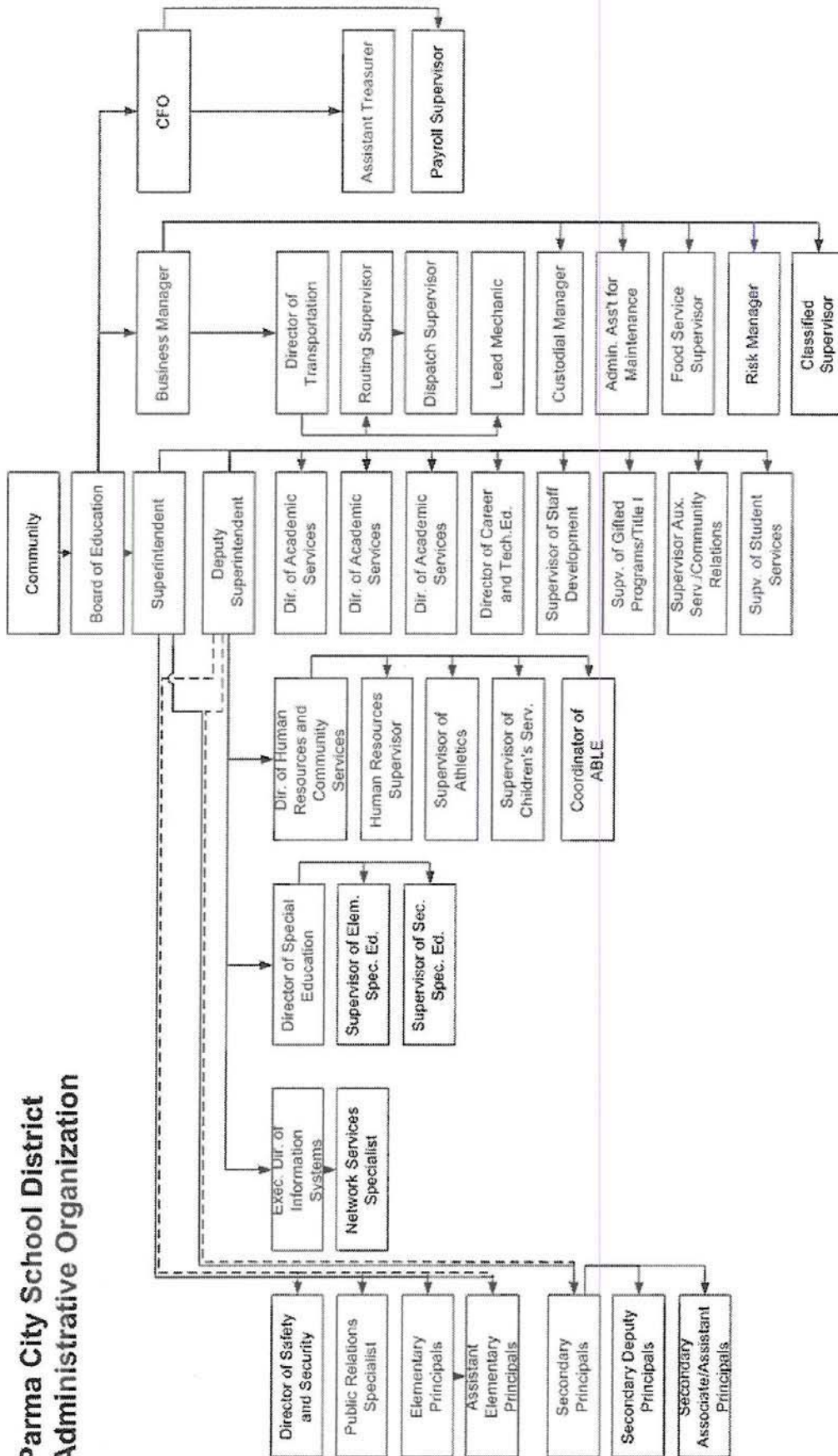
**Chief Financial Officer/Budget Director**

Bruce Basalla

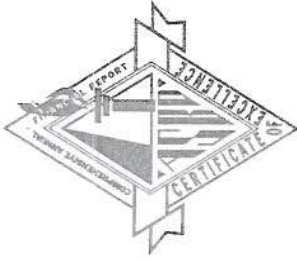
**Administration**

Dr. Sarah C. Zatik..... Superintendent  
Dr. Christina M. Dinklocker..... Deputy Superintendent  
Mark Daniels .....Business Manager

# Parma City School District Administrative Organization



ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL



This Certificate of Excellence in Financial Reporting

*is presented to*

**Parma City School District, Ohio**



For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2005

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

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Executive Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Parma City School District,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2005

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.



*Carm E. Judge*

President

*Jeffrey R. Emen*

Executive Director



# Mary Taylor, CPA

Auditor of State

Parma City School District  
Cuyahoga County  
5311 Longwood Avenue  
Parma, Ohio 44134

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the 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, 2006, 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 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, the 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, 2006, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2007, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquires of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA  
Auditor of State

January 19, 2007

**Parma City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2006*  
*Unaudited*

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The discussion and analysis of Parma City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2006. 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, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for 2006 are as follows:

- Total net assets increased \$.4 million, an increase of \$.2 million in Governmental Activities and an increase of \$.2 million in Business-Type Activities.
- General revenues accounted for \$119.6 million in revenue or 87.5 percent of all revenues for all Governmental Activities. Program specific revenues in the form of charges for services and sales and operating grants and contributions accounted for \$17.1 million or 12.5 percent of total revenues of \$136.7 million.
- Total program expenses were \$136.5 million in Governmental Activities and \$4.6 million in Business-Type Activities.
- Outstanding long-term debt increased by \$24.0 million to \$57.8 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 2006 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.

**Parma City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2006*  
*Unaudited*

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

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

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

***Reporting the School District's Most Significant Funds***

*Fund Financial Statements*

The analysis of the School District's major funds begins on page 8. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for its financial transactions. However, these fund financial statements concentrate on the School District's most significant funds. The School District's major governmental funds are the general fund, the bond retirement debt service fund, the permanent improvement capital projects fund and the building 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, 2006*  
*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 2006 compared to 2005:

(Table 1)  
Net Assets  
(In millions)

|                               | Governmental Activities |               | Business-Type Activities |              | Total         |               |
|-------------------------------|-------------------------|---------------|--------------------------|--------------|---------------|---------------|
|                               | 2006                    | 2005          | 2006                     | 2005         | 2006          | 2005          |
| <b>Assets</b>                 |                         |               |                          |              |               |               |
| Current and Other Assets      | \$145.4                 | \$117.1       | \$1.0                    | \$0.7        | \$146.4       | \$117.8       |
| Capital Assets, Net           | 52.1                    | 45.2          | 0.1                      | 0.1          | 52.2          | 45.3          |
| <b>Total Assets</b>           | <b>197.5</b>            | <b>162.3</b>  | <b>1.1</b>               | <b>0.8</b>   | <b>198.6</b>  | <b>163.1</b>  |
| <b>Liabilities</b>            |                         |               |                          |              |               |               |
| Current and Other Liabilities | 99.4                    | 87.4          | 0.2                      | 0.1          | 99.6          | 87.5          |
| Long-Term Liabilities:        |                         |               |                          |              |               |               |
| Due Within One Year           | 4.8                     | 4.3           | 0.0                      | 0.0          | 4.8           | 4.3           |
| Due in More than One Year     | 62.1                    | 39.6          | 0.1                      | 0.1          | 62.2          | 39.7          |
| <b>Total Liabilities</b>      | <b>166.3</b>            | <b>131.3</b>  | <b>0.3</b>               | <b>0.2</b>   | <b>166.6</b>  | <b>131.5</b>  |
| <b>Net Assets</b>             |                         |               |                          |              |               |               |
| Invested in Capital           |                         |               |                          |              |               |               |
| Assets, Net of Debt           | 10.8                    | 11.3          | 0.1                      | 0.1          | 10.9          | 11.4          |
| Restricted                    |                         |               |                          |              |               |               |
| Capital Projects              | 6.5                     | 3.3           | 0.0                      | 0.0          | 6.5           | 3.3           |
| Debt Service                  | 0.2                     | 0.3           | 0.0                      | 0.0          | 0.2           | 0.3           |
| Public School Support         | 0.5                     | 0.5           | 0.0                      | 0.0          | 0.5           | 0.5           |
| Auxiliary Services            | 0.2                     | 0.0           | 0.0                      | 0.0          | 0.2           | 0.0           |
| Title VI-B Grant              | 0.2                     | 0.1           | 0.0                      | 0.0          | 0.2           | 0.1           |
| Title I Grant                 | 0.2                     | 0.1           | 0.0                      | 0.0          | 0.2           | 0.1           |
| Title VI-R Grant              | 0.1                     | 0.1           | 0.0                      | 0.0          | 0.1           | 0.1           |
| Other Purpose                 | 0.8                     | 0.8           | 0.0                      | 0.0          | 0.8           | 0.8           |
| Unrestricted                  | 11.7                    | 14.5          | 0.7                      | 0.5          | 12.4          | 15.0          |
| <b>Total Net Assets</b>       | <b>\$31.2</b>           | <b>\$31.0</b> | <b>\$0.8</b>             | <b>\$0.6</b> | <b>\$32.0</b> | <b>\$31.6</b> |

Total assets of governmental activities increased \$35.2 million. The majority of the increase is attributable to equity in pooled cash and cash equivalents increasing \$20.4 million, taxes receivable increasing \$6.9 million, and capital assets increasing \$6.9 million.

Total liabilities for governmental activities increased by \$35.0 million. This increase was the result of increased long-term liabilities of \$23.0 million, increased deferred revenue of \$8.4 million, and increased contracts payable of \$2.6 million. The increase of \$23.0 million in long-term liabilities is a direct result of new debt being issued during fiscal year 2006.

The net impact for governmental activities was an increase of net assets by \$.2 million.

**Parma City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2006*  
*Unaudited*

Table 2 shows the changes in net assets for the fiscal year 2006 for both our Governmental activities and our Business-Type activities. Since this is the sixth year the School District is reporting under the GASB 34 reporting model, revenue and expense comparisons can be made between the years 2005 and 2006.

**Table 2**  
Change in Net Assets  
(In millions)

|  | Governmental<br>Activities |               | Business-Type<br>Activities |              | Total         |               |
|--|----------------------------|---------------|-----------------------------|--------------|---------------|---------------|
|  | 2006                       | 2005          | 2006                        | 2005         | 2006          | 2005          |
| <b>Revenues</b>  |                            |               |                             |              |               |               |
| Program Revenues:  |                            |               |                             |              |               |               |
| Charges for Services                                       | \$5.2                      | \$4.8         | \$3.5                       | \$3.4        | \$8.7         | \$8.2         |
| Operating Grants and Contributions                         | 11.9                       | 11.8          | 1.3                         | 1.2          | 13.2          | 13.0          |
| Capital Grants and Contributions                           | 0.0                        | 0.1           | 0.0                         | 0.0          | 0.0           | 0.1           |
| <i>Total Program Revenues</i>                              | <u>17.1</u>                | <u>16.7</u>   | <u>4.8</u>                  | <u>4.6</u>   | <u>21.9</u>   | <u>21.3</u>   |
| General Revenues:  |                            |               |                             |              |               |               |
| Property Taxes   | 83.8                       | 78.2          | 0.0                         | 0.0          | 83.8          | 78.2          |
| Grants and Entitlements                                    | 32.8                       | 34.2          | 0.0                         | 0.0          | 32.8          | 34.2          |
| Investment Earnings  | 1.8                        | 0.8           | 0.0                         | 0.0          | 1.8           | 0.8           |
| Miscellaneous  | 1.2                        | 1.0           | 0.0                         | 0.0          | 1.2           | 1.0           |
| <i>Total General Revenues</i>                              | <u>119.6</u>               | <u>114.2</u>  | <u>0.0</u>                  | <u>0.0</u>   | <u>119.6</u>  | <u>114.2</u>  |
| Total Revenues   | <u>136.7</u>               | <u>130.9</u>  | <u>4.8</u>                  | <u>4.6</u>   | <u>141.5</u>  | <u>135.5</u>  |
| <b>Program Expenses</b>                                    |                            |               |                             |              |               |               |
| Instruction  | 78.2                       | 75.7          | 0.0                         | 0.0          | 78.2          | 75.7          |
| Support Services:  |                            |               |                             |              |               |               |
| Pupil and Instructional Staff                              | 13.2                       | 12.2          | 0.0                         | 0.0          | 13.2          | 12.2          |
| Board of Education, Administration,<br>Fiscal and Business | 14.8                       | 14.0          | 0.0                         | 0.0          | 14.8          | 14.0          |
| Operation and Maintenance of Plant                         | 13.6                       | 13.1          | 0.0                         | 0.0          | 13.6          | 13.1          |
| Pupil Transportation                                       | 6.2                        | 5.4           | 0.0                         | 0.0          | 6.2           | 5.4           |
| Central  | 1.6                        | 2.1           | 0.0                         | 0.0          | 1.6           | 2.1           |
| Operation of Non-Instructional Services                    | 4.1                        | 4.9           | 0.0                         | 0.0          | 4.1           | 4.9           |
| Enterprise Operations                                      | 0.0                        | 0.0           | 4.6                         | 4.4          | 4.6           | 4.4           |
| Extracurricular Activities                                 | 3.1                        | 2.8           | 0.0                         | 0.0          | 3.1           | 2.8           |
| Interest and Fiscal Charges                                | 1.7                        | 1.4           | 0.0                         | 0.0          | 1.7           | 1.4           |
| Total Program Expenses                                     | <u>136.5</u>               | <u>131.6</u>  | <u>4.6</u>                  | <u>4.4</u>   | <u>141.1</u>  | <u>136.0</u>  |
| Excess Revenues Over (Under) Expenses                      | 0.2                        | (0.7)         | 0.2                         | 0.2          | 0.4           | (0.5)         |
| Transfers  | 0.0                        | (0.1)         | 0.0                         | 0.1          | 0.0           | 0.0           |
| Change in Net Assets                                       | 0.2                        | (0.8)         | 0.2                         | 0.3          | 0.4           | (0.5)         |
| <i>Net Assets Beginning of Year</i>                        | <u>31.0</u>                | <u>31.8</u>   | <u>0.6</u>                  | <u>0.3</u>   | <u>31.6</u>   | <u>32.1</u>   |
| <i>Net Assets End of Year</i>                              | <u>\$31.2</u>              | <u>\$31.0</u> | <u>\$0.8</u>                | <u>\$0.6</u> | <u>\$32.0</u> | <u>\$31.6</u> |

**Parma City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2006*  
*Unaudited*

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Total governmental activities net assets increased \$.2 million. Property taxes increased \$5.6 million due to the passage of a new 4.9 mill continuing operating levy passed in May 2005; grants and entitlements decreased \$1.4 million due to a \$1.0 million drop in Medical Assistance/Medicaid Title XIX funding and a general decrease in the size of Federal and State grants from the prior fiscal year.

The increase of \$2.5 million in instructional program expenses and \$1.0 million in pupil and instructional staff expenses reflects both the increased cost of wages and benefits.

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 61.3 percent of revenues for governmental activities for Parma Schools in fiscal year 2006.

The largest Governmental Activities program expense remains instruction, comprising 57.3 percent of total expenses. When combined with pupils and instructional support these categories make up 67.0 percent of expenses.

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

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

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

**Parma City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2006*  
*Unaudited*

Table 3  
 Governmental Activities  
 (In millions)

|   | Total Cost<br>of Services<br>2006 | Net Cost<br>of Services<br>2006 | Total Cost<br>of Services<br>2005 | Net Cost<br>of Services<br>2005 |
|---|-----------------------------------|---------------------------------|-----------------------------------|---------------------------------|
| Instruction                             | \$78.2                            | \$71.5                          | \$75.7                            | \$68.8                          |
| Support Services:                       |                                   |                                 |                                   |                                 |
| Pupils and Instructional Staff          | 13.2                              | 10.4                            | 12.2                              | 9.2                             |
| Board of Education, Administration      |                                   |                                 |                                   |                                 |
| Fiscal and Business                     | 14.8                              | 13.7                            | 14.0                              | 13.4                            |
| Operation and Maintenance               | 13.6                              | 13.0                            | 13.1                              | 13.0                            |
| Pupil Transportation                    | 6.2                               | 5.9                             | 5.4                               | 5.1                             |
| Central                                 | 1.6                               | 1.4                             | 2.1                               | 1.9                             |
| Operating of Non-Instructional Services | 4.1                               | (0.3)                           | 4.9                               | 0.4                             |
| Extracurricular Activities              | 3.1                               | 2.1                             | 2.8                               | 1.7                             |
| Interest and Fiscal Charges             | 1.7                               | 1.7                             | 1.4                               | 1.4                             |
| <b>Total</b>                            | <b>\$136.5</b>                    | <b>\$119.4</b>                  | <b>\$131.6</b>                    | <b>\$114.9</b>                  |

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 increased \$.2 million in 2006. Business-type activities cash positions 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. The general fund had total revenues of \$118.7 million and expenditures of \$121.7 million. The net change in fund balance for the year was a decrease of \$3.2 million.

The bond retirement debt service fund had total revenues of \$3.3 million and expenditures of \$2.8 million. The net change in fund balance for the year was an increase of \$0.7 million.

The permanent improvement capital projects fund had total revenues of \$2.8 million and expenditures of \$9.0 million. The net change in fund balance for the year was an increase of \$8.3 million. The permanent improvement fund had significant activity due to the School District's involvement in HB264 energy conservation projects and the issuance of \$3.5 million energy conservation loans on July 21, 2005 to continue permanent improvements within the District. The District also issued \$11.0 million in construction notes during the fiscal year.

**Parma City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2006*  
*Unaudited*

The building capital projects fund had total expenditures of \$2.1 million. The net change in fund balance for the year was an increase of \$10.3 million. The building fund was established to account for the District's building consolidation project. \$12.6 million in certificates of participation were issued on June 21, 2006 to fund this project.

***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 year 2006, 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, original and final budget basis estimated revenues were \$120.7 million. Total actual revenues were \$120.8 million.

Final appropriations for the general fund increased by \$5.5 million from the original appropriations due to the inclusion of additional appropriations supported by revenues generated by a new 4.9 mill continuing operating levy passed in May 2005. Total actual expenditures on the budget basis (cash outlays plus encumbrances) were \$122.8 million.

***Capital Assets and Debt Administration***

***Capital Assets***

At the end of fiscal 2006 the School District had \$52.3 million invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles, and construction in progress, \$52.2 million of which is in governmental activities. Table 4 shows fiscal 2006 balances compared to 2005:

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

|                            | Governmental<br>Activities |               | Business-Type<br>Activities |              | Total         |               |
|----------------------------|----------------------------|---------------|-----------------------------|--------------|---------------|---------------|
|                            | 2006                       | 2005          | 2006                        | 2005         | 2006          | 2005          |
| Land                       | \$5.1                      | \$5.1         | \$0.0                       | \$0.0        | \$5.1         | \$5.1         |
| Land Improvements          | 7.7                        | 5.7           | 0.0                         | 0.0          | 7.7           | 5.7           |
| Buildings and Improvements | 29.8                       | 30.2          | 0.0                         | 0.0          | 29.8          | 30.2          |
| Furniture and Equipment    | 2.1                        | 1.9           | 0.1                         | 0.1          | 2.2           | 2.0           |
| Vehicles                   | 2.5                        | 2.3           | 0.0                         | 0.0          | 2.5           | 2.3           |
| Construction in Progress   | 5.0                        | 0.0           | 0.0                         | 0.0          | 5.0           | 0.0           |
| <b>Totals</b>              | <b>\$52.2</b>              | <b>\$45.2</b> | <b>\$0.1</b>                | <b>\$0.1</b> | <b>\$52.3</b> | <b>\$45.3</b> |

**Parma City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2006*  
*Unaudited*

The \$5.0 million in construction in progress resulted from District-wide permanent improvement projects paid for by debt issued by the District for this purpose. For fiscal year 2006, 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 2006, this amounted to \$2.0 million for each set aside. For fiscal year 2006, the School District had qualifying disbursements or offsets exceeding these requirements. See Note 8 to the basic financial statements for additional information on capital assets.

**Debt**

At June 30, 2006 the School District had \$57.8 million in bonds, notes, loans, and certificates of participation outstanding, \$4.2 million due within one year. The debt will be serviced with tax revenue from the March 2000 2.0 mill permanent improvement levy, the May 2005 1.0 mill permanent improvement levy, and general property tax revenue. Table 5 summarizes bonds, notes and loans outstanding.

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

|   | Governmental Activities |        |
|---|-------------------------|--------|
|   | 2006                    | 2005   |
| 1999 Byers Field General Obligation Bonds               | \$1.0                   | \$1.3  |
| 2002 Construction Note                                  | 14.9                    | 16.8   |
| 2006 Construction Note                                  | 11.0                    | 0.0    |
| 2006 Construction Note Unamortized Premium              | 0.2                     | 0.0    |
| 2003 Energy Conservation Loan (Phase IV)                | 1.9                     | 2.0    |
| 2004 Energy Conservation Loan (Phase V)                 | 5.6                     | 6.0    |
| 2004 Energy Conservation Loan (Phase VI)                | 4.9                     | 5.2    |
| 2005 Energy Conservation Loan (Phase VII)               | 2.4                     | 2.5    |
| 2006 Energy Conservation Loan (Phase VIII & IX)         | 3.4                     | 0.0    |
| 2006 Certificates of Participation                      | 12.6                    | 0.0    |
| 2006 Certificates of Participation Unamortized Discount | (0.1)                   | 0.0    |
| Totals  | \$57.8                  | \$33.8 |

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

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

In 2004, the School District borrowed \$12.3 million for two HB 264 Energy Conservation projects. One loan will be paid off in 2017 and the other loan will be paid off in 2019.

In 2005, the School District borrowed \$2.5 million for a HB 264 Energy Conservation project. The loan will be paid off in 2020.

**Parma City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2006*  
*Unaudited*

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In 2006, the School District borrowed \$11.0 million in a construction note, \$3.5 million in an energy conservation loan, and \$12.6 million in certificates of participation. The construction note is to provide for the general ongoing permanent improvements of the School District and will be paid off in 2016. The energy conservation loan is for two HB 264 Energy Conservation projects and will be paid off in 2021. The certificates of participation were issued for capital improvements to several school buildings and will be paid off in 2018.

At June 30, 2006, the School District's overall legal debt margin was \$206,550,557 with an unvoted debt margin of \$2,293,972. See Note 14 to the basic financial statements for additional information on debt.

***School District Outlook***

The Board of Education and administration have implemented fiscal management disciplines that utilize a variety of formal plans. We are working within the five-year budget plan, the five-year capital repairs and renovations plan, the five-year enrollment projections, and the Auditor of State's performance audit. A \$9.2 million renewal levy was passed in February 2005, and a new money issue was passed in May 2005 generating \$11.6 million annually starting in January 2006.

Significant legislative and judicial actions continue to occur that will have a major impact on our School District. 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. For fiscal year 2006, \$2,978,563 was 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.

**Contacting the School District Fiscal Management**

This financial report was designed to comply with the most current reporting requirements and is intended to provide our parents, citizens, taxpayers, investors and creditors an understanding of the School District's financial position. Bruce G. Basalla, Chief Financial Officer, can be contacted at the Parma City School District, 5311 Longwood Avenue, Parma, Ohio 44134 or by email at [brucebasa@parma.k12.oh.us](mailto:brucebasa@parma.k12.oh.us).

## **Basic Financial Statements**



**Parma City School District**

*Statement of Net Assets*

*June 30, 2006*

|   | Governmental<br>Activities | Business-Type<br>Activities | Total               |
|---|----------------------------|-----------------------------|---------------------|
| <b>Assets</b>                                   |                            |                             |                     |
| Equity in Pooled Cash and Cash Equivalents      | \$47,022,434               | \$1,042,470                 | \$48,064,904        |
| Accounts Receivable                             | 670,267                    | 79,506                      | 749,773             |
| Accrued Interest Receivable                     | 53,725                     | 0                           | 53,725              |
| Intergovernmental Receivable                    | 599,920                    | 255,081                     | 855,001             |
| Prepaid Items                                   | 141,169                    | 0                           | 141,169             |
| Internal Balances                               | 421,890                    | (421,890)                   | 0                   |
| Materials and Supplies Inventory                | 317,616                    | 0                           | 317,616             |
| Inventory Held for Resale                       | 0                          | 15,482                      | 15,482              |
| Property Taxes Receivable                       | 95,432,076                 | 0                           | 95,432,076          |
| Deferred Charges                                | 703,095                    | 0                           | 703,095             |
| Nondepreciable Capital Assets                   | 10,143,436                 | 0                           | 10,143,436          |
| Depreciable Capital Assets, Net                 | 42,021,471                 | 114,337                     | 42,135,808          |
| <i>Total Assets</i>                             | <u>197,527,099</u>         | <u>1,084,986</u>            | <u>198,612,085</u>  |
| <b>Liabilities</b>                              |                            |                             |                     |
| Accounts Payable                                | 1,637,155                  | 1,905                       | 1,639,060           |
| Contracts Payable                               | 2,879,401                  | 0                           | 2,879,401           |
| Accrued Wages and Benefits                      | 8,819,813                  | 34,297                      | 8,854,110           |
| Intergovernmental Payable                       | 5,342,166                  | 123,575                     | 5,465,741           |
| Deferred Revenue                                | 80,262,780                 | 0                           | 80,262,780          |
| Accrued Interest Payable                        | 184,822                    | 0                           | 184,822             |
| Retainage Payable                               | 283,400                    | 0                           | 283,400             |
| Long-Term Liabilities:                          |                            |                             |                     |
| Due Within One Year                             | 4,759,795                  | 4,136                       | 4,763,931           |
| Due In More Than One Year                       | 62,104,604                 | 94,829                      | 62,199,433          |
| <i>Total Liabilities</i>                        | <u>166,273,936</u>         | <u>258,742</u>              | <u>166,532,678</u>  |
| <b>Net Assets</b>                               |                            |                             |                     |
| Invested in Capital Assets, Net of Related Debt | 10,762,705                 | 114,337                     | 10,877,042          |
| Restricted for:                                 |                            |                             |                     |
| Capital Projects                                | 6,482,337                  | 0                           | 6,482,337           |
| Debt Service                                    | 210,273                    | 0                           | 210,273             |
| Public School Support                           | 514,578                    | 0                           | 514,578             |
| Auxiliary Services                              | 181,251                    | 0                           | 181,251             |
| Title VI-B Grant                                | 223,897                    | 0                           | 223,897             |
| Title I Grant                                   | 201,452                    | 0                           | 201,452             |
| Title VI-R Grant                                | 126,978                    | 0                           | 126,978             |
| Other Purposes                                  | 816,419                    | 0                           | 816,419             |
| Unrestricted                                    | 11,733,273                 | 711,907                     | 12,445,180          |
| <i>Total Net Assets</i>                         | <u>\$31,253,163</u>        | <u>\$826,244</u>            | <u>\$32,079,407</u> |

See accompanying notes to the basic financial statements

**Parma City School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2006

|   | Program Revenues     |                                   |                                       |
|---|----------------------|-----------------------------------|---------------------------------------|
|   | Expenses             | Charges for<br>Services and Sales | Operating Grants<br>and Contributions |
| <b>Governmental Activities</b>          |                      |                                   |                                       |
| Instruction:                            |                      |                                   |                                       |
| Regular                                 | \$57,535,170         | \$2,032,299                       | \$1,168,125                           |
| Special                                 | 16,913,097           | 530,000                           | 2,646,729                             |
| Vocational                              | 3,572,570            | 130,879                           | 39,423                                |
| Adult/Continuing                        | 138,768              | 324                               | 122,330                               |
| Support Services:                       |                      |                                   |                                       |
| Pupils                                  | 7,480,653            | 243,345                           | 857,786                               |
| Instructional Staff                     | 5,700,431            | 153,467                           | 1,535,647                             |
| Board of Education                      | 955,548              | 35,092                            | 9,040                                 |
| Administration                          | 10,516,633           | 364,185                           | 690,472                               |
| Fiscal                                  | 2,219,018            | 79,325                            | 20,435                                |
| Business                                | 1,239,503            | 41,479                            | 10,685                                |
| Operation and Maintenance of Plant      | 13,561,145           | 425,144                           | 110,804                               |
| Pupil Transportation                    | 6,177,626            | 218,818                           | 96,023                                |
| Central                                 | 1,616,584            | 55,814                            | 130,323                               |
| Operation of Non-Instructional Services | 4,112,226            | 1,093                             | 4,415,845                             |
| Extracurricular Activities              | 3,077,275            | 906,445                           | 21,488                                |
| Interest and Fiscal Charges             | 1,708,765            | 0                                 | 0                                     |
| <i>Total Governmental Activities</i>    | <u>136,525,012</u>   | <u>5,217,709</u>                  | <u>11,875,155</u>                     |
| <b>Business-Type Activities</b>         |                      |                                   |                                       |
| Food Service                            | 3,190,388            | 2,283,014                         | 1,184,952                             |
| Adult Continuing Education              | 115,088              | 87,919                            | 22,034                                |
| Extended Day Care/Preschool             | 1,332,056            | 1,120,330                         | 154,380                               |
| <i>Total Business-Type Activities</i>   | <u>4,637,532</u>     | <u>3,491,263</u>                  | <u>1,361,366</u>                      |
| <i>Totals</i>                           | <u>\$141,162,544</u> | <u>\$8,708,972</u>                | <u>\$13,236,521</u>                   |

**General Revenues**

Property Taxes Levied for:  
General Purposes  
Debt Service  
Capital Projects  
Grants and Entitlements not  
Restricted to Specific Programs  
Investment Earnings  
Gain on Sale of Capital Assets  
Miscellaneous

*Total General Revenues*

Change in Net Assets

*Net Assets Beginning of Year*

*Net Assets End of Year*

See accompanying notes to the basic financial statements

| Net (Expense) Revenue<br>and Changes in Net Assets |                             |                      |
|--|-----------------------------|----------------------|
| Governmental<br>Activities                         | Business-Type<br>Activities | Total                |
| (\$54,334,746)                                     | \$0                         | (\$54,334,746)       |
| (13,736,368)                                       | 0                           | (13,736,368)         |
| (3,402,268)  | 0                           | (3,402,268)          |
| (16,114)   | 0                           | (16,114)             |
| (6,379,522)  | 0                           | (6,379,522)          |
| (4,011,317)  | 0                           | (4,011,317)          |
| (911,416)  | 0                           | (911,416)            |
| (9,461,976)  | 0                           | (9,461,976)          |
| (2,119,258)  | 0                           | (2,119,258)          |
| (1,187,339)  | 0                           | (1,187,339)          |
| (13,025,197)                                       | 0                           | (13,025,197)         |
| (5,862,785)  | 0                           | (5,862,785)          |
| (1,430,447)  | 0                           | (1,430,447)          |
| 304,712  | 0                           | 304,712              |
| (2,149,342)  | 0                           | (2,149,342)          |
| (1,708,765)  | 0                           | (1,708,765)          |
| <u>(119,432,148)</u>                               | <u>0</u>                    | <u>(119,432,148)</u> |
| 0  | 277,578                     | 277,578              |
| 0  | (5,135)                     | (5,135)              |
| <u>0</u>   | <u>(57,346)</u>             | <u>(57,346)</u>      |
| 0  | 215,097                     | 215,097              |
| <u>(119,432,148)</u>                               | <u>215,097</u>              | <u>(119,217,051)</u> |
| 78,493,416   | 0                           | 78,493,416           |
| 3,434,573  | 0                           | 3,434,573            |
| 1,885,293  | 0                           | 1,885,293            |
| 32,796,036   | 0                           | 32,796,036           |
| 1,778,835  | 0                           | 1,778,835            |
| 35,938   | 0                           | 35,938               |
| <u>1,220,726</u>                                   | <u>8,273</u>                | <u>1,228,999</u>     |
| <u>119,644,817</u>                                 | <u>8,273</u>                | <u>119,653,090</u>   |
| 212,669  | 223,370                     | 436,039              |
| <u>31,040,494</u>                                  | <u>602,874</u>              | <u>31,643,368</u>    |
| <u>\$31,253,163</u>                                | <u>\$826,244</u>            | <u>\$32,079,407</u>  |

**Parma City School District**

*Balance Sheet  
Governmental Funds  
June 30, 2006*

|  | General              | Bond<br>Retirement<br>Debt Service | Permanent<br>Improvement<br>Capital Projects | Building<br>Capital Projects | Other<br>Governmental<br>Funds |
|--|----------------------|------------------------------------|--|------------------------------|--------------------------------|
| <b>Assets</b>                              |                      |                                    |  |                              |                                |
| Equity in Pooled Cash and Cash Equivalents | \$16,300,815         | \$1,299,993                        | \$13,044,543                                 | \$11,844,213                 | \$4,532,870                    |
| Accounts Receivable                        | 669,663              | 0                                  | 0  | 0                            | 604                            |
| Accrued Interest Receivable                | 47,979               | 0                                  | 0  | 0                            | 5,746                          |
| Intergovernmental Receivable               | 5,167                | 0                                  | 0  | 0                            | 594,753                        |
| Prepaid Items                              | 141,169              | 0                                  | 0  | 0                            | 0                              |
| Interfund Receivable                       | 3,947,343            | 0                                  | 0  | 0                            | 0                              |
| Materials and Supplies Inventory           | 317,616              | 0                                  | 0  | 0                            | 0                              |
| Property Taxes Receivable                  | 86,122,733           | 3,382,063                          | 5,927,280                                    | 0                            | 0                              |
| <i>Total Assets</i>                        | <u>\$107,552,485</u> | <u>\$4,682,056</u>                 | <u>\$18,971,823</u>                          | <u>\$11,844,213</u>          | <u>\$5,133,973</u>             |
| <b>Liabilities and Fund Balances</b>       |                      |                                    |  |                              |                                |
| <b>Liabilities</b>                         |                      |                                    |  |                              |                                |
| Accounts Payable                           | \$820,423            | \$0                                | \$91,559                                     | \$32,408                     | \$692,765                      |
| Contracts Payable                          | 18,662               | 0                                  | 1,397,319                                    | 1,463,420                    | 0                              |
| Accrued Wages and Benefits                 | 8,368,910            | 0                                  | 0  | 0                            | 450,903                        |
| Intergovernmental Payable                  | 4,994,393            | 0                                  | 4,574  | 0                            | 343,199                        |
| Interfund Payable                          | 0                    | 617,823                            | 607,654                                      | 0                            | 2,299,976                      |
| Retainage Payable                          | 0                    | 0                                  | 283,400                                      | 0                            | 0                              |
| Deferred Revenue                           | 76,305,758           | 3,001,172                          | 5,200,581                                    | 0                            | 523,973                        |
| <i>Total Liabilities</i>                   | <u>90,508,146</u>    | <u>3,618,995</u>                   | <u>7,585,087</u>                             | <u>1,495,828</u>             | <u>4,310,816</u>               |
| <b>Fund Balances</b>                       |                      |                                    |  |                              |                                |
| Reserved for Encumbrances                  | 1,209,858            | 0                                  | 3,997,157                                    | 5,767,682                    | 294,350                        |
| Reserved for Property Taxes                | 9,626,890            | 380,891                            | 695,728                                      | 0                            | 0                              |
| Unreserved, Undesignated (Deficit)         |                      |                                    |  |                              |                                |
| Reported in:                               |                      |                                    |  |                              |                                |
| General Fund                               | 6,207,591            | 0                                  | 0  | 0                            | 0                              |
| Special Revenue Funds                      | 0                    | 0                                  | 0  | 0                            | 1,284,174                      |
| Debt Service Fund                          | 0                    | 682,170                            | 0  | 0                            | 0                              |
| Capital Projects Funds                     | 0                    | 0                                  | 6,693,851                                    | 4,580,703                    | (755,367)                      |
| <i>Total Fund Balances</i>                 | <u>17,044,339</u>    | <u>1,063,061</u>                   | <u>11,386,736</u>                            | <u>10,348,385</u>            | <u>823,157</u>                 |
| <i>Total Liabilities and Fund Balances</i> | <u>\$107,552,485</u> | <u>\$4,682,056</u>                 | <u>\$18,971,823</u>                          | <u>\$11,844,213</u>          | <u>\$5,133,973</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, 2006*

|                                |  |                            |
|--------------------------------|--|----------------------------|
| Total<br>Governmental<br>Funds | <b>Total Governmental Fund Balances</b>  | \$40,665,678               |
| \$47,022,434                   | <i>Amounts reported for governmental activities in the<br/>statement of net assets are different because</i>   |                            |
| 670,267                        | Capital assets used in governmental activities are not financial<br>resources and therefore are not reported in the funds:                                   |                            |
| 53,725                         | Capital Assets, not being depreciated  | 10,143,436                 |
| 599,920                        | Capital Assets, being depreciated  | 113,265,037                |
| 141,169                        | Accumulated Depreciation   | <u>(71,243,566)</u>        |
| 3,947,343                      | Total  | 52,164,907                 |
| 317,616                        |  |                            |
| 95,432,076                     | Other long-term assets are not available to pay for current-<br>period expenditures and therefore are deferred in the funds:                                 |                            |
| \$148,184,550                  | Delinquent Property Taxes  | 3,792,691                  |
|                                | Grants   | 523,973                    |
|                                | Tuition and Fees   | <u>452,040</u>             |
|                                | Total  | 4,768,704                  |
|                                | Bond issuance costs reported as an expenditure in the funds<br>are allocated as an expense over the life of the debt on a<br>full accrual basis:             |                            |
|                                | Issuance costs   | 745,460                    |
|                                | Amount expensed  | <u>(42,365)</u>            |
|                                | Total  | 703,095                    |
|                                | In the statement of activities, interest is accrued on outstanding<br>bonds, whereas in governmental funds, an interest expenditure<br>is reported when due. | (184,822)                  |
|                                | Long-term liabilities are not due and payable in the<br>current period and therefore are not reported in the funds:  |                            |
|                                | General Obligation Bonds Payable   | (970,000)                  |
|                                | Notes Payable  | (25,950,000)               |
|                                | Premium on Notes   | (160,322)                  |
|                                | Loans Payable  | (18,258,965)               |
|                                | Certificates of Participation Payable  | (12,580,000)               |
|                                | Discount on Certificates of Participation  | 100,818                    |
|                                | Capital Lease Payable  | (146,921)                  |
|                                | Compensated Absences   | <u>(8,899,009)</u>         |
|                                | Total  | <u>(66,864,399)</u>        |
|                                | <i>Net Assets of Governmental Activities</i>   | <u><u>\$31,253,163</u></u> |

**Parma City School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2006*

|   | General             | Bond<br>Retirement<br>Debt Service | Permanent<br>Improvement<br>Capital Projects | Building<br>Capital Projects | Other<br>Governmental<br>Funds |
|---|---------------------|------------------------------------|--|------------------------------|--------------------------------|
| <b>Revenues</b>                                     |                     |                                    |  |                              |                                |
| Property Taxes                                      | \$79,240,082        | \$3,315,920                        | \$1,846,163                                  | \$0                          | \$0                            |
| Intergovernmental                                   | 33,338,366          | 0                                  | 563,876                                      | 0                            | 10,437,333                     |
| Interest  | 1,306,098           | 0                                  | 370,287                                      | 16,465                       | 85,985                         |
| Tuition and Fees                                    | 2,100,191           | 0                                  | 0  | 0                            | 0                              |
| Extracurricular Activities                          | 213,877             | 0                                  | 0  | 0                            | 741,002                        |
| Rentals   | 314,040             | 0                                  | 0  | 0                            | 0                              |
| Charges for Services                                | 1,699,947           | 0                                  | 0  | 0                            | 110,998                        |
| Contributions and Donations                         | 18,409              | 0                                  | 0  | 0                            | 15,184                         |
| Miscellaneous                                       | 446,622             | 0                                  | 51,851                                       | 0                            | 722,253                        |
| <i>Total Revenues</i>                               | <u>118,677,632</u>  | <u>3,315,920</u>                   | <u>2,832,177</u>                             | <u>16,465</u>                | <u>12,112,755</u>              |
| <b>Expenditures</b>                                 |                     |                                    |  |                              |                                |
| Current:  |                     |                                    |  |                              |                                |
| Instruction:  |                     |                                    |  |                              |                                |
| Regular   | 55,854,059          | 0                                  | 0  | 0                            | 831,683                        |
| Special   | 14,332,237          | 0                                  | 0  | 0                            | 2,480,130                      |
| Vocational  | 3,593,653           | 0                                  | 0  | 0                            | 7,751                          |
| Adult/Continuing                                    | 3,500               | 0                                  | 0  | 0                            | 134,462                        |
| Support Services:                                   |                     |                                    |  |                              |                                |
| Pupils  | 6,662,248           | 0                                  | 0  | 0                            | 883,772                        |
| Instructional Staff                                 | 4,177,223           | 0                                  | 0  | 0                            | 1,520,060                      |
| Board of Education                                  | 952,991             | 0                                  | 0  | 0                            | 0                              |
| Administration                                      | 9,952,070           | 0                                  | 0  | 0                            | 612,408                        |
| Fiscal  | 2,144,022           | 0                                  | 0  | 0                            | 560                            |
| Business  | 1,125,177           | 0                                  | 0  | 0                            | 0                              |
| Operation and Maintenance of Plant                  | 11,539,350          | 0                                  | 0  | 257,368                      | 1,770                          |
| Pupil Transportation                                | 5,948,883           | 0                                  | 0  | 0                            | 66,701                         |
| Central   | 1,515,648           | 0                                  | 0  | 0                            | 138,695                        |
| Operation of Non-Instructional Services             | 29,693              | 0                                  | 0  | 0                            | 4,203,866                      |
| Extracurricular Activities                          | 1,695,486           | 0                                  | 0  | 0                            | 1,475,808                      |
| Capital Outlay                                      | 119,635             | 0                                  | 8,894,330                                    | 1,414,953                    | 118,307                        |
| Debt Service:                                       |                     |                                    |  |                              |                                |
| Principal Retirement                                | 1,360,190           | 1,845,000                          | 0  | 0                            | 0                              |
| Interest and Fiscal Charges                         | 737,742             | 922,030                            | 0  | 0                            | 0                              |
| Issuance Costs                                      | 0                   | 0                                  | 126,473                                      | 474,941                      | 0                              |
| <i>Total Expenditures</i>                           | <u>121,743,807</u>  | <u>2,767,030</u>                   | <u>9,020,803</u>                             | <u>2,147,262</u>             | <u>12,475,973</u>              |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(3,066,175)</u>  | <u>548,890</u>                     | <u>(6,188,626)</u>                           | <u>(2,130,797)</u>           | <u>(363,218)</u>               |
| <b>Other Financing Sources (Uses)</b>               |                     |                                    |  |                              |                                |
| Sale of Capital Assets                              | 35,938              | 0                                  | 0  | 0                            | 0                              |
| Notes Issued  | 0                   | 0                                  | 11,000,000                                   | 0                            | 0                              |
| Loans Issued  | 0                   | 0                                  | 3,458,570                                    | 0                            | 0                              |
| Certificates of Participation Issued                | 0                   | 0                                  | 0  | 12,580,000                   | 0                              |
| Note Premium  | 0                   | 176,354                            | 0  | 0                            | 0                              |
| Discount on Certificates of Participation           | 0                   | 0                                  | 0  | (100,818)                    | 0                              |
| Transfers In  | 0                   | 0                                  | 0  | 0                            | 174,082                        |
| Transfers Out                                       | (174,082)           | 0                                  | 0  | 0                            | 0                              |
| <i>Total Other Financing Sources (Uses)</i>         | <u>(138,144)</u>    | <u>176,354</u>                     | <u>14,458,570</u>                            | <u>12,479,182</u>            | <u>174,082</u>                 |
| <i>Net Change in Fund Balances</i>                  | <u>(3,204,319)</u>  | <u>725,244</u>                     | <u>8,269,944</u>                             | <u>10,348,385</u>            | <u>(189,136)</u>               |
| <i>Fund Balances Beginning of Year</i>              | <u>20,248,658</u>   | <u>337,817</u>                     | <u>3,116,792</u>                             | <u>0</u>                     | <u>1,012,293</u>               |
| <i>Fund Balances End of Year</i>                    | <u>\$17,044,339</u> | <u>\$1,063,061</u>                 | <u>\$11,386,736</u>                          | <u>\$10,348,385</u>          | <u>\$823,157</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, 2006*

|                          |   |                     |
|--------------------------|---|---------------------|
| <hr/> <hr/>              | <b>Net Change in Fund Balances - Total Governmental Funds</b>   | <b>\$15,950,118</b> |
| Total Governmental Funds | <i>Amounts reported for governmental activities in the statement of activities are different because</i>  |                     |
| \$84,402,165             | Governmental funds report capital outlays as expenditures.  |                     |
| 44,339,575               | 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 capital outlay exceeded depreciation in the current period.  |                     |
| 1,778,835                | Capital Asset Additions   | 9,578,435           |
| 2,100,191                | Current Year Depreciation   | <u>(2,614,419)</u>  |
| 954,879                  | Total   | 6,964,016           |
| 314,040                  | Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.  |                     |
| 1,810,945                | Delinquent Property Taxes   | (588,883)           |
| 33,593                   | Grants  | 298,023             |
| 1,220,726                | Tuition and Fees  | <u>37,654</u>       |
| 136,954,949              | Total   | (253,206)           |
|                          | Debt premiums, debt discounts, and issuance costs are reported as expenditures when paid in the governmental funds but are deferred and amortized on the statement of activities.   |                     |
| 56,685,742               | Unamortized Debt Premiums   | (176,354)           |
| 16,812,367               | Unamortized Debt Discounts  | 100,818             |
| 3,601,404                | Unamortized Issuance Costs  | <u>601,414</u>      |
| 137,962                  | Total   | 525,878             |
| 7,546,020                | Repayment of bond, loan, and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.   | 3,205,190           |
| 5,697,283                | Compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as an expenditure in governmental funds.  | 908,236             |
| 952,991                  | In the statement of activities, interest is accrued on outstanding debt. Debt premiums, debt discounts, and debt issuance costs are amortized over the term of the debt, whereas in governmental funds an interest expenditure is reported when due and premiums, discounts, and bond issuance costs are reported when the debt is due. |                     |
| 10,564,478               | Accrued Interest  | (43,238)            |
| 2,144,582                | Amortization of Debt Premiums   | 16,032              |
| 1,125,177                | Amortization of Issuance Costs  | <u>(21,787)</u>     |
| 11,798,488               | Total   | (48,993)            |
| 6,015,584                | Receipt of debt proceeds are other financing sources in the governmental funds, but the issuance of debt increases long-term liabilities in the statement of net assets.  |                     |
| 1,654,343                | Notes Issued  | (11,000,000)        |
| 4,233,559                | Loans Issued  | (3,458,570)         |
| 3,171,294                | Certificates of Participation Issued  | <u>(12,580,000)</u> |
| 10,547,225               | Total   | (27,038,570)        |
| 3,205,190                | <i>Change in Net Assets of Governmental Activities</i>  | <u>\$212,669</u>    |
| 1,659,772                |   |                     |
| 601,414                  |   |                     |
| 148,154,875              |   |                     |
| (11,199,926)             |   |                     |
| 35,938                   |   |                     |
| 11,000,000               |   |                     |
| 3,458,570                |   |                     |
| 12,580,000               |   |                     |
| 176,354                  |   |                     |
| (100,818)                |   |                     |
| 174,082                  |   |                     |
| (174,082)                |   |                     |
| 27,150,044               |   |                     |
| 15,950,118               |   |                     |
| 24,715,560               |   |                     |
| \$40,665,678             |   |                     |

**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, 2006*

|  | Budgeted Amounts    |                    |                     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|---------------------|--------------------|---------------------|---|
|  | Original<br>Budget  | Revised<br>Budget  | Actual              |   |
| <b>Revenues</b>                              |                     |                    |                     |   |
| Property Taxes                               | \$90,045,232        | \$80,642,855       | \$80,642,855        | \$0   |
| Intergovernmental                            | 24,131,837          | 33,405,193         | 33,516,293          | 111,100   |
| Interest                                     | 1,200,000           | 1,329,021          | 1,329,021           | 0   |
| Tuition and Fees                             | 2,005,000           | 2,005,000          | 2,105,331           | 100,331   |
| Extracurricular Activities                   | 2,992,208           | 2,992,208          | 213,877             | (2,778,331)   |
| Rentals                                      | 1,000               | 1,000              | 313,262             | 312,262   |
| Charges for Services                         | 215,200             | 215,200            | 1,847,045           | 1,631,845   |
| Contributions and Donations                  | 13,401              | 13,401             | 12,909              | (492)   |
| Miscellaneous                                | 89,470              | 92,470             | 776,083             | 683,613   |
| <i>Total Revenues</i>                        | <u>120,693,348</u>  | <u>120,696,348</u> | <u>120,756,676</u>  | <u>60,328</u>   |
| <b>Expenditures</b>                          |                     |                    |                     |   |
| Current:                                     |                     |                    |                     |   |
| Instruction:                                 |                     |                    |                     |   |
| Regular                                      | 56,342,207          | 57,538,283         | 56,000,184          | 1,538,099   |
| Special                                      | 15,163,706          | 14,606,470         | 14,234,484          | 371,986   |
| Vocational                                   | 3,699,503           | 3,832,052          | 3,660,748           | 171,304   |
| Adult/Continuing                             | 4,184               | 4,184              | 3,500               | 684   |
| Support Services:                            |                     |                    |                     |   |
| Pupils                                       | 6,908,752           | 6,928,771          | 6,676,608           | 252,163   |
| Instructional Staff                          | 4,264,578           | 4,789,335          | 4,271,442           | 517,893   |
| Board of Education                           | 1,042,964           | 1,220,259          | 1,015,153           | 205,106   |
| Administration                               | 10,021,247          | 10,304,448         | 9,944,988           | 359,460   |
| Fiscal                                       | 1,987,011           | 2,357,545          | 2,149,776           | 207,769   |
| Business                                     | 1,111,549           | 1,432,550          | 1,264,737           | 167,813   |
| Operation and Maintenance of Plant           | 13,874,602          | 13,721,322         | 11,976,829          | 1,744,493   |
| Pupil Transportation                         | 5,670,154           | 6,328,217          | 6,056,196           | 272,021   |
| Central                                      | 1,170,903           | 2,093,222          | 1,693,151           | 400,071   |
| Operation of Non-Instructional Services      | 2,309               | 33,235             | 29,663              | 3,572   |
| Extracurricular Activities                   | 420,571             | 1,985,219          | 1,705,350           | 279,869   |
| Capital Outlay                               | 146,996             | 153,996            | 109,124             | 44,872  |
| Debt Service:                                |                     |                    |                     |   |
| Principal Retirement                         | 1,231,442           | 1,231,442          | 1,231,442           | 0   |
| Interest and Fiscal Charges                  | 726,882             | 726,882            | 726,882             | 0   |
| <i>Total Expenditures</i>                    | <u>123,789,560</u>  | <u>129,287,432</u> | <u>122,750,257</u>  | <u>6,537,175</u>  |
| <i>Excess of Revenues Under Expenditures</i> | <u>(3,096,212)</u>  | <u>(8,591,084)</u> | <u>(1,993,581)</u>  | <u>6,597,503</u>  |
| <b>Other Financing Sources (Uses)</b>        |                     |                    |                     |   |
| Sale of Capital Assets                       | 26,000              | 26,000             | 35,938              | 9,938   |
| Advances In                                  | 0                   | 6,658,009          | 1,045,205           | (5,612,804)   |
| Advances Out                                 | (450,000)           | (8,308,906)        | (1,801,906)         | 6,507,000   |
| Transfers Out                                | (89,224)            | (257,277)          | (174,082)           | 83,195  |
| <i>Total Other Financing Sources (Uses)</i>  | <u>(513,224)</u>    | <u>(1,882,174)</u> | <u>(894,845)</u>    | <u>987,329</u>  |
| <i>Net Change in Fund Balance</i>            | (3,609,436)         | (10,473,258)       | (2,888,426)         | 7,584,832   |
| <i>Fund Balance Beginning of Year</i>        | 15,658,385          | 15,658,385         | 15,658,385          | 0   |
| Prior Year Encumbrances Appropriated         | 1,830,877           | 1,830,877          | 1,830,877           | 0   |
| <i>Fund Balance End of Year</i>              | <u>\$13,879,826</u> | <u>\$7,016,004</u> | <u>\$14,600,836</u> | <u>\$7,584,832</u>                                      |

See accompanying notes to the basic financial statements



**Parma City School District**

*Statement of Fund Net Assets*

*Enterprise Funds*

*June 30, 2006*

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|  |             |
|--|-------------|
| <b>Assets</b>                              |             |
| <b><i>Current Assets:</i></b>              |             |
| Equity in Pooled Cash and Cash Equivalents | \$1,042,470 |
| Accounts Receivable                        | 79,506      |
| Intergovernmental Receivable               | 255,081     |
| Inventory Held for Resale                  | 15,482      |
|  | <hr/>       |
| <i>Total Current Assets</i>                | 1,392,539   |
| <br>                                       |             |
| <b><i>Noncurrent Assets:</i></b>           |             |
| Capital Assets, Net                        | 114,337     |
|  | <hr/>       |
| <i>Total Assets</i>                        | 1,506,876   |
| <br>                                       |             |
| <b>Liabilities</b>                         |             |
| <b><i>Current Liabilities:</i></b>         |             |
| Accounts Payable                           | 1,905       |
| Accrued Wages and Benefits                 | 34,297      |
| Compensated Absences Payable               | 4,136       |
| Intergovernmental Payable                  | 123,575     |
| Interfund Payable                          | 421,890     |
|  | <hr/>       |
| <i>Total Current Liabilities</i>           | 585,803     |
| <br>                                       |             |
| <b><i>Long-Term Liabilities:</i></b>       |             |
| Compensated Absences Payable               | 94,829      |
|  | <hr/>       |
| <i>Total Liabilities</i>                   | 680,632     |
| <br>                                       |             |
| <b>Net Assets</b>                          |             |
| Invested in Capital Assets                 | 114,337     |
| Unrestricted                               | 711,907     |
|  | <hr/>       |
| <i>Total Net Assets</i>                    | \$826,244   |

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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, 2006*

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|                                     |                    |
|-------------------------------------|--------------------|
| <b>Operating Revenues</b>           |                    |
| Tuition                             | \$1,208,249        |
| Sales                               | 2,283,014          |
| Miscellaneous                       | 8,273              |
|                                     | <hr/>              |
| <i>Total Operating Revenues</i>     | <i>3,499,536</i>   |
|                                     | <hr/>              |
| <b>Operating Expenses</b>           |                    |
| Salaries                            | 1,826,153          |
| Fringe Benefits                     | 761,842            |
| Purchased Services                  | 331,478            |
| Materials and Supplies              | 232,530            |
| Cost of Sales                       | 1,455,870          |
| Depreciation                        | 22,227             |
| Other                               | 7,432              |
|                                     | <hr/>              |
| <i>Total Operating Expenses</i>     | <i>4,637,532</i>   |
|                                     | <hr/>              |
| <i>Operating Loss</i>               | <i>(1,137,996)</i> |
|                                     | <hr/>              |
| <b>Non-Operating Revenues</b>       |                    |
| Operating Grants                    | 1,361,366          |
|                                     | <hr/>              |
| <i>Change in Net Assets</i>         | <i>223,370</i>     |
|                                     | <hr/>              |
| <i>Net Assets Beginning of Year</i> | <i>602,874</i>     |
|                                     | <hr/>              |
| <i>Net Assets End of Year</i>       | <i>\$826,244</i>   |
|                                     | <hr/> <hr/>        |

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, 2006

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

**Cash Flows from Operating Activities**

|   |             |
|---|-------------|
| Cash Received from Customers            | \$3,469,828 |
| Other Cash Receipts                     | 8,273       |
| Cash Payments to Employees for Services | (1,826,452) |
| Cash Payments for Employee Benefits     | (727,380)   |
| Cash Payments for Goods and Services    | (2,004,179) |
| Other Cash Payments                     | (7,432)     |
|   | <hr/>       |

|   |                    |
|---|--------------------|
| <i>Net Cash Used for Operating Activities</i> | <i>(1,087,342)</i> |
|   | <hr/>              |

**Cash Flows from Noncapital**

**Financing Activities**

|                           |           |
|---------------------------|-----------|
| Operating Grants Received | 1,278,152 |
| Advances In               | 60,000    |
|                           | <hr/>     |

|   |                  |
|---|------------------|
| <i>Net Cash Provided by</i><br><i>Noncapital Financing Activities</i> | <i>1,338,152</i> |
|   | <hr/>            |

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

|                                   |         |
|-----------------------------------|---------|
| Payments for Capital Acquisitions | (8,309) |
|                                   | <hr/>   |

|  |                |
|--|----------------|
| <i>Net Increase in Cash and Cash Equivalents</i> | <i>242,501</i> |
|--|----------------|

|  |                |
|--|----------------|
| <i>Cash and Cash Equivalents Beginning of Year</i> | <i>799,969</i> |
|  | <hr/>          |

|  |                    |
|--|--------------------|
| <i>Cash and Cash Equivalents End of Year</i> | <i>\$1,042,470</i> |
|  | <hr/> <hr/>        |

(continued)

**Parma City School District**  
*Statement of Cash Flows*  
*Enterprise Funds (continued)*  
*For the Fiscal Year Ended June 30, 2006*

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

|   |                             |
|---|-----------------------------|
| Operating Loss                                | (\$1,137,996)               |
| Adjustments:                                  |                             |
| Depreciation                                  | 22,227                      |
| (Increase) Decrease in Assets:                |                             |
| Accounts Receivable                           | (21,435)                    |
| Inventory Held for Resale                     | 1,679                       |
| Increase (Decrease) in Liabilities:           |                             |
| Accounts Payable                              | (645)                       |
| Accrued Wages and Benefits                    | (299)                       |
| Compensated Absences Payable                  | 22,762                      |
| Intergovernmental Payable                     | 26,365                      |
|   | <hr/>                       |
| <i>Net Cash Used for Operating Activities</i> | <u><u>(\$1,087,342)</u></u> |

See accompanying notes to the basic financial statements

**Parma City School District**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Funds*  
*June 30, 2006*

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**Assets**

|  |                    |
|--|--------------------|
| Equity in Pooled Cash and Cash Equivalents | <u>\$1,032,051</u> |
|--|--------------------|

**Liabilities**

|                      |           |
|----------------------|-----------|
| Undistributed Monies | \$605,733 |
|----------------------|-----------|

|                 |                |
|-----------------|----------------|
| Due to Students | <u>426,318</u> |
|-----------------|----------------|

|                          |                    |
|--------------------------|--------------------|
| <i>Total Liabilities</i> | <u>\$1,032,051</u> |
|--------------------------|--------------------|

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, 2006*

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**Note 1 - Description of the School District and Reporting Entity**

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

The School District operates under a locally-elected five-member Board form of government and provides educational services as mandated by state and federal agencies. This Board of Education controls the School District's twenty-four instructional/support facilities staffed by 802 noncertified and 923 certificated full time teaching personnel who provide services to 13,069 students and other community members.

*Reporting Entity*

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

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

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

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

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

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

**Parma City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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The School District participates in three jointly governed organizations. These organizations are the Lakeshore Northeast Ohio Computer Association, the Northeast Ohio Network for Educational Technology and Ohio Schools Council Association, all jointly governed organizations. These organizations are discussed in Note 15 of the basic financial statements.

**Note 2 - Summary of Significant Accounting Policies**

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

**A. Basis of Presentation**

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

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

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

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

**Parma City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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***B. Fund Accounting***

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

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

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

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

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

***Building Capital Projects Fund*** The building capital projects fund accounts for debt proceeds and other revenue to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary funds.

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

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

***Enterprise Funds*** Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The School District's enterprise funds are used to account for food service operations, adult continuing education operations and extended daycare/preschool operations.

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



**Parma City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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**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 presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information 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. Measurable means the amount of transaction can be determined. 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, 2006*

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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, 2006, but which were levied to finance fiscal year 2007 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 2006, investments were limited to Federal National Mortgage Association Notes, Federal Home Loan Mortgage Corporation Notes, Federal Home Loan Bank Bonds and Notes and STAROhio. Investments are reported at fair value which is based on quoted market prices.

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, 2006.

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 2006 amounted to \$1,306,098 which includes \$616,652 assigned from other School District funds.

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

***F. Inventory***

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

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

**Parma City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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**G. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2006, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

**H. Deferred Charges**

On government-wide financial statements, bond issuance costs are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Bond issuance costs are reported as an expenditure on the governmental fund financial statements when incurred.

**I. Capital Assets**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-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. The School District was able to estimate the historical cost for the initial reporting of assets by backtrending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of one thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

| Description                | Governmental<br>Activities<br>Estimated Lives | Business-Type<br>Activities<br>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                                      | 10 years                                       |
| Textbooks                  | 5 years                                       | N/A  |

**Parma City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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***J. Interfund Balances***

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

***K. Compensated Absences***

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

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

***L. Accrued Liabilities and Long-Term Obligations***

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

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

***M. Net Assets***

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The government-wide statement of net assets reports \$8,757,185 of restricted net assets, of which \$555,417 is restricted by enabling legislation. Net assets restricted for other purposes include student activities, special education, computer networking, and programs to help students prepare for the proficiency test.

**Parma City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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

***N. Fund Balance Reserves***

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

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute.

***O. Operating Revenues and Expenses***

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

***P. Contributions of Capital***

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

***Q. Interfund Activity***

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

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

***R. Estimates***

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

***S. Budgetary Data***

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

**Parma City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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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 Financial Officer/Budget Director has been given the authority to allocate Board appropriations to the function and object levels.

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

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

### **Note 3 – Accountability and Compliance**

#### ***A. Accountability***

Fund balances at June 30, 2006, included the following individual fund deficits:

|                                |           |
|--------------------------------|-----------|
| <b>Special Revenue Funds</b>   |           |
| Disadvantaged Pupil Impact Aid | (\$3,002) |
| Ohio Reads                     | (3,592)   |
| Alternative Schools            | (151,668) |
| Adult Basic Education          | (27,627)  |
| Title I                        | (69,525)  |
| Title VI                       | (10,739)  |
| Drug Free Schools              | (14,437)  |
| <b>Capital Projects Fund</b>   |           |
| Turf Replacement               | (779,476) |

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

The adult continuing education enterprise fund had deficit net assets of \$194,189 at June 30, 2006. Management is currently analyzing their operations to determine appropriate steps to alleviate the deficit.

#### ***B. Compliance***

The following funds had original appropriations in excess of original estimated resources plus carryover balances in violation of Section 5705.39, Ohio Revised Code:

**Parma City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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|                                   | Original<br>Estimated Resources<br>Plus Carryover<br>Balances | Original<br>Appropriations | Excess    |
|-----------------------------------|---|----------------------------|-----------|
| <b>Special Revenue Funds</b>      |   |                            |           |
| Public School Support             | \$1,420,914   | \$1,721,239                | \$300,325 |
| District Managed Student Activity | 688,702   | 736,076                    | 47,374    |
| <b>Enterprise Funds</b>           |   |                            |           |
| Adult Education                   | 3,257   | 143,375                    | 140,118   |
| Extended Daycare/Preschool        | 1,634,265   | 1,672,196                  | 37,931    |

Management has indicated that appropriations will be closely monitored to ensure no future violations.

**Note 4 – Changes in Accounting Principles**

For fiscal year 2006, the School District has implemented GASB Statement No. 44, “Economic Condition Reporting: The Statistical Section” and GASB Statement No. 47, “Accounting for Termination Benefits.”

The purpose of GASB Statement No. 44 is to improve the understandability and usefulness of the information that State and local governments present as supplementary information in the statistical section. GASB Statement No. 47 established standards of accounting and financial reporting for termination benefits.

The implementation of GASB Statement No. 47 did not materially affect the presentation of the financial statements of the School District.

**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 (budget basis) rather than as a reservation of fund balance (GAAP basis).

**Parma City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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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 are reported at fair value (GAAP) rather than cost (budget basis).
6. Advances-In and Advances-Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP).

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

Net Change in Fund Balance

|   |                             |
|---|-----------------------------|
| GAAP Basis                                      | (\$3,204,319)               |
| Net Adjustment for Revenue Accruals             | 2,164,072                   |
| Advances In                                     | 1,045,205                   |
| Unrecorded Cash                                 | 200                         |
| Beginning Fair Value Adjustment for Investments | (33,490)                    |
| Ending Fair Value Adjustment for Investments    | (51,738)                    |
| Net Adjustment for Expenditure Accruals         | 745,211                     |
| Advances Out                                    | (1,801,906)                 |
| Adjustment for Encumbrances                     | <u>(1,751,661)</u>          |
| Budget Basis                                    | <u><u>(\$2,888,426)</u></u> |

**Note 6 – Deposits and Investments**

Monies held by the School District are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the School District treasury. Active 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 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 passbook accounts.

Interim monies held by the School District can be deposited or invested in the following securities:



**Parma City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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1. United States Treasury bills, bonds, notes, 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 obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations;
7. The State Treasurer's investment pool (STAR Ohio);
8. Commercial paper and banker's acceptances if training requirements have been met.

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. Investments may only be made through specified dealers and institutions.

At year end, the School District had \$200 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents".

#### Deposits

*Custodial Credit Risk.* Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year end, \$13,529,369 of the School District's bank balance of \$13,829,369 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

The School District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the School District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

**Parma City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

Investments

As of June 30, 2006, the School District had the following investments:

| Investment Type                              | Fair Value          | Investment Maturities (in Years) |                    |
|--|---------------------|----------------------------------|--------------------|
|  |                     | Less than 1                      | 1-2                |
| Federal National Mortgage Association Notes  | \$4,422,063         | \$4,422,063                      | \$0                |
| Federal Home Loan Mortgage Corporation Notes | 983,330             | 0                                | 983,330            |
| Federal Home Loan Bank Bonds and Notes       | 4,043,141           | 2,020,199                        | 2,022,942          |
| STAROhio                                     | 26,993,386          | 26,993,386                       | 0                  |
| <b>Total Investments</b>                     | <b>\$36,441,920</b> | <b>\$33,435,648</b>              | <b>\$3,006,272</b> |

All investments are in an internal investment pool.

*Interest Rate Risk.* The School District has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and that an investment must be purchased with the expectation that it will be held to maturity.

*Credit Risk.* The Federal National Mortgage Association Notes, Federal Home Loan Mortgage Corporation Notes and Federal Home Loan Bank Bonds and Notes carry a rating of AAA by Standard and Poor's. STAROhio carries a rating of AAAM by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The School District has no policy regarding credit risk other than statutory guidelines which limit investment choices.

*Custodial Credit Risk.* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal National Mortgage Association Notes, Federal Home Loan Mortgage Corporation Notes, and the Federal Home Loan Bank Bonds and Notes are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the School District's name. The School District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

*Concentration of Credit Risk.* The School District places no limit on the amount it may invest in any one issuer. The following is the School District's allocation as of June 30, 2006:

| Investment Issuer                            | Percentage of Investments |
|--|---------------------------|
| Federal National Mortgage Association Notes  | 12.13 %                   |
| Federal Home Loan Mortgage Corporation Notes | 2.70                      |
| Federal Home Loan Bank Bonds and Notes       | 11.10                     |
| STAROhio                                     | 74.07                     |

**Parma City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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**Note 7 - Property Taxes**

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar 2006 represents collections of calendar year 2005 taxes. Real property taxes received in calendar year 2006 were levied after April 1, 2005, on the assessed value listed as of January 1, 2005, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2006 represents collections of calendar year 2005 taxes. Public utility real and tangible personal property taxes received in calendar year 2006 became a lien December 31, 2004, were levied after April 1, 2005 and are collected in 2006 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2006 (other than public utility property) represents the collection of 2006 taxes. Tangible personal property taxes received in calendar year 2006 were levied after April 1, 2005, on the value as of December 31, 2005. In prior years, tangible personal property was assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2006 is 18.75 percent. This will be reduced to 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30. This year, the June 2006 tangible personal property tax settlement was not received until July 2006.

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, 2006, are available to finance fiscal year 2006 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2006 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 and the personal property tax settlements were levied to finance current fiscal year operations and are reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2006 was \$9,626,890 in the general fund, \$380,891 in the bond retirement debt service fund, and \$695,728 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2005, was \$11,481,901 in the general fund, \$45,046 in the bond retirement debt service fund and \$572,715 in the permanent improvement capital projects fund.

**Parma City School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2006

The late tax settlement made by the County for fiscal year 2006 was \$642,125 in the general fund and \$30,971 in the permanent improvement capital projects fund.

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

The assessed values upon which the fiscal year 2006 taxes were collected are:

|   | 2005 Second<br>Half Collections |                 | 2006 First<br>Half Collections |                 |
|---|---------------------------------|-----------------|--------------------------------|-----------------|
|   | Amount                          | Percent         | Amount                         | Percent         |
| Agricultural/Residential<br>and Other Real Estate | \$2,243,631,190                 | 93.62 %         | \$2,235,041,270                | 93.82 %         |
| Public Utility Personal                           | 44,928,120                      | 1.87            | 40,541,500                     | 1.70            |
| Tangible Personal Property                        | 108,079,727                     | 4.51            | 106,774,595                    | 4.48            |
| <b>Total</b>                                      | <b>\$2,396,639,037</b>          | <b>100.00 %</b> | <b>\$2,382,357,365</b>         | <b>100.00 %</b> |
| Tax rate per \$1,000 of<br>assessed valuation     | \$59.40                         |                 | \$65.20                        |                 |

**Note 8 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2006, was as follows:

|   | Balance<br>6/30/2005 | Additions           | Deletions        | Balance<br>6/30/2006 |
|---|----------------------|---------------------|------------------|----------------------|
| <b>Governmental Activities</b>                      |                      |                     |                  |                      |
| <i>Capital Assets, not being depreciated:</i>       |                      |                     |                  |                      |
| Land  | \$5,096,730          | \$0                 | \$0              | 5,096,730            |
| Construction in Progress                            | 0                    | 5,046,706           | 0                | 5,046,706            |
| <i>Total Capital Assets, not being depreciated</i>  | <u>5,096,730</u>     | <u>5,046,706</u>    | <u>0</u>         | <u>10,143,436</u>    |
| <i>Capital Assets, being depreciated:</i>           |                      |                     |                  |                      |
| Land Improvements                                   | 9,928,780            | 2,317,522           | 0                | 12,246,302           |
| Buildings and Improvements                          | 76,317,061           | 1,106,179           | 0                | 77,423,240           |
| Furniture and Equipment                             | 10,654,569           | 478,060             | (433,258)        | 10,699,371           |
| Vehicles  | 7,148,617            | 629,968             | (560,609)        | 7,217,976            |
| Textbooks   | 5,678,148            | 0                   | 0                | 5,678,148            |
| <i>Total Capital Assets, being depreciated</i>      | <u>109,727,175</u>   | <u>4,531,729</u>    | <u>(993,867)</u> | <u>113,265,037</u>   |
| Less Accumulated Depreciation:                      |                      |                     |                  |                      |
| Land Improvements                                   | (4,193,046)          | (382,966)           | 0                | (4,576,012)          |
| Buildings and Improvements                          | (46,132,894)         | (1,531,642)         | 0                | (47,664,536)         |
| Furniture and Equipment                             | (8,742,595)          | (296,079)           | 433,258          | (8,605,416)          |
| Vehicles  | (4,881,478)          | (398,585)           | 560,609          | (4,719,454)          |
| Textbooks   | (5,673,001)          | (5,147)             | 0                | (5,678,148)          |
| <b>Total Accumulated Depreciation</b>               | <u>(69,623,014)</u>  | <u>(2,614,419)*</u> | <u>993,867</u>   | <u>(71,243,566)</u>  |
| <b>Total Capital Assets, being depreciated, net</b> | <u>40,104,161</u>    | <u>1,917,310</u>    | <u>0</u>         | <u>42,021,471</u>    |
| <b>Governmental Activities Capital Assets, Net</b>  | <u>\$45,200,891</u>  | <u>\$6,964,016</u>  | <u>\$0</u>       | <u>\$52,164,907</u>  |

**Parma City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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

|   |                           |
|---|---------------------------|
| Instruction:                            |                           |
| Regular                                 | \$1,276,815               |
| Special                                 | 28,685                    |
| Vocational                              | 13,500                    |
| Adult/Continuing                        | 806                       |
| Support Services:                       |                           |
| Pupils                                  | 32,081                    |
| Instructional Staff                     | 5,824                     |
| Board of Education                      | 1,818                     |
| Administration                          | 4,730                     |
| Fiscal                                  | 776                       |
| Business                                | 39,410                    |
| Operation and Maintenance of Plant      | 841,988                   |
| Pupil Transportation                    | 185,445                   |
| Central                                 | 5,774                     |
| Operation of Non-Instructional Services | 46,723                    |
| Extracurricular Activities              | 130,044                   |
| Total Depreciation                      | <u><u>\$2,614,419</u></u> |

|   | Balance<br>6/30/2005 | Additions          | Deletions       | Balance<br>6/30/2006 |
|---|----------------------|--------------------|-----------------|----------------------|
| <b>Business-Type Activities</b>             |                      |                    |                 |                      |
| Buildings and Improvements                  | \$8,000              | \$0                | \$0             | \$8,000              |
| Furniture and Equipment                     | 1,476,594            | 8,309              | (18,003)        | 1,466,900            |
| Vehicles                                    | 23,132               | 0                  | 0               | 23,132               |
| Totals at Historical Cost                   | <u>1,507,726</u>     | <u>8,309</u>       | <u>(18,003)</u> | <u>1,498,032</u>     |
| Less Accumulated Depreciation:              |                      |                    |                 |                      |
| Buildings and Improvements                  | (1,040)              | (160)              | 0               | (1,200)              |
| Furniture and Equipment                     | (1,374,961)          | (19,754)           | 18,003          | (1,376,712)          |
| Vehicles                                    | (3,470)              | (2,313)            | 0               | (5,783)              |
| Total Accumulated Depreciation              | <u>(1,379,471)</u>   | <u>(22,227) **</u> | <u>18,003</u>   | <u>(1,383,695)</u>   |
| Business-Type Activities Capital Asset, Net | <u>\$128,255</u>     | <u>(\$13,918)</u>  | <u>\$0</u>      | <u>\$114,337</u>     |

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

|                            |                        |
|----------------------------|------------------------|
| Food Service               | \$19,120               |
| Adult Continuing Education | 1,727                  |
| Extended Daycare/Preschool | 1,380                  |
| Total Depreciation Expense | <u><u>\$22,227</u></u> |

**Parma City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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**Note 9 - Receivables**

Receivables at June 30, 2006, consisted of taxes, accounts (rent and tuition), interfund and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables are expected to be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

| Governmental Activities         | Amounts   |
|---------------------------------|-----------|
| General                         | \$5,167   |
| Other Grants                    | 3,875     |
| Ohio Reads                      | 5,887     |
| Title VI-B                      | 162,260   |
| Title I                         | 270,977   |
| Preschool Grant                 | 23,354    |
| Title VI-R                      | 128,336   |
| Other Special Revenue           | 64        |
| Total Governmental Activities   | \$599,920 |
| <b>Business-Type Activities</b> |           |
| Food Service                    | \$213,354 |
| Extended Day Care/Preschool     | 41,727    |
| Total Business-Type Activities  | \$255,081 |

**Note 10 - Risk Management**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. At June 30, 2006, the School District contracted with the following insurance companies:

| Company                   | Type of Coverage                | Limit       | Deductible |
|---------------------------|---------------------------------|-------------|------------|
| Indiana Insurance Company | Auto Liability                  | \$1,000,000 | N/A        |
|                           | Uninsured Motorist              | 1,000,000   | N/A        |
|                           | Comprehensive General Liability |             |            |
|                           | General Liability               | 1,000,000   | N/A        |
|                           | Personal Injury                 | 1,000,000   | N/A        |
|                           | General Aggregate               | 2,000,000   | N/A        |
|                           | Errors and Omissions            | 1,000,000   | 25,000     |
|                           | Property Coverage               |             |            |
|                           | Blanket Building and Contents   | 258,589,726 | 25,000     |

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

The School District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

**Parma City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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**Note 11 - Pension Plans**

***A. School Employees Retirement System***

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476, by calling (800) 878-5853, or by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org).

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2006, 10.58 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2006, 2005 and 2004 were \$1,902,742, \$1,786,361, and \$1,632,646, respectively; 33.56 percent has been contributed for fiscal year 2006 and 100 percent for fiscal years 2005 and 2004.

***B. State Teachers Retirement System***

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

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

**Parma City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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

For the fiscal year ended June 30, 2006, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2006, 2005, and 2004 were \$8,251,789, \$7,924,611, and \$7,942,103, respectively; 74.75 percent has been contributed for fiscal year 2006 and 100 percent for fiscal years 2005 and 2004. Contributions to the DC and Combined Plans for fiscal year 2006 were \$82,328 made by the School District and \$230,151 made by the plan members.

#### **Note 12 - Postemployment Benefits**

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

STRS retirees who participated in the DB or Combined plans and their dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. All benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2006, the STRS Board allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. For the School District, this amount equaled \$634,753 for fiscal year 2006.

STRS pays health care benefits from the Health Care Stabilization Fund. At June 30, 2005, (the latest information available), the balance in the Fund was \$3.3 billion. For the fiscal year ended June 30, 2005, net health care costs paid by STRS were \$254,780,000 and STRS had 115,395 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. All retirees and beneficiaries are required to pay a portion of their premium for health care. The portion is based on years of service, Medicare eligibility, and retirement status.



**Parma City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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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, 2006, employer contributions to fund health care benefits were 3.42 percent of covered payroll, compared to 3.43 percent of covered payroll for fiscal year 2005. 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 2006, the minimum pay was established at \$35,800. However, the surcharge is capped at two percent of each employer's SERS salaries. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2006 fiscal year equaled \$874,977.

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 projected claims less premium contributions for the next fiscal year. Expenses for health care for the fiscal year ended June 30, 2005, (the latest information available), were \$178,221,113. At June 30, 2005, SERS had net assets available for payment of health care benefits of \$267.5 million. SERS has 58,123 participants eligible to receive 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, certified employees with less than fourteen years of service with the School District are paid a sum equal to one-fourth of their unused sick leave balance times their daily rate up to a maximum of thirty days. Upon separation, certified employees with fourteen years of service or more with the School District, hired prior to May 1, 1996, receive a lump sum payment for their total accumulated sick leave balance times their daily rate, up to a maximum accumulation of sixty days. Any certified employee with a balance of greater than 150 days also receives an additional ten percent of accrued and unused sick leave above the 150 days. Certified employees with fourteen years of service or more, hired after May 1, 1996, receive a lump sum payment for one-fourth of their accrued and unused sick leave times their daily rate up to a maximum accumulation of ninety days.

**Parma City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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

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

***B. Insurance Benefits***

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

The School District also provides medical/surgical insurance through Anthem Blue Cross and Blue Shield and dental insurance through MetLife to all eligible employees. The School District also provides vision insurance to all eligible employees. The School District switched providers for vision insurance during fiscal year 2006 from VSP Vision Care Plan through December 31, 2005 to Anthem Blue Cross and Blue Shield for the remainder of the fiscal year.

**Note 14 - Long-Term Obligations**

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

| Debt Issue   | Interest<br>Rate | Original<br>Issue Amount | Date of<br>Maturity |
|--|------------------|--------------------------|---------------------|
| Byers Field General Obligation Bonds - 1999        | 5.5400%          | \$2,485,000              | December 1, 2008    |
| Construction Note - 2002                           | 3.6036%          | 20,000,000               | December 1, 2012    |
| Construction Note - 2006                           | 3.0000%          | 11,000,000               | December 1, 2015    |
| Energy Conservation Loan - 2003 (Phase IV)         | 3.0000-4.7500%   | 2,240,000                | December 28, 2016   |
| Energy Conservation Loan - 2004 (Phase V)          | 4.6000%          | 6,817,000                | June 28, 2017       |
| Energy Conservation Loan - 2004 (Phase VI)         | 4.3900%          | 5,477,606                | April 23, 2019      |
| Energy Conservation Loan - 2005 (Phase VII)        | 4.4900%          | 2,500,000                | February 18, 2020   |
| Energy Conservation Loan - 2006 (Phases VIII & IX) | 4.3500%          | 3,458,570                | May 31, 2021        |
| Certificates of Participation - 2006               | 4.0000%          | 12,580,000               | December 1, 2017    |

**Parma City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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

|  | Principal<br>Outstanding<br>6/30/2005 | Additions           | (Reductions)         | Principal<br>Outstanding<br>6/30/2006 | Amount<br>Due in<br>One Year |
|--|---------------------------------------|---------------------|----------------------|---------------------------------------|------------------------------|
| <b>Governmental Activities:</b>  |                                       |                     |                      |                                       |                              |
| 1999 Byers Field General Obligation Bonds  | \$1,260,000                           | \$0                 | (\$290,000)          | \$970,000                             | \$305,000                    |
| 2002 Construction Note   | 16,795,000                            | 0                   | (1,845,000)          | 14,950,000                            | 1,930,000                    |
| 2006 Construction Note   | 0                                     | 11,000,000          | 0                    | 11,000,000                            | 820,000                      |
| Unamortized Premium on Construction Note   | 0                                     | 176,354             | (16,032)             | 160,322                               | 0                            |
| 2003 Energy Conservation Loan (Phase IV)   | 2,004,000                             | 0                   | (133,000)            | 1,871,000                             | 138,000                      |
| 2004 Energy Conservation Loan (Phase V)  | 6,025,000                             | 0                   | (412,000)            | 5,613,000                             | 423,000                      |
| 2004 Energy Conservation Loan (Phase VI)   | 5,212,837                             | 0                   | (276,520)            | 4,936,317                             | 288,793                      |
| 2005 Energy Conservation Loan (Phase VII)  | 2,500,000                             | 0                   | (119,922)            | 2,380,078                             | 125,366                      |
| 2006 Energy Conservation Loan<br>(Phases VIII & IX)  | 0                                     | 3,458,570           | 0                    | 3,458,570                             | 167,687                      |
| 2006 Certificates of Participation<br>Unamortized Discount on<br>Certificates of Participation | 0                                     | 12,580,000          | 0                    | 12,580,000                            | 0                            |
| Capital Lease  | 275,669                               | 0                   | (128,748)            | 146,921                               | 135,335                      |
| Compensated Absences   | 9,807,245                             | 149,946             | (1,058,182)          | 8,899,009                             | 426,614                      |
| <b>Total Governmental Activities</b>   | <b>\$43,879,751</b>                   | <b>\$27,264,052</b> | <b>(\$4,279,404)</b> | <b>\$66,864,399</b>                   | <b>\$4,759,795</b>           |
| <b>Business-Type Activities:</b>   |                                       |                     |                      |                                       |                              |
| Compensated Absences   | \$76,203                              | 25,189              | (\$2,427)            | \$98,965                              | \$4,136                      |

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

In December 2002, June 2003, April 2004, February 2005, and May 2006, the School District issued energy conservation loans in the amounts of \$2,240,000, \$6,817,000, \$5,477,606, \$2,500,000, and \$3,458,570, respectively. The proceeds were and are going to be used to renovate school facilities in order to improve energy conservation measures.

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

The 2006 construction note is being used for the purpose of providing for the general ongoing permanent improvements of the School District. This note will be repaid over 11 years.

In June 2006, the School District entered a lease agreement with the Parma CSD Leasing Corporation for the purpose of constructing, furnishing, improving and equipping Parma Senior High School, Valley Forge Senior High School, Pleasant Valley Elementary School and Greenbriar Middle School. The Parma CSD Leasing Corporation entered an agreement with a trustee through which it assigned and transferred its rights, title, and interest under the lease to Huntington National Bank as Trustee. The Trustee issued Certificates of Participation in the lease agreement enabling holders of the Certificates to receive a portion of the semiannual lease payments. The Certificates of Participation will be repaid over 12 years with principal payment beginning in fiscal year 2008.

**Parma City School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2006

The note liability and certificates of participation will be paid from the bond retirement debt service fund. The general obligation bonds, energy conservation loans and capital leases will be paid from the general fund. Compensated absences will be paid from the general fund and the food service, adult continuing education and extended daycare/preschool enterprise funds.

The School District's overall legal debt margin was \$206,550,557 with an unvoted debt margin of \$2,293,972 at June 30, 2006. Principal and interest requirements to retire the debt outstanding at June 30, 2006, are as follows:

| Fiscal Year<br>Ending<br>June 30, | General Obligation<br>Bonds |          | Construction<br>Notes |             | Energy Conservation<br>Loans |             |
|-----------------------------------|-----------------------------|----------|-----------------------|-------------|------------------------------|-------------|
|                                   | Principal                   | Interest | Principal             | Interest    | Principal                    | Interest    |
| 2007                              | \$305,000                   | \$45,371 | \$2,750,000           | \$893,848   | \$1,142,846                  | \$779,203   |
| 2008                              | 325,000                     | 27,889   | 2,980,000             | 806,902     | 1,184,729                    | 734,645     |
| 2009                              | 340,000                     | 9,435    | 3,065,000             | 711,389     | 1,231,764                    | 687,223     |
| 2010                              | 0                           | 0        | 3,170,000             | 607,660     | 1,282,001                    | 635,300     |
| 2011                              | 0                           | 0        | 3,275,000             | 484,156     | 1,335,495                    | 581,202     |
| 2012-2016                         | 0                           | 0        | 10,710,000            | 811,407     | 7,606,907                    | 1,971,280   |
| 2017-2021                         | 0                           | 0        | 0                     | 0           | 4,475,223                    | 403,260     |
| Total                             | \$970,000                   | \$82,695 | \$25,950,000          | \$4,315,362 | \$18,258,965                 | \$5,792,113 |

| Fiscal Year<br>Ending<br>June 30, | Certificates of<br>Participation |             | Total        |              |
|-----------------------------------|----------------------------------|-------------|--------------|--------------|
|                                   | Principal                        | Interest    | Principal    | Interest     |
| 2007                              | \$0                              | \$470,546   | \$4,197,846  | \$2,188,968  |
| 2008                              | 165,000                          | 494,925     | 4,654,729    | 2,064,361    |
| 2009                              | 180,000                          | 488,025     | 4,816,764    | 1,896,072    |
| 2010                              | 180,000                          | 480,825     | 4,632,001    | 1,723,785    |
| 2011                              | 190,000                          | 473,425     | 4,800,495    | 1,538,783    |
| 2012-2016                         | 6,605,000                        | 1,929,662   | 24,921,907   | 4,712,349    |
| 2017-2021                         | 5,260,000                        | 172,200     | 9,735,223    | 575,460      |
| Total                             | \$12,580,000                     | \$4,509,608 | \$57,758,965 | \$14,699,778 |

**Note 15 - Jointly Governed Organizations**

**A. Lakeshore Northeast Ohio Computer Association**

The Lakeshore Northeast Ohio Computer Association (LNOCA) is a jointly governed computer service bureau that was formed for the purpose of providing data services to the seventeen 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

**Parma City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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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 2006, the School District paid \$42,779 to LNOCA. Financial information can be obtained by contacting the Treasurer of the fiscal agent at 5700 West Canal Road, Valley View, OH 44125.

***B. Northeast Ohio Network for Educational Technology***

The Northeast Ohio Network for Educational Technology (NEONET) is the computer service organization or Data Acquisition Site (DAS) used by the School District. NEONET is a jointly governed organization among twenty-one school districts and the Summit County Educational Service Center. The Summit County Educational Service Center acts as the fiscal agent for the consortium. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The Board of Directors consists of member district superintendents and treasurers. The manager/director is a permanent, non-voting member of the board of directors. Each school district's control is limited to its representation on the board. The Board of Directors exercise total control over the operations of the association including budgeting, appropriating, contracting and designating management. All association revenues are generated from charges for services and State funding. The School District does not retain an ongoing financial interest or an ongoing financial responsibility in NEONET. Payments to NEONET are made from the general fund. During the current fiscal year, the School District paid \$162,068 to NEONET. Financial information can be obtained by writing to the Summit County Educational Service Center, 420 Washington Avenue, Suite 200, Cuyahoga Falls, Ohio 44221.

***C. Ohio Schools Council Association***

The Ohio Schools Council Association (Council) is a jointly governed organization among ninety-one school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2006, the School District paid \$5,450 to the Council. Financial information can be obtained by contacting Dr. David A. Cottrell, the Executive Treasurer of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

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

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

**Parma City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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

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

**Note 16 - 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.

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

|   | Textbooks<br>Instructional<br>Materials<br>Reserve | Capital<br>Improvement<br>Reserve |
|---|--|-----------------------------------|
| Set-aside Reserve Balance as of June 30, 2005               | (\$1,087,967)                                      | \$0                               |
| Current Year Set-aside Requirement                          | 1,956,327  | 1,956,327                         |
| Offsets During the Fiscal Year                              | 0  | (2,688,497)                       |
| Qualifying Disbursements                                    | (2,279,773)  | (641,831)                         |
| Totals  | <u>(\$1,411,413)</u>                               | <u>(\$1,374,001)</u>              |
| Set-aside Balance Carried<br>Forward to Future Fiscal Years | <u>(\$1,411,413)</u>                               | <u>\$0</u>                        |
| Set-aside Reserve Balance as of June 30, 2006               | <u>\$0</u>   | <u>\$0</u>                        |

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

**Parma City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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**Note 17 - Interfund Transactions**

Interfund balances at June 30, 2006, consist of the following individual fund receivables and payables:

|                                     | Interfund<br>Receivable | Interfund<br>Payable |
|-------------------------------------|-------------------------|----------------------|
| General Fund                        | \$3,947,343             | \$0                  |
| Debt Service Fund:                  |                         |                      |
| Bond Retirement                     | 0                       | 617,823              |
| Special Revenue Funds:              |                         |                      |
| Public School Support               | 0                       | 16,400               |
| Auxiliary Services                  | 0                       | 190,235              |
| Disadvantaged Pupil Impact Aid      | 0                       | 60,000               |
| Ohio Reads                          | 0                       | 20,000               |
| Alternative Schools                 | 0                       | 110,000              |
| Adult Basic Education               | 0                       | 20,000               |
| Title VI-B                          | 0                       | 154,012              |
| Vocational Education                | 0                       | 100,297              |
| Title I                             | 0                       | 350,000              |
| Title VI                            | 0                       | 10,000               |
| Drug Free Schools                   | 0                       | 20,000               |
| Preschool Grant                     | 0                       | 35,000               |
| Title VI-R                          | 0                       | 195,000              |
| Other Special Revenue Funds         | 0                       | 117,682              |
| <i>Total Special Revenue Funds</i>  | 0                       | 1,398,626            |
| Capital Projects Funds:             |                         |                      |
| Permanent Improvements              | 0                       | 607,654              |
| Turf Replacement                    | 0                       | 826,350              |
| School Net                          | 0                       | 75,000               |
| <i>Total Capital Projects Funds</i> | 0                       | 1,509,004            |
| Enterprise Funds:                   |                         |                      |
| Adult Continuing Education          | 0                       | 251,487              |
| Extended Daycare/Preschool          | 0                       | 170,403              |
| <i>Total Enterprise Funds</i>       | 0                       | 421,890              |
| Total All Funds                     | \$3,947,343             | \$3,947,343          |

Interfund payables in the special revenue funds are due to the timing of the receipt of grant monies received by the various funds. The payable in the bond retirement is related to debt payments, to be repaid with tax revenues. The capital projects payable is due to the start of improvement projects before the permanent improvement tax levy collections began. Interfund payables exist in the enterprise funds due to the timing of the receipt of various revenue sources. All balances are expected to be paid next fiscal year except for the advances between the general fund and the turf replacement and school net capital projects funds.

**Parma City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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Transfers made during the year ended June 30, 2006 were as follows:

|                | Transfers To<br>Nonmajor<br>Governmental |
|----------------|--|
| Transfers From |  |
| Major Funds:   |  |
| General        | \$174,082                                |

The transfers are to move unrestricted balances to support programs and projects accounted for in other funds.

**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, 2006.

***B. Litigation***

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

**Note 19 - Capital Leases**

The School District entered into capital leases for copier machines and fax machines. These leases meet the criteria of a capital lease as defined by FASB Statement No. 13, "Accounting for Leases." The leased equipment is reported as a group in governmental activities at a cost of \$616,494; accumulated depreciation through June 30, 2006 amounted to \$410,996 leaving a book value of \$205,498. The agreements provide for minimum, annual lease payments as follows:

|   | Governmental<br>Activities |
|---|----------------------------|
| 2007                                    | \$139,608                  |
| 2008                                    | 11,634                     |
| Total Minimum Lease Payments            | 151,242                    |
| Less: Amounts Representing Interest     | (4,321)                    |
| Present Value of Minimum Lease Payments | \$146,921                  |



**Parma City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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**Note 20 – Contractual Commitments**

At June 30, 2006, the following contractual commitments have been entered into for various improvements to the School District:

| Contractor                                | Amount of<br>Contract      |
|---|----------------------------|
| Johnson Controls, Inc.                    | \$3,458,570                |
| Charles Schulz Building Co., Inc.         | 1,948,708                  |
| Lake Erie Electric, Inc.                  | 1,510,356                  |
| West Roofing Systems, Inc.                | 999,999                    |
| Lake Erie Electric, Inc.                  | 983,112                    |
| Castle Heating and Air                    | 692,600                    |
| Schirmer Construction Co.                 | 589,700                    |
| Platform Cement, Inc.                     | 438,700                    |
| Myers Equipment Corporation               | 365,026                    |
| Waller-Duman, Inc.                        | 362,409                    |
| Doan/Pyramid LLC                          | 362,090                    |
| RG Friday                                 | 327,076                    |
| Fiorilli Construction, Inc.               | 301,991                    |
| Schirmer Construction Co.                 | 275,600                    |
| Charles Schulz Building Co., Inc.         | 273,931                    |
| Precision Engineering & Contracting, Inc. | 240,130                    |
| Fiorilli Construction, Inc.               | 239,300                    |
| Charles Schulz Building Co., Inc.         | 206,459                    |
| SBC                                       | 154,669                    |
| Schirmer Construction Co.                 | 109,900                    |
| Imperial Heating & Cooling, Inc.          | 109,740                    |
| Precision Environmental Company           | 74,880                     |
| Miller Plumbing & Heating Co.             | 68,500                     |
| Spectrum Industries, Inc.                 | 67,299                     |
| Ellis Brothers Electrical, Ltd.           | 58,900                     |
| Miller Plumbing & Heating Co.             | 58,900                     |
| Spectra Contract Flooring                 | 56,600                     |
| Carron Asphalt Paving, Inc.               | 42,000                     |
| Ellis Brothers Electrical, Ltd.           | 38,000                     |
| Comm Steel, Inc.                          | 25,509                     |
| P.J. Ellis Electric Co., Inc.             | 23,520                     |
| Lake Erie Electric, Inc.                  | 18,143                     |
| Perk Company, Inc.                        | 17,148                     |
| Fabrizi Trucking and Paving               | 12,704                     |
| West Roofing Systems, Inc.                | 12,285                     |
| M & M Restoration                         | 1,590                      |
| Total                                     | <u><u>\$14,526,044</u></u> |

**Parma City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2006*

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**Note 21 – Subsequent Event**

On November 7, 2006, the voters in the School District approved the renewal of an existing levy raising \$8,062,500 for the period of five years commencing in calendar year 2007.

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

### *Fund Descriptions - Nonmajor Governmental Funds*

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#### *Nonmajor Special Revenue Funds*

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

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

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

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

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

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

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

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

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

**Alternative Schools Fund** – This fund accounts for State monies for misbehaving students who cannot function in a regular classroom.

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

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

**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.

(continued)

***Fund Descriptions – Nonmajor Governmental Funds (continued)***

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

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

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

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

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

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

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

Scholarship Fund  
Venture Capital Fund  
Managed Information Systems Fund  
Entry Year Grant Fund  
School Net Subsidy Grant Fund  
Summer Intervention Fund  
Vocational Education Enhancements Fund  
Poverty Aid Fund  
Limited English Proficiency Grant Fund  
Federal Refugee Children Fund

*Fund Descriptions - Nonmajor Governmental Funds (continued)*

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*Nonmajor Capital Projects Funds*

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

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

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

**Parma City School District**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*June 30, 2006*

|   | Nonmajor<br>Special<br>Revenue<br>Funds | Nonmajor<br>Capital<br>Projects<br>Funds | Total<br>Nonmajor<br>Governmental<br>Funds |
|---|---|--|--|
| <b>Assets</b>                                 |   |  |  |
| Equity in Pooled Cash and<br>Cash Equivalents | \$4,387,087                             | \$145,783                                | \$4,532,870                                |
| Accounts Receivable                           | 404                                     | 200                                      | 604  |
| Accrued Interest Receivable                   | 5,746                                   | 0  | 5,746                                      |
| Intergovernmental Receivable                  | 594,753                                 | 0  | 594,753                                    |
| <i>Total Assets</i>                           | <u>\$4,987,990</u>                      | <u>\$145,983</u>                         | <u>\$5,133,973</u>                         |
| <b>Liabilities and Fund Balances</b>          |   |  |  |
| <b>Liabilities</b>                            |   |  |  |
| Accounts Payable                              | \$692,765                               | \$0                                      | \$692,765                                  |
| Accrued Wages and Benefits                    | 450,903                                 | 0  | 450,903                                    |
| Intergovernmental Payable                     | 343,199                                 | 0  | 343,199                                    |
| Interfund Payable                             | 1,398,626                               | 901,350                                  | 2,299,976                                  |
| Deferred Revenue                              | 523,973                                 | 0  | 523,973                                    |
| <i>Total Liabilities</i>                      | <u>3,409,466</u>                        | <u>901,350</u>                           | <u>4,310,816</u>                           |
| <b>Fund Balances</b>                          |   |  |  |
| Reserved for Encumbrances                     | 294,350                                 | 0  | 294,350                                    |
| Unreserved, Undesignated (Deficit)            |   |  |  |
| Reported in:                                  |   |  |  |
| Special Revenue Funds                         | 1,284,174                               | 0  | 1,284,174                                  |
| Capital Projects Funds                        | 0                                       | (755,367)                                | (755,367)                                  |
| <i>Total Fund Balances (Deficit)</i>          | <u>1,578,524</u>                        | <u>(755,367)</u>                         | <u>823,157</u>                             |
| <i>Total Liabilities and Fund Balances</i>    | <u>\$4,987,990</u>                      | <u>\$145,983</u>                         | <u>\$5,133,973</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, 2006*

|  | Nonmajor<br>Special<br>Revenue<br>Funds | Nonmajor<br>Capital<br>Projects<br>Funds | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|---|--|--|
| <b>Revenues</b>                                  |   |  |  |
| Intergovernmental                                | \$10,437,333                            | \$0                                      | \$10,437,333                               |
| Interest   | 85,985                                  | 0  | 85,985                                     |
| Extracurricular Activities                       | 741,002                                 | 0  | 741,002                                    |
| Charges for Services                             | 110,998                                 | 0  | 110,998                                    |
| Contributions and Donations                      | 15,184                                  | 0  | 15,184                                     |
| Miscellaneous                                    | 708,855                                 | 13,398                                   | 722,253                                    |
| <i>Total Revenues</i>                            | <u>12,099,357</u>                       | <u>13,398</u>                            | <u>12,112,755</u>                          |
| <b>Expenditures</b>                              |   |  |  |
| Current:   |   |  |  |
| Instruction:                                     |   |  |  |
| Regular  | 831,683                                 | 0  | 831,683                                    |
| Special  | 2,480,130                               | 0  | 2,480,130                                  |
| Vocational                                       | 7,751                                   | 0  | 7,751                                      |
| Adult/Continuing                                 | 134,462                                 | 0  | 134,462                                    |
| Support Services:                                |   |  |  |
| Pupils   | 883,772                                 | 0  | 883,772                                    |
| Instructional Staff                              | 1,520,060                               | 0  | 1,520,060                                  |
| Administration                                   | 612,408                                 | 0  | 612,408                                    |
| Fiscal   | 560                                     | 0  | 560  |
| Operation and Maintenance of Plant               | 1,770                                   | 0  | 1,770                                      |
| Pupil Transportation                             | 66,701                                  | 0  | 66,701                                     |
| Central  | 138,695                                 | 0  | 138,695                                    |
| Operation of Non-Instructional Services          | 4,203,866                               | 0  | 4,203,866                                  |
| Extracurricular Activities                       | 1,475,808                               | 0  | 1,475,808                                  |
| Capital Outlay                                   | 647                                     | 117,660                                  | 118,307                                    |
| <i>Total Expenditures</i>                        | <u>12,358,313</u>                       | <u>117,660</u>                           | <u>12,475,973</u>                          |
| <i>Excess of Revenues Under Expenditures</i>     | (258,956)                               | (104,262)                                | (363,218)                                  |
| <b>Other Financing Sources</b>                   |   |  |  |
| Transfers In                                     | 174,082                                 | 0  | 174,082                                    |
| <i>Net Change in Fund Balances</i>               | (84,874)                                | (104,262)                                | (189,136)                                  |
| <i>Fund Balances (Deficit) Beginning of Year</i> | <u>1,663,398</u>                        | <u>(651,105)</u>                         | <u>1,012,293</u>                           |
| <i>Fund Balances (Deficit) End of Year</i>       | <u>\$1,578,524</u>                      | <u>(\$755,367)</u>                       | <u>\$823,157</u>                           |

**Parma City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2006*

|   | Public<br>School<br>Support | Other<br>Grants  | District<br>Managed<br>Student<br>Activity | Auxiliary<br>Services |
|---|-----------------------------|------------------|--|-----------------------|
| <b>Assets</b>                                 |                             |                  |  |                       |
| Equity in Pooled Cash and<br>Cash Equivalents | \$559,702                   | \$171,830        | \$282,494                                  | \$1,182,883           |
| Accounts Receivable                           | 0                           | 0                | 404  | 0                     |
| Accrued Interest Receivable                   | 3,266                       | 0                | 2,480                                      | 0                     |
| Intergovernmental Receivable                  | 0                           | 3,875            | 0  | 0                     |
| <i>Total Assets</i>                           | <u>\$562,968</u>            | <u>\$175,705</u> | <u>\$285,378</u>                           | <u>\$1,182,883</u>    |
| <b>Liabilities and Fund Balances</b>          |                             |                  |  |                       |
| <b>Liabilities</b>                            |                             |                  |  |                       |
| Accounts Payable                              | \$17,708                    | \$1,147          | \$8,832                                    | \$405,593             |
| Accrued Wages and Benefits                    | 0                           | 0                | 0  | 143,488               |
| Intergovernmental Payable                     | 14,282                      | 896              | 2,531                                      | 82,243                |
| Interfund Payable                             | 16,400                      | 0                | 0  | 190,235               |
| Deferred Revenue                              | 0                           | 0                | 0  | 0                     |
| <i>Total Liabilities</i>                      | <u>48,390</u>               | <u>2,043</u>     | <u>11,363</u>                              | <u>821,559</u>        |
| <b>Fund Balances</b>                          |                             |                  |  |                       |
| Reserved for Encumbrances                     | 25,477                      | 3,834            | 8,682                                      | 92,133                |
| Unreserved, Undesignated (Deficit)            | 489,101                     | 169,828          | 265,333                                    | 269,191               |
| <i>Total Fund Balances (Deficit)</i>          | <u>514,578</u>              | <u>173,662</u>   | <u>274,015</u>                             | <u>361,324</u>        |
| <i>Total Liabilities and Fund Balances</i>    | <u>\$562,968</u>            | <u>\$175,705</u> | <u>\$285,378</u>                           | <u>\$1,182,883</u>    |



| Disadvantaged<br>Pupil<br>Impact Aid | Ohio Reads      | Alternative<br>Schools | State<br>Grants  | Adult Basic<br>Education |
|--------------------------------------|-----------------|------------------------|------------------|--------------------------|
| \$57,045                             | \$21,091        | \$10,075               | \$139,038        | \$1,593                  |
| 0                                    | 0               | 0                      | 0                | 0                        |
| 0                                    | 0               | 0                      | 0                | 0                        |
| 0                                    | 5,887           | 0                      | 0                | 0                        |
| <u>\$57,045</u>                      | <u>\$26,978</u> | <u>\$10,075</u>        | <u>\$139,038</u> | <u>\$1,593</u>           |
| \$0                                  | \$3,482         | \$0                    | \$2,111          | \$0                      |
| 0                                    | 0               | 34,914                 | 1,508            | 1,393                    |
| 47                                   | 1,201           | 16,829                 | 27,875           | 7,827                    |
| 60,000                               | 20,000          | 110,000                | 0                | 20,000                   |
| 0                                    | 5,887           | 0                      | 0                | 0                        |
| <u>60,047</u>                        | <u>30,570</u>   | <u>161,743</u>         | <u>31,494</u>    | <u>29,220</u>            |
| 0                                    | 5               | 381                    | 540              | 70                       |
| <u>(3,002)</u>                       | <u>(3,597)</u>  | <u>(152,049)</u>       | <u>107,004</u>   | <u>(27,697)</u>          |
| <u>(3,002)</u>                       | <u>(3,592)</u>  | <u>(151,668)</u>       | <u>107,544</u>   | <u>(27,627)</u>          |
| <u>\$57,045</u>                      | <u>\$26,978</u> | <u>\$10,075</u>        | <u>\$139,038</u> | <u>\$1,593</u>           |

(continued)

**Parma City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*June 30, 2006*

|  | Title VI-B       | Vocational<br>Education | Title I          | Title VI        |
|--|------------------|-------------------------|------------------|-----------------|
| <b>Assets</b>                              |                  |                         |                  |                 |
| Equity in Pooled Cash and                  |                  |                         |                  |                 |
| Cash Equivalents                           | \$636,827        | \$136,329               | \$465,517        | \$11,199        |
| Accounts Receivable                        | 0                | 0                       | 0                | 0               |
| Accrued Interest Receivable                | 0                | 0                       | 0                | 0               |
| Intergovernmental Receivable               | 162,260          | 0                       | 270,977          | 0               |
| <i>Total Assets</i>                        | <u>\$799,087</u> | <u>\$136,329</u>        | <u>\$736,494</u> | <u>\$11,199</u> |
| <b>Liabilities and Fund Balances</b>       |                  |                         |                  |                 |
| <b>Liabilities</b>                         |                  |                         |                  |                 |
| Accounts Payable                           | \$206,819        | \$9,041                 | \$10,397         | \$1,180         |
| Accrued Wages and Benefits                 | 76,783           | 0                       | 116,848          | 7,449           |
| Intergovernmental Payable                  | 83,258           | 2,288                   | 57,797           | 3,309           |
| Interfund Payable                          | 154,012          | 100,297                 | 350,000          | 10,000          |
| Deferred Revenue                           | 162,260          | 0                       | 270,977          | 0               |
| <i>Total Liabilities</i>                   | <u>683,132</u>   | <u>111,626</u>          | <u>806,019</u>   | <u>21,938</u>   |
| <b>Fund Balances</b>                       |                  |                         |                  |                 |
| Reserved for Encumbrances                  | 55,627           | 23,561                  | 70,311           | 1,851           |
| Unreserved, Undesignated (Deficit)         | 60,328           | 1,142                   | (139,836)        | (12,590)        |
| <i>Total Fund Balances (Deficit)</i>       | <u>115,955</u>   | <u>24,703</u>           | <u>(69,525)</u>  | <u>(10,739)</u> |
| <i>Total Liabilities and Fund Balances</i> | <u>\$799,087</u> | <u>\$136,329</u>        | <u>\$736,494</u> | <u>\$11,199</u> |

| Drug Free<br>Schools | Preschool<br>Grant | Title VI-R       | Other            | Total<br>Nonmajor<br>Special Revenue<br>Funds |
|----------------------|--------------------|------------------|------------------|---|
| \$15,633             | \$62,257           | \$261,259        | \$372,315        | \$4,387,087                                   |
| 0                    | 0                  | 0                | 0                | 404   |
| 0                    | 0                  | 0                | 0                | 5,746   |
| 0                    | 23,354             | 128,336          | 64               | 594,753                                       |
| <u>\$15,633</u>      | <u>\$85,611</u>    | <u>\$389,595</u> | <u>\$372,379</u> | <u>\$4,987,990</u>                            |
| \$971                | \$13,552           | \$4,029          | \$7,903          | \$692,765                                     |
| 6,975                | 6,113              | 42,868           | 12,564           | 450,903                                       |
| 2,124                | 3,431              | 20,720           | 16,541           | 343,199                                       |
| 20,000               | 35,000             | 195,000          | 117,682          | 1,398,626                                     |
| 0                    | 23,354             | 61,431           | 64               | 523,973                                       |
| <u>30,070</u>        | <u>81,450</u>      | <u>324,048</u>   | <u>154,754</u>   | <u>3,409,466</u>                              |
| 90                   | 2,162              | 1,381            | 8,245            | 294,350                                       |
| (14,527)             | 1,999              | 64,166           | 209,380          | 1,284,174                                     |
| <u>(14,437)</u>      | <u>4,161</u>       | <u>65,547</u>    | <u>217,625</u>   | <u>1,578,524</u>                              |
| <u>\$15,633</u>      | <u>\$85,611</u>    | <u>\$389,595</u> | <u>\$372,379</u> | <u>\$4,987,990</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, 2006*

|   | Public<br>School<br>Support | Other<br>Grants  | District<br>Managed<br>Student<br>Activity | Auxiliary<br>Services |
|---|-----------------------------|------------------|--|-----------------------|
| <b>Revenues</b>                                     |                             |                  |  |                       |
| Intergovernmental                                   | \$0                         | \$70,131         | \$0  | \$3,747,465           |
| Interest  | 22,201                      | 0                | 6,931                                      | 56,853                |
| Extracurricular Activities                          | 382,818                     | 0                | 358,184                                    | 0                     |
| Charges for Services                                | 698                         | 7,940            | 102,360                                    | 0                     |
| Contributions and Donations                         | 5,418                       | 9,766            | 0  | 0                     |
| Miscellaneous                                       | 577,516                     | 121,002          | 10,337                                     | 0                     |
| <i>Total Revenues</i>                               | <u>988,651</u>              | <u>208,839</u>   | <u>477,812</u>                             | <u>3,804,318</u>      |
| <b>Expenditures</b>                                 |                             |                  |  |                       |
| Current:  |                             |                  |  |                       |
| Instruction:  |                             |                  |  |                       |
| Regular   | 0                           | 81,097           | 0  | 0                     |
| Special   | 12,528                      | 0                | 0  | 0                     |
| Vocational  | 0                           | 0                | 0  | 0                     |
| Adult/Continuing                                    | 0                           | 2,575            | 0  | 0                     |
| Support Services:                                   |                             |                  |  |                       |
| Pupils  | 0                           | 621              | 0  | 0                     |
| Instructional Staff                                 | 0                           | 0                | 0  | 0                     |
| Administration                                      | 0                           | 0                | 0  | 0                     |
| Fiscal  | 560                         | 0                | 0  | 0                     |
| Operation and Maintenance of Plant                  | 0                           | 0                | 0  | 0                     |
| Pupil Transportation                                | 0                           | 0                | 24,375                                     | 0                     |
| Central   | 0                           | 20,356           | 0  | 0                     |
| Operation of Non-Instructional Services             | 0                           | 0                | 0  | 3,555,641             |
| Extracurricular Activities                          | 993,513                     | 0                | 482,295                                    | 0                     |
| Capital Outlay                                      | 647                         | 0                | 0  | 0                     |
| <i>Total Expenditures</i>                           | <u>1,007,248</u>            | <u>104,649</u>   | <u>506,670</u>                             | <u>3,555,641</u>      |
| <i>Excess of Revenues Over (Under) Expenditures</i> | (18,597)                    | 104,190          | (28,858)                                   | 248,677               |
| <b>Other Financing Sources</b>                      |                             |                  |  |                       |
| Transfers In  | 1,000                       | 1,255            | 138,000                                    | 0                     |
| <i>Net Change in Fund Balances</i>                  | (17,597)                    | 105,445          | 109,142                                    | 248,677               |
| <i>Fund Balances (Deficit) Beginning of Year</i>    | <u>532,175</u>              | <u>68,217</u>    | <u>164,873</u>                             | <u>112,647</u>        |
| <i>Fund Balances (Deficit) End of Year</i>          | <u>\$514,578</u>            | <u>\$173,662</u> | <u>\$274,015</u>                           | <u>\$361,324</u>      |

| Professional Development | Disadvantaged Pupil Impact Aid | Network Connectivity | Ohio Reads | Alternative Schools | State Grants | Adult Basic Education |
|--------------------------|--------------------------------|----------------------|------------|---------------------|--------------|-----------------------|
| \$0                      | \$0                            | \$66,000             | \$34,113   | \$250,871           | \$78,860     | \$150,628             |
| 0                        | 0                              | 0                    | 0          | 0                   | 0            | 0                     |
| 0                        | 0                              | 0                    | 0          | 0                   | 0            | 0                     |
| 0                        | 0                              | 0                    | 0          | 0                   | 0            | 0                     |
| 0                        | 0                              | 0                    | 0          | 0                   | 0            | 0                     |
| 0                        | 0                              | 0                    | 0          | 0                   | 0            | 0                     |
| 0                        | 0                              | 66,000               | 34,113     | 250,871             | 78,860       | 150,628               |
| 0                        | 709                            | 0                    | 17,940     | 230,923             | 44,344       | 0                     |
| 0                        | 0                              | 0                    | 0          | 0                   | 3,236        | 0                     |
| 0                        | 0                              | 0                    | 0          | 0                   | 0            | 0                     |
| 0                        | 0                              | 0                    | 0          | 0                   | 0            | 118,973               |
| 0                        | 0                              | 0                    | 547        | 29,226              | 26,732       | 41,734                |
| 4,660                    | 0                              | 0                    | 21,859     | 0                   | 32,287       | 0                     |
| 0                        | 0                              | 0                    | 0          | 102,184             | 198          | 0                     |
| 0                        | 0                              | 0                    | 0          | 0                   | 0            | 0                     |
| 0                        | 0                              | 0                    | 0          | 0                   | 1,770        | 0                     |
| 0                        | 0                              | 0                    | 0          | 0                   | 0            | 0                     |
| 0                        | 0                              | 66,000               | 0          | 0                   | 0            | 0                     |
| 0                        | 0                              | 0                    | 0          | 0                   | 0            | 0                     |
| 0                        | 0                              | 0                    | 0          | 0                   | 0            | 0                     |
| 0                        | 0                              | 0                    | 0          | 0                   | 0            | 0                     |
| 4,660                    | 709                            | 66,000               | 40,346     | 362,333             | 108,567      | 160,707               |
| (4,660)                  | (709)                          | 0                    | (6,233)    | (111,462)           | (29,707)     | (10,079)              |
| 0                        | 0                              | 0                    | 0          | 0                   | 0            | 0                     |
| (4,660)                  | (709)                          | 0                    | (6,233)    | (111,462)           | (29,707)     | (10,079)              |
| 4,660                    | (2,293)                        | 0                    | 2,641      | (40,206)            | 137,251      | (17,548)              |
| \$0                      | (\$3,002)                      | \$0                  | (\$3,592)  | (\$151,668)         | \$107,544    | (\$27,627)            |

(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, 2006*

|   | Title VI-B       | Vocational<br>Education | Title I           | Title VI          |
|---|------------------|-------------------------|-------------------|-------------------|
| <b>Revenues</b>                                     |                  |                         |                   |                   |
| Intergovernmental                                   | \$3,516,814      | \$192,524               | \$1,128,548       | \$62,040          |
| Interest  | 0                | 0                       | 0                 | 0                 |
| Extracurricular Activities                          | 0                | 0                       | 0                 | 0                 |
| Charges for Services                                | 0                | 0                       | 0                 | 0                 |
| Contributions and Donations                         | 0                | 0                       | 0                 | 0                 |
| Miscellaneous                                       | 0                | 0                       | 0                 | 0                 |
| <i>Total Revenues</i>                               | <u>3,516,814</u> | <u>192,524</u>          | <u>1,128,548</u>  | <u>62,040</u>     |
| <b>Expenditures</b>                                 |                  |                         |                   |                   |
| Current:  |                  |                         |                   |                   |
| Instruction:  |                  |                         |                   |                   |
| Regular   | 0                | 0                       | 0                 | 65,901            |
| Special   | 1,181,998        | 0                       | 1,033,766         | 0                 |
| Vocational  | 0                | 4,459                   | 0                 | 0                 |
| Adult/Continuing                                    | 0                | 0                       | 0                 | 0                 |
| Support Services:                                   |                  |                         |                   |                   |
| Pupils  | 381,818          | 186,031                 | 0                 | 0                 |
| Instructional Staff                                 | 1,104,986        | 47,833                  | 15,208            | 0                 |
| Administration                                      | 429,918          | 0                       | 69,011            | 0                 |
| Fiscal  | 0                | 0                       | 0                 | 0                 |
| Operation and Maintenance of Plant                  | 0                | 0                       | 0                 | 0                 |
| Pupil Transportation                                | 31,826           | 0                       | 0                 | 0                 |
| Central   | 0                | 3,469                   | 0                 | 0                 |
| Operation of Non-Instructional Services             | 437,318          | 0                       | 168,853           | 15,139            |
| Extracurricular Activities                          | 0                | 0                       | 0                 | 0                 |
| Capital Outlay                                      | 0                | 0                       | 0                 | 0                 |
| <i>Total Expenditures</i>                           | <u>3,567,864</u> | <u>241,792</u>          | <u>1,286,838</u>  | <u>81,040</u>     |
| <i>Excess of Revenues Over (Under) Expenditures</i> | (51,050)         | (49,268)                | (158,290)         | (19,000)          |
| <b>Other Financing Sources</b>                      |                  |                         |                   |                   |
| Transfers In  | 0                | 264                     | 0                 | 0                 |
| <i>Net Change in Fund Balances</i>                  | (51,050)         | (49,004)                | (158,290)         | (19,000)          |
| <i>Fund Balances (Deficit) Beginning of Year</i>    | <u>167,005</u>   | <u>73,707</u>           | <u>88,765</u>     | <u>8,261</u>      |
| <i>Fund Balances (Deficit) End of Year</i>          | <u>\$115,955</u> | <u>\$24,703</u>         | <u>(\$69,525)</u> | <u>(\$10,739)</u> |

| Drug Free<br>Schools | Preschool<br>Grant | Title VI-R | Other     | Total<br>Nonmajor<br>Special Revenue<br>Funds |
|----------------------|--------------------|------------|-----------|---|
| \$49,110             | \$146,873          | \$482,226  | \$461,130 | \$10,437,333                                  |
| 0                    | 0                  | 0          | 0         | 85,985  |
| 0                    | 0                  | 0          | 0         | 741,002                                       |
| 0                    | 0                  | 0          | 0         | 110,998                                       |
| 0                    | 0                  | 0          | 0         | 15,184  |
| 0                    | 0                  | 0          | 0         | 708,855                                       |
| 49,110               | 146,873            | 482,226    | 461,130   | 12,099,357                                    |
| 0                    | 0                  | 324,836    | 65,933    | 831,683                                       |
| 0                    | 36,680             | 0          | 211,922   | 2,480,130                                     |
| 0                    | 0                  | 0          | 3,292     | 7,751   |
| 0                    | 0                  | 0          | 12,914    | 134,462                                       |
| 49,998               | 34,264             | 0          | 132,801   | 883,772                                       |
| 0                    | 56,779             | 138,038    | 98,410    | 1,520,060                                     |
| 0                    | 0                  | 0          | 11,097    | 612,408                                       |
| 0                    | 0                  | 0          | 0         | 560   |
| 0                    | 0                  | 0          | 0         | 1,770   |
| 0                    | 0                  | 0          | 10,500    | 66,701  |
| 0                    | 0                  | 0          | 48,870    | 138,695                                       |
| 2,667                | 13,606             | 10,642     | 0         | 4,203,866                                     |
| 0                    | 0                  | 0          | 0         | 1,475,808                                     |
| 0                    | 0                  | 0          | 0         | 647   |
| 52,665               | 141,329            | 473,516    | 595,739   | 12,358,313                                    |
| (3,555)              | 5,544              | 8,710      | (134,609) | (258,956)                                     |
| 3,257                | 9                  | 30,297     | 0         | 174,082                                       |
| (298)                | 5,553              | 39,007     | (134,609) | (84,874)                                      |
| (14,139)             | (1,392)            | 26,540     | 352,234   | 1,663,398                                     |
| (\$14,437)           | \$4,161            | \$65,547   | \$217,625 | \$1,578,524                                   |

**Parma City School District**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*June 30, 2006*

|   | <u>Turf<br/>Replacement</u> | <u>School<br/>Net</u> | <u>Total<br/>Nonmajor<br/>Capital Projects<br/>Funds</u> |
|---|-----------------------------|-----------------------|--|
| <b>Assets</b>                                 |                             |                       |  |
| Equity in Pooled Cash and<br>Cash Equivalents | \$46,674                    | \$99,109              | \$145,783  |
| Accounts Receivable                           | 200                         | 0                     | 200  |
| Total Assets                                  | <u>\$46,874</u>             | <u>\$99,109</u>       | <u>\$145,983</u>   |
| <b>Liabilities and Fund Balances</b>          |                             |                       |  |
| <b>Liabilities</b>                            |                             |                       |  |
| Interfund Payable                             | \$826,350                   | \$75,000              | \$901,350  |
| <b>Fund Balances</b>                          |                             |                       |  |
| Unreserved, Undesignated (Deficit)            | <u>(779,476)</u>            | <u>24,109</u>         | <u>(755,367)</u>   |
| <i>Total Liabilities and Fund Balances</i>    | <u>\$46,874</u>             | <u>\$99,109</u>       | <u>\$145,983</u>   |



**Parma City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Fiscal Year Ended June 30, 2006*

|  | Turf<br>Replacement | School<br>Net | Total<br>Nonmajor<br>Capital Projects<br>Funds |
|--|---------------------|---------------|--|
| <b>Revenues</b>                                  |                     |               |  |
| Miscellaneous                                    | \$13,398            | \$0           | \$13,398                                       |
| <b>Expenditures</b>                              |                     |               |  |
| Capital Outlay                                   | 117,660             | 0             | 117,660  |
| <i>Net Change in Fund Balances</i>               | (104,262)           | 0             | (104,262)                                      |
| <i>Fund Balances (Deficit) Beginning of Year</i> | (675,214)           | 24,109        | (651,105)                                      |
| <i>Fund Balances (Deficit) End of Year</i>       | (\$779,476)         | \$24,109      | (\$755,367)                                    |

## *Fund Descriptions - Nonmajor Proprietary Funds*

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### *Nonmajor Enterprise Funds*

Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services.

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

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

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

**Parma City School District**  
*Combining Statement of Fund Net Assets*  
*Nonmajor Enterprise Funds*  
*June 30, 2006*

|  | Food<br>Service | Adult<br>Continuing<br>Education | Extended<br>Daycare/<br>Preschool | Total<br>Nonmajor<br>Enterprise Funds |
|--|-----------------|----------------------------------|-----------------------------------|---------------------------------------|
| <b>Assets</b>                              |                 |                                  |                                   |                                       |
| <b><i>Current Assets:</i></b>              |                 |                                  |                                   |                                       |
| Equity in Pooled Cash and Cash Equivalents | \$759,972       | \$44,027                         | \$238,471                         | \$1,042,470                           |
| Accounts Receivable                        | 2,111           | 18,211                           | 59,184                            | 79,506                                |
| Intergovernmental Receivable               | 213,354         | 0                                | 41,727                            | 255,081                               |
| Inventory Held for Resale                  | 15,482          | 0                                | 0                                 | 15,482                                |
| <i>Total Current Assets</i>                | 990,919         | 62,238                           | 339,382                           | 1,392,539                             |
| <b><i>Noncurrent Assets:</i></b>           |                 |                                  |                                   |                                       |
| Capital Assets, Net                        | 95,811          | 8,551                            | 9,975                             | 114,337                               |
| <i>Total Assets</i>                        | 1,086,730       | 70,789                           | 349,357                           | 1,506,876                             |
| <b>Liabilities</b>                         |                 |                                  |                                   |                                       |
| <b><i>Current Liabilities:</i></b>         |                 |                                  |                                   |                                       |
| Accounts Payable                           | 209             | 989                              | 707                               | 1,905                                 |
| Accrued Wages and Benefits                 | 17,932          | 1,703                            | 14,662                            | 34,297                                |
| Compensated Absences Payable               | 3,775           | 277                              | 84                                | 4,136                                 |
| Intergovernmental Payable                  | 58,182          | 4,166                            | 61,227                            | 123,575                               |
| Interfund Payable                          | 0               | 251,487                          | 170,403                           | 421,890                               |
| <i>Total Current Liabilities</i>           | 80,098          | 258,622                          | 247,083                           | 585,803                               |
| <b><i>Long-Term Liabilities:</i></b>       |                 |                                  |                                   |                                       |
| Compensated Absences Payable               | 86,549          | 6,356                            | 1,924                             | 94,829                                |
| <i>Total Liabilities</i>                   | 166,647         | 264,978                          | 249,007                           | 680,632                               |
| <b>Net Assets</b>                          |                 |                                  |                                   |                                       |
| Invested in Capital Assets                 | 95,811          | 8,551                            | 9,975                             | 114,337                               |
| Unrestricted (Deficit)                     | 824,272         | (202,740)                        | 90,375                            | 711,907                               |
| <i>Total Net Assets (Deficit)</i>          | \$920,083       | (\$194,189)                      | \$100,350                         | \$826,244                             |

**Parma City School District**  
*Combining Statement of Revenues,  
Expenses and Changes in Fund Net Assets  
Nonmajor Enterprise Funds  
For the Fiscal Year Ended June 30, 2006*

|   | Food<br>Service         | Adult<br>Continuing<br>Education | Extended<br>Daycare/<br>Preschool | Total<br>Nonmajor<br>Enterprise Funds |
|---|-------------------------|----------------------------------|-----------------------------------|---------------------------------------|
| <b>Operating Revenues</b>                     |                         |                                  |                                   |                                       |
| Tuition                                       | \$0                     | \$87,919                         | \$1,120,330                       | \$1,208,249                           |
| Sales   | 2,283,014               | 0                                | 0                                 | 2,283,014                             |
| Miscellaneous                                 | 0                       | 0                                | 8,273                             | 8,273                                 |
| <i>Total Operating Revenues</i>               | <u>2,283,014</u>        | <u>87,919</u>                    | <u>1,128,603</u>                  | <u>3,499,536</u>                      |
| <b>Operating Expenses</b>                     |                         |                                  |                                   |                                       |
| Salaries                                      | 977,192                 | 70,945                           | 778,016                           | 1,826,153                             |
| Fringe Benefits                               | 558,982                 | 24,385                           | 178,475                           | 761,842                               |
| Purchased Services                            | 45,507                  | 7,052                            | 278,919                           | 331,478                               |
| Materials and Supplies                        | 128,548                 | 10,804                           | 93,178                            | 232,530                               |
| Cost of Sales                                 | 1,455,870               | 0                                | 0                                 | 1,455,870                             |
| Depreciation                                  | 19,120                  | 1,727                            | 1,380                             | 22,227                                |
| Other   | 5,169                   | 175                              | 2,088                             | 7,432                                 |
| <i>Total Operating Expenses</i>               | <u>3,190,388</u>        | <u>115,088</u>                   | <u>1,332,056</u>                  | <u>4,637,532</u>                      |
| <i>Operating Loss</i>                         | (907,374)               | (27,169)                         | (203,453)                         | (1,137,996)                           |
| <b>Non-Operating Revenues</b>                 |                         |                                  |                                   |                                       |
| Operating Grants                              | 1,184,952               | 22,034                           | 154,380                           | 1,361,366                             |
| <i>Change in Net Assets</i>                   | 277,578                 | (5,135)                          | (49,073)                          | 223,370                               |
| <i>Net Assets (Deficit) Beginning of Year</i> | <u>642,505</u>          | <u>(189,054)</u>                 | <u>149,423</u>                    | <u>602,874</u>                        |
| <i>Net Assets (Deficit) End of Year</i>       | <u><u>\$920,083</u></u> | <u><u>(\$194,189)</u></u>        | <u><u>\$100,350</u></u>           | <u><u>\$826,244</u></u>               |

**Parma City School District**  
*Combining Statement of Cash Flows*  
*Nonmajor Enterprise Funds*  
*For the Fiscal Year Ended June 30, 2006*

|   | Food<br>Service  | Adult<br>Continuing<br>Education | Extended<br>Daycare/<br>Preschool | Total<br>Nonmajor<br>Enterprise Funds |
|---|------------------|----------------------------------|-----------------------------------|---------------------------------------|
| <b>Increase (Decrease) in Cash and Cash Equivalents</b>             |                  |                                  |                                   |                                       |
| <b>Cash Flows from Operating Activities</b>                         |                  |                                  |                                   |                                       |
| Cash Received from Customers  | \$2,282,784      | \$69,708                         | \$1,117,336                       | \$3,469,828                           |
| Other Cash Receipts   | 0                | 0                                | 8,273                             | 8,273                                 |
| Cash Payments to Employees for Services                             | (978,251)        | (70,800)                         | (777,401)                         | (1,826,452)                           |
| Cash Payments for Employee Benefits                                 | (530,983)        | (22,089)                         | (174,308)                         | (727,380)                             |
| Cash Payments for Goods and Services                                | (1,628,246)      | (17,562)                         | (358,371)                         | (2,004,179)                           |
| Other Cash Payments   | (5,169)          | (175)                            | (2,088)                           | (7,432)                               |
| <i>Net Cash Used for Operating Activities</i>                       | <u>(859,865)</u> | <u>(40,918)</u>                  | <u>(186,559)</u>                  | <u>(1,087,342)</u>                    |
| <b>Cash Flows from Noncapital<br/>Financing Activities</b>          |                  |                                  |                                   |                                       |
| Operating Grants Received   | 1,111,388        | 29,999                           | 136,765                           | 1,278,152                             |
| Advances In   | 0                | 60,000                           | 0                                 | 60,000                                |
| <i>Net Cash Provided by<br/>Noncapital Financing Activities</i>     | <u>1,111,388</u> | <u>89,999</u>                    | <u>136,765</u>                    | <u>1,338,152</u>                      |
| <b>Cash Flows from Capital and<br/>Related Financing Activities</b> |                  |                                  |                                   |                                       |
| Payments for Capital Acquisitions                                   | 0                | (8,309)                          | 0                                 | (8,309)                               |
| <i>Net Increase (Decrease) in Cash and Cash Equivalents</i>         | 251,523          | 40,772                           | (49,794)                          | 242,501                               |
| <i>Cash and Cash Equivalents Beginning of Year</i>                  | 508,449          | 3,255                            | 288,265                           | 799,969                               |
| <i>Cash and Cash Equivalents End of Year</i>                        | <u>\$759,972</u> | <u>\$44,027</u>                  | <u>\$238,471</u>                  | <u>\$1,042,470</u>                    |

(continued)

**Parma City School District**  
*Combining Statement of Cash Flows*  
*Nonmajor Enterprise Funds (continued)*  
*For the Fiscal Year Ended June 30, 2006*

|   | Food<br>Service    | Adult<br>Continuing<br>Education | Extended<br>Daycare/<br>Preschool | Total<br>Nonmajor<br>Enterprise Funds |
|---|--------------------|----------------------------------|-----------------------------------|---------------------------------------|
| <b>Reconciliation of Operating Loss to Net Cash<br/>Used for Operating Activities</b> |                    |                                  |                                   |                                       |
| Operating Loss  | (\$907,374)        | (\$27,169)                       | (\$203,453)                       | (\$1,137,996)                         |
| Adjustments:  |                    |                                  |                                   |                                       |
| Depreciation  | 19,120             | 1,727                            | 1,380                             | 22,227                                |
| (Increase) Decrease in Assets:  |                    |                                  |                                   |                                       |
| Accounts Receivable   | (230)              | (18,211)                         | (2,994)                           | (21,435)                              |
| Inventory Held for Resale   | 1,679              | 0                                | 0                                 | 1,679                                 |
| Increase (Decrease) in Liabilities:   |                    |                                  |                                   |                                       |
| Accounts Payable  | 209                | 294                              | (1,148)                           | (645)                                 |
| Accrued Wages and Benefits  | (1,059)            | 145                              | 615                               | (299)                                 |
| Compensated Absences Payable  | 21,647             | 1,078                            | 37                                | 22,762                                |
| Intergovernmental Payable   | 6,143              | 1,218                            | 19,004                            | 26,365                                |
| <i>Net Cash Used for Operating Activities</i>   | <u>(\$859,865)</u> | <u>(\$40,918)</u>                | <u>(\$186,559)</u>                | <u>(\$1,087,342)</u>                  |

***Fund Descriptions - Agency Funds***

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

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

**Parma City School District**  
*Combining Statement of Changes in Assets and Liabilities*  
*All Agency Funds*  
*For the Fiscal Year Ended June 30, 2006*

|   | Balance<br>06/30/05 | Additions          | Deductions         | Balance<br>06/30/06 |
|---|---------------------|--------------------|--------------------|---------------------|
| <b><i>Student Activities</i></b>              |                     |                    |                    |                     |
| <b>Assets</b>                                 |                     |                    |                    |                     |
| Equity in Pooled Cash and<br>Cash Equivalents | \$437,622           | \$1,043,246        | \$1,054,550        | \$426,318           |
| <b>Liabilities</b>                            |                     |                    |                    |                     |
| Due to Students                               | \$437,622           | \$1,043,246        | \$1,054,550        | \$426,318           |
| <br>  |                     |                    |                    |                     |
| <b><i>Voluntary Benefits</i></b>              |                     |                    |                    |                     |
| <b>Assets</b>                                 |                     |                    |                    |                     |
| Equity in Pooled Cash and<br>Cash Equivalents | \$498,678           | \$205,414          | \$98,359           | \$605,733           |
| <b>Liabilities</b>                            |                     |                    |                    |                     |
| Undistributed Monies                          | \$498,678           | \$205,414          | \$98,359           | \$605,733           |
| <br>  |                     |                    |                    |                     |
| <b><i>Total - All Agency Funds</i></b>        |                     |                    |                    |                     |
| <b>Assets</b>                                 |                     |                    |                    |                     |
| Equity in Pooled Cash and<br>Cash Equivalents | \$936,300           | \$1,248,660        | \$1,152,909        | \$1,032,051         |
| <b>Liabilities</b>                            |                     |                    |                    |                     |
| Undistributed Monies                          | \$498,678           | \$205,414          | \$98,359           | \$605,733           |
| Due to Students                               | 437,622             | 1,043,246          | 1,054,550          | 426,318             |
| <b><i>Total Liabilities</i></b>               | <b>\$936,300</b>    | <b>\$1,248,660</b> | <b>\$1,152,909</b> | <b>\$1,032,051</b>  |



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

**Parma City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2006*

|                              | Budgeted Amounts   |                    |                    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------|--------------------|--------------------|--------------------|---|
|                              | Original<br>Budget | Revised<br>Budget  | Actual             |   |
| <b>Revenues</b>              |                    |                    |                    |   |
| Property Taxes               | \$90,045,232       | \$80,642,855       | \$80,642,855       | \$0   |
| Intergovernmental            | 24,131,837         | 33,405,193         | 33,516,293         | 111,100   |
| Interest                     | 1,200,000          | 1,329,021          | 1,329,021          | 0   |
| Tuition and Fees             | 2,005,000          | 2,005,000          | 2,105,331          | 100,331   |
| Extracurricular Activities   | 2,992,208          | 2,992,208          | 213,877            | (2,778,331)   |
| Rentals                      | 1,000              | 1,000              | 313,262            | 312,262   |
| Charges for Services         | 215,200            | 215,200            | 1,847,045          | 1,631,845   |
| Contributions and Donations  | 13,401             | 13,401             | 12,909             | (492)   |
| Miscellaneous                | 89,470             | 92,470             | 776,083            | 683,613   |
| <i>Total Revenues</i>        | <u>120,693,348</u> | <u>120,696,348</u> | <u>120,756,676</u> | <u>60,328</u>   |
| <b>Expenditures</b>          |                    |                    |                    |   |
| Current:                     |                    |                    |                    |   |
| Instruction:                 |                    |                    |                    |   |
| Regular:                     |                    |                    |                    |   |
| Salaries                     | 37,597,195         | 38,069,120         | 37,787,702         | 281,418   |
| Fringe Benefits              | 13,514,680         | 13,873,937         | 13,714,745         | 159,192   |
| Purchased Services           | 2,002,040          | 2,357,064          | 2,158,718          | 198,346   |
| Materials and Supplies       | 2,530,222          | 2,490,208          | 1,882,360          | 607,848   |
| Capital Outlay - New         | 316,696            | 348,262            | 227,878            | 120,384   |
| Capital Outlay - Replacement | 127,431            | 140,931            | 35,497             | 105,434   |
| Other                        | 253,943            | 258,761            | 193,284            | 65,477  |
| Total Regular                | <u>56,342,207</u>  | <u>57,538,283</u>  | <u>56,000,184</u>  | <u>1,538,099</u>  |
| Special:                     |                    |                    |                    |   |
| Salaries                     | 10,711,841         | 10,445,816         | 10,406,409         | 39,407  |
| Fringe Benefits              | 4,254,394          | 3,944,379          | 3,652,478          | 291,901   |
| Purchased Services           | 148,494            | 157,194            | 149,014            | 8,180   |
| Materials and Supplies       | 39,785             | 37,685             | 21,834             | 15,851  |
| Capital Outlay - New         | 9,192              | 21,096             | 4,749              | 16,347  |
| Other                        | 0                  | 300                | 0                  | 300   |
| Total Special                | <u>15,163,706</u>  | <u>14,606,470</u>  | <u>14,234,484</u>  | <u>371,986</u>  |
| Vocational:                  |                    |                    |                    |   |
| Salaries and Wages           | 2,460,943          | 2,569,719          | 2,524,030          | 45,689  |
| Fringe Benefits              | 854,549            | 889,037            | 837,406            | 51,631  |
| Purchased Services           | 71,645             | 73,807             | 63,706             | 10,101  |
| Materials and Supplies       | 160,349            | 131,755            | 107,904            | 23,851  |
| Capital Outlay - New         | 9,342              | 11,900             | 8,458              | 3,442   |
| Capital Outlay - Replacement | 142,675            | 155,834            | 119,244            | 36,590  |
| Total Vocational             | <u>\$3,699,503</u> | <u>\$3,832,052</u> | <u>\$3,660,748</u> | <u>\$171,304</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, 2006*

|                                  | Budgeted Amounts    |                     |                    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|----------------------------------|---------------------|---------------------|--------------------|---|
|                                  | Original<br>Budget  | Revised<br>Budget   | Actual             |   |
| Adult/Continuing:                |                     |                     |                    |   |
| Materials and Supplies           | \$135               | \$135               | \$0                | \$135   |
| Other                            | 4,049               | 4,049               | 3,500              | 549   |
| <b>Total Adult/Continuing</b>    | <b>4,184</b>        | <b>4,184</b>        | <b>3,500</b>       | <b>684</b>  |
| <b>Total Instruction</b>         | <b>75,209,600</b>   | <b>75,980,989</b>   | <b>73,898,916</b>  | <b>2,082,073</b>  |
| Support Services:                |                     |                     |                    |   |
| Pupils:                          |                     |                     |                    |   |
| Salaries                         | 4,310,971           | 4,583,626           | 4,565,623          | 18,003  |
| Fringe Benefits                  | 2,090,375           | 1,797,445           | 1,591,246          | 206,199   |
| Purchased Services               | 408,750             | 426,950             | 420,295            | 6,655   |
| Materials and Supplies           | 98,656              | 120,750             | 99,444             | 21,306  |
| <b>Total Pupils</b>              | <b>6,908,752</b>    | <b>6,928,771</b>    | <b>6,676,608</b>   | <b>252,163</b>  |
| Instructional Staff:             |                     |                     |                    |   |
| Salaries                         | 2,156,462           | 2,475,029           | 2,444,603          | 30,426  |
| Fringe Benefits                  | 1,060,341           | 1,232,339           | 933,501            | 298,838   |
| Purchased Services               | 603,946             | 633,311             | 520,970            | 112,341   |
| Materials and Supplies           | 218,355             | 217,316             | 175,056            | 42,260  |
| Capital Outlay - New             | 203,890             | 205,656             | 180,015            | 25,641  |
| Other                            | 21,584              | 25,684              | 17,297             | 8,387   |
| <b>Total Instructional Staff</b> | <b>4,264,578</b>    | <b>4,789,335</b>    | <b>4,271,442</b>   | <b>517,893</b>  |
| Board of Education:              |                     |                     |                    |   |
| Salaries                         | 6,297               | 91,400              | 86,009             | 5,391   |
| Fringe Benefits                  | 1,933               | 36,525              | 17,428             | 19,097  |
| Purchased Services               | 1,021,294           | 1,075,394           | 898,728            | 176,666   |
| Materials and Supplies           | 2,190               | 2,690               | 2,335              | 355   |
| Capital Outlay - New             | 1,000               | 1,000               | 0                  | 1,000   |
| Other                            | 10,250              | 13,250              | 10,653             | 2,597   |
| <b>Total Board of Education</b>  | <b>1,042,964</b>    | <b>1,220,259</b>    | <b>1,015,153</b>   | <b>205,106</b>  |
| Administration:                  |                     |                     |                    |   |
| Salaries                         | 6,472,958           | 6,897,492           | 6,841,979          | 55,513  |
| Fringe Benefits                  | 3,301,196           | 3,142,937           | 2,885,173          | 257,764   |
| Purchased Services               | 161,117             | 170,467             | 141,560            | 28,907  |
| Materials and Supplies           | 81,090              | 89,681              | 73,282             | 16,399  |
| Capital Outlay - New             | 500                 | 500                 | 500                | 0   |
| Capital Outlay - Replacement     | 1,586               | 708                 | 0                  | 708   |
| Other                            | 2,800               | 2,663               | 2,494              | 169   |
| <b>Total Administration</b>      | <b>\$10,021,247</b> | <b>\$10,304,448</b> | <b>\$9,944,988</b> | <b>\$359,460</b>  |

(continued)

**Parma City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2006*

|   | Budgeted Amounts    |                     |                     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|---------------------|---------------------|---------------------|---|
|   | Original<br>Budget  | Revised<br>Budget   | Actual              |   |
| <b>Fiscal:</b>                                  |                     |                     |                     |   |
| Salaries  | \$537,008           | \$604,300           | \$503,851           | \$100,449   |
| Fringe Benefits                                 | 20,085              | 242,195             | 234,499             | 7,696   |
| Purchased Services                              | 96,245              | 94,029              | 59,818              | 34,211  |
| Materials and Supplies                          | 23,251              | 23,251              | 18,881              | 4,370   |
| Capital Outlay - New                            | 4,000               | 4,000               | 2,700               | 1,300   |
| Capital Outlay - Replacement                    | 1,000               | 1,000               | 120                 | 880   |
| Other   | 1,305,422           | 1,388,770           | 1,329,907           | 58,863  |
| <b>Total Fiscal</b>                             | <b>1,987,011</b>    | <b>2,357,545</b>    | <b>2,149,776</b>    | <b>207,769</b>  |
| <b>Business:</b>                                |                     |                     |                     |   |
| Salaries  | 539,484             | 530,000             | 511,752             | 18,248  |
| Fringe Benefits                                 | 18,208              | 232,408             | 211,089             | 21,319  |
| Purchased Services                              | 103,724             | 122,009             | 96,538              | 25,471  |
| Materials and Supplies                          | 333,277             | 418,277             | 336,783             | 81,494  |
| Capital Outlay - New                            | 91,056              | 101,056             | 98,825              | 2,231   |
| Capital Outlay - Replacement                    | 20,480              | 20,480              | 5,629               | 14,851  |
| Other   | 5,320               | 8,320               | 4,121               | 4,199   |
| <b>Total Business</b>                           | <b>1,111,549</b>    | <b>1,432,550</b>    | <b>1,264,737</b>    | <b>167,813</b>  |
| <b>Operation and Maintenance of Plant:</b>      |                     |                     |                     |   |
| Salaries  | 4,292,702           | 4,608,800           | 4,342,274           | 266,526   |
| Fringe Benefits                                 | 2,155,092           | 2,035,500           | 1,872,232           | 163,268   |
| Purchased Services                              | 6,151,434           | 5,693,066           | 4,620,946           | 1,072,120   |
| Materials and Supplies                          | 938,452             | 926,724             | 752,099             | 174,625   |
| Capital Outlay - New                            | 66,212              | 88,932              | 67,065              | 21,867  |
| Capital Outlay - Replacement                    | 139,572             | 147,672             | 122,533             | 25,139  |
| Other   | 131,138             | 220,628             | 199,680             | 20,948  |
| <b>Total Operation and Maintenance of Plant</b> | <b>13,874,602</b>   | <b>13,721,322</b>   | <b>11,976,829</b>   | <b>1,744,493</b>  |
| <b>Pupil Transportation:</b>                    |                     |                     |                     |   |
| Salaries  | 3,100,492           | 3,167,100           | 3,133,794           | 33,306  |
| Fringe Benefits                                 | 1,062,725           | 1,530,613           | 1,432,372           | 98,241  |
| Purchased Services                              | 613,102             | 611,752             | 563,172             | 48,580  |
| Materials and Supplies                          | 587,534             | 712,451             | 621,791             | 90,660  |
| Other   | 306,301             | 306,301             | 305,067             | 1,234   |
| <b>Total Pupil Transportation</b>               | <b>5,670,154</b>    | <b>6,328,217</b>    | <b>6,056,196</b>    | <b>272,021</b>  |
| <b>Central:</b>                                 |                     |                     |                     |   |
| Salaries  | 52,866              | 704,165             | 604,739             | 99,426  |
| Fringe Benefits                                 | 23,997              | 293,017             | 242,777             | 50,240  |
| Purchased Services                              | 597,560             | 592,797             | 442,492             | 150,305   |
| Materials and Supplies                          | 395,920             | 395,920             | 341,290             | 54,630  |
| Capital Outlay - New                            | 95,096              | 101,859             | 58,674              | 43,185  |
| Other   | 5,464               | 5,464               | 3,179               | 2,285   |
| <b>Total Central</b>                            | <b>1,170,903</b>    | <b>2,093,222</b>    | <b>1,693,151</b>    | <b>400,071</b>  |
| <b>Total Support Services</b>                   | <b>\$46,051,760</b> | <b>\$49,175,669</b> | <b>\$45,048,880</b> | <b>\$4,126,789</b>                                      |

(continued)

**Parma City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2006*

|   | Budgeted Amounts   |                   | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|--------------------|-------------------|------------------|---|
|   | Original<br>Budget | Revised<br>Budget |                  |   |
| Operation of Non-Instructional Services:                        |                    |                   |                  |   |
| Community Services:   |                    |                   |                  |   |
| Salaries and Wages  | \$0                | \$23,500          | \$21,579         | \$1,921   |
| Fringe Benefits   | 0                  | 3,657             | 3,212            | 445   |
| Materials and Supplies  | 281                | 533               | 341              | 192   |
| Capital Outlay - New  | 2,028              | 2,028             | 1,014            | 1,014   |
| Other   | 0                  | 3,517             | 3,517            | 0   |
| <b>Total Operation of Non-Instructional Services</b>            | <b>2,309</b>       | <b>33,235</b>     | <b>29,663</b>    | <b>3,572</b>  |
| Extracurricular Activities:                                     |                    |                   |                  |   |
| Academic and Subject Oriented Activities:                       |                    |                   |                  |   |
| Salaries and Wages  | 27,396             | 248,351           | 200,323          | 48,028  |
| Fringe Benefits   | 6,128              | 47,380            | 30,247           | 17,133  |
| Purchased Services  | 52,120             | 50,359            | 37,664           | 12,695  |
| Materials and Supplies  | 82,442             | 85,511            | 70,656           | 14,855  |
| <b>Total Academic and Subject Oriented Activities</b>           | <b>168,086</b>     | <b>431,601</b>    | <b>338,890</b>   | <b>92,711</b>   |
| Occupation Oriented Activities:                                 |                    |                   |                  |   |
| Materials and Supplies  | 0                  | 3,000             | 0                | 3,000   |
| Sport Oriented Activities:                                      |                    |                   |                  |   |
| Salaries and Wages  | 174,001            | 1,046,974         | 938,701          | 108,273   |
| Fringe Benefits   | 4,459              | 184,665           | 174,977          | 9,688   |
| Purchased Services  | 34,000             | 34,000            | 33,000           | 1,000   |
| <b>Total Sport Oriented Activities</b>                          | <b>212,460</b>     | <b>1,265,639</b>  | <b>1,146,678</b> | <b>118,961</b>  |
| School and Public Service Co-Curricular Activities:             |                    |                   |                  |   |
| Salaries and Wages  | 0                  | 210,500           | 175,250          | 35,250  |
| Fringe Benefits   | 0                  | 39,609            | 26,207           | 13,402  |
| Materials and Supplies  | 25,750             | 25,845            | 12,767           | 13,078  |
| Other   | 14,275             | 9,025             | 5,558            | 3,467   |
| <b>Total School and Public Service Co-Curricular Activities</b> | <b>40,025</b>      | <b>284,979</b>    | <b>219,782</b>   | <b>65,197</b>   |
| <b>Total Extracurricular Activities</b>                         | <b>420,571</b>     | <b>1,985,219</b>  | <b>1,705,350</b> | <b>279,869</b>  |
| Capital Outlay:   |                    |                   |                  |   |
| Building Improvement Services:                                  |                    |                   |                  |   |
| Purchased Services  | 138,344            | 145,344           | 100,472          | 44,872  |
| Other Facilities Acquisition and<br>Construction Services:      |                    |                   |                  |   |
| Purchased Services  | 8,652              | 8,652             | 8,652            | 0   |
| <b>Total Capital Outlay</b>                                     | <b>\$146,996</b>   | <b>\$153,996</b>  | <b>\$109,124</b> | <b>\$44,872</b>   |

(continued)

**Parma City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2006*

|  | <u>Budgeted Amounts</u>    |                           |                     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|----------------------------|---------------------------|---------------------|---|
|  | <u>Original<br/>Budget</u> | <u>Revised<br/>Budget</u> | <u>Actual</u>       |   |
| Debt Service:                                |                            |                           |                     |   |
| Principal Retirement                         | \$1,231,442                | \$1,231,442               | \$1,231,442         | \$0   |
| Interest and Fiscal Charges                  | 726,882                    | 726,882                   | 726,882             | 0   |
| <b>Total Debt Service</b>                    | <u>1,958,324</u>           | <u>1,958,324</u>          | <u>1,958,324</u>    | <u>0</u>  |
| <i>Total Expenditures</i>                    | <u>123,789,560</u>         | <u>129,287,432</u>        | <u>122,750,257</u>  | <u>6,537,175</u>  |
| <i>Excess of Revenues Under Expenditures</i> | <u>(3,096,212)</u>         | <u>(8,591,084)</u>        | <u>(1,993,581)</u>  | <u>6,597,503</u>  |
| <b>Other Financing Sources (Uses)</b>        |                            |                           |                     |   |
| Sale of Capital Assets                       | 26,000                     | 26,000                    | 35,938              | 9,938   |
| Advances In                                  | 0                          | 6,658,009                 | 1,045,205           | (5,612,804)   |
| Advances Out                                 | (450,000)                  | (8,308,906)               | (1,801,906)         | 6,507,000   |
| Transfers Out                                | (89,224)                   | (257,277)                 | (174,082)           | 83,195  |
| <i>Total Other Financing Sources (Uses)</i>  | <u>(513,224)</u>           | <u>(1,882,174)</u>        | <u>(894,845)</u>    | <u>987,329</u>  |
| <i>Net Change in Fund Balance</i>            | <u>(3,609,436)</u>         | <u>(10,473,258)</u>       | <u>(2,888,426)</u>  | <u>7,584,832</u>  |
| <i>Fund Balance Beginning of Year</i>        | 15,658,385                 | 15,658,385                | 15,658,385          | 0   |
| Prior Year Encumbrances Appropriated         | <u>1,830,877</u>           | <u>1,830,877</u>          | <u>1,830,877</u>    | <u>0</u>  |
| <i>Fund Balance End of Year</i>              | <u>\$13,879,826</u>        | <u>\$7,016,004</u>        | <u>\$14,600,836</u> | <u>\$7,584,832</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, 2006*

|   | <u>Budgeted Amounts</u>    |                           | <u>Actual</u>      | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|---|----------------------------|---------------------------|--------------------|---|
|   | <u>Original<br/>Budget</u> | <u>Revised<br/>Budget</u> |                    |   |
| <b>Revenues</b>                             |                            |                           |                    |   |
| Property Taxes                              | \$2,428,635                | \$3,028,635               | \$2,980,075        | (\$48,560)  |
| <b>Expenditures</b>                         |                            |                           |                    |   |
| Debt Service:                               |                            |                           |                    |   |
| Principal Retirement                        | 0                          | 1,845,000                 | 1,845,000          | 0   |
| Interest and Fiscal Charges                 | 1,800,000                  | 922,030                   | 922,030            | 0   |
| <i>Total Expenditures</i>                   | <u>1,800,000</u>           | <u>2,767,030</u>          | <u>2,767,030</u>   | <u>0</u>  |
| <i>Excess of Revenues Over Expenditures</i> | 628,635                    | 261,605                   | 213,045            | (48,560)  |
| <b>Other Financing Sources (Uses)</b>       |                            |                           |                    |   |
| Premium on Notes Issued                     | 0                          | 0                         | 176,354            | 176,354   |
| Transfers Out                               | 0                          | (152,964)                 | 0                  | 152,964   |
| <i>Total Other Financing Sources (Uses)</i> | <u>0</u>                   | <u>(152,964)</u>          | <u>176,354</u>     | <u>329,318</u>  |
| <i>Net Change in Fund Balance</i>           | 628,635                    | 108,641                   | 389,399            | 280,758   |
| <i>Fund Balance Beginning of Year</i>       | <u>910,597</u>             | <u>910,597</u>            | <u>910,597</u>     | <u>0</u>  |
| <i>Fund Balance End of Year</i>             | <u>\$1,539,232</u>         | <u>\$1,019,238</u>        | <u>\$1,299,996</u> | <u>\$280,758</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, 2006*

|  | Budgeted Amounts      |                       | Actual                | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-----------------------|-----------------------|-----------------------|---|
|  | Original<br>Budget    | Revised<br>Budget     |                       |   |
| <b>Revenues</b>                                    |                       |                       |                       |   |
| Property Taxes                                     | \$1,500,000           | \$1,500,000           | \$1,698,941           | \$198,941   |
| Intergovernmental                                  | 500,000               | 500,000               | 563,876               | 63,876  |
| Interest   | 400,000               | 400,000               | 373,001               | (26,999)  |
| Miscellaneous                                      | 50,000                | 50,000                | 52,679                | 2,679   |
| <i>Total Revenues</i>                              | <u>2,450,000</u>      | <u>2,450,000</u>      | <u>2,688,497</u>      | <u>238,497</u>  |
| <b>Expenditures</b>                                |                       |                       |                       |   |
| Current:   |                       |                       |                       |   |
| Support Services:                                  |                       |                       |                       |   |
| Fiscal:  |                       |                       |                       |   |
| Other  | 63,313                | 62,223                | 61,728                | 495   |
| Business:  |                       |                       |                       |   |
| Salaries   | 73,005                | 78,205                | 78,168                | 37  |
| Fringe Benefits                                    | 32,987                | 33,917                | 32,237                | 1,680   |
| Total Business                                     | <u>105,992</u>        | <u>112,122</u>        | <u>110,405</u>        | <u>1,717</u>  |
| Operation and Maintenance of Plant:                |                       |                       |                       |   |
| Purchased Services                                 | 185,474               | 391,551               | 147,379               | 244,172   |
| Capital Outlay - New                               | 1,845,822             | 1,849,782             | 1,670,706             | 179,076   |
| Other  | 5,006                 | 5,006                 | 1,377                 | 3,629   |
| Total Operation and Maintenance of Plant           | <u>2,036,302</u>      | <u>2,246,339</u>      | <u>1,819,462</u>      | <u>426,877</u>  |
| Pupil Transportation                               |                       |                       |                       |   |
| Capital Outlay - Replacement                       | 500,000               | 981,866               | 973,847               | 8,019   |
| Total Support Services                             | <u>2,705,607</u>      | <u>3,402,550</u>      | <u>2,965,442</u>      | <u>437,108</u>  |
| Capital Outlay:                                    |                       |                       |                       |   |
| Building Acquisition and<br>Construction Services: |                       |                       |                       |   |
| Capital Outlay - New                               | 584,820               | 598,460               | 557,325               | 41,135  |
| Building Improvement Services:                     |                       |                       |                       |   |
| Purchased Services                                 | 2,410,000             | 2,485,400             | 2,254,795             | 230,605   |
| Materials and Supplies                             | 0                     | 12,600                | 12,055                | 545   |
| Capital Outlay - New                               | 8,876,494             | 8,745,021             | 7,193,695             | 1,551,326   |
| Other  | 0                     | 7,000                 | 585                   | 6,415   |
| Total Building Improvement Services                | <u>11,286,494</u>     | <u>11,250,021</u>     | <u>9,461,130</u>      | <u>1,788,891</u>  |
| Total Capital Outlay                               | <u>11,871,314</u>     | <u>11,848,481</u>     | <u>10,018,455</u>     | <u>1,830,026</u>  |
| <i>Total Expenditures</i>                          | <u>14,576,921</u>     | <u>15,251,031</u>     | <u>12,983,897</u>     | <u>2,267,134</u>  |
| <i>Excess of Revenues Under Expenditures</i>       | <u>(\$12,126,921)</u> | <u>(\$12,801,031)</u> | <u>(\$10,295,400)</u> | <u>\$2,505,631</u>                                      |

(continued)



**Parma City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Permanent Improvement Fund (continued)*  
*For the Fiscal Year Ended June 30, 2006*

|   | <u>Budgeted Amounts</u>    |                           |                    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|----------------------------|---------------------------|--------------------|---|
|   | <u>Original<br/>Budget</u> | <u>Revised<br/>Budget</u> | <u>Actual</u>      |   |
| <b>Other Financing Sources (Uses)</b>       |                            |                           |                    |   |
| Proceeds of Notes                           | \$13,804,165               | \$14,767,323              | \$14,458,570       | (\$308,753)   |
| Issuance Costs on Notes Issued              | 0                          | (126,473)                 | (126,473)          | 0   |
| Advances In                                 | 0                          | 0                         | 366,906            | 366,906   |
| <i>Total Other Financing Sources (Uses)</i> | <u>13,804,165</u>          | <u>14,640,850</u>         | <u>14,699,003</u>  | <u>58,153</u>   |
| <i>Net Change in Fund Balance</i>           | 1,677,244                  | 1,839,819                 | 4,403,603          | 2,563,784   |
| <i>Fund Balance Beginning of Year</i>       | 2,537,010                  | 2,537,010                 | 2,537,010          | 0   |
| Prior Year Encumbrances Appropriated        | 636,901                    | 636,901                   | 636,901            | 0   |
| <i>Fund Balance End of Year</i>             | <u>\$4,851,155</u>         | <u>\$5,013,730</u>        | <u>\$7,577,514</u> | <u>\$2,563,784</u>                                      |

**Parma City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Building Fund*  
*For the Fiscal Year Ended June 30, 2006*

|  | <u>Budgeted Amounts</u>    |                           | <u>Actual</u>             | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|----------------------------|---------------------------|---------------------------|---|
|  | <u>Original<br/>Budget</u> | <u>Revised<br/>Budget</u> |                           |   |
| <b>Revenues</b>                              |                            |                           |                           |   |
| Interest                                     | \$0                        | \$0                       | \$16,465                  | \$16,465  |
| <b>Expenditures</b>                          |                            |                           |                           |   |
| Current:                                     |                            |                           |                           |   |
| Support Services:                            |                            |                           |                           |   |
| Operation and Maintenance of Plant:          |                            |                           |                           |   |
| Purchased Services                           | 782,000                    | 846,999                   | 757,854                   | 89,145  |
| Capital Outlay:                              |                            |                           |                           |   |
| Building Improvement Services:               |                            |                           |                           |   |
| Capital Outlay - New                         | 0                          | 7,279,518                 | 6,602,539                 | 676,979   |
| Debt Service:                                |                            |                           |                           |   |
| Issuance Costs on Notes Issued               | 0                          | 474,941                   | 474,941                   | 0   |
| <i>Total Expenditures</i>                    | <u>782,000</u>             | <u>8,601,458</u>          | <u>7,835,334</u>          | <u>766,124</u>  |
| <i>Excess of Revenues Under Expenditures</i> | <u>(782,000)</u>           | <u>(8,601,458)</u>        | <u>(7,818,869)</u>        | <u>782,589</u>  |
| <b>Other Financing Sources (Uses)</b>        |                            |                           |                           |   |
| Certificates of Participation Issued         | 6,382,000                  | 18,882,000                | 12,580,000                | (6,302,000)   |
| Discount on Certificates of Participation    | 0                          | (100,818)                 | (100,818)                 | 0   |
| Advances Out                                 | 0                          | (6,382,000)               | 0                         | 6,382,000   |
| <i>Total Other Financing Sources (Uses)</i>  | <u>6,382,000</u>           | <u>12,399,182</u>         | <u>12,479,182</u>         | <u>80,000</u>   |
| <i>Net Change in Fund Balance</i>            | 5,600,000                  | 3,797,724                 | 4,660,313                 | 862,589   |
| <i>Fund Balance Beginning of Year</i>        | <u>0</u>                   | <u>0</u>                  | <u>0</u>                  | <u>0</u>  |
| <i>Fund Balance End of Year</i>              | <u><u>\$5,600,000</u></u>  | <u><u>\$3,797,724</u></u> | <u><u>\$4,660,313</u></u> | <u><u>\$862,589</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, 2006*

|   | <u>Budgeted Amounts</u>    |                           | <u>Actual</u>  | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|---|----------------------------|---------------------------|----------------|---|
|   | <u>Original<br/>Budget</u> | <u>Revised<br/>Budget</u> |                |   |
| <b>Revenues</b>   |                            |                           |                |   |
| Interest  | \$0                        | \$0                       | \$20,517       | \$20,517  |
| Extracurricular Activities                                | 351,600                    | 292,592                   | 382,818        | 90,226  |
| Charges for Services                                      | 2,100                      | 2,100                     | 698            | (1,402)   |
| Contributions and Donations                               | 36,325                     | 36,325                    | 5,418          | (30,907)  |
| Miscellaneous   | 444,975                    | 744,975                   | 577,687        | (167,288)   |
| <i>Total Revenues</i>                                     | <u>835,000</u>             | <u>1,075,992</u>          | <u>987,138</u> | <u>(88,854)</u>   |
| <b>Expenditures</b>                                       |                            |                           |                |   |
| Current:  |                            |                           |                |   |
| Instruction:  |                            |                           |                |   |
| Special:  |                            |                           |                |   |
| Other   | 20,034                     | 21,844                    | 13,058         | 8,786   |
| Support Services:   |                            |                           |                |   |
| Administration:   |                            |                           |                |   |
| Materials and Supplies                                    | 276                        | 3,112                     | 0              | 3,112   |
| Fiscal:   |                            |                           |                |   |
| Other   | 5,000                      | 5,000                     | 260            | 4,740   |
| Pupil Transportation:                                     |                            |                           |                |   |
| Other   | 0                          | 870                       | 0              | 870   |
| <i>Total Support Services</i>                             | <u>5,276</u>               | <u>8,982</u>              | <u>260</u>     | <u>8,722</u>  |
| Extracurricular Activities:                               |                            |                           |                |   |
| Academic and Subject Oriented Activities:                 |                            |                           |                |   |
| Purchased Services  | 0                          | 5,000                     | 489            | 4,511   |
| Materials and Supplies                                    | 25,712                     | 27,712                    | 11,532         | 16,180  |
| Other   | 387,044                    | 360,481                   | 314,868        | 45,613  |
| <i>Total Academic and Subject<br/>Oriented Activities</i> | <u>412,756</u>             | <u>393,193</u>            | <u>326,889</u> | <u>66,304</u>   |
| Occupational Oriented Activities:                         |                            |                           |                |   |
| Materials and Supplies                                    | \$2,695                    | \$2,695                   | \$1,037        | \$1,658   |

(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, 2006*

|  | <u>Budgeted Amounts</u>    |                           | <u>Actual</u>           | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|--|----------------------------|---------------------------|-------------------------|---|
|  | <u>Original<br/>Budget</u> | <u>Revised<br/>Budget</u> |                         |   |
| School and Public Service                    |                            |                           |                         |   |
| Co-Curricular Activities:                    |                            |                           |                         |   |
| Purchased Services                           | \$229,768                  | \$239,761                 | \$142,200               | \$97,561  |
| Materials and Supplies                       | 914,491                    | 844,947                   | 518,012                 | 326,935   |
| Capital Outlay - New                         | 24,605                     | 43,337                    | 21,231                  | 22,106  |
| Other  | 99,114                     | 84,564                    | 33,394                  | 51,170  |
| Total School and Public Service              |                            |                           |                         |   |
| Co-Curricular Activities                     | <u>1,267,978</u>           | <u>1,212,609</u>          | <u>714,837</u>          | <u>497,772</u>  |
| Total Extracurricular Activities             | <u>1,683,429</u>           | <u>1,608,497</u>          | <u>1,042,763</u>        | <u>565,734</u>  |
| Capital Outlay:                              |                            |                           |                         |   |
| Building Improvement Services:               |                            |                           |                         |   |
| Purchased Services                           | <u>12,500</u>              | <u>12,500</u>             | <u>647</u>              | <u>11,853</u>   |
| <i>Total Expenditures</i>                    | <u>1,721,239</u>           | <u>1,651,823</u>          | <u>1,056,728</u>        | <u>595,095</u>  |
| <i>Excess of Revenues Under Expenditures</i> | <u>(886,239)</u>           | <u>(575,831)</u>          | <u>(69,590)</u>         | <u>506,241</u>  |
| <b>Other Financing Sources (Uses)</b>        |                            |                           |                         |   |
| Transfers In                                 | 0                          | 0                         | 1,000                   | 1,000   |
| Transfers Out                                | <u>0</u>                   | <u>(3,776)</u>            | <u>0</u>                | <u>3,776</u>  |
| <i>Total Other Financing Sources (Uses)</i>  | <u>0</u>                   | <u>(3,776)</u>            | <u>1,000</u>            | <u>4,776</u>  |
| <i>Net Change in Fund Balance</i>            | (886,239)                  | (579,607)                 | (68,590)                | 511,017   |
| <i>Fund Balance Beginning of Year</i>        | 502,218                    | 502,218                   | 502,218                 | 0   |
| Prior Year Encumbrances Appropriated         | <u>83,696</u>              | <u>83,696</u>             | <u>83,696</u>           | <u>0</u>  |
| <i>Fund Balance (Deficit) End of Year</i>    | <u><u>(\$300,325)</u></u>  | <u><u>\$6,307</u></u>     | <u><u>\$517,324</u></u> | <u><u>\$511,017</u></u>   |

**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, 2006*

|                             | <u>Budgeted Amounts</u>    |                           | <u>Actual</u>  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------|----------------------------|---------------------------|----------------|---|
|                             | <u>Original<br/>Budget</u> | <u>Revised<br/>Budget</u> |                |   |
| <b>Revenues</b>             |                            |                           |                |   |
| Intergovernmental           | \$10,000                   | \$10,300                  | \$66,256       | \$55,956  |
| Charges for Services        | 1,125                      | 1,125                     | 7,940          | 6,815   |
| Contributions and Donations | 9,591                      | 21,694                    | 9,766          | (11,928)  |
| Miscellaneous               | 36,184                     | 167,892                   | 121,002        | (46,890)  |
| <i>Total Revenues</i>       | <u>56,900</u>              | <u>201,011</u>            | <u>204,964</u> | <u>3,953</u>  |
| <b>Expenditures</b>         |                            |                           |                |   |
| Current:                    |                            |                           |                |   |
| Instruction:                |                            |                           |                |   |
| Regular:                    |                            |                           |                |   |
| Salaries                    | 4,498                      | 12,564                    | 9,475          | 3,089   |
| Fringe Benefits             | 525                        | 2,038                     | 1,643          | 395   |
| Purchased Services          | 5,090                      | 7,938                     | 7,938          | 0   |
| Materials and Supplies      | 12,889                     | 27,554                    | 25,673         | 1,881   |
| Capital Outlay - New        | 12,550                     | 45,494                    | 39,515         | 5,979   |
| Total Regular               | <u>35,552</u>              | <u>95,588</u>             | <u>84,244</u>  | <u>11,344</u>   |
| Special:                    |                            |                           |                |   |
| Capital Outlay - New        | 408                        | 408                       | 204            | 204   |
| Adult/Continuing:           |                            |                           |                |   |
| Salaries and Wages          | 2,140                      | 2,140                     | 2,140          | 0   |
| Fringe Benefits             | 360                        | 360                       | 360            | 0   |
| Total Adult/Continuing      | <u>2,500</u>               | <u>2,500</u>              | <u>2,500</u>   | <u>0</u>  |
| Total Instruction           | <u>38,460</u>              | <u>98,496</u>             | <u>86,948</u>  | <u>11,548</u>   |
| Support Services:           |                            |                           |                |   |
| Pupils:                     |                            |                           |                |   |
| Salaries                    | 0                          | 5,048                     | 0              | 5,048   |
| Fringe Benefits             | 0                          | 878                       | 0              | 878   |
| Purchased Services          | 0                          | 940                       | 0              | 940   |
| Materials and Supplies      | 1,406                      | 2,144                     | 1,018          | 1,126   |
| Capital Outlay - New        | 15                         | 15                        | 0              | 15  |
| Total Pupils                | <u>1,421</u>               | <u>9,025</u>              | <u>1,018</u>   | <u>8,007</u>  |
| Instructional Staff:        |                            |                           |                |   |
| Salaries                    | 8,027                      | 7,525                     | 0              | 7,525   |
| Fringe Benefits             | 1,416                      | 1,230                     | 0              | 1,230   |
| Purchased Services          | 300                        | 300                       | 0              | 300   |
| Materials and Supplies      | 1,009                      | 1,309                     | 328            | 981   |
| Total Instructional Staff   | <u>\$10,752</u>            | <u>\$10,364</u>           | <u>\$328</u>   | <u>\$10,036</u>   |

(continued)

**Parma City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Other Grants Fund (continued)*  
*For the Fiscal Year Ended June 30, 2006*

|   | <u>Budgeted Amounts</u>    |                           | <u>Actual</u>    | <u>Variance With<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|---|----------------------------|---------------------------|------------------|---|
|   | <u>Original<br/>Budget</u> | <u>Revised<br/>Budget</u> |                  |   |
| Administration:                                     |                            |                           |                  |   |
| Salaries  | \$0                        | \$566                     | \$0              | \$566   |
| Fringe Benefits                                     | 0                          | 310                       | 0                | 310   |
| Purchased Services                                  | 0                          | 7,500                     | 0                | 7,500   |
| Total Board of Education                            | 0                          | 8,376                     | 0                | 8,376   |
| Central:  |                            |                           |                  |   |
| Salaries  | 0                          | 6,365                     | 2,807            | 3,558   |
| Fringe Benefits                                     | 0                          | 1,118                     | 488              | 630   |
| Purchased Services                                  | 8,520                      | 17,548                    | 9,695            | 7,853   |
| Materials and Supplies                              | 1,000                      | 7,759                     | 3,839            | 3,920   |
| Other   | 1,450                      | 7,282                     | 3,377            | 3,905   |
| Total Central                                       | 10,970                     | 40,072                    | 20,206           | 19,866  |
| Total Support Services                              | 23,143                     | 67,837                    | 21,552           | 46,285  |
| <i>Total Expenditures</i>                           | 61,603                     | 166,333                   | 108,500          | 57,833  |
| <i>Excess of Revenues Over (Under) Expenditures</i> | (4,703)                    | 34,678                    | 96,464           | 61,786  |
| <b>Other Financing Sources (Uses)</b>               |                            |                           |                  |   |
| Advances Out  | 0                          | (2,544)                   | (2,544)          | 0   |
| Transfers In  | 0                          | 0                         | 1,255            | 1,255   |
| Transfers Out                                       | 0                          | (2,591)                   | 0                | 2,591   |
| <i>Total Other Financing Sources (Uses)</i>         | 0                          | (5,135)                   | (1,289)          | 3,846   |
| <i>Net Change in Fund Balance</i>                   | (4,703)                    | 29,543                    | 95,175           | 65,632  |
| <i>Fund Balance Beginning of Year</i>               | 64,746                     | 64,746                    | 64,746           | 0   |
| Prior Year Encumbrances Appropriated                | 6,928                      | 6,928                     | 6,928            | 0   |
| <i>Fund Balance End of Year</i>                     | <u>\$66,971</u>            | <u>\$101,217</u>          | <u>\$166,849</u> | <u>\$65,632</u>   |

**Parma City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*District Managed Student Activity Fund*  
*For the Fiscal Year Ended June 30, 2006*

|  | <u>Budgeted Amounts</u>    |                           | <u>Actual</u>    | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|--|----------------------------|---------------------------|------------------|---|
|  | <u>Original<br/>Budget</u> | <u>Revised<br/>Budget</u> |                  |   |
| <b>Revenues</b>                              |                            |                           |                  |   |
| Interest                                     | \$1,400                    | \$1,400                   | \$5,185          | \$3,785   |
| Extracurricular Activities                   | 219,082                    | 252,375                   | 358,184          | 105,809   |
| Charges for Services                         | 195,000                    | 195,000                   | 102,235          | (92,765)  |
| Miscellaneous                                | 525                        | 39,606                    | 10,058           | (29,548)  |
| <i>Total Revenues</i>                        | <u>416,007</u>             | <u>488,381</u>            | <u>475,662</u>   | <u>(12,719)</u>   |
| <b>Expenditures</b>                          |                            |                           |                  |   |
| Current:                                     |                            |                           |                  |   |
| Support Services:                            |                            |                           |                  |   |
| Pupil Transportation:                        |                            |                           |                  |   |
| Purchased Services                           | 47,704                     | 65,198                    | 24,375           | 40,823  |
| Extracurricular Activities:                  |                            |                           |                  |   |
| Sports Oriented Activities:                  |                            |                           |                  |   |
| Salaries and Wages                           | 44,435                     | 52,346                    | 42,009           | 10,337  |
| Fringe Benefits                              | 9,205                      | 9,742                     | 6,909            | 2,833   |
| Purchased Services                           | 382,374                    | 371,773                   | 256,196          | 115,577   |
| Materials and Supplies                       | 149,788                    | 155,791                   | 120,550          | 35,241  |
| Capital Outlay - New                         | 49,216                     | 43,846                    | 23,262           | 20,584  |
| Capital Outlay - Replacement                 | 2,000                      | 2,000                     | 0                | 2,000   |
| Other  | 51,354                     | 53,326                    | 37,060           | 16,266  |
| Total Extracurricular Activities             | <u>688,372</u>             | <u>688,824</u>            | <u>485,986</u>   | <u>202,838</u>  |
| <i>Total Expenditures</i>                    | <u>736,076</u>             | <u>754,022</u>            | <u>510,361</u>   | <u>243,661</u>  |
| <i>Excess of Revenues Under Expenditures</i> | (320,069)                  | (265,641)                 | (34,699)         | 230,942   |
| <b>Other Financing Sources</b>               |                            |                           |                  |   |
| Transfers In                                 | 104,000                    | 104,000                   | 138,000          | 34,000  |
| <i>Net Change in Fund Balance</i>            | (216,069)                  | (161,641)                 | 103,301          | 264,942   |
| <i>Fund Balance Beginning of Year</i>        | 150,749                    | 150,749                   | 150,749          | 0   |
| Prior Year Encumbrances Appropriated         | 17,946                     | 17,946                    | 17,946           | 0   |
| <i>Fund Balance (Deficit) End of Year</i>    | <u>(\$47,374)</u>          | <u>\$7,054</u>            | <u>\$271,996</u> | <u>\$264,942</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, 2006*

|   | <u>Budgeted Amounts</u>    |                           | <u>Actual</u>    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|----------------------------|---------------------------|------------------|---|
|   | <u>Original<br/>Budget</u> | <u>Revised<br/>Budget</u> |                  |   |
| <b>Revenues</b>                                     |                            |                           |                  |   |
| Intergovernmental                                   | \$4,714,518                | \$4,487,518               | \$3,832,465      | (\$655,053)   |
| Interest  | 50,000                     | 50,000                    | 56,853           | 6,853   |
| <i>Total Revenues</i>                               | <u>4,764,518</u>           | <u>4,537,518</u>          | <u>3,889,318</u> | <u>(648,200)</u>  |
| <b>Expenditures</b>                                 |                            |                           |                  |   |
| Current:  |                            |                           |                  |   |
| Operation of Non-Instructional Services:            |                            |                           |                  |   |
| Community Services:                                 |                            |                           |                  |   |
| Salaries and Wages                                  | 697,449                    | 1,021,860                 | 931,369          | 90,491  |
| Fringe Benefits                                     | 0                          | 439,333                   | 333,666          | 105,667   |
| Purchased Services                                  | 292,352                    | 2,113,499                 | 1,696,485        | 417,014   |
| Materials and Supplies                              | 230,124                    | 1,388,509                 | 1,015,146        | 373,363   |
| Capital Outlay - New                                | 132,203                    | 392,704                   | 236,330          | 156,374   |
| <i>Total Expenditures</i>                           | <u>1,352,128</u>           | <u>5,355,905</u>          | <u>4,212,996</u> | <u>1,142,909</u>  |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>3,412,390</u>           | <u>(818,387)</u>          | <u>(323,678)</u> | <u>494,709</u>  |
| <b>Other Financing Source (Uses)</b>                |                            |                           |                  |   |
| Advances In   | 0                          | 0                         | 175,000          | 175,000   |
| Advances Out  | 0                          | (290,235)                 | (275,000)        | 15,235  |
| <i>Total Other Financing Sources (Uses)</i>         | <u>0</u>                   | <u>(290,235)</u>          | <u>(100,000)</u> | <u>190,235</u>  |
| <i>Net Change in Fund Balance</i>                   | 3,412,390                  | (1,108,622)               | (423,678)        | 684,944   |
| <i>Fund Balance Beginning of Year</i>               | 454,277                    | 454,277                   | 454,277          | 0   |
| Prior Year Encumbrances Appropriated                | 654,679                    | 654,679                   | 654,679          | 0   |
| <i>Fund Balance End of Year</i>                     | <u>\$4,521,346</u>         | <u>\$334</u>              | <u>\$685,278</u> | <u>\$684,944</u>  |



**Parma City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Professional Development Fund*  
*For the Fiscal Year Ended June 30, 2006*

|                                       | <u>Budgeted Amounts</u>    |                           | <u>Actual</u> | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|----------------------------|---------------------------|---------------|---|
|                                       | <u>Original<br/>Budget</u> | <u>Revised<br/>Budget</u> |               |   |
| <b>Revenues</b>                       |                            |                           |               |   |
| Miscellaneous                         | \$4,660                    | \$0                       | \$0           | \$0   |
| <b>Expenditures</b>                   |                            |                           |               |   |
| Current:                              |                            |                           |               |   |
| Support Services:                     |                            |                           |               |   |
| Instructional Staff:                  |                            |                           |               |   |
| Purchased Services                    | 4,658                      | 4,658                     | 4,658         | 0   |
| <i>Net Change in Fund Balance</i>     | 2                          | (4,658)                   | (4,658)       | 0   |
| <i>Fund Balance Beginning of Year</i> | 4,658                      | 4,658                     | 4,658         | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$4,660</u>             | <u>\$0</u>                | <u>\$0</u>    | <u>\$0</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, 2006*

|  | <u>Budgeted Amounts</u>    |                           | <u>Actual</u>          | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|--|----------------------------|---------------------------|------------------------|---|
|  | <u>Original<br/>Budget</u> | <u>Revised<br/>Budget</u> |                        |   |
| <b>Revenues</b>                              | \$0                        | \$0                       | \$0                    | \$0   |
| <b>Expenditures</b>                          |                            |                           |                        |   |
| Current:                                     |                            |                           |                        |   |
| Instruction:                                 |                            |                           |                        |   |
| Regular:                                     |                            |                           |                        |   |
| Salaries                                     | 42,449                     | 42,449                    | 923                    | 41,526  |
| Fringe Benefits                              | 8,852                      | 8,852                     | 2,019                  | 6,833   |
| Purchased Services                           | 112,085                    | 112,085                   | 112,085                | 0   |
| <i>Total Expenditures</i>                    | <u>163,386</u>             | <u>163,386</u>            | <u>115,027</u>         | <u>48,359</u>   |
| <i>Excess of Revenues Under Expenditures</i> | (163,386)                  | (163,386)                 | (115,027)              | 48,359  |
| <b>Other Financing Sources</b>               |                            |                           |                        |   |
| Advances In                                  | 52,489                     | 52,489                    | 60,000                 | 7,511   |
| <i>Net Change in Fund Balance</i>            | (110,897)                  | (110,897)                 | (55,027)               | 55,870  |
| <i>Fund Balance Beginning of Year</i>        | <u>112,072</u>             | <u>112,072</u>            | <u>112,072</u>         | <u>0</u>  |
| <i>Fund Balance End of Year</i>              | <u><u>\$1,175</u></u>      | <u><u>\$1,175</u></u>     | <u><u>\$57,045</u></u> | <u><u>\$55,870</u></u>  |

**Parma City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Network Connectivity Fund*  
*For the Fiscal Year Ended June 30, 2006*

|                                       | <u>Budgeted Amounts</u>    |                           | <u>Actual</u> | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|----------------------------|---------------------------|---------------|---|
|                                       | <u>Original<br/>Budget</u> | <u>Revised<br/>Budget</u> |               |   |
| <b>Revenues</b>                       |                            |                           |               |   |
| Intergovernmental                     | \$0                        | \$66,000                  | \$66,000      | \$0   |
| <b>Expenditures</b>                   |                            |                           |               |   |
| Current:                              |                            |                           |               |   |
| Support Services:                     |                            |                           |               |   |
| Central:                              |                            |                           |               |   |
| Capital Outlay - New                  | 289,437                    | 355,437                   | 355,437       | 0   |
| <i>Net Change in Fund Balance</i>     | (289,437)                  | (289,437)                 | (289,437)     | 0   |
| <i>Fund Balance Beginning of Year</i> | 289,437                    | 289,437                   | 289,437       | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$0</u>                 | <u>\$0</u>                | <u>\$0</u>    | <u>\$0</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, 2006*

|   | Budgeted Amounts   |                   | Actual   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|--------------------|-------------------|----------|---|
|   | Original<br>Budget | Revised<br>Budget |          |   |
| <b>Revenues</b>                                     |                    |                   |          |   |
| Intergovernmental                                   | \$28,799           | \$32,099          | \$34,113 | \$2,014   |
| <b>Expenditures</b>                                 |                    |                   |          |   |
| Current:  |                    |                   |          |   |
| Instruction:  |                    |                   |          |   |
| Regular:  |                    |                   |          |   |
| Purchased Services                                  | 1                  | 9,401             | 9,395    | 6   |
| Materials and Supplies                              | 1,205              | 10,807            | 9,605    | 1,202   |
| Total Instruction                                   | 1,206              | 20,208            | 19,000   | 1,208   |
| Support Services:                                   |                    |                   |          |   |
| Pupils:   |                    |                   |          |   |
| Salaries  | 0                  | 976               | 976      | 0   |
| Fringe Benefits                                     | 0                  | 180               | 180      | 0   |
| Total Pupils  | 0                  | 1,156             | 1,156    | 0   |
| Instructional Staff:                                |                    |                   |          |   |
| Salaries  | 5,134              | 23,011            | 17,617   | 5,394   |
| Fringe Benefits                                     | 1,154              | 4,167             | 2,672    | 1,495   |
| Purchased Services                                  | 0                  | 310               | 310      | 0   |
| Materials and Supplies                              | 3,967              | 6,907             | 2,940    | 3,967   |
| Total Instructional Staff                           | 10,255             | 34,395            | 23,539   | 10,856  |
| Total Support Services                              | 10,255             | 35,551            | 24,695   | 10,856  |
| <i>Total Expenditures</i>                           | 11,461             | 55,759            | 43,695   | 12,064  |
| <i>Excess of Revenues Over (Under) Expenditures</i> | 17,338             | (23,660)          | (9,582)  | 14,078  |
| <b>Other Financing Sources (Uses)</b>               |                    |                   |          |   |
| Advances In   | 0                  | 20,000            | 20,000   | 0   |
| Advances Out  | (6,156)            | (5,000)           | (4,000)  | 1,000   |
| <i>Total Other Financing Sources (Uses)</i>         | (6,156)            | 15,000            | 16,000   | 1,000   |
| <i>Net Change in Fund Balance</i>                   | 11,182             | (8,660)           | 6,418    | 15,078  |
| <i>Fund Balance Beginning of Year</i>               | 8,044              | 8,044             | 8,044    | 0   |
| Prior Year Encumbrances Appropriated                | 3,142              | 3,142             | 3,142    | 0   |
| <i>Fund Balance End of Year</i>                     | \$22,368           | \$2,526           | \$17,604 | \$15,078  |

**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, 2006*

|   | <u>Budgeted Amounts</u>    |                           | <u>Actual</u>  | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|---|----------------------------|---------------------------|----------------|---|
|   | <u>Original<br/>Budget</u> | <u>Revised<br/>Budget</u> |                |   |
| <b>Revenues</b>                                     |                            |                           |                |   |
| Intergovernmental                                   | \$282,103                  | \$282,103                 | \$250,871      | (\$31,232)  |
| <b>Expenditures</b>                                 |                            |                           |                |   |
| Current:  |                            |                           |                |   |
| Instruction:  |                            |                           |                |   |
| Regular:  |                            |                           |                |   |
| Salaries  | 59,301                     | 176,370                   | 176,370        | 0   |
| Fringe Benefits                                     | 20,180                     | 51,411                    | 51,411         | 0   |
| Total Instruction                                   | 79,481                     | 227,781                   | 227,781        | 0   |
| Support Services:                                   |                            |                           |                |   |
| Pupils:   |                            |                           |                |   |
| Salaries  | 17,614                     | 15,517                    | 15,517         | 0   |
| Fringe Benefits                                     | 18,198                     | 13,681                    | 13,681         | 0   |
| Total Pupils  | 35,812                     | 29,198                    | 29,198         | 0   |
| Administration:                                     |                            |                           |                |   |
| Salaries  | 92,236                     | 79,890                    | 78,512         | 1,378   |
| Fringe Benefits                                     | 29,148                     | 23,415                    | 23,415         | 0   |
| Total Administration                                | 121,384                    | 103,305                   | 101,927        | 1,378   |
| Total Support Services                              | 157,196                    | 132,503                   | 131,125        | 1,378   |
| <i>Total Expenditures</i>                           | 236,677                    | 360,284                   | 358,906        | 1,378   |
| <i>Excess of Revenues Over (Under) Expenditures</i> | 45,426                     | (78,181)                  | (108,035)      | (29,854)  |
| <b>Other Financing Sources (Uses)</b>               |                            |                           |                |   |
| Advances In   | 41,118                     | 115,418                   | 110,000        | (5,418)   |
| Transfers Out                                       | 0                          | (43,023)                  | 0              | 43,023  |
| <i>Total Other Financing Sources (Uses)</i>         | 41,118                     | 72,395                    | 110,000        | 37,605  |
| <i>Net Change in Fund Balance</i>                   | 86,544                     | (5,786)                   | 1,965          | 7,751   |
| <i>Fund Balance Beginning of Year</i>               | 7,716                      | 7,716                     | 7,716          | 0   |
| Prior Year Encumbrances Appropriated                | 13                         | 13                        | 13             | 0   |
| <i>Fund Balance End of Year</i>                     | <u>\$94,273</u>            | <u>\$1,943</u>            | <u>\$9,694</u> | <u>\$7,751</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, 2006*

|                           | <u>Budgeted Amounts</u>    |                           | <u>Actual</u> | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------|----------------------------|---------------------------|---------------|---|
|                           | <u>Original<br/>Budget</u> | <u>Revised<br/>Budget</u> |               |   |
| <b>Revenues</b>           |                            |                           |               |   |
| Intergovernmental         | \$536,554                  | \$72,563                  | \$78,860      | \$6,297   |
| <b>Expenditures</b>       |                            |                           |               |   |
| Current:                  |                            |                           |               |   |
| Instruction:              |                            |                           |               |   |
| Regular:                  |                            |                           |               |   |
| Salaries                  | 8,213                      | 17,653                    | 14,708        | 2,945   |
| Fringe Benefits           | 3,244                      | 3,244                     | 2,482         | 762   |
| Materials and Supplies    | 0                          | 2,000                     | 999           | 1,001   |
| Total Regular             | <u>11,457</u>              | <u>22,897</u>             | <u>18,189</u> | <u>4,708</u>  |
| Special:                  |                            |                           |               |   |
| Salaries                  | 298                        | 298                       | 298           | 0   |
| Fringe Benefits           | 87                         | 87                        | 87            | 0   |
| Purchased Services        | 0                          | 400                       | 400           | 0   |
| Materials and Supplies    | 0                          | 11,669                    | 5,846         | 5,823   |
| Total Special             | <u>385</u>                 | <u>12,454</u>             | <u>6,631</u>  | <u>5,823</u>  |
| Total Instruction         | <u>11,842</u>              | <u>35,351</u>             | <u>24,820</u> | <u>10,531</u>   |
| Support Services:         |                            |                           |               |   |
| Pupils:                   |                            |                           |               |   |
| Salaries                  | 3,700                      | 23,300                    | 20,919        | 2,381   |
| Fringe Benefits           | 917                        | 4,857                     | 4,531         | 326   |
| Purchased Services        | 0                          | 825                       | 795           | 30  |
| Materials and Supplies    | 0                          | 72                        | 65            | 7   |
| Total Pupils              | <u>4,617</u>               | <u>29,054</u>             | <u>26,310</u> | <u>2,744</u>  |
| Instructional Staff:      |                            |                           |               |   |
| Purchased Services        | 0                          | 27,000                    | 26,729        | 271   |
| Materials and Supplies    | 0                          | 6,098                     | 6,098         | 0   |
| Total Instructional Staff | <u>0</u>                   | <u>33,098</u>             | <u>32,827</u> | <u>271</u>  |
| Administration:           |                            |                           |               |   |
| Salaries                  | 250                        | 250                       | 0             | 250   |
| Fringe Benefits           | 43                         | 43                        | 0             | 43  |
| Purchased Services        | 0                          | 198                       | 198           | 0   |
| Total Administration      | <u>\$293</u>               | <u>\$491</u>              | <u>\$198</u>  | <u>\$293</u>  |

(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, 2006*

|   | <u>Budgeted Amounts</u>    |                           | <u>Actual</u>    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|----------------------------|---------------------------|------------------|---|
|   | <u>Original<br/>Budget</u> | <u>Revised<br/>Budget</u> |                  |   |
| Operation and Maintenance of Plant:                 |                            |                           |                  |   |
| Purchased Services                                  | \$0                        | \$7,194                   | \$3,761          | \$3,433   |
| Materials and Supplies                              | 0                          | 4,391                     | 2,076            | 2,315   |
| Total Operation and Maintenance of Plant            | 0                          | 11,585                    | 5,837            | 5,748   |
| Total Support Services                              | 4,910                      | 74,228                    | 65,172           | 9,056   |
| <i>Total Expenditures</i>                           | <u>16,752</u>              | <u>109,579</u>            | <u>89,992</u>    | <u>19,587</u>   |
| <i>Excess of Revenues Over (Under) Expenditures</i> | 519,802                    | (37,016)                  | (11,132)         | 25,884  |
| <b>Other Financing Uses</b>                         |                            |                           |                  |   |
| Advances Out  | 0                          | (25,624)                  | 0                | 25,624  |
| <i>Net Change in Fund Balance</i>                   | 519,802                    | (62,640)                  | (11,132)         | 51,508  |
| <i>Fund Balance Beginning of Year</i>               | 136,195                    | 136,195                   | 136,195          | 0   |
| Prior Year Encumbrances Appropriated                | 11,324                     | 11,324                    | 11,324           | 0   |
| <i>Fund Balance End of Year</i>                     | <u>\$667,321</u>           | <u>\$84,879</u>           | <u>\$136,387</u> | <u>\$51,508</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, 2006*

|   | <u>Budgeted Amounts</u>    |                           | <u>Actual</u>  | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|---|----------------------------|---------------------------|----------------|---|
|   | <u>Original<br/>Budget</u> | <u>Revised<br/>Budget</u> |                |   |
| <b>Revenues</b>                                     |                            |                           |                |   |
| Intergovernmental                                   | \$150,628                  | \$150,628                 | \$150,628      | \$0   |
| <b>Expenditures</b>                                 |                            |                           |                |   |
| Current:  |                            |                           |                |   |
| Instruction:  |                            |                           |                |   |
| Adult/Continuing:                                   |                            |                           |                |   |
| Salaries  | 82,645                     | 99,187                    | 98,449         | 738   |
| Fringe Benefits                                     | 17,129                     | 17,779                    | 17,779         | 0   |
| Purchased Services                                  | 1,238                      | 1,238                     | 1,231          | 7   |
| Materials and Supplies                              | 1,083                      | 1,103                     | 1,062          | 41  |
| Total Instruction                                   | 102,095                    | 119,307                   | 118,521        | 786   |
| Support Services:                                   |                            |                           |                |   |
| Pupils:   |                            |                           |                |   |
| Salaries  | 30,880                     | 30,880                    | 30,869         | 11  |
| Fringe Benefits                                     | 6,988                      | 9,796                     | 9,796          | 0   |
| Purchased Services                                  | 300                        | 300                       | 300            | 0   |
| Materials and Supplies                              | 500                        | 500                       | 500            | 0   |
| Other   | 150                        | 150                       | 150            | 0   |
| Total Support Services                              | 38,818                     | 41,626                    | 41,615         | 11  |
| <i>Total Expenditures</i>                           | 140,913                    | 160,933                   | 160,136        | 797   |
| <i>Excess of Revenues Over (Under) Expenditures</i> | 9,715                      | (10,305)                  | (9,508)        | 797   |
| <b>Other Financing Sources (Uses)</b>               |                            |                           |                |   |
| Advances In   | 15,000                     | 19,425                    | 20,000         | 575   |
| Advances Out  | (10,000)                   | (10,000)                  | (10,000)       | 0   |
| <i>Total Other Financing Sources (Uses)</i>         | 5,000                      | 9,425                     | 10,000         | 575   |
| <i>Net Change in Fund Balance</i>                   | 14,715                     | (880)                     | 492            | 1,372   |
| <i>Fund Balance Beginning of Year</i>               | 1,011                      | 1,011                     | 1,011          | 0   |
| Prior Year Encumbrances Appropriated                | 20                         | 20                        | 20             | 0   |
| <i>Fund Balance End of Year</i>                     | <u>\$15,746</u>            | <u>\$151</u>              | <u>\$1,523</u> | <u>\$1,372</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, 2006*

|                           | Budgeted Amounts   |                   | Actual      | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------|--------------------|-------------------|-------------|---|
|                           | Original<br>Budget | Revised<br>Budget |             |   |
| <b>Revenues</b>           |                    |                   |             |   |
| Intergovernmental         | \$4,109,074        | \$3,819,914       | \$3,516,814 | (\$303,100)   |
| <b>Expenditures</b>       |                    |                   |             |   |
| Current:                  |                    |                   |             |   |
| Instruction:              |                    |                   |             |   |
| Special:                  |                    |                   |             |   |
| Salaries                  | 124,780            | 124,780           | 102,428     | 22,352  |
| Fringe Benefits           | 39,314             | 29,314            | 23,489      | 5,825   |
| Purchased Services        | 734,763            | 868,774           | 797,551     | 71,223  |
| Materials and Supplies    | 500,471            | 590,831           | 368,542     | 222,289   |
| Capital Outlay - New      | 49,289             | 58,565            | 49,176      | 9,389   |
| Total Instruction         | 1,448,617          | 1,672,264         | 1,341,186   | 331,078   |
| Support Services:         |                    |                   |             |   |
| Pupils:                   |                    |                   |             |   |
| Salaries                  | 86,097             | 86,097            | 72,835      | 13,262  |
| Fringe Benefits           | 45,203             | 35,203            | 26,195      | 9,008   |
| Purchased Services        | 89,750             | 91,724            | 86,970      | 4,754   |
| Materials and Supplies    | 21,317             | 22,634            | 19,048      | 3,586   |
| Capital Outlay - New      | 83,356             | 239,462           | 199,969     | 39,493  |
| Total Pupils              | 325,723            | 475,120           | 405,017     | 70,103  |
| Instructional Staff:      |                    |                   |             |   |
| Salaries                  | 729,183            | 679,183           | 614,347     | 64,836  |
| Fringe Benefits           | 571,243            | 541,243           | 428,368     | 112,875   |
| Materials and Supplies    | 20,422             | 20,844            | 20,399      | 445   |
| Capital Outlay - New      | 46,902             | 48,980            | 46,801      | 2,179   |
| Total Instructional Staff | 1,367,750          | 1,290,250         | 1,109,915   | 180,335   |
| Administration:           |                    |                   |             |   |
| Salaries                  | 314,122            | 307,122           | 267,244     | 39,878  |
| Fringe Benefits           | 146,015            | 138,015           | 115,461     | 22,554  |
| Purchased Services        | 19,346             | 21,297            | 14,864      | 6,433   |
| Materials and Supplies    | 15,960             | 23,920            | 15,612      | 8,308   |
| Capital Outlay - New      | 14,133             | 20,265            | 13,909      | 6,356   |
| Total Administration      | 509,576            | 510,619           | 427,090     | 83,529  |
| Pupil Transportation:     |                    |                   |             |   |
| Purchased Services        | 35,427             | 35,852            | 31,826      | 4,026   |
| Total Support Services    | \$2,238,476        | \$2,311,841       | \$1,973,848 | \$337,993   |

(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, 2006*

|   | Budgeted Amounts   |                   | Actual    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|--------------------|-------------------|-----------|---|
|   | Original<br>Budget | Revised<br>Budget |           |   |
| Operation of Non-Instructional Services:      |                    |                   |           |   |
| Community Services:                           |                    |                   |           |   |
| Salaries and Wages                            | \$282,255          | \$282,255         | \$282,255 | \$0   |
| Fringe Benefits                               | 95,645             | 95,645            | 95,645    | 0   |
| Purchased Services                            | 44,481             | 49,085            | 49,085    | 0   |
| Materials and Supplies                        | 14,602             | 14,993            | 8,893     | 6,100   |
| Capital Outlay - New                          | 2,000              | 3,996             | 1,998     | 1,998   |
| Total Operation of Non-Instructional Services | 438,983            | 445,974           | 437,876   | 8,098   |
| <i>Total Expenditures</i>                     | 4,126,076          | 4,430,079         | 3,752,910 | 677,169   |
| <i>Excess of Revenues Under Expenditures</i>  | (17,002)           | (610,165)         | (236,096) | 374,069   |
| <b>Other Financing Sources (Uses)</b>         |                    |                   |           |   |
| Advances In                                   | 120,000            | 120,000           | 120,000   | 0   |
| Advances Out                                  | (11,000)           | (11,000)          | (11,000)  | 0   |
| <i>Total Other Financing Sources (Uses)</i>   | 109,000            | 109,000           | 109,000   | 0   |
| <i>Net Change in Fund Balance</i>             | 91,998             | (501,165)         | (127,096) | 374,069   |
| <i>Fund Balance Beginning of Year</i>         | 197,474            | 197,474           | 197,474   | 0   |
| Prior Year Encumbrances Appropriated          | 304,003            | 304,003           | 304,003   | 0   |
| <i>Fund Balance End of Year</i>               | \$593,475          | \$312             | \$374,381 | \$374,069   |

**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, 2006*

|  | Budgeted Amounts   |                   | Actual    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|--------------------|-------------------|-----------|---|
|  | Original<br>Budget | Revised<br>Budget |           |   |
| <b>Revenues</b>                              |                    |                   |           |   |
| Intergovernmental                            | \$186,151          | \$186,151         | \$192,524 | \$6,373   |
| <b>Expenditures</b>                          |                    |                   |           |   |
| Current:                                     |                    |                   |           |   |
| Instruction:                                 |                    |                   |           |   |
| Vocational:                                  |                    |                   |           |   |
| Salaries and Wages                           | 4,979              | 4,949             | 3,506     | 1,443   |
| Fringe Benefits                              | 839                | 869               | 869       | 0   |
| Total Instruction                            | 5,818              | 5,818             | 4,375     | 1,443   |
| Support Services:                            |                    |                   |           |   |
| Pupils:                                      |                    |                   |           |   |
| Fringe Benefits                              | 161                | 161               | 161       | 0   |
| Purchased Services                           | 5,700              | 733               | 733       | 0   |
| Capital Outlay - New                         | 212,271            | 328,289           | 232,086   | 96,203  |
| Total Pupils                                 | 218,132            | 329,183           | 232,980   | 96,203  |
| Instructional Staff:                         |                    |                   |           |   |
| Purchased Services                           | 19,000             | 19,000            | 19,000    | 0   |
| Materials and Supplies                       | 30,115             | 29,911            | 28,705    | 1,206   |
| Total Instructional Staff                    | 49,115             | 48,911            | 47,705    | 1,206   |
| Central:                                     |                    |                   |           |   |
| Purchased Services                           | 12,143             | 3,993             | 3,469     | 524   |
| Total Support Services                       | 279,390            | 382,087           | 284,154   | 97,933  |
| <i>Total Expenditures</i>                    | 285,208            | 387,905           | 288,529   | 99,376  |
| <i>Excess of Revenues Under Expenditures</i> | (99,057)           | (201,754)         | (96,005)  | 105,749   |
| <b>Other Financing Sources (Uses)</b>        |                    |                   |           |   |
| Advances In                                  | 20,000             | 79,040            | 75,000    | (4,040)   |
| Advances Out                                 | (29,000)           | (69,000)          | (69,000)  | 0   |
| Transfers In                                 | 0                  | 0                 | 264       | 264   |
| <i>Total Other Financing Sources (Uses)</i>  | (9,000)            | 10,040            | 6,264     | (3,776)   |
| <i>Net Change in Fund Balance</i>            | (108,057)          | (191,714)         | (89,741)  | 101,973   |
| <i>Fund Balance Beginning of Year</i>        | 95,621             | 95,621            | 95,621    | 0   |
| Prior Year Encumbrances Appropriated         | 96,325             | 96,325            | 96,325    | 0   |
| <i>Fund Balance End of Year</i>              | \$83,889           | \$232             | \$102,205 | \$101,973   |

**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, 2006*

|   | Budgeted Amounts |                | Actual      | Variance with          |
|---|------------------|----------------|-------------|------------------------|
|   | Original Budget  | Revised Budget |             | Final Budget           |
|   |                  |                |             | Positive<br>(Negative) |
| <b>Revenues</b>                               |                  |                |             |                        |
| Intergovernmental                             | \$1,211,984      | \$1,213,934    | \$1,128,548 | (\$85,386)             |
| <b>Expenditures</b>                           |                  |                |             |                        |
| Current:                                      |                  |                |             |                        |
| Instruction:                                  |                  |                |             |                        |
| Special:                                      |                  |                |             |                        |
| Salaries                                      | 826,660          | 863,622        | 766,063     | 97,559                 |
| Fringe Benefits                               | 287,691          | 320,457        | 251,875     | 68,582                 |
| Purchased Services                            | 9,154            | 9,866          | 1,302       | 8,564                  |
| Materials and Supplies                        | 128,871          | 184,529        | 129,284     | 55,245                 |
| Capital Outlay - New                          | 15,988           | 20,695         | 6,681       | 14,014                 |
| Total Instruction                             | 1,268,364        | 1,399,169      | 1,155,205   | 243,964                |
| Support Services:                             |                  |                |             |                        |
| Instructional Staff:                          |                  |                |             |                        |
| Salaries                                      | 13,935           | 13,935         | 0           | 13,935                 |
| Fringe Benefits                               | 5,356            | 5,356          | 0           | 5,356                  |
| Purchased Services                            | 110,455          | 74,641         | 14,862      | 59,779                 |
| Materials and Supplies                        | 6,972            | 7,772          | 1,800       | 5,972                  |
| Total Instructional Staff                     | 136,718          | 101,704        | 16,662      | 85,042                 |
| Administration:                               |                  |                |             |                        |
| Salaries                                      | 48,143           | 53,696         | 53,696      | 0                      |
| Fringe Benefits                               | 15,491           | 26,725         | 26,725      | 0                      |
| Materials and Supplies                        | 3,000            | 3,000          | 2,372       | 628                    |
| Total Administration                          | 66,634           | 83,421         | 82,793      | 628                    |
| Pupil Transportation                          |                  |                |             |                        |
| Purchased Services                            | 4,807            | 4,807          | 0           | 4,807                  |
| Total Support Services                        | 208,159          | 189,932        | 99,455      | 90,477                 |
| Operation of Non-Instructional Services:      |                  |                |             |                        |
| Community Services:                           |                  |                |             |                        |
| Salaries                                      | 97,967           | 129,770        | 110,480     | 19,290                 |
| Fringe Benefits                               | 34,505           | 42,456         | 36,554      | 5,902                  |
| Purchased Services                            | 13,645           | 55,084         | 36,087      | 18,997                 |
| Materials and Supplies                        | 35,918           | 52,252         | 11,914      | 40,338                 |
| Capital Outlay - New                          | 5,584            | 10,297         | 4,443       | 5,854                  |
| Total Operation of Non-Instructional Services | 187,619          | 289,859        | 199,478     | 90,381                 |
| <b>Total Expenditures</b>                     | 1,664,142        | 1,878,960      | 1,454,138   | 424,822                |
| <b>Excess of Revenues Under Expenditures</b>  | (\$452,158)      | (\$665,026)    | (\$325,590) | \$339,436              |

(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, 2006*

|   | Budgeted Amounts   |                   | Actual    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|--------------------|-------------------|-----------|---|
|   | Original<br>Budget | Revised<br>Budget |           |   |
| <b>Other Financing Sources (Uses)</b>       |                    |                   |           |   |
| Advances In                                 | \$350,000          | \$350,000         | \$350,000 | \$0   |
| Advances Out                                | (215,000)          | (215,000)         | (215,000) | 0   |
| Transfers Out                               | 0                  | (44,993)          | 0         | 44,993  |
| <i>Total Other Financing Sources (Uses)</i> | 135,000            | 90,007            | 135,000   | 44,993  |
| <i>Net Change in Fund Balance</i>           | (317,158)          | (575,019)         | (190,590) | 384,429   |
| <i>Fund Balance Beginning of Year</i>       | 502,867            | 502,867           | 502,867   | 0   |
| Prior Year Encumbrances Appropriated        | 72,532             | 72,532            | 72,532    | 0   |
| <i>Fund Balance End of Year</i>             | \$258,241          | \$380             | \$384,809 | \$384,429   |

**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, 2006*

|   | <u>Budgeted Amounts</u>    |                           | <u>Actual</u>   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|----------------------------|---------------------------|-----------------|---|
|   | <u>Original<br/>Budget</u> | <u>Revised<br/>Budget</u> |                 |   |
| <b>Revenues</b>                               |                            |                           |                 |   |
| Intergovernmental                             | \$52,037                   | \$62,237                  | \$62,040        | (\$197)   |
| <b>Expenditures</b>                           |                            |                           |                 |   |
| Current:                                      |                            |                           |                 |   |
| Instruction:                                  |                            |                           |                 |   |
| Regular:                                      |                            |                           |                 |   |
| Salaries                                      | 45,085                     | 53,454                    | 53,454          | 0   |
| Fringe Benefits                               | 13,215                     | 11,345                    | 11,345          | 0   |
| Purchased Services                            | 0                          | 4,136                     | 4,136           | 0   |
| Total Instruction                             | <u>58,300</u>              | <u>68,935</u>             | <u>68,935</u>   | <u>0</u>  |
| Operation of Non-Instructional Services:      |                            |                           |                 |   |
| Community Services:                           |                            |                           |                 |   |
| Purchased Services                            | 75                         | 4,658                     | 4,583           | 75  |
| Materials and Supplies                        | 12,887                     | 13,304                    | 10,351          | 2,953   |
| Capital Outlay - New                          | 11,088                     | 9,928                     | 5,525           | 4,403   |
| Total Operation of Non-Instructional Services | <u>24,050</u>              | <u>27,890</u>             | <u>20,459</u>   | <u>7,431</u>  |
| <i>Total Expenditures</i>                     | <u>82,350</u>              | <u>96,825</u>             | <u>89,394</u>   | <u>7,431</u>  |
| <i>Excess of Revenues Under Expenditures</i>  | <u>(30,313)</u>            | <u>(34,588)</u>           | <u>(27,354)</u> | <u>7,234</u>  |
| <b>Other Financing Sources (Uses)</b>         |                            |                           |                 |   |
| Advances In                                   | 10,000                     | 10,000                    | 10,000          | 0   |
| Advances Out                                  | (30,000)                   | (30,000)                  | (30,000)        | 0   |
| Transfers Out                                 | 0                          | (666)                     | 0               | 666   |
| <i>Total Other Financing Sources (Uses)</i>   | <u>(20,000)</u>            | <u>(20,666)</u>           | <u>(20,000)</u> | <u>666</u>  |
| <i>Net Change in Fund Balance</i>             | <u>(50,313)</u>            | <u>(55,254)</u>           | <u>(47,354)</u> | <u>7,900</u>  |
| <i>Fund Balance Beginning of Year</i>         | 49,969                     | 49,969                    | 49,969          | 0   |
| Prior Year Encumbrances Appropriated          | <u>5,552</u>               | <u>5,552</u>              | <u>5,552</u>    | <u>0</u>  |
| <i>Fund Balance End of Year</i>               | <u>\$5,208</u>             | <u>\$267</u>              | <u>\$8,167</u>  | <u>\$7,900</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, 2006*

|   | <u>Budgeted Amounts</u>    |                           | <u>Actual</u>   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|----------------------------|---------------------------|-----------------|---|
|   | <u>Original<br/>Budget</u> | <u>Revised<br/>Budget</u> |                 |   |
| <b>Revenues</b>                                     |                            |                           |                 |   |
| Intergovernmental                                   | \$32,775                   | \$40,075                  | \$49,110        | \$9,035   |
| <b>Expenditures</b>                                 |                            |                           |                 |   |
| Current:  |                            |                           |                 |   |
| Support Services:                                   |                            |                           |                 |   |
| Pupils:   |                            |                           |                 |   |
| Salaries  | 29,635                     | 31,603                    | 31,603          | 0   |
| Fringe Benefits                                     | 6,592                      | 12,592                    | 11,787          | 805   |
| Purchased Services                                  | 50                         | 50                        | 0               | 50  |
| Total Support Services                              | <u>36,277</u>              | <u>44,245</u>             | <u>43,390</u>   | <u>855</u>  |
| Operation of Non-Instructional Services:            |                            |                           |                 |   |
| Community Services:                                 |                            |                           |                 |   |
| Purchased Services                                  | 0                          | 250                       | 250             | 0   |
| Materials and Supplies                              | 4,739                      | 3,787                     | 2,668           | 1,119   |
| Total Operation of Non-Instructional Services       | <u>4,739</u>               | <u>4,037</u>              | <u>2,918</u>    | <u>1,119</u>  |
| <i>Total Expenditures</i>                           | <u>41,016</u>              | <u>48,282</u>             | <u>46,308</u>   | <u>1,974</u>  |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(8,241)</u>             | <u>(8,207)</u>            | <u>2,802</u>    | <u>11,009</u>   |
| <b>Other Financing Sources (Uses)</b>               |                            |                           |                 |   |
| Advances In   | 20,000                     | 20,000                    | 20,000          | 0   |
| Advances Out  | (15,000)                   | (15,000)                  | (15,000)        | 0   |
| Transfers In  | 0                          | 0                         | 3,257           | 3,257   |
| <i>Total Other Financing Sources (Uses)</i>         | <u>5,000</u>               | <u>5,000</u>              | <u>8,257</u>    | <u>3,257</u>  |
| <i>Net Change in Fund Balance</i>                   | <u>(3,241)</u>             | <u>(3,207)</u>            | <u>11,059</u>   | <u>14,266</u>   |
| <i>Fund Balance Beginning of Year</i>               | 2,246                      | 2,246                     | 2,246           | 0   |
| Prior Year Encumbrances Appropriated                | <u>1,266</u>               | <u>1,266</u>              | <u>1,266</u>    | <u>0</u>  |
| <i>Fund Balance End of Year</i>                     | <u>\$271</u>               | <u>\$305</u>              | <u>\$14,571</u> | <u>\$14,266</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, 2006*

|  | <u>Budgeted Amounts</u>    |                           | <u>Actual</u> | Variance with                          |
|--|----------------------------|---------------------------|---------------|--|
|  | <u>Original<br/>Budget</u> | <u>Revised<br/>Budget</u> |               | Final Budget<br>Positive<br>(Negative) |
| <b>Revenues</b>                          |                            |                           |               |  |
| Intergovernmental                        | \$111,803                  | \$207,623                 | \$146,873     | (\$60,750)                             |
| <b>Expenditures</b>                      |                            |                           |               |  |
| Current:                                 |                            |                           |               |  |
| Instruction:                             |                            |                           |               |  |
| Special:                                 |                            |                           |               |  |
| Salaries                                 | 339                        | 339                       | 0             | 339                                    |
| Materials and Supplies                   | 25,923                     | 61,162                    | 29,662        | 31,500                                 |
| Capital Outlay - New                     | 20,000                     | 39,999                    | 19,019        | 20,980                                 |
| Total Instruction                        | 46,262                     | 101,500                   | 48,681        | 52,819                                 |
| Support Services:                        |                            |                           |               |  |
| Pupils:                                  |                            |                           |               |  |
| Salaries                                 | 59,249                     | 14,774                    | 12,521        | 2,253                                  |
| Fringe Benefits                          | 27,605                     | 8,430                     | 4,410         | 4,020                                  |
| Materials and Supplies                   | 5,000                      | 11,618                    | 11,517        | 101                                    |
| Capital Outlay - New                     | 10,000                     | 7,654                     | 7,484         | 170                                    |
| Total Pupils                             | 101,854                    | 42,476                    | 35,932        | 6,544                                  |
| Instructional Staff:                     |                            |                           |               |  |
| Salaries                                 | 14,201                     | 54,152                    | 43,576        | 10,576                                 |
| Fringe Benefits                          | 3,764                      | 16,753                    | 12,962        | 3,791                                  |
| Total Instructional Staff                | 17,965                     | 70,905                    | 56,538        | 14,367                                 |
| Total Support Services                   | 119,819                    | 113,381                   | 92,470        | 20,911                                 |
| Operation of Non-Instructional Services: |                            |                           |               |  |
| Community Services:                      |                            |                           |               |  |
| Purchased Services                       | 14,735                     | 17,470                    | 14,706        | 2,764                                  |
| Total Expenditures                       | 180,816                    | 232,351                   | 155,857       | 76,494                                 |
| Excess of Revenues Under Expenditures    | (69,013)                   | (24,728)                  | (8,984)       | 15,744                                 |
| <b>Other Financing Sources (Uses)</b>    |                            |                           |               |  |
| Advances In                              | 35,000                     | 35,000                    | 35,000        | 0                                      |
| Advances Out                             | (7,000)                    | (37,661)                  | (37,661)      | 0                                      |
| Transfers In                             | 0                          | 0                         | 9             | 9                                      |
| Transfers Out                            | 0                          | (30,652)                  | 0             | 30,652                                 |
| Total Other Financing Sources (Uses)     | \$28,000                   | (\$33,313)                | (\$2,652)     | \$30,661                               |

(continued)



**Parma City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Preschool Grant Fund (continued)*  
*For the Fiscal Year Ended June 30, 2006*

|                                       | <u>Budgeted Amounts</u>    |                           | <u>Actual</u>   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|----------------------------|---------------------------|-----------------|---|
|                                       | <u>Original<br/>Budget</u> | <u>Revised<br/>Budget</u> |                 |   |
| <i>Net Change in Fund Balance</i>     | (\$41,013)                 | (\$58,041)                | (\$11,636)      | \$46,405  |
| <i>Fund Balance Beginning of Year</i> | 27,206                     | 27,206                    | 27,206          | 0   |
| Prior Year Encumbrances Appropriated  | <u>30,974</u>              | <u>30,974</u>             | <u>30,974</u>   | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u>\$17,167</u>            | <u>\$139</u>              | <u>\$46,544</u> | <u>\$46,405</u>   |

**Parma City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title VI-R Fund*  
*For the Fiscal Year Ended June 30, 2006*

|   | Budgeted Amounts   |                   | Actual    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|--------------------|-------------------|-----------|---|
|   | Original<br>Budget | Revised<br>Budget |           |   |
| <b>Revenues</b>                               |                    |                   |           |   |
| Intergovernmental                             | \$396,909          | \$480,584         | \$415,321 | (\$65,263)  |
| <b>Expenditures</b>                           |                    |                   |           |   |
| Current:                                      |                    |                   |           |   |
| Instruction:                                  |                    |                   |           |   |
| Regular:                                      |                    |                   |           |   |
| Salaries                                      | 252,048            | 303,733           | 251,740   | 51,993  |
| Fringe Benefits                               | 79,890             | 102,415           | 70,216    | 32,199  |
| Total Instruction                             | 331,938            | 406,148           | 321,956   | 84,192  |
| Support Services:                             |                    |                   |           |   |
| Instructional Staff:                          |                    |                   |           |   |
| Salaries                                      | 98,161             | 113,561           | 80,515    | 33,046  |
| Fringe Benefits                               | 31,276             | 44,446            | 27,002    | 17,444  |
| Purchased Services                            | 69,154             | 62,887            | 36,174    | 26,713  |
| Materials and Supplies                        | 19,651             | 8,518             | 1,837     | 6,681   |
| Capital Outlay - New                          | 4,619              | 9,028             | 4,358     | 4,670   |
| Total Support Services                        | 222,861            | 238,440           | 149,886   | 88,554  |
| Operation of Non-Instructional Services:      |                    |                   |           |   |
| Community Services:                           |                    |                   |           |   |
| Salaries                                      | 0                  | 80,611            | 0         | 80,611  |
| Purchased Services                            | 16,455             | 18,271            | 4,396     | 13,875  |
| Materials and Supplies                        | 0                  | 1,541             | 1,510     | 31  |
| Capital Outlay - New                          | 0                  | 5,693             | 5,693     | 0   |
| Total Operation of Non-Instructional Services | 16,455             | 106,116           | 11,599    | 94,517  |
| <i>Total Expenditures</i>                     | 571,254            | 750,704           | 483,441   | 267,263   |
| <i>Excess of Revenues Under Expenditures</i>  | (174,345)          | (270,120)         | (68,120)  | 202,000   |
| <b>Other Financing Sources (Uses)</b>         |                    |                   |           |   |
| Advances In                                   | 195,000            | 195,000           | 195,000   | 0   |
| Advances Out                                  | (160,000)          | (210,000)         | (210,000) | 0   |
| Transfers In                                  | 0                  | 0                 | 30,297    | 30,297  |
| Transfers Out                                 | 0                  | (23,307)          | 0         | 23,307  |
| <i>Total Other Financing Sources (Uses)</i>   | 35,000             | (38,307)          | 15,297    | 53,604  |
| <i>Net Change in Fund Balance</i>             | (139,345)          | (308,427)         | (52,823)  | 255,604   |
| <i>Fund Balance Beginning of Year</i>         | 284,106            | 284,106           | 284,106   | 0   |
| Prior Year Encumbrances Appropriated          | 24,566             | 24,566            | 24,566    | 0   |
| <i>Fund Balance End of Year</i>               | \$169,327          | \$245             | \$255,849 | \$255,604   |

**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, 2006*

|                                       | <u>Budgeted Amounts</u>    |                           | <u>Actual</u>          | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|----------------------------|---------------------------|------------------------|---|
|                                       | <u>Original<br/>Budget</u> | <u>Revised<br/>Budget</u> |                        |   |
| <b>Revenues</b>                       | \$0                        | \$0                       | \$0                    | \$0   |
| <b>Expenditures</b>                   |                            |                           |                        |   |
| Current:                              |                            |                           |                        |   |
| Instruction:                          |                            |                           |                        |   |
| Adult/Continuing:                     |                            |                           |                        |   |
| Materials and Supplies                | 90                         | 90                        | 75                     | 15  |
| Other                                 | 1,000                      | 1,000                     | 1,000                  | 0   |
| <i>Total Expenditures</i>             | <u>1,090</u>               | <u>1,090</u>              | <u>1,075</u>           | <u>15</u>   |
| <i>Net Change in Fund Balance</i>     | (1,090)                    | (1,090)                   | (1,075)                | 15  |
| <i>Fund Balance Beginning of Year</i> | <u>13,803</u>              | <u>13,803</u>             | <u>13,803</u>          | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u><u>\$12,713</u></u>     | <u><u>\$12,713</u></u>    | <u><u>\$12,728</u></u> | <u><u>\$15</u></u>  |

**Parma City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Venture Capital Fund*  
*For the Fiscal Year Ended June 30, 2006*

|                                       | <u>Budgeted Amounts</u>    |                           | <u>Actual</u>         | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|----------------------------|---------------------------|-----------------------|---|
|                                       | <u>Original<br/>Budget</u> | <u>Revised<br/>Budget</u> |                       |   |
| <b>Revenues</b>                       | \$0                        | \$0                       | \$0                   | \$0   |
| <b>Expenditures</b>                   | <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>1,925</u>               | <u>1,925</u>              | <u>1,925</u>          | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u><u>\$1,925</u></u>      | <u><u>\$1,925</u></u>     | <u><u>\$1,925</u></u> | <u><u>\$0</u></u>                                       |

**Parma City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Managed Information Systems Fund*  
*For the Fiscal Year Ended June 30, 2006*

|                                       | <u>Budgeted Amounts</u>    |                           | <u>Actual</u>    | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|----------------------------|---------------------------|------------------|---|
|                                       | <u>Original<br/>Budget</u> | <u>Revised<br/>Budget</u> |                  |   |
| <b>Revenues</b>                       |                            |                           |                  |   |
| Intergovernmental                     | \$0                        | \$0                       | \$44,289         | \$44,289  |
| <b>Expenditures</b>                   |                            |                           |                  |   |
| Current:                              |                            |                           |                  |   |
| Support Services:                     |                            |                           |                  |   |
| Instructional Staff:                  |                            |                           |                  |   |
| Capital Outlay - New                  | 140,888                    | 140,888                   | 82,951           | 57,937  |
| Central:                              |                            |                           |                  |   |
| Salaries                              | 0                          | 48,155                    | 47,975           | 180   |
| Fringe Benefits                       | 0                          | 14,364                    | 12,609           | 1,755   |
| Total Central                         | 0                          | 62,519                    | 60,584           | 1,935   |
| <i>Total Expenditures</i>             | 140,888                    | 203,407                   | 143,535          | 59,872  |
| <i>Net Change in Fund Balance</i>     | (140,888)                  | (203,407)                 | (99,246)         | 104,161   |
| <i>Fund Balance Beginning of Year</i> | 203,409                    | 203,409                   | 203,409          | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$62,521</u>            | <u>\$2</u>                | <u>\$104,163</u> | <u>\$104,161</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, 2006*

|                                       | <u>Budgeted Amounts</u>    |                           | <u>Actual</u>   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|----------------------------|---------------------------|-----------------|---|
|                                       | <u>Original<br/>Budget</u> | <u>Revised<br/>Budget</u> |                 |   |
| <b>Revenues</b>                       |                            |                           |                 |   |
| Intergovernmental                     | \$29,700                   | \$38,950                  | \$37,150        | (\$1,800)   |
| <b>Expenditures</b>                   |                            |                           |                 |   |
| Current:                              |                            |                           |                 |   |
| Instruction:                          |                            |                           |                 |   |
| Regular:                              |                            |                           |                 |   |
| Salaries                              | 0                          | 27,041                    | 0               | 27,041  |
| Fringe Benefits                       | 0                          | 4,559                     | 0               | 4,559   |
| Purchased Services                    | 1,100                      | 2,200                     | 1,099           | 1,101   |
| Materials and Supplies                | 2,000                      | 2,692                     | 2,000           | 692   |
| Total Regular                         | 3,100                      | 36,492                    | 3,099           | 33,393  |
| Support Services:                     |                            |                           |                 |   |
| Pupils                                |                            |                           |                 |   |
| Purchased Services                    | 0                          | 800                       | 800             | 0   |
| Materials and Supplies                | 0                          | 2,000                     | 0               | 2,000   |
| Total Pupils                          | 0                          | 2,800                     | 800             | 2,000   |
| Administration                        |                            |                           |                 |   |
| Salaries                              | 0                          | 2,151                     | 2,151           | 0   |
| Fringe Benefits                       | 0                          | 599                       | 558             | 41  |
| Total Administration                  | 0                          | 2,750                     | 2,709           | 41  |
| Total Support Services                | 0                          | 5,550                     | 3,509           | 2,041   |
| <i>Total Expenditures</i>             | 3,100                      | 42,042                    | 6,608           | 35,434  |
| <i>Net Change in Fund Balance</i>     | 26,600                     | (3,092)                   | 30,542          | 33,634  |
| <i>Fund Balance Beginning of Year</i> | 31,165                     | 31,165                    | 31,165          | 0   |
| Prior Year Encumbrances Appropriated  | 1,792                      | 1,792                     | 1,792           | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$59,557</u>            | <u>\$29,865</u>           | <u>\$63,499</u> | <u>\$33,634</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, 2006*

|                                       | <u>Budgeted Amounts</u>    |                           | <u>Actual</u>  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|----------------------------|---------------------------|----------------|---|
|                                       | <u>Original<br/>Budget</u> | <u>Revised<br/>Budget</u> |                |   |
| <b>Revenues</b>                       |                            |                           |                |   |
| Intergovernmental                     | \$0                        | \$8,700                   | \$10,350       | \$1,650   |
| <b>Expenditures</b>                   |                            |                           |                |   |
| Current:                              |                            |                           |                |   |
| Support Services:                     |                            |                           |                |   |
| Instructional Staff:                  |                            |                           |                |   |
| Salaries                              | 0                          | 4,278                     | 1,854          | 2,424   |
| Fringe Benefits                       | 0                          | 722                       | 307            | 415   |
| Purchased Services                    | 11,238                     | 14,938                    | 13,274         | 1,664   |
| <i>Total Expenditures</i>             | 11,238                     | 19,938                    | 15,435         | 4,503   |
| <i>Net Change in Fund Balance</i>     | (11,238)                   | (11,238)                  | (5,085)        | 6,153   |
| <i>Fund Balance Beginning of Year</i> | 11,238                     | 11,238                    | 11,238         | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$0</u>                 | <u>\$0</u>                | <u>\$6,153</u> | <u>\$6,153</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, 2006*

|  | <u>Budgeted Amounts</u>    |                           | <u>Actual</u> | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|----------------------------|---------------------------|---------------|---|
|  | <u>Original<br/>Budget</u> | <u>Revised<br/>Budget</u> |               |   |
| <b>Revenues</b>                              |                            |                           |               |   |
| Intergovernmental                            | \$49,284                   | \$49,284                  | \$49,332      | \$48  |
| <b>Expenditures</b>                          |                            |                           |               |   |
| Current:                                     |                            |                           |               |   |
| Instruction:                                 |                            |                           |               |   |
| Special:                                     |                            |                           |               |   |
| Salaries                                     | 28,522                     | 33,897                    | 33,897        | 0   |
| Fringe Benefits                              | 5,791                      | 6,017                     | 6,017         | 0   |
| Purchased Services                           | 9,926                      | 19,852                    | 9,882         | 9,970   |
| Materials and Supplies                       | 63,417                     | 122,263                   | 61,556        | 60,707  |
| Total Special                                | 107,656                    | 182,029                   | 111,352       | 70,677  |
| Support Services:                            |                            |                           |               |   |
| Pupils:                                      |                            |                           |               |   |
| Salaries                                     | 1,375                      | 1,375                     | 0             | 1,375   |
| Fringe Benefits                              | 240                        | 290                       | 26            | 264   |
| Total Pupils                                 | 1,615                      | 1,665                     | 26            | 1,639   |
| Administration:                              |                            |                           |               |   |
| Salaries                                     | 6,500                      | 6,500                     | 6,500         | 0   |
| Fringe Benefits                              | 1,705                      | 1,719                     | 1,719         | 0   |
| Total Administration                         | 8,205                      | 8,219                     | 8,219         | 0   |
| Pupil Transportation:                        |                            |                           |               |   |
| Purchased Services                           | 12,595                     | 23,190                    | 10,500        | 12,690  |
| Total Support Services                       | 22,415                     | 33,074                    | 18,745        | 14,329  |
| <i>Total Expenditures</i>                    | 130,071                    | 215,103                   | 130,097       | 85,006  |
| <i>Excess of Revenues Under Expenditures</i> | (80,787)                   | (165,819)                 | (80,765)      | 85,054  |
| <b>Other Financing Sources (Uses)</b>        |                            |                           |               |   |
| Advances In                                  | 0                          | 85,000                    | 40,000        | (45,000)  |
| Advances Out                                 | (41,000)                   | (41,000)                  | (41,000)      | 0   |
| <i>Total Other Financing Sources (Uses)</i>  | (41,000)                   | 44,000                    | (1,000)       | (45,000)  |
| <i>Net Change in Fund Balance</i>            | (121,787)                  | (121,819)                 | (81,765)      | 40,054  |
| <i>Fund Balance Beginning of Year</i>        | 86,284                     | 86,284                    | 86,284        | 0   |
| Prior Year Encumbrances Appropriated         | 84,982                     | 84,982                    | 84,982        | 0   |
| <i>Fund Balance End of Year</i>              | \$49,479                   | \$49,447                  | \$89,501      | \$40,054  |



**Parma City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Vocational Education Enhancements Fund*  
*For the Fiscal Year Ended June 30, 2006*

|  | <u>Budgeted Amounts</u>    |                           | <u>Actual</u>          | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|--|----------------------------|---------------------------|------------------------|---|
|  | <u>Original<br/>Budget</u> | <u>Revised<br/>Budget</u> |                        |   |
| <b>Revenues</b>                              |                            |                           |                        |   |
| Intergovernmental                            | \$3,993                    | \$3,993                   | \$3,993                | \$0   |
| <b>Expenditures</b>                          |                            |                           |                        |   |
| Current:                                     |                            |                           |                        |   |
| Instruction:                                 |                            |                           |                        |   |
| Vocational:                                  |                            |                           |                        |   |
| Materials and Supplies                       | 11,703                     | 23,407                    | 11,703                 | 11,704  |
| Adult/Continuing:                            |                            |                           |                        |   |
| Capital Outlay - New                         | 11,840                     | 19,686                    | 11,839                 | 7,847   |
| <i>Total Expenditures</i>                    | <u>23,543</u>              | <u>43,093</u>             | <u>23,542</u>          | <u>19,551</u>   |
| <i>Excess of Revenues Under Expenditures</i> | <u>(19,550)</u>            | <u>(39,100)</u>           | <u>(19,549)</u>        | <u>19,551</u>   |
| <b>Other Financing Sources (Uses)</b>        |                            |                           |                        |   |
| Advances In                                  | 15,000                     | 34,700                    | 20,000                 | (14,700)  |
| Advances Out                                 | <u>(15,000)</u>            | <u>(30,000)</u>           | <u>(15,000)</u>        | <u>15,000</u>   |
| <i>Total Other Financing Sources (Uses)</i>  | <u>0</u>                   | <u>4,700</u>              | <u>5,000</u>           | <u>300</u>  |
| <i>Net Change in Fund Balance</i>            | (19,550)                   | (34,400)                  | (14,549)               | 19,851  |
| <i>Fund Balance Beginning of Year</i>        | 19,378                     | 19,378                    | 19,378                 | 0   |
| Prior Year Encumbrances Appropriated         | <u>19,550</u>              | <u>19,550</u>             | <u>19,550</u>          | <u>0</u>  |
| <i>Fund Balance End of Year</i>              | <u><u>\$19,378</u></u>     | <u><u>\$4,528</u></u>     | <u><u>\$24,379</u></u> | <u><u>\$19,851</u></u>  |

**Parma City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Poverty Aid Fund*  
*For the Fiscal Year Ended June 30, 2006*

|                                       | <u>Budgeted Amounts</u>    |                           | <u>Actual</u>  | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|----------------------------|---------------------------|----------------|---|
|                                       | <u>Original<br/>Budget</u> | <u>Revised<br/>Budget</u> |                |   |
| <b>Revenues</b>                       |                            |                           |                |   |
| Intergovernmental                     | \$152,400                  | \$152,400                 | \$152,381      | (\$19)  |
| <b>Expenditures</b>                   |                            |                           |                |   |
| Current:                              |                            |                           |                |   |
| Instruction:                          |                            |                           |                |   |
| Regular:                              |                            |                           |                |   |
| Salaries                              | 55,100                     | 55,100                    | 48,827         | 6,273   |
| Fringe Benefits                       | 20,500                     | 20,500                    | 18,262         | 2,238   |
| Total Instruction                     | <u>75,600</u>              | <u>75,600</u>             | <u>67,089</u>  | <u>8,511</u>  |
| Support Services:                     |                            |                           |                |   |
| Pupils:                               |                            |                           |                |   |
| Salaries                              | 14,690                     | 14,690                    | 14,690         | 0   |
| Fringe Benefits                       | 21,689                     | 21,968                    | 21,968         | 0   |
| Purchased Services                    | 26,623                     | 26,344                    | 26,093         | 251   |
| Materials and Supplies                | 5,279                      | 5,279                     | 5,279          | 0   |
| Capital Outlay - New                  | 8,500                      | 8,500                     | 8,493          | 7   |
| Total Support Services                | <u>76,781</u>              | <u>76,781</u>             | <u>76,523</u>  | <u>258</u>  |
| <i>Total Expenditures</i>             | <u>152,381</u>             | <u>152,381</u>            | <u>143,612</u> | <u>8,769</u>  |
| <i>Net Change in Fund Balance</i>     | 19                         | 19                        | 8,769          | 8,750   |
| <i>Fund Balance Beginning of Year</i> | <u>0</u>                   | <u>0</u>                  | <u>0</u>       | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u>\$19</u>                | <u>\$19</u>               | <u>\$8,769</u> | <u>\$8,750</u>  |

**Parma City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Limited English Proficiency Grant Fund*  
*For the Fiscal Year Ended June 30, 2006*

|  | <u>Budgeted Amounts</u>    |                           | <u>Actual</u>   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|----------------------------|---------------------------|-----------------|---|
|  | <u>Original<br/>Budget</u> | <u>Revised<br/>Budget</u> |                 |   |
| <b>Revenues</b>                              |                            |                           |                 |   |
| Intergovernmental                            | \$118,852                  | \$125,602                 | \$163,635       | \$38,033  |
| <b>Expenditures</b>                          |                            |                           |                 |   |
| Current:                                     |                            |                           |                 |   |
| Instruction:                                 |                            |                           |                 |   |
| Special:                                     |                            |                           |                 |   |
| Salaries                                     | 85,537                     | 82,739                    | 82,739          | 0   |
| Fringe Benefits                              | 25,190                     | 27,890                    | 26,986          | 904   |
| Materials and Supplies                       | 3,320                      | 3,534                     | 1,883           | 1,651   |
| Capital Outlay - New                         | 0                          | 658                       | 658             | 0   |
| Total Instruction                            | 114,047                    | 114,821                   | 112,266         | 2,555   |
| Support Services:                            |                            |                           |                 |   |
| Pupils:                                      |                            |                           |                 |   |
| Salaries                                     | 41,624                     | 38,446                    | 37,165          | 1,281   |
| Fringe Benefits                              | 10,687                     | 18,697                    | 18,697          | 0   |
| Total Pupils                                 | 52,311                     | 57,143                    | 55,862          | 1,281   |
| Instructional Staff:                         |                            |                           |                 |   |
| Purchased Services                           | 748                        | 5,777                     | 5,016           | 761   |
| Materials and Supplies                       | 5,730                      | 1,763                     | 1,763           | 0   |
| Total Instructional Staff                    | 6,478                      | 7,540                     | 6,779           | 761   |
| Total Support Services                       | 58,789                     | 64,683                    | 62,641          | 2,042   |
| <i>Total Expenditures</i>                    | 172,836                    | 179,504                   | 174,907         | 4,597   |
| <i>Excess of Revenues Under Expenditures</i> | (53,984)                   | (53,902)                  | (11,272)        | 42,630  |
| <b>Other Financing Sources (Uses)</b>        |                            |                           |                 |   |
| Advances In                                  | 50,000                     | 50,000                    | 50,000          | 0   |
| Advances Out                                 | (110,000)                  | (110,000)                 | (110,000)       | 0   |
| <i>Total Other Financing Sources (Uses)</i>  | (60,000)                   | (60,000)                  | (60,000)        | 0   |
| <i>Net Change in Fund Balance</i>            | (113,984)                  | (113,902)                 | (71,272)        | 42,630  |
| <i>Fund Balance Beginning of Year</i>        | 111,776                    | 111,776                   | 111,776         | 0   |
| Prior Year Encumbrances Appropriated         | 2,216                      | 2,216                     | 2,216           | 0   |
| <i>Fund Balance End of Year</i>              | <u>\$8</u>                 | <u>\$90</u>               | <u>\$42,720</u> | <u>\$42,630</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, 2006*

|                                       | <u>Budgeted Amounts</u>    |                           | <u>Actual</u>         | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|----------------------------|---------------------------|-----------------------|---|
|                                       | <u>Original<br/>Budget</u> | <u>Revised<br/>Budget</u> |                       |   |
| <b>Revenues</b>                       | <u>\$0</u>                 | <u>\$0</u>                | <u>\$0</u>            | <u>\$0</u>  |
| <b>Expenditures</b>                   |                            |                           |                       |   |
| Current:                              |                            |                           |                       |   |
| Instruction:                          |                            |                           |                       |   |
| Special:                              |                            |                           |                       |   |
| Salaries                              | 0                          | 1,643                     | 1,617                 | 26  |
| Fringe Benefits                       | 0                          | 312                       | 312                   | 0   |
| Purchased Services                    | 0                          | 5,217                     | 5,217                 | 0   |
| Capital Outlay - New                  | 0                          | 2,000                     | 2,000                 | 0   |
| <i>Total Expenditures</i>             | <u>0</u>                   | <u>9,172</u>              | <u>9,146</u>          | <u>26</u>   |
| <i>Net Change in Fund Balance</i>     | 0                          | (9,172)                   | (9,146)               | 26  |
| <i>Fund Balance Beginning of Year</i> | <u>11,480</u>              | <u>11,480</u>             | <u>11,480</u>         | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u><u>\$11,480</u></u>     | <u><u>\$2,308</u></u>     | <u><u>\$2,334</u></u> | <u><u>\$26</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, 2006*

|                                       | <u>Budgeted Amounts</u>    |                           |                 | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|----------------------------|---------------------------|-----------------|---|
|                                       | <u>Original<br/>Budget</u> | <u>Revised<br/>Budget</u> | <u>Actual</u>   |   |
| <b>Revenues</b>                       |                            |                           |                 |   |
| Miscellaneous                         | \$0                        | \$10,000                  | \$13,298        | \$3,298   |
| <b>Expenditures</b>                   |                            |                           |                 |   |
| Current:                              |                            |                           |                 |   |
| Capital Outlay:                       |                            |                           |                 |   |
| Building Improvement Services:        |                            |                           |                 |   |
| Capital Outlay - New                  | 114,210                    | 117,660                   | 117,660         | 0   |
| <i>Net Change in Fund Balance</i>     | (114,210)                  | (107,660)                 | (104,362)       | 3,298   |
| <i>Fund Balance Beginning of Year</i> | 151,036                    | 151,036                   | 151,036         | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$36,826</u>            | <u>\$43,376</u>           | <u>\$46,674</u> | <u>\$3,298</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, 2006*

|  | Budgeted Amounts   |                   | Actual          | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|--------------------|-------------------|-----------------|---|
|  | Original<br>Budget | Revised<br>Budget |                 |   |
| <b>Revenues</b>                              | \$0                | \$0               | \$0             | \$0   |
| <b>Expenditures</b>                          |                    |                   |                 |   |
| Current:                                     |                    |                   |                 |   |
| Support Services:                            |                    |                   |                 |   |
| Central:                                     |                    |                   |                 |   |
| Capital Outlay - New                         | 118,650            | 216,435           | 95,735          | 120,700   |
| <i>Excess of Revenues Under Expenditures</i> | (118,650)          | (216,435)         | (95,735)        | (120,700)   |
| <b>Other Financing Sources</b>               |                    |                   |                 |   |
| Advances In                                  | 0                  | 96,600            | 75,000          | (21,600)  |
| <i>Net Change in Fund Balance</i>            | (118,650)          | (119,835)         | (20,735)        | 99,100  |
| <i>Fund Balance Beginning of Year</i>        | 22,059             | 22,059            | 22,059          | 0   |
| Prior Year Encumbrances Appropriated         | 97,785             | 97,785            | 97,785          | 0   |
| <i>Fund Balance End of Year</i>              | <u>\$1,194</u>     | <u>\$9</u>        | <u>\$99,109</u> | <u>\$99,100</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, 2006*

|                                      | Budgeted Amounts        |                         |                         | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------------------------|-------------------------|-------------------------|-------------------------|---|
|                                      | Original<br>Budget      | Revised<br>Budget       | Actual                  |   |
| <b>Revenues</b>                      |                         |                         |                         |   |
| Sales                                | \$2,253,395             | \$2,253,395             | \$2,282,784             | \$29,389  |
| Operating Grants                     | 983,000                 | 983,000                 | 1,111,388               | 128,388   |
| <i>Total Revenues</i>                | <u>3,236,395</u>        | <u>3,236,395</u>        | <u>3,394,172</u>        | <u>157,777</u>  |
| <b>Expenses</b>                      |                         |                         |                         |   |
| Salaries                             | 1,001,080               | 1,001,080               | 978,251                 | 22,829  |
| Fringe Benefits                      | 544,060                 | 544,060                 | 533,624                 | 10,436  |
| Purchased Services                   | 62,800                  | 60,000                  | 45,507                  | 14,493  |
| Materials and Supplies               | 1,372,000               | 1,686,800               | 1,582,739               | 104,061   |
| Capital Outlay - New                 | 164,200                 | 12,200                  | 0                       | 12,200  |
| Other                                | 12,650                  | 12,650                  | 5,169                   | 7,481   |
| <i>Total Expenses</i>                | <u>3,156,790</u>        | <u>3,316,790</u>        | <u>3,145,290</u>        | <u>171,500</u>  |
| <i>Net Change in Fund Equity</i>     | 79,605                  | (80,395)                | 248,882                 | 329,277   |
| <i>Fund Equity Beginning of Year</i> | <u>508,450</u>          | <u>508,450</u>          | <u>508,450</u>          | <u>0</u>  |
| <i>Fund Equity End of Year</i>       | <u><u>\$588,055</u></u> | <u><u>\$428,055</u></u> | <u><u>\$757,332</u></u> | <u><u>\$329,277</u></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, 2006*

|  | Budgeted Amounts   |                   |          | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|--------------------|-------------------|----------|---|
|  | Original<br>Budget | Revised<br>Budget | Actual   |   |
| <b>Revenues</b>                          |                    |                   |          |   |
| Tuition and Fees                         | \$0                | \$158,597         | \$69,708 | (\$88,889)  |
| Operating Grants                         | 0                  | 0                 | 29,999   | 29,999  |
| <i>Total Revenues</i>                    | 0                  | 158,597           | 99,707   | (58,890)  |
| <b>Expenses</b>                          |                    |                   |          |   |
| Salaries                                 | 79,000             | 87,977            | 70,800   | 17,177  |
| Fringe Benefits                          | 20,550             | 23,050            | 22,143   | 907   |
| Purchased Services                       | 14,790             | 15,790            | 7,387    | 8,403   |
| Materials and Supplies                   | 16,835             | 23,261            | 11,664   | 11,597  |
| Capital Outlay                           | 12,000             | 11,500            | 8,309    | 3,191   |
| Other                                    | 200                | 200               | 175      | 25  |
| <i>Total Expenses</i>                    | 143,375            | 161,778           | 120,478  | 41,300  |
| <i>Excess of Revenues Under Expenses</i> | (143,375)          | (3,181)           | (20,771) | (17,590)  |
| Advances In                              | 0                  | 0                 | 60,000   | 60,000  |
| <i>Net Change in Fund Equity</i>         | (143,375)          | (3,181)           | 39,229   | 42,410  |
| <i>Fund Equity Beginning of Year</i>     | 1,832              | 1,832             | 1,832    | 0   |
| Prior Year Encumbrances Appropriated     | 1,425              | 1,425             | 1,425    | 0   |
| <i>Fund Equity (Deficit) End of Year</i> | (\$140,118)        | \$76              | \$42,486 | \$42,410  |



**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, 2006*

|  | Budgeted Amounts   |                   |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|--------------------|-------------------|------------------|---|
|  | Original<br>Budget | Revised<br>Budget | Actual           |   |
| <b>Revenues</b>                          |                    |                   |                  |   |
| Tuition and Fees                         | \$1,342,000        | \$1,317,330       | \$1,117,336      | (\$199,994)   |
| Operating Grants                         | 0                  | 0                 | 136,765          | 136,765   |
| Miscellaneous                            | 4,000              | 4,000             | 8,273            | 4,273   |
| <i>Total Revenues</i>                    | <u>1,346,000</u>   | <u>1,321,330</u>  | <u>1,262,374</u> | <u>(58,956)</u>   |
| <b>Expenses</b>                          |                    |                   |                  |   |
| Salaries                                 | 836,363            | 836,363           | 777,401          | 58,962  |
| Fringe Benefits                          | 214,166            | 214,166           | 174,357          | 39,809  |
| Purchased Services                       | 313,943            | 329,917           | 294,794          | 35,123  |
| Materials and Supplies                   | 239,433            | 159,433           | 85,336           | 74,097  |
| Capital Outlay - New                     | 10,464             | 10,464            | 70               | 10,394  |
| Capital Outlay - Replacement             | 1,686              | 2,186             | 57               | 2,129   |
| Other                                    | 6,141              | 6,141             | 2,278            | 3,863   |
| <i>Total Expenses</i>                    | <u>1,622,196</u>   | <u>1,558,670</u>  | <u>1,334,293</u> | <u>224,377</u>  |
| <i>Excess of Revenues Under Expenses</i> | (276,196)          | (237,340)         | (71,919)         | 165,421   |
| Transfers Out                            | (50,000)           | (50,000)          | 0                | 50,000  |
| <i>Net Change in Fund Equity</i>         | (326,196)          | (287,340)         | (71,919)         | 215,421   |
| <i>Fund Equity Beginning of Year</i>     | 277,190            | 277,190           | 277,190          | 0   |
| Prior Year Encumbrances Appropriated     | 11,075             | 11,075            | 11,075           | 0   |
| <i>Fund Equity (Deficit) End of Year</i> | <u>(\$37,931)</u>  | <u>\$925</u>      | <u>\$216,346</u> | <u>\$215,421</u>  |

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# Statistical Section

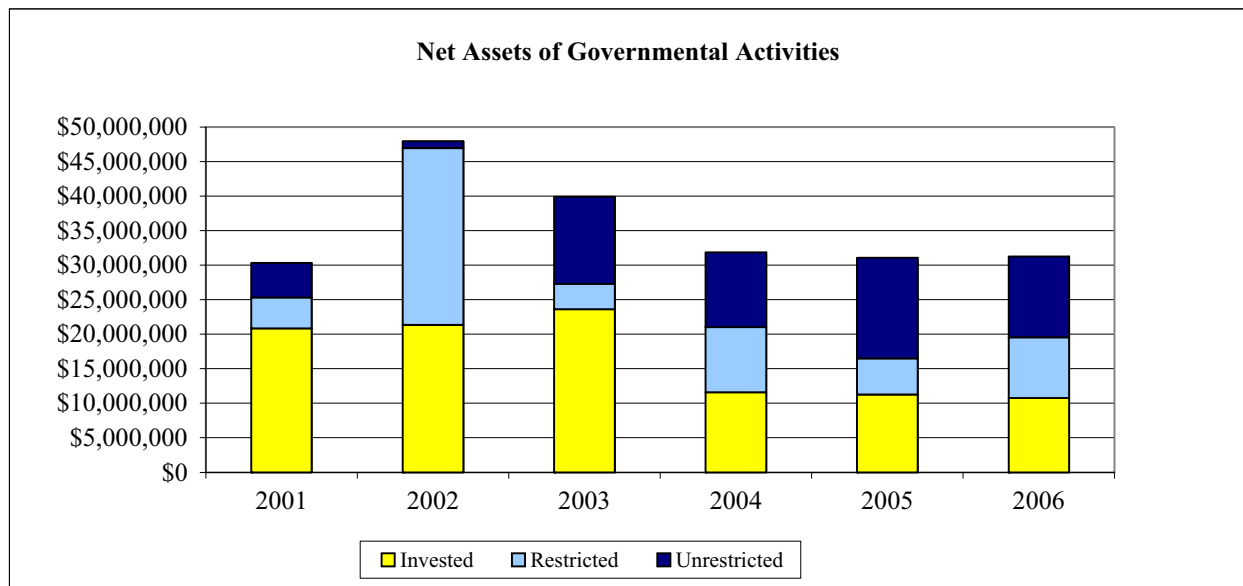
This part of School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School District's overall financial health.

| <b><u>Contents</u></b>  | <b><u>Page(s)</u></b> |
|---|-----------------------|
| <b>Financial Trends</b><br>These schedules contain trend information to help the reader understand how the School District's financial position has changed over time.  | <b>S2 - S11</b>       |
| <b>Revenue Capacity</b><br>These schedules contain information to help the reader understand and assess the factors affecting the School District's ability to generate its most significant local revenue source(s), the property tax.   | <b>S12 - S21</b>      |
| <b>Debt Capacity</b><br>These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.   | <b>S22 - S26</b>      |
| <b>Economic and Demographic Information</b><br>These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments. | <b>S28 - S30</b>      |
| <b>Operating Information</b><br>These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.  | <b>S31 - S45</b>      |

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The School District implemented GASB Statement 34 in fiscal year 2001; schedules presenting government-wide information include information beginning in that fiscal year.

**Parma City School District**  
*Net Assets by Component*  
*Last Six Fiscal Years*  
*(accrual basis of accounting)*

|  | 2001                | 2002                | 2003                | 2004                |
|--|---------------------|---------------------|---------------------|---------------------|
| <b>Governmental Activities:</b>                  |                     |                     |                     |                     |
| Invested in Capital Assets, Net of Related Debt  | \$20,827,338        | \$21,358,370        | \$23,627,984        | \$11,594,506        |
| Restricted for:                                  |                     |                     |                     |                     |
| Capital Projects                                 | 640,534             | 21,120,494          | 0                   | 5,507,722           |
| Debt Service                                     | 1,726,416           | 1,569,261           | 653,054             | 707,547             |
| Set Asides                                       | 0                   | 588,782             | 588,782             | 588,782             |
| Other Purposes                                   | 2,099,825           | 2,266,099           | 2,390,877           | 2,630,519           |
| Unrestricted                                     | 5,004,137           | 1,035,192           | 12,654,442          | 10,835,063          |
| <b>Total Governmental Activities Net Assets</b>  | <b>30,298,250</b>   | <b>47,938,198</b>   | <b>39,915,139</b>   | <b>31,864,139</b>   |
| <b>Business-type Activities:</b>                 |                     |                     |                     |                     |
| Invested in Capital Assets, Net of Related Debt  | 98,818              | 96,218              | 110,996             | 119,920             |
| Unrestricted                                     | 902,213             | 295,617             | 281,164             | 166,458             |
| <b>Total Business-type Activities Net Assets</b> | <b>1,001,031</b>    | <b>391,835</b>      | <b>392,160</b>      | <b>286,378</b>      |
| <b>Primary Government:</b>                       |                     |                     |                     |                     |
| Invested in Capital Assets, Net of Related Debt  | 20,926,156          | 21,454,588          | 23,738,980          | 11,714,426          |
| Restricted                                       | 4,466,775           | 25,544,636          | 3,632,713           | 9,434,570           |
| Unrestricted                                     | 5,906,350           | 1,330,809           | 12,935,606          | 11,001,521          |
| <b>Total Primary Government Net Assets</b>       | <b>\$31,299,281</b> | <b>\$48,330,033</b> | <b>\$40,307,299</b> | <b>\$32,150,517</b> |



| 2005         | 2006         |
|--------------|--------------|
| \$11,251,853 | \$10,762,705 |
| 3,297,860    | 6,482,337    |
| 262,980      | 210,273      |
| 0            | 0            |
| 1,692,330    | 2,064,575    |
| 14,535,471   | 11,733,273   |
| 31,040,494   | 31,253,163   |
| 128,255      | 114,337      |
| 474,619      | 711,907      |
| 602,874      | 826,244      |
| 11,380,108   | 10,877,042   |
| 5,253,170    | 8,757,185    |
| 15,010,090   | 12,445,180   |
| \$31,643,368 | \$32,079,407 |

**Parma City School District**  
*Changes in Net Assets*  
*Last Six Fiscal Years*  
*(accrual basis of accounting)*

|   | 2001               | 2002               | 2003               | 2004               | 2005               | 2006               |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Expenses</b>                                       |                    |                    |                    |                    |                    |                    |
| <b>Governmental Activities:</b>                       |                    |                    |                    |                    |                    |                    |
| Regular Instruction                                   | \$46,171,336       | \$52,549,702       | \$56,735,679       | \$55,727,837       | \$55,590,833       | \$57,535,170       |
| Special Instruction                                   | 10,151,082         | 11,657,885         | 13,502,318         | 14,786,344         | 16,524,948         | 16,913,097         |
| Vocational Instruction                                | 2,412,894          | 1,942,972          | 2,421,619          | 2,177,517          | 3,442,447          | 3,572,570          |
| Adult/Continuing Instruction                          | 131,614            | 146,408            | 103,058            | 104,805            | 138,911            | 138,768            |
| Pupil Support   | 5,702,894          | 6,028,497          | 6,280,658          | 6,898,816          | 7,102,167          | 7,480,653          |
| Instructional Staff Support                           | 4,373,868          | 5,620,956          | 4,689,359          | 5,420,181          | 5,134,353          | 5,700,431          |
| Board of Education                                    | 445,182            | 722,338            | 808,105            | 1,199,052          | 648,076            | 955,548            |
| Administration  | 6,800,226          | 8,561,814          | 9,085,121          | 9,484,263          | 10,361,043         | 10,516,633         |
| Fiscal  | 2,122,588          | 1,961,584          | 1,878,329          | 3,173,100          | 2,011,493          | 2,219,018          |
| Business  | 608,938            | 760,916            | 704,215            | 792,836            | 1,020,693          | 1,239,503          |
| Operation and Maintenance of Plant                    | 10,154,889         | 14,323,751         | 15,370,578         | 20,715,391         | 13,062,866         | 13,561,145         |
| Pupil Transportation                                  | 4,298,362          | 6,381,700          | 5,464,548          | 5,861,535          | 5,409,391          | 6,177,626          |
| Central   | 1,489,597          | 2,142,312          | 1,987,681          | 1,942,312          | 2,106,373          | 1,616,584          |
| Operation of Non-Instructional Services               | 4,263,121          | 4,059,216          | 4,777,508          | 4,122,981          | 4,861,629          | 4,112,226          |
| Extracurricular Activities                            | 2,279,498          | 2,449,230          | 2,751,996          | 3,284,535          | 2,818,687          | 3,077,275          |
| Interest and Fiscal Charges                           | 484,966            | 576,680            | 1,081,240          | 170,934            | 1,397,634          | 1,708,765          |
| <i>Total Governmental Activities Expenses</i>         | <u>101,891,055</u> | <u>119,885,961</u> | <u>127,642,012</u> | <u>135,862,439</u> | <u>131,631,544</u> | <u>136,525,012</u> |
| <b>Business-type Activities:</b>                      |                    |                    |                    |                    |                    |                    |
| Food Service  | 3,043,913          | 3,287,831          | 3,271,012          | 3,183,170          | 3,079,727          | 3,190,388          |
| Adult Continuing Education                            | 926,264            | 999,882            | 452,074            | 329,589            | 71,024             | 115,088            |
| Extended Day Care/Preschool                           | 1,181,824          | 1,585,266          | 1,166,063          | 1,288,939          | 1,280,779          | 1,332,056          |
| <i>Total Business-type Activities Expenses</i>        | <u>5,152,001</u>   | <u>5,872,979</u>   | <u>4,889,149</u>   | <u>4,801,698</u>   | <u>4,431,530</u>   | <u>4,637,532</u>   |
| <i>Total Primary Government Expenses</i>              | <u>107,043,056</u> | <u>125,758,940</u> | <u>132,531,161</u> | <u>140,664,137</u> | <u>136,063,074</u> | <u>141,162,544</u> |
| <b>Program Revenues</b>                               |                    |                    |                    |                    |                    |                    |
| <b>Governmental Activities:</b>                       |                    |                    |                    |                    |                    |                    |
| <b>Charges for Services</b>                           |                    |                    |                    |                    |                    |                    |
| Regular Instruction                                   | 1,711,772          | 1,493,438          | 1,579,616          | 1,749,000          | 2,372,336          | 2,032,299          |
| Special Instruction                                   | 166,291            | 42,230             | 87,756             | 411,703            | 629,722            | 530,000            |
| Vocational Instruction                                | 0                  | 0                  | 87,757             | 82,789             | 153,447            | 130,879            |
| Adult/Continuing Instruction                          | 0                  | 0                  | 0                  | 0                  | 0                  | 324                |
| Pupil Support   | 0                  | 0                  | 0                  | 119,311            | 34,567             | 243,345            |
| Instructional Staff Support                           | 0                  | 0                  | 0                  | 78,931             | 20,715             | 153,467            |
| Board of Education                                    | 0                  | 0                  | 0                  | 18,778             | 4,841              | 35,092             |
| Administration  | 0                  | 0                  | 0                  | 179,474            | 51,011             | 364,185            |
| Fiscal  | 0                  | 26                 | 0                  | 60,519             | 20,112             | 79,325             |
| Business  | 0                  | 0                  | 0                  | 13,629             | 5,002              | 41,479             |
| Operation and Maintenance of Plant                    | 2,675              | 280,253            | 266,448            | 213,563            | 54,994             | 425,144            |
| Pupil Transportation                                  | 522,180            | 0                  | 599,746            | 330,252            | 231,247            | 218,818            |
| Central   | 0                  | 0                  | 0                  | 36,149             | 10,489             | 55,814             |
| Operation of Non-Instructional Services               | 94,526             | 0                  | 0                  | 451                | 138                | 1,093              |
| Extracurricular Activities                            | 1,459,290          | 1,134,475          | 832,077            | 965,479            | 1,160,556          | 906,445            |
| <b>Operating Grants and Contributions</b>             |                    |                    |                    |                    |                    |                    |
| Regular Instruction                                   | 1,319,226          | 902,920            | 2,730,556          | 1,245,871          | 890,031            | 1,168,125          |
| Special Instruction                                   | 1,856,864          | 910,160            | 1,553,750          | 1,930,920          | 2,679,874          | 2,646,729          |
| Vocational Instruction                                | 340,317            | 122,697            | 0                  | 11,221             | 13,513             | 39,423             |
| Adult/Continuing Instruction                          | 115,426            | 9,992              | 164,286            | 107,983            | 117,102            | 122,330            |
| Pupil Support   | 405,996            | 663,701            | 447,703            | 1,063,490          | 1,756,860          | 857,786            |
| Instructional Staff Support                           | 397,263            | 1,253,171          | 870,145            | 1,201,308          | 1,226,265          | 1,535,647          |
| Board of Education                                    | 0                  | 3,447              | 0                  | 4,341              | 0                  | 9,040              |
| Administration  | 120,212            | 257,659            | 0                  | 395,841            | 504,800            | 690,472            |
| Fiscal  | 0                  | 0                  | 0                  | 13,994             | 0                  | 20,435             |
| Business  | 0                  | 232                | 0                  | 3,151              | 0                  | 10,685             |
| Operation and Maintenance of Plant                    | 354,675            | 3,445              | 0                  | 56,744             | 15,526             | 110,804            |
| Pupil Transportation                                  | 0                  | 150                | 0                  | 138,692            | 81,621             | 96,023             |
| Central   | 100,553            | 13,892             | 0                  | 87,130             | 57,007             | 130,323            |
| Operation of Non-Instructional Services               | 3,333,925          | 4,357,532          | 4,158,729          | 4,469,686          | 4,468,816          | 4,415,845          |
| Extracurricular Activities                            | 17,363             | 32,156             | 5,929              | 9,909              | 3,882              | 21,488             |
| <b>Capital Grants and Contributions</b>               |                    |                    |                    |                    |                    |                    |
| Instructional Staff Support                           | 0                  | 0                  | 191,504            | 0                  | 0                  | 0                  |
| Fiscal  | 0                  | 160                | 0                  | 0                  | 0                  | 0                  |
| Operation and Maintenance of Plant                    | 13,459             | 2,323,190          | 0                  | 0                  | 0                  | 0                  |
| Pupil Transportation                                  | 138,557            | 66,727             | 0                  | 0                  | 0                  | 0                  |
| Central   | 0                  | 0                  | 0                  | 0                  | 118,650            | 0                  |
| <i>Total Governmental Activities Program Revenues</i> | <u>12,470,570</u>  | <u>13,871,653</u>  | <u>13,576,002</u>  | <u>15,000,309</u>  | <u>16,683,124</u>  | <u>17,092,864</u>  |

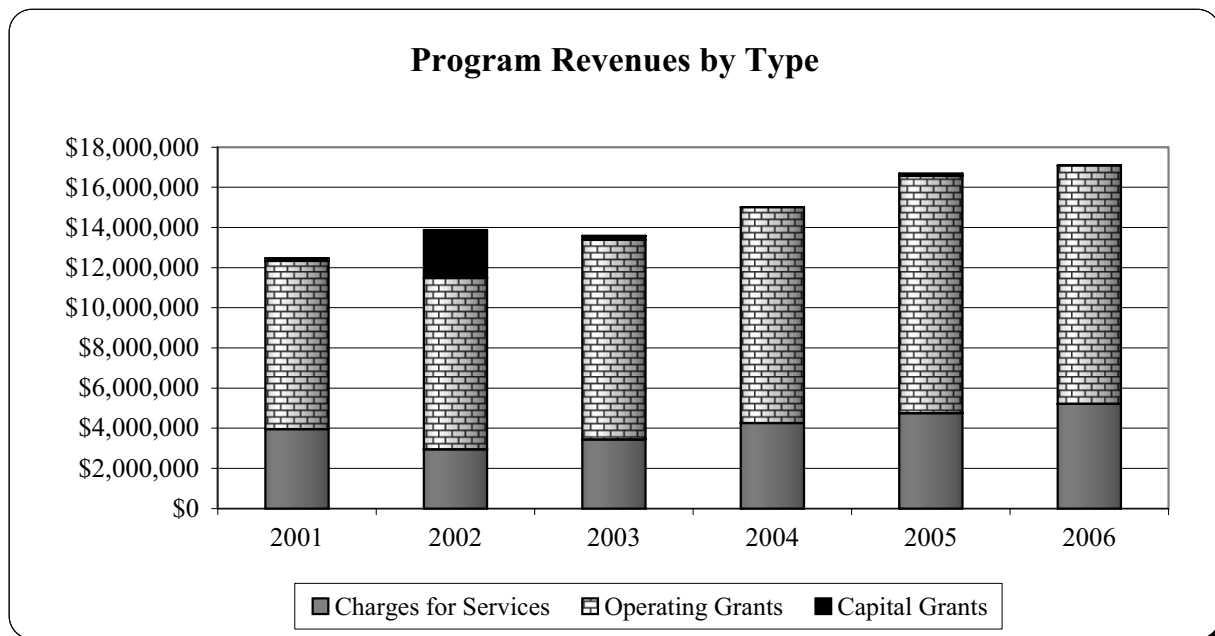
(continued)

**Parma City School District**  
*Changes in Net Assets (continued)*  
*Last Six Fiscal Years*  
*(accrual basis of accounting)*

|   | 2001                | 2002                 | 2003                 | 2004                 | 2005                 | 2006                 |
|---|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Business-type Activities:</b>                        |                     |                      |                      |                      |                      |                      |
| Charges for Services                                    |                     |                      |                      |                      |                      |                      |
| Food Service  | 2,141,770           | 2,173,383            | 2,209,174            | 2,265,903            | 2,240,812            | 2,283,014            |
| Adult Continuing Education                              | 793,337             | 609,868              | 210,227              | 159,008              | 23,476               | 87,919               |
| Extended Day Care/Preschool                             | 1,040,067           | 1,104,589            | 991,293              | 1,123,457            | 1,156,901            | 1,120,330            |
| Operating Grants and Contributions                      | 1,265,260           | 1,333,755            | 1,461,541            | 1,130,385            | 1,223,416            | 1,361,366            |
| <i>Total Business-type Activities Program Revenues</i>  | <u>5,240,434</u>    | <u>5,221,595</u>     | <u>4,872,235</u>     | <u>4,678,753</u>     | <u>4,644,605</u>     | <u>4,852,629</u>     |
| <i>Total Primary Government Program Revenues</i>        | <u>17,711,004</u>   | <u>19,093,248</u>    | <u>18,448,237</u>    | <u>19,679,062</u>    | <u>21,327,729</u>    | <u>21,945,493</u>    |
| <b>Net (Expense)/Revenue</b>                            |                     |                      |                      |                      |                      |                      |
| Governmental Activities                                 | (89,420,485)        | (106,014,308)        | (114,066,010)        | (120,862,130)        | (114,948,420)        | (119,432,148)        |
| Business-type Activities                                | 88,433              | (651,384)            | (16,914)             | (122,945)            | 213,075              | 215,097              |
| <i>Total Primary Government Net (Expense)/Revenue</i>   | <u>(89,332,052)</u> | <u>(106,665,692)</u> | <u>(114,082,924)</u> | <u>(120,985,075)</u> | <u>(114,735,345)</u> | <u>(119,217,051)</u> |
| <b>General Revenues and Other Changes in Net Assets</b> |                     |                      |                      |                      |                      |                      |
| Governmental Activities:                                |                     |                      |                      |                      |                      |                      |
| Property Taxes Levied for:                              |                     |                      |                      |                      |                      |                      |
| General Purposes  | \$70,818,304        | \$84,363,645         | \$68,717,395         | \$73,923,631         | \$75,071,978         | \$78,493,416         |
| Debt Service  | 852,293             | 57,603               | 466,239              | 2,392,758            | 1,975,713            | 3,434,573            |
| Capital Projects  | 2,203,382           | 4,071,141            | 2,102,542            | 1,305,697            | 1,133,492            | 1,885,293            |
| Grants and Entitlements not                             |                     |                      |                      |                      |                      |                      |
| Restricted to Specific Programs                         | 23,777,006          | 36,323,272           | 32,873,674           | 33,989,650           | 34,172,968           | 32,796,036           |
| Investment Earnings                                     | 1,473,616           | 1,184,907            | 910,019              | 455,946              | 815,547              | 1,778,835            |
| Gain on Sale of Capital Assets                          | 11,625              | 0                    | 42,563               | 41,658               | 0                    | 35,938               |
| Miscellaneous   | 902,636             | 163,388              | 941,427              | 712,760              | 1,030,002            | 1,220,726            |
| Transfers   | 0                   | 0                    | (10,908)             | (10,970)             | (74,925)             | 0                    |
| <i>Total Governmental Activities</i>                    | <u>100,038,862</u>  | <u>126,163,956</u>   | <u>106,042,951</u>   | <u>112,811,130</u>   | <u>114,124,775</u>   | <u>119,644,817</u>   |
| Business-type Activities:                               |                     |                      |                      |                      |                      |                      |
| Gain on Sale of Capital Assets                          | 0                   | 0                    | 0                    | 0                    | 23,464               | 0                    |
| Miscellaneous   | 0                   | 51,098               | 6,331                | 6,193                | 5,032                | 8,273                |
| Transfers   | 0                   | 0                    | 10,908               | 10,970               | 74,925               | 0                    |
| <i>Total Business-type Activities</i>                   | <u>0</u>            | <u>51,098</u>        | <u>17,239</u>        | <u>17,163</u>        | <u>103,421</u>       | <u>8,273</u>         |
| <i>Total Primary Government</i>                         | <u>100,038,862</u>  | <u>126,215,054</u>   | <u>106,060,190</u>   | <u>112,828,293</u>   | <u>114,228,196</u>   | <u>119,653,090</u>   |
| <b>Change in Net Assets</b>                             |                     |                      |                      |                      |                      |                      |
| Governmental Activities                                 | 10,618,377          | 20,149,648           | (8,023,059)          | (8,051,000)          | (823,645)            | 212,669              |
| Business-type Activities                                | 88,433              | (600,286)            | 325                  | (105,782)            | 316,496              | 223,370              |
| <i>Total Primary Government Change in Net Assets</i>    | <u>\$10,706,810</u> | <u>\$19,549,362</u>  | <u>(\$8,022,734)</u> | <u>(\$8,156,782)</u> | <u>(\$507,149)</u>   | <u>\$436,039</u>     |

**Parma City School District**  
*Program Revenues of Governmental Activities by Function*  
*Last Six Fiscal Years*  
*(accrual basis of accounting)*

| <i>Governmental Activities</i>          | 2001                | 2002                | 2003                | 2004                |
|---|---------------------|---------------------|---------------------|---------------------|
| <i>Function:</i>                        |                     |                     |                     |                     |
| Regular Instruction                     | \$3,030,998         | \$2,396,358         | \$4,310,172         | \$2,994,871         |
| Special Instruction                     | 2,023,155           | 952,390             | 1,641,506           | 2,342,623           |
| Vocational Instruction                  | 340,317             | 122,697             | 87,757              | 94,010              |
| Adult/Continuing Instruction            | 115,426             | 9,992               | 164,286             | 107,983             |
| Pupil Support                           | 405,996             | 663,701             | 447,703             | 1,182,801           |
| Instructional Staff Support             | 397,263             | 1,253,171           | 1,061,649           | 1,280,239           |
| Board of Education                      | 0                   | 3,447               | 0                   | 23,119              |
| Administration                          | 120,212             | 257,659             | 0                   | 575,315             |
| Fiscal                                  | 0                   | 186                 | 0                   | 74,513              |
| Business                                | 0                   | 232                 | 0                   | 16,780              |
| Operation and Maintenance of Plant      | 370,809             | 2,606,888           | 266,448             | 270,307             |
| Pupil Transportation                    | 660,737             | 66,877              | 599,746             | 468,944             |
| Central                                 | 100,553             | 13,892              | 0                   | 123,279             |
| Operation of Non-Instructional Services | 3,428,451           | 4,357,532           | 4,158,729           | 4,470,137           |
| Extracurricular Activities              | 1,476,653           | 1,166,631           | 838,006             | 975,388             |
| <i>Total Program Revenues</i>           | <u>\$12,470,570</u> | <u>\$13,871,653</u> | <u>\$13,576,002</u> | <u>\$15,000,309</u> |

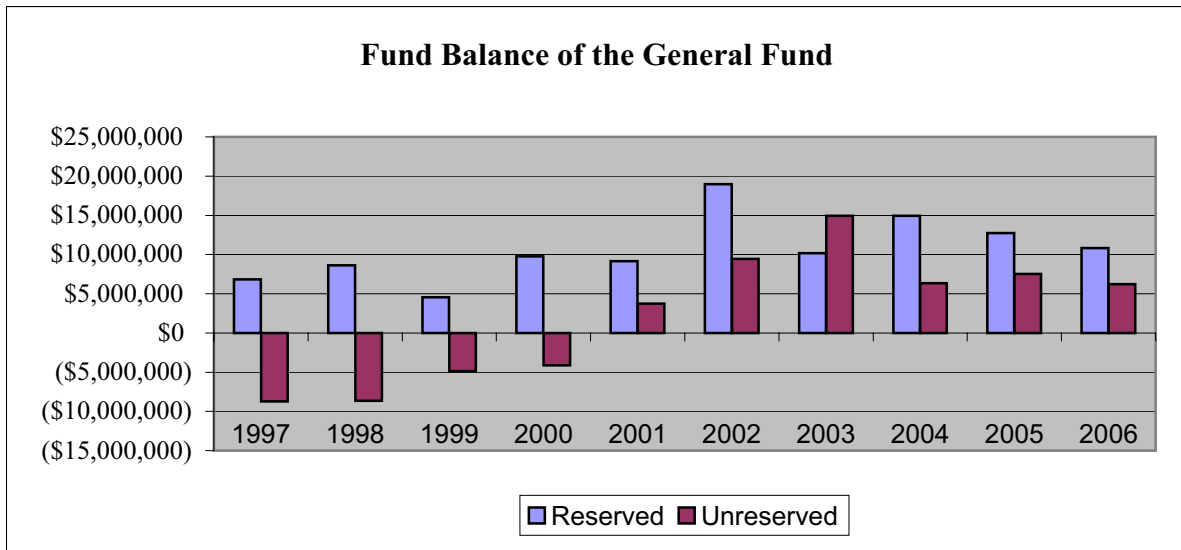




| <u>2005</u>         | <u>2006</u>         |
|---------------------|---------------------|
| \$3,262,367         | \$3,200,424         |
| 3,309,596           | 3,176,729           |
| 166,960             | 170,302             |
| 117,102             | 122,654             |
| 1,791,427           | 1,101,131           |
| 1,246,980           | 1,689,114           |
| 4,841               | 44,132              |
| 555,811             | 1,054,657           |
| 20,112              | 99,760              |
| 5,002               | 52,164              |
| 70,520              | 535,948             |
| 312,868             | 314,841             |
| 186,146             | 186,137             |
| 4,468,954           | 4,416,938           |
| <u>1,164,438</u>    | <u>927,933</u>      |
| <u>\$16,683,124</u> | <u>\$17,092,864</u> |

**Parma City School District**  
*Fund Balances, Governmental Funds*  
*Last Ten Fiscal Years*  
*(modified accrual basis of accounting)*

|   | 1997                        | 1998                      | 1999                      | 2000                       |
|---|-----------------------------|---------------------------|---------------------------|----------------------------|
| <b>General Fund</b>                       |                             |                           |                           |                            |
| Reserved                                  | \$6,823,528                 | \$8,621,836               | \$4,545,129               | \$9,779,814                |
| Unreserved                                | (8,732,537)                 | (8,656,870)               | (4,853,984)               | (4,138,071)                |
| <i>Total General Fund</i>                 | <u>(1,909,009)</u>          | <u>(35,034)</u>           | <u>(308,855)</u>          | <u>5,641,743</u>           |
| <b>All Other Governmental Funds</b>       |                             |                           |                           |                            |
| Reserved                                  | 822,825                     | 1,014,816                 | 1,050,626                 | 1,013,704                  |
| Unreserved, Undesignated,<br>Reported in: |                             |                           |                           |                            |
| Special Revenue Funds                     | 258,616                     | 1,113,499                 | 1,339,591                 | 2,616,462                  |
| Debt Service Funds                        | 1,402,231                   | 2,437,055                 | 1,756,808                 | 1,315,616                  |
| Capital Projects Funds                    | (5,441,865)                 | 545,739                   | 638,075                   | 398,646                    |
| <b>Total All Other Governmental Funds</b> | <u>(2,958,193)</u>          | <u>5,111,109</u>          | <u>4,785,100</u>          | <u>5,344,428</u>           |
| <i>Total Governmental Funds</i>           | <u><u>(\$4,867,202)</u></u> | <u><u>\$5,076,075</u></u> | <u><u>\$4,476,245</u></u> | <u><u>\$10,986,171</u></u> |



| <u>2001</u>         | <u>2002</u>         | <u>2003</u>         | <u>2004</u>         | <u>2005</u>         | <u>2006</u>         |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$9,152,684         | \$18,962,860        | \$10,171,657        | \$14,948,935        | \$12,736,903        | \$10,836,748        |
| <u>3,743,995</u>    | <u>9,452,641</u>    | <u>14,929,177</u>   | <u>6,331,604</u>    | <u>7,511,755</u>    | <u>6,207,591</u>    |
| <u>12,896,679</u>   | <u>28,415,501</u>   | <u>25,100,834</u>   | <u>21,280,539</u>   | <u>20,248,658</u>   | <u>17,044,339</u>   |
| 2,938,272           | 12,784,788          | 3,336,683           | 1,191,882           | 1,151,059           | 11,135,808          |
| 1,769,639           | 1,835,545           | 1,795,851           | 2,183,430           | 1,154,358           | 1,284,174           |
| 1,459,645           | 993,561             | 606,237             | 749,477             | 292,771             | 682,170             |
| <u>(1,512,870)</u>  | <u>9,686,569</u>    | <u>(4,790,098)</u>  | <u>1,184,954</u>    | <u>1,868,714</u>    | <u>10,519,187</u>   |
| <u>4,654,686</u>    | <u>25,300,463</u>   | <u>948,673</u>      | <u>5,309,743</u>    | <u>4,466,902</u>    | <u>23,621,339</u>   |
| <u>\$17,551,365</u> | <u>\$53,715,964</u> | <u>\$26,049,507</u> | <u>\$26,590,282</u> | <u>\$24,715,560</u> | <u>\$40,665,678</u> |

**Parma City School District**  
*Changes in Fund Balances, Governmental Funds*  
*Last Ten Fiscal Years*  
*(modified accrual basis of accounting)*

|   | 1997                 | 1998               | 1999               | 2000               |
|---|----------------------|--------------------|--------------------|--------------------|
| <b>Revenues</b>   |                      |                    |                    |                    |
| Property and Other Local Taxes                          | \$60,468,806         | \$65,320,414       | \$64,801,975       | \$63,979,640       |
| Intergovernmental                                       | 25,771,582           | 27,837,795         | 29,336,982         | 31,562,955         |
| Interest  | 619,757              | 844,850            | 911,990            | 1,241,930          |
| Tuition and Fees  | 1,589,170            | 974,198            | 1,264,113          | 1,520,317          |
| Extracurricular Activities                              | 1,297,212            | 1,363,567          | 1,395,082          | 1,363,197          |
| Rentals   | 348,652              | 106,463            | 84,629             | 230,444            |
| Charges for Services                                    | 0                    | 0                  | 227,820            | 332,983            |
| Contributions and Donations                             | 41,724               | 165,202            | 85,301             | 56,406             |
| Miscellaneous   | 157,211              | 1,367,485          | 460,166            | 351,055            |
| <i>Total Revenues</i>                                   | <u>90,294,114</u>    | <u>97,979,974</u>  | <u>98,568,058</u>  | <u>100,638,927</u> |
| <b>Expenditures</b>                                     |                      |                    |                    |                    |
| Current:  |                      |                    |                    |                    |
| Instruction:  |                      |                    |                    |                    |
| Regular   | 41,889,510           | 43,504,689         | 44,493,411         | 42,121,709         |
| Special   | 7,599,446            | 8,305,462          | 8,527,584          | 9,009,861          |
| Vocational  | 2,869,507            | 1,432,552          | 1,589,698          | 2,365,948          |
| Adult/Continuing  | 92,813               | 216,042            | 247,818            | 1,249,792          |
| Support Services:                                       |                      |                    |                    |                    |
| Pupil   | 4,028,395            | 4,991,585          | 5,328,169          | 4,980,936          |
| Instructional Staff                                     | 6,051,766            | 4,916,855          | 4,477,718          | 3,839,009          |
| Board of Education                                      | 42,645               | 50,707             | 61,895             | 68,594             |
| Administration  | 6,370,159            | 7,751,325          | 7,125,281          | 6,404,442          |
| Fiscal  | 1,269,908            | 1,547,714          | 1,522,202          | 1,268,946          |
| Business  | 730,366              | 796,169            | 760,549            | 625,702            |
| Operation and Maintenance of Plant                      | 9,341,167            | 9,879,885          | 9,632,433          | 9,060,406          |
| Pupil Transportation                                    | 4,314,313            | 4,105,287          | 3,848,234          | 3,795,132          |
| Central   | 669,706              | 1,094,231          | 1,033,112          | 1,190,863          |
| Operation of Non-Instructional Services                 | 3,356,742            | 3,098,375          | 3,537,697          | 3,609,676          |
| Extracurricular Activities                              | 1,134,324            | 1,956,788          | 2,200,277          | 2,489,889          |
| Capital Outlay  | 2,535,087            | 981,663            | 1,299,669          | 707,129            |
| Debt Service:   |                      |                    |                    |                    |
| Principal Retirement                                    | 430,000              | 5,415,000          | 4,925,000          | 3,185,000          |
| Interest and Fiscal Charges                             | 393,052              | 393,349            | 438,759            | 598,150            |
| Issuance Costs  | 0                    | 0                  | 0                  | 0                  |
| <i>Total Expenditures</i>                               | <u>93,118,906</u>    | <u>100,437,678</u> | <u>101,049,506</u> | <u>96,571,184</u>  |
| <i>Excess of Revenues Over<br/>(Under) Expenditures</i> | <u>(2,824,792)</u>   | <u>(2,457,704)</u> | <u>(2,481,448)</u> | <u>4,067,743</u>   |
| <b>Other Financing Sources (Uses)</b>                   |                      |                    |                    |                    |
| Sale of Capital Assets                                  | 312,248              | 2,628,213          | 43,665             | 35,730             |
| General Obligation Bonds Issued                         | 0                    | 0                  | 0                  | 2,485,254          |
| Notes Issued  | 0                    | 4,475,000          | 2,721,535          | 0                  |
| Loans Issued  | 0                    | 0                  | 0                  | 0                  |
| Certificates of Participation Proceeds                  | 0                    | 0                  | 0                  | 0                  |
| Premium on Note   | 0                    | 0                  | 0                  | 0                  |
| Discount on Certificates of Participation               | 0                    | 0                  | 0                  | 0                  |
| Inception of Capital Lease                              | 0                    | 0                  | 0                  | 0                  |
| Transfers In  | 256,609              | 48,941             | 309,479            | 165,256            |
| Transfers Out   | (256,609)            | (48,941)           | (309,479)          | (260,408)          |
| <i>Total Other Financing Sources (Uses)</i>             | <u>312,248</u>       | <u>7,103,213</u>   | <u>2,765,200</u>   | <u>2,425,832</u>   |
| <i>Net Change in Fund Balances</i>                      | <u>(\$2,512,544)</u> | <u>\$4,645,509</u> | <u>\$283,752</u>   | <u>\$6,493,575</u> |
| Debt Service as a Percentage of                         |                      |                    |                    |                    |
| Noncapital Expenditures                                 | 0.9%                 | 5.8%               | 5.4%               | 3.9%               |

| 2001               | 2002                | 2003                  | 2004                | 2005                 | 2006                |
|--------------------|---------------------|-----------------------|---------------------|----------------------|---------------------|
| \$73,263,088       | \$88,326,725        | \$71,186,517          | \$76,557,202        | \$77,756,216         | \$84,402,165        |
| 32,489,640         | 44,784,732          | 42,929,314            | 44,645,322          | 46,218,464           | 44,339,575          |
| 1,473,616          | 1,184,907           | 910,019               | 455,946             | 815,547              | 1,778,835           |
| 1,832,502          | 1,377,030           | 1,718,752             | 1,978,176           | 1,597,530            | 2,100,191           |
| 908,940            | 1,135,757           | 732,473               | 756,477             | 1,061,093            | 954,879             |
| 576,153            | 279,729             | 248,548               | 448,397             | 312,211              | 314,040             |
| 639,139            | 550                 | 717,250               | 958,193             | 1,676,475            | 1,810,945           |
| 79,121             | 2,353,647           | 68,031                | 20,299              | 26,607               | 33,593              |
| 902,636            | 163,388             | 941,427               | 712,760             | 1,030,002            | 1,220,726           |
| <u>112,164,835</u> | <u>139,606,465</u>  | <u>119,452,331</u>    | <u>126,532,772</u>  | <u>130,494,145</u>   | <u>136,954,949</u>  |
| 45,678,906         | 52,921,929          | 54,359,448            | 54,594,280          | 54,799,796           | 56,685,742          |
| 10,275,154         | 11,510,571          | 13,585,692            | 14,716,340          | 16,573,014           | 16,812,367          |
| 2,421,717          | 1,894,917           | 2,305,655             | 2,565,455           | 3,503,935            | 3,601,404           |
| 125,977            | 152,600             | 116,695               | 112,051             | 139,464              | 137,962             |
| 5,854,037          | 6,032,820           | 6,347,047             | 6,901,671           | 7,132,634            | 7,546,020           |
| 4,371,538          | 5,498,899           | 4,633,850             | 5,382,228           | 5,136,908            | 5,697,283           |
| 442,794            | 716,927             | 807,146               | 899,528             | 943,937              | 952,991             |
| 7,254,890          | 8,612,610           | 9,314,356             | 9,753,813           | 10,132,080           | 10,564,478          |
| 2,132,139          | 1,878,590           | 1,862,815             | 3,167,385           | 2,013,833            | 2,144,582           |
| 619,083            | 754,317             | 866,759               | 832,219             | 1,064,690            | 1,125,177           |
| 9,485,597          | 10,836,202          | 10,368,030            | 11,127,414          | 10,366,982           | 11,798,488          |
| 4,576,746          | 6,329,352           | 6,038,084             | 6,276,305           | 5,239,297            | 6,015,584           |
| 1,701,377          | 2,142,270           | 1,961,222             | 1,929,958           | 2,003,061            | 1,654,343           |
| 4,585,118          | 4,140,970           | 4,640,419             | 4,230,319           | 4,849,464            | 4,233,559           |
| 2,250,836          | 2,526,666           | 2,810,305             | 3,175,537           | 2,746,811            | 3,171,294           |
| 2,926,295          | 6,638,144           | 28,235,753            | 10,201,052          | 3,860,690            | 10,547,225          |
| 465,000            | 500,000             | 631,822               | 2,253,521           | 2,980,251            | 3,205,190           |
| 475,271            | 590,559             | 1,083,839             | 56,678              | 1,358,015            | 1,659,772           |
| 0                  | 0                   | 0                     | 144,046             | 0                    | 601,414             |
| <u>105,642,475</u> | <u>123,678,343</u>  | <u>149,968,937</u>    | <u>138,319,800</u>  | <u>134,844,862</u>   | <u>148,154,875</u>  |
| <u>6,522,360</u>   | <u>15,928,122</u>   | <u>(30,516,606)</u>   | <u>(11,787,028)</u> | <u>(4,350,717)</u>   | <u>(11,199,926)</u> |
| 11,625             | 0                   | 42,563                | 44,167              | 50,920               | 35,938              |
| 0                  | 0                   | 0                     | 0                   | 0                    | 0                   |
| 0                  | 20,000,000          | 0                     | 0                   | 0                    | 11,000,000          |
| 0                  | 0                   | 2,202,000             | 12,294,606          | 2,500,000            | 3,458,570           |
| 0                  | 0                   | 0                     | 0                   | 0                    | 12,580,000          |
| 0                  | 0                   | 0                     | 0                   | 0                    | 176,354             |
| 0                  | 0                   | 0                     | 0                   | 0                    | (100,818)           |
| 0                  | 0                   | 616,494               | 0                   | 0                    | 0                   |
| 175,418            | 333,174             | 136,918               | 162,837             | 183,242              | 174,082             |
| <u>(175,418)</u>   | <u>(333,174)</u>    | <u>(147,826)</u>      | <u>(173,807)</u>    | <u>(258,167)</u>     | <u>(174,082)</u>    |
| <u>11,625</u>      | <u>20,000,000</u>   | <u>2,850,149</u>      | <u>12,327,803</u>   | <u>2,475,995</u>     | <u>27,150,044</u>   |
| <u>\$6,533,985</u> | <u>\$35,928,122</u> | <u>(\$27,666,457)</u> | <u>\$540,775</u>    | <u>(\$1,874,722)</u> | <u>\$15,950,118</u> |
| 0.9%               | 0.9%                | 1.4%                  | 2.0%                | 3.3%                 | 3.9%                |

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

| Collection Year | Real Property                |                              |                 | Estimated Actual Value | Tangible Personal Property |                        |
|-----------------|------------------------------|------------------------------|-----------------|------------------------|----------------------------|------------------------|
|                 | Assessed Value               |                              |                 |                        | Public Utility             |                        |
|                 | Residential/<br>Agricultural | Commercial/<br>Industrial/PU | Total           |                        | Assessed Value             | Estimated Actual Value |
| 1997            | \$1,367,851,700              | \$329,054,660                | \$1,696,906,360 | \$4,848,303,886        | \$75,265,490               | \$85,528,966           |
| 1998            | 1,486,223,910                | 353,088,600                  | 1,839,312,510   | 5,255,178,600          | 73,452,990                 | 83,469,307             |
| 1999            | 1,492,634,760                | 343,431,990                  | 1,836,066,750   | 5,245,905,000          | 71,855,030                 | 81,653,443             |
| 2000            | 1,501,273,010                | 349,437,930                  | 1,850,710,940   | 5,287,745,543          | 62,799,720                 | 71,363,318             |
| 2001            | 1,660,692,760                | 396,516,490                  | 2,057,209,250   | 5,877,740,714          | 60,432,510                 | 68,673,307             |
| 2002            | 1,666,456,250                | 401,605,240                  | 2,068,061,490   | 5,908,747,114          | 46,260,140                 | 52,568,341             |
| 2003            | 1,673,545,860                | 399,184,240                  | 2,072,730,100   | 5,922,086,000          | 44,007,640                 | 50,008,682             |
| 2004            | 1,803,588,770                | 417,359,700                  | 2,220,948,470   | 6,345,567,057          | 45,166,030                 | 51,325,034             |
| 2005            | 1,814,515,570                | 429,115,620                  | 2,243,631,190   | 6,410,374,829          | 44,928,120                 | 51,054,682             |
| 2006            | 1,813,451,700                | 421,589,570                  | 2,235,041,270   | 6,385,832,200          | 40,541,500                 | 46,069,886             |

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

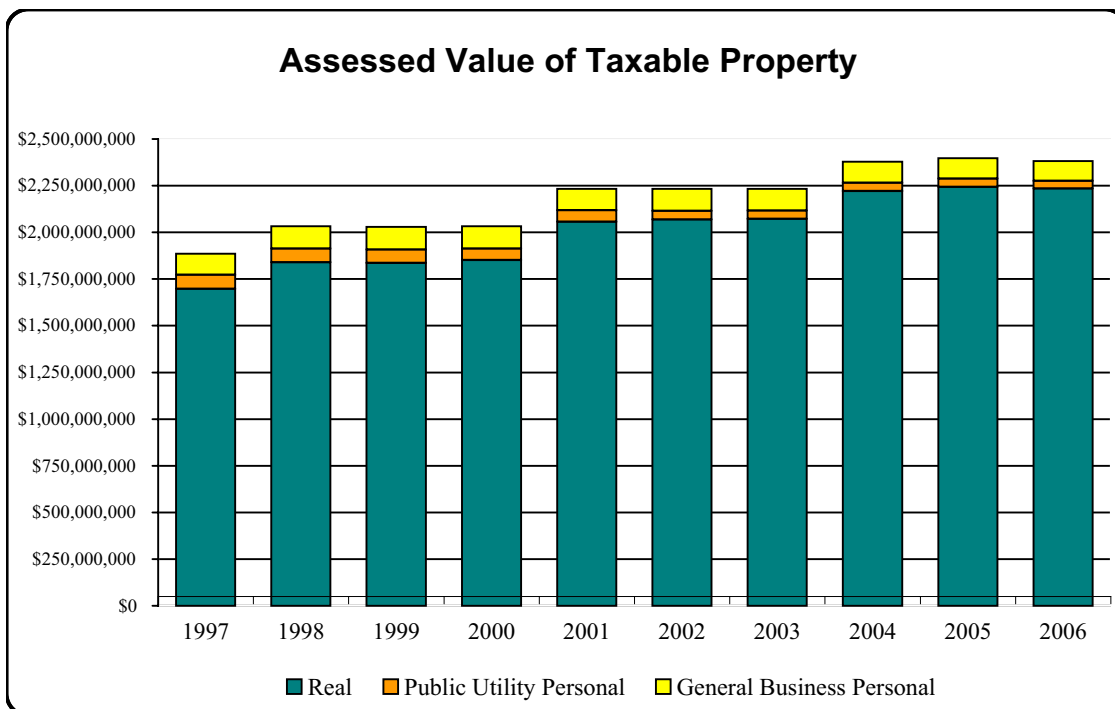
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax is being phased out beginning in 2006. The listing percentage is 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10% rollback for commercial/industrial property has been eliminated.

\* The weighted average tax rates for collection years 1997 and 1998 were not available.

**Source:** Office of the County Auditor, Cuyahoga County, Ohio

| Tangible Personal Property |                        | Total           |                        |        | Weighted Average Tax Rate* |
|----------------------------|------------------------|-----------------|------------------------|--------|----------------------------|
| General Business           |                        | Assessed Value  | Estimated Actual Value | Ratio  |                            |
| Assessed Value             | Estimated Actual Value | Assessed Value  | Estimated Actual Value | Ratio  | Weighted Average Tax Rate* |
| \$113,614,115              | \$454,456,460          | \$1,885,785,965 | \$5,388,289,312        | 35.00% | -                          |
| 120,861,764                | 483,447,056            | 2,033,627,264   | 5,822,094,963          | 34.93  | -                          |
| 120,840,696                | 483,362,784            | 2,028,762,476   | 5,810,921,227          | 34.91  | \$30.325750                |
| 119,090,817                | 476,363,268            | 2,032,601,477   | 5,835,472,129          | 34.83  | 30.112630                  |
| 115,972,283                | 463,889,132            | 2,233,614,043   | 6,410,303,153          | 34.84  | 34.732800                  |
| 119,158,280                | 476,633,120            | 2,233,479,910   | 6,437,948,575          | 34.69  | 34.607370                  |
| 116,622,201                | 466,488,804            | 2,233,359,941   | 6,438,583,486          | 34.69  | 34.659770                  |
| 112,292,038                | 449,168,152            | 2,378,406,538   | 6,846,060,243          | 34.74  | 32.561350                  |
| 108,079,727                | 432,318,908            | 2,396,639,037   | 6,893,748,419          | 34.77  | 32.360490                  |
| 106,774,595                | 427,098,380            | 2,382,357,365   | 6,859,000,466          | 34.73  | 38.154160                  |



**Parma City School District**  
*Property Tax Rates*  
(per \$1,000 of assessed value)  
Last Eight Years (1)

|  | 1999             | 2000             | 2001             | 2002             |
|--|------------------|------------------|------------------|------------------|
| <b>Unvoted Millage</b>                                     |                  |                  |                  |                  |
| Operating  | \$4.600000       | \$4.600000       | \$5.100000       | \$5.100000       |
| Debt   | 0.500000         | 0.500000         | 0.000000         | 0.000000         |
| <b>Total Unvoted Millage</b>                               | <u>5.100000</u>  | <u>5.100000</u>  | <u>5.100000</u>  | <u>5.100000</u>  |
| <b>Voted Millage - by levy</b>                             |                  |                  |                  |                  |
| 1976 Operating - continuing                                | 28.900000        | 28.900000        | 28.900000        | 28.900000        |
| Effective Millage Rates                                    |                  |                  |                  |                  |
| Residential/Agricultural Real                              | 11.263000        | 11.263800        | 10.221200        | 10.218000        |
| Commercial/Industrial and Public Utility Real              | 12.990300        | 12.960000        | 11.605400        | 11.566600        |
| General Business and Public Utility Personal               | 28.900000        | 28.900000        | 28.900000        | 28.900000        |
| 1982 Operating - continuing                                | 6.700000         | 6.700000         | 6.700000         | 6.700000         |
| Effective Millage Rates                                    |                  |                  |                  |                  |
| Residential/Agricultural Real                              | 4.137000         | 4.136200         | 3.753400         | 3.752200         |
| Commercial/Industrial and Public Utility Real              | 4.223900         | 4.214100         | 3.773600         | 3.761000         |
| General Business and Public Utility Personal               | 6.700000         | 6.700000         | 6.700000         | 6.700000         |
| 1990 Bond Levy (debt service) (\$5,000,000)                | 0.200000         | 0.000000         | 0.000000         | 0.000000         |
| 1994 Five Year Emergency Operating - Renewal (\$7,603,000) | 4.050000         | 0.000000         | 0.000000         | 0.000000         |
| 1995 Five Year Emergency Operating - Renewal (\$9,197,860) | 4.620000         | 4.620000         | 0.000000         | 0.000000         |
| 1997 Five Year Emergency Operating - New (\$8,062,500)     | 3.830000         | 3.850000         | 3.750000         | 3.750000         |
| 1999 Five Year Emergency Operating - Renewal (\$7,603,000) | 0.000000         | 4.130000         | 3.550000         | 3.550000         |
| 2000 Operating - continuing                                | 0.000000         | 0.000000         | 6.000000         | 6.000000         |
| Effective Millage Rates                                    |                  |                  |                  |                  |
| Residential/Agricultural Real                              | 0.000000         | 0.000000         | 5.444600         | 5.442900         |
| Commercial/Industrial and Public Utility Real              | 0.000000         | 0.000000         | 5.372800         | 5.354900         |
| General Business and Public Utility Personal               | 0.000000         | 0.000000         | 6.000000         | 6.000000         |
| 2000 Five Year Emergency Operating - Renewal (\$9,197,860) | 0.000000         | 0.000000         | 4.200000         | 4.200000         |
| 2000 Permanent Improvement Continuing                      | 0.000000         | 0.000000         | 2.000000         | 2.000000         |
| Effective Millage Rates                                    |                  |                  |                  |                  |
| Residential/Agricultural Real                              | 0.000000         | 0.000000         | 1.814900         | 1.814300         |
| Commercial/Industrial and Public Utility Real              | 0.000000         | 0.000000         | 1.790900         | 1.785000         |
| General Business and Public Utility Personal               | 0.000000         | 0.000000         | 2.000000         | 2.000000         |
| 2002 Five Year Emergency Operating - Renewal (\$8,062,500) | 0.000000         | 0.000000         | 0.000000         | 0.000000         |
| 2004 Five Year Emergency Operating - Renewal (\$7,603,000) | 0.000000         | 0.000000         | 0.000000         | 0.000000         |
| 2005 Operating - continuing                                | 0.000000         | 0.000000         | 0.000000         | 0.000000         |
| Effective Millage Rates                                    |                  |                  |                  |                  |
| Residential/Agricultural Real                              | 0.000000         | 0.000000         | 0.000000         | 0.000000         |
| Commercial/Industrial and Public Utility Real              | 0.000000         | 0.000000         | 0.000000         | 0.000000         |
| General Business and Public Utility Personal               | 0.000000         | 0.000000         | 0.000000         | 0.000000         |
| 2005 Five Year Emergency Operating - Renewal (\$9,197,860) | 0.000000         | 0.000000         | 0.000000         | 0.000000         |
| 2005 Permanent Improvement Continuing                      | 0.000000         | 0.000000         | 0.000000         | 0.000000         |
| Effective Millage Rates                                    |                  |                  |                  |                  |
| Residential/Agricultural Real                              | 0.000000         | 0.000000         | 0.000000         | 0.000000         |
| Commercial/Industrial and Public Utility Real              | 0.000000         | 0.000000         | 0.000000         | 0.000000         |
| General Business and Public Utility Personal               | 0.000000         | 0.000000         | 0.000000         | 0.000000         |
| <b>Total voted millage by type of property</b>             |                  |                  |                  |                  |
| Residential/Agricultural Real                              | 28.100000        | 28.000000        | 32.734100        | 32.727400        |
| Commercial/Industrial and Public Utility Real              | 29.914200        | 29.774100        | 34.042700        | 33.967500        |
| General Business and Public Utility Personal               | <u>48.300000</u> | <u>48.200000</u> | <u>55.100000</u> | <u>55.100000</u> |



| 2003       | 2004       | 2005       | 2006       |
|------------|------------|------------|------------|
| \$5.100000 | \$5.100000 | \$5.100000 | \$5.100000 |
| 0.000000   | 0.000000   | 0.000000   | 0.000000   |
| 5.100000   | 5.100000   | 5.100000   | 5.100000   |
| 28.900000  | 28.900000  | 28.900000  | 28.900000  |
| 10.215800  | 9.499300   | 9.473600   | 9.474400   |
| 11.869200  | 11.471100  | 11.433000  | 11.565900  |
| 28.900000  | 28.900000  | 28.900000  | 28.900000  |
| 6.700000   | 6.700000   | 6.700000   | 6.700000   |
| 3.751400   | 3.488300   | 3.478900   | 3.479100   |
| 3.859400   | 3.730000   | 3.717600   | 3.760800   |
| 6.700000   | 6.700000   | 6.700000   | 6.700000   |
| 0.000000   | 0.000000   | 0.000000   | 0.000000   |
| 0.000000   | 0.000000   | 0.000000   | 0.000000   |
| 0.000000   | 0.000000   | 0.000000   | 0.000000   |
| 0.000000   | 0.000000   | 0.000000   | 0.000000   |
| 3.550000   | 3.350000   | 0.000000   | 0.000000   |
| 6.000000   | 6.000000   | 6.000000   | 6.000000   |
| 5.441700   | 5.060000   | 5.046400   | 5.046800   |
| 5.495000   | 5.310700   | 5.293000   | 5.354600   |
| 6.000000   | 6.000000   | 6.000000   | 6.000000   |
| 4.250000   | 3.950000   | 3.940000   | 0.000000   |
| 2.000000   | 2.000000   | 2.000000   | 2.000000   |
| 1.813900   | 1.686700   | 1.682100   | 1.682300   |
| 1.831700   | 1.770200   | 1.764300   | 1.784900   |
| 2.000000   | 2.000000   | 2.000000   | 2.000000   |
| 3.700000   | 3.500000   | 3.460000   | 3.430000   |
| 0.000000   | 0.000000   | 3.300000   | 3.250000   |
| 0.000000   | 0.000000   | 0.000000   | 4.900000   |
| 0.000000   | 0.000000   | 0.000000   | 4.900000   |
| 0.000000   | 0.000000   | 0.000000   | 4.900000   |
| 0.000000   | 0.000000   | 0.000000   | 4.900000   |
| 0.000000   | 0.000000   | 0.000000   | 3.920000   |
| 0.000000   | 0.000000   | 0.000000   | 1.000000   |
| 0.000000   | 0.000000   | 0.000000   | 1.000000   |
| 0.000000   | 0.000000   | 0.000000   | 1.000000   |
| 0.000000   | 0.000000   | 0.000000   | 1.000000   |
| 32.722800  | 30.534300  | 30.381000  | 36.182600  |
| 34.555300  | 33.082000  | 32.907900  | 38.966200  |
| 55.100000  | 54.400000  | 54.300000  | 60.100000  |

(continued)

**Parma City School District**  
*Property Tax Rates (continued)*  
(per \$1,000 of assessed value)  
Last Eight Years (1)

|   | 1999      | 2000      | 2001      | 2002      |
|---|-----------|-----------|-----------|-----------|
| <b>Overlapping Rates by Taxing District</b>   |           |           |           |           |
| City of Parma                                 |           |           |           |           |
| Effective Millage Rates                       |           |           |           |           |
| Residential/Agricultural Real                 | 6.282400  | 6.281500  | 5.921700  | 5.821300  |
| Commercial/Industrial and Public Utility Real | 6.443100  | 6.436100  | 6.026200  | 5.914000  |
| General Business and Public Utility Personal  | 7.100000  | 7.100000  | 7.000000  | 6.900000  |
| City of Parma Heights                         |           |           |           |           |
| Effective Millage Rates                       |           |           |           |           |
| Residential/Agricultural Real                 | 10.000000 | 10.000000 | 10.000000 | 10.200000 |
| Commercial/Industrial and Public Utility Real | 10.000000 | 10.000000 | 10.000000 | 10.200000 |
| General Business and Public Utility Personal  | 10.000000 | 10.000000 | 10.000000 | 10.200000 |
| City of Seven Hills                           |           |           |           |           |
| Effective Millage Rates                       |           |           |           |           |
| Residential/Agricultural Real                 | 6.591000  | 6.590100  | 7.308300  | 7.305900  |
| Commercial/Industrial and Public Utility Real | 6.894700  | 6.874500  | 7.408000  | 7.415000  |
| General Business and Public Utility Personal  | 7.200000  | 7.200000  | 8.000000  | 8.000000  |
| Cuyahoga County Library                       |           |           |           |           |
| Effective Millage Rates                       |           |           |           |           |
| Residential/Agricultural Real                 | 1.131500  | 1.397500  | 1.261000  | 1.258300  |
| Commercial/Industrial and Public Utility Real | 1.267500  | 1.388400  | 1.200600  | 1.198500  |
| General Business and Public Utility Personal  | 1.400000  | 1.400000  | 1.400000  | 1.400000  |
| Cleveland Metro Parks                         |           |           |           |           |
| Effective Millage Rates                       |           |           |           |           |
| Residential/Agricultural Real                 | 1.429500  | 1.426700  | 1.281200  | 1.277100  |
| Commercial/Industrial and Public Utility Real | 1.508300  | 1.503900  | 1.324700  | 1.333500  |
| General Business and Public Utility Personal  | 1.550000  | 1.550000  | 1.550000  | 1.550000  |
| Cuyahoga Port Authority                       |           |           |           |           |
| Effective Millage Rates                       |           |           |           |           |
| Residential/Agricultural Real                 | 0.000000  | 0.000000  | 0.000000  | 0.000000  |
| Commercial/Industrial and Public Utility Real | 0.000000  | 0.000000  | 0.000000  | 0.000000  |
| General Business and Public Utility Personal  | 0.000000  | 0.000000  | 0.000000  | 0.000000  |
| Cuyahoga Community College                    |           |           |           |           |
| Effective Millage Rates                       |           |           |           |           |
| Residential/Agricultural Real                 | 0.000000  | 0.000000  | 0.000000  | 0.000000  |
| Commercial/Industrial and Public Utility Real | 0.000000  | 0.000000  | 0.000000  | 0.000000  |
| General Business and Public Utility Personal  | 0.000000  | 0.000000  | 0.000000  | 0.000000  |
| Cuyahoga County                               |           |           |           |           |
| Effective Millage Rates                       |           |           |           |           |
| Residential/Agricultural Real                 | 11.423000 | 11.411400 | 11.396700 | 11.381500 |
| Commercial/Industrial and Public Utility Real | 12.406500 | 12.373600 | 11.929800 | 12.002300 |
| General Business and Public Utility Personal  | 13.750000 | 13.750000 | 14.650000 | 14.650000 |

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

Rates may only be raised by obtaining the approval of a majority of the voters at a public election.

**Source:** Ohio Department of Taxation

(1) Information prior to 1999 is not available.

Note: Emergency and Debt Service levies are designed to raise a fixed amount of revenue each year. A rate is set each year so that when it is applied to the total assessed value, that fixed amount is generated.

| 2003      | 2004      | 2005      | 2006      |
|-----------|-----------|-----------|-----------|
| 5.568400  | 5.615400  | 4.607500  | 4.607700  |
| 5.686800  | 5.809400  | 4.697600  | 4.716100  |
| 6.400000  | 6.600000  | 5.100000  | 5.100000  |
| 10.200000 | 10.200000 | 10.200000 | 10.200000 |
| 10.200000 | 10.200000 | 10.200000 | 10.200000 |
| 10.200000 | 10.200000 | 10.200000 | 10.200000 |
| 7.399000  | 7.827300  | 7.685700  | 7.684900  |
| 7.486400  | 7.935900  | 7.898200  | 7.820500  |
| 8.100000  | 8.100000  | 7.900000  | 7.900000  |
| 1.256500  | 1.159300  | 1.993100  | 1.993500  |
| 1.205000  | 1.171500  | 1.989200  | 2.000000  |
| 0.000000  | 1.400000  | 2.000000  | 2.000000  |
| 1.275800  | 1.166100  | 1.845700  | 1.846500  |
| 1.344700  | 1.316600  | 1.839700  | 1.850000  |
| 1.550000  | 1.550000  | 1.850000  | 1.850000  |
| 0.000000  | 0.105000  | 0.104900  | 0.104900  |
| 0.000000  | 0.112900  | 0.112200  | 0.113400  |
| 0.000000  | 0.130000  | 0.130000  | 0.130000  |
| 0.000000  | 2.347900  | 2.344300  | 2.345100  |
| 0.000000  | 2.580100  | 2.565600  | 2.591800  |
| 0.000000  | 2.800000  | 2.800000  | 2.800000  |
| 12.460900 | 10.989900 | 10.975400 | 11.722700 |
| 12.876400 | 12.043300 | 11.984600 | 12.576200 |
| 14.650000 | 13.520000 | 13.520000 | 13.520000 |

**Parma City School District**  
*Property Tax Levies and Collections (1)*  
*Last Ten Years*

| Collection Year (2) | Current Tax Levy | Current Tax Collections | Percent of Current Tax Collections to Current Tax Levy | Delinquent Tax Collections (3) | Total Tax Collections | Percent of Total Tax Collections to Current Tax Levy |
|---------------------|------------------|-------------------------|--|--------------------------------|-----------------------|--|
| 1996                | \$64,810,236     | \$61,136,494            | 94.33%   | \$231,282                      | \$61,367,776          | 94.69%   |
| 1997                | 65,558,400       | 61,276,304              | 93.47  | 449,874                        | 61,726,178            | 94.15  |
| 1998                | 67,287,295       | 64,014,755              | 95.14  | 520,400                        | 64,535,155            | 95.91  |
| 1999                | 67,291,297       | 64,156,335              | 95.34  | 1,124,762                      | 65,281,097            | 97.01  |
| 2000                | 67,096,069       | 64,104,921              | 95.54  | 1,321,288                      | 65,426,209            | 97.51  |
| 2001                | 83,966,683       | 79,517,206              | 94.70  | 1,185,154                      | 80,702,360            | 96.11  |
| 2002                | 84,635,846       | 79,054,266              | 93.41  | 1,820,038                      | 80,874,304            | 95.56  |
| 2003                | 88,732,395       | 85,824,529              | 96.72  | 1,713,934                      | 87,538,463            | 98.65  |
| 2004                | 89,400,539       | 86,698,774              | 96.98  | 2,137,399                      | 88,836,173            | 99.37  |
| 2005                | 89,763,908       | 86,204,437              | 96.03  | 2,280,302                      | 88,484,739            | 98.57  |

**Source:** Office of the County Auditor, Cuyahoga County, Ohio

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental revenue.
- (2) The 2006 information cannot be presented because all collections have not been made by June 30, 2006.
- (3) The County does not identify delinquent tax collections by tax year.

**Parma City School District**

*Principal Taxpayers*

*Real Estate Tax*

*2005 and 1996*

| Name of Taxpayer                     | 2005                   |                                |
|--------------------------------------|------------------------|--------------------------------|
|                                      | Assessed Valuation     | Percent of Real Assessed Value |
| Parmatown One, LLC                   | \$22,401,645           | 1.00%                          |
| General Motors Corporation           | 15,401,085             | 0.69                           |
| Regency Apartments, LLC              | 8,575,000              | 0.39                           |
| Genesis Building LTD, LCC            | 5,606,895              | 0.25                           |
| Pleasant Valley Shopping Center, LTD | 5,388,635              | 0.24                           |
| Pleasantview Real Estate Company     | 4,699,975              | 0.21                           |
| Big Creek Apartments, LTD            | 4,517,520              | 0.20                           |
| Parma 2000, Incorporated             | 3,958,255              | 0.18                           |
| Stumph Road Property Company         | 3,946,215              | 0.18                           |
| Edens & Avant Holdings, LLC          | 3,635,380              | 0.16                           |
| Pleasant Lake Association            | 3,434,865              | 0.15                           |
| Ridgewood Park Apartments            | 3,380,510              | 0.15                           |
| Total                                | <u>\$84,945,980</u>    | <u>3.80%</u>                   |
| Total Real Estate Valuation          | <u>\$2,235,041,270</u> |                                |
| Name of Taxpayer                     | 1996                   |                                |
|                                      | Assessed Valuation     | Percent of Real Assessed Value |
| Albert B. Ratner Trust               | \$22,321,890           | 1.32%                          |
| General Motors Corporation           | 20,198,620             | 1.19                           |
| Paris Julius Company                 | 7,700,000              | 0.46                           |
| Genesis Holding Corporation          | 5,114,900              | 0.30                           |
| VCAR Carbon Company                  | 4,449,900              | 0.26                           |
| May Company Seventy Four Corporation | 3,570,010              | 0.21                           |
| Stumph Road Property Corporation     | 3,430,010              | 0.20                           |
| Total                                | <u>\$66,785,330</u>    | <u>3.94%</u>                   |
| Total Real Estate Valuation          | <u>\$1,696,906,360</u> |                                |

**Source:** Office of the Auditor, Cuyahoga County, Ohio

**Parma City School District**  
*Principal Taxpayers*  
*Tangible Personal Property Tax*  
*2005 and 1996*

| Name of Taxpayer                       | 2005                  |  |
|--|-----------------------|--|
|  | Assessed<br>Valuation | Percent of<br>Tangible<br>Assessed Value |
| Parmatown One LLC                      | \$30,118,730          | 28.21%                                   |
| Shiloh Corporation                     | 2,580,830             | 2.42                                     |
| Riser Foods Company                    | 2,361,800             | 2.21                                     |
| Cox Cable Cleveland                    | 2,255,840             | 2.11                                     |
| Liberty Ford Southwest, Incorporated   | 2,054,650             | 1.93                                     |
| Tops Markets LLC                       | 2,037,880             | 1.91                                     |
| Provident Financial Group Incorporated | 1,955,310             | 1.83                                     |
| Bob Gillingham Ford, Incorporated      | 1,879,320             | 1.76                                     |
| Dick Bigelow Chevrolet, Incorporated   | 1,626,450             | 1.52                                     |
| Integrity Chevrolet, Incorporated      | 1,602,920             | 1.50                                     |
| Total                                  | <u>\$48,473,730</u>   | <u>45.40%</u>                            |
| Total Tangible Assessed Valuation      | <u>\$106,774,595</u>  |  |

| Name of Taxpayer                  | 1996                  |  |
|-----------------------------------|-----------------------|--|
|                                   | Assessed<br>Valuation | Percent of<br>Tangible<br>Assessed Value |
| General Motors Corporation        | \$38,971,800          | 34.30%                                   |
| MTD Products, Incorporated        | 9,108,430             | 8.02                                     |
| First National Supermarkets       | 2,153,690             | 1.90                                     |
| Triad Metal Products Company      | 1,947,950             | 1.71                                     |
| May Department Stores Company     | 1,918,350             | 1.69                                     |
| Southwest Ford Sales Company      | 1,714,580             | 1.51                                     |
| JC Penney Company                 | 1,597,890             | 1.41                                     |
| Spitzer Buick, Incorporated       | 1,596,260             | 1.40                                     |
| Marc Glassman, Incorporated       | 1,477,590             | 1.30                                     |
| Bob Gillingham Ford, Incorporated | 1,411,983             | 1.24                                     |
| Total                             | <u>\$61,898,523</u>   | <u>54.48%</u>                            |
| Total Tangible Assessed Valuation | <u>\$113,614,115</u>  |  |

Source: Office of the Auditor, Cuyahoga County, Ohio

**Parma City School District**  
*Ratio of Outstanding Debt*  
*to Estimated Actual Value and Debt per Capita*  
*Last Ten Fiscal Years*

| Fiscal Year | Estimated Population | Estimated Actual Value | General Obligation Bonded Debt |   |   |
|-------------|----------------------|------------------------|--------------------------------|---|---|
|             |                      |                        | General Obligation Bonded Debt | Ratio of General Obligation Bonded Debt to Estimated Actual Value | General Obligation Bonded Debt per Capita |
| 1997        | 121,240              | \$5,388,289,312        | \$2,160,000                    | 0.04%   | \$18                                      |
| 1998        | 116,247              | 5,822,094,963          | 1,720,000                      | 0.03  | 15  |
| 1999        | 113,875              | 5,810,921,227          | 1,270,000                      | 0.02  | 11  |
| 2000        | 119,323              | 5,835,472,129          | 3,290,000                      | 0.06  | 28  |
| 2001        | 119,394              | 6,410,303,153          | 2,825,000                      | 0.04  | 24  |
| 2002        | 119,394              | 6,437,948,575          | 2,325,000                      | 0.04  | 19  |
| 2003        | 119,394              | 6,438,583,486          | 1,795,000                      | 0.03  | 15  |
| 2004        | 119,394              | 6,846,060,243          | 1,535,000                      | 0.02  | 13  |
| 2005        | 119,394              | 6,893,748,418          | 1,260,000                      | 0.02  | 11  |
| 2006        | 114,185              | 6,859,000,466          | 970,000                        | 0.01  | 8   |

**Source:** Office of the Treasurer, Parma City School District and the U.S. Census Bureau (Census 2000)

(1) Personal income for this calculation is from the Demographic and Economic Statistics table on S28.

| Other Governmental Activities Debt |                           |                               |                |             | (1)                           |            |
|------------------------------------|---------------------------|-------------------------------|----------------|-------------|-------------------------------|------------|
| Notes                              | Energy Conservation Loans | Certificates of Participation | Capital Leases | Total Debt  | Percentage of Personal Income | Per Capita |
| \$5,735,000                        | \$0                       | \$0                           | \$0            | \$7,895,000 | N/A                           | \$65.12    |
| 7,975,000                          | 0                         | 0                             | 0              | 9,695,000   | N/A                           | 83.40      |
| 9,520,000                          | 0                         | 0                             | 0              | 10,790,000  | N/A                           | 94.75      |
| 6,800,000                          | 0                         | 0                             | 0              | 10,090,000  | N/A                           | 84.56      |
| 5,440,000                          | 0                         | 0                             | 0              | 8,265,000   | 0.32%                         | 69.22      |
| 24,080,000                         | 0                         | 0                             | 0              | 26,405,000  | 1.03                          | 221.16     |
| 20,000,000                         | 2,202,000                 | 0                             | 514,672        | 24,511,672  | 0.95                          | 205.30     |
| 18,580,000                         | 14,039,606                | 0                             | 398,151        | 34,552,757  | 1.34                          | 289.40     |
| 16,795,000                         | 15,741,837                | 0                             | 275,669        | 34,072,506  | 1.33                          | 285.38     |
| 26,110,322                         | 18,258,965                | 12,479,182                    | 146,921        | 57,965,390  | 2.36                          | 507.64     |



**Parma City School District**

*Principal Taxpayers*

*Public Utilities Tax*

*2005 and 1996*

| 2005                                    |                       |  |
|---|-----------------------|--|
| Name of Taxpayer                        | Assessed<br>Valuation | Percent of<br>Public Utility<br>Assessed Value |
| Cleveland Electric Illuminating Company | \$17,523,331          | 43.22%   |
| Ohio Bell Telephone Company             | 13,541,546            | 33.40  |
| Columbia Gas of Ohio, Incorporated      | 4,442,613             | 10.96  |
| Total                                   | \$35,507,490          | 87.58%   |
| Total Public Utility Valuation          | \$40,541,500          |  |
|   |                       |  |
| 1996                                    |                       |  |
| Name of Taxpayer                        | Assessed<br>Valuation | Percent of<br>Public Utility<br>Assessed Value |
| Cleveland Electric Illuminating Company | \$27,678,850          | 36.78%   |
| Ohio Bell Telephone Company             | 24,852,960            | 33.02  |
| Columbia Gas of Ohio, Incorporated      | 12,014,960            | 15.96  |
| Total                                   | \$64,546,770          | 85.76%   |
| Total Public Utility Valuation          | \$75,265,490          |  |

**Source:** Office of the Auditor, Cuyahoga County, Ohio

**Parma City School District**  
*Computation of Legal Debt Margin*  
*Last Ten Fiscal Years*

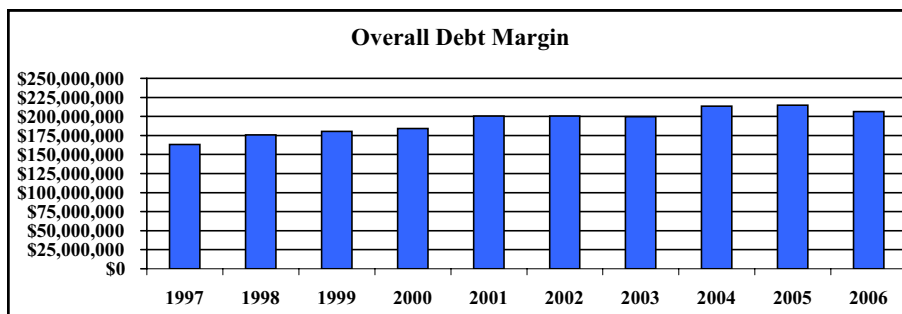
|  | 1997                   | 1998                   | 1999                   | 2000                   |
|--|------------------------|------------------------|------------------------|------------------------|
| Assessed Valuation (1)   | <u>\$1,885,785,965</u> | <u>\$2,033,627,264</u> | <u>\$2,028,762,476</u> | <u>\$2,032,601,477</u> |
| Debt Limit - 9% of Assessed Value (2)  | \$169,720,737          | \$183,026,454          | \$182,588,623          | \$182,934,133          |
| Amount of Debt Outstanding   |                        |                        |                        |                        |
| Revenue Anticipation Notes   | 0                      | 3,090,000              | 6,800,000              | 6,800,000              |
| Bond Anticipation Notes  | 0                      | 4,475,000              | 2,350,000              | 0                      |
| Byers Field Note   | 485,000                | 410,000                | 370,000                | 0                      |
| School Improvement Note  | 1,275,000              | 0                      | 0                      | 0                      |
| Energy Conservation Note   | 3,975,000              | 0                      | 0                      | 0                      |
| General Obligation Bonds   | 2,160,000              | 1,720,000              | 225,000                | 370,000                |
| Energy Conservation Bonds  | 0                      | 0                      | 1,045,000              | 2,920,000              |
| Energy Conservation Loans  | 0                      | 0                      | 0                      | 0                      |
| Certificates of Participation  | 0                      | 0                      | 0                      | 0                      |
| Less Amount Available in Debt Service  | <u>(1,499,404)</u>     | <u>(2,569,982)</u>     | <u>(1,932,492)</u>     | <u>(1,414,099)</u>     |
| Total  | <u>6,395,596</u>       | <u>7,125,018</u>       | <u>8,857,508</u>       | <u>8,675,901</u>       |
| Exemptions:  |                        |                        |                        |                        |
| Revenue Anticipation Notes   | 0                      | 0                      | (6,800,000)            | (6,800,000)            |
| Bond Anticipation Notes  | 0                      | 0                      | 0                      | 0                      |
| Construction Note  | 0                      | 0                      | 0                      | 0                      |
| Energy Conservation Bonds  | 0                      | 0                      | 0                      | (2,920,000)            |
| Energy Conservation Loans  | 0                      | 0                      | 0                      | 0                      |
| Certificates of Participation  | <u>0</u>               | <u>0</u>               | <u>0</u>               | <u>0</u>               |
| Total  | <u>0</u>               | <u>0</u>               | <u>(6,800,000)</u>     | <u>(9,720,000)</u>     |
| Amount of Debt Subject to Limit  | <u>6,395,596</u>       | <u>7,125,018</u>       | <u>2,057,508</u>       | <u>(1,044,099)</u>     |
| Overall Debt Margin  | <u>\$163,325,141</u>   | <u>\$175,901,436</u>   | <u>\$180,531,115</u>   | <u>\$183,978,232</u>   |
| Legal Debt Margin as a Percentage of Debt Limit                                  | 96.23%                 | 96.11%                 | 98.87%                 | 100.57%                |
| Unvoted Legal Debt Limit -<br>.10% of Assessed Value (1)                         | \$1,885,786            | \$2,033,627            | \$2,028,762            | \$2,032,601            |
| Amount of Debt Subject to Limit  | <u>0</u>               | <u>0</u>               | <u>0</u>               | <u>0</u>               |
| Unvoted Debt Margin  | <u>\$1,885,786</u>     | <u>\$2,033,627</u>     | <u>\$2,028,762</u>     | <u>\$2,032,601</u>     |
| Unvoted Legal Debt Margin as a Percentage<br>of the Unvoted Debt Limitation      | 100.00%                | 100.00%                | 100.00%                | 100.00%                |
| Additional Limit for Unvoted Energy Conservation Bonds/Loans                     |                        |                        |                        |                        |
| Debt Limit - 1% of Assessed Valuation  | \$18,857,860           | \$20,336,273           | \$20,287,625           | \$20,326,015           |
| Energy Conservation Bonds/Loans  | <u>0</u>               | <u>0</u>               | <u>0</u>               | <u>(2,920,000)</u>     |
| Additional Unvoted Debt Margin   | <u>\$18,857,860</u>    | <u>\$20,336,273</u>    | <u>\$20,287,625</u>    | <u>\$17,406,015</u>    |
| Additional Unvoted Debt Margin as a Percentage<br>of the Unvoted Debt Limitation | 100.00%                | 100.00%                | 100.00%                | 85.63%                 |

**Source:** Cuyahoga County Auditor and School District Financial Records

(1) For fiscal year 2006, HB530 changed the assessed valuation utilized in the legal debt margin calculation to exclude tangible personal property as well as railroad and telephone tangible property.

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

| 2001                   | 2002                   | 2003                   | 2004                   | 2005                   | 2006                   |
|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| <u>\$2,233,614,043</u> | <u>\$2,233,479,910</u> | <u>\$2,233,359,941</u> | <u>\$2,378,406,538</u> | <u>\$2,396,639,037</u> | <u>\$2,293,972,175</u> |
| \$201,025,264          | \$201,013,192          | \$201,002,395          | \$214,056,588          | \$215,697,513          | \$206,457,496          |
| 5,440,000              | 24,080,000             | 22,720,000             | 19,940,000             | 16,795,000             | 25,950,000             |
| 0                      | 0                      | 0                      | 0                      | 0                      | 0                      |
| 0                      | 0                      | 0                      | 0                      | 0                      | 0                      |
| 0                      | 0                      | 0                      | 0                      | 0                      | 0                      |
| 0                      | 0                      | 0                      | 0                      | 0                      | 0                      |
| 2,270,000              | 2,040,000              | 1,795,000              | 1,535,000              | 1,260,000              | 970,000                |
| 555,000                | 285,000                | 0                      | 0                      | 0                      | 0                      |
| 0                      | 0                      | 2,202,000              | 14,039,606             | 15,741,837             | 18,258,965             |
| 0                      | 0                      | 0                      | 0                      | 0                      | 12,580,000             |
| <u>(1,651,406)</u>     | <u>(1,499,812)</u>     | <u>(641,573)</u>       | <u>(804,058)</u>       | <u>(337,817)</u>       | <u>(1,063,061)</u>     |
| <u>6,613,594</u>       | <u>24,905,188</u>      | <u>26,075,427</u>      | <u>34,710,548</u>      | <u>33,459,020</u>      | <u>56,695,904</u>      |
| (5,440,000)            | (24,080,000)           | (22,720,000)           | (1,360,000)            | (16,795,000)           | (25,950,000)           |
| -                      | -                      | 0                      | 0                      | 0                      | 0                      |
| -                      | -                      | 0                      | (18,580,000)           | 0                      | 0                      |
| (555,000)              | (285,000)              | 0                      | 0                      | 0                      | 0                      |
| -                      | -                      | (2,202,000)            | (14,039,606)           | (15,741,837)           | (18,258,965)           |
| -                      | -                      | 0                      | 0                      | 0                      | (12,580,000)           |
| <u>(5,995,000)</u>     | <u>(24,365,000)</u>    | <u>(24,922,000)</u>    | <u>(33,979,606)</u>    | <u>(32,536,837)</u>    | <u>(56,788,965)</u>    |
| <u>618,594</u>         | <u>540,188</u>         | <u>1,153,427</u>       | <u>730,942</u>         | <u>922,183</u>         | <u>(93,061)</u>        |
| <u>\$200,406,670</u>   | <u>\$200,473,004</u>   | <u>\$199,848,968</u>   | <u>\$213,325,646</u>   | <u>\$214,775,330</u>   | <u>\$206,550,557</u>   |
| 99.69%                 | 99.73%                 | 99.43%                 | 99.66%                 | 99.57%                 | 100.05%                |
| \$2,233,614            | \$2,233,480            | \$2,233,360            | \$2,378,407            | \$2,396,639            | \$2,293,972            |
| <u>0</u>               | <u>0</u>               | <u>0</u>               | <u>0</u>               | <u>0</u>               | <u>0</u>               |
| <u>\$2,233,614</u>     | <u>\$2,233,480</u>     | <u>\$2,233,360</u>     | <u>\$2,378,407</u>     | <u>\$2,396,639</u>     | <u>\$2,293,972</u>     |
| 100.00%                | 100.00%                | 100.00%                | 100.00%                | 100.00%                | 100.00%                |
| \$22,336,140           | \$22,334,799           | \$22,333,599           | \$23,784,065           | \$23,966,390           | \$22,939,722           |
| (555,000)              | (285,000)              | (2,202,000)            | (14,039,606)           | (15,741,837)           | (18,258,965)           |
| <u>\$21,781,140</u>    | <u>\$22,049,799</u>    | <u>\$20,131,599</u>    | <u>\$9,744,459</u>     | <u>\$8,224,553</u>     | <u>\$4,680,757</u>     |
| 97.52%                 | 98.72%                 | 90.14%                 | 40.97%                 | 34.32%                 | 20.40%                 |



**Parma City School District**  
*Computation of Direct and Overlapping*  
*Debt Attributable to Governmental Activities*  
*June 30, 2006*

|                               | Long-Term<br>Debt<br>Outstanding | Percentage<br>Applicable to<br>School District (1) | Amount of<br>Direct and<br>Overlapping Debt |
|-------------------------------|----------------------------------|--|---|
| Direct:                       |                                  |  |   |
| Parma City School District    |                                  |  |   |
| General Obligation Bonds      | 970,000                          | 100.00%  | 970,000                                     |
| Construction Notes            | 26,110,322                       | 100.00   | 26,110,322                                  |
| Energy Conservation Loans     | 18,258,965                       | 100.00   | 18,258,965                                  |
| Certificates of Participation | 12,479,182                       | 100.00   | 12,479,182                                  |
| Capital Lease Obligations     | 146,921                          | 100.00   | 146,921                                     |
| <b>Total Direct</b>           | <b>57,965,390</b>                | <b>100.00</b>                                      | <b>57,965,390</b>                           |
| Overlapping:                  |                                  |  |   |
| City of Parma                 |                                  |  |   |
| General Obligation Bonds      | 29,570,000                       | 100.00   | 29,570,000                                  |
| Special Assessment Bonds      | 1,930,708                        | 100.00   | 1,930,708                                   |
| OPWC Loans                    | 2,145,443                        | 100.00   | 2,145,443                                   |
| OWDA Loans                    | 3,389,024                        | 100.00   | 3,389,024                                   |
| Police and Fire Pension       | 74,559                           | 100.00   | 74,559                                      |
| Capital Lease Obligations     | 4,034,513                        | 100.00   | 4,034,513                                   |
| City of Parma Heights         |                                  |  |   |
| General Obligation Bonds      | 6,415,000                        | 100.00   | 6,415,000                                   |
| Special Assessment Bonds      | 360,546                          | 100.00   | 360,546                                     |
| OPWC Loans                    | 922,861                          | 100.00   | 922,861                                     |
| OWDA Loans                    | 120,895                          | 100.00   | 120,895                                     |
| Capital Lease Obligations     | 48,387                           | 100.00   | 48,387                                      |
| City of Seven Hills           |                                  |  |   |
| General Obligation Bonds      | 10,882,994                       | 100.00   | 10,882,994                                  |
| Special Assessment Bonds      | 992,000                          | 100.00   | 992,000                                     |
| Manuscript Bonds              | 107,000                          | 100.00   | 107,000                                     |
| OPWC Loans                    | 33,101                           | 100.00   | 33,101                                      |
| Cuyahoga County               |                                  |  |   |
| General Obligation Bonds      | 224,406,000                      | 7.85   | 17,615,871                                  |
| Revenue Bonds                 | 109,950,000                      | 7.85   | 8,631,075                                   |
| Capital Lease Obligations     | 8,387,000                        | 7.85   | 658,380                                     |
| Loans Payable                 | 2,776,000                        | 7.85   | 217,916                                     |
| Regional Transit Authority    |                                  |  |   |
| General Obligation Bonds      | 139,790,000                      | 7.85   | 10,973,515                                  |
| Loans Payable                 | 5,051,815                        | 7.85   | 396,567                                     |
| <b>Total Overlapping</b>      | <b>551,387,846</b>               |  | <b>99,520,355</b>                           |
| <b>Total</b>                  | <b>\$609,353,236</b>             |  | <b>\$157,485,745</b>                        |

Source: Office of the Auditor, Cuyahoga County, Ohio

(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 2006 collection year.

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**Parma City School District**  
*Demographic and Economic Statistics*  
*Last Six Years (1)*

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| Year | Estimated<br>Population | Personal<br>Income | Per Capita<br>Personal<br>Income | Median<br>Household<br>Income | Median<br>Age |
|------|-------------------------|--------------------|----------------------------------|-------------------------------|---------------|
| 2000 | 119,394                 | \$2,570,552,820    | \$21,530                         | \$43,724                      | 40.82         |
| 2001 | 119,394                 | 2,570,552,820      | 21,530                           | 43,724                        | 40.82         |
| 2002 | 119,394                 | 2,570,552,820      | 21,530                           | 43,724                        | 40.82         |
| 2003 | 119,394                 | 2,570,552,820      | 21,530                           | 43,724                        | 40.82         |
| 2004 | 119,394                 | 2,570,552,820      | 21,530                           | 43,724                        | 40.82         |
| 2005 | 114,185                 | 2,460,230,010      | 21,546                           | 43,771                        | 40.85         |

**Source:** U.S. Census Bureau

(1) Information prior to 2000 not available

| Median Value of Residential Property | Cuyahoga County Unemployment Rate | Total Assessed Property Value |
|--------------------------------------|-----------------------------------|-------------------------------|
| \$119,227                            | 4.5%                              | \$2,233,614,043               |
| 119,227                              | 4.5                               | 2,233,488,910                 |
| 119,227                              | 4.6                               | 2,233,359,941                 |
| 119,227                              | 6.7                               | 2,378,406,538                 |
| 119,227                              | 6.6                               | 2,396,639,037                 |
| 119,227                              | 5.9                               | 2,382,357,365                 |

**Parma City School District**  
Principal Employers  
December 31, 2005 and December 31, 1996

| 2005   |                                       |                                |                     |
|--|---------------------------------------|--------------------------------|---------------------|
| Employer   | City                                  | Nature of Business or Activity | Number of Employees |
| General Motors                                     | Parma                                 | Automobile Manufacturer        | 2,549               |
| Parma Hospital                                     | Parma                                 | Health Services                | 1,848               |
| Parma Board of Education                           | Parma, Parma Heights, and Seven Hills | Public Education               | 1,703               |
| Kaiser Foundation                                  | Parma                                 | Health Services                | 1,274               |
| Cuyahoga Community College                         | Parma                                 | Community College              | 922                 |
| Marc's Inc.  | Parma                                 | Retail Sales                   | 785                 |
| Cuyahoga County Public Library                     | Parma, Parma Heights                  | Public Library                 | 666                 |
| County Auditor                                     | Parma                                 | County Government              | 555                 |
| City of Parma                                      | Parma                                 | Municipal Government           | 510                 |
| Riser Foods  | Parma                                 | Retail Grocery                 | 340                 |
| Tops Markets                                       | Parma                                 | Retail Grocery                 | 318                 |
| Con-Way Transportation                             | Parma                                 | Moving and Storage             | 273                 |
| Shiloh Industries                                  | Parma                                 | Auto Parts Manufacturer        | 267                 |
| Pleasant Lake Villa                                | Parma                                 | Retirement Home                | 255                 |
| Broadview Nursing Home                             | Parma                                 | Nursing Home                   | 231                 |
| Union Carbide                                      | Parma                                 | Manufacturing                  | 223                 |
| Pleasantview Care Center                           | Parma                                 | Nursing Home                   | 222                 |
| Monarch Electric                                   | Parma                                 | Manufacturing                  | 186                 |
| <b>Total</b>                                       |                                       |                                | <b>13,127</b>       |
| <b>Total Employment within the School District</b> |                                       |                                | <b>n/a</b>          |

| 1996   |                                       |                                |                     |
|--|---------------------------------------|--------------------------------|---------------------|
| Employer   | City                                  | Nature of Business or Activity | Number of Employees |
| General Motors                                     | Parma                                 | Automobile Manufacturer        | 3,571               |
| Parma Board of Education                           | Parma, Parma Heights, and Seven Hills | Public Education               | 1,727               |
| Modern Tool and Die                                | Parma                                 | Auto Parts Manufacturer        | 1,302               |
| Kaiser Permanente                                  | Parma                                 | Health Services                | 1,192               |
| Parma Hospital                                     | Parma                                 | Health Services                | 1,107               |
| Cuyahoga Community College                         | Parma                                 | Community College              | 927                 |
| Marc's Inc.  | Parma                                 | Retail Sales                   | 629                 |
| Cuyahoga County Public Library                     | Parma, Parma Heights                  | Public Library                 | 522                 |
| City of Parma                                      | Parma                                 | Municipal Government           | 423                 |
| First National Supermarkets                        | Parma                                 | Retail Grocery                 | 414                 |
| Union Carbide                                      | Parma                                 | Manufacturing                  | 402                 |
| Kaufmann's   | Parma                                 | Retail Sales                   | 268                 |
| JC Penney  | Parma                                 | Retail Sales                   | 252                 |
| Parmadale St. Anthony                              | Parma                                 | Childrens Home                 | 224                 |
| Triad Metal Products                               | Parma                                 | Manufacturing                  | 204                 |
| Cuyahoga County                                    | Parma                                 | County Government              | 196                 |
| Broadview Nursing Home                             | Parma                                 | Nursing Home                   | 170                 |
| Electra Sound                                      | Parma                                 | Manufacturing                  | 151                 |
| <b>Total</b>                                       |                                       |                                | <b>13,681</b>       |
| <b>Total Employment within the School District</b> |                                       |                                | <b>n/a</b>          |

**Source:** Cities of Parma, Parma Heights, and Seven Hills  
Ohio Job and Family Services  
Crain's Cleveland Business  
Parma City School District records

n/a - Information not available

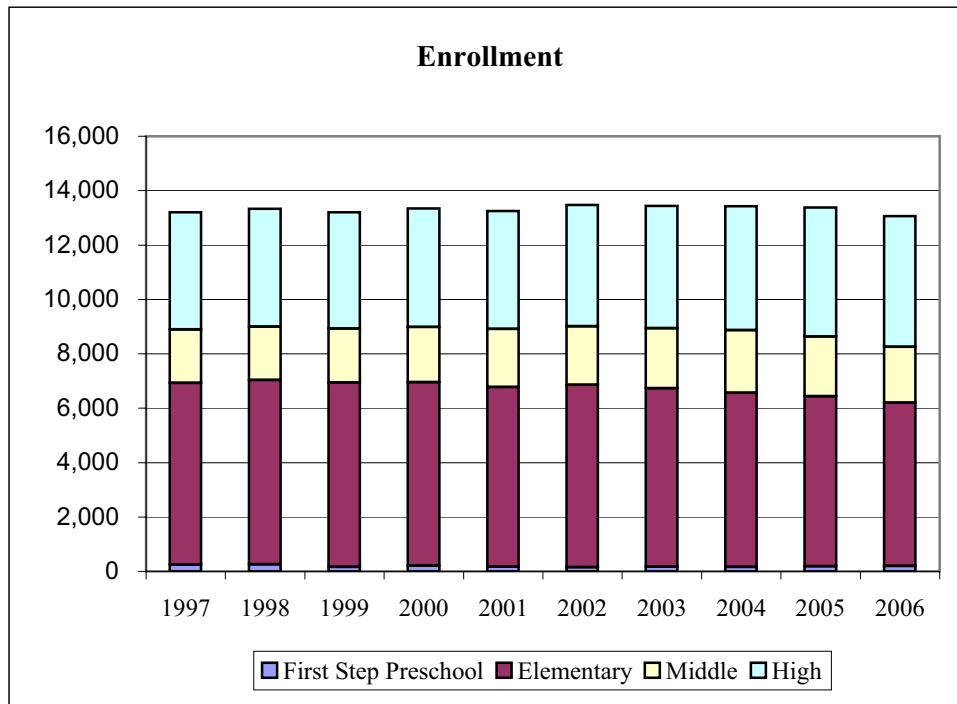


**Parma City School District**

*Enrollment Statistics*

*Last Ten Fiscal Years*

| Fiscal Year | First Step<br>Preschool | Elementary<br>Schools | Middle<br>School | High<br>School | Total  |
|-------------|-------------------------|-----------------------|------------------|----------------|--------|
| 1997        | 246                     | 6,680                 | 1,964            | 4,310          | 13,200 |
| 1998        | 257                     | 6,778                 | 1,966            | 4,327          | 13,328 |
| 1999        | 163                     | 6,782                 | 1,986            | 4,276          | 13,207 |
| 2000        | 206                     | 6,745                 | 2,035            | 4,361          | 13,347 |
| 2001        | 171                     | 6,613                 | 2,129            | 4,335          | 13,248 |
| 2002        | 156                     | 6,705                 | 2,150            | 4,466          | 13,477 |
| 2003        | 178                     | 6,549                 | 2,214            | 4,500          | 13,441 |
| 2004        | 169                     | 6,397                 | 2,302            | 4,559          | 13,427 |
| 2005        | 190                     | 6,249                 | 2,196            | 4,750          | 13,385 |
| 2006        | 200                     | 6,004                 | 2,054            | 4,811          | 13,069 |



Source: Ohio Department of Education Local Report Cards and Data Warehouse Reports.

**Parma City School District**  
*School District Employees by Function/Program*  
*Last Six Fiscal Years (1)*

| Function/Program                            | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|---|------|------|------|------|------|------|
| Regular Instruction                         |      |      |      |      |      |      |
| Elementary Classroom Teachers               | 366  | 342  | 352  | 336  | 329  | 317  |
| Middle School Classroom Teachers            | 135  | 123  | 137  | 135  | 142  | 135  |
| High School Classroom Teachers              | 256  | 230  | 232  | 231  | 234  | 223  |
| Special Instruction                         |      |      |      |      |      |      |
| Preschool Teachers                          | 12   | 12   | 11   | 10   | 13   | 13   |
| Elementary Classroom Teachers               | 91   | 84   | 97   | 115  | 113  | 103  |
| Gifted Education Teachers                   | 6    | 5    | 4    | 5    | 5    | 5    |
| Middle School Classroom Teachers            | 26   | 25   | 30   | 31   | 30   | 41   |
| High School Classroom Teachers              | 36   | 37   | 44   | 47   | 43   | 47   |
| Vocational Instruction                      |      |      |      |      |      |      |
| Middle School Classroom Teachers            | 38   | 26   | 30   | 53   | 48   | 50   |
| High School Classroom Teachers              | 1    | 1    | 0    | 1    | 8    | 10   |
| Adult/Continuing Instruction                |      |      |      |      |      |      |
| Basic Education Teachers                    | 1    | 1    | 1    | 0    | 0    | 0    |
| Occupational Teachers                       | 5    | 5    | 5    | 0    | 0    | 0    |
| Pupil Support Services                      |      |      |      |      |      |      |
| Guidance                                    | 34   | 30   | 25   | 24   | 26   | 29   |
| Health                                      | 6    | 6    | 9    | 9    | 10   | 9    |
| Psychological                               | 14   | 12   | 13   | 10   | 11   | 13   |
| Speech Pathology                            | 16   | 17   | 21   | 19   | 19   | 19   |
| Attendance and Social Work                  | 3    | 2    | 3    | 3    | 4    | 4    |
| Other Support                               | 164  | 159  | 169  | 171  | 174  | 185  |
| Instructional Staff Support Services        |      |      |      |      |      |      |
| Improvement of Instruction Services         | 70   | 50   | 42   | 50   | 52   | 64   |
| Educational Media Services                  | 48   | 49   | 49   | 49   | 48   | 48   |
| Support Services                            |      |      |      |      |      |      |
| Administration:                             |      |      |      |      |      |      |
| Executive Administration                    | 18   | 22   | 24   | 26   | 27   | 31   |
| School Administration                       | 135  | 133  | 132  | 134  | 144  | 144  |
| Fiscal                                      | 12   | 13   | 11   | 12   | 12   | 13   |
| Business                                    | 7    | 9    | 8    | 13   | 13   | 15   |
| Operation and Maintenance of Plant Services |      |      |      |      |      |      |
| Care and Upkeep of Building Service         | 112  | 113  | 111  | 105  | 107  | 107  |
| Care and Upkeep of Grounds Services         | 8    | 8    | 7    | 8    | 6    | 6    |
| Security Services                           | 35   | 37   | 35   | 34   | 33   | 32   |
| Other Operation and Maintenance Services    | 14   | 12   | 16   | 14   | 13   | 13   |
| Pupil Transportation Support Services       |      |      |      |      |      |      |
| Service Area Direction                      | 5    | 4    | 5    | 4    | 4    | 4    |
| Vehicle Operation Services                  | 94   | 112  | 118  | 115  | 96   | 123  |
| Monitoring Services                         | 22   | 24   | 26   | 26   | 27   | 31   |
| Vehicle Servicing and Maintenance Services  | 9    | 9    | 9    | 10   | 9    | 10   |
| Other Pupil Transportation Services         | 1    | 1    | 1    | 1    | 1    | 1    |
| Central Support Services                    |      |      |      |      |      |      |
| Information Services                        | 3    | 2    | 2    | 2    | 2    | 1    |
| Staff Services                              | 7    | 8    | 9    | 10   | 9    | 9    |
| Data Processing Services                    | 4    | 4    | 3    | 3    | 4    | 4    |

(continued)

**Parma City School District**  
*School District Employees by Function/Program (continued)*  
*Last Six Fiscal Years (1)*

| Function/Program                                | 2001         | 2002         | 2003         | 2004         | 2005         | 2006         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Food Service Program                            |              |              |              |              |              |              |
| Service Area Direction                          | 14           | 13           | 14           | 9            | 11           | 13           |
| Purchasing, Preparation and Dispensing Services | 71           | 74           | 73           | 73           | 76           | 74           |
| Community Services                              |              |              |              |              |              |              |
| Custody and Care of Children Services           | 76           | 71           | 68           | 65           | 74           | 68           |
| Non-Public School Services                      | 45           | 39           | 40           | 42           | 43           | 40           |
| Sports Oriented Activities                      |              |              |              |              |              |              |
| Other Sports Oriented Activities                | 0            | 0            | 3            | 3            | 3            | 3            |
| Total   | <u>2,020</u> | <u>1,924</u> | <u>1,989</u> | <u>2,008</u> | <u>2,023</u> | <u>2,057</u> |

**Method:** The amounts are based on a headcount by function including both full and part-time employees.

**Source:** School District Payroll Records

(1) Information prior to 2001 is not available.

**Parma City School District**

*Per Pupil Cost*

*Last Ten Fiscal Years*

| Fiscal Year | Student Enrollment |                      | General Governmental   |                | Governmental Activities |                |
|-------------|--------------------|----------------------|------------------------|----------------|-------------------------|----------------|
|             | Average Enrollment | Percentage of Change | Total Expenditures (1) | Per Pupil Cost | Total Expenses (1)(2)   | Per Pupil Cost |
| 1997        | 13,200             | 0.53 %               | \$92,295,853           | \$6,992        | N/A                     | N/A            |
| 1998        | 13,328             | 0.97                 | 94,629,329             | 7,100          | N/A                     | N/A            |
| 1999        | 13,207             | (0.91)               | 95,685,747             | 7,245          | N/A                     | N/A            |
| 2000        | 13,347             | 1.06                 | 92,788,034             | 6,952          | N/A                     | N/A            |
| 2001        | 13,248             | (0.74)               | 104,702,204            | 7,903          | \$101,406,089           | \$7,654        |
| 2002        | 13,477             | 1.73                 | 122,587,784            | 9,096          | 119,309,281             | 8,853          |
| 2003        | 13,441             | (0.27)               | 148,253,276            | 11,030         | 126,560,772             | 9,416          |
| 2004        | 13,427             | (0.10)               | 135,865,555            | 10,119         | 130,780,471             | 9,740          |
| 2005        | 13,385             | (0.31)               | 130,506,596            | 9,750          | 130,233,910             | 9,730          |
| 2006        | 13,069             | (2.36)               | 142,688,499            | 10,918         | 134,816,247             | 10,316         |

(1) Debt Service totals have been excluded.

(2) The School District implemented GASB Statement No. 34 in fiscal year 2001.

**Parma City School District**  
*Building Statistics by School Building/Facility*  
*Last Six Fiscal Years (1)*

|   | 2001   | 2002   | 2003   | 2004   | 2005   | 2006   |
|---|--------|--------|--------|--------|--------|--------|
| <b>Dag Hammarskjold Elementary School</b> |        |        |        |        |        |        |
| Constructed in 1968                       |        |        |        |        |        |        |
| Addition in 1974                          |        |        |        |        |        |        |
| Total Building Square Footage             | 30,375 | 30,375 | 30,375 | 30,375 | 30,375 | 30,375 |
| Media Center Square Footage               | 3,008  | 3,008  | 3,008  | 3,008  | 3,008  | 3,008  |
| Cafeteria and Gymnasium Square Footage    | 3,375  | 3,375  | 3,375  | 3,375  | 3,375  | 3,375  |
| Enrollment - Grades K - 6                 | 373    | 369    | 352    | 337    | 318    | 285    |
| Student Capacity                          | 500    | 500    | 500    | 500    | 500    | 500    |
| Regular Instruction Classrooms            | 15     | 15     | 15     | 14     | 13     | 12     |
| Regular Instruction Teachers              | 22     | 21     | 17     | 17     | 12     | 12     |
| Special Instruction Classrooms            | 1      | 1      | 1      | 2      | 2      | 2      |
| Special Instruction Teachers              | 2      | 2      | 1      | 3      | 3      | 2      |
| <b>Dentzler Elementary School</b>         |        |        |        |        |        |        |
| Constructed in 1957                       |        |        |        |        |        |        |
| Addition in 1964                          |        |        |        |        |        |        |
| Total Building Square Footage             | 37,409 | 37,409 | 37,409 | 37,409 | 37,409 | 37,409 |
| Media Center Square Footage               | 1,525  | 1,525  | 1,525  | 1,525  | 1,525  | 1,525  |
| Cafeteria and Gymnasium Square Footage    | 1,840  | 1,840  | 1,840  | 1,840  | 1,840  | 1,840  |
| Enrollment - Grades K - 6                 | 412    | 408    | 424    | 409    | 385    | 374    |
| Student Capacity                          | 520    | 520    | 520    | 520    | 520    | 520    |
| Regular Instruction Classrooms            | 18     | 18     | 21     | 21     | 14     | 14     |
| Regular Instruction Teachers              | 18     | 19     | 21     | 21     | 14     | 14     |
| Special Instruction Classrooms            | 5      | 5      | 5      | 5      | 5      | 4      |
| Special Instruction Teachers              | 5      | 5      | 5      | 5      | 5      | 4      |
| <b>Green Valley Elementary School</b>     |        |        |        |        |        |        |
| Constructed in 1967                       |        |        |        |        |        |        |
| Addition in 1970                          |        |        |        |        |        |        |
| Total Building Square Footage             | 35,185 | 35,185 | 35,185 | 35,185 | 35,185 | 35,185 |
| Modular Units (2) Square Footage          | 2,880  | 2,880  | 2,880  | 2,880  | 2,880  | 2,880  |
| Media Center Square Footage               | 1,932  | 1,932  | 1,932  | 1,932  | 1,932  | 1,932  |
| Cafeteria and Gymnasium Square Footage    | 3,360  | 3,360  | 3,360  | 3,360  | 3,360  | 3,360  |
| Enrollment - Grades K - 6                 | 473    | 487    | 476    | 478    | 454    | 420    |
| Student Capacity                          | 450    | 450    | 450    | 450    | 450    | 450    |
| Regular Instruction Classrooms            | 22     | 22     | 22     | 22     | 22     | 22     |
| Regular Instruction Teachers              | 22     | 22     | 23     | 22     | 17     | 17     |
| Special Instruction Classrooms            | 4      | 4      | 4      | 4      | 4      | 4      |
| Special Instruction Teachers              | 5      | 6      | 6      | 6      | 4      | 4      |
| <b>James E. Hanna Elementary School</b>   |        |        |        |        |        |        |
| Constructed in 1955                       |        |        |        |        |        |        |
| Addition in 1958                          |        |        |        |        |        |        |
| Total Building Square Footage             | 28,842 | 28,842 | 28,842 | 28,842 | 28,842 | 28,842 |
| Modular Unit Square Footage               | 1,300  | 1,300  | 1,300  | 1,300  | 1,300  | 1,300  |
| Media Center Square Footage               | 1,300  | 1,300  | 1,300  | 1,300  | 1,300  | 1,300  |
| Cafeteria and Gymnasium Square Footage    | 1,750  | 1,750  | 1,750  | 1,750  | 1,750  | 1,750  |
| Enrollment - Grades K - 6                 | 381    | 378    | 377    | 383    | 349    | 333    |
| Student Capacity                          | 412    | 412    | 412    | 412    | 412    | 412    |
| Regular Instruction Classrooms            | 21     | 19     | 22     | 21     | 13     | 13     |
| Regular Instruction Teachers              | 21     | 19     | 22     | 21     | 13     | 13     |
| Special Instruction Classrooms            | 3      | 3      | 1      | 3      | 3      | 3      |
| Special Instruction Teachers              | 3      | 3      | 1      | 3      | 3      | 3      |

(continued)

**Parma City School District**  
*Building Statistics by School Building/Facility (continued)*  
*Last Six Fiscal Years (1)*

|  | 2001   | 2002   | 2003   | 2004   | 2005   | 2006   |
|--|--------|--------|--------|--------|--------|--------|
| <b>John Muir Elementary School</b>           |        |        |        |        |        |        |
| Constructed in 1930                          |        |        |        |        |        |        |
| Additions in 1951, 1959, 1997                |        |        |        |        |        |        |
| Total Building Square Footage                | 68,473 | 68,473 | 68,473 | 68,473 | 68,473 | 68,473 |
| Media Center Square Footage                  | 3,200  | 3,200  | 3,200  | 3,200  | 3,200  | 3,200  |
| Cafeteria Square Footage                     | 3,055  | 3,055  | 3,055  | 3,055  | 3,055  | 3,055  |
| Gymnasium Square Footage                     | 2,970  | 2,970  | 2,970  | 2,970  | 2,970  | 2,970  |
| Enrollment - Grades K - 6                    | 569    | 585    | 581    | 549    | 565    | 554    |
| Student Capacity                             | 525    | 525    | 525    | 525    | 525    | 525    |
| Regular Instruction Classrooms               | 30     | 28     | 30     | 21     | 21     | 21     |
| Regular Instruction Teachers                 | 30     | 28     | 30     | 32     | 21     | 21     |
| Special Instruction Classrooms               | 4      | 4      | 4      | 3      | 5      | 5      |
| Special Instruction Teachers                 | 4      | 4      | 4      | 3      | 5      | 5      |
| <b>Lt. Col. John Glenn Elementary School</b> |        |        |        |        |        |        |
| Constructed in 1967                          |        |        |        |        |        |        |
| Addition in 1974                             |        |        |        |        |        |        |
| Total Building Square Footage                | 32,255 | 32,255 | 32,255 | 32,255 | 32,255 | 32,255 |
| Media Center Square Footage                  | 3,045  | 3,045  | 3,045  | 3,045  | 3,045  | 3,045  |
| Cafeteria and Gymnasium Square Footage       | 3,901  | 3,901  | 3,901  | 3,901  | 3,901  | 3,901  |
| Enrollment - Grades K - 6                    | 397    | 376    | 349    | 322    | 326    | 357    |
| Student Capacity                             | 420    | 420    | 420    | 420    | 420    | 420    |
| Regular Instruction Classrooms               | 18     | 18     | 18     | 18     | 15     | 16     |
| Regular Instruction Teachers                 | 18     | 18     | 16     | 18     | 13     | 13     |
| Special Instruction Classrooms               | 4      | 4      | 4      | 4      | 4      | 4      |
| Special Instruction Teachers                 | 4      | 4      | 4      | 4      | 4      | 5      |
| <b>Parkview Elementary School</b>            |        |        |        |        |        |        |
| Constructed in 1959                          |        |        |        |        |        |        |
| Addition in 1974                             |        |        |        |        |        |        |
| Total Building Square Footage                | 30,858 | 30,858 | 30,858 | 30,858 | 30,858 | 30,858 |
| Media Center Square Footage                  | 810    | 810    | 810    | 810    | 810    | 810    |
| Cafeteria and Gymnasium Square Footage       | 2,880  | 2,880  | 2,880  | 2,880  | 2,880  | 2,880  |
| Enrollment - Grades K - 6                    | 337    | 345    | 336    | 314    | 295    | 285    |
| Student Capacity                             | 350    | 350    | 350    | 350    | 350    | 350    |
| Regular Instruction Classrooms               | 13     | 13     | 13     | 13     | 13     | 13     |
| Regular Instruction Teachers                 | 18     | 17     | 18     | 17     | 12     | 13     |
| Special Instruction Classrooms               | 3      | 3      | 3      | 3      | 3      | 3      |
| Special Instruction Teachers                 | 2      | 3      | 3      | 3      | 3      | 3      |
| <b>Parma Park Elementary School</b>          |        |        |        |        |        |        |
| Constructed in 1951                          |        |        |        |        |        |        |
| Addition in 1954                             |        |        |        |        |        |        |
| Total Building Square Footage                | 42,055 | 42,055 | 42,055 | 42,055 | 42,055 | 42,055 |
| Media Center Square Footage                  | 1,348  | 1,348  | 1,348  | 1,348  | 1,348  | 1,348  |
| Cafeteria Square Footage                     | 1,133  | 1,133  | 1,133  | 1,133  | 1,133  | 1,133  |
| Gymnasium Square Footage                     | 2,925  | 2,925  | 2,925  | 2,925  | 2,925  | 2,925  |
| Enrollment - Grades K - 6                    | 403    | 401    | 404    | 415    | 383    | 385    |
| Student Capacity                             | 405    | 405    | 405    | 405    | 405    | 405    |
| Regular Instruction Classrooms               | 17     | 17     | 20     | 17     | 14     | 14     |
| Regular Instruction Teachers                 | 17     | 17     | 20     | 17     | 14     | 14     |
| Special Instruction Classrooms               | 6      | 5      | 6      | 6      | 5      | 5      |
| Special Instruction Teachers                 | 6      | 5      | 6      | 6      | 5      | 5      |

(continued)

**Parma City School District**  
*Building Statistics by School Building/Facility (continued)*  
*Last Six Fiscal Years (1)*

|  | 2001   | 2002   | 2003   | 2004   | 2005   | 2006   |
|--|--------|--------|--------|--------|--------|--------|
| <b>Pearl Road Elementary School</b>      |        |        |        |        |        |        |
| Constructed in 1921                      |        |        |        |        |        |        |
| Additions in 1951, 1959, 1966            |        |        |        |        |        |        |
| Total Building Square Footage            | 32,369 | 32,369 | 32,369 | 32,369 | 32,369 | 32,369 |
| Media Center Square Footage              | 1,440  | 1,440  | 1,440  | 1,440  | 1,440  | 1,440  |
| Cafeteria Square Footage                 | 1,122  | 1,122  | 1,122  | 1,122  | 1,122  | 1,122  |
| Gymnasium Square Footage                 | 2,145  | 2,145  | 2,145  | 2,145  | 2,145  | 2,145  |
| Enrollment - Grades K - 6                | 418    | 418    | 417    | 384    | 380    | 375    |
| Student Capacity                         | 425    | 425    | 425    | 425    | 425    | 425    |
| Regular Instruction Classrooms           | 21     | 22     | 21     | 20     | 13     | 13     |
| Regular Instruction Teachers             | 21     | 22     | 21     | 20     | 13     | 13     |
| Special Instruction Classrooms           | 3      | 3      | 3      | 2      | 2      | 4      |
| Special Instruction Teachers             | 3      | 3      | 3      | 3      | 2      | 4      |
| <b>Pleasant Valley Elementary School</b> |        |        |        |        |        |        |
| Constructed in 1955                      |        |        |        |        |        |        |
| Additions in 1956, 1967                  |        |        |        |        |        |        |
| Total Building Square Footage            | 88,794 | 88,794 | 88,794 | 88,794 | 88,794 | 88,794 |
| Media Center Square Footage              | 2,401  | 2,401  | 2,401  | 2,401  | 2,401  | 2,401  |
| Cafeteria Square Footage                 | 4,175  | 4,175  | 4,175  | 4,175  | 4,175  | 4,175  |
| Gymnasiums (2) Square Footage            | 9,947  | 9,947  | 9,947  | 9,947  | 9,947  | 9,947  |
| Enrollment - Grades K - 6                | 506    | 516    | 525    | 523    | 518    | 516    |
| Student Capacity                         | 705    | 705    | 705    | 705    | 705    | 705    |
| Regular Instruction Classrooms           | 21     | 21     | 21     | 21     | 20     | 18     |
| Regular Instruction Teachers             | 25     | 24     | 26     | 29     | 20     | 18     |
| Special Instruction Classrooms           | 7      | 7      | 7      | 9      | 9      | 9      |
| Special Instruction Teachers             | 13     | 13     | 16     | 16     | 15     | 15     |
| <b>Pleasantview Elementary School</b>    |        |        |        |        |        |        |
| Constructed in 1959                      |        |        |        |        |        |        |
| Addition in 1966                         |        |        |        |        |        |        |
| Total Building Square Footage            | 36,678 | 36,678 | 36,678 | 36,678 | 36,678 | 36,678 |
| Media Center Square Footage              | 2,112  | 2,112  | 2,112  | 2,112  | 2,112  | 2,112  |
| Cafeteria and Gymnasium Square Footage   | 3,430  | 3,430  | 3,430  | 3,430  | 3,430  | 3,430  |
| Enrollment - Grades K - 6                | 304    | 327    | 299    | 309    | 305    | 276    |
| Student Capacity                         | 400    | 400    | 400    | 400    | 400    | 400    |
| Regular Instruction Classrooms           | 12     | 12     | 12     | 12     | 12     | 12     |
| Regular Instruction Teachers             | 15     | 16     | 15     | 16     | 11     | 11     |
| Special Instruction Classrooms           | 2      | 2      | 2      | 2      | 2      | 2      |
| Special Instruction Teachers             | 4      | 5      | 5      | 5      | 4      | 4      |
| <b>Rewwood Elementary School</b>         |        |        |        |        |        |        |
| Constructed in 1952                      |        |        |        |        |        |        |
| Additions in 1955, 1964                  |        |        |        |        |        |        |
| Total Building Square Footage            | 28,710 | 28,710 | 28,710 | 28,710 | 28,710 | 28,710 |
| Media Center Square Footage              | 1,419  | 1,419  | 1,419  | 1,419  | 1,419  | 1,419  |
| Cafeteria and Gymnasium Square Footage   | 2,400  | 2,400  | 2,400  | 2,400  | 2,400  | 2,400  |
| Enrollment - Grades K - 6                | 378    | 390    | 343    | 340    | 340    | 329    |
| Student Capacity                         | 350    | 350    | 350    | 350    | 350    | 350    |
| Regular Instruction Classrooms           | 19     | 20     | 17     | 18     | 14     | 13     |
| Regular Instruction Teachers             | 19     | 20     | 17     | 18     | 14     | 14     |
| Special Instruction Classrooms           | 2      | 2      | 3      | 3      | 3      | 2      |
| Special Instruction Teachers             | 2      | 2      | 3      | 3      | 3      | 3      |

(continued)

**Parma City School District**  
*Building Statistics by School Building/Facility (continued)*  
*Last Six Fiscal Years (1)*

|  | 2001   | 2002   | 2003   | 2004   | 2005   | 2006   |
|--|--------|--------|--------|--------|--------|--------|
| <b>Ridge-Brook Elementary School</b>   |        |        |        |        |        |        |
| Constructed in 1955                    |        |        |        |        |        |        |
| Additions in 1965, 1996                |        |        |        |        |        |        |
| Total Building Square Footage          | 36,255 | 36,255 | 36,255 | 36,255 | 36,255 | 36,255 |
| Modular Unit Square Footage            | 1,536  | 1,536  | 1,536  | 1,536  | 1,536  | 1,536  |
| Media Center Square Footage            | 2,134  | 2,134  | 2,134  | 2,134  | 2,134  | 2,134  |
| Cafeteria and Gymnasium Square Footage | 2,925  | 2,925  | 2,925  | 2,925  | 2,925  | 2,925  |
| Enrollment - Grades K - 6              | 433    | 420    | 440    | 406    | 425    | 416    |
| Student Capacity                       | 475    | 475    | 475    | 475    | 475    | 475    |
| Regular Instruction Classrooms         | 24     | 23     | 23     | 23     | 17     | 18     |
| Regular Instruction Teachers           | 24     | 23     | 23     | 23     | 14     | 17     |
| Special Instruction Classrooms         | 2      | 2      | 2      | 3      | 3      | 3      |
| Special Instruction Teachers           | 2      | 2      | 2      | 3      | 3      | 2      |
| <b>State Road Elementary School</b>    |        |        |        |        |        |        |
| Constructed in 1921                    |        |        |        |        |        |        |
| Additions in 1951, 1959, 1966          |        |        |        |        |        |        |
| Total Building Square Footage          | 34,307 | 34,307 | 34,307 | 34,307 | 34,307 | 34,307 |
| Modular Units (2) Square Footage       | 2,880  | 2,880  | 2,880  | 2,880  | 2,880  | 2,880  |
| Media Center Square Footage            | 1,452  | 1,452  | 1,452  | 1,452  | 1,452  | 1,452  |
| Cafeteria and Gymnasium Square Footage | 2,145  | 2,145  | 2,145  | 2,145  | 2,145  | 2,145  |
| Enrollment - Grades K - 6              | 497    | 510    | 503    | 483    | 479    | 437    |
| Student Capacity                       | 395    | 395    | 395    | 395    | 395    | 395    |
| Regular Instruction Classrooms         | 16     | 16     | 16     | 16     | 16     | 16     |
| Regular Instruction Teachers           | 24     | 27     | 25     | 25     | 16     | 18     |
| Special Instruction Classrooms         | 3      | 3      | 3      | 3      | 3      | 3      |
| Special Instruction Teachers           | 5      | 5      | 6      | 6      | 6      | 6      |
| <b>Thoreau Park Elementary School</b>  |        |        |        |        |        |        |
| Constructed in 1926                    |        |        |        |        |        |        |
| Additions in 1951, 1954                |        |        |        |        |        |        |
| Total Building Square Footage          | 65,957 | 65,957 | 65,957 | 65,957 | 65,957 | 65,957 |
| Modular Units (2) Square Footage       | 2,988  | 2,988  | 2,988  | 2,988  | 2,988  | 2,988  |
| Media Center Square Footage            | 2,622  | 2,622  | 2,622  | 2,622  | 2,622  | 2,622  |
| Cafeteria Square Footage               | 3,280  | 3,280  | 3,280  | 3,280  | 3,280  | 3,280  |
| Gymnasium Square Footage               | 4,550  | 4,550  | 4,550  | 4,550  | 4,550  | 4,550  |
| Enrollment - Grades K - 6              | 834    | 844    | 762    | 736    | 711    | 665    |
| Student Capacity                       | 725    | 725    | 725    | 725    | 725    | 725    |
| Regular Instruction Classrooms         | 43     | 40     | 39     | 41     | 26     | 26     |
| Regular Instruction Teachers           | 43     | 40     | 39     | 41     | 29     | 27     |
| Special Instruction Classrooms         | 4      | 5      | 5      | 5      | 6      | 5      |
| Special Instruction Teachers           | 4      | 5      | 5      | 5      | 5      | 6      |

(continued)



**Parma City School District**  
*Building Statistics by School Building/Facility (continued)*  
*Last Six Fiscal Years (1)*

|                                       | 2001    | 2002    | 2003    | 2004    | 2005    | 2006    |
|---------------------------------------|---------|---------|---------|---------|---------|---------|
| <b>Greenbriar Middle School/Annex</b> |         |         |         |         |         |         |
| Constructed in 1962                   |         |         |         |         |         |         |
| Addition in 1959 (Annex), 1976, 1996  |         |         |         |         |         |         |
| Total Building Square Footage         | 124,340 | 124,340 | 124,340 | 124,340 | 124,340 | 124,340 |
| Media Center Square Footage           | 5,904   | 5,904   | 5,904   | 5,904   | 5,904   | 5,904   |
| Cafeteria Square Footage              | 4,200   | 4,200   | 4,200   | 4,200   | 4,200   | 4,200   |
| Gymnasium Square Footage              | 7,008   | 7,008   | 7,008   | 7,008   | 7,008   | 7,008   |
| Enrollment - Grades 7 - 8             | 806     | 822     | 820     | 828     | 767     | 761     |
| Student Capacity                      | 976     | 976     | 976     | 976     | 976     | 976     |
| Regular Instruction Classrooms        | 31      | 31      | 31      | 31      | 31      | 31      |
| Regular Instruction Teachers          | 39      | 36      | 37      | 39      | 41      | 42      |
| Special Instruction Classrooms        | 9       | 9       | 9       | 9       | 9       | 9       |
| Special Instruction Teachers          | 9       | 11      | 8       | 8       | 9       | 8       |
| Vocational Instruction Classrooms     | 4       | 4       | 4       | 4       | 4       | 4       |
| Vocational Instruction Teachers       | 4       | 3       | 4       | 4       | 1       | 3       |
| <b>Hillside Middle School</b>         |         |         |         |         |         |         |
| Constructed in 1959                   |         |         |         |         |         |         |
| Addition in 1976                      |         |         |         |         |         |         |
| Total Building Square Footage         | 90,195  | 90,195  | 90,195  | 90,195  | 90,195  | 90,195  |
| Media Center Square Footage           | 4,171   | 4,171   | 4,171   | 4,171   | 4,171   | 4,171   |
| Cafeteria Square Footage              | 3,920   | 3,920   | 3,920   | 3,920   | 3,920   | 3,920   |
| Gymnasiums (2) Square Footage         | 8,644   | 8,644   | 8,644   | 8,644   | 8,644   | 8,644   |
| Enrollment - Grades 7 - 8             | 574     | 572     | 583     | 592     | 568     | 558     |
| Student Capacity                      | 743     | 743     | 743     | 743     | 743     | 743     |
| Regular Instruction Classrooms        | 25      | 25      | 25      | 25      | 27      | 28      |
| Regular Instruction Teachers          | 27      | 27      | 25      | 28      | 29      | 29      |
| Special Instruction Classrooms        | 5       | 5       | 5       | 5       | 5       | 6       |
| Special Instruction Teachers          | 5       | 6       | 6       | 7       | 7       | 8       |
| Vocational Instruction Classrooms     | 2       | 2       | 2       | 2       | 2       | 2       |
| Vocational Instruction Teachers       | 3       | 3       | 3       | 3       | 1       | 1       |
| <b>Shiloh Middle School</b>           |         |         |         |         |         |         |
| Constructed in 1966                   |         |         |         |         |         |         |
| Additions in 1998, 2003               |         |         |         |         |         |         |
| Total Building Square Footage         | 95,189  | 95,189  | 95,189  | 106,189 | 106,189 | 106,189 |
| Media Center Square Footage           | 6,642   | 6,642   | 6,642   | 6,642   | 6,642   | 6,642   |
| Cafeteria Square Footage              | 6,480   | 6,480   | 6,480   | 6,480   | 6,480   | 6,480   |
| Gymnasium Square Footage              | 6,642   | 6,642   | 6,642   | 6,642   | 6,642   | 6,642   |
| Enrollment - Grades 7 - 8             | 747     | 723     | 772     | 849     | 830     | 733     |
| Student Capacity                      | 821     | 821     | 821     | 916     | 916     | 916     |
| Regular Instruction Classrooms        | 25      | 25      | 25      | 32      | 31      | 31      |
| Regular Instruction Teachers          | 37      | 37      | 37      | 37      | 38      | 43      |
| Special Instruction Classrooms        | 4       | 4       | 4       | 4       | 5       | 5       |
| Special Instruction Teachers          | 6       | 6       | 6       | 8       | 10      | 9       |
| Vocational Instruction Classrooms     | 4       | 4       | 4       | 4       | 4       | 4       |
| Vocational Instruction Teachers       | 4       | 3       | 3       | 3       | 4       | 2       |

(continued)

**Parma City School District**  
*Building Statistics by School Building/Facility (continued)*  
*Last Six Fiscal Years (1)*

|                                      | 2001    | 2002    | 2003    | 2004    | 2005    | 2006    |
|--------------------------------------|---------|---------|---------|---------|---------|---------|
| <b>Normandy High School</b>          |         |         |         |         |         |         |
| Constructed in 1968                  |         |         |         |         |         |         |
| Addition in 1975                     |         |         |         |         |         |         |
| Total Building Square Footage        | 264,511 | 264,511 | 264,511 | 264,511 | 264,511 | 264,511 |
| Auditorium/Stage Square Footage      | 4,272   | 4,272   | 4,272   | 4,272   | 4,272   | 4,272   |
| Media Center Square Footage          | 7,530   | 7,530   | 7,530   | 7,530   | 7,530   | 7,530   |
| Kitchen and Cafeteria Square Footage | 10,618  | 10,618  | 10,618  | 10,618  | 10,618  | 10,618  |
| Gymnasium Square Footage             | 9,690   | 9,690   | 9,690   | 9,690   | 9,690   | 9,690   |
| Enrollment - Grades 9 - 12           | 1,137   | 1,160   | 1,207   | 1,230   | 1,263   | 1,296   |
| Student Capacity                     | 1,423   | 1,423   | 1,423   | 1,423   | 1,423   | 1,423   |
| Regular Instruction Classrooms       | 45      | 45      | 45      | 45      | 45      | 45      |
| Regular Instruction Teachers         | 56      | 48      | 50      | 52      | 59      | 57      |
| Special Instruction Classrooms       | 5       | 5       | 5       | 5       | 5       | 5       |
| Special Instruction Teachers         | 6       | 7       | 7       | 9       | 9       | 9       |
| Vocational Instruction Classrooms    | 11      | 11      | 11      | 11      | 11      | 11      |
| Vocational Instruction Teachers      | 10      | 12      | 13      | 14      | 13      | 16      |
| <b>Parma Senior High School</b>      |         |         |         |         |         |         |
| Constructed in 1953                  |         |         |         |         |         |         |
| Additions in 1964, 1975, 1976        |         |         |         |         |         |         |
| Total Building Square Footage        | 399,733 | 399,733 | 399,733 | 399,733 | 399,733 | 399,733 |
| Auditorium/Stage (2) Square Footage  | 14,475  | 14,475  | 14,475  | 14,475  | 14,475  | 14,475  |
| Media Center Square Footage          | 10,501  | 10,501  | 10,501  | 10,501  | 10,501  | 10,501  |
| Kitchen and Cafeteria Square Footage | 6,549   | 6,549   | 6,549   | 6,549   | 6,549   | 6,549   |
| Gymnasiums (2) Square Footage        | 16,442  | 16,442  | 16,442  | 16,442  | 16,442  | 16,442  |
| Enrollment - Grades 9 - 12           | 1,542   | 1,605   | 1,594   | 1,604   | 1,669   | 1,737   |
| Student Capacity                     | 1,869   | 1,869   | 1,869   | 1,869   | 1,869   | 1,869   |
| Regular Instruction Classrooms       | 58      | 58      | 58      | 58      | 58      | 58      |
| Regular Instruction Teachers         | 69      | 73      | 72      | 79      | 74      | 71      |
| Special Instruction Classrooms       | 15      | 15      | 15      | 15      | 15      | 15      |
| Special Instruction Teachers         | 16      | 14      | 15      | 15      | 19      | 21      |
| Vocational Instruction Classrooms    | 12      | 12      | 12      | 12      | 12      | 12      |
| Vocational Instruction Teachers      | 14      | 14      | 13      | 12      | 14      | 12      |
| <b>Valley Forge High School</b>      |         |         |         |         |         |         |
| Constructed in 1961                  |         |         |         |         |         |         |
| Additions in 1975, 1976              |         |         |         |         |         |         |
| Total Building Square Footage        | 270,310 | 270,310 | 270,310 | 270,310 | 270,310 | 270,310 |
| Auditorium/Stage Square Footage      | 7,790   | 7,790   | 7,790   | 7,790   | 7,790   | 7,790   |
| Media Center Square Footage          | 7,716   | 7,716   | 7,716   | 7,716   | 7,716   | 7,716   |
| Kitchen and Cafeteria Square Footage | 8,784   | 8,784   | 8,784   | 8,784   | 8,784   | 8,784   |
| Gymnasiums (2) Square Footage        | 18,016  | 18,016  | 18,016  | 18,016  | 18,016  | 18,016  |
| Enrollment - Grades 9 - 12           | 1,538   | 1,563   | 1,585   | 1,663   | 1,757   | 1,780   |
| Student Capacity                     | 1,810   | 1,810   | 1,810   | 1,810   | 1,810   | 1,810   |
| Regular Instruction Classrooms       | 57      | 57      | 57      | 57      | 57      | 57      |
| Regular Instruction Teachers         | 75      | 70      | 73      | 71      | 75      | 77      |
| Special Instruction Classrooms       | 14      | 14      | 14      | 14      | 14      | 14      |
| Special Instruction Teachers         | 11      | 11      | 13      | 15      | 13      | 15      |
| Vocational Instruction Classrooms    | 5       | 5       | 5       | 5       | 4       | 4       |
| Vocational Instruction Teachers      | 11      | 11      | 9       | 10      | 12      | 11      |

(continued)

**Parma City School District**  
*Building Statistics by School Building/Facility (continued)*  
*Last Six Fiscal Years (1)*

|  | 2001   | 2002   | 2003   | 2004   | 2005   | 2006   |
|--|--------|--------|--------|--------|--------|--------|
| <b>Arlington (First Step Program)</b>  |        |        |        |        |        |        |
| Constructed in 1965  |        |        |        |        |        |        |
| Total Building Square Footage  | 32,500 | 32,500 | 32,500 | 32,500 | 32,500 | 32,500 |
| Cafeteria and Gymnasium Square Footage   | 4,275  | 4,275  | 4,275  | 4,275  | 4,275  | 4,275  |
| Enrollment - Pre-School  | 167    | 151    | 175    | 167    | 185    | 197    |
| Special Instruction Teachers   | 13     | 13     | 12     | 12     | 11     | 11     |
| <b>Stuart L. Openlander Administration Center</b>  |        |        |        |        |        |        |
| Constructed in 1921  |        |        |        |        |        |        |
| Addition in 1950   |        |        |        |        |        |        |
| Total Building Square Footage  | 31,622 | 31,622 | 31,622 | 31,622 | 31,622 | 31,622 |
| <b>Byers Field</b>   |        |        |        |        |        |        |
| Constructed in 1940  |        |        |        |        |        |        |
| Additions in 1957, 1962, 1993, 1994, 1995,<br>2000, 2002                                     |        |        |        |        |        |        |
| Seating Capacity   | 11,800 | 11,800 | 11,800 | 11,800 | 11,800 | 11,800 |
| Total Square Footage for Ticket Booths,<br>Press Box, Concessions, Restrooms,<br>and Stroage | 7,184  | 7,184  | 7,184  | 7,184  | 7,184  | 7,184  |
| Total Square Footage for Bus Garage  | 18,000 | 18,000 | 18,000 | 18,000 | 18,000 | 18,000 |

Source: Ohio Facilities Commission Report  
Valuation Engineers Inc.  
District Records  
ODE EMIS Certified/Licensed Staff Demographics Report

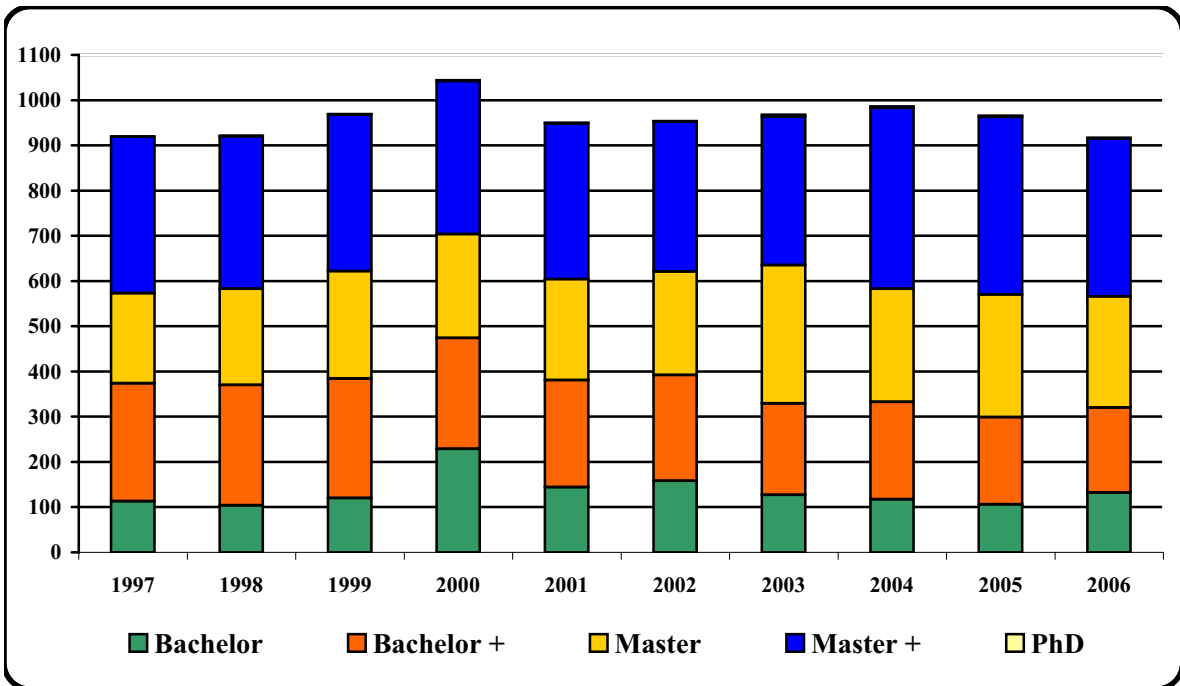
(1) Information prior to fiscal year 2001 not available

**Parma City School District**  
*Full-Time Equivalent Certified School District Employees by Education*  
*Last Ten Fiscal Years*

| Degree        | 1997 | 1998 | 1999 | 2000  |
|---------------|------|------|------|-------|
| Bachelor      | 113  | 104  | 120  | 229   |
| Bachelor + 12 | 86   | 83   | 79   | 75    |
| Bachelor + 24 | 127  | 124  | 119  | 101   |
| Bachelor + 36 | 48   | 59   | 66   | 69    |
| Master        | 199  | 213  | 238  | 230   |
| Master + 12   | 108  | 101  | 112  | 105   |
| Master + 24   | 91   | 75   | 70   | 70    |
| Master + 36   | 77   | 77   | 69   | 69    |
| Master + 48   | 70   | 84   | 95   | 94    |
| Doctorate     | 7    | 9    | 11   | 10    |
| Total         | 926  | 929  | 979  | 1,052 |

Source: School District Records

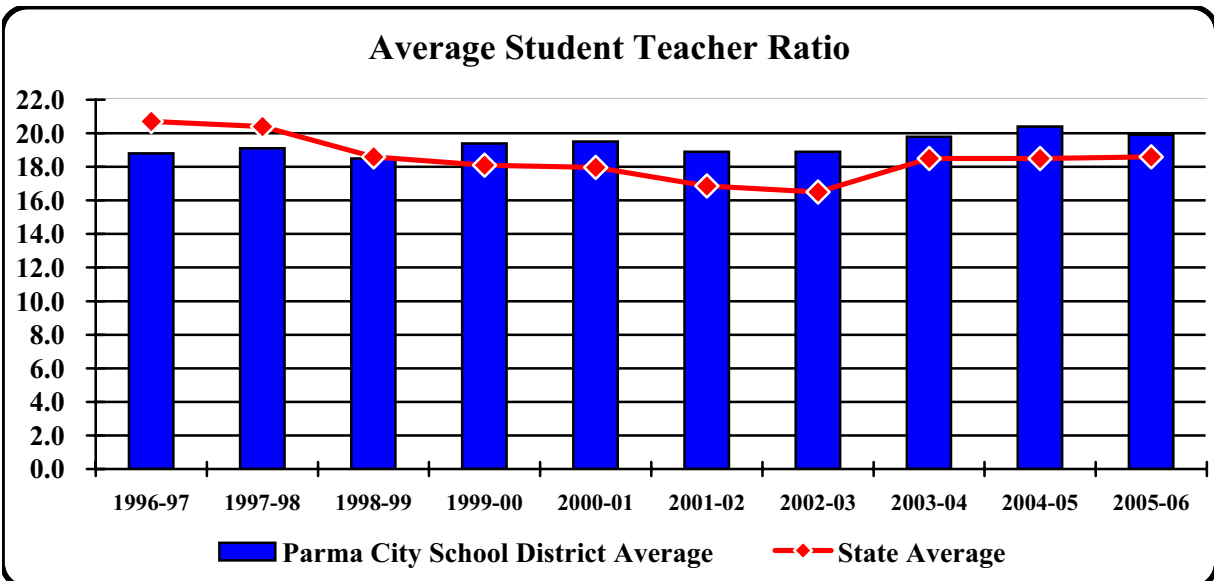
| 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|------|------|------|------|------|------|
| 144  | 158  | 127  | 117  | 106  | 132  |
| 75   | 72   | 71   | 83   | 66   | 65   |
| 91   | 87   | 88   | 68   | 67   | 66   |
| 71   | 75   | 43   | 65   | 60   | 57   |
| 223  | 229  | 306  | 250  | 271  | 246  |
| 120  | 117  | 120  | 148  | 141  | 127  |
| 69   | 61   | 61   | 77   | 80   | 74   |
| 60   | 57   | 57   | 54   | 62   | 52   |
| 95   | 96   | 91   | 121  | 110  | 96   |
| 14   | 14   | 14   | 14   | 14   | 8    |
| 962  | 966  | 978  | 997  | 977  | 923  |



**Parma City School District**  
*Average Number of Students per Teacher*  
*Last Ten School Years*

| School Year | Parma City School District Average | State Average |
|-------------|------------------------------------|---------------|
| 1996 - 1997 | 18.8                               | 20.7          |
| 1997 - 1998 | 19.1                               | 20.4          |
| 1998 - 1999 | 18.5                               | 18.6          |
| 1999 - 2000 | 19.4                               | 18.1          |
| 2000 - 2001 | 19.5                               | 18.0          |
| 2001 - 2002 | 18.9                               | 16.9          |
| 2002 - 2003 | 18.9                               | 16.5          |
| 2003 - 2004 | 19.8                               | 18.5          |
| 2004 - 2005 | 20.4                               | 18.5          |
| 2005 - 2006 | 19.9                               | 18.6          |

Source: Ohio Department of Education, EMIS Reports



**Parma City School District**  
*Attendance and Graduation Rates*  
*Last Ten Fiscal Years*

| Fiscal<br>Year | Parma City<br>School District<br>Attendance Rate | State<br>Average | Parma City<br>School District<br>Graduation Rate | State<br>Average |
|----------------|--|------------------|--|------------------|
| 1997           | 94.10%   | 93.30%           | 85.90%   | 79.90%           |
| 1998           | 94.30  | 93.60            | 79.60  | 81.40            |
| 1999           | 94.20  | 93.50            | 81.40  | 81.40            |
| 2000           | 94.20  | 93.60            | 80.30  | 80.70            |
| 2001           | 94.20  | 93.90            | 77.40  | 81.20            |
| 2002           | 94.20  | 94.30            | 77.50  | 82.80            |
| 2003           | 94.90  | 94.50            | 79.70  | 83.90            |
| 2004           | 95.00  | 94.50            | 84.80  | 84.30            |
| 2005           | 94.50  | 94.30            | 81.20  | 85.90            |
| 2006           | 94.50  | 94.10            | 88.10  | 86.20            |

Source: Ohio Department of Education Local Report Cards  
and Data Warehouse Reports.

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**Mary Taylor, CPA**  
Auditor of State

**PARMA CITY SCHOOL DISTRICT**  
**CUYAHOGA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED**  
**FEBRUARY 22, 2007**