



**SHAKER HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

SHAKER HEIGHTS CITY SCHOOL DISTRICT

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Schedule of Federal Awards Expenditures
For the Fiscal Year Ended June 30, 1999

Federal Grantor Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Receipts	Federal Non-Cash Receipts	Federal Expenditures	Federal Non-Cash Expenditures
<u>U.S. DEPARTMENT OF EDUCATION</u>						
Passed Through State Department of Education:						
Special Education Cluster:						
Special Education - Grants to States	84.027	6B-SF 97 P	\$41,013	\$0	\$61,067	\$0
Special Education - Grants to States	84.027	6B-SF 98 P	232,300	0	176,101	0
Total Special Education - Grants to States			273,313	0	237,168	0
Special Education - Preschool Grants	84.173	PG-S1 98 P	15,210	0	13,392	0
Total Special Education Cluster			288,523	0	250,560	0
Title I Grants to Local Educational Agencies	84.010	C1-S1 98	131,765	0	134,099	0
Title I Grants to Local Educational Agencies	84.010	C1-S1 99	315,884	0	228,469	0
Total Title I			447,649	0	362,568	0
Innovative Education Program Strategies	84.298	C2-S1 97	(305)	0	0	0
Innovative Education Program Strategies	84.298	C2-S1 98	(2,220)	0	0	0
Innovative Education Program Strategies	84.298	C2-S1 99	9,667	0	0	0
Total Innovative Education Program Strategies			7,142	0	0	0
Eisenhower Professional Development	84.281	MS-S1 97	(47)	0	0	0
Eisenhower Professional Development	84.281	MS-S1 98	17,747	0	15,011	0
Total Eisenhower Math & Science			17,700	0	15,011	0
Safe and Drug-Free Schools and Communities	84.186	DR-S1 98	(948)	0	0	0
Safe and Drug-Free Schools and Communities	84.186	DR-S1 99	37,485	0	35,686	0
Total Drug Free Schools			36,537	0	35,686	0
Goals 2000 - 97	84.276	G2-S4 97	(3,578)	0	0	0
Goals 2000 - 98	84.276	G2-SP 99	4,000	0	2,377	0
Total Goals 2000			422	0	2,377	0
Immigrant Education	84.162	EI-S1 99	15,379	0	0	0
				0	0	0
Total U.S. Department of Education			813,352	0	666,202	0
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
Passed Through State Department of Education:						
Nutrition Cluster:						
Food Distribution	10.550	N/A	0	17,844	0	18,936
National School Lunch Program	10.555	03PU & 04PU 9899	60,884	0	60,884	0
Special Milk Program for Children	10.556	02-PU9899	18,509	0	18,509	0
Total - U.S. Department of Agriculture - Nutrition Cluster			79,393	17,844	79,393	18,936
Total Federal Financial Assistance			\$892,745	\$17,844	\$745,595	\$18,936

The accompanying notes are an integral part of this schedule.

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of federal awards expenditures is a summary of the activity of the Districts federal awards programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

NOTE C - NATIONAL SCHOOL LUNCH AND SPECIAL MILK PROGRAMS

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



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

Board of Education
Shaker Heights City School District
Cuyahoga County
15600 Parkland Drive
Shaker Heights, Ohio 44120

We have audited the financial statements of the Shaker Heights City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 1999, and have issued our report thereon dated November 19, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted immaterial instances of noncompliance that we have reported to the management of the District in a separate letter dated November 19, 1999.

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 the management of the District in a separate letter dated November 19, 1999.

Shaker Heights City School District
Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of management, the Board, 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

November 19, 1999



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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Education
Shaker Heights City School District
Cuyahoga County
15600 Parkland Drive
Shaker Heights, Ohio 44120

Compliance

We have audited the compliance of the Shaker Heights 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 the major federal program for the year ended June 30, 1999. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; 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 legal determination on the District's compliance with those requirements. In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 1999.

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 November 19, 1999.

Schedule of Federal Awards Expenditures

We have audited the general-purpose financial statements of the District as of and for the year ended June 30, 1999, and have issued our report thereon dated November 19, 1999. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying Schedule of Federal Awards Expenditures is presented for the purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

This report is intended for the information and use of management, the Board, 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

November 19, 1999

SHAKER HEIGHTS CITY SCHOOL DISTRICT

JUNE 30, 1999

SCHEDULE OF FINDINGS

1. SUMMARY OF AUDITOR'S RESULTS

A-133 §.505

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

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

Shaker Heights City School District

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 1999

**5600 Portland Drive
Shaker Heights, Ohio 44120-2599
(216) 295-4000**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 1999

Issued By:
Treasurer's Office
Bryan C. Christman
Treasurer

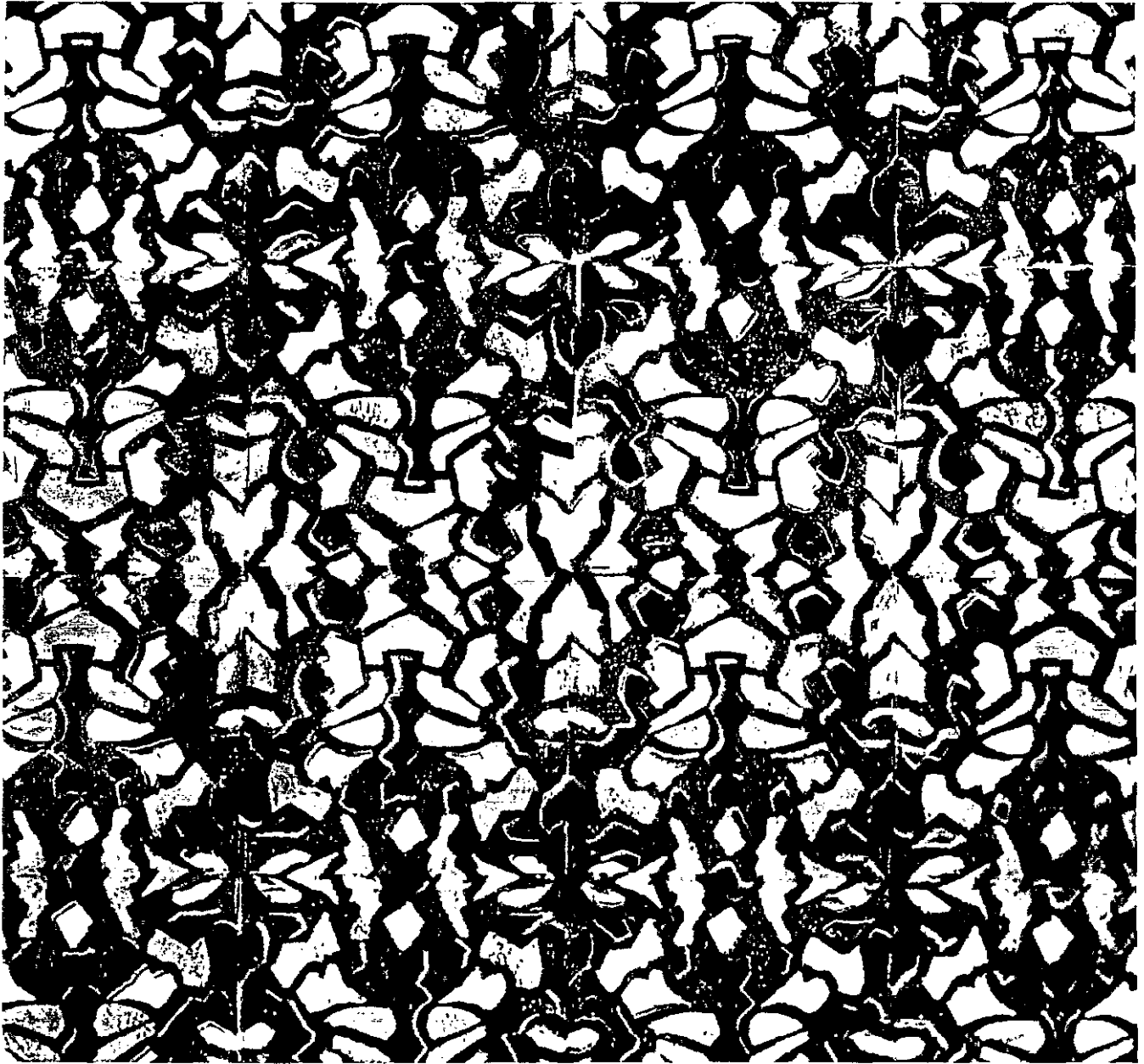


The Mission of the Schools

The District will nurture, educate, and graduate students who are civic-minded and prepared to make ethical decisions; who are confident, competent communicators, skillful in problem solving, capable of creative thinking; who have a career motivation and a knowledge of our global and multicultural society.

Shaker

The Introductory Section



Artist's Information:
Brittany Clair
Shaker Heights Middle School

SHAKER HEIGHTS CITY SCHOOL DISTRICT
SHAKER HEIGHTS, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

Issued By:
Treasurer's Office
Bryan C. Christman
Treasurer

Shaker Heights City School District
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended June 30, 1999
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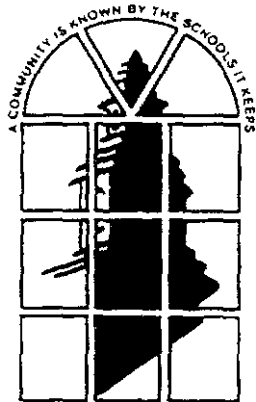
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SHAKER HEIGHTS CITY SCHOOL DISTRICT

15600 Parkland Drive
Shaker Heights, Ohio 44120
(216) 295-4316

Mark Freeman
Superintendent

Bryan Christman
Treasurer

November 30, 1999

Members of the Board of Education and
Residents of the Shaker Heights City School District

Dear Board Members and Residents:

We are pleased to submit to you the Shaker Heights City School District's second Comprehensive Annual Financial Report (CAFR). This report is the School District's official annual financial report for the fiscal year that ended June 30, 1999. This report presents the School District's financial information in a comprehensive manner consistent with the Generally Accepted Accounting Principles (GAAP) applicable to all governmental entities. Generally Accepted Accounting Principles are uniform minimum standards and guidelines for financial accounting and reporting. These national standards provide a consistent and standard format for the reader to analyze and interpret the financial data presented. The Government Accounting Standards Board (GASB) is the authoritative body that prescribes and administers the guidelines and standards relative to financial reporting. This report also includes an unqualified opinion from the Auditor of State's Office for the 1999 fiscal year.

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 is accurate in all material respects and presents fairly the financial position of the School District.

This report has been filed with the appropriate regulatory agencies as well as the major bond rating agencies. Copies have been sent to the League of Women Voters - Shaker Heights, the Citizens' Finance Review Committee, the Shaker Heights City School District Parent Teacher Organization (PTO) Council President, and the City of Shaker Heights. Copies are available in the Treasurer's Office for all other interested parties.

MEMBERS OF THE BOARD

REV. MARVIN A. MCMICKLE
PRESIDENT

MS. FREDA J. LEVENSON
VICE PRESIDENT

MR. STEVEN S. KAUFMAN

MRS. NANCY R. MOORE

MRS. CAROL J. RIBAR

This report is presented in the following four sections:

The Introductory Section contains the table of contents, this letter of transmittal, a list of principal officials, an organizational chart of the School District, a map of the School District, the GFOA Certificate of Achievement, and the ASBO Certificate of Excellence. This transmittal letter is presented in a less technical manner than the information in the remaining two sections, and the reader may find this to be the most reader-friendly section of the report. We recommend, however, that the entire report be reviewed.

The Financial Section begins with the Report of the Independent Accountants offered by the Auditor of State's Office and includes general purpose financial statements and notes which provide an overview of the School District's financial position and operating results as of June 30, 1999. The combining statements by fund type and other schedules provide detailed information relative to the General Purpose Financial Statements. This section contains a significant amount of detailed financial and budgetary information that will be particularly useful to the investment community.

The Statistical Section presents social, economic and financial data, in addition to student enrollment and School District staffing information. These schedules are presented for a multiple-year time period.

The Supplemental Information Section contains reports based on the expenditure flow model prepared by the Ohio Department of Education and the Economic Impact of the Shaker Heights City Schools Report.

The remainder of this transmittal letter presents information in the format prescribed by GASB and draws extensively on previously published School District documents and reports.

The Shaker Heights City School District

The Shaker schools were founded in 1912. Theodore Roosevelt split the Republican party, the country elected Woodrow Wilson president, there was trouble below the Rio Grande with Pancho Villa, the *Titanic* sank, Ohio was adopting a new constitution - and Shaker Heights opened its first public school.

The "school" was in the Van Sweringen real estate office at Lee Road and Shaker Boulevard, and four teachers and 26 students constituted its population. The first school board looked ahead, planned well, worked hard and got off on the right foot. It had to, for along with the rapid construction of new homes came a tremendous growth in the school population. Today, there are more than 5,600 students in the Shaker schools.

The little real estate office was gradually supplanted by 12 modern buildings over a 50-year period. The buildings were constructed in the following order:

1914 - Boulevard School, at Drexmore and Southington Roads. *A new wing was added to this facility in 1990.*

- 1918 - **Woodbury Elementary**, on South Woodland at Woodbury Road. *Originally used as the Senior High School until 1931, then renamed Woodbury Junior High. In 1985 it was converted to an upper elementary school which serves students in grades five and six.*
- 1922 - **Malvern School**, at Malvern and Falmouth Roads. *Sold to the City of Shaker Heights, it now houses a private school.*
- 1922 - **Sussex School**, on Sussex at Norwood Road. *Sold to the City of Shaker Heights, it serves as a center for several preschools and the Shaker Family Center, a non-profit organization serving families with young children. The School District's Pre-K program for children with disabilities was relocated there in the fall of 1999.*
- 1923 - **Onaway School**, at Onaway and Woodbury Roads. *A new classroom wing was added to this facility in 1990.*
- 1924 - **Moreland School**, at Van Aken Boulevard (then known as Moreland Boulevard and Lee Road). *Sold to the City of Shaker Heights and serves as the community's new main library.*
- 1927 - **Fernway School**, at Fernway and Ardmore Roads.
- 1927 - **Ludlow School**, at Southington and Ludlow Roads. *Now houses the Positive Education Program (PEP) operated by the county.*
- 1928 - **Lomond School**, on Lomond Boulevard at Strandhill and Palmerston Roads.
- 1931 - **Shaker Heights High School**, on Aldersyde Drive at Onaway Road. *A new handicapped accessible front entrance and gym/music wing was added in 1999.*
- 1952 - **Mercer School**, on Wimbledon Road off of Green Road and Shaker Boulevard.
- 1957 - **Shaker Heights Middle School**, on Shaker Boulevard and Warrensville Center Road. *Formerly Byron Junior High.*
- 1962 - **Administration Building**, on Parkland at Ashford Road.

When the Shaker schools were opened, they were organized on the 8-4 plan, with an eight-year elementary school and a four-year senior high school. As the school population grew and new buildings were constructed, the School District shifted to a 6-3-3 plan, with six-year elementary schools, a three-year junior high and a three-year high school. This plan was followed from 1931 until 1985, when Byron Junior High became Shaker Heights Middle School, housing all seventh and eighth graders. Two years later, the elementary organization changed again to its current configuration to reflect shifts in student enrollment. Four K-6 schools were closed, and five of the remaining buildings were converted to K-4 schools, while Woodbury became an upper elementary school serving fifth and sixth graders. The High School houses all ninth through twelfth graders.

Dr. C. A. Bowers, an early President of the Shaker Heights Board of Education, wrote the following about Shaker's proud history of educational excellence:

Conceived in a vision that was unique and, in a way, that has few parallels in American public school education, the system of Shaker Heights Schools has upheld the high purposes of the founders of the village. The early Board members caught this spirit; succeeding boards have changed it but little. The loyal support given by our superintendents, principals, teachers, and the business and maintenance staffs has created a true Shaker spirit.

That "Shaker spirit" is still very much alive today as the Shaker Heights Schools continue to demonstrate the educational excellence which has been the hallmark of their distinguished history.

The Shaker Heights City School District is one of 611 school districts in the State of Ohio and one of 33 school districts in Cuyahoga County. The School District is the 63rd largest in student enrollment in Ohio, with an enrollment of 5,638 students for the 1999 academic year. The School District covers approximately 7.5 square miles, including all of the City of Shaker Heights and a portion of the City of Cleveland in the Shaker Square area, and is located approximately ten miles southeast of downtown Cleveland.

Organizational Structure

Statutorily, the School District operates under the standard prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code, to provide educational 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.

The Reporting Entity

The School District has reviewed its reporting entity definition in order to insure conformance with the Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*. In evaluating how to define the School District for financial reporting purposes, management has considered all agencies, departments, and organizations making up the School District (the primary Government) and its potential component units. Excluded from the reporting entity, because they are fiscally independent of the School District, are the City of Shaker Heights, the City of Cleveland, the Parent-Teacher Organization, and the parochial and private schools.

The School District is associated with two organizations, the Ohio Schools Council and the Shaker Heights Public Library. The Ohio Schools Council is a jointly governed organization whose relationship to the School District is described in Note 19 to the accompanying financial statements. The Shaker Heights Library is a related organization and is described in Note 20 to the accompanying financial statements.

A complete discussion of the School District's reporting entity is provided in Note 1 to the accompanying financial statements.

Economic Condition and Outlook

The School District serves approximately 31,000 residents in the City of Shaker Heights, an inner-ring suburb of the City of Cleveland, and a small portion of the City of Cleveland located in the Shaker Square area. The community is primarily residential in nature with a somewhat diverse base of residents working largely in professional capacities.

The School District's economic strength is largely dependent upon the strength of the Northeast Ohio economy. Because Shaker Heights is home to many management employees, the stability of Cleveland's major employers -- including several Fortune 500 companies -- is important to the continued vitality of this School District. Significant numbers of Shaker Heights residents also work in the medical, cultural, and educational institutions in downtown Cleveland and nearby University Circle.

New growth in the Cleveland area includes the development of the Flats area as a major recreation/entertainment section for Northern Ohio; the opening of the Rock and Roll Hall of Fame and Museum and the Great Lake Science Center; the development of the Gateway area, including Jacobs Field and Gund Arena, as a sports and entertainment district; the construction of the Cleveland Browns Stadium; the expansion of the theater district downtown; and the continued steady growth of The Cleveland Clinic, University Hospitals of Cleveland, and other institutions in University Circle. Cleveland has provided significant economic growth and strength to our community.

Locally the City of Shaker Heights has been successful in the development of the Shaker Towne Centre shopping area, the expansion of the OfficeMax corporate headquarters, the development of Somerset Point and Sunrise Communities assisted-living facilities, and the location of a new United States Post Office. These local initiatives, combined with Cleveland's economic growth, provide for a stable and desirable economic condition for our School District. The property tax base has continued to grow as a result of appreciation of properties as well as the commercial redevelopment undertaken by the City of Shaker Heights.

The Shaker Square shopping district, which lies in the Cleveland portion of the School District, has recently been purchased for redevelopment. If successful, the redeveloped commercial district could have a positive impact on school revenues in the future.

The Strategic Investment Plan now being formulated by the City, with significant public input, envisions major additional commercial and residential redevelopment in the Shaker Town Center and Van Aken/Chagrin areas. In the long term, this could have a crucial positive impact on property values and School District revenues.

In addition, the Cuyahoga County Treasurer has gained legislative authority to sell delinquent tax liens, which will provide over one million dollars in payments to the School District for past due taxes and will virtually eliminate future delinquencies. The School District has received a partial payment of \$579,000 from the County Treasurer's office and has designated these funds to assist in the renovation of the High School music and gymnasium wing. The final payment of over \$500,000 is expected in late 1999 and will also be designated to assist in the renovation of the High School music and gymnasium wing.

The School District is in the midst of a historic time financially. For only the second time in the history of the School District and the first time since 1938, four operating budgets will be funded out of the current additional operating levy approved by the voters in 1995. As a result, of continued cost-consciousness management, moderate enrollment growth, and a continued strong economy, it has been

possible for the Board of Education to fund the fifth year with the proceeds from the 1995 levy, the first five-year levy cycle in School District history. The economic outlook for the School District remains favorable. Also see the Economic Impact of Shaker Heights City School District report to the Board of Education in the Supplemental Information Section.

Financial Management

The Board of Education has adopted three specific policies that guide both the financial planning and the annual appropriation process.

Policy DA, titled *FISCAL MANAGEMENT GOALS*, reads as follows:

The quantity and quality of learning programs are directly dependent on the funding provided and the effective, efficient management of those funds. It follows that the District's purposes can best be achieved through excellent fiscal management.

The District's first obligation is the provision of education to its children. However, the Board of Education recognizes the need to frame educational programs within the fiscal plan. This plan incorporates an annual expense growth rate based upon the rate of inflation (measured by the Consumer Price Index) and the rate of change in student enrollment (measured by the official October Average Daily Membership).

As trustees of the community's investment in plant, facilities, and operational funds, the Board has a responsibility to ensure that the investment is protected and used wisely. Competent personnel and efficient procedures are essential for sound management of fiscal affairs. The Superintendent of Schools and Treasurer will keep the Board of Education informed through reports -- both oral and written -- of the fiscal management of the schools.

The Shaker Heights Board of Education seeks to achieve the following goals:

To engage in thorough planning with staff involvement in order to develop budgets and to guide expenditures to achieve the greatest educational returns and contributions to the educational program in relation to dollars expended.

To establish levels of funding based upon a predetermined annual expense growth rate that will provide high quality education for the District's students.

To use the best available techniques for budget development and management.

Policy DBD, titled *FINANCIAL PLANNING*, reads as follows:

The Shaker Heights Board of Education believes that annual and long-term financial planning are both essential to support current educational programs and the District's long-term educational needs.

Annual financial planning should be an integral part of program planning for the next school year. Such annual financial planning should be a year-round process involving broad participation by the Board of Education, administrators, teachers and other personnel throughout the School District.

The District should also engage in strategic long-term financial planning and attempt to forecast the need for future educational and capital expenditures and the availability of financial resources to meet those needs. Long-term financial planning should result in the development of a strategy to meet educational needs which sets an annual expense growth rate based upon the rate of inflation (measured by the Consumer Price Index) and the rate of change in student enrollment (measured by the official October Average Daily Membership). The Treasurer will prepare long-range financial and budget projections for periodic review by the Board and Superintendent.

The Superintendent and Treasurer are responsible for the annual and long-term financial planning process and will work in close cooperation with the Board of Education.

Policy DB, titled *ANNUAL BUDGET*, reads as follows:

BUDGET

The purpose of the annual operating budget is to identify adequate financial resources for the education program and to provide a basis for accountability in fiscal management. The school budget is also the legal basis for the establishment of tax rates.

Public school budgeting is regulated and controlled by statute and State regulations, and requirements of the Board of Education. A budget is required for every fund that a school district uses in its yearly operation.

The Superintendent of Schools and the Treasurer will be responsible for the preparation of the annual school budget and presentation of the budget to the Shaker Heights Board of Education for adoption.

APPROPRIATIONS

As permitted by law, no later than July 1, the Board of Education will pass a temporary appropriation measure to provide for meeting the ordinary expenses of the District until such time as the Board approves the annual appropriation resolution for the year, which will be no later than October 1.

The Board of Education has assigned responsibility for annual and long-term financial planning to the Superintendent and Treasurer. The policies require that the first objective of financial management planning is to provide for the education of its children. We are expected to use the best available techniques for budget development and management, as well as to engage in strategic, long-term financial planning which attempts to forecast the need for future educational and capital expenditures.

In April of 1995, the Board of Education revised its policies to incorporate the use of expense-growth limitations for future years' spending as a part of long-term financial planning. The annual expense-growth rate was developed using an assumed rate of inflation as measured by the Consumer Price Index and an assumed rate of change in student enrollment measured by the official October Average Daily

Membership. Through effective implementation of Board of Education policies, favorable economic times, and the impact of the annual expense growth rate limits, the School District is currently enjoying a five-year levy cycle for the first time in its history.

1999 Major Initiatives

With the support of our faculty and community, our students attained excellence in academics, the arts, athletics and service. Once again, Shaker Heights High School produced more National Merit and National Achievement scholars than any other public school in Ohio, and for the third time in five years produced a *Presidential Scholar*. The High School was one of just 250 in the nation named a Grammy Signature School in recognition of its superior music programs – a credit not only to the High School faculty, but to the music teachers in our elementary and middle schools, and to a community that places a high priority on arts education. Our student athletes not only had an outstanding year on the fields and courts, but also rose to the challenge of tougher academic standards for eligibility. The student-led Minority Achievement Committee and the Student Group on Race Relations, both based at the High School, earned national attention for their successes in addressing issues that other school districts around the country are just beginning to face. The list of such accomplishments goes on.

Our collective efforts to help every child reach a high level of achievement continued to expand this year. Recognizing that not all children master material at the same rate, we provided additional extended learning experiences, both after school and during the summer, so that more students will experience success. Efforts to encourage more students to accept the challenge of honors and Advanced Placement courses have yielded positive results. And the District has provided an expanded array of professional development opportunities that help teachers hone their skills in ways that relate directly to the needs of their students.

In the area of technology, the School District completed the wiring of its eight school buildings and the Administration Building for Local Area Network and Internet access.

The School District continued in 1999 to invest in its physical plant, using proceeds from the bond issue approved by the voters in 1996. Among the numerous projects undertaken were window replacement, roof and masonry repairs, and the construction of a new gymnasium at Shaker Heights High School.

In summary, the School District continued to move forward in 1999, maintaining its traditional high standards and challenging curriculum, working to be more responsive to parents and the community and implementing programs in areas of need - all while continuing to operate within the Board's limits on budgetary growth.

Current and Future Initiatives

The School District continues to pursue its ongoing efforts to study, plan, and implement instructional initiatives aimed at improving achievement for all students. Current instructional initiatives include early intervention and summer programming for students; an intensified focus on mathematics instruction; expanded efforts to help students prepare for the Ohio Proficiency Tests; expansion of minority achievement programs to serve more students; extended-day and extended year offerings for children in need of more time to master material; the implementation of a team teaching model at the middle school; efforts to encourage constructive parental and community involvement; collaboration with the City of

Shaker Heights, the Shaker Heights Public Library, and nonprofit community agencies concerned with children and youth; highly focused professional development programs; and the increased use of technology to support teaching and learning.

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 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 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 fixed assets and 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 measure 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 object account level within a function and fund. All purchase order requests must be approved by the site administrator and Central Office Executive Director and be 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.

The accounting system used by the School District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date.

Each administrator and school principal is furnished monthly reports showing the status of the budget accounts for which they are responsible. In addition, an on-line 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 Shaker Heights 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.

General Governmental Functions. The following schedule presents a summary of governmental funds' revenues for the fiscal years ended June 30, 1998 and 1999, and the amount and percentage of increases and decreases in relation to the prior year's revenues.

	1998 Amount	1999 Amount	Percent of Total	Change	Percent Change
Revenues					
Taxes	\$42,428,548	\$43,981,318	69.00%	\$1,552,770	3.66%
Intergovernmental	14,743,305	16,830,101	26.53	2,086,796	14.15
Interest	1,179,341	1,123,270	1.77	(56,071)	(4.75)
Tuition and Fees	744,554	1,022,084	1.61	277,530	37.27
Extracurricular Activities	244,219	221,845	0.35	(22,374)	(9.16)
Contributions and Donations	14,020	19,360	0.03	5,340	38.09
Charges for Services	6,969	7,529	0.01	560	8.04
Rentals	148,292	56,880	0.09	(91,412)	(61.64)
Miscellaneous	380,356	198,560	0.31	(181,796)	(47.80)
Total Revenues	\$59,889,604	\$63,460,947	100.00	\$3,571,343	5.96

The increase in taxes from \$42,428,548 in fiscal year 1998 to \$43,981,318 in fiscal year 1999 resulted from a payment from the Cuyahoga County Treasurer for proceeds from the sale of past due delinquent tax liens.

The increase in intergovernmental revenues from \$14,743,305 in fiscal year 1998 to \$16,830,101 in fiscal year 1999 resulted from an increase in the number of local, State and federal grants received.

Tuition and fees increased 37.27 percent in fiscal year 1999 as the result of improved billing procedures by the School District registrar for juvenile court placements. The juvenile court system temporarily places students in the custody of adults who are residents of the Shaker Heights City School District.

Contributions and donations increased \$5,340 due to larger donations being received by the School District.

Rentals decreased from \$148,292 in fiscal year 1998 to \$56,880 in fiscal year 1999 due to fewer requests for building rentals.

Miscellaneous revenue decreased from \$380,356 in fiscal year 1998 to \$198,560 in fiscal year 1999 or 47.80 percent due to the Bureau of Workers' Compensation one-time refund to the School District received in fiscal 1998.

The following schedule presents a summary of governmental funds' expenditures for the fiscal years

ended June 30, 1998, and 1999, and the amount and percentage for increases and decreases in relation to the prior year expenditures.

	1998 Amount	1999 Amount	Percent of Total	Change	Percent Change
Expenditures					
Current:					
Instruction:					
Regular	\$23,950,340	\$25,468,539	38.46%	\$1,518,199	6.34%
Special	6,979,218	6,503,003	9.82	(476,215)	(6.82)
Vocational	319,757	268,251	0.41	(51,506)	(16.11)
Support Services:					
Pupils	3,123,652	3,624,052	5.47	500,400	16.02
Instructional Staff	3,127,388	3,640,454	5.50	513,066	16.41
Board of Education	58,518	61,146	0.09	2,628	4.49
Administration	4,314,171	4,551,469	6.87	237,298	5.50
Fiscal	1,219,772	1,293,336	1.95	73,564	6.03
Business	807,790	698,411	1.05	(109,379)	(13.54)
Operation and Maintenance					
of Plant	6,567,677	6,735,487	10.17	167,810	2.56
Pupil Transportation	1,877,529	2,755,507	4.16	877,978	46.76
Central	978,612	1,046,950	1.58	68,338	6.98
Operation of Non-Instructional					
Services	998,997	1,026,823	1.55	27,826	2.79
Extracurricular Activities	897,165	917,775	1.39	20,610	2.30
Capital Outlay	1,769,022	6,216,256	9.39	4,447,234	251.40
Debt Service:					
Principal Retirement	946,232	750,905	1.13	(195,327)	(20.64)
Interest and Fiscal Charges	909,794	671,909	1.01	(237,885)	(26.15)
Total Expenditures	\$58,845,634	\$66,230,273	100.00	\$7,384,639	12.55

Regular instruction increased from \$23,950,340 at June 30, 1998 to \$25,468,539 at June 30, 1999 due to increases in teacher salaries and benefits as well as the use of contracted services.

Capital outlay increased 251.40 percent in fiscal year 1999 as the result of the increase in construction projects. The projects have resulted in increased architectural and engineering fees.

Debt service decreased as principal payments decreased due to retirement of a bond issue. This also accounts for the decrease in interest and fiscal charges in fiscal year 1999.

General Fund Balance. The fund balance of the general fund decreased from \$9,287,476 at June 30, 1998, to \$9,211,695 at June 30, 1999. This decrease of .81 percent is due primarily to a slight increase in expenditures.

Financial Highlights - Enterprise Funds. Food service and uniform school supplies are classified as

enterprise operations since they resemble those activities found in private industry; management periodically desires to determine the amount of profit/loss resulting from operations that are significantly financed from user fees. In total, the enterprise funds had a net loss of \$4,792 for the fiscal year ended June 30, 1999. Retained earnings in the enterprise funds was \$28,478 at June 30, 1999.

Financial Highlights - Internal Service Funds. The internal service funds carried on the financial records of the School District are a self-insurance fund and a Workers' Compensation retrospective rating plan fund. These funds accounts for the revenues and expenses related to the provision of prescription drug benefits and workers' compensation for the years 1991, 1992 and 1993 to School District employees. The internal service funds had retained earnings of \$34,200 at June 30, 1999, compared with retained earnings of \$66,563 at June 30, 1998, reflecting a net loss of \$32,363.

Debt Administration

At June 30, 1999, general obligation bonds outstanding totaled \$17,624,230. During 1999, the School District redeemed bond anticipation notes in the amount of \$9,500,000 for school improvements and issued general obligation bonds in the amount of \$9,500,000. The School District's overall legal debt margin was \$46,362,078 and the unvoted debt margin was \$700,187 at June 30, 1999. The School District maintains an "AA" rating with Standard & Poors Investment Service, Inc.

Cash Management

The School District has a comprehensive cash management program, which consists of accelerating receipt of revenues and carefully scheduling the disbursement of funds to maximize short-term investment opportunities. The investment program pursues the following objectives, in order of priority: (1) maintain safety of principal; (2) provide for liquidity; and (3) obtain a market rate of return.

The available cash of the School District's individual funds is combined into a single cash pool and invested according to cash flow projections. The School District invests in U. S. Treasury Notes, authorized federal agency securities, commercial paper, bankers' acceptances, and StarOhio, an investment pool operated by the Ohio State Treasurer. The authorized maximum investment maturity for operating funds is five years from the date of investment. Interest earned on investments is distributed in accordance with Board of Education authorization. During fiscal year 1999, the School District earned \$1,123,270 in interest income. Of that amount \$810,924 was credited to the general operating fund.

The School District's deposits are protected by the federal deposit insurance corporation, as well as qualified securities pledged by the institutions holding the assets. By law, financial institutions may establish a collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least 110 percent of the 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 strives to provide itself with superior risk coverage at the lowest possible cost to the taxpayers. The School District manages the prescription drug benefits for its employees on a self-insured basis. A third party administrator processes and pays the claims. Because the maximum

payment per participant is limited, no individual or aggregate stop-losses are necessary. Unobligated reserves at June 30, 1999, are sufficient to meet claim obligations.

For calendar years 1991, 1992, and 1993, the School District participated in the State's workers' compensation retrospective rating and payment plan. This plan involves the payment of a minimum premium for administrative services and stop loss coverage plus the actual claims cost for injured employees. Claim obligations continue for ten years. The School District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs

For fiscal year 1999, the School District contracted with Crum and Forster for property, boiler, and inland marine insurance. This all-risk policy has a \$1,000 deductible. General liability is protected by the Wausau Insurance Company with a \$1,000,000 single occurrence limit, a \$5,000,000 aggregate, and no deductible. Vehicles, including school buses, are covered by National Insurance Company with a \$50 deductible for comprehensive, and a \$250 deductible for collision. There is a \$10,000,000 combined single limit of liability. Additionally, the School District has a \$5,000,000 umbrella policy with Wausau Insurance that is over both general liability and vehicle policies.

Pension Plans

All School District employees are covered by either the statewide 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 employee salaries. State law requires the School District to pay the employer share as determined by each retirement system. *A more detailed discussion of both pension plans can be found in the Notes 12 and 13 to the financial statements in the financial section of this report.*

General Fixed Assets

The general fixed assets of the Shaker Heights City School District are used to finance the instructional and support functions of the School system and are not financial resources available for expenditure. The total general fixed assets as of June 30, 1999, was \$38,449,023. The assets are accounted for at historical cost; depreciation is not recognized on general fixed assets.

Independent Audit

State statutes require the School District to undergo an annual audit by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. The Auditor of State was selected to render an opinion on the School District's financial statements as of and for the fiscal year ended June 30, 1999. The Auditor's unqualified opinion has been included in this report at the beginning of the financial section. Pursuant to State statute, the Auditor of State prescribes a uniform accounting system to standardize accounting classifications 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 1979 fiscal year.

Awards

GFOA Certificate of Achievement The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Shaker Heights City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 1998. The Certificate is the highest form of recognition in the area of governmental financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

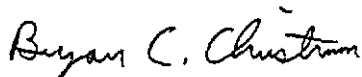
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

ASBO Certificate The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 1998 to the Shaker Heights City School District. This award certifies that the Comprehensive Annual Financial Report substantially conformed to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. The award is granted only after an intensive review of the financial report by an expert panel of certified public accountants and practicing school business officials. Management believes that the Comprehensive Annual Financial Report for fiscal year ended June 30, 1999, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

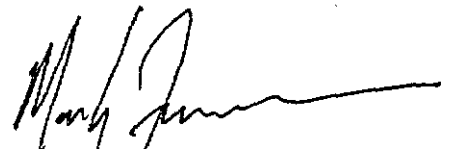
Acknowledgments

The publication of this CAFR enhances the School District's accountability to the citizens of the School District. The preparation of this report would not have been possible without the assistance and support of numerous School District staff members. Our appreciation is also expressed to the Auditor of State's Office and other State agencies for their assistance in preparing and reviewing this financial report. Finally, we would like to thank the members of the Shaker Heights Board of Education for their support of this enhanced financial report to the community.

Respectfully submitted,



Bryan C. Christman
Treasurer/Chief Financial Officer



Mark Freeman Ph.D.
Superintendent

Shaker Heights City School District
Principal Officials
June 30, 1999

Board of Education

Rev. Marvin A. McMickle..... President
Ms. Freda J. Levenson Vice-President
Mr. Steven S. Kaufman.....Member
Mrs. Nancy R. MooreMember
Mrs. Carol J. Ribar.....Member

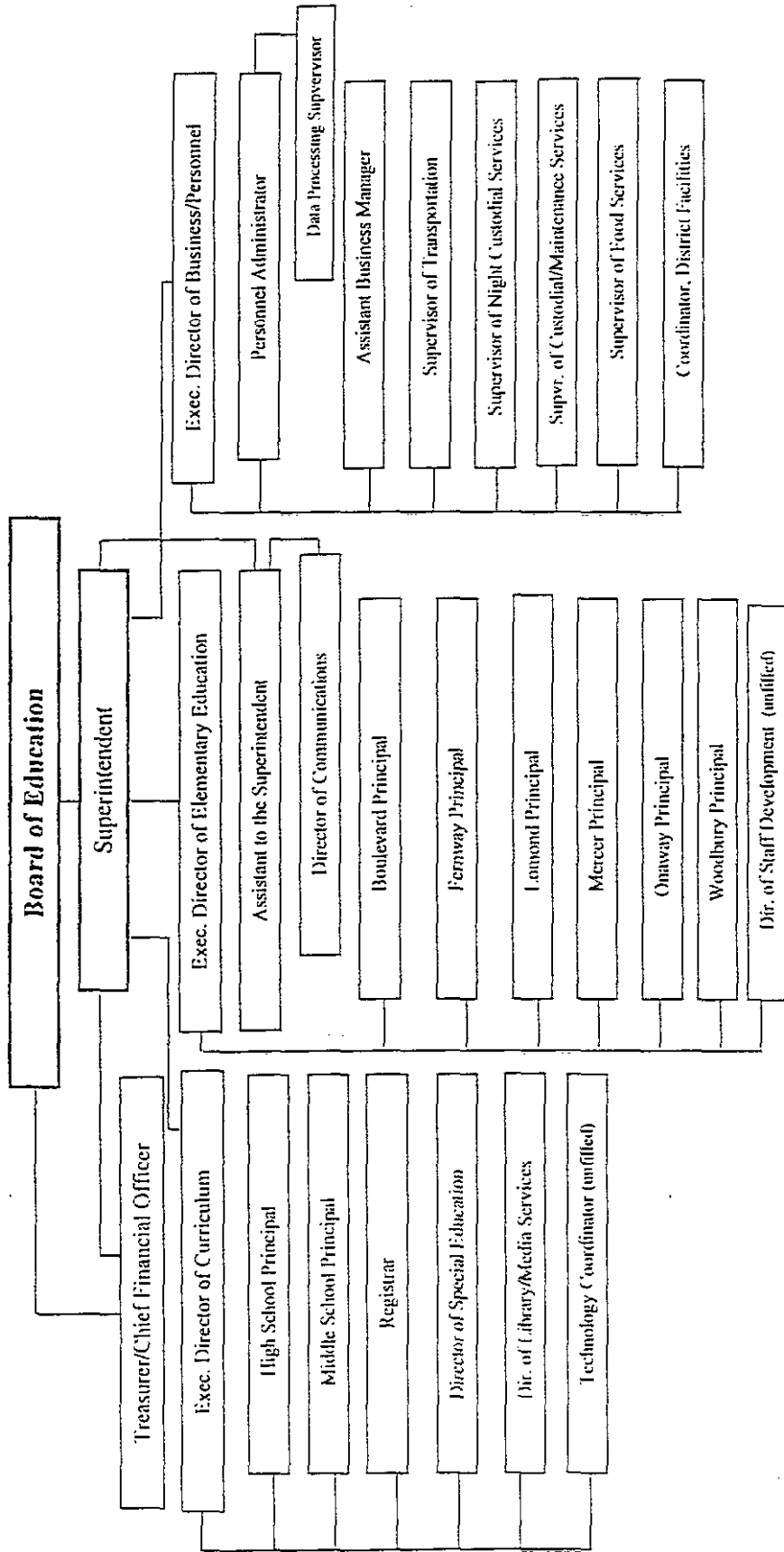
Administration

Mark Freeman Ph. D..... Superintendent

*Daniel L. Wilson.....Treasurer/Chief Financial Officer

* Daniel L. Wilson left the position of Treasurer as of August 31, 1999 and Bryan C. Christman was hired as Treasurer as of October 4, 1999.

SHAKER HEIGHTS CITY SCHOOL DISTRICT ORGANIZATIONAL CHART



Organization Chart - October 1998

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Shaker Heights City School
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1998

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.



Douglas R. Ellsworth
President

Jeffrey L. Esser
Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL



This Certificate of Excellence in Financial Reporting is presented to
SHAKER HEIGHTS CITY SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 1998

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

Ellen A. Franklin
President

Don L. Hagen
Executive Director

The Financial Section



Artist's Information:
Jessica Herzfeld
Shaker Heights Middle School



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Lausche Building, 12th Floor
615 Superior Avenue, NW
Cleveland, Ohio 44113
Telephone 216-787-3665
800-626-2297
Facsimile 216-787-3361
www.auditor.state.oh.us

Report of Independent Accountants

Board of Education
Shaker Heights City School District
15600 Parkland Drive
Shaker Heights, Ohio 44120

We have audited the accompanying general-purpose financial statements of the Shaker Heights City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 19, 1999 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.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the District, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the general-purpose 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", written in a cursive style.

JIM PETRO
Auditor of State

November 19, 1999

General Purpose Financial Statements

The following general purpose financial statements, along with the notes to the general purpose financial statements, present an overview of the School District's financial position at June 30, 1999, and the results of its operations and the cash flows of its proprietary funds for the year then ended.

Shaker Heights City School District
Combined Balance Sheet
All Fund Types and Account Groups
June 30, 1999

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$8,983,654	\$634,717	\$625,144	\$4,561,737
Cash and Cash Equivalents with Fiscal Agent	0	0	1,584	0
Receivables:				
Taxes	43,390,148	0	1,732,274	0
Accounts	8,255	11,247	0	4,960
Accrued Interest	118,706	0	0	53,332
Intergovernmental Receivable	29,977	40,000	0	25,000
Due from Other Funds	1,664	0	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	153,616	0	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	629,994	0	0	0
Fixed Assets (net, where applicable, of accumulated depreciation)	0	0	0	0
Other Debits				
Amount Available in Debt Service Fund for Retirement of General Obligation Bonds	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
Total Assets and Other Debits	\$53,316,014	\$685,964	\$2,359,002	\$4,645,029

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Obligations	
\$14,615	\$448,574	\$165,170	\$0	\$0	\$15,433,611
0	0	0	0	0	1,584
0	0	0	0	0	45,122,422
0	0	0	0	0	24,462
0	0	0	0	0	172,038
10,183	0	0	0	0	105,160
0	0	0	0	0	1,664
14,927	0	0	0	0	14,927
0	0	0	0	0	153,616
0	0	0	0	0	629,994
43,755	0	0	38,449,023	0	38,492,778
0	0	0	0	794,491	794,491
0	0	0	0	20,892,057	20,892,057
<u>\$83,480</u>	<u>\$448,574</u>	<u>\$165,170</u>	<u>\$38,449,023</u>	<u>\$21,686,548</u>	<u>\$121,838,804</u>

(continued)

Shaker Heights City School District
Combined Balance Sheet
All Fund Types and Account Groups (continued)
June 30, 1999

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities, Fund Equity and Other Credits				
Liabilities				
Accounts Payable	\$421,110	\$10,706	\$0	\$112,159
Contracts Payable	0	0	0	766,975
Accrued Wages and Benefits	4,408,255	170,041	0	0
Compensated Absences Payable	233,394	0	0	0
Intergovernmental Payable	1,192,960	5,750	0	0
Due to Other Funds	0	1,664	0	0
Deferred Revenue	37,848,600	0	1,562,927	0
Undistributed Monies	0	0	0	0
Matured Bonds Payable	0	0	1,000	0
Matured Interest Payable	0	0	584	0
Claims Payable	0	0	0	0
Due to Students	0	0	0	0
Capital Leases Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Total Liabilities	44,104,319	188,161	1,564,511	879,134
Fund Equity and Other Credits				
Investment in General Fixed Assets	0	0	0	0
Retained Earnings:				
Unreserved	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	1,112,885	128,034	0	3,198,128
Reserved for Inventory	153,616	0	0	0
Reserved for Budget Stabilization	353,070	0	0	0
Reserved for Textbooks	47,280	0	0	0
Reserved for Capital Improvements	229,644	0	0	0
Reserved for Property Taxes	5,413,159	0	167,417	0
Unreserved, Undesignated	1,902,041	369,769	627,074	567,767
Total Fund Equity and Other Credits	9,211,695	497,803	794,491	3,765,895
Total Liabilities, Fund Equity and Other Credits	\$53,316,014	\$685,964	\$2,359,002	\$4,645,029

See accompanying notes to the general purpose financial statements

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Obligations	
\$3,624	\$0	\$0	\$0	\$0	\$547,599
0	0	0	0	0	766,975
12,402	0	0	0	0	4,590,698
20,551	0	0	0	3,366,323	3,620,268
15,746	0	0	0	690,888	1,905,344
0	0	0	0	0	1,664
2,679	0	0	0	0	39,414,206
0	0	56,526	0	0	56,526
0	0	0	0	0	1,000
0	0	0	0	0	584
0	414,374	0	0	0	414,374
0	0	108,644	0	0	108,644
0	0	0	0	5,107	5,107
0	0	0	0	17,624,230	17,624,230
<u>55,002</u>	<u>414,374</u>	<u>165,170</u>	<u>0</u>	<u>21,686,548</u>	<u>69,057,219</u>
0	0	0	38,449,023	0	38,449,023
28,478	34,200	0	0	0	62,678
0	0	0	0	0	4,439,047
0	0	0	0	0	153,616
0	0	0	0	0	353,070
0	0	0	0	0	47,280
0	0	0	0	0	229,644
0	0	0	0	0	5,580,576
0	0	0	0	0	3,466,651
<u>28,478</u>	<u>34,200</u>	<u>0</u>	<u>38,449,023</u>	<u>0</u>	<u>52,781,585</u>
<u>\$83,480</u>	<u>\$448,574</u>	<u>\$165,170</u>	<u>\$38,449,023</u>	<u>\$21,686,548</u>	<u>\$121,838,804</u>

Shaker Heights City School District
*Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
All Governmental Fund Types
For the Fiscal Year Ended June 30, 1999*

	General	Special Revenue
Revenues		
Taxes	\$42,563,895	\$0
Intergovernmental	14,459,135	1,957,127
Interest	810,924	11,913
Tuition and Fees	995,307	26,777
Extracurricular Activities	0	221,845
Contributions and Donations	0	19,360
Charges for Services	0	7,529
Rentals	56,880	0
Miscellaneous	159,202	12,029
<i>Total Revenues</i>	<u>59,045,343</u>	<u>2,256,580</u>
Expenditures		
Current:		
Instruction:		
Regular	25,120,166	348,373
Special	6,170,717	332,286
Vocational	265,844	2,407
Support Services:		
Pupils	3,557,365	66,687
Instructional Staff	3,276,152	364,302
Board of Education	61,146	0
Administration	4,519,966	13,312
Fiscal	1,278,091	15,245
Business	687,948	10,463
Operation and Maintenance of Plant	6,732,184	3,303
Pupil Transportation	2,755,507	0
Central	1,044,950	2,000
Operation of Non-Instructional Services	178,280	848,543
Extracurricular Activities	708,418	209,357
Capital Outlay	154,399	0
Debt Service:		
Principal Retirement	10,905	0
Interest and Fiscal Charges	1,872	0
<i>Total Expenditures</i>	<u>56,523,910</u>	<u>2,216,278</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,521,433</u>	<u>40,302</u>
Other Financing Sources (Uses)		
Proceeds of Bonds	0	0
Sale of Fixed Assets	125	0
Operating Transfers In	0	127,544
Operating Transfers Out	(2,560,744)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(2,560,619)</u>	<u>127,544</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	(39,186)	167,846
<i>Fund Balances Beginning of Year - Restated (See Note 4)</i>	9,287,476	329,957
Decrease in Reserve for Inventory	(36,595)	0
<i>Fund Balances End of Year</i>	<u>\$9,211,695</u>	<u>\$497,803</u>

See accompanying notes to the general purpose financial statements

Debt Service	Capital Projects	Totals (Memorandum Only)
\$1,037,756	\$379,667	\$43,981,318
162,892	250,947	16,830,101
0	300,433	1,123,270
0	0	1,022,084
0	0	221,845
0	0	19,360
0	0	7,529
0	0	56,880
22,369	4,960	198,560
<u>1,223,017</u>	<u>936,007</u>	<u>63,460,947</u>
0	0	25,468,539
0	0	6,503,003
0	0	268,251
0	0	3,624,052
0	0	3,640,454
0	0	61,146
18,191	0	4,551,469
0	0	1,293,336
0	0	698,411
0	0	6,735,487
0	0	2,755,507
0	0	1,046,950
0	0	1,026,823
0	0	917,775
0	6,061,857	6,216,256
740,000	0	750,905
515,888	154,149	671,909
<u>1,274,079</u>	<u>6,216,006</u>	<u>66,230,273</u>
<u>(51,062)</u>	<u>(5,279,999)</u>	<u>(2,769,326)</u>
0	9,500,000	9,500,000
0	0	125
0	2,318,000	2,445,544
0	0	(2,560,744)
<u>0</u>	<u>11,818,000</u>	<u>9,384,925</u>
(51,062)	6,538,001	6,615,599
845,553	(2,772,106)	7,690,880
0	0	(36,595)
<u>\$794,491</u>	<u>\$3,765,895</u>	<u>\$14,269,884</u>

Shaker Heights City School District
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual
All Governmental Fund Types
For the Fiscal Year Ended June 30, 1999

	General Fund		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
Revenues			
Taxes	\$39,489,017	\$40,696,137	\$1,207,120
Intergovernmental	13,844,057	14,444,226	600,169
Interest	630,000	873,144	243,144
Tuition and Fees	469,392	995,778	526,386
Extracurricular Activities	0	0	0
Contributions and Donations	0	0	0
Charges for Services	0	0	0
Rentals	55,000	54,171	(829)
Miscellaneous	1,822	158,772	156,950
Total Revenues	54,489,288	57,222,228	2,732,940
Expenditures			
Current:			
Instruction:			
Regular	25,137,438	25,137,334	104
Special	7,264,766	7,264,329	437
Vocational	513,202	513,202	0
Support Services:			
Pupils	3,562,640	3,562,640	0
Instructional Staff	3,240,867	3,238,897	1,970
Board of Education	61,031	61,031	0
Administration	4,619,354	4,595,964	23,390
Fiscal	1,287,067	1,287,067	0
Business	726,147	709,772	16,375
Operation and Maintenance of Plant	6,872,818	6,872,818	0
Pupil Transportation	2,816,636	2,816,633	3
Central	1,148,239	1,148,239	0
Operation of Non-Instructional Services	179,231	179,231	0
Extracurricular Activities	724,047	724,047	0
Capital Outlay	154,399	154,399	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	58,307,882	58,265,603	42,279
Excess of Revenues Under Expenditures	(3,818,594)	(1,043,375)	2,775,219
Other Financing Sources (Uses)			
Proceeds of Bonds	0	0	0
Sale of Fixed Assets	0	125	125
Other Financing Uses	(353,070)	0	353,070
Advances In	31,500	31,500	0
Advances Out	(7,386)	0	7,386
Operating Transfers In	0	0	0
Operating Transfers Out	(2,560,744)	(2,560,744)	0
Total Other Financing Sources (Uses)	(2,889,700)	(2,529,119)	360,581
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(6,708,294)	(3,572,494)	3,135,800
Fund Balances Beginning of Year	8,057,625	8,057,625	0
Prior Year Encumbrances Appropriated	3,638,849	3,638,849	0
Fund Balances End of Year	\$4,988,180	\$8,123,980	\$3,135,800

Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$4,426,173	\$1,235,992	(\$3,190,181)
2,355,759	1,932,337	(423,422)	129,000	162,892	33,892
12,900	11,913	(987)	0	0	0
31,700	21,894	(9,806)	0	0	0
434,730	221,895	(212,835)	0	0	0
100,420	19,508	(80,912)	0	0	0
17,300	7,381	(9,919)	0	0	0
0	0	0	0	0	0
0	0	0	0	1,947	1,947
2,952,809	2,214,928	(737,881)	4,555,173	1,400,831	(3,154,342)
538,035	357,022	181,013	0	0	0
548,475	350,822	197,653	0	0	0
2,407	2,407	0	0	0	0
71,845	65,316	6,529	0	0	0
524,162	365,843	158,319	0	0	0
0	0	0	0	0	0
14,961	10,708	4,253	0	0	0
37,378	15,245	22,133	18,191	18,191	0
15,070	9,952	5,118	0	0	0
8,480	3,300	5,180	0	0	0
0	0	0	0	0	0
45,948	2,000	43,948	0	0	0
1,054,391	959,691	94,700	0	0	0
569,149	216,576	352,573	0	0	0
0	0	0	0	0	0
0	0	0	10,240,000	10,240,000	0
0	0	0	773,689	770,343	3,346
3,430,301	2,358,882	1,071,419	11,031,880	11,028,534	3,346
(477,492)	(143,954)	333,538	(6,476,707)	(9,627,703)	(3,150,996)
0	0	0	9,500,000	9,500,000	0
0	0	0	0	0	0
0	0	0	0	20,422	(20,422)
0	0	0	0	0	0
(31,500)	(31,500)	0	0	0	0
235,982	127,544	(108,438)	0	0	0
(1,000)	0	1,000	0	0	0
203,482	96,044	(107,438)	9,500,000	9,520,422	(20,422)
(274,010)	(47,910)	226,100	3,023,293	(107,281)	(3,171,418)
430,635	430,635	0	732,425	732,425	0
108,181	108,181	0	0	0	0
\$264,806	\$490,906	\$226,100	\$3,755,718	\$625,144	(\$3,130,574)

(continued)

Shaker Heights City School District
*Combined Statement of Revenues, Expenditures
and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual
All Governmental Fund Types (continued)
For the Fiscal Year Ended June 30, 1999*

	Capital Projects Funds		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
Revenues			
Taxes	\$0	\$125,212	\$125,212
Intergovernmental	275,947	325,947	50,000
Interest	200,000	234,555	34,555
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Contributions and Donations	0	0	0
Charges for Services	0	0	0
Rentals	0	0	0
Miscellaneous	0	0	0
Total Revenues	475,947	685,714	209,767
Expenditures			
Current:			
Instruction:			
Regular	0	0	0
Special	0	0	0
Vocational	0	0	0
Support Services:			
Pupils	0	0	0
Instructional Staff	0	0	0
Board of Education	0	0	0
Administration	0	0	0
Fiscal	0	0	0
Business	0	0	0
Operation and Maintenance of Plant	0	0	0
Pupil Transportation	0	0	0
Central	0	0	0
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	0	0	0
Capital Outlay	11,023,381	9,635,142	1,388,239
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	11,023,381	9,635,142	1,388,239
Excess of Revenues Under Expenditures	(10,547,434)	(8,949,428)	1,598,006
Other Financing Sources (Uses)			
Proceeds of Bonds	0	0	0
Sale of Fixed Assets	0	0	0
Advances In	0	0	0
Advances Out	0	0	0
Operating Transfers In	3,521,418	2,318,000	(1,203,418)
Operating Transfers Out	0	0	0
Total Other Financing Sources (Uses)	3,521,418	2,318,000	(1,203,418)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(7,026,016)	(6,631,428)	394,588
Fund Balances Beginning of Year	5,006,004	5,006,004	0
Prior Year Encumbrances Appropriated	2,113,343	2,113,343	0
Fund Balances End of Year	\$93,331	\$487,919	\$394,588

See accompanying notes to the general purpose financial statements

Totals (Memorandum Only)

Revised Budget	Actual	Variance Favorable (Unfavorable)
\$43,915,190	\$42,057,341	(\$1,857,849)
16,604,763	16,865,402	260,639
842,900	1,119,612	276,712
501,092	1,017,672	516,580
434,730	221,895	(212,835)
100,420	19,508	(80,912)
17,300	7,381	(9,919)
55,000	54,171	(829)
1,822	160,719	158,897
<u>62,473,217</u>	<u>61,523,701</u>	<u>(949,516)</u>
25,675,473	25,494,356	181,117
7,813,241	7,615,151	198,090
515,609	515,609	0
3,634,485	3,627,956	6,529
3,765,029	3,604,740	160,289
61,031	61,031	0
4,634,315	4,606,672	27,643
1,342,636	1,320,503	22,133
741,217	719,724	21,493
6,881,298	6,876,118	5,180
2,816,636	2,816,633	3
1,194,187	1,150,239	43,948
1,233,622	1,138,922	94,700
1,293,196	940,623	352,573
11,177,780	9,789,541	1,388,239
10,240,000	10,240,000	0
773,689	770,343	3,346
<u>83,793,444</u>	<u>81,288,161</u>	<u>2,505,283</u>
<u>(21,320,227)</u>	<u>(19,764,460)</u>	<u>1,555,767</u>
9,500,000	9,500,000	0
0	125	125
(353,070)	20,422	373,492
31,500	31,500	0
(38,886)	(31,500)	7,386
3,757,400	2,445,544	(1,311,856)
(2,561,744)	(2,560,744)	1,000
<u>10,335,200</u>	<u>9,405,347</u>	<u>(929,853)</u>
(10,985,027)	(10,359,113)	625,914
14,226,689	14,226,689	0
5,860,373	5,860,373	0
<u>\$9,102,035</u>	<u>\$9,727,949</u>	<u>\$625,914</u>

Shaker Heights City School District
Combined Statement of Revenues,
Expenses and Changes in Retained Earnings
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 1999

	Enterprise	Internal Service	Totals (Memorandum Only)
Operating Revenues			
Sales	\$747,311	\$0	\$747,311
Charges for Services	861	654,833	655,694
<i>Total Operating Revenues</i>	<u>748,172</u>	<u>654,833</u>	<u>1,403,005</u>
Operating Expenses			
Salaries and Wages	248,116	0	248,116
Fringe Benefits	87,534	0	87,534
Purchased Services	21,513	10,212	31,725
Materials and Supplies	2,144	0	2,144
Cost of Sales	541,542	0	541,542
Claims	0	741,984	741,984
Depreciation	2,357	0	2,357
<i>Total Operating Expenses</i>	<u>903,206</u>	<u>752,196</u>	<u>1,655,402</u>
<i>Operating Loss</i>	<u>(155,034)</u>	<u>(97,363)</u>	<u>(252,397)</u>
Non-Operating Revenues			
Federal Donated Commodities	18,198	0	18,198
Operating Grants	81,844	0	81,844
<i>Total Non-Operating Revenues</i>	<u>100,042</u>	<u>0</u>	<u>100,042</u>
<i>Loss Before Operating Transfers</i>	<u>(54,992)</u>	<u>(97,363)</u>	<u>(152,355)</u>
Operating Transfers In	50,200	65,000	115,200
<i>Net Loss</i>	<u>(4,792)</u>	<u>(32,363)</u>	<u>(37,155)</u>
<i>Retained Earnings Beginning of Year</i>	<u>33,270</u>	<u>66,563</u>	<u>99,833</u>
<i>Retained Earnings End of Year</i>	<u>\$28,478</u>	<u>\$34,200</u>	<u>\$62,678</u>

See accompanying notes to the general purpose financial statements

Shaker Heights City School District
*Combined Statement of Revenues, Expenses
and Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 1999*

	Enterprise Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Charges for Services	\$0	\$0	\$0
Sales	790,400	746,515	(43,885)
Operating Grants	80,000	82,944	2,944
<i>Total Revenues</i>	<u>870,400</u>	<u>829,459</u>	<u>(40,941)</u>
Expenses			
Salaries and Wages	246,573	246,573	0
Fringe Benefits	76,537	76,537	0
Purchased Services	22,281	22,281	0
Materials and Supplies	549,003	532,632	16,371
<i>Total Expenses</i>	<u>894,394</u>	<u>878,023</u>	<u>16,371</u>
<i>Excess of Revenues Under Expenses</i>	(23,994)	(48,564)	(24,570)
Operating Transfers In	<u>50,000</u>	<u>50,200</u>	<u>200</u>
<i>Excess of Revenues Over (Under) Expenses and Operating Transfers</i>	26,006	1,636	(24,370)
<i>Fund Equity Beginning of Year</i>	1,205	1,205	0
Prior Year Encumbrances Appropriated	<u>3,116</u>	<u>3,116</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$30,327</u>	<u>\$5,957</u>	<u>(\$24,370)</u>

(continued)

Shaker Heights City School District
*Combined Statement of Revenues, Expenses
and Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual
All Proprietary Fund Types (continued)
For the Fiscal Year Ended June 30, 1999*

	Internal Service Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Charges for Services	\$618,900	\$654,833	\$35,933
Sales	0	0	0
Operating Grants	0	646	646
<i>Total Revenues</i>	<u>618,900</u>	<u>655,479</u>	<u>36,579</u>
Expenses			
Salaries and Wages	0	0	0
Fringe Benefits	789,741	777,928	11,813
Purchased Services	0	0	0
Materials and Supplies	0	0	0
<i>Total Expenses</i>	<u>789,741</u>	<u>777,928</u>	<u>11,813</u>
<i>Excess of Revenues Under Expenses</i>	(170,841)	(122,449)	48,392
Operating Transfers In	65,000	65,000	0
<i>Excess of Revenues Over (Under) Expenses and Operating Transfers</i>	(105,841)	(57,449)	48,392
<i>Fund Equity Beginning of Year</i>	495,098	495,098	0
Prior Year Encumbrances Appropriated	10,925	10,925	0
<i>Fund Equity End of Year</i>	<u>\$400,182</u>	<u>\$448,574</u>	<u>\$48,392</u>

See accompanying notes to the general purpose financial statements

Totals (Memorandum Only)

Revised Budget	Actual	Variance Favorable (Unfavorable)
\$618,900	\$654,833	\$35,933
790,400	746,515	(43,885)
80,000	83,590	3,590
<u>1,489,300</u>	<u>1,484,938</u>	<u>(4,362)</u>
246,573	246,573	0
866,278	854,465	11,813
22,281	22,281	0
549,003	532,632	16,371
<u>1,684,135</u>	<u>1,655,951</u>	<u>28,184</u>
(194,835)	(171,013)	23,822
<u>115,000</u>	<u>115,200</u>	<u>200</u>
(79,835)	(55,813)	24,022
496,303	496,303	0
<u>14,041</u>	<u>14,041</u>	<u>0</u>
<u>\$430,509</u>	<u>\$454,531</u>	<u>\$24,022</u>

Shaker Heights City School District
Combined Statement of Cash Flows
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 1999

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals (Memorandum Only)</u>
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash Received from Customers	\$748,172	\$0	\$748,172
Cash Received from Quasi-External Transactions With Other Funds	0	654,833	654,833
Cash Received from Other Operating Sources	0	646	646
Cash Payments to Employees for Services	(246,573)	0	(246,573)
Cash Payments for Employee Benefits	(76,537)	0	(76,537)
Cash Payments for Goods and Services	(547,912)	(11,013)	(558,925)
Cash Payments for Claims	0	(766,915)	(766,915)
<i>Net Cash Used for Operating Activities</i>	<u>(122,850)</u>	<u>(122,449)</u>	<u>(245,299)</u>
Cash Flows from Noncapital Financing Activities			
Operating Grants Received	82,944	0	82,944
Operating Transfers In	50,200	65,000	115,200
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>133,144</u>	<u>65,000</u>	<u>198,144</u>
Net Increase (Decrease) in Cash and Cash Equivalents	10,294	(57,449)	(47,155)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>4,321</u>	<u>506,023</u>	<u>510,344</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$14,615</u>	<u>\$448,574</u>	<u>\$463,189</u> (continued)

Shaker Heights City School District
Combined Statement of Cash Flows
All Proprietary Fund Types (continued)
For the Fiscal Year Ended June 30, 1999

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals (Memorandum Only)</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities			
Operating Loss	(\$155,034)	(\$97,363)	(\$252,397)
Adjustments:			
Depreciation Expense	2,357	0	2,357
Donated Commodities Used During Year	18,198	0	18,198
(Increase)/Decrease in Assets:			
Accounts Receivable	0	646	646
Inventory Held for Resale	(1,946)	0	(1,946)
Increase/(Decrease) in Liabilities:			
Accounts Payable	1,148	(801)	347
Accrued Wages	1,543	0	1,543
Compensated Absences Payable	7,537	0	7,537
Intergovernmental Payable	3,347	0	3,347
Claims Payable	0	(24,931)	(24,931)
Total Adjustments	<u>32,184</u>	<u>(25,086)</u>	<u>7,098</u>
Net Cash Used for Operating Activities	<u>(\$122,850)</u>	<u>(\$122,449)</u>	<u>(\$245,299)</u>

See accompanying notes to the general purpose financial statements

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Note 1 - Description of the School District

Shaker Heights City 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. Each member is elected to a four year term. The School District provides educational services as authorized by State and/or federal agencies. The Board of Education controls the School District's eight instructional/support facilities staffed by 268 classified employees, 431 certificated full-time and part-time teaching and tutoring personnel, and 30 administrators who provide services to 5,638 students.

The School District is located in Shaker Heights, Ohio, Cuyahoga County. The School District operates five elementary schools (K-4), one elementary school (5-6), one middle school (7-8), one high school (9-12), and a pre-kindergarten Early Intervention Center at the Shaker Family Center.

Reporting Entity

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

Non-public Schools Within the School District boundaries, Saint Dominic is operated through the Cleveland Catholic Diocese. Also, within the School District boundaries are Solomon-Schechter, Hathaway-Brown, Laurel and University non-public schools. Current legislation provides funding to these schools. These monies are received and disbursed on behalf of the schools by the treasurer of the School District, as directed by the schools. The activity of these State monies is reflected in a special revenue fund for financial reporting purposes.

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 organizations' resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provides 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. The School District has no component units.

The School District is associated with a jointly governed organization and a related organization. These organizations are the Ohio Schools' Council and the Shaker Heights Public Library. These organizations are presented in Notes 19 and 20 to the general purpose financial statements.

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Note 2 - Summary of Significant Accounting Policies

The financial statements of the 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 proprietary activities 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 - Fund Accounting

The School District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

For financial statement presentation purposes, the various funds of the School District are grouped into the following generic fund types under the broad fund categories governmental, proprietary and fiduciary.

Governmental Fund Types:

Governmental funds are those through which most governmental functions of the School District are financed. The acquisition, use and balances of the School District's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The following are the School District's governmental fund types:

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. The general fund balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds. Special revenue funds are used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specified purposes.

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Debt Service Fund. The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Funds. The capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Proprietary Fund Types:

Proprietary funds are used to account for the School District's ongoing activities which are similar to those found in the private sector. The following are the School District's proprietary fund types:

Enterprise Funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Funds. Internal service funds are used for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis.

Fiduciary Fund Types:

Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments and other funds. The School District's only fiduciary funds are agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups:

To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term obligations related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group. This account group is established to account for all fixed assets of the School District, other than those accounted for in the proprietary funds.

General Long-Term Obligations Account Group. This account group is established to account for all long-term obligations of the School District except those accounted for in the proprietary funds.

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The modified accrual basis of accounting is followed for the governmental and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the School District is sixty days after year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: investment earnings, tuition, grants and student fees.

The School District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 1999 and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2000 operations, have been recorded 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 the governmental funds.

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund types. Revenues are recognized when they are earned and become measurable, and expenses are recognized when they are incurred, if measurable. There were no unbilled service charges receivable at year end. 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.

C. Budgetary Data

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the object level within each function within the fund. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

Tax Budget. Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates.

By no later than January 20, the Board-adopted budget is filed with the Cuyahoga County Budget Commission for rate determination.

Estimated Resources. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered cash balances from the preceding year. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statement reflect the amounts in the final Amended Certificate issued during fiscal year 1999.

Appropriations. Upon receipt from the County Auditor of an Amended Certificate of Estimated Resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. Prior to

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation or alter total function appropriations within a fund, or alter object appropriations within functions, must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund does not exceed the amounts set forth in the most recent Certificate of Estimated Resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds, other than agency funds, consistent with statutory provisions.

Encumbrances. As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds and reported in the notes to the financial statements for enterprise funds.

Lapsing of Appropriations. At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

D. Cash and Investments

To improve cash management, 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 1999, investments were limited to federal agency securities, U.S. Treasury notes and STAROhio, the State Treasurer's Investment Pool. All investments of the School District had a maturity of two years or less. Investments are reported at fair value which is based on quoted market prices.

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of The Investment 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, 1999.

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 1999 amounted to \$810,924 which includes \$317,778 assigned from other School District funds.

The School District utilizes a financial institution to service bonded debt as principal and interest payments come due. The balance in this account is presented on the combined balance sheet as "cash and cash equivalents with fiscal agent" and represents deposits.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with a maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

E. Inventory

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. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale and are expensed when used.

F. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include unexpended revenues required by statute to be set-aside by the School District for the purchase of textbooks, for the acquisition or construction of capital assets and to create a reserve for budget stabilization. See Note 24 for the calculations of the year-end restricted asset balances and corresponding fund balance reserves.

G. Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All fixed 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 dates received. The School District maintains a capitalization threshold of five hundred dollars. The School District does not possess any infrastructure.

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Improvements are capitalized and depreciated over the remaining useful lives of fund fixed assets. 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 capitalized.

Assets in the general fixed assets account group are not depreciated. Depreciation of equipment in the enterprise funds is computed using the straight-line method over an estimated useful life that ranges from eight to twenty years.

H. Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursement basis, are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants and entitlements for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are earned and became measurable.

The School District currently participates in several State and Federal programs, categorized as follows:

Entitlements

General Fund

- State Foundation Program
- School Bus Purchase Reimbursement
- State Property Tax Relief

Special Revenue Funds

- Disadvantaged Pupil Impact Aid - State Foundation Program
- Auxiliary Services
- Textbook Subsidy

Non-Reimbursable Grants

Special Revenue Funds

- Title VI-B
- Disadvantaged Pupil Program
- Title I
- Title VI
- Drug Free Schools
- Management Information Systems
- Venture Capital
- Local Professional Development
- Eisenhower
- Vocational Education

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Special Revenue Funds (continued)

Preschool
Goals 2000

Capital Projects Funds
School Net Plus

Reimbursable Grants

General Fund
Driver Education Reimbursement

Proprietary Funds
National School Lunch Program
Government Donated Commodities

Grants and entitlements amounted to approximately twenty-seven percent of the School District's revenue in the governmental funds during the 1999 fiscal year.

I. Interfund Assets and Liabilities

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables."

J. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the 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 termination payment method. An accrual for earned sick leave is made to the extent it is probable that the benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

K. Accrued Liabilities and Long-term Obligations

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 judgements, 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 will not be paid with current available expendable financial resources. Payments made more than sixty days after year-end are generally considered not to have been paid with current available financial resources. Bonds and capital leases are recognized as a liability in the general long-term obligations account group until due or until resources have been accumulated in the fund for payment early in the following year.

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.

L. Interfund Transactions

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

M. Fund Balance Reserves

The School District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Fund equity reserves have been established for encumbrances, inventories of supplies and materials, budget stabilization, textbook purchases, capital acquisitions, and property taxes. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods.

N. Estimates

The preparation of the 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.

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

O. Totals (Memorandum Only) - Columns

Total columns on the general purpose financial statements are captioned "Totals (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Note 3 - Accountability and Compliance

A. Fund Deficits

Fund balances at June 30, 1999, included the following individual fund deficits:

Special Revenue Funds:	
Shaker Merchandise	\$184
Preschool Disability	1,099
Internal Service Fund:	
Employee Benefits/Self-Insurance	17,423

The special revenue and the internal service funds' deficit balances resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and will provide operating transfers when cash is required, not when accruals occur.

B. Legal Compliance

The self-insurance internal service fund had total appropriations in excess of estimated resources plus carryovers of \$31,139 in violation of Section 5705.39, Ohio Revised Code.

Note 4 - Restatements of Fund Equity

At June 30, 1998 interfund receivable in the general fund was overstated by \$550 and the interfund payable in the Shaker merchandise special revenue fund was overstated by \$550.

The effect of the changes on the fund balances are as follows:

	General	Special Revenue
Fund Balances as Previously Reported	\$9,288,026	\$329,407
Overstated Interfund Receivable/Payable	(550)	550
Restated Amounts as of June 30, 1998	\$9,287,476	\$329,957

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

The effect of these changes on the excess of revenues and other financing sources over (under) expenditures and other financing uses as previously reported for the fiscal year ended June 30, 1998 is as follows:

	General	Special Revenue
Excess as Previously Reported	\$2,469,481	(\$248,949)
Overstated Interfund Receivable/Payable	(550)	550
Restated Amounts for the Year Ended June 30, 1998	\$2,468,931	(\$248,399)

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 Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual, All Governmental Fund Types and the Combined Statement of Revenues, Expenses and Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual, All Proprietary Fund Types are 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).
4. For proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

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

Excess of Revenues and Other Financing Sources
Over (Under) Expenditures and Other Financing Uses
All Governmental Fund Types

	General	Special Revenue	Debt Service	Capital Projects
GAAP Basis	(\$39,186)	\$167,846	(\$51,062)	\$6,538,001
Revenue Accruals	(1,821,176)	(35,009)	199,820	(250,293)
Advances In	31,500	0	0	0
Expenditure Accruals	(247,444)	(5,436)	0	(9,096,844)
Unrecorded Cash	(1,939)	(6,643)	(1,584)	0
Proceeds of Bonds	0	0	9,500,000	(9,500,000)
Debt Principal Retirement	0	0	(9,500,000)	9,500,000
Debt Interest and Fiscal Charges	0	0	(254,455)	254,455
Advances Out	0	(31,500)	0	0
Encumbrances	(1,494,249)	(137,168)	0	(4,076,747)
Budget Basis	<u>(\$3,572,494)</u>	<u>(\$47,910)</u>	<u>(\$107,281)</u>	<u>(\$6,631,428)</u>

Net Loss/Excess of Revenues Under Expenses and Operating Transfers
All Proprietary Fund Types

	Enterprise	Internal Service
GAAP Basis	(\$4,792)	(\$32,363)
Revenue Accruals	(17,098)	646
Unrecorded Cash	(1,657)	0
Expense Accruals	34,541	(25,732)
Depreciation Expense	(2,357)	0
Encumbrances	(7,001)	0
Budget Basis	<u>\$1,636</u>	<u>(\$57,449)</u>

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Note 6 - Construction Commitments

As of June 30, 1999, the Shaker Heights City School District had contractual purchase commitments for alterations, improvements and renovations at the High School, Woodbury School, Ludlow School grounds, Middle School and the Library.

The contractual commitments for the projects are as follows:

Project	Amount
High School Entry Renovation	\$23,065
High School New Driveway	2,830
High School Library Renovation	262,923
High School North Gymnasium Addition	3,115,864
High School Restrooms Renovation	173,724
High School Visiting Locker Room Renovation	123,600
Woodbury School Alterations	4,920
Ludlow Park Site Improvement	9,130
Middle School Roof Fascia Replacement	78,300
Shaker Heights Public Library Renovation	14,504
Totals	<u>\$3,808,860</u>

Note 7 - 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

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

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 other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio); and
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.

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 (Including Repurchase Agreements), and Reverse Repurchase Agreements."

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

A. Deposits

At fiscal year-end, the carrying amount of the School District's deposits was (\$2,354,979) and the bank balance was \$775,389. Of the bank balance, \$149,489 was covered by federal depository insurance and \$625,900 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging financial institutions trust department or agent in the School District's name and all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

B. Investments

GASB Statement 3 requires the School District's investments to be categorized to give an indication of the level of risk assumed by the School District at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. The School District invests in STAROhio, the State Treasurer's Investment Pool, which is not classified by degree of credit risk since it is not evidenced by securities that exist in physical or book entry form.

	Category 3	Fair Value
Federal Home Loan Corporation Note	\$975,917	\$975,917
Federal Home Loan Mortgage Corporation Bond	494,985	494,985
Federal National Mortgage Association Notes	4,235,859	4,235,859
Federal Home Loan Bank Bonds	4,001,753	4,001,753
U.S. Treasury Notes	2,031,184	2,031,184
	\$11,739,698	11,739,698
STAROhio		6,680,470
Total		\$18,420,168

The classification of cash and cash equivalents, and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9 entitled "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting."

Shaker Heights City School District
Notes to the General Purpose Financial Statements
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A reconciliation between the classifications of cash and cash equivalents and investments on the combined financial statements and the classification of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9	\$16,065,189	\$0
Investments which are part of a cash management pool:		
Federal Agency Securities	(9,708,514)	9,708,514
U.S. Treasury Notes	(2,031,184)	2,031,184
STAROhio	(6,680,470)	6,680,470
GASB Statement 3	(\$2,354,979)	\$18,420,168

Note 8 - 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 1999 for real and public utility property taxes represents collections of calendar 1998 taxes. Property tax payments received during calendar 1999 for tangible personal property (other than public utility property) is for calendar 1999 taxes.

1999 real property taxes are levied after April 1, 1999, on the assessed value listed as of January 1, 1999, 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. 1999 public utility property taxes became a lien December 31, 1998, are levied after April 1, 1999, and are collected in 2000 with real property taxes.

1999 tangible personal property taxes are levied after April 1, 1999, on the value as of December 31, 1998. Collections are made in 1999. Tangible personal property assessments are twenty-five percent of true value.

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

The assessed values upon which the fiscal year 1999 taxes were collected are:

	1998 Second Half Collections		1999 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$661,972,460	94.58%	\$663,126,030	94.71%
Public Utility	26,022,220	3.72	26,011,210	3.71
Tangible Personal Property	11,863,524	1.70	11,049,610	1.58
Total Assessed Value	<u>\$699,858,204</u>	<u>100.00%</u>	<u>\$700,186,850</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$139.60		\$139.80	

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 earlier or later 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.

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, 1999, are available to finance fiscal year 1999 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including Shaker Heights City School District. The County Auditor periodically remits to the School District its portion of taxes. Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 1999. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 1999 was \$5,580,576 and is recognized as revenue. \$5,413,159 was available to the general fund and \$167,417 was available to the bond retirement debt service fund.

Note 9 - Receivables

Receivables at June 30, 1999, consisted of taxes, accounts (contributions, rentals, student fees and tuition), intergovernmental grants and interest. 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 year guarantee of federal funds.

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

A summary of the principal items of intergovernmental receivables follows:

	Amounts
General Fund:	
Medicaid	\$29,877
Cleveland Court of Common Pleas	100
Total General Fund	29,977
Special Revenue Fund:	
Goals 2000	40,000
Capital Project Fund:	
Building	25,000
Enterprise Fund:	
Food Service - National School Lunch Program	10,183
Grand Total	\$105,160

Note 10 - Fixed Assets

A summary of the enterprise funds' fixed assets at June 30, 1999, follows:

	Enterprise
Equipment	\$130,423
Accumulated Depreciation	(86,668)
Net	\$43,755

A summary of the changes in general fixed assets during fiscal year 1999 follows:

	Balance 6/30/98	Additions	Deductions	Balance 6/30/99
Land	\$2,981,664	\$0	\$0	\$2,981,664
Buildings	22,247,268	287,149	0	22,534,417
Furniture and Equipment	8,172,873	1,183,554	0	9,356,427
Vehicles	2,555,650	34,164	17,740	2,572,074
Construction in Progress	8,280	1,004,441	8,280	1,004,441
Total General Fixed Assets	\$35,965,735	\$2,509,308	\$26,020	\$38,449,023

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Note 11 - Risk Management

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. For fiscal year 1999, the School District contracted with Crum and Forster for property, boiler and inland marine insurance. This all risk policy has a \$1,000 deductible.

General liability is protected by The Wausau Insurance Company with a \$1,000,000 single occurrence limit and \$5,000,000 aggregate and no deductible. Vehicles, including school buses, are covered by the Nationwide Insurance Company and hold a \$50 deductible for comprehensive and a \$250 deductible for collision. There is a \$10,000,000 combined single limit of liability. The School District also has a \$5,000,000 umbrella policy with Wausau Insurance that is over both the general liability and vehicle policies. Settled claims have not exceeded this commercial coverage in any of the past three years and there has not been a significant reduction in coverage from the prior year.

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

For 1991, 1992 and 1993 the School District participated in the State Workers' Compensation retrospective rating and payment system. This plan involves the payment of a minimum premium for administrative services and stop-loss coverage plus the actual claims cost for injured employees. The balance of claims payable at June 30, 1999, represents an estimate of the liability for unpaid claims costs provided by Workers Compensation. The claims liability for the Workers' Compensation retrospective rating and payment system at June 30, 1999 was \$391,161.

The School District is self-insured for prescription drug insurance. PCS Health Systems of Worthington, Ohio, the third party administrator of the program, reviews and pays the claims. Monthly premiums for prescription drug insurance are \$94.98 for family coverage and \$37.36 for single coverage. The program utilizes a \$2 prescription deductible for generic drugs and a \$5 prescription deductible for non-generic drugs. The School District paid \$10,212 in fees to the program administrator in fiscal year 1999. The fee is, generally, \$.58 per claim. The liability for claims for the prescription drug insurance at June 30, 1999 is \$23,213 and is based on the July 1999 actual billing.

The claims liability reported in the internal service funds at June 30, 1999 is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in claims activity for fiscal years 1998 through 1999 are as follows:

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
1998	\$454,231	\$606,945	\$621,871	\$439,305
1999	439,305	741,984	766,915	414,374

Note 12 - Defined Benefit Pension Plans

A. School Employees Retirement System

Shaker Heights City School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension system. 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 State statute per 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 Shaker Heights City School District is required to contribute at an actuarially determined rate. The current Shaker Heights City School District rate is 14 percent of annual covered payroll. A portion of the School District's contributions is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 1999, 7.7 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 1998, 9.02 percent was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Shaker Heights City School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 1999, 1998, and 1997 were \$835,792, \$1,213,167 and \$1,119,342 respectively; 46.98 percent has been contributed for fiscal year 1999 and 100 percent for fiscal years 1998 and 1997. \$717,570 representing the unpaid contribution for fiscal year 1999, is recorded as a liability within the respective funds and the general long-term obligations account group.

B. State Teachers Retirement System

Shaker Heights City School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides basic 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 43215-3771.

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

For the fiscal year ended June 30, 1999, plan members are required to contribute 9.3 percent of their annual covered salaries. The Shaker Heights City School District was required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. For fiscal year 1998, the portion to fund pension obligations was 10.5 percent. Contribution rates are established by STRS, upon recommendation 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, 1999, 1998, and 1997 were \$2,322,584, \$3,854,158, \$3,624,105 respectively; 83.57 percent has been contributed for fiscal year 1999 and 100 percent for the fiscal years 1998 and 1997. \$1,741,938 representing the unpaid contribution for fiscal year 1999, is recorded as a liability within the respective funds.

Note 13 - 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 funded 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, 1999, the STRS Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund, an increase from 3.5 percent for fiscal year 1998. For the School District, this amount equaled \$2,322,584 for fiscal year 1999.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 1998, (the last information available) the balance in the Fund was \$2,156 million. For the year ended June 30, 1998, net health care costs paid by STRS were \$219,224,000 and STRS had 91,999 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more 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, 1999, employer contributions to fund health care benefits were 6.30 percent of covered payroll, an increase from 4.98 percent for fiscal year 1998. In addition, SERS levies a surcharge to fund health care benefits equal to 14

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 1999, the minimum pay has been established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 1999 fiscal year equaled \$464,091.

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 125 percent of annual health care expenses. Expenses for health care for the fiscal year ended June 30, 1998 (the latest information available), were \$111,900,575 and the target level was \$139.9 million. At June 30, 1998, SERS had net assets available for payment of health care benefits of \$160.3 million. SERS has approximately 50,000 participants currently receiving health care benefits.

Note 14 - Other Employee Benefits

A. Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn up to twenty-four days of vacation per year, depending upon length of service. Vacation days are credited to classified employees on July first and employees can carryover into the next fiscal year five vacation days a year. Accumulated unused vacation time is paid to classified employees upon termination of employment, with some restrictions. Teachers do not earn vacation time. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. A percentage of unused sick time is paid at retirement. The number of unused sick days which can accumulate is unrestricted.

B. Health Care Benefits

Medical/surgical insurance is offered to employees through either Kaiser Permanente Insurance Company or Anthem Insurance Company. The Kaiser Permanente plan has no deductible. Individual coverage is \$132.69 per month while family coverage for a family of two is \$265.38 and for a family of three or more is \$398.07. The Anthem Insurance Company provides two plans. The first plan provides medical/surgical coverage with a \$100 single deductible on the first \$2,000 of covered services and 80 percent afterwards and \$200 family deductible on the first \$4,000 of covered services and 100 percent afterwards. Individual coverage is \$150.18 per month and family coverage is \$396.65. The second Anthem plan provides medical/surgical insurance with no deductible in the network. Outside the network, the deductibles are the same as the first plan. Individual coverage is \$138.21 per month while family coverage is \$364.08.

Dental insurance is offered to employees through Anthem Insurance Company with a \$50 deductible on orthodontal and restoration services. Individual coverage is \$26.78 per month and family coverage is \$77.35 per month.

Shaker Heights City School District
Notes to the General Purpose Financial Statements
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Life insurance is offered to employees through Unum Life Insurance Company of Columbus, Ohio. The Treasurer and Superintendent receive \$150,000 coverage for \$21 per month; administrators, supervisors and certified employees receive \$50,000 coverage for \$7 per month, and custodial and clerical employees receive \$30,000 for \$4.20 per month.

Note 15 - Capitalized Leases - Lessee Disclosure

Capital lease obligations recorded in the general long-term obligations account group relate to copier equipment which is leased under long-term agreements which meet the criteria for capital leases as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases." Capital lease payments have been reclassified and are reflected as debt service expenditures in the combined financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements. General fixed assets acquired by lease have been capitalized in the general fixed assets account group in the amount of \$43,058 which is equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded in the general long-term obligations account group. Principal payments in fiscal year 1999 totaled \$10,905 in the governmental funds.

The future minimum lease payments at June 30, 1999 are \$5,323. Of that amount, \$216 represents the interest payments and \$5,107 represents the principal payments.

Note 16 - Interfund Transactions

At June 30, 1999, the due from other funds/due to other funds consisted of:

Fund	Due From	Due To
General Fund	\$1,664	\$0
Special Revenue Funds:		
Local Professional Development	0	1,664
Total	\$1,664	\$1,664

Note 17 - State School Funding Decision

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to the School District. During the fiscal year ended June 30, 1999, the School District received \$8,085,460 of school foundation support for its general fund.

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State legislature in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State has appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. As of the date of these financial statements, the Ohio Supreme Court has not rendered an opinion on this issue. The decision of the Court of Common Pleas in Perry County has been stayed by the Ohio Supreme Court, and, as such, school districts are still operating under the laws that the Common Pleas Court declared unconstitutional.

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

Note 18 - Long-term Obligations

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
General Long Term Obligations			
School Improvement - 1990	7.08%	\$5,000,000	December 15, 2010
Building Addition - 1993	5.034	5,000,000	June 13, 2013
Energy Conservation Improvement - 1995	5.00	1,284,230	July 12, 2005
Bus Acquisition - 1997	5.246	332,000	April 15, 2001
School Improvement - 1999	4.52	9,500,000	December 1, 2019

Changes in long-term obligations of the School District during fiscal 1999, were as follows:

	Principal Outstanding 6/30/98	Additions	Deductions	Principal Outstanding 6/30/99
General Obligation Bonds:				
School Improvement Bonds 1990, 7.08%	\$4,055,000	\$0	\$205,000	\$3,850,000
Building Addition Bonds 1993, 5.034%	3,485,000	0	340,000	3,145,000
Energy Conservation Improvement Bonds 1995, 5.00%	1,069,230	0	115,000	954,230
Bus Acquisition Bonds 1997, 5.246%	255,000	0	80,000	175,000
School Improvement Bonds 1999, 5.034%	0	9,500,000	0	9,500,000
Total General Obligation Bonds	8,864,230	9,500,000	740,000	17,624,230

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

	Principal Outstanding 6/30/98	Additions	Deductions	Principal Outstanding 6/30/99
Compensated Absences	2,676,121	811,490	121,288	3,366,323
Pension Obligation	462,459	690,888	462,459	690,888
Capital Lease	16,012	0	10,905	5,107
Total General Long-Term Obligations	<u>\$12,018,822</u>	<u>\$11,002,378</u>	<u>\$1,334,652</u>	<u>\$21,686,548</u>

General obligation bonds will be paid from property taxes in the debt service fund. Compensated absences will be paid from the fund from which the employees are paid. The intergovernmental payable represents a contractually required pension contribution and will be paid from the fund from which the employees are paid. Capital lease payments were made from the general fund because it utilizes the assets.

The School District's overall debt margin was \$46,362,078 with an unvoted debt margin of \$700,187 at June 30, 1999. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 1999, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2000	770.000	1,014.931	1,784.931
2001	1,670.000	858.138	2,528.138
2002	1,675.000	771.342	2,446.342
2003	1,755.000	682.134	2,437.134
2004 - 2008	5,264.230	2,431.471	7,695.701
2009 - 2013	3,680.000	1,140.513	4,820.513
2014 - 2018	1,910.000	458.331	2,368.331
2019 - 2020	900.000	44.935	944.935
Total	<u>\$17,624,230</u>	<u>\$7,401,795</u>	<u>\$25,026,025</u>

Note 19 - Jointly Governed Organization

The Ohio Schools Council (Council) is a jointly governed organization among eighty-two School Districts. The jointly governed organization was formed to bring quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual fee of \$700 and 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. Financial information can be obtained by contacting Joseph Lesak, Executive Secretary at the Ohio Schools Council at 155 Center Road, Bedford, Ohio 44146.

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

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

Energy Acquisition Corporation, a non-profit corporation with a self-appointing board, issued \$119,140,000 in debt to prepurchase 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 their agreement, they are required to repay the savings to CEI and CEI will refund the remaining prepayment related to that participant to Energy Acquisition Corp.

Note 20 - Related Organization

The Shaker Heights Public Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the Shaker Heights City School District Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the School District for operational subsidies. Although the School District does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Shaker Heights Public Library, Kathy Everson, Clerk-Treasurer, at 16500 Van Aken Boulevard, Shaker Heights, Ohio 44120.

Note 21 - Contingencies

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure 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, 1999.

B. Litigation

The Shaker Heights City School District is party to legal proceedings. The amount of the liability, if any, cannot be reasonably estimated at this time.

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Note 22 - Segment Information for Enterprise Funds

The School District maintains two Enterprise funds to account for the operations of food service and uniform school supplies. The table below reflects in a summarized format the more significant financial data relating to the Enterprise Funds of the Shaker Heights City School District as of and for the fiscal year ended June 30, 1999.

	Food Service	Uniform School Supplies	Totals
Operating Revenues	\$652,276	\$95,896	\$748,172
Depreciation	2,357	0	2,357
Operating Income (Loss)	(158,180)	3,146	(155,034)
Donated Commodities	18,198	0	18,198
Operating Grants	81,844	0	81,844
Operating Transfers In	50,200	0	50,200
Net Income (Loss)	(7,938)	3,146	(4,792)
Net Working Capital	(19,329)	4,052	(15,277)
Total Assets	77,492	5,988	83,480
Total Equity	24,426	4,052	28,478
Encumbrances, June 30, 1999 (Budget Basis)	4,666	2,335	7,001

Note 23 - Note Obligation

The School District's note activity for the fiscal year ended June 30, 1999, is as follows:

	Balance 6/30/98	Additions	Deletions	Balance 6/30/99
Building Fund:				
Bond Anticipation Note 3.625%	9,500,000	0	9,500,000	0

During fiscal year 1998, the School District redeemed a \$7,500,000 bond anticipation note with the proceeds from the issuance of a nine month \$9,500,000 bond anticipation note at an interest rate of 3.625 percent. During fiscal year 1999, the School District redeemed this bond anticipation note with the proceeds from the issuance of ten-year general obligation school improvement bonds. The note was backed by the full faith and credit of the Shaker Heights City School District. The note liability was reflected in the fund which received the proceeds.

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Note 24 - Set-Aside Calculations and Fund Reserves

The Shaker Heights City 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 School District is also required to set aside money for budget stabilization.

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

	Textbooks	Capital Improvement	Budget Stabilization	Totals
Set-aside Cash Balance as of June 30, 1998	\$0	\$0	\$353,070	\$353,070
Current Year Set-Aside Requirement	1,004,961	1,004,961	0	2,009,922
Qualifying Expenditures or Offsets	(957,681)	(775,317)	0	(1,732,998)
Cash Balance Carried Forward to FY1999	<u>\$47,280</u>	<u>\$229,644</u>	<u>\$353,070</u>	<u>629,994</u>

Note 25 - Year 2000 Issue

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other equipment that may adversely affect the government's operations.

The School District has completed an inventory of computer systems and other equipment necessary to conducting School District operations and has identified such systems as being financial reporting and payroll and employee benefits.

The financial reporting and the payroll and employee benefits systems have been assessed, remediated, tested and validated.

Cuyahoga County collects property taxes for distribution to the School District. Cuyahoga County is responsible for remediating its tax collection system.

The State of Ohio distributes a substantial sum of money to the School District in the form of "Foundation" and federal and state grant payments. The State is responsible for remediating this system.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the School District is or will be year 2000 ready, that the School District's remediation efforts will be successful in whole or in part, or that parties with whom the School District does business will be year 2000 ready.

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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 other funds.

Shaker Heights 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, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$39,489,017	\$40,696,137	\$1,207,120
Intergovernmental	13,844,057	14,444,226	600,169
Interest	630,000	873,144	243,144
Tuition and Fees	469,392	995,778	526,386
Rentals	55,000	54,171	(829)
Miscellaneous	1,822	158,772	156,950
Total Revenues	54,489,288	57,222,228	2,732,940
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	19,235,832	19,235,832	0
Fringe Benefits	4,796,250	4,796,235	15
Purchased Services	243,486	243,486	0
Materials and Supplies	671,891	671,802	89
Capital Outlay - New	189,789	189,789	0
Capital Outlay - Replacement	190	190	0
Total Regular	25,137,438	25,137,334	104
Special:			
Salaries and Wages	3,363,621	3,363,621	0
Fringe Benefits	912,910	912,702	208
Purchased Services	2,934,049	2,934,049	0
Materials and Supplies	39,883	39,654	229
Capital Outlay - New	14,303	14,303	0
Total Special	7,264,766	7,264,329	437
Vocational:			
Salaries and Wages	132,825	132,825	0
Fringe Benefits	33,517	33,517	0
Purchased Services	346,860	346,860	0
Total Vocational	513,202	513,202	0
Total Instruction	\$32,915,406	\$32,914,865	\$541

(continued)

Shaker Heights 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, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Support Services:			
Pupils:			
Salaries and Wages	\$2,477,303	\$2,477,303	\$0
Fringe Benefits	591,324	591,324	0
Purchased Services	395,898	395,898	0
Materials and Supplies	86,251	86,251	0
Capital Outlay - New	11,581	11,581	0
Capital Outlay - Replacement	283	283	0
Total Pupils	3,562,640	3,562,640	0
Instructional Staff:			
Salaries and Wages	2,076,396	2,076,396	0
Fringe Benefits	800,732	800,732	0
Purchased Services	198,267	198,267	0
Materials and Supplies	124,779	122,809	1,970
Capital Outlay - New	36,371	36,371	0
Capital Outlay - Replacement	4,322	4,322	0
Total Instructional Staff	3,240,867	3,238,897	1,970
Board of Education:			
Fringe Benefits	61	61	0
Purchased Services	52,288	52,288	0
Materials and Supplies	3,956	3,956	0
Capital Outlay - New	4,726	4,726	0
Total Board of Education	61,031	61,031	0
Administration:			
Salaries and Wages	3,017,310	3,017,310	0
Fringe Benefits	774,701	774,701	0
Purchased Services	559,802	559,802	0
Materials and Supplies	205,061	181,671	23,390
Capital Outlay - New	62,100	62,100	0
Capital Outlay - Replacement	380	380	0
Total Administration	4,619,354	4,595,964	23,390
Fiscal:			
Salaries and Wages	422,276	422,276	0
Fringe Benefits	107,883	107,883	0
Purchased Services	716,471	716,471	0
Materials and Supplies	14,044	14,044	0
Capital Outlay - New	249	249	0
Capital Outlay - Replacement	26,144	26,144	0
Total Fiscal	\$1,287,067	\$1,287,067	\$0

(continued)

Shaker Heights 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, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Business:			
Salaries and Wages	\$449,443	\$449,443	\$0
Fringe Benefits	131,618	131,618	0
Purchased Services	97,491	97,491	0
Materials and Supplies	22,423	6,048	16,375
Capital Outlay - New	1,229	1,229	0
Capital Outlay - Replacement	23,943	23,943	0
Total Business	726,147	709,772	16,375
Operation and Maintenance:			
Salaries and Wages	3,653,471	3,653,471	0
Fringe Benefits	1,110,165	1,110,165	0
Purchased Services	1,561,133	1,561,133	0
Materials and Supplies	480,440	480,440	0
Capital Outlay - New	32,950	32,950	0
Capital Outlay - Replacement	34,659	34,659	0
Total Operation and Maintenance	6,872,818	6,872,818	0
Pupil Transportation:			
Salaries and Wages	1,377,855	1,377,855	0
Fringe Benefits	339,157	339,154	3
Purchased Services	971,434	971,434	0
Materials and Supplies	105,998	105,998	0
Capital Outlay - New	4,807	4,807	0
Capital Outlay - Replacement	17,385	17,385	0
Total Pupil Transportation	2,816,636	2,816,633	3
Central:			
Salaries and Wages	562,027	562,027	0
Fringe Benefits	143,745	143,745	0
Purchased Services	335,218	335,218	0
Materials and Supplies	73,090	73,090	0
Capital Outlay - New	14,148	14,148	0
Capital Outlay - Replacement	20,011	20,011	0
Total Central	1,148,239	1,148,239	0
Total Support Services	\$24,334,799	\$24,293,061	\$41,738

(continued)

Shaker Heights 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, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	\$31,262	\$31,262	\$0
Fringe Benefits	104,998	104,998	0
Purchased Services	40,967	40,967	0
Materials and Supplies	2,004	2,004	0
Total Operation of Non-Instructional Services	179,231	179,231	0
Extracurricular Activities:			
Academic Oriented Activities:			
Salaries and Wages	119,668	119,668	0
Fringe Benefits	24,388	24,388	0
Purchased Services	3,665	3,665	0
Materials and Supplies	0	0	0
Capital Outlay - New	6,547	6,547	0
Total Academic Oriented Activities	154,268	154,268	0
Occupation Oriented Activities:			
Salaries and Wages	4,749	4,749	0
Fringe Benefits	662	662	0
Total Occupation Oriented Activities	5,411	5,411	0
Sport Oriented Activities:			
Salaries and Wages	371,737	371,737	0
Fringe Benefits	68,016	68,016	0
Purchased Services	39,011	39,011	0
Materials and Supplies	3,121	3,121	0
Capital Outlay - New	31,645	31,645	0
Capital Outlay - Replacement	8,236	8,236	0
Total Sport Oriented Activities	521,766	521,766	0
Co-Curricular Oriented Activities:			
Salaries and Wages	37,379	37,379	0
Fringe Benefits	5,223	5,223	0
Total Co-Curricular Oriented Activities	42,602	42,602	0
Total Extracurricular Activities	724,047	724,047	0
Capital Outlay	154,399	154,399	0
Total Expenditures	58,307,882	58,265,603	42,279
Excess of Revenues Under Expenditures	(\$3,818,594)	(\$1,043,375)	\$2,775,219 (continued)

Shaker Heights 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, 1999

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<i>Other Financing Sources (Uses)</i>			
Sale of Fixed Assets	\$0	\$125	\$125
Other Financing Uses	(353,070)	0	353,070
Advances In	31,500	31,500	0
Advances Out	(7,386)	0	7,386
Operating Transfers Out	<u>(2,560,744)</u>	<u>(2,560,744)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(2,889,700)</u>	<u>(2,529,119)</u>	<u>360,581</u>
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses			
	(6,708,294)	(3,572,494)	3,135,800
Fund Balance at Beginning of Year	8,057,625	8,057,625	0
Prior Year Encumbrances Appropriated	<u>3,638,849</u>	<u>3,638,849</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$4,988,180</u>	<u>\$8,123,980</u>	<u>\$3,135,800</u>

Special Revenue Funds

Special Revenue Funds are established to account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes. A description of the School District's special revenue funds follows:

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

Shaker Merchandise - This fund accounts for those funds received from the sale of merchandise to students, faculty, staff and community. The monies are used to purchase additional merchandise.

School Improvement Models - This fund accounts for State monies used for the School District's accelerated school model.

Athletic - This fund accounts for funds received from student activity programs which have student participation in the activity but do not have students involved in the management of the program.

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

Local Professional Development - This fund accounts for receipts and expenditures necessary for providing assistance to the School District for the development of in-service programs.

Vocational Education - This fund accounts for receipts and expenditures involved in the replacement or updating of material essential for the instruction of students in job skills.

Excellence in Education - This fund accounts for pupil competency assessment and instructional development in English composition, mathematics and reading as required by the minimum standards for Ohio Schools. The fund is also used to account for expenditures related to the Ohio Science Olympics and the International Science and Engineering Fair.

Management Information Systems - This fund accounts for State monies which support the development of hardware and software or other costs associated with the requirements of the management information system.

Disadvantaged Pupil Impact Aid (DPIA) - This fund accounts for State monies received for disadvantaged impact aid.

Textbook Subsidy - This fund accounts for State monies for textbooks.

Goals 2000 Pacesetter - This fund accounts for State monies for Mercer Elementary School for a parent involvement program.

(continued)

Special Revenue Funds (continued)

Eisenhower Grant - This fund accounts for State monies used to strengthen instruction in science, mathematics, modern foreign languages, English, the arts and computer learning.

Title VI-B - 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 service patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

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

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

Emergency Immigrant Education - This fund accounts for State monies used to assist schools in identifying needy immigrant children and providing educational opportunities to those children at all levels.

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

Preschool Disability - This fund accounts for State monies received for the improvement and expansion of services for handicapped children ages three through five.

Goals 2000 - This fund accounts for federal monies received for various purposes including improved student achievement and teacher development.

Local Grants - This fund accounts for local grants received from private foundations and individuals for various purposes such as math workshops, math enrichment or enhanced technology instruction.

Shaker Heights City School District
Combining Balance Sheet
All Special Revenue Funds
June 30, 1999

	Public School Support	Shaker Merchandise	School Improvement Models	Athletic
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$121,289	\$527	\$22,701	\$47,828
Receivables:				
Accounts	0	0	0	0
Intergovernmental	0	0	0	0
Total Assets	\$121,289	\$527	\$22,701	\$47,828
 <i>Liabilities</i>				
Accounts Payable	\$0	\$711	\$1,636	\$0
Accrued Wages and Benefits	0	0	10,980	0
Intergovernmental Payable	0	0	185	36
Due to Other Funds	0	0	0	0
Total Liabilities	0	711	12,801	36
 <i>Fund Equity</i>				
Fund Balance:				
Reserved for Encumbrances	13,349	200	847	7,219
Unreserved, Undesignated (Deficit)	107,940	(384)	9,053	40,573
Total Fund Equity (Deficit)	121,289	(184)	9,900	47,792
Total Liabilities and Fund Equity	\$121,289	\$527	\$22,701	\$47,828

<u>Auxiliary Services</u>	<u>Local Professional Development</u>	<u>Management Information Systems</u>	<u>Textbook Subsidy</u>	<u>Goals 2000 Pacesetter</u>	<u>Eisenhower Grant</u>
\$199,407	\$8,173	\$44,201	\$351	\$2,000	\$7,962
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$199,407</u>	<u>\$8,173</u>	<u>\$44,201</u>	<u>\$351</u>	<u>\$2,000</u>	<u>\$7,962</u>
\$6,684	\$691	\$0	\$170	\$0	\$0
65,961	5,349	0	0	0	210
2,293	109	0	0	0	83
0	1,664	0	0	0	0
<u>74,938</u>	<u>7,813</u>	<u>0</u>	<u>170</u>	<u>0</u>	<u>293</u>
102,271	0	0	0	0	0
22,198	360	44,201	181	2,000	7,669
<u>124,469</u>	<u>360</u>	<u>44,201</u>	<u>181</u>	<u>2,000</u>	<u>7,669</u>
<u>\$199,407</u>	<u>\$8,173</u>	<u>\$44,201</u>	<u>\$351</u>	<u>\$2,000</u>	<u>\$7,962</u>

(continued)

Shaker Heights City School District
Combining Balance Sheet
All Special Revenue Funds (continued)
 June 30, 1999

	Title VI-B	Title I	Title VI	Emergency Immigrant Education
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$56,198	\$87,414	\$7,867	\$4,422
Receivables:				
Accounts	0	0	0	0
Intergovernmental	0	0	0	0
Total Assets	\$56,198	\$87,414	\$7,867	\$4,422
<i>Liabilities</i>				
Accounts Payable	\$564	\$0	\$250	\$0
Accrued Wages and Benefits	32,231	52,491	0	0
Intergovernmental Payable	1,121	1,825	0	0
Due to Other Funds	0	0	0	0
Total Liabilities	33,916	54,316	250	0
<i>Fund Equity</i>				
Fund Balance:				
Reserved for Encumbrances	436	729	2,077	0
Unreserved, Undesignated (Deficit)	21,846	32,369	5,540	4,422
Total Fund Equity (Deficit)	22,282	33,098	7,617	4,422
Total Liabilities and Fund Equity	\$56,198	\$87,414	\$7,867	\$4,422

<u>Drug Free Schools</u>	<u>Preschool Disability</u>	<u>Goals 2000</u>	<u>Local Grants</u>	<u>Totals</u>
\$1,799	\$1,818	\$1,622	\$19,138	\$634,717
0	0	241	11,006	11,247
0	0	40,000	0	40,000
<u>\$1,799</u>	<u>\$1,818</u>	<u>\$1,863</u>	<u>\$30,144</u>	<u>\$685,964</u>
\$0	\$0	\$0	\$0	\$10,706
0	2,319	0	0	170,041
0	98	0	0	5,750
0	0	0	0	1,664
0	2,917	0	0	188,161
0	0	106	800	128,034
1,799	(1,099)	41,757	29,344	369,769
1,799	(1,099)	41,863	30,144	497,803
<u>\$1,799</u>	<u>\$1,818</u>	<u>\$41,863</u>	<u>\$30,144</u>	<u>\$685,964</u>

Shaker Heights City School District
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds
For the Fiscal Year Ended June 30, 1999*

	Public School Support	Shaker Merchandise	School Improvement Models	Athletic
Revenues				
Intergovernmental	\$0	\$0	\$25,000	\$0
Interest	11,681	0	0	0
Tuition and Fees	21,365	0	0	5,363
Extracurricular Activities	105,373	0	0	116,472
Contributions and Donations	7,934	0	0	4,144
Charges for Services	0	7,529	0	0
Miscellaneous	50	0	0	732
Total Revenues	146,403	7,529	25,000	126,711
Expenditures				
Current:				
Instruction:				
Regular	102,251	0	54,532	0
Special	0	0	0	0
Vocational				
Support Services:				
Pupils	0	0	0	0
Instructional Staff	0	0	11,830	0
Administration	0	0	2,861	0
Fiscal	0	0	0	0
Business	0	10,463	0	0
Operation and Maintenance of Plant	0	0	0	3,303
Central	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	34,937	0	0	174,420
Total Expenditures	137,188	10,463	69,223	177,723
Excess of Revenues Over (Under) Expenditures	9,215	(2,934)	(44,223)	(51,012)
Other Financing Sources				
Operating Transfers In	0	2,500	0	58,712
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	9,215	(434)	(44,223)	7,700
Fund Balances (Deficit) Beginning of Year	112,074	250	54,123	40,092
Fund Balances (Deficit) End of Year	\$121,289	(\$184)	\$9,900	\$47,792

<u>Auxiliary Services</u>	<u>Local Professional Development</u>	<u>Vocational Education</u>	<u>Excellence in Education</u>	<u>Management Information Systems</u>	<u>Disadvantaged Pupil Impact Aid</u>
\$862,225	\$51,867	\$0	\$83,000	\$15,892	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>862,225</u>	<u>51,867</u>	<u>0</u>	<u>83,000</u>	<u>15,892</u>	<u>0</u>
0	0	0	9,379	0	66,332
0	0	0	0	0	0
		2,407			
0	0	0	0	0	0
0	41,063	0	78,000	0	0
0	5,674	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	2,000	0
812,794	18,675	0	0	0	0
0	0	0	0	0	0
<u>812,794</u>	<u>65,412</u>	<u>2,407</u>	<u>87,379</u>	<u>2,000</u>	<u>66,332</u>
49,431	(13,545)	(2,407)	(4,379)	13,892	(66,332)
0	0	0	0	0	66,332
49,431	(13,545)	(2,407)	(4,379)	13,892	0
75,038	13,905	2,407	4,379	30,309	0
<u>\$124,469</u>	<u>\$360</u>	<u>\$0</u>	<u>\$0</u>	<u>\$44,201</u>	<u>\$0</u>

(continued)

Shaker Heights City School District
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances*
All Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 1999

	Textbook Subsidy	Goals 2000 Pacesetter	Eisenhower Grant	Title VI-B
Revenues				
Intergovernmental	\$81,922	\$2,000	\$17,747	\$273,313
Interest	0	0	0	0
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	0
Contributions and Donations	0	0	0	0
Charges for Services	0	0	0	0
Miscellaneous	0	0	0	0
Total Revenues	81,922	2,000	17,747	273,313
Expenditures				
Current:				
Instruction:				
Regular	82,345	500	0	0
Special	0	0	0	24,489
Vocational				
Support Services:				
Pupils	0	0	0	31,989
Instructional Staff	0	0	26,878	171,370
Administration	0	0	0	0
Fiscal	0	0	0	4,537
Business	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	0	0	6,868
Extracurricular Activities	0	0	0	0
Total Expenditures	82,345	500	26,878	239,253
Excess of Revenues Over (Under) Expenditures	(423)	1,500	(9,131)	34,060
Other Financing Sources				
Operating Transfers In	0	0	0	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(423)	1,500	(9,131)	34,060
Fund Balances (Deficit) Beginning of Year	604	500	16,800	(11,778)
Fund Balances (Deficit) End of Year	\$181	\$2,000	\$7,669	\$22,282

Title I	Title VI	Emergency Immigrant Education	Drug Free Schools	Preschool Disability	Goals 2000	Local Grants	Totals
\$448,587	\$9,667	\$4,422	\$37,485	\$0	\$44,000	\$0	\$1,957,127
0	0	0	0	0	0	232	11,913
0	0	0	0	0	0	49	26,777
0	0	0	0	0	0	0	221,845
0	0	0	0	0	0	7,282	19,360
0	0	0	0	0	0	0	7,529
0	0	0	0	0	241	11,006	12,029
<u>448,587</u>	<u>9,667</u>	<u>4,422</u>	<u>37,485</u>	<u>0</u>	<u>44,241</u>	<u>18,569</u>	<u>2,256,580</u>
0	506	0	0	0	26,604	5,924	348,373
304,819	0	0	0	2,203	775	0	332,286
0	0	0	32,798	0	0	1,900	66,687
4,178	0	0	0	19,029	7,239	4,715	364,302
0	0	0	0	0	4,777	0	13,312
7,523	0	0	0	608	2,577	0	15,245
0	0	0	0	0	0	0	10,463
0	0	0	0	0	0	0	3,303
0	0	0	0	0	0	0	2,000
0	6,164	0	4,042	0	0	0	848,543
0	0	0	0	0	0	0	209,357
<u>316,520</u>	<u>6,670</u>	<u>0</u>	<u>36,840</u>	<u>21,840</u>	<u>41,972</u>	<u>12,539</u>	<u>2,216,278</u>
132,067	2,997	4,422	645	(21,840)	2,269	6,030	40,302
0	0	0	0	0	0	0	127,544
132,067	2,997	4,422	645	(21,840)	2,269	6,030	167,846
(98,969)	4,620	0	1,154	20,741	39,594	24,114	329,957
<u>\$33,098</u>	<u>\$7,617</u>	<u>\$4,422</u>	<u>\$1,799</u>	<u>(\$1,099)</u>	<u>\$41,863</u>	<u>\$30,144</u>	<u>\$497,803</u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Interest	\$11,400	\$11,681	\$281
Tuition and Fees	31,200	21,845	(9,355)
Extracurricular Activities	248,680	105,423	(143,257)
Contributions and Donations	51,220	7,534	(43,686)
Total Revenues	342,500	146,483	(196,017)
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	105,661	60,803	44,858
Materials and Supplies	62,144	30,385	31,759
Capital Outlay - New	14,544	3,409	11,135
Other	44,030	21,003	23,027
Total Regular Instruction	226,379	115,600	110,779
Extracurricular Activities:			
Academic Oriented Activities:			
Purchased Services	68,475	23,246	45,229
Materials and Supplies	88,125	11,427	76,698
Other	12,570	264	12,306
Total Extracurricular Activities	169,170	34,937	134,233
Total Expenditures	395,549	150,537	245,012
Excess of Revenues Under Expenditures	(53,049)	(4,054)	48,995
Fund Balance Beginning of Year	81,716	81,716	0
Prior Year Encumbrances Appropriated	29,878	29,878	0
Fund Balance End of Year	\$58,545	\$107,540	\$48,995

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Shaker Merchandise
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Charges for Services	<u>\$17,300</u>	<u>\$7,381</u>	<u>(\$9,919)</u>
Expenditures			
Current:			
Support Services:			
Business:			
Purchased Services	50	0	50
Materials and Supplies	<u>15,020</u>	<u>9,952</u>	<u>5,068</u>
Total Expenditures	<u>15,070</u>	<u>9,952</u>	<u>5,118</u>
Excess of Revenues Over (Under) Expenditures	2,230	(2,571)	(4,801)
Other Financing Sources			
Operating Transfers In	<u>0</u>	<u>2,500</u>	<u>2,500</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	2,230	(71)	(2,301)
Fund Balance Beginning of Year	80	80	0
Prior Year Encumbrances Appropriated	<u>170</u>	<u>170</u>	<u>0</u>
Fund Balance End of Year	<u>\$2,480</u>	<u>\$179</u>	<u>(\$2,301)</u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
School Improvement Models
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$75,000	\$25,000	(\$50,000)
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	32,088	20,120	11,968
Purchased Services	2,284	2,284	0
Materials and Supplies	25,580	20,068	5,512
Capital Outlay - New	6,982	6,012	970
Total Instruction	66,934	48,484	18,450
Support Services:			
Instructional Staff:			
Salaries and Wages	833	615	218
Fringe Benefits	1,225	1,225	0
Purchased Services	10,443	9,541	902
Total Instructional Staff	12,501	11,381	1,120
Administration:			
Purchased Services	3,443	2,796	647
Materials and Supplies	65	65	0
Total Administration	3,508	2,861	647
Total Support Services	16,009	14,242	1,767
Total Expenditures	82,943	62,726	20,217
Excess of Revenues Under Expenditures	(7,943)	(37,726)	(29,783)
Fund Balance Beginning of Year	55,624	55,624	0
Prior Year Encumbrances Appropriated	2,320	2,320	0
Fund Balance End of Year	\$50,001	\$20,218	(\$29,783)

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Athletic
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Extracurricular Activities	\$186,050	\$116,472	(\$69,578)
Contributions and Donations	24,500	4,144	(20,356)
Total Revenues	<u>210,550</u>	<u>120,616</u>	<u>(89,934)</u>
Expenditures			
Current:			
Support Services:			
Operation and Maintenance of Plant:			
Salaries and Wages	<u>8,480</u>	<u>3,300</u>	<u>5,180</u>
Extracurricular Activities:			
Sports Oriented Activities:			
Salaries and Wages	17,425	6,239	11,186
Purchased Services	133,113	60,075	73,038
Materials and Supplies	217,147	103,146	114,001
Capital Outlay - New	<u>33,294</u>	<u>12,179</u>	<u>21,115</u>
Total Extracurricular Activities	<u>400,979</u>	<u>181,639</u>	<u>219,340</u>
Total Expenditures	<u>409,459</u>	<u>184,939</u>	<u>224,520</u>
Excess of Revenues Under Expenditures	(198,909)	(64,323)	134,586
Other Financing Sources			
Operating Transfers In	<u>169,650</u>	<u>58,712</u>	<u>(110,938)</u>
Excess of Revenues and Other Financing Sources Under Expenditures	(29,259)	(5,611)	23,648
Fund Balance Beginning of Year	27,515	27,515	0
Prior Year Encumbrances Appropriated	<u>12,610</u>	<u>12,610</u>	<u>0</u>
Fund Balance End of Year	<u>\$10,866</u>	<u>\$34,514</u>	<u>\$23,648</u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Auxiliary Services
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$865,857	\$862,225	(\$3,632)
Expenditures			
Current:			
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	471,452	388,613	82,839
Fringe Benefits	98,395	98,094	301
Purchased Services	298,567	298,358	209
Materials and Supplies	81,712	77,458	4,254
Capital Outlay - New	58,316	55,467	2,849
Total Expenditures	1,008,442	917,990	90,452
Excess of Revenues Under Expenditures	(142,585)	(55,765)	86,820
Fund Balance Beginning of Year	120,556	120,556	0
Prior Year Encumbrances Appropriated	25,661	25,661	0
Fund Balance End of Year	\$3,632	\$90,452	\$86,820

Shaker Heights City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Local Professional Development
For the Fiscal Year Ended June 30, 1999*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$51,867	\$51,867	\$0
Expenditures			
Current:			
Support Services:			
Instructional Staff:			
Salaries and Wages	12,156	6,002	6,154
Fringe Benefits	1,474	1,474	0
Purchased Services	28,670	28,670	0
Materials and Supplies	550	550	0
Capital Outlay - New	480	326	154
Total Instructional Staff	43,330	37,022	6,308
Administration:			
Salaries and Wages	4,829	2,964	1,865
Total Support Services	48,159	39,986	8,173
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	18,675	18,675	0
Total Expenditures	66,834	58,661	8,173
Excess of Revenues Under Expenditures	(14,967)	(6,794)	8,173
Fund Balance Beginning of Year	1,598	1,598	0
Prior Year Encumbrances Appropriated	13,369	13,369	0
Fund Balance End of Year	\$0	\$8,173	\$8,173

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Vocational Education
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues</i>	\$0	\$0	\$0
<i>Expenditures</i>			
Current:			
Instruction:			
Vocational:			
Capital Outlay - New	<u>2,407</u>	<u>2,407</u>	<u>0</u>
Excess of Revenues Under Expenditures	(2,407)	(2,407)	0
Fund Balance Beginning of Year	<u>2,407</u>	<u>2,407</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Excellence in Education
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$83,000	\$83,000	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	7,625	7,625	0
Materials and Supplies	1,754	1,754	0
Total Instruction	9,379	9,379	0
Support Services:			
Instructional Staff:			
Salaries and Wages	78,000	78,000	0
Total Expenditures	87,379	87,379	0
Excess of Revenues Under Expenditures	(4,379)	(4,379)	0
Fund Balance Beginning of Year	3,535	3,535	0
Prior Year Encumbrances Appropriated	844	844	0
Fund Balance End of Year	\$0	\$0	\$0

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Management Information Systems
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	<u>\$21,132</u>	<u>\$15,892</u>	<u>(\$5,240)</u>
Expenditures:			
Current:			
Support Services:			
Central:			
Purchased Services	4,000	2,000	2,000
Capital Outlay - New	<u>41,948</u>	<u>0</u>	<u>41,948</u>
Total Expenditures	<u>45,948</u>	<u>2,000</u>	<u>43,948</u>
Excess of Revenues Over (Under) Expenditures	(24,816)	13,892	38,708
Fund Balance Beginning of Year	<u>30,309</u>	<u>30,309</u>	<u>0</u>
Fund Balance End of Year	<u>\$5,493</u>	<u>\$44,201</u>	<u>\$38,708</u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Disadvantaged Pupil Impact Aid
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues	\$0	\$0	\$0
Expenditures			
Current:			
Instruction:			
Regular Instruction:			
Salaries and Wages	66,332	66,332	0
Excess of Revenues Under Expenditures	(66,332)	(66,332)	0
Other Financing Sources			
Operating Transfers In	66,332	66,332	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	0	0	0
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Textbook Subsidy
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<i>Revenues</i>			
Intergovernmental	\$81,922	\$81,922	\$0
<i>Expenditures</i>			
Current:			
Instruction:			
Regular Instruction:			
Materials and Supplies	82,526	82,175	351
Excess of Revenues Under Expenditures	(604)	(253)	351
Fund Balance Beginning of Year	421	421	0
Prior Year Encumbrances Appropriated	183	183	0
<i>Fund Balance End of Year</i>	<u>0</u>	<u>\$351</u>	<u>\$351</u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Goals 2000 Pacesetter
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$3,000	\$2,000	(\$1,000)
Expenditures			
Current:			
Instruction:			
Regular Instruction:			
Purchased Services	585	0	585
Materials and Supplies	2,915	500	2,415
Total Expenditures	3,500	500	3,000
Excess of Revenues Over (Under) Expenditures	(500)	1,500	2,000
Fund Balance Beginning of Year	500	500	0
Fund Balance End of Year	\$0	\$2,000	\$2,000

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Eisenhower Grant
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	<u>\$17,747</u>	<u>\$17,747</u>	<u>\$0</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	25,080	22,466	2,614
Purchased Services	9,489	4,141	5,348
Materials and Supplies	<u>4,712</u>	<u>4,712</u>	<u>0</u>
Total Expenditures	<u>39,281</u>	<u>31,319</u>	<u>7,962</u>
Excess of Revenues Under Expenditures	(21,534)	(13,572)	7,962
Fund Balance Beginning of Year	<u>21,534</u>	<u>21,534</u>	<u>0</u>
Fund Balance End of Year	<u>\$0</u>	<u>\$7,962</u>	<u>\$7,962</u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$273,313	\$273,313	\$0
Expenditures			
Current:			
Instruction:			
Special Instruction:			
Fringe Benefits	330	330	0
Purchased Services	4,873	2,603	2,270
Materials and Supplies	9,293	9,278	15
Capital Outlay - New	14,515	14,515	0
Total Instruction	29,011	26,726	2,285
Support Services:			
Pupils:			
Salaries and Wages	37,047	30,618	6,429
Instructional Staff:			
Salaries and Wages	203,825	169,419	34,406
Fiscal:			
Other	16,615	4,537	12,078
Total Support Services	257,487	204,574	52,913
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	6,868	6,868	0
Total Expenditures	293,366	238,168	55,198
Excess of Revenues Over (Under) Expenditures	(20,053)	35,145	55,198
Fund Balance Beginning of Year	13,137	13,137	0
Prior Year Encumbrances Appropriated	6,916	6,916	0
Fund Balance End of Year	<u>\$0</u>	<u>\$55,198</u>	<u>\$55,198</u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$689,582	\$448,587	(\$240,995)
Expenditures			
Current:			
Instruction:			
Special Instruction:			
Salaries and Wages	456,461	294,108	162,353
Fringe Benefits	26,189	1,937	24,252
Purchased Services	8,889	5,636	3,253
Materials and Supplies	11,244	10,359	885
Capital Outlay - New	12,681	8,056	4,625
Total Instruction	515,464	320,096	195,368
Support Services:			
Instructional Staff:			
Purchased Services	4,178	4,178	0
Fiscal:			
Other	13,989	7,523	6,466
Total Support Services	18,167	11,701	6,466
Total Expenditures	533,631	331,797	201,834
Excess of Revenues Over Expenditures	155,951	116,790	(39,161)
Other Financing Uses			
Advances Out	(31,500)	(31,500)	0
Excess of Revenues Over Expenditures and Other Financing Uses	124,451	85,290	(39,161)
Fund Balance Beginning of Year	322	322	0
Prior Year Encumbrances Appropriated	1,073	1,073	0
Fund Balance End of Year	\$125,846	\$86,685	(\$39,161)

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$32,222	\$9,667	(\$22,555)
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	8,203	0	8,203
Capital Outlay - New	15,666	506	15,160
Total Instruction	23,869	506	23,363
Support Services:			
Administration:			
Salaries and Wages	484	0	484
Operation of Non-Instructional Services:			
Community Services:			
Materials and Supplies	9,587	8,705	882
Capital Outlay - New	4,239	873	3,366
Total Operation of Non-Instructional Services	13,826	9,578	4,248
Total Expenditures	38,179	10,084	28,095
Excess of Revenues Under Expenditures	(5,957)	(417)	5,540
Fund Balance Beginning of Year	3,029	3,029	0
Prior Year Encumbrances Appropriated	2,928	2,928	0
Fund Balance End of Year	\$0	\$5,540	\$5,540

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Emergency Immigrant Education
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	\$4,422	\$4,422	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	<u>4,422</u>	<u>0</u>	<u>4,422</u>
Excess of Revenues Over Expenditures	0	4,422	4,422
Fund Balance Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$4,422</u></u>	<u><u>\$4,422</u></u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Free Schools
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$37,485	\$37,485	\$0
Expenditures			
Current:			
Support Services:			
Pupils:			
Salaries and Wages	32,798	32,798	0
Fiscal:			
Other	1,799	0	1,799
Total Support Services	34,597	32,798	1,799
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	6,580	6,580	0
Total Expenditures	41,177	39,378	1,799
Excess of Revenues Under Expenditures	(3,692)	(1,893)	1,799
Fund Balance Beginning of Year	1,155	1,155	0
Prior Year Encumbrances Appropriated	2,537	2,537	0
Fund Balance End of Year	\$0	\$1,799	\$1,799

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Preschool Disability
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<i>Revenues</i>			
Intergovernmental	\$15,210	\$15,210	\$0
<i>Expenditures</i>			
Current:			
Instruction:			
Special:			
Materials and Supplies	1,200	1,200	0
Capital Outlay - New	2,025	2,025	0
Total Instruction	3,225	3,225	0
Support Services:			
Instructional Staff:			
Salaries and Wages	19,967	18,939	1,028
Fiscal:			
Other	1,398	608	790
Total Support Services	21,365	19,547	1,818
<i>Total Expenditures</i>	24,590	22,772	1,818
Excess of Revenues Under Expenditures	(9,380)	(7,562)	1,818
Fund Balance Beginning of Year	6,703	6,703	0
Prior Year Encumbrances Appropriated	2,677	2,677	0
<i>Fund Balance End of Year</i>	\$0	\$1,818	\$1,818

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Goals 2000
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$104,000	\$4,000	(\$100,000)
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	16,997	16,737	260
Fringe Benefits	1,312	1,312	0
Purchased Services	6,677	6,677	0
Materials and Supplies	2,596	2,596	0
Total Regular	27,582	27,322	260
Special:			
Purchased Services	709	709	0
Materials and Supplies	66	66	0
Total Special	775	775	0
Total Instruction	28,357	28,097	260
Support Services:			
Instructional Services:			
Salaries and Wages	60	60	0
Fringe Benefits	90	90	0
Purchased Services	105,625	6,626	98,999
Capital Outlay - New	1,707	1,707	0
Total Instructional Services	107,482	8,483	98,999
Administration:			
Salaries and Wages	2,275	2,275	0
Purchased Services	3,865	2,608	1,257
Total Administration	6,140	4,883	1,257
Fiscal:			
Other	3,577	2,577	1,000
Total Support Services	117,199	15,943	101,256
Total Expenditures	145,556	44,040	101,516
Excess of Revenues Under Expenditures	(41,556)	(40,040)	1,516
Fund Balance Beginning of Year	34,820	34,820	0
Prior Year Encumbrances Appropriated	6,736	6,736	0
Fund Balance End of Year	\$0	\$1,516	\$1,516

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Local Grants
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Interest	\$1,500	\$232	(\$1,268)
Tuition and Fees	500	49	(451)
Contributions and Donations	24,700	7,830	(16,870)
Total Revenues	26,700	8,111	(18,589)
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	8,500	0	8,500
Materials and Supplies	9,603	6,715	2,888
Capital Outlay - New	9,009	9	9,000
Total Instruction	27,112	6,724	20,388
Support Services:			
Pupils:			
Purchased Services	2,000	1,900	100
Instructional Staff:			
Salaries and Wages	5,950	0	5,950
Purchased Services	7,359	6,615	744
Materials and Supplies	2,289	487	1,802
Total Instructional Staff	15,598	7,102	8,496
Total Support Services	17,598	9,002	8,596
Total Expenditures	44,710	15,726	28,984
Excess of Revenues Under Expenditures	(18,010)	(7,615)	10,395
Fund Balance Beginning of Year	25,674	25,674	0
Prior Year Encumbrances Appropriated	279	279	0
Fund Balance End of Year	\$7,943	\$18,338	\$10,395

Shaker Heights City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
All Special Revenue Funds
For the Fiscal Year Ended June 30, 1999*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$2,355,759	\$1,932,337	(\$423,422)
Interest	12,900	11,913	(987)
Tuition and Fees	31,700	21,894	(9,806)
Extracurricular Activities	434,730	221,895	(212,835)
Contributions and Donations	100,420	19,508	(80,912)
Charges for Services	17,300	7,381	(9,919)
Total Revenues	<u>2,952,809</u>	<u>2,214,928</u>	<u>(737,881)</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	115,417	103,189	12,228
Fringe Benefits	1,312	1,312	0
Purchased Services	\$131,332	\$77,389	\$53,943
Materials and Supplies	199,743	144,193	55,550
Capital Outlay - New	46,201	9,936	36,265
Other	44,030	21,003	23,027
Total Regular	<u>538,035</u>	<u>357,022</u>	<u>181,013</u>
Special:			
Salaries and Wages	456,461	294,108	162,353
Fringe Benefits	26,519	2,267	24,252
Purchased Services	14,471	8,948	5,523
Materials and Supplies	21,803	20,903	900
Capital Outlay - New	29,221	24,596	4,625
Total Special	<u>548,475</u>	<u>350,822</u>	<u>197,653</u>
Vocational:			
Capital Outlay - New	2,407	2,407	0
Total Instruction	<u>1,088,917</u>	<u>710,251</u>	<u>378,666</u>
Support Services:			
Pupils:			
Salaries and Wages	69,845	63,416	6,429
Purchased Services	2,000	1,900	100
Total Pupils	<u>71,845</u>	<u>65,316</u>	<u>6,529</u>
Instructional Staff:			
Salaries and Wages	345,871	295,501	50,370
Fringe Benefits	2,789	2,789	0
Purchased Services	165,764	39,771	105,993
Materials and Supplies	7,551	5,749	1,802
Capital Outlay - New	2,187	2,033	154
Total Instructional Staff	<u>\$524,162</u>	<u>\$365,843</u>	<u>\$158,319</u>

(continued)

Shaker Heights City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
All Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 1999*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Administration:			
Salaries and Wages	\$7,588	\$5,239	\$2,349
Purchased Services	7,308	5,404	1,904
Materials and Supplies	65	65	0
Total Administration	14,961	10,708	4,253
Fiscal:			
Other	37,378	15,245	22,133
Business:			
Purchased Services	50	0	50
Materials and Supplies	15,020	9,952	5,068
Total Business	15,070	9,952	5,118
Operation and Maintenance of Plant:			
Salaries and Wages	8,480	3,300	5,180
Central:			
Purchased Services	4,000	2,000	2,000
Capital Outlay - New	41,948	0	41,948
Total Central	45,948	2,000	43,948
Total Support Services	717,844	472,364	245,480
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	478,320	395,481	82,839
Fringe Benefits	98,395	98,094	301
Purchased Services	323,822	323,613	209
Materials and Supplies	91,299	86,163	5,136
Capital Outlay - New	62,555	56,340	6,215
Total Operation of Non-Instructional Services	1,054,391	959,691	94,700
Extracurricular Activities:			
Salaries and Wages	17,425	6,239	11,186
Purchased Services	201,588	83,321	118,267
Materials and Supplies	305,272	114,573	190,699
Capital Outlay - New	33,294	12,179	21,115
Other	11,570	264	11,306
Total Extracurricular Activities	569,149	216,576	352,573
Total Expenditures	\$3,430,301	\$2,358,882	\$1,071,419

(continued)

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
All Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Excess of Revenues Under Expenditures	<u>(\$477,492)</u>	<u>(\$143,954)</u>	<u>\$333,538</u>
<i>Other Financing Uses</i>			
Advances Out	(31,500)	(31,500)	0
Operating Transfers In	235,982	127,544	(108,438)
Operating Transfers Out	<u>(1,000)</u>	<u>0</u>	<u>1,000</u>
Total Other Financing Sources (Uses)	<u>203,482</u>	<u>96,044</u>	<u>(107,438)</u>
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(274,010)	(47,910)	226,100
Fund Balances Beginning of Year	430,635	430,635	0
Prior Year Encumbrances Appropriated	<u>108,181</u>	<u>108,181</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$264,806</u>	<u>\$490,906</u>	<u>\$226,100</u>

Debt Service Fund

The Debt Service fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Since there is only one debt service fund and the level of budgetary control is no greater than that presented in the combined financial statements, no additional financial statements are presented here.

Capital Projects Funds

The Capital Projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Capital - This fund accounts for all transactions related to school bus purchases.

Building - This fund accounts for revenues to be used for various capital improvements within the School District.

School Net Plus - This fund accounts for State monies used to obtain computers and related educational technology equipment and/or the necessary infrastructure for educational technology.

Shaker Heights City School District
Combining Balance Sheet
All Capital Projects Funds
 June 30, 1999

	<u>Capital</u>	<u>Building</u>	<u>School Net Plus</u>	<u>Totals</u>
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$831	\$4,245,439	\$315,467	\$4,561,737
Receivables:				
Accounts	0	4,960	0	4,960
Accrued Interest	0	53,332	0	53,332
Intergovernmental	0	25,000	0	25,000
Total Assets	\$831	\$4,328,731	\$315,467	\$4,645,029
<i>Liabilities</i>				
Accounts Payable	\$0	\$112,159	\$0	\$112,159
Contracts Payable	0	766,975	0	766,975
Total Liabilities	0	879,134	0	879,134
<i>Fund Equity</i>				
Fund Balance:				
Reserved for Encumbrances	0	3,198,128	0	3,198,128
Unreserved, Undesignated	831	251,469	315,467	567,767
Total Fund Equity	831	3,449,597	315,467	3,765,895
Total Liabilities and Fund Equity	\$831	\$4,328,731	\$315,467	\$4,645,029

Shaker Heights City School District
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Capital Projects Funds
For the Fiscal Year Ended June 30, 1999*

	<u>Capital</u>	<u>Building</u>	<u>School Net Plus</u>	<u>Totals</u>
<i>Revenues</i>				
Taxes	\$0	\$379,667	\$0	\$379,667
Intergovernmental	0	75,000	175,947	250,947
Interest	0	300,433	0	300,433
Miscellaneous	0	4,960	0	4,960
<i>Total Revenues</i>	<u>0</u>	<u>760,060</u>	<u>175,947</u>	<u>936,007</u>
<i>Expenditures</i>				
Capital Outlay	0	6,039,514	22,343	6,061,857
Debt Service:				
Interest and Fiscal Charges	0	154,149	0	154,149
<i>Total Expenditures</i>	<u>0</u>	<u>6,193,663</u>	<u>22,343</u>	<u>6,216,006</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>(5,433,603)</u>	<u>153,604</u>	<u>(5,279,999)</u>
<i>Other Financing Sources</i>				
Proceeds of Bonds	0	9,500,000	0	9,500,000
Operating Transfers In	0	2,318,000	0	2,318,000
<i>Total Other Financing Sources</i>	<u>0</u>	<u>11,818,000</u>	<u>0</u>	<u>11,818,000</u>
Excess of Revenues and Other Financing Sources Over Expenditures	0	6,384,397	153,604	6,538,001
Fund Balances (Deficit) Beginning of Year	<u>831</u>	<u>(2,934,800)</u>	<u>161,863</u>	<u>(2,772,106)</u>
<i>Fund Balances End of Year</i>	<u>\$831</u>	<u>\$3,449,597</u>	<u>\$315,467</u>	<u>\$3,765,895</u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<i>Revenues</i>	\$0	\$0	\$0
<i>Expenditures</i>	0	0	0
Excess of Revenues Over (Under) Expenditures	0	0	0
Fund Balance Beginning of Year	831	831	0
<i>Fund Balance End of Year</i>	<u>\$831</u>	<u>\$831</u>	<u>\$0</u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
Building
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<i>Revenues:</i>			
Taxes	\$0	\$125,212	\$125,212
Intergovernmental	100,000	150,000	50,000
Interest	200,000	234,555	34,555
Total Revenues	300,000	509,767	209,767
<i>Expenditures</i>			
Capital Outlay	10,674,156	9,601,384	1,072,772
Excess of Revenues Under Expenditures	(10,374,156)	(9,091,617)	1,282,539
<i>Other Financing Sources</i>			
Operating Transfers In	3,521,418	2,318,000	(1,203,418)
Excess of Revenues and Other Financing Sources Under Expenditures	(6,852,738)	(6,773,617)	79,121
Fund Balance Beginning of Year	4,851,368	4,851,368	0
Prior Year Encumbrances Appropriated	2,093,870	2,093,870	0
Fund Balance End of Year	\$92,500	\$171,621	\$79,121

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
School Net Plus
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues</i>			
Intergovernmental	\$175,947	\$175,947	\$0
<i>Expenditures</i>			
Capital Outlay	<u>349,225</u>	<u>33,758</u>	<u>315,467</u>
Excess of Revenues Over (Under) Expenditures	(173,278)	142,189	315,467
Fund Balance Beginning of Year	153,805	153,805	0
Prior Year Encumbrances Appropriated	<u>19,473</u>	<u>19,473</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$315,467</u>	<u>\$315,467</u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual
All Capital Projects Funds
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<i>Revenues</i>			
Taxes	\$0	\$125,212	\$125,212
Intergovernmental	275,947	325,947	50,000
Interest	200,000	234,555	34,555
<i>Total Revenues</i>	<u>475,947</u>	<u>685,714</u>	<u>209,767</u>
<i>Expenditures</i>			
Capital Outlay	11,023,381	9,635,142	1,388,239
Excess of Revenues Under Expenditures	(10,547,434)	(8,949,428)	1,598,006
<i>Other Financing Sources</i>			
Operating Transfers In	3,521,418	2,318,000	(1,203,418)
Excess of Revenues and Other Financing Sources Under Expenditures	(7,026,016)	(6,631,428)	394,588
Fund Balances Beginning of Year	5,006,004	5,006,004	0
Prior Year Encumbrances Appropriated	2,113,343	2,113,343	0
<i>Fund Balances End of Year</i>	<u>\$93,331</u>	<u>\$487,919</u>	<u>\$394,588</u>

Enterprise Funds

The Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

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

Uniform School Supplies - This fund accounts for the purchase and sale of school supplies for use in the School District. Profits derived from such sales are used for school purposes or activities connected with the school.

Shaker Heights City School District
Combining Balance Sheet
All Enterprise Funds
June 30, 1999

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Totals</u>
<i>Assets</i>			
<i>Current Assets</i>			
Equity in Pooled Cash and Cash Equivalents	\$8,627	\$5,988	\$14,615
Receivables:			
Intergovernmental	10,183	0	10,183
Inventory Held For Resale	14,927	0	14,927
<i>Total Current Assets</i>	<u>33,737</u>	<u>5,988</u>	<u>39,725</u>
<i>Non-Current Assets</i>			
Fixed Assets (Net of Accumulated Depreciation)	43,755	0	43,755
<i>Total Assets</i>	<u>\$77,492</u>	<u>\$5,988</u>	<u>\$83,480</u>
<i>Liabilities</i>			
<i>Current Liabilities</i>			
Accounts Payable	\$1,688	\$1,936	\$3,624
Accrued Wages and Benefits	12,402	0	12,402
Compensated Absences Payable	20,551	0	20,551
Intergovernmental Payable	15,746	0	15,746
Deferred Revenue	2,679	0	2,679
<i>Total Liabilities</i>	<u>53,066</u>	<u>1,936</u>	<u>55,002</u>
Retained Earnings Unreserved	24,426	4,052	28,478
<i>Total Liabilities and Fund Equity</i>	<u>\$77,492</u>	<u>\$5,988</u>	<u>\$83,480</u>

Shaker Heights City School District
*Combining Statement of Revenues,
Expenses and Changes in Retained Earnings
All Enterprise Funds
For the Fiscal Year Ended June 30, 1999*

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Totals</u>
<i>Operating Revenues</i>			
Sales	\$652,276	\$95,035	\$747,311
Charges for Services	0	861	861
<i>Total Operating Revenues</i>	<u>652,276</u>	<u>95,896</u>	<u>748,172</u>
<i>Operating Expenses</i>			
Salaries	248,116	0	248,116
Fringe Benefits	87,534	0	87,534
Purchased Services	21,513	0	21,513
Materials and Supplies	665	1,479	2,144
Cost of Sales	450,271	91,271	541,542
Depreciation	2,357	0	2,357
<i>Total Operating Expenses</i>	<u>810,456</u>	<u>92,750</u>	<u>903,206</u>
<i>Operating Income (Loss)</i>	<u>(158,180)</u>	<u>3,146</u>	<u>(155,034)</u>
<i>Non-Operating Revenues</i>			
Federal Donated Commodities	18,198	0	18,198
Operating Grants	81,844	0	81,844
<i>Total Non-Operating Revenues</i>	<u>100,042</u>	<u>0</u>	<u>100,042</u>
Income (Loss) Before Operating Transfers	(58,138)	3,146	(54,992)
Operating Transfers In	50,200	0	50,200
<i>Net Income (Loss)</i>	(7,938)	3,146	(4,792)
Retained Earnings Beginning of Year	32,364	906	33,270
Retained Earnings (Deficit) End of Year	<u>\$24,426</u>	<u>\$4,052</u>	<u>\$28,478</u>

Shaker Heights City School District
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Food Service
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Sales	\$684,000	\$651,480	(\$32,520)
Operating Grants	80,000	82,944	2,944
Total Revenues	<u>764,000</u>	<u>734,424</u>	<u>(29,576)</u>
Expenses			
Salaries and Wages:			
Food Service Operations	246,573	246,573	0
Fringe Benefits:			
Food Service Operations	76,537	76,537	0
Purchased Services:			
Food Service Operations	22,281	22,281	0
Materials and Supplies:			
Food Service Operations	441,352	438,693	2,659
Total Expenses	<u>786,743</u>	<u>784,084</u>	<u>2,659</u>
Excess of Revenues Under Expenses	(22,743)	(49,660)	(26,917)
Operating Transfers In	50,000	50,200	200
Excess of Revenues and Operating Transfers Over Expenses	27,257	540	(26,717)
Fund Equity Beginning of Year	1,125	1,125	0
Prior Year Encumbrances Appropriated	1,500	1,500	0
Fund Equity End of Year	<u>\$29,882</u>	<u>\$3,165</u>	<u>(\$26,717)</u>

Shaker Heights City School District
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Uniform School Supplies
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues:</i>			
Sales	\$106,400	\$95,035	(\$11,365)
<i>Expenses</i>			
Materials and Supplies:			
Regular Instruction	<u>107,651</u>	<u>93,939</u>	<u>13,712</u>
Excess of Revenues Over (Under) Expenses	(1,251)	1,096	2,347
Fund Equity Beginning of Year	80	80	0
Prior Year Encumbrances Appropriated	<u>1,616</u>	<u>1,616</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$445</u>	<u>\$2,792</u>	<u>\$2,347</u>

Shaker Heights City School District
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
All Enterprise Funds
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Sales	\$790,400	\$746,515	(\$43,885)
Operating Grants	80,000	82,944	2,944
Total Revenues	<u>870,400</u>	<u>829,459</u>	<u>(40,941)</u>
Expenses			
Salaries and Wages:			
Food Service Operations	246,573	246,573	0
Fringe Benefits:			
Food Service Operations	76,537	76,537	0
Purchased Services:			
Food Service Operations	22,281	22,281	0
Materials and Supplies:			
Regular Instruction	107,651	93,939	13,712
Food Service Operations	441,352	438,693	2,659
Total Materials and Supplies	<u>549,003</u>	<u>532,632</u>	<u>16,371</u>
Total Expenses	<u>894,394</u>	<u>878,023</u>	<u>16,371</u>
Excess of Revenues Under Expenses	(23,994)	(48,564)	(24,570)
Operating Transfers In	50,000	50,200	200
Excess of Revenues Over Expenses and Operating Transfers	26,006	1,636	(24,370)
Fund Equity Beginning of Year	1,205	1,205	0
Prior Year Encumbrances Appropriated	3,116	3,116	0
Fund Equity End of Year	<u>\$30,327</u>	<u>\$5,957</u>	<u>(\$24,370)</u>

Shaker Heights City School District
Combining Statement of Cash Flows
All Enterprise Funds
For the Fiscal Year Ended June 30, 1999

	Food Service	Uniform School Supplies	Totals
<i>Increase (Decrease) in Cash and Cash Equivalents</i>			
<i>Cash Flows from Operating Activities</i>			
Cash Received from Customers	\$652,276	\$95,896	\$748,172
Cash Payments to Employees for Services	(246,573)	0	(246,573)
Cash Payments for Employee Benefits	(76,537)	0	(76,537)
Cash Payments to Suppliers for Goods and Services	(456,308)	(91,604)	(547,912)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(127,142)</u>	<u>4,292</u>	<u>(122,850)</u>
<i>Cash Flows from Noncapital Financing Activities</i>			
Operating Grants Received	82,944	0	82,944
Operating Transfers In	50,200	0	50,200
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>133,144</u>	<u>0</u>	<u>133,144</u>
Net Increase in Cash and Cash Equivalents	6,002	4,292	10,294
Cash and Cash Equivalents Beginning of Year	2,625	1,696	4,321
<i>Cash and Cash Equivalents End of Year</i>	<u>\$8,627</u>	<u>\$5,988</u>	<u>\$14,615</u>
 <i>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</i>			
<i>Operating Income (Loss)</i>	<u>(\$158,180)</u>	<u>\$3,146</u>	<u>(\$155,034)</u>
<i>Adjustments:</i>			
Depreciation	2,357	0	2,357
Donated Commodities Used During Year	18,198	0	18,198
<i>(Increase)/Decrease in Assets:</i>			
Inventory Held for Resale	(1,946)	0	(1,946)
<i>Increase/(Decrease) in Liabilities:</i>			
Accounts Payable	2	1,146	1,148
Accrued Wages	1,543	0	1,543
Compensated Absences Payable	7,537	0	7,537
Intergovernmental Payable	3,347	0	3,347
<i>Total Adjustments</i>	<u>31,038</u>	<u>1,146</u>	<u>32,184</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(\$127,142)</u>	<u>\$4,292</u>	<u>(\$122,850)</u>

Internal Service Funds

Internal Service Funds are established to account for the providing of goods or services by one department to other departments of the School District on a cost reimbursement basis.

Self Insurance - This fund accounts for employee and employer payments for prescription drug claims and administrative costs.

Workers' Compensation Reserve - This fund accounts for all costs for workers claims for the fiscal years 1991, 1992 and 1993.

Shaker Heights City School District
Combining Balance Sheet
All Internal Service Funds
 June 30, 1999

	<u>Self Insurance</u>	<u>Workers' Compensation Reserve</u>	<u>Totals</u>
<i>Assets</i>			
Equity in Pooled Cash and Cash Equivalents	\$5,790	\$442,784	\$448,574
<i>Liabilities</i>			
Claims Payable	\$23,213	\$391,161	\$414,374
<i>Fund Equity</i>			
Retained Earnings Unreserved (Deficit)	(17,423)	51,623	34,200
Total Liabilities and Fund Equity	<u>\$5,790</u>	<u>\$442,784</u>	<u>\$448,574</u>

Shaker Heights City School District
*Combining Statement of Revenues,
Expenses and Changes in Retained Earnings
All Internal Service Funds
For the Fiscal Year Ended June 30, 1999*

	Self Insurance	Workers' Compensation Reserve	Totals
<i>Operating Revenues</i>			
Charges for Services	\$654,833	\$0	\$654,833
<i>Operating Expenses</i>			
Purchased Services	10,212	0	10,212
Claims	741,984	0	741,984
<i>Total Operating Expenses</i>	752,196	0	752,196
Loss Before Operating Transfers	(97,363)	0	(97,363)
Operating Transfers In	65,000	0	65,000
<i>Net Loss</i>	(32,363)	0	(32,363)
Retained Earnings			
Beginning of Year	14,940	51,623	66,563
Retained Earnings (Deficit)			
End of Year	(\$17,423)	\$51,623	\$34,200

Shaker Heights City School District
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Self Insurance
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues</i>			
Charges for Services	\$618,900	\$654,833	\$35,933
<i>Expenses</i>			
Fringe Benefits:			
Regular Instruction	<u>749,741</u>	<u>748,745</u>	<u>996</u>
Excess of Revenues Under Expenses	(130,841)	(93,912)	36,929
Operating Transfers In	<u>65,000</u>	<u>65,000</u>	<u>0</u>
Excess of Revenues and Operating Transfers Under Expenses	(65,841)	(28,912)	36,929
Fund Equity Beginning of Year	23,777	23,777	0
Prior Year Encumbrances Appropriated	<u>10,925</u>	<u>10,925</u>	<u>0</u>
<i>Fund Equity (Deficit) End of Year</i>	<u>(\$31,139)</u>	<u>\$5,790</u>	<u>\$36,929</u>

Shaker Heights City School District
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Workers' Compensation Reserve
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues</i>			
Other Revenues	\$0	\$646	\$646
<i>Expenses</i>			
Fringe Benefits:			
Regular Instruction	<u>40,000</u>	<u>29,183</u>	<u>10,817</u>
Excess of Revenues Under Expenses	(40,000)	(28,537)	11,463
Fund Equity Beginning of Year	<u>471,321</u>	<u>471,321</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$431,321</u></u>	<u><u>\$442,784</u></u>	<u><u>\$11,463</u></u>

Shaker Heights City School District
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
All Internal Service Funds
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues</i>			
Charges for Services	\$618,900	\$654,833	\$35,933
Other Revenues	0	646	646
<i>Total Revenues</i>	<u>618,900</u>	<u>655,479</u>	<u>36,579</u>
<i>Expenses</i>			
Fringe Benefits:			
Regular Instruction	<u>789,741</u>	<u>777,928</u>	<u>11,813</u>
Excess of Revenues Under Expenses	(170,841)	(122,449)	48,392
Operating Transfers In	<u>65,000</u>	<u>65,000</u>	<u>0</u>
Excess of Revenues Under Expenses and Operating Transfers	(105,841)	(57,449)	48,392
Fund Equity Beginning of Year	495,098	495,098	0
Prior Year Encumbrances Appropriated	<u>10,925</u>	<u>10,925</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$400,182</u>	<u>\$448,574</u>	<u>\$48,392</u>

Shaker Heights City School District
Combining Statement of Cash Flows
All Internal Service Funds
For the Fiscal Year Ended June 30, 1999

	Self Insurance	Workers' Compensation Reserve	Totals
<i>Increase (Decrease) in Cash and Cash Equivalents</i>			
<i>Cash Flows from Operating Activities</i>			
Cash Received from Quasi-External Transactions	\$654,833	\$0	\$654,833
Cash Received from Other Operating Sources	0	646	646
Cash Payments for Goods and Services	(11,013)	0	(11,013)
Cash Payments for Claims	(737,732)	(29,183)	(766,915)
<i>Net Cash Used for Operating Activities</i>	(93,912)	(28,537)	(122,449)
<i>Cash Flows from Noncapital Financing Activities</i>			
Operating Transfers In	65,000	0	65,000
Net Decrease in Cash and Cash Equivalents	(28,912)	(28,537)	(57,449)
Cash and Cash Equivalents Beginning of Year	34,702	471,321	506,023
<i>Cash and Cash Equivalents End of Year</i>	<u>\$5,790</u>	<u>\$442,784</u>	<u>\$448,574</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities			
<i>Operating Loss</i>	<u>(\$97,363)</u>	<u>\$0</u>	<u>(\$97,363)</u>
<i>Adjustments:</i>			
Increase in Accounts Receivable	0	646	646
Accounts Payable	(801)	0	(801)
Claims Payable	4,252	(29,183)	(24,931)
<i>Total Adjustments</i>	<u>3,451</u>	<u>(28,537)</u>	<u>(25,086)</u>
<i>Net Cash Used for Operating Activities</i>	<u>(\$93,912)</u>	<u>(\$28,537)</u>	<u>(\$122,449)</u>

Fiduciary Funds

Fiduciary Funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and other funds. The following is the School District's fiduciary fund type:

Agency Funds

Rotary - This fund reflects resources that belong to the student bodies of the various schools and are used for field trips and student testing.

MAC Scholar Grant - This fund accounts for the portion of a State grant that is to be distributed to other school districts.

Student Activities - This fund reflects resources that belong to the student bodies of the various schools.

Shaker Heights City School District
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended June 30, 1999

	Beginning Balance July 1, 1998	Additions	Reductions	Ending Balance June 30, 1999
Rotary				
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$48,616	\$93,565	\$85,655	\$56,526
<i>Liabilities</i>				
Undistributed Monies	\$48,616	\$93,565	\$85,655	\$56,526
MAC Scholar Grant				
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$18,000	\$0	\$18,000	\$0
<i>Liabilities</i>				
Undistributed Monies	\$18,000	\$0	\$18,000	\$0
Student Activities				
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$126,290	\$243,688	\$261,334	\$108,644
<i>Liabilities</i>				
Due to Students	\$126,290	\$243,688	\$261,334	\$108,644
Total - All Agency Funds				
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$192,906	\$337,253	\$364,989	\$165,170
Total Assets	\$192,906	\$337,253	\$364,989	\$165,170
<i>Liabilities</i>				
Undistributed Monies	\$66,616	\$93,565	\$103,655	\$56,526
Due to Students	126,290	243,688	261,334	108,644
Total Liabilities	\$192,906	\$337,253	\$364,989	\$165,170

General Fixed Assets Account Group

The general fixed assets account group is used to account for all land, buildings, furniture and equipment and vehicles not used in the operations of the proprietary funds.

Shaker Heights City School District
Schedule of General Fixed Assets
By Function and Type
June 30, 1999

	Total	Land	Buildings	Furniture and Equipment	Vehicles	Construction In Progress
Instruction:						
Regular	\$611,616	\$0	\$0	\$591,616	\$20,000	\$0
Special	67,820	0	0	67,820	0	0
Support Services:						
Pupils	7,763,670	0	300,143	7,463,527	0	0
Instructional Staff	77,653	0	0	77,653	0	0
Board of Education	4,726	0	0	4,726	0	0
Administration	154,328	0	0	137,284	17,044	0
Fiscal	27,274	0	0	1,722	25,552	0
Business	182,109	0	0	182,109	0	0
Operation and Maintenance of Plant	26,833,497	2,981,664	21,947,125	533,492	366,775	1,004,441
Pupil Transportation	2,174,995	0	0	32,292	2,142,703	0
Central	62,546	0	0	62,546	0	0
Non-Instructional Services	90,515	0	0	90,515	0	0
Extracurricular Activities	108,718	0	0	108,718	0	0
Acquisition of Site	287,149	0	287,149	0	0	0
Other Miscellaneous Uses of Funds	2,407	0	0	2,407	0	0
Total General Fixed Assets	\$38,449,023	\$2,981,664	\$22,534,417	\$9,356,427	\$2,572,074	\$1,004,441

Shaker Heights City School District
Schedule of Changes in General Fixed Assets
By Function
For the Fiscal Year Ended June 30, 1999

Function	General Fixed Assets June 30, 1998	Additions	Deductions	General Fixed Assets June 30, 1999
Instruction:				
Regular	\$391,501	\$220,115	\$0	\$611,616
Special	29,664	38,156	0	67,820
Support Services:				
Pupils	7,494,185	269,485	0	7,763,670
Instructional Staff	37,526	40,127	0	77,653
Board of Education	0	4,726		4,726
Administration	93,165	61,163	0	154,328
Fiscal	18,621	26,393	17,740	27,274
Business	156,937	25,172	0	182,109
Operation and Maintenance of Plant	25,398,236	1,443,541	8,280	26,833,497
Pupil Transportation	2,146,899	28,096	0	2,174,995
Central	48,598	13,948	0	62,546
Non-Instructional Services	90,515	0	0	90,515
Extracurricular Activities	59,888	48,830	0	108,718
Acquisition of Site	0	287,149	0	287,149
Other Miscellaneous Uses of Funds	0	2,407	0	2,407
Total General Fixed Assets	\$35,965,735	\$2,509,308	\$26,020	\$38,449,023

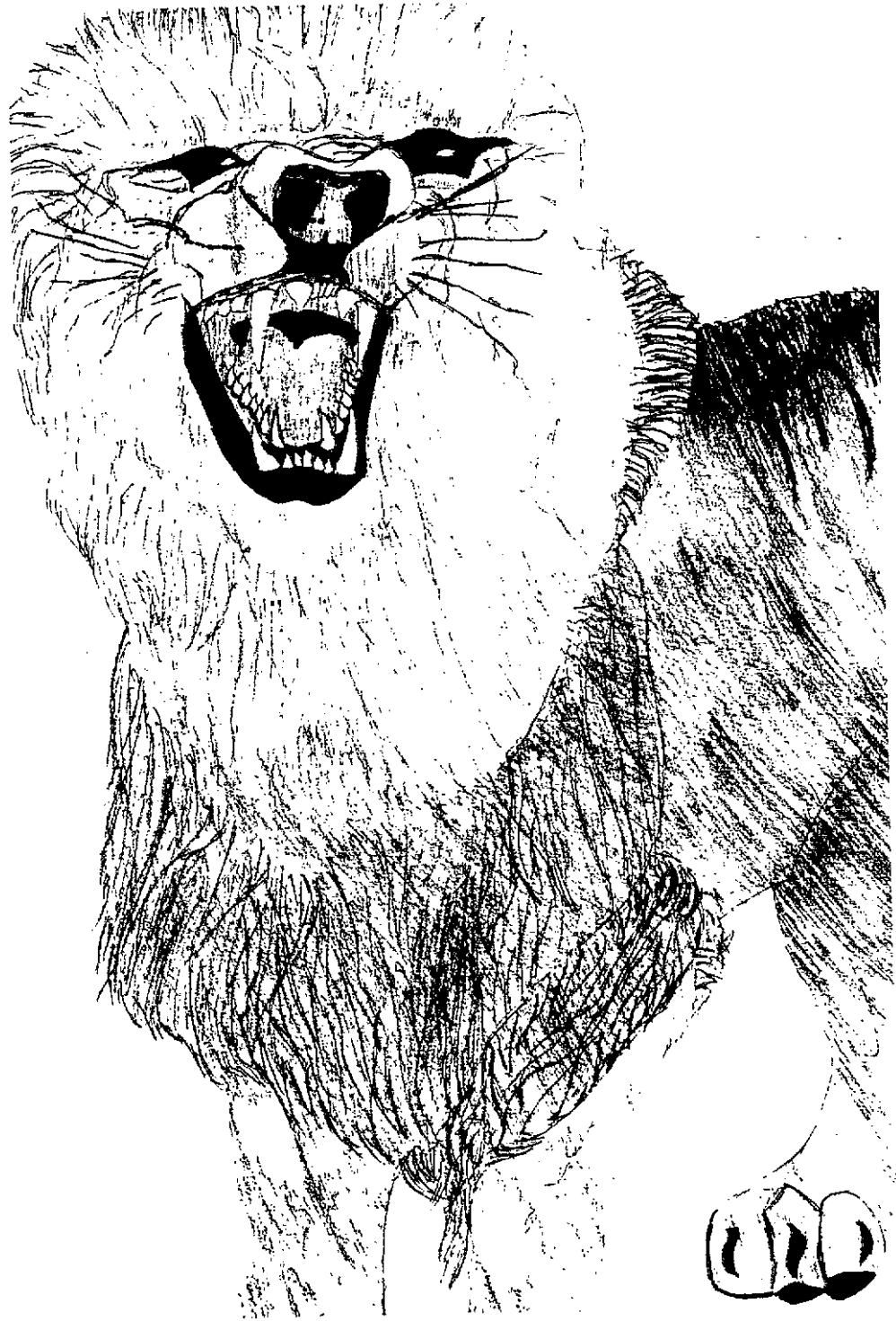
Shaker Heights City School District
Schedule of General Fixed Assets
By Source
June 30, 1999

Land	\$2,981,664
Buildings	22,534,417
Furniture and Equipment	9,356,427
Vehicles	2,572,074
Construction In Progress	<u>1,004,441</u>
<i>Total General Fixed Assets</i>	<u>\$38,449,023</u>

Investment in General Fixed Assets From:

General Fund	\$25,012,311
Special Revenue Funds	194,332
Capital Projects Funds	<u>13,242,380</u>
<i>Total Investment in General Fixed Assets</i>	<u>\$38,449,023</u>

Statistical Section



Artist's Information:
Thomas Reeves
Shaker Heights Middle School

Shaker Heights City School District

*General Fund
Expenditures by Function
and Other Financing Uses
Last Ten Fiscal Years*

	1999 (1)	1998 (1)	1997 (1)	1996 (1)	1995 (1)	1994 (1)(2)	1993 (1)(2)	1992 (1)(2)	1991 (1)(2)	1990 (2)
Current:										
Instruction:										
Regular	\$25,120,166	\$23,624,031	\$21,745,023	\$21,406,807	\$21,548,351	\$24,429,252	\$24,434,583	\$23,285,985	\$21,461,649	\$16,731,898
Special	6,170,717	6,586,739	5,910,984	5,090,868	4,702,390	N/A	N/A	N/A	N/A	2,948,634
Vocational	265,844	319,757	280,304	239,057	202,117	N/A	N/A	N/A	N/A	196,838
Support Services:										
Pupil	3,557,365	3,048,106	2,747,518	2,707,445	2,763,273	2,623,437	2,514,290	2,370,783	2,301,503	2,205,476
Instructional Staff	3,276,152	2,835,348	2,595,372	2,289,529	2,764,031	2,539,738	2,523,844	2,327,764	2,149,894	1,967,110
Board of Education	61,146	58,518	50,216	53,576	79,054	71,233	53,077	69,488	56,004	74,025
Administration	4,519,966	4,307,472	3,773,142	3,731,610	3,850,398	3,264,315	3,246,068	3,192,655	3,021,691	2,748,001
Fiscal	1,278,091	1,191,687	615,198	578,563	665,011	543,320	491,012	507,380	452,311	423,965
Business	687,948	800,206	1,160,716	1,248,045	1,203,322	1,194,713	1,123,526	1,139,324	1,111,475	1,084,250
Operation and Maintenance of Plant	6,732,184	6,563,450	6,250,728	5,918,655	6,586,916	6,107,076	5,603,414	5,811,149	5,331,475	5,179,935
Pupil Transportation	2,755,507	1,877,529	1,799,479	1,800,917	1,840,296	2,226,901	1,965,009	1,806,033	1,506,310	1,369,634
Central	1,044,950	978,612	868,798	812,516	904,322	946,172	831,099	782,002	725,519	632,827
Operation of Non-Instructional Services	178,280	39,015	40,315	55,047	64,349	157,025	313,950	205,717	232,042	171,547
Extracurricular Activities	708,418	647,506	678,757	594,881	587,141	563,584	482,121	433,930	420,011	342,373
Capital Outlay	154,399	0	0	0	0	559,851	0	0	0	0
Debt Service	12,777	12,776	12,776	12,776	7,453	0	0	0	0	0
Other Financing Uses	2,560,744	487,031	1,342,436	105,789	127,206	197,726	144,242	169,537	159,640	858,125
Total	\$59,084,654	\$53,377,783	\$49,871,762	\$46,646,081	\$47,895,630	\$45,424,343	\$43,726,235	\$42,101,747	\$38,929,524	\$36,934,638

Source: School District Financial Records.

(1) 1991 through 1999 reported on a GAAP basis; All others on a cash basis.

(2) For fiscal years 1991 through 1994, Instructional expenditures were not classified by function.

Shaker Heights City School District

*General Fund
Revenues by Source
and Other Financing Sources
Last Ten Fiscal Years*

	1999 (1)	1998 (1)	1997 (1)	1996 (1)	1995 (1)	1994 (1)	1993 (1)	1992 (1)	1991 (1)	1990 (2)
Taxes	\$42,563,895	\$41,195,212	\$41,269,488	\$38,561,143	\$35,766,315	\$35,122,128	\$32,222,738	\$29,470,961	\$30,045,329	\$27,928,122
Inergovernmental	14,459,135	12,595,654	11,130,410	10,631,049	10,244,094	9,429,995	9,074,182	8,429,461	8,754,644	8,254,935
Interest	810,924	896,297	680,412	397,422	235,592	249,371	311,022	477,572	711,758	530,267
Tuition and Fees	995,307	729,347	375,043	136,271	268,994	266,407	210,170	617,570	332,573	0
Contributions and Donations	0	300	0	0	0	0	0	0	0	0
Charges for Services	0	0	0	52,605	26,673	0	0	0	0	0
Rentals	56,880	48,292	53,174	5,891	53,708	0	0	0	0	0
Miscellaneous	159,202	380,356	35,540	42,036	54,620	411,273	301,080	381,385	299,210	806,483
Other Financing Sources	125	1,806	30	115,963	43,433	180,540	0	0	123,371	25,853
Total	\$59,045,468	\$55,847,264	\$53,544,097	\$49,942,380	\$46,693,429	\$45,659,714	\$42,119,192	\$39,376,949	\$40,266,885	\$37,545,660

Source: School District Financial Records.

(1) 1991 through 1999 reported on a GAAP basis; All others on a cash basis.

(2) Tuition and Fees included in Miscellaneous Revenue for fiscal year 1990.

Shaker Heights City School District
Property Tax Levies and Collections
Last Ten Years

Year (1)	Total Tax Levy	Current Collections	Percent of Current Taxes Collected	Delinquent Collections	Total Collections	Percent of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes (2)	Percent of Outstanding Delinquent Taxes to Total Tax Levy
1998	\$50,424,327	\$45,702,584	90.64%	\$1,452,484	\$47,155,068	93.52%	\$3,043,317	6.04%
1997	50,453,727	46,020,347	91.21	1,292,784	47,313,131	93.78	2,659,658	5.27
1996	49,997,697	46,268,767	92.54	1,143,568	47,412,335	94.83	2,472,180	4.94
1995	44,221,209	40,282,334	91.09	1,094,964	41,377,298	93.57	2,394,040	5.41
1994	44,856,857	39,999,148	89.17	1,185,547	41,184,695	91.81	3,231,136	7.20
1993	44,270,312	39,774,638	89.84	684,388	40,459,026	91.39	3,560,983	8.04
1992	37,904,368	33,927,822	89.51	664,059	34,591,881	91.26	2,874,986	7.58
1991	37,519,166	33,581,371	89.50	780,195	34,361,566	91.58	2,583,395	6.89
1990	36,734,756	33,554,779	91.34	665,370	34,220,149	93.15	2,329,232	6.34
1989	31,486,812	28,914,693	91.83	746,875	29,661,568	94.20	1,691,347	5.37

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) Represents collection year. 1999 information cannot be presented because all collections have not been made by June 30.

(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.

Shaker Heights City School District
History of School Operating Levies
for the Years 1933 - 1995

Date	Number of Mills		Number of Years	Votes For	Votes Against	% For	Total Votes Cast	Difference
11/33	3.0		1934	2,975	2,176	57.80%	5,151	799
11/34	5.0		1935	3,358	3,633	48.00	6,991	(275)
03/35	3.0		1935	1,791	1,042	63.20	2,833	749
11/35	4.0		1936	4,616	1,852	71.40	6,468	2,764
11/36	5.0		1937-39	5,479	5,323	50.70	10,802	156
11/38	5.0		1940-43	5,459	2,303	70.30	7,762	3,156
11/42	5.0		1944-47	5,763	2,309	71.40	8,072	3,454
11/44	.05		1945	11,668	3,350	77.70	15,018	8,318
11/45	1.0		1946-47	4,736	1,196	79.80	5,932	3,540
11/46	6.0	renewal	1948-51	11,445	2,000	85.10	13,445	9,445
11/47	3.0		1948-51	7,739	2,076	78.80	9,815	5,663
11/50	10.0	renewal	1952-55	12,633	3,589	77.90	16,222	9,044
11/52	2.0		1953-55	15,874	4,145	79.30	20,019	11,729
11/54	12.0		1956-59	8,659	7,365	54.00	16,024	1,294
	9.8	renewal						
	2.2	additional						
11/57	5.3		1958-59	8,365	4,480	65.10	12,845	3,885
11/58	17.2	renewal	1960-64	13,802	4,346	76.10	18,148	9,456
11/59	3.0		1960-64	7,996	6,040	57.00	14,036	1,956
11/62	3.43		1963-64	12,845	5,616	69.60	18,461	7,229
05/64	23.63	renewal	1965-69	9,692	1,872	83.80	11,564	7,820
05/65	3.8	additional	1966-69	7,970	2,293	77.70	10,263	5,677
05/67	3.9	additional	1968-69	7,740	2,552	75.20	10,292	5,188
05/69	39.23		Continuing	3,831	2,366	61.80	6,197	1,465
	31.33	renewal						
	7.9	additional						
05/71	8.9	additional	Continuing	6,016	4,270	58.50	10,286	1,746
05/74	4.9	additional	Continuing	5,814	2,524	69.70	8,338	3,290
06/76	5.5	additional	Continuing	6,230	3,266	65.60	9,496	2,964
06/77	12.0	additional	Continuing	4,644	2,683	63.40	7,327	1,961
06/79	6.0	additional	Continuing	3,433	1,795	65.70	5,228	1,638
06/81	6.5	additional	Continuing	3,805	2,398	61.30	6,203	1,407
06/82	6.0	additional	Continuing	7,190	5,127	58.40	12,317	2,063
06/83	8.8	additional	Continuing	4,301	4,572	48.50	8,873	(271)
08/83	8.8	additional	Continuing	5,373	4,546	54.20	9,919	827
11/86	7.5	additional	Continuing	5,950	6,908	50.15	13,858	42
05/89	9.8	additional	Continuing	3,613	3,145	53.50	6,758	468
05/92	9.8	additional	Continuing	6,554	5,106	56.20	11,660	1,448
11/94	8.7	additional	Continuing	6,733	7,160	48.46	13,893	(427)
02/95	8.7	additional	Continuing	5,464	2,641	67.40	8,105	2,823

Source: Shaker Heights City School District Records

Shaker Heights City School District
History of Bond Issues
For the Years 1912 - 1996

Purpose of Issue	Election Date	Issue Date	Amount of Issue
Erecting and furnishing school house	July 2, 1912	August 12, 1912	\$60,000
Purchasing site and erecting and furnishing school house thereon	N/A	May 17, 1917	100,000
Purchasing site and erecting and furnishing school house thereon and purchased real estate for playground	N/A	November 16, 1917	250,000
Completing building and purchasing site and erecting building	January 21, 1920	November 3, 1920	250,000
Erecting two schools	November 8, 1921	March 1, 1922	600,000
Moreland School and Shaker Boulevard addition	November 4, 1924	January 1, 1925	650,000
Fernway, Ludlow and High School addition	November 3, 1925	July 1, 1926	1,165,587
High School Site and Addition to Malvern	November 2, 1926	January 1, 1927	550,000
Lomond Boulevard and Furniture	November 8, 1927	April 1, 1929	500,000
Land for Lomond Junior High	November 6, 1928	January 1, 1929	78,375
Land and Furniture	November 6, 1928	July 15, 1929	75,183
High School Building	November 6, 1928	November 1, 1930	1,040,500
Furnishings High School	Unvoted	May 1, 1931	50,000
First Library Issue	November 6, 1945	April 1, 1950	150,000
Sussex Addition	November 5, 1946	January 1, 1947	200,000
Complete Sussex and Other Improvements	November 2, 1948	December 1, 1948	300,000
Second Library Issue	November 2, 1948	February 1, 1951	200,000
School Furnishings	November 2, 1948	February 1, 1951	25,000
Mercer, Senior High Music Wings, etc.	November 6, 1951	March 1, 1951	1,750,000
New Junior High, Additions to Lomond and Senior High	November 3, 1953	October 1, 1954	4,100,000
Byron Auditorium and Woodbury Gym	November 3, 1953	October 1, 1958	2,100,000
School Improvement	November 3, 1960	October 1, 1964	1,775,000
School Improvement	May 7, 1968	March 1, 1972	4,500,000
School Improvement	June 7, 1977	September 1, 1977	4,650,000
School Improvement	May 8, 1990	August 29, 1990	10,000,000
School Improvement	November 5, 1996	N/A	12,700,000
School Improvement	N/A	March 11, 1999	9,500,000

Source: Shaker Heights City School District

N/A - Not Available

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

Collection Year	Real Property		Public Utility Property		Tangible Personal Property		Total	Ratio
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)		
1999	\$663,126,030	\$1,894,645,800	\$26,011,210	\$29,558,193	\$11,049,610	\$41,198,440	\$1,968,402,433	36%
1998 (3)	661,972,460	1,891,349,886	26,022,230	29,570,705	11,863,524	47,454,096	1,968,374,686	36
1997	617,455,480	1,764,158,514	27,287,540	31,008,568	11,624,648	46,498,592	1,841,665,674	36
1996	615,519,820	1,758,628,057	28,203,870	32,049,832	9,938,472	39,753,888	1,830,431,797	36
1995 (2)	619,478,020	1,769,937,200	29,933,520	34,015,364	8,856,428	35,425,712	1,839,378,276	36
1994	565,341,330	1,615,260,943	29,420,940	33,432,886	7,776,699	31,106,796	1,679,800,625	36
1993	569,686,740	1,627,676,400	28,745,290	32,665,102	6,568,492	24,273,968	1,686,615,470	36
1992 (3)	571,791,610	1,633,690,314	28,825,620	32,756,386	6,622,181	36,488,724	1,692,935,425	36
1991	466,031,910	1,231,519,743	27,951,390	27,951,390	7,533,118	30,132,472	1,389,603,605	36
1990	467,730,910	1,336,374,029	27,857,100	27,857,100	8,817,825	35,271,300	1,399,502,429	36

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) 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.
 Prior to 1991 it was assessed at 100 percent of actual value.
 Tangible personal property is assessed at 25 percent of actual value for 1999.
- (2) Reappraisal of property values.
- (3) Triennial update of property values.

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

Year	School Levy	Library	County Levy	City Levy	Total Levy	Debt Service Included in Total Levy			
						School	County	City	Total
1999	\$139.80	\$4.00	\$15.30	\$9.90	\$169.00	\$2.07	\$0.72	\$0.00	\$2.79
1998	139.60	4.00	16.60	9.90	170.10	1.87	0.60	0.00	2.47
1997	139.80	3.00	16.60	9.90	169.30	2.07	0.60	0.00	2.67
1996	139.70	3.00	16.80	9.90	169.40	1.97	0.90	0.00	2.87
1995	131.00	3.00	16.80	9.90	160.70	1.97	0.87	0.00	2.84
1994	131.20	3.00	16.80	9.90	160.90	2.17	0.76	0.00	2.93
1993	130.90	3.00	16.80	11.50	162.20	1.87	0.68	1.60	4.15
1992	121.70	3.00	16.80	12.10	153.60	2.47	0.71	1.60	4.78
1991	120.50	3.00	16.80	13.00	153.30	1.27	0.80	1.94	4.01
1990	120.50	3.00	15.30	12.80	151.60	1.27	0.87	3.10	5.24

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.

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

<u>Year</u>	<u>Net General Obligation Bonded Debt (1)</u>	<u>Assessed Value (2)</u>	<u>Population (3)</u>	<u>Ratio of Net Debt to Assessed Value</u>	<u>Net Debt Per Capita</u>
1999	\$16,829,739	\$700,186,850	30,867	2.40%	\$545.23
1998	8,018,677	699,858,204	30,867	1.15	259.78
1997	9,144,582	656,367,668	30,867	1.39	296.26
1996	9,554,560	653,662,162	30,867	1.46	309.54
1995	8,976,814	658,267,968	30,867	1.36	290.82
1994	9,755,516	602,538,969	30,867	1.62	316.05
1993	10,305,339	605,000,522	30,867	1.70	333.86
1992	5,864,297	607,239,411	30,867	0.97	189.99
1991	6,367,457	501,516,418	30,867	1.27	206.29
1990	1,796,212	504,405,835	30,867	0.36	58.19

Sources:

- (1) School District Financial Records.
- (2) Cuyahoga County Auditor.
- (3) U.S. Census of Population, 1990 Federal Census.

Shaker Heights City School District
Computation of Legal Debt Margin
 June 30, 1999

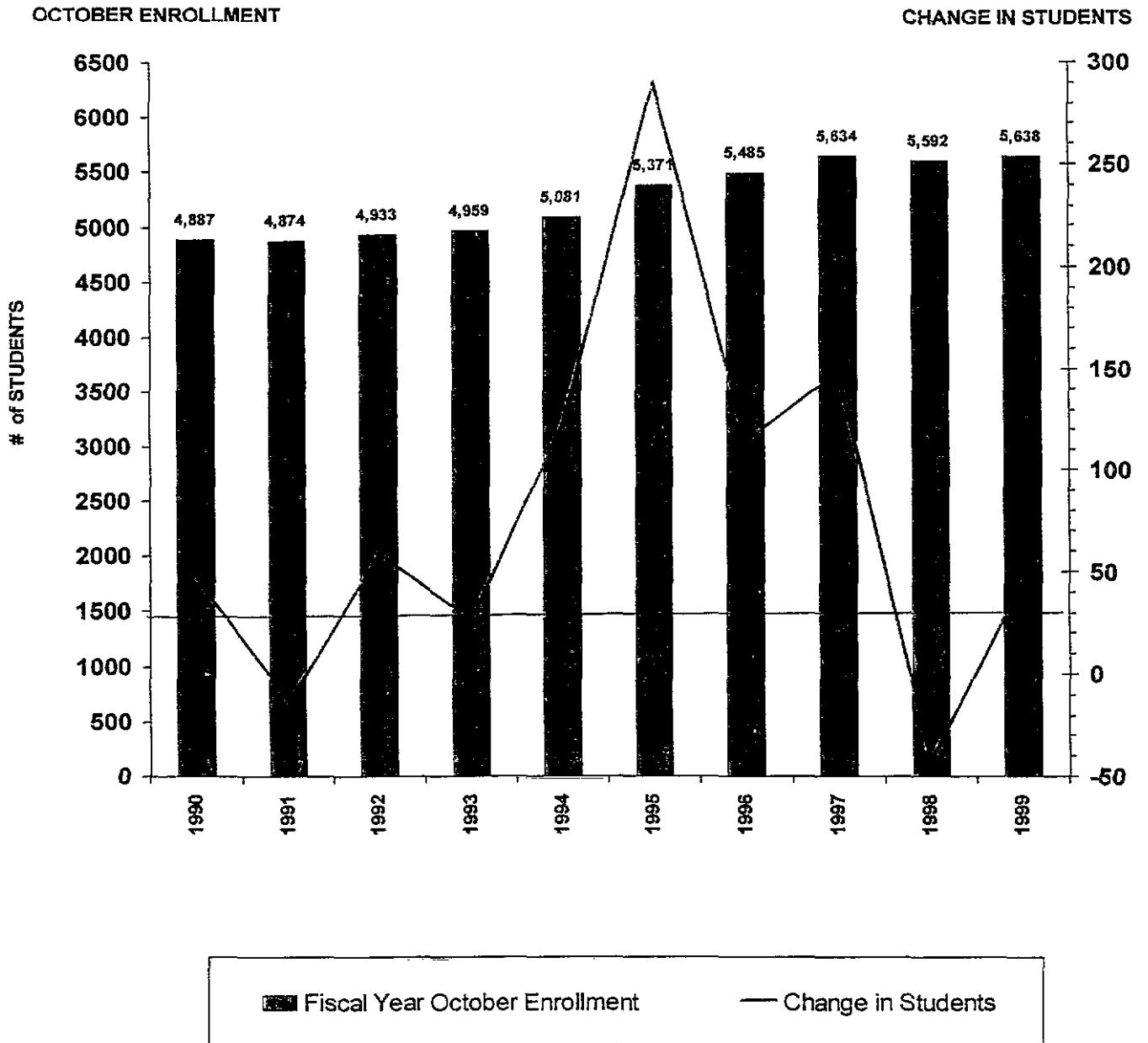
Assessed Valuation	\$700,186,850
Overall Debt Limit - 9% of Assessed Value (1)	\$63,016,817
<i>Amount of Debt Applicable to Debt Limit:</i>	
School Improvement Bonds	3,850,000
Building Addition Bonds	3,145,000
Energy Conservation Improvement Bonds	954,230
Bus Acquisition Bonds	175,000
School Improvement Bonds	9,500,000
Less: Amount Available in Debt Service Fund	<u>(794,491)</u>
Total	<u>16,829,739</u>
 <i>Exemptions:</i>	
Bus Acquisition Bonds	<u>(175,000)</u>
Amount of Debt Subject to the Limit	<u>16,654,739</u>
Overall Debt Margin	<u>\$46,362,078</u>
Unvoted Debt Limit - .10% of Assessed Value (1)	\$700,187
Amount of Debt Applicable	<u>0</u>
Unvoted Debt Margin	<u>\$700,187</u>
<i>Additional Limit for Unvoted Energy Conservation Improvement Bonds:</i>	
Debt Limit - 1% of Assessed Valuation	\$7,001,869
Energy Conservation Improvement Bonds	<u>(954,230)</u>
Additional Unvoted Debt Margin	<u>\$6,047,639</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.

SHAKER HEIGHTS CITY SCHOOL DISTRICT

ENROLLMENT SUMMARY LAST TEN FISCAL YEARS



Shaker Heights City School District
Per Pupil Cost
Last Ten Fiscal Years

<u>Year</u>	<u>General Fund Expenditures (1)</u>	<u>Average Daily Student Enrollment</u>	<u>Per Pupil Cost</u>
1999 (2)	\$59,084,654	5,638	\$10,480
1998 (2)	53,377,783	5,592	9,545
1997 (2)	49,871,762	5,634	8,852
1996 (2)	46,646,081	5,485	8,504
1995 (2)	47,895,630	5,371	8,917
1994 (2)	45,424,343	5,081	8,940
1993 (2)	43,726,235	4,959	8,818
1992 (2)	42,101,747	4,933	8,535
1991 (2)	38,929,524	4,874	7,987
1990	36,934,638	4,887	7,558

Source: School District Financial Records.

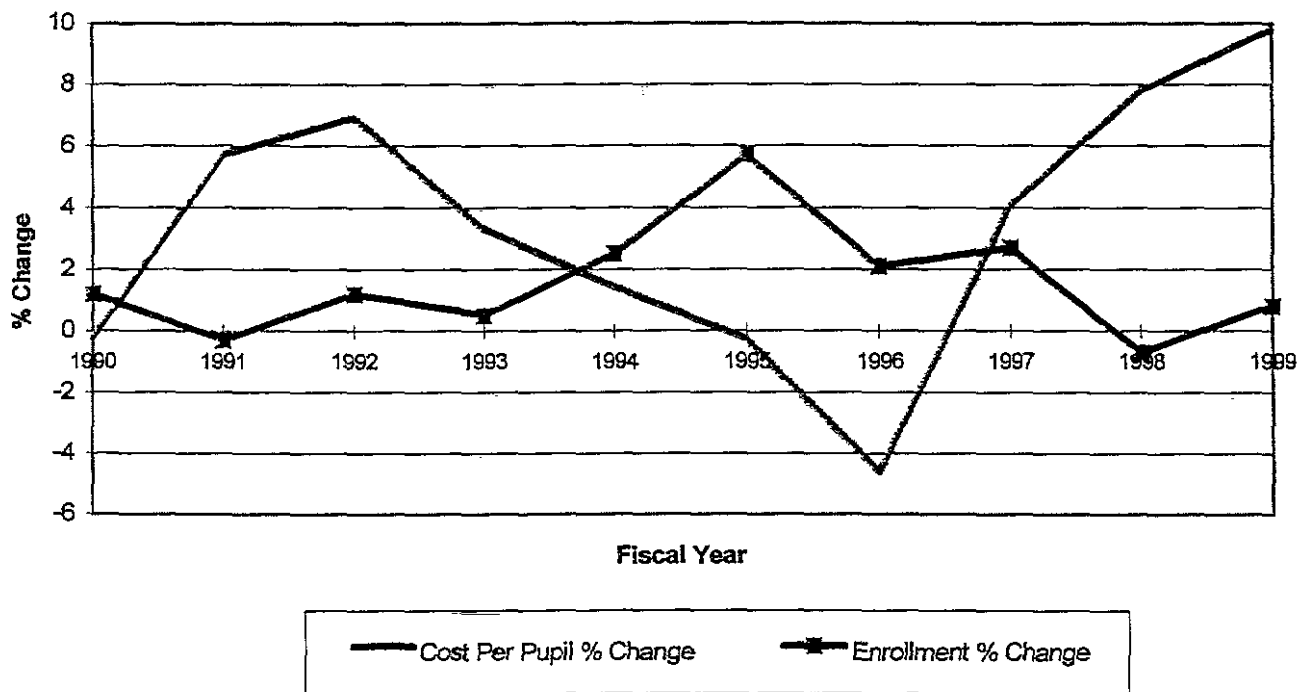
(1) Includes Other Financing Uses.

(2) 1991 through 1999 reported on a GAAP basis; 1990 reported on a cash basis.

SHAKER HEIGHTS CITY SCHOOL DISTRICT

COST PER PUPIL PERCENTAGE CHANGE

LAST TEN FISCAL YEARS



Shaker Heights City School District
Public, Private, and Total School Enrollment by School Year
Fiscal Years 1979 to 1999

Fiscal Year	Total Public Enrollment (1)	Total Private Enrollment (2)	Total Public and Private	Private as a Percent of Public and Private
1979	6,156	1,375	7,531	18.3%
1980	6,049	1,355	7,404	18.3
1981	5,951	1,236	7,187	17.2
1982	5,759	1,249	7,008	17.8
1983	5,490	1,216	6,706	18.1
1984	5,294	1,200	6,494	18.5
1985	5,187	1,160	6,347	18.3
1986	5,125	1,047	6,172	17.0
1987	5,013	996	6,009	16.5
1988	4,869	1,021	5,890	17.3
1989	4,830	966	5,796	16.6
1990	4,887	921	5,808	15.8
1991	4,874	842	5,716	17.3
1992	4,933	878	5,811	15.1
1993	4,959	867	5,826	14.8
1994	5,081	909	5,990	15.1
1995	5,371	966	6,337	15.2
1996	5,485	1,063	6,548	16.2
1997	5,634	1,071	6,705	15.9
1998	5,592	983	6,575	15.0
1999	5,638	1,017	6,655	15.3

Source: Shaker Heights City School District Records

- (1) Figures for fiscal year 1979 through 1982 are based on Shaker Heights City School District Racial Ethnic Reports. Figures for 1983 through 1999 are based on first full week of Shaker Heights City School District October enrollment report.
- (2) Estimated from State of Ohio Transportation Report (T-1) and/or a telephone and mail survey of private and parochial schools

Shaker Heights City School District
Computation of Direct and Overlapping General Obligation Bonded Debt
 December 31, 1998

Jurisdiction	General Obligation Bonded Debt Outstanding	Percentage Applicable to School District (1)	Amount Applicable to School District
Shaker Heights City School District	\$17,624,230	100.00%	\$17,624,230
Cuyahoga County	154,064,636	2.76	4,252,184
City of Shaker Heights	2,360,000	100.00	2,360,000
City of Cleveland	306,165,000	0.83	2,541,170
Regional Transit Authority	<u>102,945,000</u>	2.76	<u>2,841,282</u>
Total	<u>\$583,158,866</u>		<u>\$29,618,866</u>

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

(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 1998 collection year.

Shaker Heights City School District
Ratio of Annual Debt Service Expenditures For
General Obligation Bonded Debt to General Fund Expenditures
Last Ten Fiscal Years

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Fund Expenditures (2)</u>	<u>Ratio of Debt Service to General Fund Expenditures (Percentage)</u>
1999 (1)	\$740,000	\$515,887	\$1,255,887	\$59,084,654	2.13%
1998 (1)	937,000	556,684	1,493,684	53,377,783	2.80
1997 (1)	835,000	601,195	1,436,195	49,871,732	2.88
1996 (1)	695,000	575,106	1,270,106	46,646,081	2.72
1995 (1)	670,000	600,532	1,270,532	47,895,630	2.65
1994 (1)	640,000	679,583	1,319,583	45,424,343	2.91
1993 (1)	470,000	573,869	1,043,869	43,726,235	2.39
1992 (1)	455,000	607,556	1,062,556	42,101,747	2.52
1991 (1)	455,000	502,327	957,327	38,929,524	2.46
1990	455,000	119,150	574,150	36,934,638	1.55

Source: School District Financial Records.

(1) 1991 through 1999 reported on a GAAP basis; All others on a cash basis.

(2) Includes Other Financing Uses

Shaker Heights City School District
*Property Value, Financial Institution Deposits,
and Value of Building Permits Issued
Last Ten Years*

Year	Property Value (1) (Real Estate Only)	Financial Institution Deposits (000's) Banks	Value of Building Permits Issued
1999	\$663,126,030	\$57,021,360	\$1,790,370
1998	661,972,460	56,770,353	4,224,290
1997	617,455,480	53,941,971 (2)	2,815,440
1996	615,519,820	27,068,211	1,605,830
1995	619,478,020	22,458,573	679,300
1994	565,341,330	20,885,453	1,918,270
1993	569,686,740	21,009,421	3,656,300
1992	571,791,610	19,379,280	713,390
1991	466,031,910	18,392,243	1,144,310
1990	467,730,910	19,188,641	N/A

Source: Ohio Bureau of Employment Service
and Federal Reserve Bank of Cleveland.

(1) Represents assessed value.

(2) Large increase in deposits is due to Key Bank becoming
a single charter bank in 1997.

N/A Not Available

Shaker Heights City School District
Principal Taxpayers
Real Estate Tax
December 31, 1998

Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
Shaker Towne Centre Limited	\$3,272,500	0.49%
Community Links Limited Partnership	2,975,000	0.45
WKB Value Partners, Limited Partnership	2,867,240	0.43
Officemax Incorporated	1,988,460	0.30
Somerset Point Limited Partnership	1,850,800	0.28
Karrington Acquisition Incorporated	1,595,300	0.24
Albert Ratner, Trustee	1,583,120	0.24
Cleveland Skating Club	1,299,550	0.20
Excel Cleveland Limited Partnership	1,183,000	0.18
Cleveland I Limited Partnership	1,153,710	0.17
Total	<u>\$19,768,680</u>	<u>2.98%</u>
Total Real Estate Valuation	<u>\$663,126,030</u>	

Source: Cuyahoga County Auditor.

(1) Assessed values are for the 1999 collection year.

Shaker Heights City School District
Principal Taxpayers
Tangible Personal Property Tax
December 31, 1998

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total Assessed Value</u>
Telerama Incorporated	\$1,244,640	11.26%
Ganley Nissan Incorporated	643,890	5.83
Officemax Incorporated	624,710	5.65
Ryder Integrated Logistics Incorporated	458,030	4.15
Zalud Oldsmobile Incorporated	456,800	4.13
Heinens Incorporated	359,660	3.25
Qua Newco Incorporated	318,190	2.88
Community Dialysis Center, Inc.	247,980	2.24
Rite Aid of Ohio Incorporated	218,910	1.98
Russos Incorporated	195,700	1.77
Total	<u>\$4,768,510</u>	<u>43.14%</u>
Total Tangible Assessed Valuation	<u>\$11,049,610</u>	

Source: Cuyahoga County Auditor.

(1) Assessed values are for the 1999 collection year.

Shaker Heights City School District

Principal Taxpayers

Public Utilities Tax

December 31, 1998

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total Assessed Value</u>
Cleveland Electric Illuminating Company	\$11,686,700	44.93%
Ohio Bell Telephone	9,215,990	35.43
East Ohio Gas Company	4,620,550	17.76
NewPar	235,940	0.91
Total	<u>\$25,759,180</u>	<u>99.03%</u>
Total Public Utility Assessed Value	<u>\$26,011,210</u>	

Source: Cuyahoga County Auditor.

(1) Assessed values are for the 1999 collection year.

Shaker Heights City School District
College Admissions for All Students
1990 - 1999

<u>Class</u>	<u>Percent of Four-Year</u>	<u>Percent of Two-Year</u>	<u>Total Percent</u>
1990	82	1	83
1991	83	3	86
1992	84	7	91
1993	90	3	93
1994	89	1	90
1995	87	2	89
1996	88	2	90
1997	88	2	90
1998	84	2	86
1999 (1)	91	2	93

(1) As of August 10, 1999

Source: Shaker Heights City School District Records

Shaker Heights City School District
National Merit and National
Achievement Recognition
1990 - 1999

<u>Class</u>	<u>National Merit (all students)</u>	<u>National Achievement (African-American students only)</u>	<u>National Hispanic Scholars</u>	<u>Percent of Shaker Seniors Honored</u>	<u>Percent of United States Seniors Honored</u>
1990	43	6	0	13%	2%
1991	18	4	2	7	2
1992	37	3	0	11	2
1993	46	12	2	19	2
1994	35	11	0	15	2
1995	33	6	0	12	2
1996	36	8	1	15	2
1997	46	11	2	17	2
1998	44	6	0	14	2
1999	35	14	2	15	2

Source: Shaker Heights City School District Records

Shaker Heights City School District
Teacher Education and Experience
June 30, 1999

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	23	5.34%
Bachelor + 15	59	13.69
Master's Degree	166	38.52
Master's Degree +15	76	17.63
Master's Degree +30	45	10.44
Master's Degree +45	52	12.06
Ph.D.	10	2.32
Total	<u>431</u>	<u>100.00%</u>

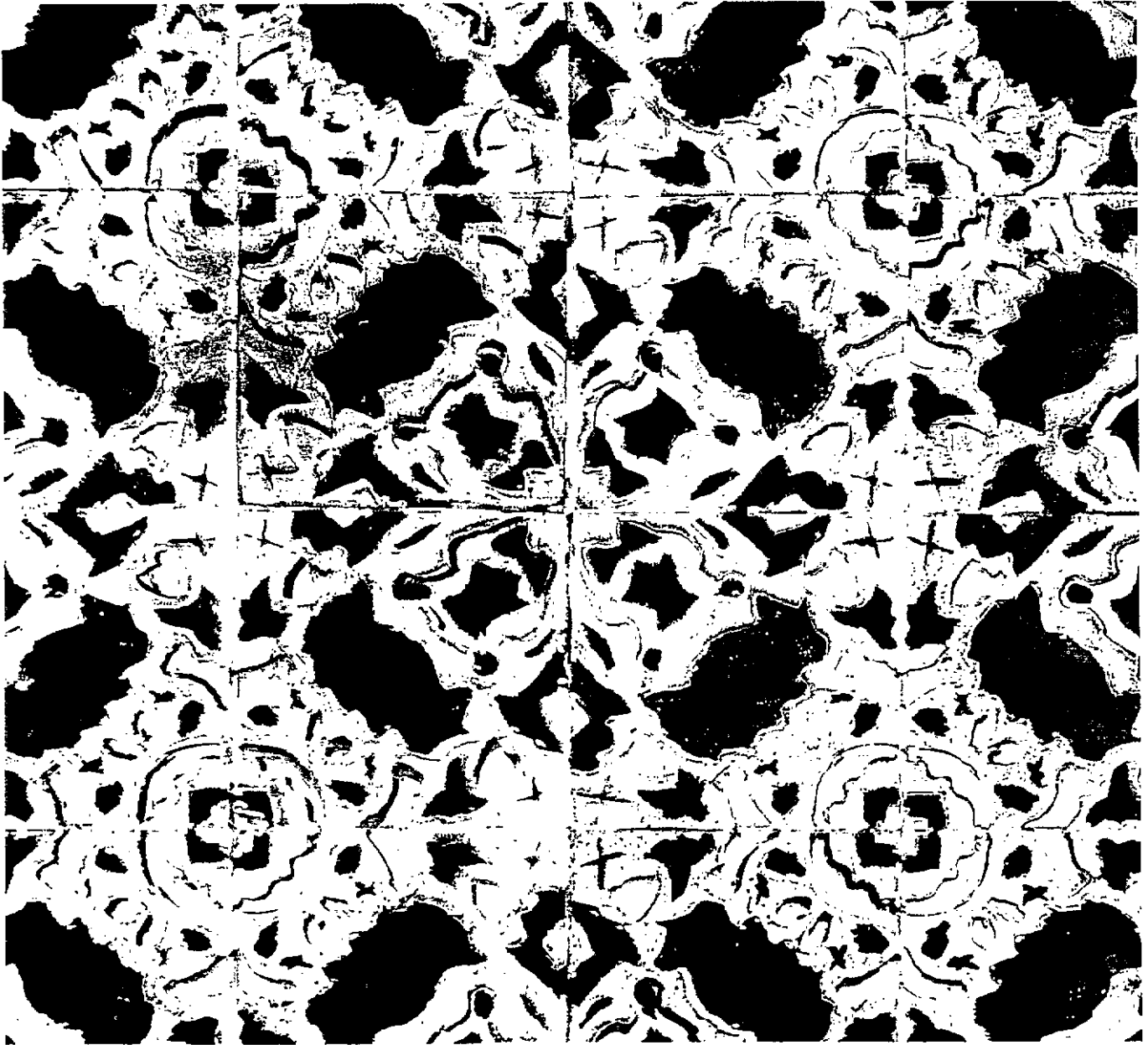
<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	83	19.26%
6 - 10	51	11.83
11 and Over	<u>297</u>	<u>68.91</u>
	<u>431</u>	<u>100.00%</u>

Source: School District Personnel Records.



Artist's Information:
Justine Cheng
Shaker Heights Middle School

Supplemental Information Section



Artist's Information:
Adam Gall
Shaker Heights Middle School

Expenditure Flow Model

The Ohio Expenditure Flow Model (EFM) is a reporting method based upon concepts developed by Dr. Bruce Cooper of Fordham University. The United States Chamber of Commerce funded Dr. Cooper's efforts to develop a reporting format that traces the use of money from a central board of education, through the public school system to the individual school and then to the individual classroom. This reporting format was initially developed in 1989 for the New York City Public Schools.

The reporting format is now being nationally distributed by Cooper & Lybrand and the United States Chamber of Commerce. In 1991 the Ohio General Assembly adopted House Bill 152 which gave the State Superintendent of Public Instruction permissive authority to inspect and analyze the expenditures of each school district. The Expenditure Flow Model (EFM) was developed using Dr. Cooper's reporting format to fulfill that authority. The following pages contain the fiscal year 1999 report for our School District. The following definitions will assist in reading the report:

IRN	Internal Retrieval Number. This is a unique six digit number assigned by the Ohio Department of Education for every chartered school in the State of Ohio.
ADM	Average Daily Membership. This is the number of students enrolled in the School District.
EMIS	Education Management Information System. This is the data collection and reporting system developed by the Ohio Department of Education for all financial, staff, and student data.
EFM	Expenditure Flow Model. This is Ohio's version of the national financial reporting format developed by Dr. Bruce Cooper of Fordham University.

Shaker Heights City School District
Expenditure Flow Model
Building Expenditures Report

School	Year-End ADM	Administration	Operations Support	Staff Support	Pupil Support	Instruction	Totals
High School							
Shaker Heights High School	1,682	\$1,485,914	\$5,608,863	\$276,462	\$2,461,053	\$10,244,450	\$20,076,742
Adult/Continuing							
Middle School							
Shaker Heights Middle School	871	657,023	2,384,748	185,069	1,278,839	5,248,370	9,754,049
Elementary Schools							
Boulevard Elementary School	418	232,961	787,594	100,802	406,754	2,016,920	3,545,031
Fernway Elementary School	351	192,993	675,564	71,144	341,903	1,592,083	2,873,687
Lemond Elementary School	581	310,666	1,065,382	129,096	451,655	2,380,829	4,337,628
McCreer Elementary School	488	266,850	906,738	176,076	418,520	2,190,367	3,938,551
Onaway Elementary School	470	237,259	869,452	186,546	528,928	2,049,928	3,872,113
Woodbury Elementary School	889	605,414	3,508,278	149,464	823,789	4,782,314	9,869,259
Total Elementary Schools	3,197	1,846,143	7,813,008	813,128	2,971,549	15,012,441	28,456,269
School Total	5,750	3,989,080	15,806,619	1,274,659	6,711,441	30,505,261	58,287,060
Central Office	0	3,450,019	480,017	36,809	357,505	0	4,324,350
Expenditure Flow Model Total	5,750	\$7,439,099	\$16,286,636	\$1,311,468	\$7,068,946	\$30,505,261	62,611,410
Other Debt Service							10,774,079
Tuition - Other Districts							2,127,718
Non-Public							945,954
Buildings and Land							154,398
Rotary							4,078,552
Fiscal Agency							18,000
Other Programs							89,842
Grand Total **							\$80,799,953

Average Daily Membership (ADM) Reported for District Internal Retrieval Number (IRN): 35.74***

*** Average Daily Membership (ADM) reported by District Internal Retrieval Number (IRN) are ignored in calculating expenditures per pupil.

Shaker Heights City School District
Expenditure Flow Model
Expenditure Per Pupil Report

School	Average Daily Membership	Administration	Operations Support	Staff Support	Pupil Support	Instruction	Totals
High School							
Shaker Heights High School	1,682	\$884	\$3,336	\$164	\$1,464	\$6,092	\$11,940
Middle School							
Shaker Heights Middle School	871	755	2,739	213	1,469	6,029	11,205
Elementary Schools							
Boulevard Elementary School	418	557	1,882	241	972	4,819	8,471
Fernway Elementary School	351	530	1,926	203	975	4,539	8,193
Lamond Elementary School	581	535	1,834	222	777	4,098	7,466
Mercer Elementary School	488	547	1,860	361	858	4,493	8,119
Canway Elementary School	470	505	1,850	397	1,125	4,361	8,238
Woodbury Elementary School	889	681	3,946	168	927	5,379	11,101
Total Elementary Schools	3,197	577	2,444	251	930	4,696	8,901
School Total	5,750	694	2,750	222	1,167	5,306	10,139
Central Office	0	600	83	6	62	0	752
Grand Total	5,750	\$1,294	\$2,833	\$228	\$1,229	\$5,306	\$10,891

Average Daily Membership (ADM) Reported for District Internal Retrieval Number (IRN): 30.89***

** In addition to school and central office expenditures, the Grand Total Per Pupil Amounts include 'Total Other Facilities' expenditure and Average Daily Membership figures.

*** Average Daily Membership (ADM) reported by District Internal Retrieval Number (IRN) are ignored in calculating expenditures per pupil.

Shaker Heights City School District
Expenditure Flow Model
 Percentage of School Cost Report

School	Average Daily Membership	Administration	Operations Support	Staff Support	Pupil Support	Instruction	Totals
High School							
Shaker Heights High School	1,682	7%	28%	1%	12%	51%	100%
Middle School							
Shaker Heights Middle School	871	7	24	2	13	54	100
Elementary Schools							
Boulevard Elementary School	418	7	22	3	11	57	100
Fernway Elementary School	351	7	24	2	12	55	100
Lomond Elementary School	581	7	24	3	10	55	100
Mercer Elementary School	488	7	23	4	11	56	100
Onaway Elementary School	470	6	22	5	14	53	100
Woodbury Elementary School	889	6	36	2	8	48	100
Total Elementary Schools	3,197	6	27	3	10	53	100
School Total	5,750	7	27	2	12	52	100
Central Office	0	80	11	1	8	0	100
Grand Total	5,750	12%	26%	2%	11%	49%	100%

Average Daily Membership (ADM) Reported for District Internal Retrieval Number (IRN): 35.74***

*** Average Daily Membership (ADM) reported by District Internal Retrieval Number (IRN) are ignored in calculating expenditures per pupil.

Source: Education Management Information System

ECONOMIC IMPACT
of the
SHAKER HEIGHTS CITY SCHOOLS

REPORT OF THE BOARD OF EDUCATION
1999

MEMBERS OF THE BOARD OF EDUCATION:

Rev. Marvin A. McMickle, President

Freda J. Levenson, Vice President

Steven A. Kaufman

Nancy R. Moore

Carol J. Ribar

Mark Freeman
Superintendent

Daniel L. Wilson
Treasurer

ECONOMIC IMPACT OF SHAKER HEIGHTS CITY SCHOOLS

The Shaker Heights Public School System is the largest employer in the City of Shaker Heights. The School District's mission is to nurture, educate, and graduate students who are civic-minded and prepared to make ethical decisions; who are confident, competent, communicators, skillful in problem solving, capable of creative thinking; who have a career motivation and a knowledge of our global and multicultural society.

Expenditures for education are certainly investments which help insure the future of society. However, expenditures for education also cast the school system in a role broader than that of only an educational institution.

A major enterprise like the Shaker Heights School District is a vigorous contributor to regional economic growth and the quality of life in the City of Shaker Heights and within the School District. In addition to its role of educating students, school business operations generate local economic activities by consuming a variety of goods, requiring a broad range of services, and employing many persons who are also local consumers and taxpayers.

In this report the Shaker Heights School System is analyzed in terms often reserved for private sector businesses. The report encourages the Board of Education to examine the impact of the school system on the economic health of Shaker Heights and the surrounding metropolitan area. It also focuses attention on the school system as a major business that plays an important role in local development.

The following charts indicate the many diverse economic activities generated by the Shaker Heights School District during the 1998-99 school year.

**THE SCHOOL DISTRICT
AS A
MAJOR EMPLOYER**

This chart shows the School District to be the largest employer in Shaker Heights.

<u>Employer</u>	<u>Business or Service</u>	<u>Number of Employees</u>
Shaker Heights City School District	Education	1,444 (1)
City of Shaker Heights	Local Government	920
Office Max	Office Supplies	832 (2)
University School	Private Educational	411
Hathaway Brown	Private Educational	311
Laurel School	Private Educational	165

Source: Employer's W-2's sent 12/31/98

(1) Includes all part-time and substitute employees

(2) Employees for fourth quarter

**EMPLOYEE TAXES PAID TO
VARIOUS GOVERNMENTAL UNITS**

School District employees make substantial economic contributions through the taxes they pay to different governmental units. Approximately twenty-nine percent of the Shaker School employees are residents of the City of Shaker Heights. This chart shows tax amounts paid by Shaker Heights school employees during the 1998-99 school year (July 1, 1998 - June 30, 1999).

Federal Income Taxes	\$4,661,019
Ohio Income Taxes	1,185,234
Shaker Heights City Income Taxes	<u>657,750</u>
Total	<u>\$6,504,003</u>

EMPLOYEE EXPENDITURES

Employees purchase many goods and services locally. These purchases inject monies back into the local economy. The following data suggest the spending potential of School District employees:

Approximate Net Annual Payroll (1998-99 school year) \$22,852,553

Average Family Budget	Percent	Annual Purchases (All Employees)	Approximate Annual Purchases (Employees who are Shaker Residents)
Food at home	9.3%	\$2,125,287	\$608,399
Food away from home	5.6	1,279,743	366,348
Housing	33.6	7,678,458	2,198,089
Apparel and services	4.7	1,074,070	307,471
Transportation	18.4	4,204,870	1,203,715
Health care	5.2	1,188,333	340,180
Entertainment	5.1	1,165,480	333,638
Personal care products	1.2	274,231	78,503
Reading	.7	159,968	45,794
Education	1.6	365,641	104,671
Alcohol, Tobacco, Miscellaneous	4.8	1,096,923	314,013
Cash contributions	1.8	411,346	117,755
Personal insurance and pensions	8.0	1,828,204	523,354
	<u>100.0</u>	<u>\$22,852,553</u>	<u>\$6,541,930</u>

U.S. Department of Labor 1993 - 94 Consumer Expenditure Survey

Salaries put back into the community through purchases made and taxes paid stimulate the local economy. School employee buying power, like any buying dollars, has a multiplier effect on the local economy, generated by employee spending that occurs in the local community and the surrounding metropolitan areas. This multiplier effect could double, triple, or quadruple the use of money locally.

GENERAL OPERATING DATA

1998 - 99

Last school year enrollment and full-time equivalent staff in the Shaker Heights City Schools included:

5,638	Students
431	Professional Staff
268	Support Staff

As a major enterprise the School District has over \$100 million dollars in total assets.

The operating budget of \$59,332,098 supports, serves, and strengthens the area economy through the following expenditures and services:

Salaries and fringe benefits	\$47,261,531
Local Utilities (gas, electric, water, telephone)	1,177,361
School lunches served	212,020

During the 1998-99 school year system's transportation department provided the following services with the following number of vehicles:

Motor Vehicles	Number
Buses	43
Trucks/Vans	12
Sedans	2
Total	<u>57</u>

Services	Number
Children Bused	4,393 Daily
School Field Trips	177 Monthly
Field Trips for Recreation Department	10 Monthly
Field Trips for Senior Citizens	1 Monthly

SUMMARY

By virtue of its many assets and spending power, the school system is a major economic component of the City. The local economy is stimulated directly by school business operations.

Dr. V. K. Mathur, a current resident of Shaker Heights and Professor of Economics at Cleveland State University, identified three studies that showed property taxes for educational operations in suburbs similar to Shaker Heights to be a definite benefit to housing values in the suburbs. The three studies done in suburbs of Atlanta, Detroit, and 53 municipalities of New Jersey implied that an increase of one percent in property tax rate tended to increase the net value of average priced homes by 4.7 percent. Although the net value increase might have varied slightly in certain geographical areas, there was little doubt that an increase in property taxes to support education also raised property values in suburbs similar to Shaker Heights.

With so many factors suggesting the positive economic impact of school operations, it becomes obvious that the Shaker schools return substantial, financial benefits to the community.

*The School District's Mission Statement
is displayed with pride in
classrooms and offices
throughout the District.*

*Throughout this report you will find artwork
created by Shaker Heights Students.
We are grateful to their art teachers
for their assistance in collecting the
artwork.*



Artist's Information:
Paul Bixenstine
Shaker Heights Middle School

*Many thanks to art teachers
Paul Richards and John C. Harmon
of Shaker Heights Middle School
for their assistance in securing the student artwork that appears in this report.*



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OFFICE OF THE AUDITOR

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SHAKER HEIGHTS 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 11, 2000**