

**PARMA CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2001



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

PARMA CITY SCHOOL DISTRICT
CUYAHOGA COUNTY

TABLE OF CONTENTS

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

This page intentionally left blank.

**PARMA CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2001**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Child Nutrition Cluster:						
Food Distribution Program	N/A	10.550	\$0	\$225,609	\$0	\$225,609
National School Breakfast	044636 05-PU-01	10.553	5,177	0	5,177	0
National School Lunch Program	044636 04-PU-01	10.555	785,731	0	785,731	0
Total U.S. Department of Agriculture - Child Nutrition Cluster			790,908	225,609	790,908	225,609
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education Grants to States	044636 BS-F00	84.027	93,945	0	203,031	0
	044636 BS-F01		991,958	0	909,233	0
	Total CFDA		1,085,903	0	1,112,264	0
Special Education - Preschool Grant	044636 PG-S1-00	84.173	0	0	18,837	0
	044636 PG-S1-01		4,022	0	3,182	0
	044636 PG-S1-01		89,893	0	63,028	0
	Total CFDA		93,915	0	85,047	0
Total Special Education Cluster			1,179,818	0	1,197,311	0
Adult Education- State Grant Program	044636 AB-S1-99CY	84.002	0	0	1,976	0
	044636 AB-S1-00		0	0	14,466	0
	044636 AB-S1-00CY		0	0	20,431	0
	044636 AB-S1-01		153,131	0	125,236	0
	Total CFDA		153,131	0	162,109	0
Title I	044636 C1-S1-00	84.010	136,880	0	196,756	0
	044636 C1-S1-00CY		0	0	99,236	0
	044636 C1-S1-01		533,473	0	378,171	0
	Total CFDA		670,353	0	674,163	0
Capital Expenses	044636 CX-S1-00	84.216	30,500	0	0	0
	Total CFDA		30,500	0	0	0
Vocational Education - Basic Grants to States	044636 20-C1-00	84.048	19,556	0	35,596	0
	044636 20-C1-01		129,541	0	122,168	0
	Total CFDA		149,097	0	157,764	0
Emergency Immigrant Education	N/A	84.162	11,750	0	11,694	0
	Total CFDA		11,750	0	11,694	0
Safe and Drug Free Schools	044636 DR-S1-00	84.186	5,874	0	52,774	0
			53,096	0	41,590	0
	Total CFDA		58,970	0	94,364	0
Goals 2000	04436 G2-S2-00	84.276	0	0	49,708	0
	Total CFDA		0	0	49,708	0

**PARMA CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2001 (Continued)**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
Eisenhower Professional Development	044636 MS-S1-98CY	84.281	0	0	121	0
	044636 MS-S1-99		0	0	5	0
	044636 MS-S1-99CY		0	0	11,620	0
	044636 MS-S1-00		4,327	0	35,057	0
	044636 MS-S1-01		42,130	0	17,861	0
Total CFDA			46,457	0	64,664	0
Innovative Educational Program Strategies	044636 C2-S1-99	84.298	0	0	673	0
	044636 C2-S1-99CY		0	0	8,308	0
	044636 C2-S1-00		0	0	15,599	0
	044636 C2-S1-01		103,902	0	84,727	0
Total CFDA			103,902	0	109,307	0
Class Size Reduction	044636 CR-S1-00	84.340	8,120	0	37,190	0
	044636 CR-S1-01		167,044	0	134,018	0
Total CFDA			175,164	0	171,208	0
Pell Grant	044636 RH-00-01	84.063	38,012	0	38,012	0
	Total CFDA		38,012	0	38,012	0
Total U.S. Department of Education			2,617,154	0	2,730,304	0
<u>U.S. DEPARTMENT OF HUMAN SERVICES</u>						
<i>Passed Through Ohio Department of Education:</i>						
Refugee and Entrant Assistance:						
	Discretionary Grants FY 2000	N/A	93,576	6,657	0	10,476
	Discretionary Grants FY 2001	N/A		12,960	0	0
Total CFDA			19,617	0	10,476	0
<i>Passed Through Ohio Department of Mental Retardation and Developmental Disabilities:</i>						
	Medical Assistance/ Medicaid Title XIX	N/A	93.778	428,277	0	428,277
Total CFDA			428,277	0	428,277	0
Total U.S. Department of Human Services			447,894	0	438,753	0
Totals			\$3,855,956	\$225,609	\$3,959,965	\$225,609

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 EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2001**

NOTE A — SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (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, 2001, the District had no significant food commodities in inventory.

NOTE C - NATIONAL SCHOOL LUNCH AND SPECIAL MILK PROGRAM

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

N/A - Not applicable.

CFDA - Catalog of Federal Domestic Assistance.

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

Lausche Bldg
615 W Superior Ave
Floor 12
Cleveland OH 44113 - 1801
Telephone 216-787-3665
800-626-2297
Facsimile 216-787-3361
www.auditor.state.oh.us

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

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

We have audited the financial statements of the Parma City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2001, and have issued our report thereon dated December 17, 2001, wherein we noted the District adopted Governmental Accounting Standards Board Statement 34. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2001-10818-001 and 2001-10818-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated December 17, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 17, 2001.

Parma City School District
Cuyahoga County
Report on Compliance and on Internal Control Required By
Government Auditing Standards
Page 2

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

Jim Petro
Auditor of State

December 17, 2001



**STATE OF OHIO
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

Lausche Bldg
615 W Superior Ave
Floor 12
Cleveland OH 44113 - 1801
Telephone 216-787-3665
800-626-2297
Facsimile 216-787-3361
www.auditor.state.oh.us

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO 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
6726 Ridge Road
Parma, Ohio 44129

Compliance

We have audited the compliance of the Parma City School District, Cuyahoga County, Ohio, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2001. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2001.

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. We noted other matters involving the internal control over federal compliance that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 17, 2001.

Schedule of Federal Awards Expenditures

We have audited the basic financial statements of the District as of and for the year ended June 30, 2001, and have issued our report thereon dated December 17, 2001, wherein we noted the District adopted Governmental Accounting Standards Board Statement 34. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Jim Petro
Auditor of State

December 17, 2001

PARMA CITY SCHOOL DISTRICT
 CUYAHOGA COUNTY
 June 30, 2001

SCHEDULE OF FINDINGS
 OMB CIRCULAR A -133 § .505

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	1) Special Education Cluster: Title VI-B CFDA #84.027 and Pre-school CFDA #84.173 2) Medical Assistance (Medicaid Title XIX) CFDA #93.778
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

Finding Number	2001-10818-001
-----------------------	-----------------------

Ohio Revised Code Section 5705.39 prohibits a political subdivision from making a fund appropriation in excess of estimated resources available for expenditure from the fund. In addition, Ohio Revised Code Section 5705.40 allows any appropriation measure to be amended or supplemented provided

**PARMA CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
June 30, 2001**

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

Finding Number	2001-10818-001
-----------------------	-----------------------

the District complies with the same provisions of the law as are used in making the original appropriation. Various District's funds were noted to have *original* and *final* appropriations in excess of the amount certified as available by the budget commission. The following funds had *original* appropriations in excess of estimated revenues and carryover balances:

Fund	Estimated Revenue Plus Carryover Balances	Appropriations	Excess
Special Revenue Funds:			
Auxiliary Services	\$4,427,516	\$5,305,932	(\$878,416)
Title VI-B	981,533	1,298,726	(317,193)
Alternative Schools	653,044	809,650	(156,606)
Emergency Immigrant Education Assistance Grant	7,160	11,750	(4,590)
Entry Year Grant	54,445	84,000	(29,555)
Performance Incentive	0	70,253	(70,253)
Extended Learning Opportunity Grant	56,746	87,550	(30,804)
Enterprise Funds:			
Food Service	2,245,391	2,868,889	(623,498)
Adult Continuing Education	955,843	1,114,944	(159,101)

Each of these funds weaknesses were eliminated at year end. However, the District had one fund in which *final* appropriations were in excess of estimated revenues and carryover balances, as follows:

Fund	Estimated Revenue Plus Carryover Balances	Appropriations	Excess
Special Revenue Funds:			
Other Grants	\$95,109	\$135,284	(\$40,175)

This weakness could allow expenditures in these funds to exceed the total of the available fund balances and current year revenues. This would then result in negative fund balance(s).

The District was aware of this requirement but its control procedure(s) failed to prevent or detect the non-compliance in these instances.

We recommend the District implement procedures to compare current year appropriations to total certified resources, in all funds which are legally required to be budgeted, to ensure compliance with this requirement. In addition, this comparison should be performed on a monthly basis, at minimum, to ensure compliance throughout the year.

**PARMA CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
June 30, 2001**

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

Finding Number	2001-10818-002
-----------------------	-----------------------

Ohio Revised Code Section 5705.41(B)&(D) prohibits a political subdivision from making an expenditure unless it has been properly appropriated.

Expenditures plus encumbrances exceeded appropriations at the legal level of control (fund/function/object) at year end and throughout the year. The following funds had violations at year end:

Fund/Function/Object	Appropriations	Expenditures Plus Encumbrances	Excess
General Fund			
Pupil Transportation			
Salaries	\$2,081,680	\$2,441,558	(\$359,878)
Central			
Salaries	421,990	489,311	(67,321)
Special Revenue Funds			
Title VI-B			
Special Instruction			
Salaries	145,012	168,491	(23,479)
Fringe Benefits	32,265	49,901	(17,636)
Vocational Education			
Vocational Instruction			
Materials and Supplies	11,434	23,028	(11,594)
Enterprise Funds			
Food Service			
Salaries	759,000	949,971	(190,971)
Fringe Benefits	402,698	450,672	(47,974)

**PARMA CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
June 30, 2001**

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

Finding Number	2001-10818-002
-----------------------	-----------------------

Violations at December 31, 2000, were as follows:

Fund/Function/Object	Appropriations	Expenditures Plus Encumbrances	Excess
General Fund Pupil Transportation Capital Outlay	\$209,837	\$419,673	(\$209,836)
Special Revenue Funds DPIA Regular Instruction Salaries Fringe Benefits	0 191	39,343 15,932	(39,343) (15,741)
Vocational Education Vocational Instruction Salaries	0	14,509	(14,509)
Capital Projects Fund Permanent Improvement Pupil Transportation Capital Outlay	240,688	368,322	(127,634)
Enterprise Fund Food Service Student Personnel Salaries	0	52,491	(52,491)

Although the District did not have any fund-level noncompliance with the compliance requirement noted above, this weakness could allow expenditures in the above funds to exceed the total of the available fund balances and current year revenues. This would then result in negative fund balance(s).

The District was aware of this requirement but its control procedure(s) failed to prevent or detect the non-compliance in these instances.

We recommend the District implement procedures to compare current month and year-to-date appropriations to expenditures, in all funds which are legally required to be budgeted, to ensure compliance with this requirement.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
--

None.

Parma City School District
Parma, Ohio

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2001

Parma City School District, Ohio
Comprehensive Annual Financial Report
For the Fiscal Year Ending June 30, 2001
Table of Contents

I. INTRODUCTORY SECTION

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

II. FINANCIAL SECTION

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

Parma City School District, Ohio
Comprehensive Annual Financial Report
For the Fiscal Year Ending June 30, 2001
Table of Contents (continued)

Combining Statements and Individual Fund Schedules:

Combining Statements - Nonmajor Funds:

Fund Descriptions	55
Combining Balance Sheet - Nonmajor Governmental Funds	58
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	59
Combining Balance Sheet - Nonmajor Special Revenue Funds	60
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	64
Combining Balance Sheet - Nonmajor Capital Projects Funds	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds	69
Combining Statement of Changes in Assets and Liabilities - All Agency Funds	70

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

General Fund	72
Bond Retirement Fund	77
Permanent Improvement Fund	78
Auxiliary Services Fund	79
Public School Support Fund	80
Title I Fund	82
Title VI-B Fund	84
Alternative Schools Fund	86
District Managed Student Activity Fund	87

Parma City School District, Ohio
Comprehensive Annual Financial Report
For the Fiscal Year Ending June 30, 2001
Table of Contents (continued)

Goals 2000 Fund	88
Adult Basic Education Fund	89
Title VI Fund	90
Preschool Grant Fund	91
Vocational Education Fund	92
Disadvantaged Pupil Impact Aid Fund	94
Ohio Reads Fund	95
Eisenhower Grant Fund	96
Professional Development Fund	97
Network Connectivity Fund	98
State Grants Fund	99
Other Grants Fund	100
Drug Free Schools Fund	102
Career Development Fund	103
Venture Capital Fund	104
Managed Information Systems Fund	105
School Improvement Incentive Fund	106
Federal Refugee Children Fund	107
Emergency Immigrant Education Assistant Grant Fund	108
Economic Education Grant Fund	109
School Net Subsidy Grant Fund	110
Scholarship Fund	111
Textbook Subsidy Fund	112

Parma City School District, Ohio
Comprehensive Annual Financial Report
For the Fiscal Year Ending June 30, 2001
Table of Contents (continued)

Entry Year Grant Fund	113
Summer Intervention Fund	114
Performance Incentive Fund	115
Extended Learning Opportunity Grant Fund	116
Turf Replacement Fund	117
School Net Fund	118
Security Equipment Fund	119
Food Service Fund	120
Adult Continuing Education Fund	121
Extended Daycare/Preschool Fund	122

III. STATISTICAL SECTION

General Governmental Expenses/Expenditures by Function - Last Ten Fiscal Years	S1
General Governmental Revenues by Source - Last Ten Fiscal Years	S2
Property Tax Levies and Collections - Real and Public	
Utility Taxes - Last Ten Calendar Years	S3
Assessed and Estimated Actual Value of Taxable	
Property - Last Ten Calendar Years	S4
Property Tax Rates - Direct and Overlapping Governments	
Last Ten Calendar Years	S5
Ratio of Net General Obligation Bonded Debt to Assessed Value	
and Net General Obligation Bonded Debt Per Capita - Last Ten Years	S6
Computation of Legal Debt Margin	S7
Computation of Direct and Overlapping Debt General Bonded Debt	S8
Ratio of Annual Debt Service Expenditures For	
General Obligation Bonded Debt to Total General	
Governmental Expenditures - Last Ten Fiscal Years	S9
Demographic Statistics - Last Ten Years	S10
Property Value, Industrial Employment and Financial Institution	
Deposits - Last Ten Years	S11
Principal Taxpayers - Tangible Personal Property Tax	S12
Enrollment Statistics - Last Ten Fiscal Years	S13
Teacher Education and Experience	S14

PARMA CITY SCHOOL DISTRICT

OFFICE OF THE TREASURER
6726 Ridge Road • Parma, OH 44129
(440) 885-2324 FAX: (440) 885-8492

DANIEL L. WILSON
Chief Financial Officer/Budget Director

December 17, 2001

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

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

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

Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the School District. We make special note of the fact that this report is the School District's advance and initial implementation of the GASB Statement 34 reporting model.

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

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

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

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

Reporting Entity

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

~ Serving Parma, Parma Heights, and Seven Hills ~

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

The School District participates in the Lakeshore Northeast Ohio Computer Association and Ohio Schools Council, both jointly governed organizations whose relationship with the School District is described in Note 17 to the basic financial statements. A complete discussion of the School District's reporting entity is provided in Note 1 to the basic financial statements.

School District Organization

Parma City School District is the tenth largest of the 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 13,225 students in grades kindergarten through twelve. Additionally, the School District provides preschool, after school, adult and community education services to a large number of students. The Parma City School District is located in northeastern Ohio, approximately ten miles south of Lake Erie.

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

Statutorily, the School District operates under the standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 of the Ohio Revised Code, to provide education services prescribed by State and/or 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 two officials: the Superintendent, who serves as the Chief Executive Officer, and the Treasurer, who serves as the Chief Financial Officer.

Kindergarten The School District operates half-day kindergarten programs in fifteen elementary school buildings. These programs are designed to prepare children for school, to develop social skills and to promote the foundation for future learning. The School District will be piloting an all day kindergarten program by establishing five sites for the 2001-2002 school year. For students who are academically unsuccessful in kindergarten, the School District offers a "pre-first" program. This is a year long remediation course to better prepare selected students for first grade.

Elementary The elementary school program provides students with exposure to reading, language arts, mathematics, science, social studies, health, music, art and physical education. Basic skill development is the key, and problem solving has been a focus in the mathematics area. Science is taught in a hands-on manner at our fifteen elementary schools, and manipulatives are used extensively in the math classes. Currently, our elementary schools service students in kindergarten through grade six. Hanna Elementary received an "Ohio Reads" grant to support the Governor's initiative for literacy, and every elementary building participates in "Contract to Read" with community residents. Five buildings receive reading remediation services through Title I staff members. Members of the Central Office staff have been challenged by the Superintendent to volunteer weekly at a school of their choice within the School District, to work on reading skills. 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 DARE 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 consumer sciences, health, physical education, computer keyboarding and industrial technology offering where students use the latest in technology, through computer aided design (CAD) units to apply concepts to real world problems. Currently, our middle schools service students only in grades seven and eight, but the School District plan is to welcome sixth graders into the middle school within the next several years. Each middle school has two guidance counselors that offer students critical support when needed, a comprehensive group guidance program and a conflict resolution program called "Peace Makers."

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

High School The School District has three comprehensive high schools of over 1,000 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 ninth grade proficiency tests. Each high school offers courses at the regular student achievement level and at the honors level. The "honors" program presents students with opportunities for in-depth study and research in the subjects of english, math, science, social studies and foreign language. In addition, the high schools offer Advanced Placement courses in every subject for the gifted students who can meet the challenges of a college level course requiring the use of higher level thinking skills and self-discipline. For the 2001-2002 school year, thirteen new courses will be offered ranging from Visual Basic I and II, to Physics II, to Today's Tool Time, to Management Concepts. High school courses have been expanded to include course offerings in business, computer science, art, music, family and consumer sciences, and physical education. A one-semester course in mythology, a speech/oral presentation course, and an alternative eleventh grade english course for the non-college bound student have been added. 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. This year, through Title IV money, 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 Lake Erie League. All three high schools qualify for the highly competitive Division I classification. Fall, winter and spring varsity sports are available for students, including football, soccer, volleyball, track, cross country, basketball, baseball, softball, wrestling, tennis, golf, swimming, diving and hockey. There are also ninth grade, junior varsity and middle school athletic programs offered. Cheerleading and flag corps are offered at all levels. The School District will join the Pioneer Athletic Conference beginning in the 2003-2004 school year.

The School District owns and operates Byers Field, one of the premier athletic/entertainment complexes in Northeast Ohio. Byers Field is currently the largest stadium complex in the area with the exception of Jacobs Field and the Cleveland Browns Stadium, both located in downtown Cleveland and home of the Indians and Browns, respectively.

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

Certificated Staff The average experience of the certificated staff is 15 years and 60.4 percent of the teaching staff have a master's degree. Textbook authors, doctorates, nationally known speakers and recognized experts in specific fields of study are among the School District's teachers and administrators. A blend of experienced staff along with many new teachers offers students of the Parma City School District one of the strongest faculties in the area.

Programs of Special Interest

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

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

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

Computer Instruction Computer education and exposure to individual productivity programs begins in the kindergarten and continues into high school. SchoolNet 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. For 2001-2002, courses in Visual Basic are being offered to students at the high school level, pending sufficient enrollment. 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. Children with diversified needs are serviced through programs for the multi-handicapped, visually impaired, orthopedically handicapped, other health impaired, speech/language handicapped, severely emotionally disturbed, developmentally handicapped or a program for students with specific learning disabilities. Generally, students are placed in the least restrictive environment in which they can learn and be serviced according to the plan identified on the

IEP (Individualized Education Plan). The schools run inclusion classes at every grade level that permit challenged students to work alongside other students with the support of a specialized instructor. Some students need to be served in a pull out fashion for short-term intervention, while still others need more complete supervision and instruction.

Gifted Program The School District has a service delivery plan filed with the State of Ohio, Department of Education, outlining a good, solid instructional plan to meet the needs of gifted students. A complete identification process is outlined in the plan as well as information that would be given to parents about their child's rights to gifted services. The current service for gifted students in grades three through six is called our "Able Learners Program" which operates as a pullout program for students across the School District. The students spend time out of their schools and in one of the high schools with teachers certified to teach them at a challenging and accelerated rate. At the high school level, gifted students are served through the advanced placement courses and auxiliary supportive services and competitions.

High School Career Preparatory Program The high schools offer one and two year vocational courses in sixteen areas. Originally, the schools offered courses spanning twenty-five areas, but declining enrollment and shifting social employment patterns led to the elimination of a number of programs. Currently students can take courses in auto body collision, building and property maintenance, carpentry, commercial art, electronics, drafting, cosmetology, culinary arts, health occupations, hospitality, radio and TV production, office services, cooperative marketing and management, executive assistant, and automotive service technology. About 27 percent of the high school students participate in vocational course programming. The School District continues to re-evaluate every vocational program for validity in the work world and for upgrading due to technology advances.

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

Preschool Program Preschool is available at Arlington School through the "First Step" program for children three to five years of age with identified disabilities. A peer model is used which means that each class has a set number of special education identified preschoolers enrolled and four "regularly" developed preschoolers. Sessions are offered mornings and afternoons, two or three days per week for 2.5 hours per day. The program is self-funded and does not rely on the general fund for financial support.

Daycare Center Program The Daycare Center is currently located at Normandy High School, in the back portion of the building. The center provides care for children, six weeks to five years of age, and is open to employees and the general public. The center is open on all regularly scheduled school days from 7 AM to 6 PM, and for limited time during the winter, spring and summer break periods. This program is self-funded and does not rely on the general fund for financial support.

Extended Daycare Program Extended daycare is available to parents of kindergarten through sixth grade students at about half of the elementary school buildings when space allows. The program provides activities from 7 AM until the start of the regular school day (9 AM) and from the close of the school day (3:15 PM) until 6 PM. This program is self-funded and does not rely on the general fund for financial support.

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

Job Placement Program The School District maintains a year-round placement office to assist students in finding part-time or summer employment and to help graduating seniors seeking full-time employment. The program is very successful when competing with other placement programs throughout the State, having placed 20,000 young people in jobs over the past few years. The placement office is a cooperative effort between the Parma City School District and the Ohio Bureau of Employment Services.

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

Graduate Equivalence Diploma (GED) Testing The Parma City School's GED program is the sixth largest test center in the State of Ohio, with a pass rate of 77 percent. Individuals who prepare to take the test and meet requirements for test readiness have over a 90 percent chance of passing the GED test. Individuals must be 18 years old or older and formally withdrawn from school; however, 16 and 17 year-olds can be eligible with completion of an age waiver form. Individuals do not have to live in the Parma area to participate in this program. Anyone who passes the pretest will receive a waiver for the test fee. The GED test is offered at least twice a month throughout the fiscal year and a graduation ceremony is held every June to honor those who participated in the program and passed the GED test.

Economic Condition And Outlook

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

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

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

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

In addition, each individual school building designed their own CIP to reflect initiatives in the building that will lead to increased student achievement. Building CIP's were reviewed by the Curriculum Division for content and to assure consistency with the School District CIP. Year two implementation is ongoing at each building. Individual CIP's are reviewed yearly and revised to generate future goals for improvement. The elementary principals have once again pooled their resources to create a general

"ECIP-Elementary Continuous Improvement Plan" that addresses a specific need seen across the School District at that level. This past year, ECIP began to focus on literacy. The push is to re-train our elementary level teachers to promote the use of the best practices in the field and the use of the "Core Curriculum." This will better prepare students for the proficiency tests and address our needs in the area of the 4th Grade Guarantee. ECIP will outline a district wide plan for action research, review, staff development and role modeling to bring all elementary teachers on board with a common vision and set of goals for children.

The Chief Financial Officer was honored in November as the Ohio Foundation for School Business Management's 2001 Outstanding Treasurer. This is the seventeenth year one individual has received this award. The award included a \$500 scholarship for a Parma schools senior. The Assistant Superintendent for Human Resources was recently honored as the Human Resource Administrator of the year by Ohio Association of School Personnel Administrators. The School District has begun to participate in a pilot program offered by the State Department of Education embracing the Baldrige Award in Education. This is being done in conjunction with the Greater Cleveland Educational Development Council at Cleveland State University. The Chief Financial Officer was honored in October by Auditor of State Jim Petro for early implementation of GASB Statements 33 and 34.

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

Also, an additional Administrative Director of Curriculum and Instruction was added to the division to assist with supervisory duties throughout the School District in matters of instruction. With the assistance of additional personnel, the Division has been able to move ahead with revising courses, reestablishing a textbook adoption cycle, doing action research on current "pilot" programs, encouraging the trial of additional "pilot" programs, and maintaining open lines of communication with building department chairpersons and administrators in matters of curriculum and instruction.

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. A literacy specialist was hired to work full time with elementary teachers on what to teach and how to teach with regard to literacy. The specialist also holds classes after school to explain the core language arts curriculum to interested colleagues and to focus on action research in an effort to help interested teachers improve their delivery of instruction. The first year of this program has been very well received.

The School District is in the process of revamping the Language Arts curriculum for kindergarten through eighth grade only. Materials have been selected, assessments agreed upon, the curriculum has been revised and the program will be implemented across the School District in the fall of 2001. The focus here is on how we teach reading, focus on fluency and growth, and yet cultivate a love of reading in the students.

The Department of Information Services has designed a comprehensive "Technology Plan" for the next five years to address the role of technology in the School District. The Department is working with the Curriculum Division to enhance instruction through the use of state of the art technology. They are working with data to identify student performance gaps so that teachers can target issues to increase achievement. A review of the current data, an examination of the courses of study and an investigation into the technological resources now available to educators will lead to the development of an "instructional technology integrated guide," complete with templates in different subject areas a listing of

materials to use, formative and summative assessment strategies to implement, and recommendations for staff development. The Board of Education has received a preliminary presentation. The issue of funding the plan is under active discussion by the Board of Education and Administration.

The Curriculum Division in connection with the Business Department conducted a facilities and enrollment study. The goal was to maximize the use of our buildings, alleviate overcrowding in some buildings, accommodate enrollment projections for the next five years, and maintain our concept of community and cluster schools. A recently commissioned committee is now further studying attendance zone patterns and student enrollment projections in an attempt to work through issues of overcrowding at the elementary and middle school levels. The goal is to move sixth graders from the elementary schools into the middle school. A group is studying the school day structure and the starting/ending bell times to allow for a more efficient and effective busing system.

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

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

The Community/Business/School (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, UCAR Carbon, Cuyahoga Community College, Bryant and Stratton College, the VFW and Parma Community Hospital are some of the CBS business partners active with the School District.

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

Financial Update

During the 2000-2001 fiscal year, the Board of Education engaged in significant activity relative to the fiscal management and business management of the School District. Below is a listing of significant activities for the 2001 fiscal year and before:

April 1999	Performance Audit received from Auditor of State's Office.
October 25, 1999	Economy and Efficiency Plan adopted and filed with Auditor of State and Ohio Department of Education.
March 2000	2.0 mill Permanent Improvement Levy approved by voters. 6.0 mill Operating Levy approved by voters.
June 26, 2000 and July 17, 2000	Resolution to place the renewal of the expiring \$9,197,860 Five-Year Emergency Levy on the November 7, 2000 ballot.
September 25, 2000	Adoption of 2000-2001 Appropriations. Authorization of Change in Prescription Drug Program Provider.
November 7, 2000	\$9,197,860 Emergency Levy Renewal approved by voters.
December 18, 2000	Updated 2000-2001 Budget Estimate and Fiscal Projections 2001-2002 through 2004-2005 adopted and filed with the State.
January 24, 2001	Board of Education Budget Workshop.
February 12, 2001	\$1,000,000 General Fund advance to the Permanent Improvement Fund. Adoption of Resolution 2001-2-60.1, Allocating \$1,600,000 Rainy Day Fund for Additional General Fund Textbook Purchases. Adoption of Resolution 2001-2-76, Modifying the Continuous Improvement Plan to reduce the All Day Kindergarten Program.
April 2, 2001	Approval of an amendment to the Medical Mutual contract returning the \$1,143,928 terminal reserve fund to the School District.
April 30, 2001	\$1,000,000 General Fund advance to the Permanent Improvement Fund approved. Agreement on a new two-year Collective Bargaining Agreement with OAPSE approved.
June 6, 2001	H.B. 94 signed by Governor Taft including two-year Education Budget.
June/July, 2001	Health, Dental and Vision Request for Proposals.
July 23, 2001	Board of Education Budget Workshop.
August 2, 2001	School Facilities Commission Report Reviewed with School District's Ohio House of Representatives and State Senator.
September 24, 2001	New Three-year Collective Bargaining Agreement with PEA Approved . Adoption of 2001-2002 Appropriations.
September/October, 2001	Approval of RFP's for Health, Dental and Vision Employee Insurance.

Throughout fiscal year 2001, fiscal management procedures have continued to be refined and improved. The monthly financial report to the Board of Education has once again been expanded and enhanced.

As a result of the passage of the March 2000 2.0 mill Permanent Improvement levy the Board of Education advanced \$2,000,000 to allow for several important capital projects to be completed during the summer of 2000. The 2001-2002 school year will see the implementation of the first year of our five year capital repairs and improvement plan.

The School District will receive a \$5,739,170 increase in State funding for the 2001-2002 school year. The increase was the result of the Ohio Legislature's enactment of partial school funding reforms in response to the Ohio Supreme Court's rulings in DeRolph vs the State of Ohio.

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

- The 2002 Renewal of the existing Emergency Levy.
- Ohio Legislative action to fully fund the Ohio Supreme Court's Ruling (DeRolph vs. State of Ohio).
- Funding the Technology Plan.
- Developing a Technology Replacement Schedule.
- Funding the Educational Improvement Plan.
- Funding the School Attendance Zone Committee Recommendations.
- Funding the Unified Arts Committee Report.
- Updating the Five-Year Fiscal Projections.

As we move the fiscal management of the School District into the future, management and the Board of Education has focused on managing our financial plans. Currently, we are operating within a five-year budget plan; within the five and ten-year enrollment projections; within the five-year capital repair plan; and within the recommendations of the Auditor of State's Performance Audit.

Calender year 2001 has been a calm and stable year financially. Our financial outlook is stable and we are focused on increasing student achievement District wide as we move into the future.

Financial Information

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

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

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

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

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

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

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

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

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

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

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

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

As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the School District. This discussion is presented in the financial section of this report and provides an assessment of the School District finances for 2001.

Cash Management

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

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

Risk Management

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

For fiscal year 2001, the School District contracted with Coregis Insurance Organization for property and casualty insurance. There is a \$10,000 deductible with a one hundred percent blanket, all risk policy. The Coregis Insurance Organization covers the boiler and machinery with a \$2,500 deductible and a \$30,000,000 limit.

The Coregis Insurance Organization provides general liability protection with a \$1,000,000 single occurrence limit and \$3,000,000 aggregate and no deductible. Coregis Insurance Organization also provides a \$10,000,000 umbrella/excess liability policy. Vehicles are covered by Coregis Insurance Organization and hold a \$100 comprehensive and \$250 collision deductible. Automobile liability has a \$1,000,000 liability limit per accident.

National Union Fire Insurance Company protects school leaders' errors and omissions with a \$1,000,000 annual aggregate and \$2,500 deductible per occurrence.

Pension Plans

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

Independent Audit

In accordance with Ohio Law, independent audits are required to be performed annually on all financial operations of the School District. Independent auditor Jim Petro, Auditor of State, was selected to render an opinion on the School District's financial statements as of June 30, 2001. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Pursuant to statute, the State prescribed a uniform accounting system to standardize accounting classification and financial reporting for all governments in Ohio. The School District adopted and has been in conformance with that system beginning with its financial report for the 1999 fiscal year.

Awards

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

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

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

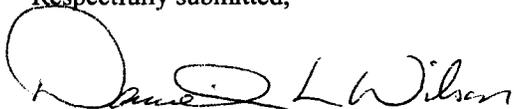
Acknowledgments

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

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

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

Respectfully submitted,



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

Parma City School District

Principal Officials

June 30, 2001

Board of Education

John W. Decker President
Daniel P. Walsh Vice-President
Marilyn A. Coleman Member
Karen S. Dendorfer Member
J. Kevin Kelley Member

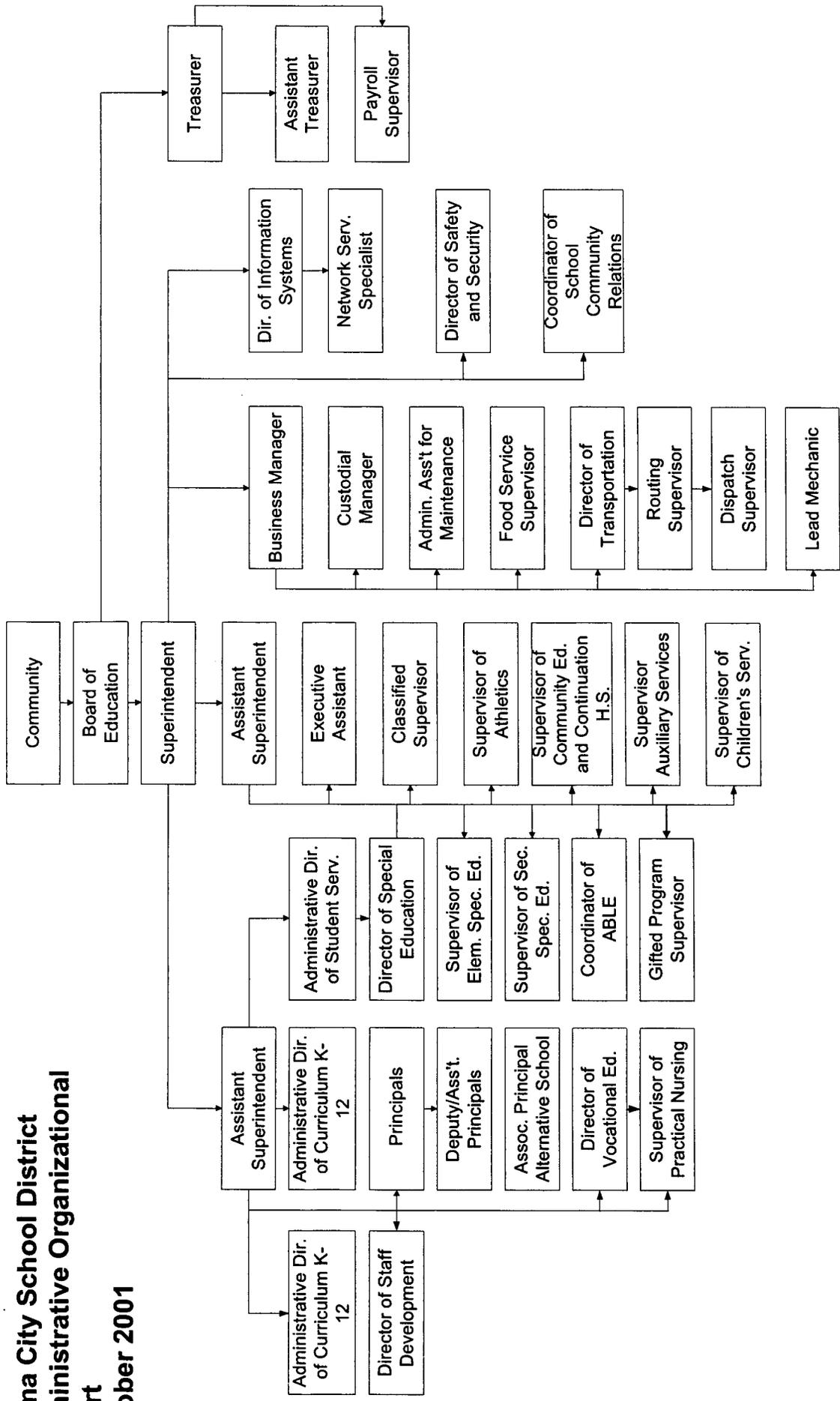
Chief Financial Officer/Budget Director

Daniel L. Wilson July 26, 1999 - Present

Administration

Marsha Harrison Superintendent
Sarah Sweeney Assistant Superintendent of Human Resources
Jim Stanton Business Manager
Michael Hartenstein Director of Information Technologies
Anna Maria Tabernik Assistant Superintendent of
Curriculum and Instruction

**Parma City School District
Administrative Organizational
Chart
October 2001**



**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

PARMA CITY SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2000

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

Linda White
President

Ann K. Hagan
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, 2000

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.



Anne Spray Kinsey
President

Jeffrey L. Essler
Executive Director



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Lausche Bldg
615 W Superior Ave
Floor 12
Cleveland OH 44113 - 1801
Telephone 216-787-3665
800-626-2297
Facsimile 216-787-3361
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

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

We have audited the accompanying basic financial statements of the Parma City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2001, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Parma City School District, Cuyahoga County, Ohio, as of June 30, 2001, and the results of its operations and the cash flows of its proprietary funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3 to the basic financial statements, the District adopted Governmental Accounting Standards Board Statement 34, as of and for the year ended June 30, 2001.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2001 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We applied limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion thereon.

We performed our audit to form an opinion on the basic financial statements of the District, taken as a whole. The combining and individual fund statements and schedules listed in the table of contents are presented for additional analysis and are 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 and, in our opinion, is fairly presented in all material respects, in relation to the basic financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

December 17, 2001

Parma City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2001
Unaudited

The discussion and analysis of Parma City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2001. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2001 are as follows:

- Total net assets increased \$10.7 million, an increase of \$10.6 million in Governmental Activities and an increase of \$.1 million in Business Type Activities.
- General revenues accounted for \$100 million in revenue or 88.9 percent of all revenues for governmental activities. Program specific revenues in the form of charges for services, sales, grants or contributions accounted for \$12.5 million or 11.1 percent of total revenues of \$112.5 million.
- Total program expenses were \$101.9 million in Governmental Activities and \$5.2 million in Business Type Activities.
- Outstanding debt decreased by \$1.8 million to \$8.3 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 funds with all other nonmajor funds presented in total in one column. The general fund is the most significant governmental 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 2000-2001 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

Parma City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2001
Unaudited

accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid. This is a major change from our previous annual financial reports.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

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

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

Parma City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2001
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 2001 compared to 2000:

(Table 1)
Net Assets
(In millions)

	Governmental Activities		Business-Type Activities		Total	
	2001	2000	2001	2000	2001	2000
Assets						
Current and Other Assets	\$105.6	\$89.4	\$1.4	\$1.4	\$107.0	\$90.8
Capital Assets	23.7	22.6	0.1	0.1	23.8	22.7
Total Assets	129.3	112.0	1.5	1.5	130.8	113.5
Liabilities						
Current Liabilities	86.2	77.4	0.4	0.5	86.6	77.9
Long-Term Liabilities:						
Due Within One Year	1.7	1.6	0.0	0.1	1.7	1.7
Due in More Than One Year	11.1	13.3	0.1	0.0	11.2	13.3
Total Liabilities	99.0	92.3	0.5	0.6	99.5	92.9
Net Assets						
Invested in Capital Assets Net of Related Debt	20.8	19.3	0.1	0.1	20.9	19.4
Restricted for:						
Capital Projects	0.7	0.6	0.0	0.0	0.7	0.6
Debt Service	1.7	(1.9)	0.0	0.0	1.7	(1.9)
Other Purposes	2.1	3.2	0.0	0.0	2.1	3.2
Unrestricted (Deficit)	5.0	(1.5)	0.9	0.8	5.9	(0.7)
Total Net Assets	\$30.3	\$19.7	\$1.0	\$0.9	\$31.3	\$20.6

Total assets increased \$17.3 million. Equity in pooled cash and cash equivalents increased \$5.6 million. Taxes receivable increased \$13.1 million; of this increase, \$8.2 million is offset by an increase in deferred revenue. These increases are due to the passage of a new 2.0 mill permanent improvement levy and a new 6.0 mill operating levy in March of 2000. The collections from these levies began in January 2001. However, full collection of the new 6.0 mill levy, yielding \$12.1 million annually, will not occur until fiscal year 2002.

Parma City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2001
Unaudited

Liabilities for Governmental Activities increased by \$6.7 million. This increase was primarily the result of increased deferred revenue of \$10.2 million. This increase was offset by a decrease in long-term liabilities of \$2.1 million. The decrease in long-term liabilities is due to a significant amount of employees with high amounts of accumulated sick and vacation hours outstanding retiring at the end of the fiscal year.

The net impact was an increase of net assets by \$10.6. As the full collection of the new tax levy occurs this is anticipated to continue a positive impact.

Table 2 shows the changes in net assets for fiscal year 2001. Since this is the first year the School District has prepared financial statements following GASB Statement 34, revenue and expense comparisons to fiscal year 2000 are not available. In future years, when prior year information is available, a comparative analysis of governmental data will be presented.

Table 2
Changes in Net Assets
(In millions)

	Governmental Activities 2001	Business-Type Activities 2001	Total 2001
Revenues			
Program Revenues:			
Charges for Services	\$3.9	\$4.0	\$7.9
Operating Grants	8.4	1.3	9.7
Capital Grants	0.1	0.0	0.1
General Revenue:			
Property Taxes	73.9	0.0	73.9
Grants and Entitlements	23.8	0.0	23.8
Investments	1.5	0.0	1.5
Other	0.9	0.0	0.9
Total Revenues	112.5	5.3	117.8
Program Expenses			
Instruction:	58.8	0.0	58.8
Support Services:			
Pupil and Instructional Staff	10.1	0.0	10.1
Board of Education, Administration			
Fiscal and Business	10.0	0.0	10.0
Operation and Maintenance of Plant	10.1	0.0	10.1
Pupil Transportation	4.3	0.0	4.3
Central	1.5	0.0	1.5
Operation of Non-Instructional Services	4.3	0.0	4.3
Enterprise Operations	0.0	5.2	5.2
Extracurricular Activities	2.3	0.0	2.3
Interest and Fiscal Charges	0.5	0.0	0.5
Total Expenses	101.9	5.2	107.1
Increase in Net Assets	\$10.6	\$0.1	\$10.7

Parma City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2001
Unaudited

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 millage 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 to the voters to increase property taxes to maintain a constant level of service. Property taxes made up 66 percent of revenues for governmental activities for Parma Schools in fiscal year 2001.

The largest Governmental Activities program expense remains instruction, comprising 58 percent of expenses. When combined with pupil and instructional support these categories make up 67 percent of expenses.

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

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

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, (services supported by tax revenue and unrestricted State entitlements), the total cost of services and the net cost of services. Comparison between fiscal year 2000 and 2001 is not possible due to the unavailability of 2000 information.

Table 3
 Governmental Activities
 (In millions)

	Total Cost of Services 2001	Net Cost of Services 2001
Instruction	\$58.8	\$53.4
Support Services:		
Pupil and Instructional Staff	10.1	9.3
Board of Education, Administration, Fiscal and Business	10.0	9.9
Operation and Maintenance of Plant	10.2	9.8
Pupil Transportation	4.2	3.6
Central	1.5	1.3
Operation of Non-Instructional Services	4.3	0.8
Extracurricular Activities	2.3	0.8
Interest and Fiscal Charges	0.5	0.5
 Total	 \$101.9	 \$89.4

Parma City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2001
Unaudited

The dependence upon tax revenues for governmental activities is apparent. Over 90 percent of instruction activities are supported through taxes and other general revenues, for all governmental activities general revenue support is 93 percent. 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 \$0.1 million in 2001. Business type activities cash positions are consistently positive and have allowed individual Business Type Activities to absorb additional program expenses over the last three years.

The School District's Funds

Information about the School District's major funds starts on page 16. These governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$112.2 million and expenditures of \$105.6 million. The net change in fund balance for the year was most significant in the General Fund, an increase of \$7.2 million. As previously discussed, the School District received voter approval for a 6.0 mill operating levy in March of 2000. This new tax revenue, which was first received in January 2001, will improve School District financial stability for several years.

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 2001 the School District amended its general fund budget several times to allow for an additional advance to the permanent improvement fund and other less significant amendments.

For the general fund, final budget basis estimated revenue was \$97.5 million, \$6 million above original budget estimates of \$91.5 million. Total actual revenues were \$96.8 million, \$5.3 million above the original budget estimates.

Total actual expenditures on the budget basis (cash outlays plus encumbrances) were \$94.6 million. The passage of the 6.0 mill operating levy discussed earlier only partly affected fiscal 2001. Full collection of the \$12.1 million revenue from this levy combined with an increase in intergovernmental revenues is expected to result in an excess of revenues over expenditures in 2002.

Parma City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2001
Unaudited

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2001 the School District had \$23.7 million invested in land, land improvements, buildings, equipment and vehicles, \$23.6 million in governmental activities. Table 4 shows fiscal 2001 balances compared to 2000:

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

	Governmental Activities		Business-Type Activities		Total	
	2001	2000	2001	2000	2001	2000
Land	\$5.1	\$5.1	\$0.0	\$0.0	\$5.1	\$5.1
Land Improvements	1.6	1.2	0.0	0.0	1.6	1.2
Buildings and Improvements	12.4	12.0	0.0	0.0	12.4	12.0
Furniture and Equipment	3.0	3.0	0.1	0.1	3.1	3.1
Vehicles	1.5	1.3	0.0	0.0	1.5	1.3
Totals	\$23.6	\$22.6	\$0.1	\$0.1	\$23.7	\$22.7

The primary increase occurred in land improvements and buildings and improvements which include construction projects for computer cabling, heating and lighting systems and library renovations. The lack of an increase in equipment is the result of budget reductions deferring these purchases until funds are available. Vehicles increased and textbooks are fully depreciated (not shown on schedule).

For fiscal year 2000, a change in Ohio law required school districts to set aside two percent of certain revenues for capital improvements and an additional two percent for textbooks. For fiscal year 2001, this amounted to \$2.2 million for each set aside. For fiscal year 2001 the School District had qualifying disbursements or offsets exceeding these requirements. For fiscal year 2001, the requirement for a budget reserve set aside requirement was eliminated. See Note 9 to the basic financial statements for additional information on capital assets.

Debt

At June 30, 2001 the School District had \$8.3 million in bonds and notes outstanding, \$1.8 million due within one year. Table 5 summarizes bonds and notes outstanding.

Parma City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2001
Unaudited

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

	Governmental Activities 2001	Governmental Activities 2000
General Obligation Bonds:		
1992 Energy Conservation	\$0.6	\$0.8
1999 Byers Field	2.3	2.5
Note Payable:		
1999 Tax Anticipation	5.4	6.8
Total	\$8.3	\$10.1

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

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

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

At June 30, 2001, the School District's overall legal debt margin was \$200,406,670 with an unvoted debt margin of \$2,233,614. The School District does not have a current bond rating. See Note 16 to the basic financial statements for additional information on long-term obligations.

Current Issues

The Parma City School District is financially stable. The Board of Education and administration have implemented fiscal management disciplines that utilize a variety of formal plans. We are working within the five-year budget plan, the five-year capital repairs and renovations plan, the continuous improvement plan, the five-year enrollment projections, and the Auditor of State's performance audit. The passage of the March 2000 6.0 mill operating levy and two mill permanent improvement levy have provided the necessary revenue base to support current program levels. Our future revenue base is dependent upon the renewal of emergency levies expiring in 2002 and 2004. It is currently projected that new revenue will be necessary in 2003 or 2004 to continue current level programming.

Several significant legislative and judicial actions have occurred that will have a major impact on our School District. The Ohio Supreme Court has issued its fourth decision regarding school funding reform in Ohio. We believe that the ultimate resolution of funding reform is still sometime away. The sudden 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 second year of the current primary and secondary education State budget. We are also concerned that the local tax base may be weakened as a result

Parma City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2001
Unaudited

of the current economic conditions and therefore negatively impact local tax revenues. The ongoing legislative efforts to support the existence of community (charter) schools comes at the expense of our current State subsidy. This year approximately \$698,000 will be deducted from our State subsidy and redirected to local community (charter) schools. Our School District has been impacted by the continuing national trend of rapidly escalating employee benefit cost. We are in the process of competitive bidding the health, dental and vision plans in hopes of slowing what has become a fifteen to twenty percent annual increase.

The current fiscal plan recognizes the following open issues that must be addressed within the next five years:

- ◆ The renewal of the existing emergency levies (2002 and the 2004).
- ◆ Judicial or legislative action on school funding reform.
- ◆ Funding of the School District technology plan.
- ◆ Development and funding of a technology replacement schedule.
- ◆ Funding the educational improvement plan.
- ◆ Funding the school attendance on committee recommendations.
- ◆ Funding the unified arts committee report.
- ◆ Updating the five-year budget plan.

The Parma City School District has committed itself to a fiscal discipline based on long-term plans as well as a commitment to full disclosure of financial information and utilization of the highest standards of financial reporting. Since 1999 the School District's commitment to improve fiscal management has led to many budgeting, reporting and internal control enhancements. The School District has received the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for three years and the Association of School Business Officials International (ASBO) Certificate of Excellence in Financial Reporting for three of the past four years.

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 and understanding of the School District's financial position. Daniel L. Wilson, Chief Financial Officer can be contacted at the Parma City School District, 6726 Ridge Road, Parma, Ohio 44129 or by the mail at danielwils@parma.k12.oh.us.

BASIC FINANCIAL STATEMENTS

Parma City School District

Statement of Net Assets

June 30, 2001

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$22,973,920	\$1,323,002	\$24,296,922
Accounts Receivable	257,395	13,621	271,016
Intergovernmental Receivable	254,319	180	254,499
Accrued Interest Receivable	39,358	0	39,358
Taxes Receivable	81,640,257	0	81,640,257
Internal Balances	40,802	(40,802)	0
Materials and Supplies Inventory	281,951	0	281,951
Inventory Held for Resale	0	93,939	93,939
Prepaid Items	156,925	0	156,925
Nondepreciable Capital Assets	5,096,730	0	5,096,730
Depreciable Capital Assets, Net	18,555,608	98,818	18,654,426
<i>Total Assets</i>	<u>129,297,265</u>	<u>1,488,758</u>	<u>130,786,023</u>
Liabilities			
Accounts Payable	1,185,699	22,348	1,208,047
Accrued Wages	5,357,048	191,036	5,548,084
Intergovernmental Payable	2,390,119	129,029	2,519,148
Deferred Revenue	71,766,198	10,467	71,776,665
Accrued Interest Payable	45,618	0	45,618
Notes Payable	5,440,000	0	5,440,000
Long-Term Liabilities:			
Due Within One Year	1,733,176	36,154	1,769,330
Due In More Than One Year	11,081,156	98,693	11,179,849
<i>Total Liabilities</i>	<u>98,999,014</u>	<u>487,727</u>	<u>99,486,741</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	20,827,338	98,818	20,926,156
Restricted for:			
Capital Projects	640,534	0	640,534
Debt Service	1,726,416	0	1,726,416
Other Purposes	2,099,825	0	2,099,825
Unrestricted	5,004,137	902,213	5,906,350
<i>Total Net Assets</i>	<u>\$30,298,250</u>	<u>\$1,001,031</u>	<u>\$31,299,281</u>

See accompanying notes to the basic financial statements

Parma City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2001

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
Instruction:				
Regular	\$46,171,336	\$1,711,772	\$1,319,226	\$0
Special	10,151,082	166,291	1,856,864	0
Vocational	2,412,894	0	340,317	0
Adult/Continuing	131,614	0	115,426	0
Support Services:				
Pupil	5,702,894	0	405,996	0
Instructional Staff	4,373,868	0	397,263	0
Board of Education	445,182	0	0	0
Administration	6,800,226	0	120,212	0
Fiscal	2,122,588	0	0	0
Business	608,938	0	0	0
Operation and Maintenance of Plant	10,154,889	2,675	354,675	13,459
Pupil Transportation	4,298,362	522,180	0	138,557
Central	1,489,597	0	100,553	0
Operation of Non-Instructional Services	4,263,121	94,526	3,333,925	0
Extracurricular Activities	2,279,498	1,459,290	17,363	0
Interest and Fiscal Charges	484,966	0	0	0
<i>Total Governmental Activities</i>	<u>101,891,055</u>	<u>3,956,734</u>	<u>8,361,820</u>	<u>152,016</u>
Business-Type Activities				
Food Service	3,043,913	2,141,770	948,507	0
Adult Education	926,264	793,337	206,903	0
Extended Day Care/Preschool	1,181,824	1,040,067	109,850	0
<i>Total Business-Type Activities</i>	<u>5,152,001</u>	<u>3,975,174</u>	<u>1,265,260</u>	<u>0</u>
<i>Totals</i>	<u>\$107,043,056</u>	<u>\$7,931,908</u>	<u>\$9,627,080</u>	<u>\$152,016</u>

General Revenues

Property Taxes Levied for:

General Purposes

Debt Service

Capital Outlay

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Miscellaneous

Gain on the Sale of Capital Assets

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year - (See Note 3)

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
(\$43,140,338)	\$0	(\$43,140,338)
(8,127,927)	0	(8,127,927)
(2,072,577)	0	(2,072,577)
(16,188)	0	(16,188)
(5,296,898)	0	(5,296,898)
(3,976,605)	0	(3,976,605)
(445,182)	0	(445,182)
(6,680,014)	0	(6,680,014)
(2,122,588)	0	(2,122,588)
(608,938)	0	(608,938)
(9,784,080)	0	(9,784,080)
(3,637,625)	0	(3,637,625)
(1,389,044)	0	(1,389,044)
(834,670)	0	(834,670)
(802,845)	0	(802,845)
(484,966)	0	(484,966)
<u>(89,420,485)</u>	<u>0</u>	<u>(89,420,485)</u>
0	46,364	46,364
0	73,976	73,976
<u>0</u>	<u>(31,907)</u>	<u>(31,907)</u>
<u>0</u>	<u>88,433</u>	<u>88,433</u>
<u>(89,420,485)</u>	<u>88,433</u>	<u>(89,332,052)</u>
70,818,304	0	70,818,304
852,293	0	852,293
2,203,382	0	2,203,382
23,777,006	0	23,777,006
1,473,616	0	1,473,616
902,636	0	902,636
11,625	0	11,625
<u>100,038,862</u>	<u>0</u>	<u>100,038,862</u>
10,618,377	88,433	10,706,810
<u>19,679,873</u>	<u>912,598</u>	<u>20,592,471</u>
<u>\$30,298,250</u>	<u>\$1,001,031</u>	<u>\$31,299,281</u>

Parma City School District

Balance Sheet

Governmental Funds

June 30, 2001

	General	Bond Retirement Debt Service	Permanent Improvement Capital Projects
Assets			
Equity in Pooled Cash and Cash Equivalents	\$14,367,201	\$2,062,998	\$2,293,283
Receivables:			
Taxes	77,245,427	661,805	3,733,025
Accounts	257,395	0	0
Intergovernmental	56,578	0	0
Accrued Interest	39,358	0	0
Interfund	2,792,527	0	0
Materials and Supplies Inventory	281,951	0	0
Prepaid Items	156,925	0	0
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	939,583	0	0
<i>Total Assets</i>	<u>\$96,136,945</u>	<u>\$2,724,803</u>	<u>\$6,026,308</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$756,765	\$0	\$194,599
Accrued Wages	5,055,228	0	0
Intergovernmental Payable	1,423,415	0	0
Interfund Payable	0	617,823	2,000,000
Deferred Revenue	70,544,005	455,574	3,393,019
Accrued Interest Payable	20,853	0	0
Notes Payable	5,440,000	0	0
<i>Total Liabilities</i>	<u>83,240,266</u>	<u>1,073,397</u>	<u>5,587,618</u>
Fund Balances			
Reserved for Encumbrances	1,730,884	0	1,718,137
Reserved for Inventory	281,951	0	0
Reserved for Property Taxes	6,200,266	191,761	322,287
Reserved for Budget Stabilization	939,583	0	0
Unreserved, Undesignated (Deficit), Reported in:			
General Fund	3,743,995	0	0
Special Revenue Funds	0	0	0
Debt Service Funds	0	1,459,645	0
Capital Projects Funds	0	0	(1,601,734)
<i>Total Fund Balances</i>	<u>12,896,679</u>	<u>1,651,406</u>	<u>438,690</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$96,136,945</u>	<u>\$2,724,803</u>	<u>\$6,026,308</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, 2001*

Other Governmental Funds	Total Governmental Funds
\$3,310,855	\$22,034,337
0	81,640,257
0	257,395
197,741	254,319
0	39,358
0	2,792,527
0	281,951
0	156,925
<u>0</u>	<u>939,583</u>
<u>\$3,508,596</u>	<u>\$108,396,652</u>
234,335	1,185,699
301,820	5,357,048
79,208	1,502,623
133,902	2,751,725
194,741	74,587,339
0	20,853
<u>0</u>	<u>5,440,000</u>
<u>944,006</u>	<u>90,845,287</u>
706,087	4,155,108
0	281,951
0	6,714,314
0	939,583
0	3,743,995
1,769,639	1,769,639
0	1,459,645
<u>88,864</u>	<u>(1,512,870)</u>
<u>2,564,590</u>	<u>17,551,365</u>
<u>\$3,508,596</u>	<u>\$108,396,652</u>

Total Governmental Funds Balances	\$17,551,365
<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	23,652,338
Other long-term assets are not available to pay for current-period expenditures and therefore are not deferred in the funds:	
Grants	194,741
Property Tax	<u>2,626,400</u>
Total	2,821,141
Due to other governments includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds.	(887,497)
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:	
General Obligation Bonds	(2,825,000)
Special Termination Benefits Payable	(438,667)
Compensated Absences	(9,550,665)
Accrued Interest Payable	<u>(24,765)</u>
Total	<u>(12,839,097)</u>
<i>Net Assets of Governmental Activities</i>	<u><u>\$30,298,250</u></u>

Parma City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2001

	General	Bond Retirement Debt Service	Permanent Improvement Capital Projects
Revenues			
Taxes	\$70,365,995	\$819,779	\$2,077,314
Intergovernmental	24,846,109	61,708	354,675
Interest	1,428,879	0	0
Tuition and Fees	1,832,482	0	0
Extracurricular Activities	423,746	0	0
Rentals	576,153	0	0
Charges for Services	522,180	0	2,675
Contributions and Donations	80	0	0
Miscellaneous	174,415	0	98,346
<i>Total Revenues</i>	<u>100,170,039</u>	<u>881,487</u>	<u>2,533,010</u>
Expenditures			
Current:			
Instruction:			
Regular	44,885,221	0	0
Special	9,272,538	0	0
Vocational	2,316,383	0	0
Adult/Continuing	789	0	0
Support Services:			
Pupil	5,204,193	0	0
Instructional Staff	3,618,268	0	0
Board of Education	442,639	0	0
Administration	6,974,746	0	0
Fiscal	2,124,687	6,282	0
Business	619,083	0	0
Operation and Maintenance of Plant	9,485,597	0	0
Pupil Transportation	4,568,531	0	0
Central	1,657,009	0	0
Operation of Non-Instructional Services	90,248	0	0
Extracurricular Activities	1,066,514	0	0
Capital Outlay	153,700	0	2,557,128
Debt Service:			
Principal Retirement	0	465,000	0
Interest and Fiscal Charges	302,373	172,898	0
<i>Total Expenditures</i>	<u>92,782,519</u>	<u>644,180</u>	<u>2,557,128</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>7,387,520</u>	<u>237,307</u>	<u>(24,118)</u>
Other Financing Sources (Uses)			
Sale of Fixed Assets	11,625	0	0
Transfers In	0	0	0
Transfers Out	(175,418)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(163,793)</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	7,223,727	237,307	(24,118)
<i>Fund Balances Beginning of Year - Restated (See Note 3)</i>	5,730,450	1,414,099	462,808
Decrease in Reserve for Inventory	(57,498)	0	0
<i>Fund Balances End of Year</i>	<u>\$12,896,679</u>	<u>\$1,651,406</u>	<u>\$438,690</u>

See accompanying notes to the basic financial statements

Parma City School District
*Reconciliation of the Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2001*

Other Governmental Funds	Total Governmental Funds
\$0	\$73,263,088
7,227,148	32,489,640
44,737	1,473,616
20	1,832,502
485,194	908,940
0	576,153
114,284	639,139
79,041	79,121
629,875	902,636
<u>8,580,299</u>	<u>112,164,835</u>
793,685	45,678,906
1,002,616	10,275,154
105,334	2,421,717
125,188	125,977
649,844	5,854,037
753,270	4,371,538
155	442,794
280,144	7,254,890
1,170	2,132,139
0	619,083
0	9,485,597
8,215	4,576,746
44,368	1,701,377
4,494,870	4,585,118
1,184,322	2,250,836
215,467	2,926,295
0	465,000
0	475,271
<u>9,658,648</u>	<u>105,642,475</u>
<u>(1,078,349)</u>	<u>6,522,360</u>
0	11,625
175,418	175,418
0	(175,418)
<u>175,418</u>	<u>11,625</u>
(902,931)	6,533,985
3,467,521	11,074,878
0	(57,498)
<u>\$2,564,590</u>	<u>\$17,551,365</u>

Net Change in Fund Balances - Total Governmental Funds \$6,533,985

*Amounts reported for governmental activities in the
statement of activities are different because*

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	2,905,271
Depreciation	<u>(1,843,986)</u>

Total 1,061,285

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property Tax	610,891
Grants	<u>(277,919)</u>

Total 332,972

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 465,000

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (9,695)

Some expenses reported in the statement of activities, such as compensated absences and intergovernmental payable which represent contractually required pension payable which represent contractually required pension resources and therefore are not reported as expenditures

Pension	53,548
Compensated Absences	2,019,447
Special Termination Benefits	219,333
Change in Inventory	<u>(57,498)</u>

Total 2,234,830

Change in Net Assets of Governmental Activities \$10,618,377

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, 2001

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget		
Revenues				
Taxes	\$60,716,601	\$64,685,042	\$66,835,000	\$2,149,958
Intergovernmental	27,283,491	29,066,742	24,976,047	(4,090,695)
Interest	1,220,245	1,300,000	1,552,592	252,592
Tuition and Fees	1,426,748	1,520,000	1,728,935	208,935
Extracurricular Activities	207,950	221,542	436,930	215,388
Rentals	215,889	230,000	566,954	336,954
Charges for Services	140,797	150,000	522,180	372,180
Contributions and Donations	0	0	80	80
Miscellaneous	305,061	325,000	166,920	(158,080)
<i>Total Revenues</i>	91,516,782	97,498,326	96,785,638	(712,688)
Expenditures				
Current:				
Instruction:				
Regular	46,312,559	46,678,063	45,919,074	758,989
Special	9,163,581	9,262,632	9,216,930	45,702
Vocational	2,658,031	2,673,931	2,394,509	279,422
Adult/Continuing	25,012	26,628	13,958	12,670
Support Services:				
Pupils	5,451,863	5,427,485	5,208,466	219,019
Instructional Staff	3,783,299	4,234,441	3,804,021	430,420
Board of Education	229,471	546,753	486,689	60,064
Administration	7,349,416	7,274,742	6,975,577	299,165
Fiscal	2,052,761	2,287,033	2,151,678	135,355
Business	842,949	961,077	710,791	250,286
Operation and Maintenance of Plant	10,082,871	10,202,393	9,934,560	267,833
Pupil Transportation	4,048,618	4,373,905	4,710,877	(336,972)
Central	1,923,201	1,809,276	1,752,015	57,261
Operation of Non-Instructional Services	450	118,198	107,083	11,115
Extracurricular Activities	1,492,649	1,480,234	1,103,388	376,846
Capital Outlay	206,039	205,296	158,447	46,849
<i>Total Expenditures</i>	95,622,770	97,562,087	94,648,063	2,914,024
<i>Excess of Revenues Over (Under) Expenditures</i>	(4,105,988)	(63,761)	2,137,575	2,201,336
Other Financing Sources (Uses)				
Proceeds from Sale of Fixed Assets	10,000	10,000	11,625	1,625
Advances In	130,000	130,000	2,060,642	1,930,642
Advances Out	(910,500)	(2,412,170)	(2,052,880)	359,290
Operating Transfers Out	(964,106)	(827,271)	(175,418)	651,853
<i>Total Other Financing Sources (Uses)</i>	(1,734,606)	(3,099,441)	(156,031)	2,943,410
<i>Net Change in Fund Balance</i>	(5,840,594)	(3,163,202)	1,981,544	5,144,746
<i>Fund Balance Beginning of Year</i>	9,444,846	9,444,846	9,444,846	0
Prior Year Encumbrances Appropriated	1,366,152	1,366,152	1,366,152	0
<i>Fund Balance End of Year</i>	\$4,970,404	\$7,647,796	\$12,792,542	\$5,144,746

See accompanying notes to the basic financial statements

Parma City School District
Statement of Fund Net Assets
Enterprise Funds
June 30, 2001

	Food Service	Adult Continuing Education	Extended Daycare/ Preschool	Total
Assets				
Equity in Pooled Cash and Cash Equivalents	\$493,119	\$373,937	\$455,946	\$1,323,002
Receivables:				
Accounts	0	0	13,621	13,621
Intergovernmental	0	180	0	180
Inventory Held for Resale	93,939	0	0	93,939
<i>Total Current Assets</i>	587,058	374,117	469,567	1,430,742
Noncurrent Assets:				
Capital Assets, Net	79,093	9,301	10,424	98,818
<i>Total Assets</i>	666,151	383,418	479,991	1,529,560
Liabilities				
Accounts Payable	0	19,510	2,838	22,348
Accrued Wages	79,479	47,668	63,889	191,036
Compensated Absences Payable	15,042	9,021	12,091	36,154
Intergovernmental Payable	51,967	30,816	46,246	129,029
Interfund Payable	0	40,802	0	40,802
Deferred Revenue	10,467	0	0	10,467
<i>Total Current Liabilities</i>	156,955	147,817	125,064	429,836
Long-Term Liabilities:				
Compensated Absences Payable	90,266	4,804	3,623	98,693
<i>Total Liabilities</i>	247,221	152,621	128,687	528,529
Net Assets				
Invested in Capital Assets	79,093	9,301	10,424	98,818
Unrestricted	339,837	221,496	340,880	902,213
<i>Total Net Assets</i>	\$418,930	\$230,797	\$351,304	\$1,001,031

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, 2001*

	Food Service	Adult Continuing Education	Extended Daycare/ Preschool	Total
Operating Revenues				
Tuition	\$0	\$741,456	\$1,039,697	\$1,781,153
Sales	2,141,770	0	0	2,141,770
Charges for Services	0	49,772	0	49,772
Miscellaneous	0	2,109	370	2,479
<i>Total Operating Revenues</i>	<u>2,141,770</u>	<u>793,337</u>	<u>1,040,067</u>	<u>3,975,174</u>
Operating Expenses				
Salaries	1,016,202	619,433	818,434	2,454,069
Fringe Benefits	347,465	138,713	117,872	604,050
Purchased Services	114,493	95,357	153,489	363,339
Materials and Supplies	105,544	61,445	88,720	255,709
Cost of Sales	1,415,440	0	0	1,415,440
Depreciation	44,769	2,894	1,588	49,251
Other	0	8,422	1,721	10,143
<i>Total Operating Expenses</i>	<u>3,043,913</u>	<u>926,264</u>	<u>1,181,824</u>	<u>5,152,001</u>
<i>Operating Loss</i>	<u>(902,143)</u>	<u>(132,927)</u>	<u>(141,757)</u>	<u>(1,176,827)</u>
Non-Operating Revenues				
Donated Commodities	225,609	0	0	225,609
Operating Grants	722,898	206,903	109,850	1,039,651
<i>Total Non-Operating Revenues</i>	<u>948,507</u>	<u>206,903</u>	<u>109,850</u>	<u>1,265,260</u>
<i>Change in Net Assets</i>	46,364	73,976	(31,907)	88,433
<i>Net Assets Beginning of Year - Restated (See Note 3)</i>	<u>372,566</u>	<u>156,821</u>	<u>383,211</u>	<u>912,598</u>
<i>Net Assets End of Year</i>	<u>\$418,930</u>	<u>\$230,797</u>	<u>\$351,304</u>	<u>\$1,001,031</u>

See accompanying notes to the basic financial statements

Parma City School District
Statement of Cash Flows
Enterprise Funds
For the Fiscal Year Ended June 30, 2001

	Food Service	Adult Continuing Education	Extended Daycare/ Preschool	Total
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities				
Cash Received from Customers	\$2,142,228	\$791,046	\$1,051,516	\$3,984,790
Other Cash Receipts	0	2,109	370	2,479
Cash Payments to Employees for Services	(949,971)	(569,751)	(763,618)	(2,283,340)
Cash Payments for Employee Benefits	(450,672)	(155,629)	(211,899)	(818,200)
Cash Payments for Goods and Services	(1,392,762)	(159,779)	(250,983)	(1,803,524)
Other Cash Payments	0	(8,422)	(1,721)	(10,143)
<i>Net Cash Used for Operating Activities</i>	<u>(651,177)</u>	<u>(100,426)</u>	<u>(176,335)</u>	<u>(927,938)</u>
Cash Flows from Noncapital Financing Activities				
Operating Grants Received	827,040	224,619	109,850	1,161,509
Advances In	0	20,000	0	20,000
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>827,040</u>	<u>244,619</u>	<u>109,850</u>	<u>1,181,509</u>
Cash Flows from Capital and Related Financing Activities				
Payments for Capital Acquisitions	(29,035)	(2,000)	0	(31,035)
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	146,828	142,193	(66,485)	222,536
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>346,291</u>	<u>231,744</u>	<u>522,431</u>	<u>1,100,466</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$493,119</u></u>	<u><u>\$373,937</u></u>	<u><u>\$455,946</u></u>	<u><u>\$1,323,002</u></u>

(continued)

Parma City School District
Statement of Cash Flows
Enterprise Funds (continued)
For the Fiscal Year Ended June 30, 2001

	<u>Food Service</u>	<u>Adult Continuing Education</u>	<u>Extended Daycare/ Preschool</u>	<u>Total</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities				
Operating Loss	(\$902,143)	(\$132,927)	(\$141,757)	(\$1,176,827)
Adjustments:				
Depreciation	44,769	2,894	1,588	49,251
Donated Commodities Used During Year	225,609	0	0	225,609
(Increase) Decrease in Assets:				
Accounts Receivable	0	0	11,820	11,820
Due From Other Funds	458	0	0	458
Intergovernmental Receivable	0	(180)	0	(180)
Inventory Held for Resale	17,106	0	0	17,106
Increase (Decrease) in Liabilities:				
Accounts Payable	0	16,533	(5,937)	10,596
Accrued Wages	14,264	(646)	5,732	19,350
Compensated Absences Payable	8,242	10,331	14,737	33,310
Intergovernmental Payable	(59,482)	3,569	(62,518)	(118,431)
<i>Net Cash Used for Operating Activities</i>	<u>(\$651,177)</u>	<u>(\$100,426)</u>	<u>(\$176,335)</u>	<u>(\$927,938)</u>

See accompanying notes to the basic financial statements

Parma City School District
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2001

Assets

Equity Pooled in Cash and Cash Equivalents	<u><u>\$1,828,217</u></u>
--	---------------------------

Liabilities

Accounts Payable	\$70,459
Undistributed Monies	1,405,534
Due to Students	<u>352,224</u>

<i>Total Liabilities</i>	<u><u>\$1,828,217</u></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, 2001

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/or federal agencies. This Board of Education controls the School District's twenty-four instructional/support facilities staffed by 725 noncertified and 962 certificated full time teaching personnel who provide services to 13,245 students and other community members.

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. Josaph that are operated through the Cleveland Catholic Diocese. Current State legislation provides funding to these nonpublic schools. These monies are received and disbursed on behalf of the nonpublic schools by the Treasurer of the School District, as directed by the nonpublic schools. These transactions are reported as a governmental activity of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt or the levying of taxes for the organization. The School District has no 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, 2001

The School District participates in certain organizations which are defined as jointly governed organizations and a public entity risk pool. These organizations are the Lakeshore Northeast Ohio Computer Association and Ohio Schools Council Association, both jointly governed organizations, and the Ohio School Boards Association Workers' Compensation Group Rating Program, a public entity risk pool. These organizations are discussed in Note 17 and Note 18 of the general purpose financial statements.

Note 2 - Summary of Significant Accounting Policies

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

A. Basis Of Presentation

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

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

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

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

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2001

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. There are three categories of funds: governmental, proprietary and fiduciary.

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

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

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

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

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

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

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

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

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

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

Fiduciary Fund Type Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are custodial in nature (assets equal

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2001

liabilities) and do not involve measurement of results of operations. The School District's only fiduciary funds are agency funds.

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.

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 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 are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within 60 days of year-end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include income taxes, 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

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2001

basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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

Property taxes for which there is an enforceable legal claim as of June 30, 2001, but which were levied to finance fiscal year 2002 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 fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

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. Budgetary Data

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at level of control selected by the Board. The legal level of control has been established by the Board of Education at the object level within each fund and function.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2001.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated revenues. 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 years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year.

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2001

F. Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the balance sheet.

During fiscal year 2001, investments were limited to STAROhio, commercial paper, Federal Home Loan Bank Notes, Federal National Mortgage Association Notes, Federal Home Loan Mortgage Corporation Notes, bankers acceptances and repurchase agreements. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements are reported at cost.

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2001.

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 2001 amounted to \$1,428,879 which includes \$500,518 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 considered to be cash equivalents.

G. Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Inventories of the enterprise funds are expensed when used.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2001, 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.

I. Restricted Assets

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

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2001

J. 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. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$1,000. 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. Interest incurred during the construction of capital assets utilized by the enterprise funds is also capitalized.

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

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land Improvements	10 - 30 years	N/A
Buildings and Improvements	10 - 30 years	10 - 30 years
Furniture and Equipment	5 - 10 years	12 years
Vehicles	10 years	N/A
Textbooks	10 years	N/A

K. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans 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.

L. 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 School District 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.

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2001

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the liability for unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

M. 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 are reported as obligations of the funds regardless of whether they will be liquidated with current resources. 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 general long-term obligations account group to the extent that they are due for the payment during the current fiscal year. Bonds are recognized as a liability on the governmental fund financial statements when due.

N. 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.

O. 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, inventories of supplies and materials, property taxes and budget stabilization.

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

P. 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 is the primary activity of the fund.

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2001

Q. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of fixed assets, or from grants or outside contributions of resources restricted to capital acquisition and construction. The proprietary funds received no contributions of capital during the current fiscal year.

R. 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.

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal 2001.

T. 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.

Note 3 - Change in Accounting Principle and Restatement of Fund Balance

Changes in Accounting Principles For fiscal year 2001, the School District has implemented GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments", GASB Statement No. 36, "Recipient Reporting for Certain Shared Nonexchange Revenues", GASB Statement No. 37, "Basic Financial Statements for State and Local Governments: Omnibus", GASB Statement No. 38, "Certain Financial Statement Note Disclosures", and GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements."

GASB 34 creates new basic financial statements for reporting on the School District's financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2001

The government-wide financial statements split the School District's programs between business-type and governmental activities. The beginning net asset amount for governmental programs reflects the change in fund balance for governmental funds at June 30, 2000, caused by the conversion to the accrual basis of accounting.

	<u>General</u>	<u>Bond Retirement</u>	<u>Permanent Improvement</u>	<u>Nonmajor</u>	<u>Total</u>
Fund Balances, June 30, 2000	\$5,641,743	\$1,414,099	\$462,808	\$3,467,521	\$10,986,171
Interpretation 6:					
Compensated Absences Payable	88,707	0	0	0	88,707
Adjusted Fund Balance, June 30, 2000	<u>\$5,730,450</u>	<u>\$1,414,099</u>	<u>\$462,808</u>	<u>\$3,467,521</u>	11,074,878
GASB 34 Adjustments:					
Capital Assets					22,591,053
Long-Term Liabilities					(16,367,131)
Long-Term (Deferred) Assets					<u>2,381,073</u>
Governmental Activities Net Assets, June 30, 2000					<u>\$19,679,873</u>

The beginning net asset amount for the business-type activities increased by \$855 from \$911,743 to \$912,598 due to re-evaluating capital assets with the implementation of GASB 34.

	<u>Food Service</u>	<u>Adult Continuing Education</u>	<u>Extended Daycare/Preschool</u>	<u>Total</u>
Fund Equity June 30, 2000	\$322,532	\$191,271	\$397,940	\$911,743
Fixed Assets	<u>50,034</u>	<u>(34,450)</u>	<u>(14,729)</u>	<u>855</u>
Adjusted Net Assets, June 30, 2000	<u>\$372,566</u>	<u>\$156,821</u>	<u>\$383,211</u>	<u>\$912,598</u>

Note 4 - Accountability and Compliance

A. Fund Deficits

The following funds had deficit fund balances at June 30, 2001:

	<u>Deficit Fund Balances</u>
Special Revenue Funds:	
Vocational Education	\$1,335
Ohio Reads	4,186
Capital Projects Funds:	
Power Up Grant	35,046
Security Equipment	17,408

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2001

The deficits in the special revenue and capital projects funds resulted from accrued liabilities. The general fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

B. Legal Compliance

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

Fund	Estimated Revenue Plus Carryover Balances	Appropriations	Excess
Special Revenue Funds:			
Auxiliary Services	\$4,427,516	\$5,305,932	(\$878,416)
Title VI-B	981,533	1,298,726	(317,193)
Alternative Schools	653,044	809,650	(156,606)
Federal Refugee Children	10,936	11,178	(242)
Emergency Immigrant Education			
Assistance Grant	7,160	11,750	(4,590)
Entry Year Grant	54,445	84,000	(29,555)
Performance Incentive	0	70,253	(70,253)
Extended Learning Opportunity Grant	56,746	87,550	(30,804)
Enterprise Funds:			
Food Service	2,245,391	2,868,889	(623,498)
Adult Continuing Education	955,843	1,114,944	(159,101)
Extended Daycare/Preschool	1,683,232	1,697,639	(14,407)

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

Fund	Estimated Revenue Plus Carryover Balances	Appropriations	Excess
Special Revenue Funds:			
State Grants	\$710,165	\$752,041	(\$41,876)
Title VI-B	1,449,691	1,516,895	(67,204)
Other Grants	95,109	135,284	(40,175)

In order to address these budgetary violations, management has indicated they will more closely compare proposed levels of appropriations to available resources to insure compliance before appropriations are legally adopted.

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

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2001

Fund/Function/Object	Appropriations	Expenditures	Excess
General Fund			
<i>Pupil Transportation</i>			
Salaries	\$2,081,680	\$2,441,558	(\$359,878)
<i>Central</i>			
Salaries	421,990	489,311	(67,321)
<i>Sport Oriented Activities</i>			
Salaries	\$483,960	\$514,489	(\$30,529)
Special Revenue Funds			
Title VI-B			
<i>Special Instruction</i>			
Salaries	145,012	168,491	(23,479)
Fringe Benefits	32,265	49,901	(17,636)
Vocational Education			
<i>Vocational Instruction</i>			
Materials and Supplies	11,434	23,028	(11,594)
Enterprise Funds			
Food Service			
Salaries	759,000	949,971	(190,971)
Fringe Benefits	402,698	450,672	(47,974)

The School District will more closely review purchase orders for available appropriations before entering into obligations.

Note 5 - Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations and changes in fund balance/retained earnings 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/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosures in the proprietary fund types (GAAP basis).

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2001

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	\$7,223,727
Net Adjustment for Revenue Accruals	(3,385,770)
Advances In	2,060,642
Fair Value Adjustment for Investments	1,369
Net Adjustment for Expenditure Accruals	791,218
Advances Out	(2,052,880)
Adjustment for Encumbrances	(2,656,762)
Budget Basis	<u><u>\$1,981,544</u></u>

Note 6 - Deposits and Investments

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

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2001

Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

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

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

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

Deposits At fiscal year-end, the carrying amount of the School District's deposits was \$84,504 and the bank balance was \$191,631. Of the bank balance:

1. \$100,000 of the bank balance was covered by depository insurance; and
2. \$91,631 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging institution in the pledging institution's name, and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

Investments Investments are categorized to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2001

are held by the counterparty, or by its trust department or agent but not in the School District's name. The School District's investment in STAROhio, an investment pool operated by the Ohio State Treasurer, is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

	Category 3	Fair Value	Carrying Value
Commercial Paper	\$2,000,000	\$2,000,000	\$2,000,000
Repurchase Agreements	158,868	158,868	158,868
Federal National Mortgage Association Notes	1,249,655	1,251,273	1,251,273
STAROhio		22,630,494	22,630,494
Total	<u>\$3,408,523</u>	<u>\$26,040,635</u>	<u>\$26,040,635</u>

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

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9	\$26,125,139	\$0
Investments:		
Commercial Paper	(2,000,000)	2,000,000
Repurchase Agreements	(158,868)	158,868
Federal National Mortgage Association Notes	(1,251,273)	1,251,273
STAROhio	(22,630,494)	22,630,494
GASB Statement 3	<u>\$84,504</u>	<u>\$26,040,635</u>

Note 7 - Property Taxes

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

Property taxes include amounts levied against all real, public utility and tangible personal property located in the school district. Property tax revenue received during calendar 2001 for real and public utility property taxes represents collections of calendar 2000 taxes. Property tax payments received during calendar 2001 for tangible personal property (other than public utility property) is for calendar 2001 taxes.

2001 real property taxes are levied after April 1, 2001, on the assessed value as of January 1, 2001, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2001 public utility property taxes became a lien December 31, 2000, are levied after April 1, 2001 and are collected in 2001 with real property taxes.

2001 tangible personal property taxes are levied after April 1, 2000, on the value as of December 31, 2000. Collections are made in 2001. Tangible personal property assessments are twenty-five percent of true value.

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2001

	2000 Second Half Collections		2001 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/ Residential and Other Real Estate	\$1,850,710,940	91.05 %	\$2,057,209,250	92.10 %
Public Utility Personal	62,799,720	3.09	60,432,510	2.71
Tangible Personal Property	119,090,817	5.86	115,972,283	5.19
Total	\$2,032,601,477	100.00 %	\$2,233,614,043	100.00 %
Tax rate per \$1,000 of assessed valuation	\$53.30		\$60.20	

The School District passed a 6 mill operating levy in March 2000. The collection on this levy began in January of fiscal year 2001.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30 and are intended to finance the fiscal year in which they are paid. This year, the June 2001 tangible personal property tax settlement was not received until July 2001.

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, 2001, are available to finance fiscal year 2001 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding, the late settlement of personal property taxes and real property, personal property and public utility taxes which became measurable as of June 30, 2001 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed settlement of personal property tax and the amount of real property taxes are available as an advance at June 30 were levied to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not levied to finance current year operations. The amount available as an advance is recognized as revenue.

The amount available as an advance at June 30, 2001 was \$6,714,314. \$6,200,266 was available to the general fund, \$191,761 to the debt service fund and \$322,287 to the permanent improvement fund.

Note 8 - Receivables

Receivables at June 30, 2001, 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.

A summary of the principal items of intergovernmental receivables follows:

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2001

General Fund:

Cuyahoga County Child Care	\$874
Drivers Education Reimbursements	6,748
CAFS Reimbursements	48,956
Total General Fund	56,578

Special Revenue Funds:

Other Grants	3,000
Title I	127,000
Goals 2000	18,564
Other Funds	49,177
Total Special Revenue Funds	197,741
Adult Continuing Education Enterprise Fund	180
Total Intergovernmental Receivables	\$254,499

Note 9 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2001, was as follows:

	Balance 6/30/00	Additions	Deductions	Balance 6/30/01
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$5,096,730	\$0	\$0	\$5,096,730
<i>Capital Assets, being depreciated:</i>				
Land Improvements	4,423,708	507,465	0	4,931,173
Buildings and Improvements	52,898,927	1,175,621	0	54,074,548
Furniture and Equipment	11,169,547	746,651	(457,840)	11,458,358
Vehicles	6,079,100	475,534	(293,657)	6,260,977
Textbooks	5,903,689	0	0	5,903,689
<i>Total Capital Assets, being depreciated</i>	80,474,971	2,905,271	(751,497)	82,628,745
Less Accumulated Depreciation:				
Land Improvements	(3,248,489)	(65,563)	0	(3,314,052)
Buildings and Improvements	(40,939,229)	(749,567)	0	(41,688,796)
Furniture and Equipment	(8,190,077)	(684,423)	457,840	(8,416,660)
Vehicles	(4,702,279)	(343,741)	293,657	(4,752,363)
Textbooks	(5,900,574)	(692)	0	(5,901,266)
Total Accumulated Depreciation	(62,980,648)	(1,843,986)*	751,497	(64,073,137)
Total Capital Assets, being depreciated, net	17,494,323	1,061,285	0	18,555,608
Governmental Activities Capital Assets, Net	\$22,591,053	\$1,061,285	\$0	\$23,652,338

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2001

	Balance 6/30/00	Additions	Deductions	Balance 6/30/01
Business-Type Activities				
Buildings and Improvements	\$8,000	\$0	\$0	\$8,000
Furniture and Equipment	1,464,497	31,035	0	1,495,532
Totals at Historical Cost	1,472,497	31,035	0	1,503,532
Less Accumulated Depreciation:				
Buildings and Improvements	(240)	(160)	0	(400)
Furniture and Equipment	(1,355,223)	(49,091)	0	(1,404,314)
Total Accumulated Depreciation	(1,355,463)	(49,251)	0	(1,404,714)
Business-Type Activities Capital Assets, Net	\$117,034	(\$18,216)	\$0	\$98,818

*Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$1,415,113
Special	33,101
Vocational	106,088
Adult/Continuing	3,285
Support Services:	
Pupil	8,704
Instructional Staff	42,761
Board of Education	3,582
Administration	37,156
Business	22,681
Operation and Maintenance of Plant	16,628
Central	7,133
Non-Instructional Services	57,578
Extracurricular Activities	90,176
Total Depreciation Expense	\$1,843,986

Note 10 - Risk Management

A. Workers' Compensation

For fiscal year 2001, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2001

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

B. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For fiscal year 2001, the School District contracted with the following insurance companies:

Company	Type of Coverage	Limit	Deductible
Coregis Insurance Organizations	Auto Liability	\$1,000,000	\$1,500
	Uninsured Motorist	25,000	0
Coregis Insurance Organizations	Property Coverage		
	Blanket Building and Contents	198,430,698	1,000
Coregis Insurance Organizations	Comprehensive General Liability		
	Personal Injury	1,000,000	0
	General Aggregate	3,000,000	0
	Medical (any one person)	5,000	0
Coregis Insurance Organizations	Umbrella Liability	10,000,000	10,000
National Union Fire Insurance Company	Errors and Omissions	3,000,000	2,500

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

Note 11 - Defined Benefit Pension Plans

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 N. Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2001

with the remainder being used to fund health care benefits; for fiscal year 2001, 4.2 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2000, 5.5 percent was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$1,734,747, \$1,123,618 and \$1,112,011, respectively; 92.62 percent has been contributed for fiscal year 2001 and 100 percent for fiscal years 2000 and 1999. \$293,801 represents the unpaid contribution for fiscal year 2001.

B. State Teachers Retirement System

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

For the fiscal year ended June 30, 2001, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 9.5 percent was the portion used to fund pension obligations. For Fiscal year 2000, the portion used to fund pension obligations was 6 percent. Contribution rates are established by STRS, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$6,722,402, \$2,931,366 and \$3,014,574, respectively; 89.56 percent has been contributed for fiscal year 2001 and 100 percent for fiscal years 2000 and 1999. \$701,618 represents the unpaid contribution for fiscal year 2001.

Note 12 - Postemployment Benefits

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

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2001, the STRS Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$2,160,772 for fiscal year 2001.

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2001

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2000, (the latest information available) the balance in the Fund was \$3.419 billion. For the year ended June 30, 2000, net health care costs paid by STRS were \$283,137,000 and STRS had 99,011 eligible benefit recipients.

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2001, employer contributions to fund health care benefits were 9.8 percent of covered payroll, an increase of 1.3 percent for fiscal year 2000. 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 2001, the minimum pay was established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2001 fiscal year equaled \$1,545,862.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2000 (the latest information available), were \$140,696,340 and the target level was \$211 million. At June 30, 2000, SERS had net assets available for payment of health care benefits of \$252.3 million. SERS has approximately 50,000 participants currently receiving health care benefits.

Note 13 - Other Employee Benefits

A. Insurance Benefits

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

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

B. Compensated Absences

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

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2001

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

Upon retirement, certificated employees with less than fourteen years of service are paid a sum equal to one-fourth of unused sick leave to a maximum of thirty days. Upon separation, certificated employees with fourteen years of service or more, hired prior to May 1, 1996, receive a lump sum payment for total sick leave accumulation, up to a maximum accumulation of sixty days. Any certificated employee with a balance of greater than 240 days also receives an additional ten percent of accrued and unused sick leave above the 240 days. Certificated employees with fourteen years of service or more, hired after May 1, 1996, receive a lump sum payment for one-fourth of accrued and unused sick leave up to a maximum accumulation of ninety days.

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

Accrued and Unused Sick Days	Maximum Days Paid Upon Separation
0 - 50 days at 20%	10.0
51 - 100 days at 25%	12.5
101 - 150 days at 30%	15.0
151 - 200 days at 35%	17.5
201 - 250 days at 40%	20.0
	75.0

C. Special Termination Benefit Payable

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

Note 14 - Note Debt

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

	Balance 6/30/00	Additions	Deletions	Balance 6/30/01
General Fund:				
Tax Anticipation Note - 4.60%	\$6,800,000	\$0	(\$1,360,000)	\$5,440,000

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2001

The notes are backed by the full faith and credit of Parma City School District and mature in 2005. The note was issued to stabilize the School District's operating cash position. The note liability is reflected in the fund which received the proceeds and which will repay the debt. Principal and interest requirements to retire the tax anticipation note outstanding at June 30, 2001, are as follows:

Fiscal Year Ending June, 30	Principal	Interest	Total
2002	\$1,360,000	\$218,960	\$1,578,960
2003	1,360,000	156,400	1,516,400
2004	1,360,000	93,840	1,453,840
2005	1,360,000	31,280	1,391,280
Total	<u>\$5,440,000</u>	<u>\$500,480</u>	<u>\$5,940,480</u>

Note 15 - Interfund Transactions

Transfers made during the year ended June 30, 2001 were as follows:

	<u>Transfer In</u> <u>Nonmajor Governmental</u>
Transfer Out: General Fund	\$175,418

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

Interfund balances at June 30, 2001, consist of the following individual fund receivables and payables:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$2,792,527	\$0
Special Revenue Funds:		
Public School Support	0	10,275
Economic Education Grant	0	2,400
Career Programs	0	7,619
Vocational Education	0	22,860
Total Special Revenue Funds	<u>0</u>	<u>43,154</u>
Bond Retirement Debt Service Fund	<u>0</u>	<u>617,823</u>
Capital Project Funds:		
Permanent Improvements	0	2,000,000
Power Up Grant	0	90,748
Total Capital Project Funds:	<u>0</u>	<u>2,090,748</u>
Adult Continuing Education Enterprise Fund	<u>0</u>	<u>40,802</u>
Total All Funds	<u>\$2,792,527</u>	<u>\$2,792,527</u>

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2001

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

Note 16 - Long-Term Obligations

Changes in long-term obligations of the School District during fiscal year 2001, were as follows:

	Principal Outstanding 6/30/00	Additions	Deductions	Principal Outstanding 6/30/01	Due Within One Year
Governmental Activities:					
General Obligation Bonds:					
Energy Conservation, 1992 3.7% - 6.15%	\$805,000	\$0	(\$250,000)	\$555,000	\$270,000
Byers Field 1999 5.54%	2,485,000	0	(215,000)	2,270,000	230,000
Total General Obligation Bonds	3,290,000	0	(465,000)	2,825,000	500,000
Other Long-Term Obligations:					
Compensated Absences Payable	11,570,112	0	(2,019,447)	9,550,665	1,013,843
Special Termination Benefit Payable	658,000	0	(219,333)	438,667	219,333
Total Governmental Activities	<u>\$15,518,112</u>	<u>\$0</u>	<u>(\$2,703,780)</u>	<u>\$12,814,332</u>	<u>\$1,733,176</u>
Business Type Activities:					
Compensated Absences Payable	<u>\$101,537</u>	<u>\$69,464</u>	<u>(\$36,154)</u>	<u>\$134,847</u>	<u>\$36,154</u>

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

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

The general obligation bonds will be paid from the debt service fund. The intergovernmental payable represents contractually required pension contributions paid outside the available period and will be paid from the fund from which the person is paid. Compensated absences will be paid from the general fund and the food service, adult continuing education and extended daycare/preschool enterprise funds. Special termination benefit payable will be paid from the fund from which the person is paid.

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2001

The School District's overall legal debt margin was \$200,406,670 with an unvoted debt margin of \$2,233,614 at June 30, 2001. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2001, are as follows:

Fiscal Year Ending June 30, 2001	Principal	Interest	Total
2002	\$500,000	\$145,118	\$645,118
2003	530,000	115,124	645,124
2004	260,000	92,408	352,408
2005	275,000	77,561	352,561
2006	280,000	62,714	342,714
2007-2009	980,000	81,864	1,061,864
Total	<u>\$2,825,000</u>	<u>\$574,789</u>	<u>\$3,399,789</u>

Note 17 - Jointly Governed Organizations

A. Lakeshore Northeast Ohio Computer Association

The Lakeshore Northeast Ohio Computer Association (LNOCA) is a jointly governed computer service bureau that was formed for the purpose of providing data services to the eleven member districts. Major areas of service provided by LNOCA include accounting, payroll, inventory, career guidance services, handicapped student tracking, pupil scheduling, attendance reporting and grade reporting. Each school is represented on the LNOCA Board of Directors by its superintendent. Each year, the Board of Directors elects a Chairman, a Vice Chairman and a Recording Secretary. The Treasurer of the fiscal agent is a nonvoting, ex-officio member of the Board of Directors. The Cuyahoga County Educational Service Center serves as the fiscal agent of LNOCA. Each school district supports LNOCA based upon a per pupil charge dependent upon the software packages used. In fiscal year 2001, the School District paid \$200,656 to LNOCA. Financial information can be obtained by contacting the Treasurer of the fiscal agent at 5700 West Canal Road, Valley View, OH 44125.

B. Ohio Schools' Council Association

The Ohio Schools' Council Association (Council) is a jointly governed organization among eighty-three 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 2001, the School District paid \$750 to the Council. Financial information can be obtained by contacting Albert G. Vasek, the Executive Treasurer of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

The School District participates in the Council's electric purchase program which was implemented during fiscal year 1998. This program allows school districts to purchase electricity at reduced rates, if the school districts will commit to participating for an eight year period. The participants make monthly payments

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2001

based on estimated usage. Each June these estimated payments are compared to their actual usage for the year and any necessary adjustments are made.

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

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

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

Note 18 - Insurance Purchasing Pool

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

Note 19 - Contingencies

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is 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 such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2001.

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2001

B. Litigation

The School District is party to legal proceedings. The School District's management is of the opinion that ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the School District.

Note 20 - Set-Asides

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by year end or offset by similarly restricted resources received during the year must be held in cash at 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, capital acquisition, and budget stabilization. Disclosure of this information is required by State statute.

	Budget Stabilization Reserve	Capital Improvements Reserve	Textbooks/ Instructional Materials Reserve
Set-aside Reserve Balance as of June 30, 2000	\$2,308,685	\$1,034,372	\$627,852
Current Year Set-aside Requirement	0	2,185,679	2,185,679
Reduction Authorized by Legislative Revisions	(1,369,102)	0	0
Qualifying Disbursements	0	(4,936,266)	(3,296,382)
Totals	\$939,583	(\$1,716,215)	(\$482,851)
Set-aside Balance Carried Forward to			
Future Fiscal Years	\$939,583	\$0	(\$482,851)
Set-aside Reserve Balance as of June 30, 2001	\$939,583	\$0	\$0

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 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. The total reserve balance for the three set-asides at the end of the fiscal year was \$939,583.

Parma City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2001

Note 21 - Subsequent Event

On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

- ▶ A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.
- ▶ Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. However, as of December 17, 2001, the Ohio General Assembly is still analyzing the impact this Supreme Court decision will have on funding for individual school districts. Further, the State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001.

On November 2, 2001, the Court granted this motion for reconsideration. The Court may re-examine and redetermine any issue upon such reconsideration.

As of the date of these financial statements, the School District is unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

**Combining Statements and
Individual Fund Schedules**

Combining Statements - Nonmajor Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

Goals 2000 Fund - This fund accounts for Federal monies used for preparing students and teachers for the proficiency test.

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

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

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

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

Combining Statements - Nonmajor Funds (continued)

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

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

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

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

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

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

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

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

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

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

Combining Statements - Nonmajor Funds (continued)

Nonmajor Capital Projects Funds

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

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

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

Power Up Grant Fund - This fund accounts for grant money expended to make wiring in the classrooms technology ready. This fund did not have any budgetary activity in fiscal year 2001, therefore, budgetary information is not provided.

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

Agency Funds

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

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

Parma City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2001

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$3,087,718	\$223,137	\$3,310,855
Receivables:			
Intergovernmental	197,741	0	197,741
<i>Total Assets</i>	<u>\$3,285,459</u>	<u>\$223,137</u>	<u>\$3,508,596</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$233,985	\$350	\$234,335
Accrued Wages	276,680	25,140	301,820
Interfund Payable	43,154	90,748	133,902
Intergovernmental Payable	72,686	6,522	79,208
Deferred Revenue	194,741	0	194,741
<i>Total Liabilities</i>	<u>821,246</u>	<u>122,760</u>	<u>944,006</u>
Fund Balances			
Reserved for Encumbrances	694,574	11,513	706,087
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	1,769,639	0	1,769,639
Capital Projects Funds	0	88,864	88,864
<i>Total Fund Balances</i>	<u>2,464,213</u>	<u>100,377</u>	<u>2,564,590</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$3,285,459</u>	<u>\$223,137</u>	<u>\$3,508,596</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, 2001

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Intergovernmental	\$7,044,265	\$182,883	\$7,227,148
Interest	44,737	0	44,737
Tuition and Fees	20	0	20
Extracurricular Activities	485,194	0	485,194
Charges for Services	114,284	0	114,284
Contributions and Donations	79,041	0	79,041
Miscellaneous	614,020	15,855	629,875
<i>Total Revenues</i>	<u>8,381,561</u>	<u>198,738</u>	<u>8,580,299</u>
Expenditures			
Current:			
Instruction:			
Regular	793,685	0	793,685
Special	1,002,616	0	1,002,616
Vocational	105,334	0	105,334
Adult/Continuing	125,188	0	125,188
Support Services:			
Pupil	649,844	0	649,844
Instructional Staff	753,270	0	753,270
Board of Education	155	0	155
Administration	280,144	0	280,144
Fiscal	1,170	0	1,170
Pupil Transportation	8,215	0	8,215
Central	44,368	0	44,368
Operation of Non-Instructional Services	4,494,870	0	4,494,870
Extracurricular Activities	1,184,322	0	1,184,322
Capital Outlay	2,427	213,040	215,467
<i>Total Expenditures</i>	<u>9,445,608</u>	<u>213,040</u>	<u>9,658,648</u>
<i>Excess of Revenues Under Expenditures</i>	(1,064,047)	(14,302)	(1,078,349)
Other Financing Sources			
Transfers In	175,418	0	175,418
<i>Net Change in Fund Balances</i>	(888,629)	(14,302)	(902,931)
<i>Fund Balances Beginning of Year</i>	<u>3,352,842</u>	<u>114,679</u>	<u>3,467,521</u>
<i>Fund Balances End of Year</i>	<u><u>\$2,464,213</u></u>	<u><u>\$100,377</u></u>	<u><u>\$2,564,590</u></u>

Parma City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2001

	Auxiliary Services	Public School Support	Title I	Title VI-B
Assets				
Equity in Pooled Cash and Cash Equivalents	\$730,499	\$685,069	\$218,700	\$90,430
Intergovernmental Receivable	0	0	127,000	0
<i>Total Assets</i>	<u>\$730,499</u>	<u>\$685,069</u>	<u>\$345,700</u>	<u>\$90,430</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$150,098	\$3,843	\$0	\$18,034
Accrued Wages	93,867	0	41,342	51,492
Interfund Payable	0	10,275	0	0
Intergovernmental Payable	22,466	3	9,813	12,508
Deferred Revenue	0	0	127,000	0
<i>Total Liabilities</i>	<u>266,431</u>	<u>14,121</u>	<u>178,155</u>	<u>82,034</u>
Fund Balances				
Reserved for Encumbrances	405,099	71,600	52,199	2,047
Unreserved, Undesignated, Reported in: Special Revenue Funds (Deficit)	<u>58,969</u>	<u>599,348</u>	<u>115,346</u>	<u>6,349</u>
<i>Total Fund Balances</i>	<u>464,068</u>	<u>670,948</u>	<u>167,545</u>	<u>8,396</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$730,499</u>	<u>\$685,069</u>	<u>\$345,700</u>	<u>\$90,430</u>

Alternative Schools	District Managed Student Activity	Goals 2000	Adult Basic Education	Title VI	Preschool Grant	Vocational Education
\$229,214	\$209,007	\$36,590	\$29,570	\$23,772	\$30,396	\$34,036
0	0	18,564	0	0	0	0
<u>\$229,214</u>	<u>\$209,007</u>	<u>\$55,154</u>	<u>\$29,570</u>	<u>\$23,772</u>	<u>\$30,396</u>	<u>\$34,036</u>
\$8,033	\$0	\$0	\$865	\$0	\$0	\$7,628
28,149	940	11,818	10,331	0	4,041	3,439
0	0	0	0	0	0	22,860
6,965	219	2,721	2,560	0	971	1,444
0	0	18,564	0	0	0	0
<u>43,147</u>	<u>1,159</u>	<u>33,103</u>	<u>13,756</u>	<u>0</u>	<u>5,012</u>	<u>35,371</u>
31,200	20,365	4,326	1,162	3,555	11,401	14,899
<u>154,867</u>	<u>187,483</u>	<u>17,725</u>	<u>14,652</u>	<u>20,217</u>	<u>13,983</u>	<u>(16,234)</u>
<u>186,067</u>	<u>207,848</u>	<u>22,051</u>	<u>15,814</u>	<u>23,772</u>	<u>25,384</u>	<u>(1,335)</u>
<u>\$229,214</u>	<u>\$209,007</u>	<u>\$55,154</u>	<u>\$29,570</u>	<u>\$23,772</u>	<u>\$30,396</u>	<u>\$34,036</u>

(continued)

Parma City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2001

	Disadvantaged Pupil Impact Aid	Ohio Reads	Eisenhower Grant	Professional Development
Assets				
Equity in Pooled Cash and Cash Equivalents	\$10,109	\$0	\$28,556	\$64,946
Intergovernmental Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$10,109</u>	<u>\$0</u>	<u>\$28,556</u>	<u>\$64,946</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$235	\$7,012
Accrued Wages	5,625	3,272	1,935	1,191
Interfund Payable	0	0	0	0
Intergovernmental Payable	1,323	914	470	545
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>6,948</u>	<u>4,186</u>	<u>2,640</u>	<u>8,748</u>
 Fund Balances				
Reserved for Encumbrances	787	0	2,146	6,407
Unreserved, Undesignated, Reported in: Special Revenue Funds (Deficit)	<u>2,374</u>	<u>(4,186)</u>	<u>23,770</u>	<u>49,791</u>
<i>Total Fund Balances</i>	<u>3,161</u>	<u>(4,186)</u>	<u>25,916</u>	<u>56,198</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$10,109</u>	<u>\$0</u>	<u>\$28,556</u>	<u>\$64,946</u>

<u>Network Connectivity</u>	<u>State Grants</u>	<u>Other Grants</u>	<u>Drug Free Schools</u>	<u>Other</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$119,952	\$60,075	\$77,619	\$11,674	\$397,504	\$3,087,718
<u>0</u>	<u>0</u>	<u>3,000</u>	<u>0</u>	<u>49,177</u>	<u>197,741</u>
<u>\$119,952</u>	<u>\$60,075</u>	<u>\$80,619</u>	<u>\$11,674</u>	<u>\$446,681</u>	<u>\$3,285,459</u>
\$0	\$3,999	\$7,765	\$557	\$25,916	\$233,985
0	3,611	149	5,609	9,869	276,680
0	0	0	0	10,019	43,154
0	1,649	3,214	1,463	3,438	72,686
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>49,177</u>	<u>194,741</u>
<u>0</u>	<u>9,259</u>	<u>11,128</u>	<u>7,629</u>	<u>98,419</u>	<u>821,246</u>
0	18,062	24,354	3,105	21,860	694,574
<u>119,952</u>	<u>32,754</u>	<u>45,137</u>	<u>940</u>	<u>326,402</u>	<u>1,769,639</u>
<u>119,952</u>	<u>50,816</u>	<u>69,491</u>	<u>4,045</u>	<u>348,262</u>	<u>2,464,213</u>
<u>\$119,952</u>	<u>\$60,075</u>	<u>\$80,619</u>	<u>\$11,674</u>	<u>\$446,681</u>	<u>\$3,285,459</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, 2001

	Auxiliary Services	Public School Support	Title I	Title VI-B
Revenues				
Intergovernmental	\$3,535,804	\$0	\$564,526	\$991,962
Interest	0	34,849	0	0
Tuition and Fees	0	20	0	0
Extracurricular Activities	0	247,421	0	0
Charges for Services	0	187	0	0
Contributions and Donations	0	5,476	0	0
Miscellaneous	0	573,831	0	0
<i>Total Revenues</i>	<u>3,535,804</u>	<u>861,784</u>	<u>564,526</u>	<u>991,962</u>
Expenditures				
Current:				
Regular	0	11,035	0	0
Special	0	3,856	580,423	375,590
Vocational	0	0	0	0
Adult/Continuing	0	0	0	0
Support Services:				
Pupil	0	0	0	84,187
Instructional Staff	0	0	37,530	532,215
Board of Education	0	0	0	0
Administration	0	0	452	107,417
Fiscal	0	1,170	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	3,853,048	0	48,890	29,595
Extracurricular Activities	0	771,456	0	0
Capital Outlay	0	2,427	0	0
<i>Total Expenditures</i>	<u>3,853,048</u>	<u>789,944</u>	<u>667,295</u>	<u>1,129,004</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(317,244)	71,840	(102,769)	(137,042)
Other Financing Sources				
Transfers In	89,983	0	9,580	0
<i>Net Change in Fund Balances</i>	(227,261)	71,840	(93,189)	(137,042)
<i>Fund Balances Beginning of Year</i>	<u>691,329</u>	<u>599,108</u>	<u>260,734</u>	<u>145,438</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$464,068</u>	<u>\$670,948</u>	<u>\$167,545</u>	<u>\$8,396</u>

Alternative Schools	District Managed Student Activity	Goals 2000	Adult Basic Education	Title VI	Preschool Grant	Vocational Education
\$0	\$0	\$175,165	\$153,131	\$103,901	\$88,938	\$149,096
0	9,888	0	0	0	0	0
0	0	0	0	0	0	0
0	237,773	0	0	0	0	0
0	114,097	0	0	0	0	0
0	0	0	0	0	0	0
0	1,775	0	0	0	0	0
<u>0</u>	<u>363,533</u>	<u>175,165</u>	<u>153,131</u>	<u>103,901</u>	<u>88,938</u>	<u>149,096</u>
271,458	0	225,793	0	66,400	0	0
0	0	0	0	0	4,309	0
0	0	0	0	0	0	97,195
0	0	0	120,304	0	0	0
196,045	0	0	38,960	0	30,021	7,951
0	0	0	7,283	0	46,355	3,959
0	0	0	0	0	0	0
133,851	0	3,569	0	0	4,370	1,112
0	0	0	0	0	0	0
0	8,123	0	0	0	0	0
1,790	0	0	0	0	0	32,992
0	0	0	0	39,747	0	0
0	378,842	0	0	0	0	14,650
0	0	0	0	0	0	0
<u>603,144</u>	<u>386,965</u>	<u>229,362</u>	<u>166,547</u>	<u>106,147</u>	<u>85,055</u>	<u>157,859</u>
(603,144)	(23,432)	(54,197)	(13,416)	(2,246)	3,883	(8,763)
<u>0</u>	<u>75,855</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(603,144)	52,423	(54,197)	(13,416)	(2,246)	3,883	(8,763)
<u>789,211</u>	<u>155,425</u>	<u>76,248</u>	<u>29,230</u>	<u>26,018</u>	<u>21,501</u>	<u>7,428</u>
<u>\$186,067</u>	<u>\$207,848</u>	<u>\$22,051</u>	<u>\$15,814</u>	<u>\$23,772</u>	<u>\$25,384</u>	<u>(\$1,335)</u>

(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, 2001

	Disadvantaged Pupil Impact Aid	Ohio Reads	Eisenhower Grant	Professional Development
Revenues				
Intergovernmental	\$106,666	\$28,000	\$46,458	\$61,155
Interest	0	0	0	0
Tuition and Fees	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>106,666</u>	<u>28,000</u>	<u>46,458</u>	<u>61,155</u>
Expenditures				
Current:				
Regular	91,643	0	6,410	3,984
Special	5,795	0	0	0
Vocational	0	0	0	0
Adult/Continuing	0	0	0	0
Support Services:				
Pupil	13,393	0	60,203	0
Instructional Staff	0	53,942	0	26,604
Board of Education	0	0	0	0
Administration	0	0	0	0
Fiscal	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	0	4,250	2,753
Extracurricular Activities	0	0	0	0
Capital Outlay	0	0	0	0
<i>Total Expenditures</i>	<u>110,831</u>	<u>53,942</u>	<u>70,863</u>	<u>33,341</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(4,165)	(25,942)	(24,405)	27,814
Other Financing Sources				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	(4,165)	(25,942)	(24,405)	27,814
<i>Fund Balances Beginning of Year</i>	<u>7,326</u>	<u>21,756</u>	<u>50,321</u>	<u>28,384</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$3,161</u></u>	<u><u>(\$4,186)</u></u>	<u><u>\$25,916</u></u>	<u><u>\$56,198</u></u>

<u>Network Connectivity</u>	<u>State Grants</u>	<u>Other Grants</u>	<u>Drug Free Schools</u>	<u>Other</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$63,000	\$508,695	\$0	\$58,968	\$408,800	\$7,044,265
0	0	0	0	0	44,737
0	0	0	0	0	20
0	0	0	0	0	485,194
0	0	0	0	0	114,284
0	0	69,265	0	4,300	79,041
0	0	38,414	0	0	614,020
<u>63,000</u>	<u>508,695</u>	<u>107,679</u>	<u>58,968</u>	<u>413,100</u>	<u>8,381,561</u>
0	0	47,533	0	69,429	793,685
0	81	0	0	32,562	1,002,616
0	0	8,139	0	0	105,334
0	0	0	0	4,884	125,188
0	30,749	0	93,781	94,554	649,844
0	17,245	0	1,426	26,711	753,270
0	0	155	0	0	155
0	29,373	0	0	0	280,144
0	0	0	0	0	1,170
0	0	92	0	0	8,215
0	0	9,586	0	0	44,368
0	511,765	0	3,461	1,361	4,494,870
0	0	19,374	0	0	1,184,322
0	0	0	0	0	2,427
<u>0</u>	<u>589,213</u>	<u>84,879</u>	<u>98,668</u>	<u>229,501</u>	<u>9,445,608</u>
63,000	(80,518)	22,800	(39,700)	183,599	(1,064,047)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>175,418</u>
63,000	(80,518)	22,800	(39,700)	183,599	(888,629)
<u>56,952</u>	<u>131,334</u>	<u>46,691</u>	<u>43,745</u>	<u>164,663</u>	<u>3,352,842</u>
<u>\$119,952</u>	<u>\$50,816</u>	<u>\$69,491</u>	<u>\$4,045</u>	<u>\$348,262</u>	<u>\$2,464,213</u>

Parma City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2001

	Turf Replacement	School Net	Power Up Grant	Security Equipment	Total Nonmajor Capital Projects Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$81,881	\$71,410	\$55,702	\$14,144	\$223,137
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$0	\$350	\$0	\$0	\$350
Accrued Wages	0	92	0	25,048	25,140
Interfund Payable	0	0	90,748	0	90,748
Intergovernmental Payable	0	18	0	6,504	6,522
<i>Total Liabilities</i>	0	460	90,748	31,552	122,760
Fund Balances					
Reserved for Encumbrances	0	4,833	0	6,680	11,513
Unreserved, Undesignated, Reported in: Capital Projects Funds (Deficit)	81,881	66,117	(35,046)	(24,088)	88,864
<i>Total Fund Balances</i>	81,881	70,950	(35,046)	(17,408)	100,377
<i>Total Liabilities and Fund Balances</i>	\$81,881	\$71,410	\$55,702	\$14,144	\$223,137

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, 2001

	Turf Replacement	School Net	Power Up Grant	Security Equipment	Total Nonmajor Capital Projects Funds
Revenues					
Intergovernmental	\$0	\$169,424	\$0	\$13,459	\$182,883
Miscellaneous	15,855	0	0	0	15,855
<i>Total Revenues</i>	15,855	169,424	0	13,459	198,738
Expenditures					
Capital Outlay	0	171,512	0	41,528	213,040
<i>Net Change in Fund Balances</i>	15,855	(2,088)	0	(28,069)	(14,302)
<i>Fund Balances (Deficit) Beginning of Year</i>	66,026	73,038	(35,046)	10,661	114,679
<i>Fund Balances (Deficit) End of Year</i>	\$81,881	\$70,950	(\$35,046)	(\$17,408)	\$100,377

Parma City School District
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended June 30, 2001

	<u>Balance 6/30/00</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6/30/01</u>
<i>Student Activities</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$314,640</u>	<u>\$874,955</u>	<u>\$837,371</u>	<u>\$352,224</u>
Liabilities				
Due to Students	<u>\$314,640</u>	<u>\$874,955</u>	<u>\$837,371</u>	<u>\$352,224</u>
<i>Voluntary Benefits</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$160,590</u>	<u>\$2,210,735</u>	<u>\$895,332</u>	<u>\$1,475,993</u>
Liabilities				
Interfund Payable	\$70,459	\$0	\$0	\$70,459
Undistributed Monies	<u>90,131</u>	<u>2,210,735</u>	<u>895,332</u>	<u>1,405,534</u>
<i>Total Liabilities</i>	<u>\$160,590</u>	<u>\$2,210,735</u>	<u>\$895,332</u>	<u>\$1,475,993</u>
<i>All Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$475,230</u>	<u>\$3,085,690</u>	<u>\$1,732,703</u>	<u>\$1,828,217</u>
Liabilities				
Interfund Payable	\$70,459	\$0	\$0	\$70,459
Undistributed Monies	90,131	2,210,735	895,332	1,405,534
Due to Students	<u>314,640</u>	<u>874,955</u>	<u>837,371</u>	<u>352,224</u>
<i>Total Liabilities</i>	<u>\$475,230</u>	<u>\$3,085,690</u>	<u>\$1,732,703</u>	<u>\$1,828,217</u>

**Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes
in Fund Balances/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, 2001

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget		
Revenues				
Taxes	\$60,716,601	\$64,685,042	\$66,835,000	\$2,149,958
Intergovernmental	27,283,491	29,066,742	24,976,047	(4,090,695)
Interest	1,220,245	1,300,000	1,552,592	252,592
Tuition and Fees	1,426,748	1,520,000	1,728,935	208,935
Extracurricular Activities	207,950	221,542	436,930	215,388
Rentals	215,889	230,000	566,954	336,954
Charges for Services	140,797	150,000	522,180	372,180
Contributions and Donations	0	0	80	80
Miscellaneous	305,061	325,000	166,920	(158,080)
<i>Total Revenues</i>	91,516,782	97,498,326	96,785,638	(712,688)
Expenditures				
Current:				
Instruction:				
Regular				
Salaries	33,014,317	32,979,237	32,495,966	483,271
Fringe Benefits	9,445,625	9,370,790	9,364,501	6,289
Purchased Services	1,407,149	1,322,353	1,206,226	116,127
Materials and Supplies	2,110,496	2,498,158	2,386,447	111,711
Other	230,104	226,772	203,520	23,252
Capital Outlay - New	95,272	167,007	153,763	13,244
Capital Outlay - Old	9,596	113,746	108,651	5,095
Total Regular	46,312,559	46,678,063	45,919,074	758,989
Special				
Salaries	7,092,117	7,135,898	7,135,898	0
Fringe Benefits	1,990,179	1,990,184	1,990,184	0
Purchased Services	15,158	61,287	49,436	11,851
Materials and Supplies	61,589	70,724	41,412	29,312
Capital Outlay - New	4,538	4,539	0	4,539
Total Special	9,163,581	9,262,632	9,216,930	45,702
Vocational				
Salaries and Wages	1,535,371	1,540,848	1,540,848	0
Fringe Benefits	882,231	882,231	720,586	161,645
Purchased Services	25,274	42,574	22,300	20,274
Materials and Supplies	114,041	107,434	53,106	54,328
Capital Outlay - New	100,320	99,320	56,986	42,334
Capital Outlay - Replacement	794	1,524	683	841
Total Vocational	\$2,658,031	\$2,673,931	\$2,394,509	\$279,422

(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, 2001

	Budgeted Amounts			Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
Adult/Continuing				
Salaries	\$20,000	\$20,000	\$7,330	\$12,670
Fringe Benefits	5,012	6,628	6,628	0
Total Adult/Continuing	25,012	26,628	13,958	12,670
Total Instruction	58,159,183	58,641,254	57,544,471	1,096,783
Support Services:				
Pupils				
Salaries	3,770,971	3,687,388	3,599,336	88,052
Fringe Benefits	1,122,861	1,124,537	1,043,161	81,376
Purchased Services	392,052	456,204	432,095	24,109
Materials and Supplies	152,421	145,798	125,370	20,428
Capital Outlay - Replacement	13,558	13,558	8,504	5,054
Total Pupils	5,451,863	5,427,485	5,208,466	219,019
Instructional Staff				
Salaries	2,372,445	2,441,346	2,181,399	259,947
Fringe Benefits	735,712	755,264	704,982	50,282
Purchased Services	445,214	625,375	538,478	86,897
Materials and Supplies	183,455	194,015	161,297	32,718
Other	9,351	7,553	6,977	576
Capital Outlay - New	32,966	210,156	210,156	0
Capital Outlay - Replacement	4,156	732	732	0
Total Instructional Staff	3,783,299	4,234,441	3,804,021	430,420
Board of Education				
Salaries	42,300	42,300	41,698	602
Fringe Benefits	6,065	8,257	8,257	0
Purchased Services	157,156	471,781	415,676	56,105
Materials and Supplies	440	1,890	995	895
Capital Outlay - New	9,760	12,765	10,373	2,392
Other	13,750	9,760	9,690	70
Total Board of Education	229,471	546,753	486,689	60,064
Administration				
Salaries	5,075,637	5,061,894	5,014,572	47,322
Fringe Benefits	1,821,934	1,852,094	1,668,143	183,951
Purchased Services	238,761	186,466	148,355	38,111
Materials and Supplies	121,017	92,414	86,806	5,608
Capital Outlay - New	2,500	2,500	0	2,500
Capital Outlay - Replacement	83,367	72,294	54,121	18,173
Other	6,200	7,080	3,580	3,500
Total Administration	\$7,349,416	\$7,274,742	\$6,975,577	\$299,165

(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, 2001

	Budgeted Amounts			Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
Fiscal				
Salaries	\$507,990	\$507,990	\$463,935	\$44,055
Fringe Benefits	131,512	604,193	604,193	0
Purchased Services	85,648	119,119	108,028	11,091
Materials and Supplies	64,286	21,139	20,361	778
Capital Outlay - New	3,500	3,500	1,249	2,251
Capital Outlay - Replacement	6,300	6,300	3,295	3,005
Other	1,253,525	1,024,792	950,617	74,175
Total Fiscal	2,052,761	2,287,033	2,151,678	135,355
Business				
Salaries	354,023	377,400	299,387	78,013
Fringe Benefits	85,145	85,145	75,664	9,481
Purchased Services	225,407	297,542	232,828	64,714
Materials and Supplies	176,148	200,890	102,912	97,978
Capital Outlay - Replacement	200	100	0	100
Other	2,026	0	0	0
Total Business	842,949	961,077	710,791	250,286
Operation and Maintenance of Plant				
Salaries	4,020,594	3,847,463	3,831,137	16,326
Fringe Benefits	1,430,827	1,430,827	1,336,082	94,745
Purchased Services	3,575,898	3,862,793	3,761,430	101,363
Materials and Supplies	762,011	737,262	682,718	54,544
Other	255,702	273,205	272,866	339
Capital Outlay - New	4,957	12,457	12,000	457
Capital Outlay - Replacement	32,882	38,386	38,327	59
Total Operation and Maintenance of Plant	10,082,871	10,202,393	9,934,560	267,833
Pupil Transportation				
Salaries	2,011,452	2,081,680	2,441,558	(359,878)
Fringe Benefits	912,878	912,879	909,403	3,476
Purchased Services	691,796	737,016	728,221	8,795
Materials and Supplies	414,344	414,345	403,720	10,625
Other	18,148	18,148	18,138	10
Capital Outlay - Replacement	0	209,837	209,837	0
Total Pupil Transportation	4,048,618	4,373,905	4,710,877	(336,972)
Central				
Salaries	408,603	421,990	489,311	(67,321)
Fringe Benefits	165,779	171,903	161,446	10,457
Purchased Services	766,055	576,206	474,595	101,611
Materials and Supplies	119,846	172,498	161,423	11,075
Capital Outlay - New	462,918	466,679	465,240	1,439
Total Central	1,923,201	1,809,276	1,752,015	57,261
Total Support Services	\$35,764,449	\$37,117,105	\$35,734,674	\$1,382,431

(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, 2001

	Budgeted Amounts			Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	\$0	\$29,998	\$26,191	\$3,807
Fringe Benefits	0	5,450	4,953	497
Purchased Services	0	23,800	17,377	6,423
Total Community Services	0	59,248	48,521	10,727
Enterprise Operations				
Salaries	250	250	52	198
Fringe Benefits	200	200	10	190
Purchased Services	0	58,500	58,500	0
Total Enterprise Operations	450	58,950	58,562	388
Total Non-Instructional Services	450	118,198	107,083	11,115
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	128,575	132,373	132,373	0
Fringe Benefits	89,427	89,427	20,710	68,717
Purchased Services	70,000	60,676	54,340	6,336
Materials and Supplies	53,865	53,865	39,747	14,118
Other	127,851	98,322	83,420	14,902
Total Academic and Subject Oriented Activities	469,718	434,663	330,590	104,073
Sport Oriented Activities:				
Salaries and Wages	484,309	483,960	514,489	(30,529)
Fringe Benefits	301,420	301,774	85,743	216,031
Purchased Services	27,000	27,300	27,300	0
Materials and Supplies	5,200	5,200	0	5,200
Total Sport Oriented Activities	817,929	818,234	627,532	190,702
School and Public Service Activities:				
Salaries and Wages	103,025	125,360	125,360	0
Fringe Benefits	99,977	99,977	19,734	80,243
Other	2,000	2,000	172	1,828
Total Academic and Subject Oriented Activities	205,002	227,337	145,266	82,071
Total Extracurricular Activities	\$1,492,649	\$1,480,234	\$1,103,388	\$376,846

(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, 2001

	Budgeted Amounts			Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
Capital Outlay:				
Building Improvement Services:				
Purchased Services	\$126,183	\$126,182	\$120,298	\$5,884
Building Acquisition and Construction Services:				
Purchased Services	79,856	79,114	38,149	40,965
Total Capital Outlay	206,039	205,296	158,447	46,849
<i>Total Expenditures</i>	95,622,770	97,562,087	94,648,063	2,914,024
<i>Excess of Revenues Over (Under) Expenditures</i>	(4,105,988)	(63,761)	2,137,575	2,201,336
Other Financing Sources (Uses)				
Proceeds from Sale of Fixed Assets	10,000	10,000	11,625	1,625
Advances In	130,000	130,000	2,060,642	1,930,642
Advances Out	(910,500)	(2,412,170)	(2,052,880)	359,290
Operating Transfers Out	(964,106)	(827,271)	(175,418)	651,853
<i>Total Other Financing Sources (Uses)</i>	(1,734,606)	(3,099,441)	(156,031)	2,943,410
<i>Net Change in Fund Balance</i>	(5,840,594)	(3,163,202)	1,981,544	5,144,746
<i>Fund Balance Beginning of Year</i>	9,444,846	9,444,846	9,444,846	0
Prior Year Encumbrances Appropriated	1,366,152	1,366,152	1,366,152	0
<i>Fund Balance End of Year</i>	\$4,970,404	\$7,647,796	\$12,792,542	\$5,144,746

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, 2001

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget		
Revenues				
Taxes	\$1,678,813	\$1,689,782	\$2,355,819	\$666,037
Intergovernmental	60,583	60,979	61,708	729
<i>Total Revenues</i>	<u>1,739,396</u>	<u>1,750,761</u>	<u>2,417,527</u>	<u>666,766</u>
Expenditures				
Current:				
Support Services:				
Fiscal				
Other	12,750	12,610	6,282	6,328
Debt Service				
Principal Retirement	1,825,000	1,825,000	1,825,000	0
Interest and Fiscal Charges	454,278	454,418	454,418	0
Total Debt Service	<u>2,279,278</u>	<u>2,279,418</u>	<u>2,279,418</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,292,028</u>	<u>2,292,028</u>	<u>2,285,700</u>	<u>6,328</u>
<i>Net Change in Fund Balance</i>	(552,632)	(541,267)	131,827	673,094
<i>Fund Balance Beginning of Year</i>	<u>1,931,171</u>	<u>1,931,171</u>	<u>1,931,171</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,378,539</u></u>	<u><u>\$1,389,904</u></u>	<u><u>\$2,062,998</u></u>	<u><u>\$673,094</u></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, 2001

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget		
Revenues				
Taxes	\$829,854	\$2,029,400	\$1,737,308	(\$292,092)
Intergovernmental	1,262,351	3,087,067	354,675	(2,732,392)
Charges for Services	0	0	2,675	2,675
Miscellaneous	0	0	100,037	100,037
<i>Total Revenues</i>	<i>2,092,205</i>	<i>5,116,467</i>	<i>2,194,695</i>	<i>(2,921,772)</i>
Expenditures				
Current:				
Support Services:				
Operation and Maintenance of Plant				
Purchased Services	1,577,570	4,642,085	3,649,719	992,366
Capital Outlay - New	354,409	504,409	389,131	115,278
Capital Outlay - Replacement	5,965	105,965	57,951	48,014
Total Operation and Maintenance of Plant	1,937,944	5,252,459	4,096,801	1,155,658
Pupil Transportation				
Capital Outlay - Replacement	400,000	234,723	230,523	4,200
<i>Total Expenditures</i>	<i>2,337,944</i>	<i>5,487,182</i>	<i>4,327,324</i>	<i>1,159,858</i>
<i>Excess of Revenues Under Expenditures</i>	<i>(245,739)</i>	<i>(370,715)</i>	<i>(2,132,629)</i>	<i>(1,761,914)</i>
Other Financing Sources (Uses)				
Advances In	0	0	2,000,000	2,000,000
Advances Out	0	(2,000,000)	(2,000,000)	0
<i>Total Other Financing Sources (Uses)</i>	<i>0</i>	<i>(2,000,000)</i>	<i>0</i>	<i>2,000,000</i>
<i>Net Change in Fund Balance</i>	<i>(245,739)</i>	<i>(2,370,715)</i>	<i>(2,132,629)</i>	<i>238,086</i>
<i>Fund Balance Beginning of Year</i>	<i>2,205,559</i>	<i>2,205,559</i>	<i>2,205,559</i>	<i>0</i>
Prior Year Encumbrances Appropriated	307,615	307,615	307,615	0
<i>Fund Balance End of Year</i>	<i>\$2,267,435</i>	<i>\$142,459</i>	<i>\$380,545</i>	<i>\$238,086</i>

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, 2001

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Revised Budget</u>		
Revenues				
Intergovernmental	\$3,400,000	\$4,324,057	\$3,538,276	(\$785,781)
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	1,402,265	1,260,392	1,121,927	138,465
Fringe Benefits	505,655	357,063	318,377	38,686
Purchased Services	1,310,322	1,635,724	958,878	676,846
Materials and Supplies	1,509,020	1,500,014	1,499,954	60
Capital Outlay - New	578,670	576,694	576,694	0
<i>Total Expenditures</i>	<u>5,305,932</u>	<u>5,329,887</u>	<u>4,475,830</u>	<u>854,057</u>
<i>Excess of Revenues Under Expenditures</i>	(1,905,932)	(1,005,830)	(937,554)	68,276
Other Financing Source				
Operating Transfers In	<u>0</u>	<u>0</u>	<u>89,983</u>	<u>89,983</u>
<i>Net Change in Fund Balance</i>	(1,905,932)	(1,005,830)	(847,571)	158,259
<i>Fund Balance Beginning of Year</i>	581,828	581,828	581,828	0
Prior Year Encumbrances Appropriated	<u>445,688</u>	<u>445,688</u>	<u>445,688</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>(\$878,416)</u></u>	<u><u>\$21,686</u></u>	<u><u>\$179,945</u></u>	<u><u>\$158,259</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, 2001*

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget		
Revenues				
Interest	\$39,239	\$39,239	\$34,849	(\$4,390)
Tuition and Fees	23	23	20	(3)
Extracurricular Activities	278,598	278,598	247,421	(31,177)
Charges for Services	211	211	187	(24)
Contributions and Donations	6,166	6,166	5,476	(690)
Miscellaneous	635,764	635,764	564,617	(71,147)
<i>Total Revenues</i>	<u>960,001</u>	<u>960,001</u>	<u>852,570</u>	<u>(107,431)</u>
Expenditures				
Current:				
Instruction:				
Regular				
Purchased Services	6,000	12,295	7,800	4,495
Materials and Supplies	3,033	175	0	175
Total Regular	9,033	12,470	7,800	4,670
Special				
Other	543	5,318	3,856	1,462
Total Instruction	9,576	17,788	11,656	6,132
Support Services:				
Administration				
Materials and Supplies	250	250	0	250
Fiscal				
Other	0	1,170	1,170	0
Total Support Services	250	1,420	1,170	250
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Materials and Supplies	47,568	52,841	28,569	24,272
Other	172,515	184,021	156,489	27,532
Total Academic and Subject Oriented Activities	220,083	236,862	185,058	51,804
Sports Oriented Activities:				
Other	8,635	8,635	3,438	5,197
School and Public Service				
Co-Curricular Activities:				
Purchased Services	55,100	59,100	17,798	41,302
Materials and Supplies	775,468	906,773	661,076	245,697
Other	61,280	57,280	11,436	45,844
Total School and Public Service Co-Curricular Activities	891,848	1,023,153	690,310	332,843
Total Extracurricular Activities	1,120,566	1,268,650	878,806	389,844
Capital Outlay:				
Purchased Services	8,000	8,000	2,427	5,573
<i>Total Expenditures</i>	<u>\$1,138,392</u>	<u>\$1,295,858</u>	<u>\$894,059</u>	<u>\$401,799</u>

(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, 2001

	Budgeted Amounts			Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
<i>Excess of Revenues Under Expenditures</i>	(\$178,391)	(\$335,857)	(\$41,489)	\$294,368
Other Financing Sources (Uses)				
Operating Transfers In	0	0	10,220	10,220
Operating Transfers Out	0	(6,226)	(1,006)	5,220
<i>Total Other Financing Sources (Uses)</i>	0	(6,226)	9,214	15,440
<i>Net Change in Fund Balance</i>	(178,391)	(342,083)	(32,275)	309,808
<i>Fund Balance Beginning of Year</i>	560,816	560,816	560,816	0
Prior Year Encumbrances Appropriated	81,085	81,085	81,085	0
<i>Fund Balance End of Year</i>	\$463,510	\$299,818	\$609,626	\$309,808

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, 2001

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget		
Revenues				
Intergovernmental	\$473,561	\$1,184,911	\$701,405	(\$483,506)
Expenditures				
Current:				
Instruction:				
Special				
Salaries	140,406	646,740	440,282	206,458
Fringe Benefits	41,719	174,555	118,682	55,873
Purchased Services	13,698	127,987	15,196	112,791
Materials and Supplies	20,867	62,403	59,872	2,531
Capital Outlay - New	18,000	684	684	0
Total Instruction	234,690	1,012,369	634,716	377,653
Support Services:				
Instructional Staff				
Salaries	7,811	25,461	21,342	4,119
Fringe Benefits	2,290	6,065	4,747	1,318
Purchased Services	2,457	2,835	2,056	779
Materials and Supplies	15,199	9,473	8,466	1,007
Total Instructional Staff	27,757	43,834	36,611	7,223
Administration				
Purchased Services	513	1,881	1,005	876
Materials and Supplies	276	926	920	6
Total Administration	789	2,807	1,925	882
Total Support Services	28,546	46,641	38,536	8,105
Operation of Non-Instructional Services:				
Community Services:				
Salaries	18,248	56,810	32,508	24,302
Fringe Benefits	6,364	75,492	7,354	68,138
Purchased Services	875	15,566	12,861	2,705
Materials and Supplies	0	2,416	392	2,024
Total Operation of Non-Instructional Services	25,487	150,284	53,115	97,169
Capital Outlay:				
Capital Outlay - Replacement	120,000	127,000	0	127,000
Other	30,000	30,500	0	30,500
Total Capital Outlay	150,000	157,500	0	157,500
Total Expenditures	438,723	1,366,794	726,367	640,427
Excess of Revenues Over (Under) Expenditures	\$34,838	(\$181,883)	(\$24,962)	\$156,921

(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, 2001

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Revised Budget</u>		
Other Financing Sources				
Operating Transfers In	\$0	\$0	\$9,580	\$9,580
<i>Net Change in Fund Balance</i>	34,838	(181,883)	(15,382)	166,501
<i>Fund Balance Beginning of Year</i>	151,893	151,893	151,893	0
Prior Year Encumbrances Appropriated	29,990	29,990	29,990	0
<i>Fund Balance End of Year</i>	<u>\$216,721</u>	<u>\$0</u>	<u>\$166,501</u>	<u>\$166,501</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, 2001

	Budgeted Amounts			Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
Revenues				
Intergovernmental	\$864,743	\$1,378,962	\$1,085,903	(\$293,059)
Expenditures				
Current:				
Instruction:				
Regular				
Salaries	267	267	0	267
Fringe Benefits	263	263	0	263
Total Regular	530	530	0	530
Special				
Salaries	145,014	145,012	168,491	(23,479)
Fringe Benefits	32,265	32,265	49,901	(17,636)
Materials and Supplies	173,557	173,557	117,363	56,194
Capital Outlay - New	53,395	53,395	50,997	2,398
Total Special	404,231	404,229	386,752	17,477
Total Instruction	404,761	404,759	386,752	18,007
Support Services:				
Pupils				
Salaries	64,970	44,970	23,485	21,485
Fringe Benefits	19,315	4,315	3,811	504
Purchased Services	33,181	7,531	4,153	3,378
Materials and Supplies	19,055	19,055	4,988	14,067
Capital Outlay - New	73,959	53,959	53,607	352
Total Pupils	210,480	129,830	90,044	39,786
Instructional Staff				
Salaries	358,850	375,366	364,179	11,187
Fringe Benefits	171,710	171,710	157,047	14,663
Purchased Services	6,003	5,089	2,153	2,936
Materials and Supplies	250	250	0	250
Capital Outlay - New	7,761	7,761	3,986	3,775
Total Instructional Staff	544,574	560,176	527,365	32,811
Administration				
Salaries	68,383	68,383	59,297	9,086
Fringe Benefits	34,625	34,625	24,877	9,748
Purchased Services	8,300	8,300	0	8,300
Materials and Supplies	24,347	24,347	23,688	659
Total Administration	135,655	135,655	107,862	27,793
Total Support Services	\$890,709	\$825,661	\$725,271	\$100,390

(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, 2001

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Revised Budget</u>		
Operation of Non-Instructional Services:				
Community Services:				
Fringe Benefits	\$3,256	\$3,256	\$3,256	\$0
Purchased Services	0	19,399	7,992	11,407
Materials and Supplies	0	9,881	9,073	808
Total Operation of Non-Instructional Services	<u>3,256</u>	<u>32,536</u>	<u>20,321</u>	<u>12,215</u>
<i>Total Expenditures</i>	<u>1,298,726</u>	<u>1,262,956</u>	<u>1,132,344</u>	<u>130,612</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(433,983)	116,006	(46,441)	(162,447)
Other Financing Uses				
Advances Out	<u>0</u>	<u>(300,000)</u>	<u>0</u>	<u>300,000</u>
<i>Net Change in Fund Balance</i>	(433,983)	(183,994)	(46,441)	137,553
<i>Fund Balance Beginning of Year</i>	70,729	70,729	70,729	0
Prior Year Encumbrances Appropriated	<u>46,061</u>	<u>46,061</u>	<u>46,061</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>(\$317,193)</u></u>	<u><u>(\$67,204)</u></u>	<u><u>\$70,349</u></u>	<u><u>\$137,553</u></u>

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, 2001

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget		
Revenues				
Intergovernmental	\$250,894	\$387,089	\$387,089	\$0
Expenditures				
Current:				
Instruction:				
Regular				
Salaries	173,465	173,465	166,095	7,370
Fringe Benefits	51,815	51,815	41,175	10,640
Purchased Services	0	11,500	9,900	1,600
Materials and Supplies	40,000	59,000	50,907	8,093
Total Instruction	265,280	295,780	268,077	27,703
Support Services:				
Pupils				
Salaries	176,784	107,806	84,072	23,734
Fringe Benefits	50,987	50,987	20,492	30,495
Purchased Services	63,460	77,526	77,526	0
Materials and Supplies	13,000	13,000	11,887	1,113
Capital Outlay - New	5,000	5,000	5,000	0
Total Pupils	309,231	254,319	198,977	55,342
Administration				
Salaries	138,677	138,677	84,861	53,816
Fringe Benefits	41,462	41,462	28,295	13,167
Purchased Services	0	2,000	411	1,589
Materials and Supplies	5,000	7,000	7,000	0
Capital Outlay - Replacement	10,000	10,000	10,000	0
Total Administration	195,139	199,139	130,567	68,572
Central				
Salaries	8,300	8,300	1,418	6,882
Fringe Benefits	1,700	1,700	219	1,481
Purchased Services	30,000	30,000	0	30,000
Total Central	40,000	40,000	1,637	38,363
Total Support Services	544,370	493,458	331,181	162,277
Total Expenditures	809,650	789,238	599,258	189,980
Net Change in Fund Balance	(558,756)	(402,149)	(212,169)	189,980
Fund Balance Beginning of Year	401,961	401,961	401,961	0
Prior Year Encumbrances Appropriated	189	189	189	0
Fund Balance (Deficit) End of Year	(\$156,606)	\$1	\$189,981	\$189,980

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, 2001

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget		
Revenues				
Interest	\$9,316	\$9,316	\$9,888	\$572
Extracurricular Activities	224,016	224,016	237,772	13,756
Charges for Services	107,496	107,496	114,097	6,601
Miscellaneous	1,672	1,672	1,775	103
<i>Total Revenues</i>	<u>342,500</u>	<u>342,500</u>	<u>363,532</u>	<u>21,032</u>
Expenditures				
Current:				
Support Services:				
Pupil Transportation				
Purchased Services	<u>0</u>	<u>19,500</u>	<u>8,123</u>	<u>11,377</u>
Extracurricular Activities:				
Sports Oriented Activities:				
Salaries and Wages	11,825	14,645	11,241	3,404
Fringe Benefits	3,110	3,110	2,308	802
Purchased Services	293,037	274,125	255,287	18,838
Materials and Supplies	104,351	116,415	104,733	11,682
Capital Outlay - New	6,000	3,542	3,542	0
Other	42,261	37,121	27,038	10,083
Total Extracurricular Activities	<u>460,584</u>	<u>448,958</u>	<u>404,149</u>	<u>44,809</u>
<i>Total Expenditures</i>	<u>460,584</u>	<u>468,458</u>	<u>412,272</u>	<u>56,186</u>
<i>Excess of Revenues Under Expenditures</i>	(118,084)	(125,958)	(48,740)	77,218
Other Financing Sources				
Operating Transfers In	<u>0</u>	<u>0</u>	<u>75,855</u>	<u>75,855</u>
<i>Net Change in Fund Balance</i>	(118,084)	(125,958)	27,115	153,073
<i>Fund Balance Beginning of Year</i>	136,748	136,748	136,748	0
Prior Year Encumbrances Appropriated	<u>24,779</u>	<u>24,779</u>	<u>24,779</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$43,443</u></u>	<u><u>\$35,569</u></u>	<u><u>\$188,642</u></u>	<u><u>\$153,073</u></u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Goals 2000 Fund
For the Fiscal Year Ended June 30, 2001

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget		
Revenues				
Intergovernmental	\$135,268	\$192,901	\$175,165	(\$17,736)
Expenditures				
Current:				
Instruction:				
Regular				
Salaries	44,014	167,164	137,803	29,361
Fringe Benefits	10,557	46,588	42,181	4,407
Purchased Services	8,700	25,721	17,677	8,044
Materials and Supplies	23,780	29,119	24,337	4,782
Total Instruction	87,051	268,592	221,998	46,594
Support Services:				
Instructional Staff				
Salaries	3,247	3,247	0	3,247
Administration				
Salaries	0	3,406	3,247	159
Total Support Services	3,247	6,653	3,247	3,406
<i>Total Expenditures</i>	90,298	275,245	225,245	50,000
<i>Net Change in Fund Balance</i>	44,970	(82,344)	(50,080)	32,264
<i>Fund Balance Beginning of Year</i>	60,181	60,181	60,181	0
Prior Year Encumbrances Appropriated	22,163	22,163	22,163	0
<i>Fund Balance End of Year</i>	\$127,314	\$0	\$32,264	\$32,264

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, 2001

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget		
Revenues				
Intergovernmental	\$112,799	\$173,266	\$153,131	(\$20,135)
Expenditures				
Current:				
Instruction:				
Adult/Continuing				
Salaries	4,923	105,843	94,162	11,681
Fringe Benefits	429	20,210	15,303	4,907
Purchased Services	817	23,827	1,853	21,974
Materials and Supplies	3,379	7,170	7,170	0
Total Instruction	9,548	157,050	118,488	38,562
Support Services:				
Pupils				
Salaries	23,217	33,332	29,326	4,006
Fringe Benefits	3,098	12,375	8,214	4,161
Total Pupils	26,315	45,707	37,540	8,167
Instructional Staff				
Purchased Services	83	4,130	3,181	949
Materials and Supplies	149	1,149	1,149	0
Capital Outlay - New	480	3,581	3,581	0
Other	0	200	200	0
Total Instructional Staff	712	9,060	8,111	949
Total Support Services	27,027	54,767	45,651	9,116
<i>Total Expenditures</i>	36,575	211,817	164,139	47,678
<i>Net Change in Fund Balance</i>	76,224	(38,551)	(11,008)	27,543
<i>Fund Balance Beginning of Year</i>	37,527	37,527	37,527	0
Prior Year Encumbrances Appropriated	1,024	1,024	1,024	0
<i>Fund Balance End of Year</i>	\$114,775	\$0	\$27,543	\$27,543

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, 2001

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget		
Revenues				
Intergovernmental	\$82,238	\$128,023	\$103,901	(\$24,122)
Expenditures				
Current:				
Instruction:				
Regular				
Purchased Services	0	2,400	2,400	0
Materials and Supplies	9,946	11,946	8,040	3,906
Capital Outlay - New	9,456	95,549	57,078	38,471
Total Instruction	19,402	109,895	67,518	42,377
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	3,364	18,222	16,734	1,488
Capital Outlay - New	6,182	29,082	28,609	473
Total Operation of Non-Instructional Services	9,546	47,304	45,343	1,961
<i>Total Expenditures</i>	28,948	157,199	112,861	44,338
<i>Net Change in Fund Balance</i>	53,290	(29,176)	(8,960)	20,216
<i>Fund Balance Beginning of Year</i>	20,970	20,970	20,970	0
Prior Year Encumbrances Appropriated	8,207	8,207	8,207	0
<i>Fund Balance End of Year</i>	\$82,467	\$1	\$20,217	\$20,216

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, 2001

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget		
Revenues				
Intergovernmental	\$52,075	\$105,563	\$93,915	(\$11,648)
Expenditures				
Current:				
Instruction:				
Special				
Materials and Supplies	1,897	19,033	11,478	7,555
Capital Outlay - New	2,450	2,450	2,413	37
Total Instruction	4,347	21,483	13,891	7,592
Support Services:				
Pupils				
Salaries	3,307	18,306	15,302	3,004
Fringe Benefits	3,526	10,526	4,703	5,823
Purchased Services	1,028	10,928	10,697	231
Total Pupils	7,861	39,760	30,702	9,058
Instructional Staff				
Salaries	9,524	44,524	33,000	11,524
Fringe Benefits	2,320	15,821	13,355	2,466
Total Instructional Staff	11,844	60,345	46,355	13,990
Administration				
Purchased Services	0	5,500	5,500	0
Total Support Services	19,705	105,605	82,557	23,048
<i>Total Expenditures</i>	24,052	127,088	96,448	30,640
<i>Net Change in Fund Balance</i>	28,023	(21,525)	(2,533)	18,992
<i>Fund Balance Beginning of Year</i>	20,555	20,555	20,555	0
Prior Year Encumbrances Appropriated	970	970	970	0
<i>Fund Balance End of Year</i>	\$49,548	\$0	\$18,992	\$18,992

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, 2001

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget		
Revenues				
Intergovernmental	\$105,173	\$171,960	\$149,096	(\$22,864)
Expenditures				
Current:				
Instruction:				
Vocational				
Salaries and Wages	0	36,000	34,375	1,625
Fringe Benefits	191	15,692	15,378	314
Materials and Supplies	9,434	11,434	23,028	(11,594)
Capital Outlay - New	15,511	22,391	15,008	7,383
Capital Outlay - Replacement	720	22,006	22,006	0
Other	0	1,500	1,500	0
Total Instruction	25,856	109,023	111,295	(2,272)
Support Services:				
Pupils				
Purchased Services	2,344	2,344	751	1,593
Materials and Supplies	6,181	6,181	5,986	195
Capital Outlay - New	0	4,005	4,005	0
Total Pupils	8,525	12,530	10,742	1,788
Instructional Staff				
Fringe Benefits	19	19	19	0
Purchased Services	0	9,000	3,814	5,186
Materials and Supplies	0	1,705	1,704	1
Total Instructional Staff	19	10,724	5,537	5,187
Administration				
Materials and Supplies	1,619	2,070	1,690	380
Central				
Salaries	1,937	7,036	6,725	311
Fringe Benefits	57	873	873	0
Purchased Services	1,088	20,370	20,300	70
Materials and Supplies	300	4,300	3,999	301
Capital Outlay - New	0	2,000	2,000	0
Total Central	3,382	34,579	33,897	682
Total Support Services	13,545	59,903	51,866	8,037
Extracurricular Activities:				
Occupation Oriented Activities:				
Purchased Services	0	11,000	5,663	5,337
Materials and Supplies	0	3,880	3,880	0
Other	0	8,000	8,000	0
Total Extracurricular Activities	0	22,880	17,543	5,337
Total Expenditures	\$39,401	\$191,806	\$180,704	\$11,102

(continued)

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Vocational Education Fund (continued)
For the Fiscal Year Ended June 30, 2001

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget		
<i>Excess of Revenues Over (Under) Expenditures</i>	\$65,772	(\$19,846)	(\$31,608)	(\$11,762)
Other Financing Sources (Uses)				
Advances In	0	0	22,860	22,860
Advances Out	0	(14,000)	(14,000)	0
<i>Total Other Financing Sources (Uses)</i>	0	(14,000)	8,860	22,860
<i>Net Change in Fund Balance</i>	65,772	(33,846)	(22,748)	11,098
<i>Fund Balance Beginning of Year</i>	212	212	212	0
Prior Year Encumbrances Appropriated	33,634	33,634	33,634	0
<i>Fund Balance End of Year</i>	\$99,618	\$0	\$11,098	\$11,098

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, 2001

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget		
Revenues				
Intergovernmental	\$69,137	\$106,651	\$106,666	\$15
Expenditures				
Current:				
Instruction:				
Regular				
Salaries	0	77,129	68,192	8,937
Fringe Benefits	191	29,730	29,730	0
Total Regular	191	106,859	97,922	8,937
Special				
Fringe Benefits	166	166	166	0
Materials and Supplies	6,690	6,692	6,416	276
Total Special	6,856	6,858	6,582	276
Total Instruction	7,047	113,717	104,504	9,213
Support Services:				
Pupils				
Fringe Benefits	324	324	324	0
Purchased Services	4,222	4,222	4,222	0
Materials and Supplies	466	466	372	94
Capital Outlay - New	10,072	10,072	10,072	0
Total Support Services	15,084	15,084	14,990	94
<i>Total Expenditures</i>	22,131	128,801	119,494	9,307
<i>Net Change in Fund Balance</i>	47,006	(22,150)	(12,828)	9,322
<i>Fund Balance Beginning of Year</i>	17	17	17	0
Prior Year Encumbrances Appropriated	22,133	22,133	22,133	0
<i>Fund Balance End of Year</i>	\$69,156	\$0	\$9,322	\$9,322

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, 2001

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget		
Revenues				
Intergovernmental	\$37,593	\$88,000	\$58,000	(\$30,000)
Expenditures				
Current:				
Support Services:				
Instructional Staff				
Salaries	8,661	66,661	39,113	27,548
Fringe Benefits	3,056	3,056	2,704	352
Purchased Services	11,900	11,900	11,900	0
Materials and Supplies	2,100	2,100	0	2,100
<i>Total Expenditures</i>	<u>25,717</u>	<u>83,717</u>	<u>53,717</u>	<u>30,000</u>
<i>Excess of Revenues Over Expenditures</i>	11,876	4,283	4,283	0
Other Financing Uses				
Advances Out	(30,000)	(30,000)	(30,000)	0
<i>Net Change in Fund Balance</i>	(18,124)	(25,717)	(25,717)	0
<i>Fund Balance Beginning of Year</i>	25,697	25,697	25,697	0
Prior Year Encumbrances Appropriated	20	20	20	0
<i>Fund Balance End of Year</i>	<u>\$7,593</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
Eisenhower Grant Fund
For the Fiscal Year Ended June 30, 2001

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget		
Revenues				
Intergovernmental	\$43,789	\$46,459	\$46,458	(\$1)
Expenditures				
Current:				
Instruction:				
Regular				
Purchased Services	500	500	0	500
Materials and Supplies	9,674	9,674	7,524	2,150
Capital Outlay - New	170	170	126	44
Total Instruction	10,344	10,344	7,650	2,694
Support Services:				
Pupils				
Salaries	6,563	23,134	23,134	0
Fringe Benefits	829	4,833	4,833	0
Purchased Services	9,961	13,683	13,490	193
Materials and Supplies	11,056	16,194	10,348	5,846
Capital Outlay - New	14,337	23,685	10,188	13,497
Total Pupils	42,746	81,529	61,993	19,536
Administration				
Salaries	500	1,000	0	1,000
Fringe Benefits	82	163	0	163
Total Administration	582	1,163	0	1,163
Total Support Services	43,328	82,692	61,993	20,699
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	4,266	7,033	4,250	2,783
<i>Total Expenditures</i>	57,938	100,069	73,893	26,176
<i>Net Change in Fund Balance</i>	(14,149)	(53,610)	(27,435)	26,175
<i>Fund Balance Beginning of Year</i>	45,695	45,695	45,695	0
Prior Year Encumbrances Appropriated	7,915	7,915	7,915	0
<i>Fund Balance End of Year</i>	\$39,461	\$0	\$26,175	\$26,175

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, 2001

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget		
Revenues				
Intergovernmental	\$39,638	\$42,357	\$61,155	\$18,798
Expenditures				
Current:				
Instruction:				
Regular				
Salaries	0	8,469	1,517	6,952
Fringe Benefits	41	2,347	2,347	0
Total Instruction	41	10,816	3,864	6,952
Support Services:				
Instructional Staff				
Salaries	1,279	18,280	13,026	5,254
Fringe Benefits	275	4,275	2,072	2,203
Purchased Services	1,462	12,862	5,644	7,218
Materials and Supplies	8,834	24,165	15,454	8,711
Total Support Services	11,850	59,582	36,196	23,386
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	2,896	5,545	3,464	2,081
<i>Total Expenditures</i>	14,787	75,943	43,524	32,419
<i>Net Change in Fund Balance</i>	24,851	(33,586)	17,631	51,217
<i>Fund Balance Beginning of Year</i>	18,998	18,998	18,998	0
Prior Year Encumbrances Appropriated	14,588	14,588	14,588	0
<i>Fund Balance End of Year</i>	\$58,437	\$0	\$51,217	\$51,217

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, 2001

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget		
Revenues				
Intergovernmental	\$40,834	\$0	\$63,000	\$63,000
Expenditures				
Current:				
Support Services:				
Central				
Purchased Services	56,952	56,952	0	56,952
<i>Net Change in Fund Balance</i>	(16,118)	(56,952)	63,000	119,952
<i>Fund Balance Beginning of Year</i>	56,952	56,952	56,952	0
<i>Fund Balance End of Year</i>	\$40,834	\$0	\$119,952	\$119,952

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, 2001

	Budgeted Amounts			Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
Revenues				
Intergovernmental	\$329,714	\$528,735	\$508,695	(\$20,040)
Expenditures				
Current:				
Instruction:				
Special				
Materials and Supplies	0	81	81	0
Support Services:				
Pupils				
Salaries	18,816	22,666	21,671	995
Fringe Benefits	3,174	4,047	3,463	584
Purchased Services	3,259	3,260	3,223	37
Materials and Supplies	606	525	439	86
Total Pupils	25,855	30,498	28,796	1,702
Instructional Staff				
Fringe Benefits	10	10	10	0
Purchased Services	6,673	6,674	6,559	115
Materials and Supplies	13,333	13,333	11,538	1,795
Capital Outlay - New	359	359	325	34
Total Instructional Staff	20,375	20,376	18,432	1,944
Administration				
Salaries	0	29,652	21,543	8,109
Fringe Benefits	0	8,389	5,690	2,699
Total Administration	0	38,041	27,233	10,808
Total Support Services	46,230	88,915	74,461	14,454
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	44,596	320,498	299,384	21,114
Fringe Benefits	4,028	92,704	82,032	10,672
Purchased Services	59,249	157,920	115,620	42,300
Materials and Supplies	44,939	75,510	67,739	7,771
Capital Outlay - New	14,449	16,413	13,765	2,648
Total Operation of Non-Instructional Services	167,261	663,045	578,540	84,505
Total Expenditures	213,491	752,041	653,082	98,959
Net Change in Fund Balance	116,223	(223,306)	(144,387)	78,919
Fund Balance Beginning of Year	90,817	90,817	90,817	0
Prior Year Encumbrances Appropriated	90,613	90,613	90,613	0
Fund Balance (Deficit) End of Year	\$297,653	(\$41,876)	\$37,043	\$78,919

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, 2001

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget		
Revenues				
Donations	\$42,752	\$52,894	\$73,758	\$20,864
Miscellaneous	242	300	35,764	35,464
<i>Total Revenues</i>	<u>42,994</u>	<u>53,194</u>	<u>109,522</u>	<u>56,328</u>
Expenditures				
Current:				
Instruction:				
Regular				
Salaries	665	4,153	1,477	2,676
Fringe Benefits	89	803	244	559
Purchased Services	0	7,546	4,757	2,789
Materials and Supplies	1,144	35,968	32,888	3,080
Capital Outlay - New	26,934	32,332	32,252	80
Total Regular	<u>28,832</u>	<u>80,802</u>	<u>71,618</u>	<u>9,184</u>
Vocational				
Salaries and Wages	0	664	300	364
Fringe Benefits	0	137	46	91
Purchased Services	0	1,275	249	1,026
Materials and Supplies	0	900	685	215
Capital Outlay - New	0	9,025	6,870	2,155
Other	0	500	0	500
Total Vocational	<u>0</u>	<u>12,501</u>	<u>8,150</u>	<u>4,351</u>
Total Instruction	<u>28,832</u>	<u>93,303</u>	<u>79,768</u>	<u>13,535</u>
Support Services:				
Instructional Staff				
Purchased Services	25	25	25	0
Materials and Supplies	23	23	0	23
Total Instructional Staff	<u>48</u>	<u>48</u>	<u>25</u>	<u>23</u>
Board of Education				
Other	0	300	155	145
Pupil Transportation				
Purchased Services	194	194	92	102
Central				
Purchased Services	10,950	10,950	579	10,371
Other	7,090	9,290	9,118	172
Total Central	<u>18,040</u>	<u>20,240</u>	<u>9,697</u>	<u>10,543</u>
Total Support Services	<u>\$18,282</u>	<u>\$20,782</u>	<u>\$9,969</u>	<u>\$10,813</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, 2001

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Revised Budget</u>		
Extracurricular Activities: School and Public Service Co-Curricular Activities: Purchased Services	<u>\$0</u>	<u>\$10,780</u>	<u>\$9,154</u>	<u>\$1,626</u>
<i>Total Expenditures</i>	<u>47,114</u>	<u>124,865</u>	<u>98,891</u>	<u>25,974</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(4,120)</u>	<u>(71,671)</u>	<u>10,631</u>	<u>82,302</u>
Other Financing Sources (Uses)				
Operating Transfers In	1,006	1,006	1,006	0
Operating Transfers Out	<u>0</u>	<u>(10,419)</u>	<u>(10,220)</u>	<u>199</u>
<i>Total Other Financing Sources (Uses)</i>	<u>1,006</u>	<u>(9,413)</u>	<u>(9,214)</u>	<u>199</u>
<i>Net Change in Fund Balance</i>	<u>(3,114)</u>	<u>(81,084)</u>	<u>1,417</u>	<u>82,501</u>
<i>Fund Balance Beginning of Year</i>	34,295	34,295	34,295	0
Prior Year Encumbrances Appropriated	<u>6,614</u>	<u>6,614</u>	<u>6,614</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$37,795</u></u>	<u><u>(\$40,175)</u></u>	<u><u>\$42,326</u></u>	<u><u>\$82,501</u></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, 2001

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget		
Revenues				
Intergovernmental	\$57,781	\$121,220	\$58,968	(\$62,252)
Expenditures				
Current:				
Support Services:				
Pupils				
Salaries	40,675	81,046	67,036	14,010
Fringe Benefits	7,123	75,144	19,080	56,064
Purchased Services	0	1,832	1,761	71
Materials and Supplies	0	1,404	1,404	0
Total Pupils	47,798	159,426	89,281	70,145
Instructional Staff				
Purchased Services	152	152	152	0
Materials and Supplies	2,651	2,651	2,651	0
Total Instructional Staff	2,803	2,803	2,803	0
Total Support Services	50,601	162,229	92,084	70,145
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	2,328	6,059	5,942	117
<i>Total Expenditures</i>	52,929	168,288	98,026	70,262
<i>Net Change in Fund Balance</i>	4,852	(47,068)	(39,058)	8,010
<i>Fund Balance Beginning of Year</i>	42,146	42,146	42,146	0
Prior Year Encumbrances Appropriated	4,924	4,924	4,924	0
<i>Fund Balance End of Year</i>	\$51,922	\$2	\$8,012	\$8,010

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Career Development Fund
For the Fiscal Year Ended June 30, 2001

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget		
Revenues				
Intergovernmental	\$37,539	\$108,325	\$50,297	(\$58,028)
Expenditures				
Current:				
Support Services:				
Pupils				
Salaries	0	15,000	15,000	0
Fringe Benefits	0	3,000	3,000	0
Purchased Services	0	4,400	4,391	9
Materials and Supplies	0	28,395	28,388	7
Total Pupils	0	50,795	50,779	16
Instructional Staff				
Salaries	4,540	4,540	4,540	0
Fringe Benefits	911	51,705	911	50,794
Purchased Services	700	700	0	700
Materials and Supplies	6,797	6,798	5,991	807
Total Instructional Staff	12,948	63,743	11,442	52,301
<i>Total Expenditures</i>	12,948	114,538	62,221	52,317
<i>Excess of Revenues Over (Under) Expenditures</i>	24,591	(6,213)	(11,924)	(5,711)
Other Financing Sources (Uses)				
Advances In	0	0	7,619	7,619
Advances Out	0	(14,242)	(14,242)	0
<i>Total Other Financing Sources (Uses)</i>	0	(14,242)	(6,623)	7,619
<i>Net Change in Fund Balance</i>	24,591	(20,455)	(18,547)	1,908
<i>Fund Balance Beginning of Year</i>	12,929	12,929	12,929	0
Prior Year Encumbrances Appropriated	7,526	7,526	7,526	0
<i>Fund Balance End of Year</i>	\$45,046	\$0	\$1,908	\$1,908

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, 2001

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget		
Revenues				
Miscellaneous	\$50,000	\$50,000	\$0	(\$50,000)
Expenditures				
Current:				
Support Services:				
Pupils				
Salaries	3,353	3,353	2,958	395
Fringe Benefits	861	861	481	380
Purchased Services	22,102	22,102	22,102	0
Materials and Supplies	10,478	10,478	9,489	989
<i>Total Expenditures</i>	<u>36,794</u>	<u>36,794</u>	<u>35,030</u>	<u>1,764</u>
<i>Net Change in Fund Balance</i>	13,206	13,206	(35,030)	(48,236)
<i>Fund Balance Beginning of Year</i>	33,965	33,965	33,965	0
Prior Year Encumbrances Appropriated	2,829	2,829	2,829	0
<i>Fund Balance End of Year</i>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$1,764</u>	<u>(\$48,236)</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, 2001

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With Final Budget Favorable (Unfavorable)
	<u>Original Budget</u>	<u>Revised Budget</u>		
Revenues				
Intergovernmental	\$33,780	\$3,209	\$52,117	\$48,908
Expenditures				
Current:				
Support Services:				
Instructional Staff				
Salaries	23,549	26,307	13,634	12,673
Fringe Benefits	3,770	4,219	2,807	1,412
Purchased Services	500	500	0	500
Capital Outlay - New	5,804	5,804	0	5,804
<i>Total Expenditures</i>	<u>33,623</u>	<u>36,830</u>	<u>16,441</u>	<u>20,389</u>
<i>Net Change in Fund Balance</i>	157	(33,621)	35,676	69,297
<i>Fund Balance Beginning of Year</i>	<u>33,621</u>	<u>33,621</u>	<u>33,621</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$33,778</u></u>	<u><u>\$0</u></u>	<u><u>\$69,297</u></u>	<u><u>\$69,297</u></u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
School Improvement Incentive Fund
For the Fiscal Year Ended June 30, 2001

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget		
Revenues				
Intergovernmental	\$16,204	\$0	\$25,000	\$25,000
Expenditures				
Current:				
Support Services:				
Pupils				
Materials and Supplies	1,212	1,212	363	849
Capital Outlay - New	23,788	23,788	23,088	700
<i>Total Expenditures</i>	25,000	25,000	23,451	1,549
<i>Net Change in Fund Balance</i>	(8,796)	(25,000)	1,549	26,549
<i>Fund Balance Beginning of Year</i>	11,661	11,661	11,661	0
Prior Year Encumbrances Appropriated	13,339	13,339	13,339	0
<i>Fund Balance End of Year</i>	\$16,204	\$0	\$26,549	\$26,549

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, 2001

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Revised Budget</u>		
Revenues				
Intergovernmental	\$6,415	\$32,576	\$19,617	(\$12,959)
Expenditures				
Current:				
Instruction:				
Special				
Materials and Supplies	2,102	8,007	5,037	2,970
Capital Outlay - New	9,076	29,090	19,007	10,083
<i>Total Expenditures</i>	<u>11,178</u>	<u>37,097</u>	<u>24,044</u>	<u>13,053</u>
<i>Net Change in Fund Balance</i>	(4,763)	(4,521)	(4,427)	94
<i>Fund Balance Beginning of Year</i>	2,420	2,420	2,420	0
Prior Year Encumbrances Appropriated	<u>2,101</u>	<u>2,101</u>	<u>2,101</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$242)</u>	<u>\$0</u>	<u>\$94</u>	<u>\$94</u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Emergency Immigrant Education Assistance Grant Fund
For the Fiscal Year Ended June 30, 2001

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget		
Revenues				
Intergovernmental	\$7,160	\$11,750	\$11,750	\$0
Expenditures				
Current:				
Instruction:				
Special				
Salaries	8,570	8,570	8,570	0
Fringe Benefits	1,780	1,780	1,780	0
Total Instruction	10,350	10,350	10,350	0
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	1,400	1,400	1,344	56
<i>Total Expenditures</i>	11,750	11,750	11,694	56
<i>Net Change in Fund Balance</i>	(4,590)	0	56	56
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance (Deficit) End of Year</i>	(\$4,590)	\$0	\$56	\$56

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Economic Education Grant Fund
For the Fiscal Year Ended June 30, 2001

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget		
Revenues				
Intergovernmental	\$9,333	\$26,400	\$12,000	(\$14,400)
Expenditures				
Current:				
Support Services:				
Pupils				
Salaries	0	3,400	3,400	0
Fringe Benefits	0	599	599	0
Purchased Services	0	1,000	931	69
Materials and Supplies	2,400	9,400	8,856	544
Total Pupils	2,400	14,399	13,786	613
Instructional Staff				
Purchased Services	239	12,240	258	11,982
<i>Total Expenditures</i>	2,639	26,639	14,044	12,595
<i>Excess of Revenues Over (Under) Expenditures</i>	6,694	(239)	(2,044)	(1,805)
Other Financing Sources (Uses)				
Advances In	0	0	2,400	2,400
Advances Out	0	(2,400)	(2,400)	0
<i>Total Other Financing Sources (Uses)</i>	0	(2,400)	0	2,400
<i>Net Change in Fund Balance</i>	6,694	(2,639)	(2,044)	595
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	2,639	2,639	2,639	0
<i>Fund Balance End of Year</i>	\$9,333	\$0	\$595	\$595

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, 2001

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget		
Revenues				
Intergovernmental	\$4,537	\$6,000	\$7,000	\$1,000
Expenditures				
Current:				
Support Services:				
Instructional Staff				
Salaries	5,100	8,430	2,450	5,980
Fringe Benefits	900	1,512	343	1,169
Purchased Services	0	3,058	2,410	648
<i>Total Expenditures</i>	<u>6,000</u>	<u>13,000</u>	<u>5,203</u>	<u>7,797</u>
<i>Net Change in Fund Balance</i>	(1,463)	(7,000)	1,797	8,797
<i>Fund Balance Beginning of Year</i>	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$5,537</u></u>	<u><u>\$0</u></u>	<u><u>\$8,797</u></u>	<u><u>\$8,797</u></u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Scholarship Fund
For the Fiscal Year Ended June 30, 2001

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Revised Budget</u>		
Revenues				
Donations	\$900	\$900	\$4,300	\$3,400
Expenditures				
Current:				
Instruction:				
Adult/Continuing				
Other	<u>3,088</u>	<u>9,888</u>	<u>4,884</u>	<u>5,004</u>
<i>Net Change in Fund Balance</i>	(2,188)	(8,988)	(584)	8,404
<i>Fund Balance Beginning of Year</i>	<u>19,415</u>	<u>19,415</u>	<u>19,415</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$17,227</u></u>	<u><u>\$10,427</u></u>	<u><u>\$18,831</u></u>	<u><u>\$8,404</u></u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Textbook Subsidy Fund
For the Fiscal Year Ended June 30, 2001

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Revised Budget</u>		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Instruction:				
Regular				
Materials and Supplies	<u>2,992</u>	<u>2,992</u>	<u>2,953</u>	<u>39</u>
<i>Net Change in Fund Balance</i>	(2,992)	(2,992)	(2,953)	39
<i>Fund Balance Beginning of Year</i>	40	40	40	0
Prior Year Encumbrances Appropriated	<u>2,952</u>	<u>2,952</u>	<u>2,952</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$39</u>	<u>\$39</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, 2001

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget		
Revenues				
Intergovernmental	\$54,445	\$84,000	\$84,000	\$0
Expenditures				
Current:				
Instruction:				
Regular				
Salaries	65,000	65,000	53,184	11,816
Fringe Benefits	10,576	10,576	9,616	960
Purchased Services	6,000	6,000	1,164	4,836
Materials and Supplies	2,424	2,424	2,212	212
<i>Total Expenditures</i>	84,000	84,000	66,176	17,824
<i>Net Change in Fund Balance</i>	(29,555)	0	17,824	17,824
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance (Deficit) End of Year</i>	(\$29,555)	\$0	\$17,824	\$17,824

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, 2001

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Revised Budget</u>		
Revenues				
Intergovernmental	\$24,881	\$0	\$38,388	\$38,388
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	24,881	0	38,388	38,388
<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>\$24,881</u>	<u>\$0</u>	<u>\$38,388</u>	<u>\$38,388</u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Performance Incentive Fund
For the Fiscal Year Ended June 30, 2001

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget		
Revenues				
Intergovernmental	\$0	\$70,253	\$21,076	(\$49,177)
Expenditures				
Current:				
Instruction:				
Regular				
Salaries	36,000	36,000	0	36,000
Fringe Benefits	6,120	6,120	0	6,120
Purchased Services	2,000	2,000	0	2,000
Materials and Supplies	26,133	26,133	0	26,133
<i>Total Expenditures</i>	70,253	70,253	0	70,253
<i>Net Change in Fund Balance</i>	(70,253)	0	21,076	21,076
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance (Deficit) End of Year</i>	(\$70,253)	\$0	\$21,076	\$21,076

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Extended Learning Opportunity Grant Fund
For the Fiscal Year Ended June 30, 2001

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget		
Revenues				
Intergovernmental	\$56,746	\$87,550	\$87,550	\$0
Expenditures				
Current:				
Instruction:				
Regular				
Salaries	66,000	66,000	14,054	51,946
Fringe Benefits	13,260	13,260	5,679	7,581
Purchased Services	3,290	3,290	0	3,290
Materials and Supplies	5,000	5,000	4,959	41
<i>Total Expenditures</i>	<u>87,550</u>	<u>87,550</u>	<u>24,692</u>	<u>62,858</u>
<i>Net Change in Fund Balance</i>	(30,804)	0	62,858	62,858
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>(\$30,804)</u></u>	<u><u>\$0</u></u>	<u><u>\$62,858</u></u>	<u><u>\$62,858</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, 2001

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget		
Revenues				
Miscellaneous	\$13,700	\$13,700	\$16,856	\$3,156
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	13,700	13,700	16,856	3,156
<i>Fund Balance Beginning of Year</i>	<u>65,026</u>	<u>65,026</u>	<u>65,026</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$78,726</u></u>	<u><u>\$78,726</u></u>	<u><u>\$81,882</u></u>	<u><u>\$3,156</u></u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
School Net Fund
For the Fiscal Year Ended June 30, 2001

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget		
Revenues				
Intergovernmental	\$0	\$169,424	\$169,424	\$0
Expenditures				
Current:				
Instruction:				
Regular				
Capital Outlay - New	0	169,424	169,402	22
Support Services:				
Instructional Staff				
Salaries	3,566	3,566	1,103	2,463
Fringe Benefits	808	808	154	654
Materials and Supplies	8,779	8,779	300	8,479
Capital Outlay - New	21,395	21,395	5,276	16,119
Total Support Services	34,548	34,548	6,833	27,715
<i>Total Expenditures</i>	34,548	203,972	176,235	27,737
<i>Net Change in Fund Balance</i>	(34,548)	(34,548)	(6,811)	27,737
<i>Fund Balance Beginning of Year</i>	70,566	70,566	70,566	0
Prior Year Encumbrances Appropriated	2,472	2,472	2,472	0
<i>Fund Balance End of Year</i>	<u>\$38,490</u>	<u>\$38,490</u>	<u>\$66,227</u>	<u>\$27,737</u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Security Equipment Fund
For the Fiscal Year Ended June 30, 2001

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget		
Revenues				
Intergovernmental	\$8,724	\$8,115	\$13,459	\$5,344
Expenditures				
Current:				
Support Services:				
Operation and Maintenance of Plant				
Purchased Services	4,040	14,884	13,724	1,160
Materials and Supplies	1,275	2,460	1,500	960
Capital Outlay - New	0	1,432	1,432	0
<i>Total Expenditures</i>	5,315	18,776	16,656	2,120
<i>Net Change in Fund Balance</i>	3,409	(10,661)	(3,197)	7,464
<i>Fund Balance Beginning of Year</i>	5,345	5,345	5,345	0
Prior Year Encumbrances Appropriated	5,316	5,316	5,316	0
<i>Fund Balance End of Year</i>	\$14,070	\$0	\$7,464	\$7,464

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2001

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget		
Revenues				
Sales	\$1,612,423	\$2,142,228	\$2,142,228	\$0
Operating Grants	286,677	380,872	827,040	446,168
<i>Total Revenues</i>	<u>1,899,100</u>	<u>2,523,100</u>	<u>2,969,268</u>	<u>446,168</u>
Expenses				
Salaries	759,000	759,000	949,971	(190,971)
Fringe Benefits	402,698	402,698	450,672	(47,974)
Purchased Services	138,900	138,900	114,880	24,020
Materials and Supplies	1,373,500	1,373,500	1,278,269	95,231
Capital Outlay	188,000	188,000	29,035	158,965
Other	6,791	6,791	0	6,791
<i>Total Expenses</i>	<u>2,868,889</u>	<u>2,868,889</u>	<u>2,822,827</u>	<u>46,062</u>
<i>Net Change in Fund Equity</i>	(969,789)	(345,789)	146,441	492,230
<i>Fund Equity Beginning of Year</i>	<u>346,291</u>	<u>346,291</u>	<u>346,291</u>	<u>0</u>
<i>Fund Equity (Deficit) End of Year</i>	<u><u>(\$623,498)</u></u>	<u><u>\$502</u></u>	<u><u>\$492,732</u></u>	<u><u>\$492,230</u></u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Adult Continuing Education Fund
For the Fiscal Year Ended June 30, 2001

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget		
Revenues				
Tuition and Fees	\$571,350	\$713,170	\$741,276	\$28,106
Charges for Services	16,023	20,000	30,000	10,000
Operating Grants	116,726	145,700	224,619	78,919
Miscellaneous	0	0	2,109	2,109
<i>Total Revenues</i>	<u>704,099</u>	<u>878,870</u>	<u>998,004</u>	<u>119,134</u>
Expenses				
Salaries	656,424	655,989	569,751	86,238
Fringe Benefits	166,676	166,679	155,629	11,050
Purchased Services	186,309	155,850	99,953	55,897
Materials and Supplies	94,785	123,451	84,195	39,256
Capital Outlay	4,000	19,000	2,000	17,000
Other	6,750	9,250	8,422	828
<i>Total Expenses</i>	<u>1,114,944</u>	<u>1,130,219</u>	<u>919,950</u>	<u>210,269</u>
<i>Excess of Revenues Over (Under) Expenses Before Advances</i>	(410,845)	(251,349)	78,054	329,403
Advances In	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>0</u>
<i>Net Change in Fund Equity</i>	(390,845)	(231,349)	98,054	329,403
<i>Fund Equity Beginning of Year</i>	206,928	206,928	206,928	0
Prior Year Encumbrances Appropriated	<u>24,816</u>	<u>24,816</u>	<u>24,816</u>	<u>0</u>
<i>Fund Equity (Deficit) End of Year</i>	<u><u>(\$159,101)</u></u>	<u><u>\$395</u></u>	<u><u>\$329,798</u></u>	<u><u>\$329,403</u></u>

Parma City School District
Schedule of Revenues, Expenditures and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Extended Daycare/ Preschool Fund
For the Fiscal Year Ended June 30, 2001

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original Budget	Revised Budget		
Revenues				
Tuition and Fees	\$301,118	\$304,879	\$1,051,516	\$746,637
Operating Grants	858,695	869,421	109,850	(759,571)
Miscellaneous	988	1,000	370	(630)
<i>Total Revenues</i>	<u>1,160,801</u>	<u>1,175,300</u>	<u>1,161,736</u>	<u>(13,564)</u>
Expenses				
Salaries	864,263	864,272	763,618	100,654
Fringe Benefits	236,238	238,281	211,899	26,382
Purchased Services	235,815	233,761	155,587	78,174
Materials and Supplies	289,818	300,119	140,478	159,641
Capital Outlay	60,300	0	0	0
Other	11,205	11,205	6,927	4,278
<i>Total Expenses</i>	<u>1,697,639</u>	<u>1,647,638</u>	<u>1,278,509</u>	<u>369,129</u>
<i>Excess of Revenues Under Expenses Before Transfers</i>	(536,838)	(472,338)	(116,773)	355,565
Transfers Out	0	(50,000)	0	50,000
<i>Net Change in Fund Equity</i>	(536,838)	(522,338)	(116,773)	405,565
<i>Fund Equity Beginning of Year</i>	486,939	486,939	486,939	0
Prior Year Encumbrances Appropriated	35,492	35,492	35,492	0
<i>Fund Equity (Deficit) End of Year</i>	<u>(\$14,407)</u>	<u>\$93</u>	<u>\$405,658</u>	<u>\$405,565</u>

Parma City School District
General Governmental
Expenses/Expenditures by Function (1)
Last Ten Fiscal Years (2)

	2001										
	Full Accrual	Modified Accrual	2000	1999	1998	1997	1996	1995	1994	1993	1992
Current:											
Instruction:											
Regular	\$46,171,336	\$45,678,906	\$42,121,709	\$44,493,411	\$43,504,689	\$41,889,510	\$39,531,630	\$35,761,981	\$35,829,261	\$33,230,316	\$31,555,469
Special	10,151,082	10,275,154	9,009,861	8,527,584	8,305,462	7,599,446	6,795,596	6,765,411	6,881,955	6,363,054	5,985,065
Vocational	2,412,894	2,421,717	2,365,948	1,589,698	1,432,552	2,869,507	2,790,477	2,993,552	3,000,646	2,984,943	3,044,250
Adult/Continuing	131,614	125,977	1,249,792	247,818	216,042	92,813	59,859	76,874	75,062	79,310	109,380
Support Services:											
Pupil	5,702,894	5,854,037	4,980,936	5,328,169	4,991,585	4,028,395	3,836,412	3,622,234	3,521,235	3,250,990	3,163,821
Instructional Staff	4,373,868	4,371,538	3,839,009	4,477,718	4,916,855	6,051,766	5,804,758	5,153,497	5,678,561	5,811,298	5,635,987
Board of Education	445,182	442,794	68,594	61,895	50,707	42,645	35,102	28,267	16,839	13,811	14,400
Administration	6,800,226	7,254,890	6,404,442	7,125,281	7,751,325	6,370,159	6,909,985	5,663,714	7,451,106	5,663,830	5,655,538
Fiscal	2,122,588	2,132,139	1,268,946	1,522,202	1,547,714	1,269,908	1,228,812	1,138,983	1,178,899	1,012,142	1,087,692
Business	608,938	619,083	625,702	760,549	796,169	730,366	662,027	556,751	545,632	534,106	519,701
Operation and Maintenance of Plant	10,154,889	9,485,597	9,060,406	9,632,433	9,879,885	9,341,167	9,784,581	8,776,964	11,892,095	9,873,577	10,923,832
Pupil Transportation	4,298,362	4,576,746	3,795,132	3,848,234	4,105,287	4,314,313	4,176,923	3,170,391	3,482,098	3,610,817	3,767,090
Central	1,489,597	1,701,377	1,190,863	1,033,112	1,094,231	669,706	737,068	650,053	662,428	651,039	768,661
Operation of Non-Instructional Services	4,263,121	4,585,118	3,605,276	3,537,697	3,098,375	3,356,742	311,580	185,888	1,703	0	2,505,818
Extracurricular Activities	2,279,498	2,250,836	2,489,889	2,200,277	1,956,788	1,134,324	1,141,567	1,066,396	943,998	954,201	1,511,916
Capital Outlay	0	2,926,295	707,129	1,299,669	981,663	2,535,087	164,803	235,241	355,966	534,268	317,384
Intergovernmental	0	0	4,400	0	0	0	0	0	0	0	0
Debt Service	484,966	940,271	3,783,150	5,363,759	5,808,349	823,052	6,387,025	10,457,905	5,299,148	2,715,051	6,636,553
Total	<u>\$101,891,055</u>	<u>\$105,642,475</u>	<u>\$96,571,184</u>	<u>\$101,049,506</u>	<u>\$100,437,678</u>	<u>\$93,118,906</u>	<u>\$90,358,205</u>	<u>\$86,304,102</u>	<u>\$86,816,632</u>	<u>\$77,282,753</u>	<u>\$83,202,557</u>

Source: School District Financial Records

(1) Includes General, Special Revenue, Capital Projects and Debt Service Funds for modified accrual and all governmental activities for full accrual

(2) 1997 through 2001 reported on a GAAP Basis; All other on Cash Basis

Parma City School District
General Governmental
Revenues by Source (1)
Last Ten Fiscal Years (2)

	2001		2000	1999	1998	1997	1996	1995	1994	1993	1992
	Full Accrual	Modified Accrual									
Program Revenues											
Charges for Services	\$3,956,734	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Operating Grants and Contributions	8,361,820	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Grants and Contributions	152,016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
General Revenues											
Taxes	73,873,979	73,263,088	63,979,640	64,801,975	64,247,335	60,468,806	59,185,386	55,089,148	50,114,932	50,731,599	48,829,284
Intergovernmental	23,777,006	32,489,640	31,562,955	29,336,982	28,282,193	25,771,582	22,659,448	21,264,995	20,130,816	21,672,022	21,779,660
Interest	1,473,616	1,473,616	1,241,930	911,990	844,850	619,757	598,791	421,276	310,553	329,825	555,951
Tuition and Fees	0	1,832,502	1,520,317	1,264,113	775,293	1,589,170	1,351,686	1,105,915	2,065,409	2,088,849	1,007,012
Extracurricular Activities	0	908,940	1,363,197	1,395,082	1,363,567	1,297,212	445,945	956,860	449,098	303,504	890,221
Rentals	0	576,153	230,444	84,629	106,463	225,652	0	0	0	0	0
Charges for Services	0	639,139	332,983	227,820	198,905	0	0	0	0	0	0
Contributions and Donations	0	79,121	56,406	85,301	165,202	164,724	0	0	0	0	0
Gain on Sale of Fixed Assets	11,625	0	0	0	0	0	0	0	0	0	0
Miscellaneous	902,636	902,636	351,055	460,166	1,367,485	157,211	2,171,542	1,206,486	1,139,629	992,763	973,958
Total	<u>\$112,509,432</u>	<u>\$112,164,835</u>	<u>\$100,638,927</u>	<u>\$98,568,058</u>	<u>\$97,351,293</u>	<u>\$90,294,114</u>	<u>\$86,412,798</u>	<u>\$80,044,680</u>	<u>\$74,210,437</u>	<u>\$76,118,562</u>	<u>\$74,036,086</u>

Source: School District Financial Records

- (1) Includes General, Special Revenue, Capital Projects and Debt Service Funds for modified accrual and all governmental activities for full accrual
(2) 1997 through 2001 reported on a GAAP Basis; All other on Cash Basis

Parma City School District
Property Tax Levies and Collections
Real and Public Utility Taxes (1)
Last Ten Calendar Years

Collection Year	Current Levy	Delinquent Levy (2)	Total Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collection As a Percent of Current Levy
2000	\$65,229,805	\$1,866,264	\$67,096,069	\$64,104,921	98.3%	\$1,321,288	\$65,426,209	100%
1999	65,429,845	1,861,452	67,291,297	64,156,335	98.1	1,124,762	65,281,097	99.8
1998	65,486,432	1,800,863	67,287,295	64,014,755	97.8	520,400	64,535,155	98.5
1997	62,814,822	2,743,578	65,558,400	61,276,304	97.6	449,874	61,726,178	98.3
1996	62,114,518	2,695,718	64,810,236	61,136,494	98.4	624,822	61,761,316	99.4
1995	61,983,601	2,290,421	64,274,022	60,919,043	98.3	432,011	61,351,054	99.0
1994	50,847,617	2,194,639	53,042,256	49,837,373	98.0	655,263	50,492,636	99.3
1993	50,953,611	2,062,454	53,016,065	49,944,343	98.0	491,597	50,435,940	99.0
1992	50,260,556	1,576,319	51,836,875	49,254,411	98.0	476,199	49,730,610	98.9
1991	47,648,808	1,072,731	48,721,539	46,950,685	98.5	423,282	47,373,967	99.4

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

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (2) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.

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

Collection Year	Agricultural and Residential Real Estate	Other Real Estate	Public Utility Personal	Tangible Personal	Total Assessed Value	Estimated Actual Value (1)	Ratio
2001	\$1,660,692,760	\$396,516,490	\$60,432,510	\$115,972,283	\$2,233,614,043	\$6,410,303,152	34.8%
2000	1,501,273,010	349,437,930	62,799,720	119,090,817	2,032,601,477	5,835,472,128	34.8
1999	1,492,634,760	343,431,990	71,855,030	120,840,696	2,028,762,476	5,810,921,220	34.9
1998	1,486,223,910	353,088,600	73,452,990	120,861,764	2,033,627,264	5,810,363,611	35.0
1997	1,367,851,700	329,054,660	75,265,490	113,614,115	1,885,785,965	5,388,289,311	35.0
1996	1,362,121,220	319,723,780	77,879,960	111,345,314	1,871,070,274	5,339,152,640	35.0
1995	1,359,834,070	334,374,050	83,560,620	111,012,183	1,888,780,923	5,345,507,702	35.3
1994	1,167,991,340	289,088,250	78,473,210	109,869,397	1,645,422,197	4,691,736,233	35.1
1993	1,160,882,600	290,057,740	78,557,450	112,763,487	1,642,261,277	4,685,867,607	35.0
1992	1,156,462,350	292,798,110	79,114,090	109,435,270	1,637,809,820	4,651,551,431	35.2

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

- (1) This amount is calculated based on the following percentages:
 Real estate is assessed at 35 percent of actual value.
 Public utility personal is assessed at 88 percent of actual value.
 Tangible personal property is assessed at 25 percent of actual value for 1995 through 2001.

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

Collection Year	School Levy	County Levy	City Levy	Total Levy	Debt Service Included in Total Levy			
					School	County	City	Total
2001	\$60.20	\$17.60	\$7.00	\$84.80	\$0.00	\$0.79	\$0.10	\$0.89
2000	53.30	16.70	7.10	77.10	0.50	0.85	0.20	1.55
1999	53.40	16.70	7.10	77.20	0.70	0.72	0.20	1.62
1998	53.60	16.60	7.10	77.30	0.70	0.72	0.20	1.62
1997	54.20	18.00	7.10	79.30	0.70	0.90	0.20	1.80
1996	54.00	18.00	7.10	79.10	0.60	0.87	0.20	1.67
1995	54.10	18.20	7.10	79.40	0.78	0.76	0.20	1.74
1994	51.70	17.80	4.10	73.60	0.99	0.68	0.44	2.11
1993	51.80	17.80	4.10	73.70	0.87	0.71	0.44	2.02
1992	51.70	17.80	4.10	73.60	0.87	0.80	0.44	2.11

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

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

Year	Net General Obligation Bonded Debt	Assessed Value	Population	Ratio of Net Debt to Assessed Value	Net Debt Per Capita
2001	\$1,173,594	\$2,233,614,043	124,340	0.00%	\$9
2000	1,875,901	2,032,601,477	124,340	0.09	15
1999	0	2,028,762,476	124,340	0.00	0
1998	0	2,033,627,264	124,340	0.00	0
1997	660,596	1,885,785,965	121,240	0.04	5
1996	1,597,328	1,871,070,274	118,127	0.09	14
1995	1,352,037	1,888,780,923	118,919	0.07	11
1994	1,586,461	1,645,422,197	119,918	0.10	13
1993	2,843,314	1,642,261,277	119,581	0.17	24
1992	1,471,375	1,637,809,820	120,224	0.09	12

Source: Cuyahoga County Auditor, School District Financial Records and the Cleveland Plain Dealer.

Parma City School District
Computation of Legal Debt Margin
June 30, 2001

Assessed Valuation (2001)	<u>\$2,233,614,043</u>
Overall Debt Limit - 9.0% of Assessed Value (1)	<u>\$201,025,264</u>
Outstanding Debt:	
Tax Anticipation Note	5,440,000
General Obligation Bonds	2,270,000
Energy Conservation Bonds	555,000
Less: Amount Available in Debt Service Fund	<u>(1,651,406)</u>
Total Outstanding Debt	<u>6,613,594</u>
Less Exemptions:	
Tax Anticipation Note	5,440,000
Energy Conservation Bonds	<u>555,000</u>
Total Exemptions	<u>5,995,000</u>
Amount of Debt Applicable to Debt Limit	<u>618,594</u>
<i>Overall Debt Margin</i>	<u>\$200,406,670</u>
Unvoted Debt Limit - .10% of Assessed Value (1)	\$2,233,614
Amount of Debt Applicable	<u>0</u>
<i>Unvoted Debt Margin</i>	<u>\$2,233,614</u>
Additional Limit for Unvoted Energy Conservation Bonds:	
Debt Limit - 1% of Assessed Valuation	\$22,336,140
Energy Conservation Bonds	<u>(555,000)</u>
<i>Additonal Unvoted Debt Margin</i>	<u>\$21,781,140</u>

Source: Cuyahoga County Auditor and School District Financial Records

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

Parma City School District
Computation of Direct and Overlapping General Obligation Bonded Debt
December 31, 2000

<u>Jurisdiction</u>	<u>General Obligation Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount Applicable to School District</u>
<u>Direct:</u>			
Parma City School District	\$2,825,000	100.00 %	\$2,825,000
<u>Overlapping:</u>			
City of Parma	22,499,895	100.00	22,499,895
City of Parma Heights	4,579,905	100.00	4,579,905
City of Seven Hills	9,223,000	100.00	9,223,000
Cuyahoga County	231,044,636	7.81	18,044,586
R.T.A.	98,030,000	7.81	7,656,143
Total Overlapping	<u>365,377,436</u>		<u>62,003,529</u>
Total	<u>\$368,202,436</u>		<u>\$64,828,529</u>

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

(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 2000 collection year.

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

Year	Principal	Interest	Total Debt Service	Total Governmental Fund Expenditures	Ratio of Debt Service to Governmental Fund Expenditures (Percentages)
2001	\$465,000	\$172,898	\$637,898	\$105,642,475	0.60%
2000	465,000	194,485	659,485	96,571,184	0.68
1999	450,000	102,406	552,406	101,049,506	0.55
1998	440,000	114,401	554,401	100,437,678	0.55
1997	430,000	138,740	568,740	93,118,906	0.61
1996	420,000	162,336	582,336	90,358,205	0.64
1995	410,000	184,682	594,682	86,304,102	0.69
1994	405,000	205,628	610,628	86,816,632	0.70
1993	225,000	242,659	467,659	77,282,753	0.61
1992	225,000	114,750	339,750	83,202,557	0.41

Source: School District Financial Records

Parma City School District
Demographic Statistics
Last Ten Years

<u>Year</u>	<u>Cuyahoga County Population</u>	<u>Parma City Population</u>	<u>Parma Heights City Population</u>	<u>Seven Hills City Population</u>	<u>School Enrollment</u>	<u>Unemployment Rate (1)</u>
2001	1,393,978	85,655	21,659	12,080	13,245	4.3%
2000	1,412,140	N/A	N/A	N/A	13,497	4.3
1999	1,386,096	81,207	20,610	12,058	13,203	4.5
1998	1,398,169	83,347	20,624	12,276	12,737	3.9
1997	1,398,169	87,900	21,000	12,340	12,631	4.6
1996	1,398,169	85,006	20,865	12,256	12,531	4.7
1995	1,412,140	85,721	20,897	12,301	12,658	4.9
1994	1,412,140	86,471	21,107	12,340	12,760	5.3
1993	1,412,140	86,239	21,090	12,252	12,680	7.6
1992	1,412,140	86,735	21,230	12,259	12,986	6.3

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

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

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

Year	Estimated Actual Property Value (Real Estate Only)	Industrial Employment (1)	Financial Institution Deposits (000's) Banks (2)
2000	\$5,256,245,733	637,400	\$61,942,764
1999	5,245,905,000	637,400	57,021,360
1998	5,255,178,600	637,400	56,770,353
1997	4,848,303,886	643,800	53,941,971 (3)
1996	4,805,271,429	644,200	27,068,211
1995	4,840,594,629	636,300	22,458,573
1994	4,163,084,543	625,700	20,885,453
1993	4,145,543,829	628,100	21,009,421
1992	4,140,744,171	636,000	19,379,203
1991	3,444,685,629	647,400	18,392,243
1990	3,406,134,286	696,000	18,403,806

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

- (1) Represents Cuyahoga County
- (2) Represents deposits made to all banks headquartered in Cuyahoga County
- (3) Large increase in deposits due to Key Bank becoming a single charter.

Parma City School District
Principal Taxpayers
Tangible Personal Property Tax
June 30, 2001

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Tangible Assessed Value</u>
General Motors Corporation	\$30,574,220	25.67%
MTD Products Incorporated	4,825,050	4.05
Ameritech Credit	2,708,880	2.27
Home Depot Incorporated	2,030,850	1.71
KMart Corporation (2)	1,909,010	1.60
Triad Metal Products	1,808,070	1.52
First National Supermarkets	1,663,830	1.40
May Department Stores Company	1,551,640	1.30
Marc Glassman Incorporated	1,540,800	1.29
Cleveland Twist Drill Company	1,411,240	1.19
Cox Cable Cleveland	<u>1,387,970</u>	<u>1.17</u>
<i>Total</i>	<u><u>\$51,411,560</u></u>	<u><u>43.17 %</u></u>
<i>Tangible Assessed Value</i>	<u><u>\$119,090,817</u></u>	

Source: Cuyahoga County Auditor

(1) Assessed values are for 2000.

Parma City School District
Enrollment Statistics
Last Ten Fiscal Years

<u>Year</u>	<u>General Fund Expenditures (1)</u>	<u>Average Daily Membership</u>	<u>Per Pupil Cost</u>
2001	\$92,782,519	13,245	\$7,005
2000	84,471,924	13,497	6,259
1999	87,057,680	13,203	6,594
1998	86,587,392	12,737	6,798
1997	83,270,435	12,631	6,593
1996	81,329,638	12,531	6,490
1995	76,102,848	12,658	6,012
1994	77,849,771	12,760	6,101
1993	71,539,424	12,680	5,642
1992	68,688,215	12,986	5,289

Source: School District Financial Records

(1) 1997 - 2001 reported on a GAAP basis;
all other on cash basis

Parma City School District
Teacher Education and Experience
 June 30, 2001

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	144	14.96%
Bachelor's + 12 hours	75	7.80
Bachelor's + 24 hours	91	9.46
Bachelor's + 36 hours	71	7.38
Master's Degree	223	23.18
Master's Degree + 12 hours	120	12.47
Master's Degree + 24 hours	69	7.17
Master's Degree + 36 hours	60	6.24
Master's Degree + 48 hours	95	9.88
Doctorate's Degree	10	1.04
Doctorate's Degree + 12	4	0.42
 Total	<u>962</u>	<u>100.00 %</u>

<u>Total Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	273	28.38%
6 - 10	178	18.50
11 and over	511	53.12
	<u>962</u>	<u>100.00 %</u>

Source: School District Personnel Records



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

PARMA CITY SCHOOL DISTRICT

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
JANUARY 24, 2002**