

**SHAKER HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

SHAKER HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY

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Shaker Heights City School District
Cuyahoga County
Schedule of Federal Awards Expenditures
For the Fiscal Year Ended June 30, 2000

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.S. DEPARTMENT OF EDUCATION						
Passed Through State Department of Education:						
Special Education Cluster:						
Special Education - Grants to States	84.027	6B-SF 1999 P	\$297,236	\$0	\$245,299	\$0
Special Education - Preschool Grants	84.173	PG-S1 1999 P	16,318	0	14,343	0
Total Special Education Cluster			313,554	0	259,642	0
Title I Grants to Local Educational Agencies	84.010	C1-S1 99	115,148	0	202,563	0
Title I Grants to Local Educational Agencies	84.010	C1-S1 00	231,206	0	218,120	0
Total Title I			346,354	0	420,683	0
Innovative Education Program Strategies	84.298	C2-S1 1999 C	5,682	0	7,611	0
Innovative Education Program Strategies	84.298	C2-S1 1999	22,555	0	23,847	0
Innovative Education Program Strategies	84.298	C2-S1 2000	13,154	0	4,944	0
Total Innovative Education Program Strategies			41,391	0	36,402	0
Eisenhower Professional Development	84.281	MS-S1 2000	13,875	0	103,577	0
Safe and Drug-Free Schools and Communities	84.186	DR-S1 2000	18,708	0	0	0
Goals 2000 - State & Local Education Systemic Improvement	84.276	G2-S4 1999	100,000	0	100,000	0
Class Size Reduction	84.340	CR SI 2000	18,704	0	0	0
Immigrant Education	84.162	EI-S1 2000	3,034	0	396	0
Total U.S. Department of Education			855,620	0	920,700	0
U.S. DEPARTMENT OF AGRICULTURE						
Passed Through State Department of Education:						
Nutrition Cluster:						
Food Distribution	10.550	N/A	0	17,996	0	19,964
School Breakfast Program	10.553	05 PU 2000	132	0	132	0
National School Lunch Program	10.555	04PU 2000	71,976	0	71,976	0
Special Milk Program for Children	10.556	02-PU 1999 & 2000	18,200	0	18,200	0
Total - U.S. Department of Agriculture - Nutrition Cluster			90,308	17,996	90,308	19,964
Total Federal Financial Assistance			\$945,928	\$17,996	\$1,011,008	\$19,964

**SHAKER HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

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 District's 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.

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, 2000, and have issued our report thereon dated December 8, 2000, in which report we noted the District restated general fund equity and enterprise fund retained earnings. 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 December 8, 2000.

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 a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to the management of the District in a separate letter dated December 8, 2000.

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

December 8, 2000



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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR
FEDERAL 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, 2000. 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 a legal determination on the District's compliance with those requirements. In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2000.

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 a matter involving the internal control over federal compliance that does not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 8, 2000.

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, 2000, and have issued our report thereon dated December 8, 2000, in which report we noted the District restated general fund equity and enterprise fund retained earnings. 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 of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Jim Petro
Auditor of State

December 8, 2000

**SHAKER HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**JUNE 30, 2000
SCHEDULE OF FINDINGS**

1. SUMMARY OF AUDITOR'S RESULTS

A-133 §.505

(d)(1)(i)	<i>Type of Financial Statement Opinion</i>	Unqualified
(d)(1)(ii)	<i>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(ii)	<i>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(iii)	<i>Was there any reported non-compliance at the financial statement level (GAGAS)?</i>	No
(d)(1)(iv)	<i>Were there any material internal control weakness conditions reported for major federal programs?</i>	No
(d)(1)(iv)	<i>Were there any other reportable internal control weakness conditions reported for major federal programs?</i>	No
(d)(1)(v)	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
(d)(1)(vi)	<i>Are there any reportable findings under Sec. .510?</i>	No
(d)(1)(vii)	<i>Major Programs (list)</i>	CFDA # 84.186 - Title I
(d)(1)(viii)	<i>Dollar Threshold: Type A/B Programs</i>	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	<i>Low Risk Auditee?</i>	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
CUYAHOGA COUNTY, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2000

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, 2000

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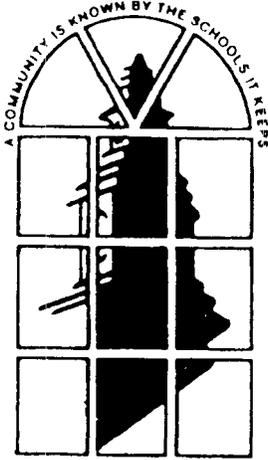
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SHAKER HEIGHTS CITY SCHOOL DISTRICT

OFFICE OF THE TREASURER
15600 Parkland Drive
Shaker Heights, Ohio 44120
(216) 295-4316

BRYAN C. CHRISTMAN
Treasurer

December 8, 2000

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 third Comprehensive Annual Financial Report (CAFR). This report is the School District's official annual financial report for the fiscal year that ended June 30, 2000. 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 2000 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, the City of Shaker Heights, and the Shaker Heights Community Association presidents. Copies are available in the Treasurer's Office for all other interested parties.

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, 2000. 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 a report based on the expenditure flow model prepared by the Ohio Department of Education.

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 5,700 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 61st largest in student enrollment in Ohio, with an enrollment of 5,714 students for the 2000 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 32,000 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 Cleveland Municipal 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, was purchased for redevelopment. The School District, in accordance with a tri-party agreement between the developer, the City of Cleveland, and the School District will receive 25 percent of the increased property taxes resulting from the redevelopment for the 25 year abatement period. Thereafter, the School District will receive 100 percent of the increased property taxes. Additionally, the School District will receive 50 percent of the increased income taxes collected by the City of Cleveland during the 25 year abatement period for the redevelopment area.

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.

With the completion of the 1999-2000 fiscal year, the School District was successful in funding five successive operating budgets from the 1995 operating levy, only the second time in the School District's history that has occurred. The 60 percent voter approval of a continuing 9.4 mill operating levy in March 2000, is a cornerstone upon which the School District's future financial outlook depends. With this resounding reinforcement from the community, the economic outlook for the School District remains favorable.

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. These expense-growth limitations were renewed in fiscal year 1999-2000.

2000 Major Initiatives

With the support from faculty, parents and local residents, our students continued to excel in academics, the arts, athletics and community service. Forty-six Shaker Heights High School seniors were honored by the National Merit and National Achievement Scholarship Programs this year. They represent 13% of the current senior class and rank among the top 2% in Ohio. Eighty-seven Shaker Heights High School students were named Advanced Placement Scholars by the College Board based on their scores on Advanced Placement examinations taken in May, 2000. These students represent 31% of the 275 Shaker students who took Advanced Placement examinations compared to 13% of the more than 700,000 students who took these

tests nationally. Ninety percent of the Shaker students taking Advanced Placement tests scored at the level necessary to qualify for college credit in that subject.

Seventy student musicians at Shaker Heights Middle School and more than 100 from Shaker Heights High School won one or more top ratings at the Ohio Music Educators Solo and Ensemble contests last spring. In the 30th Ohio Governor's Youth Art Exhibition, Shaker was the only Ohio high school to have two pieces rated in the top 25 in the State and eight pieces cited as Best in the Region. Almost 12,000 works were entered in the competition. Members of the High School's orchestra, choir and Acting Ensemble traveled to London, England and a group of students enrolled in a Latin course traveled to Rome, Italy to further their studies. Exchange programs continued between Shaker Heights High School and Mexico City, Mexico; Goslar, Germany; Takatori, Japan; and Pskov, Russia.

Our student athletes had another outstanding year of interscholastic success and groups such as the Environmental Club and Youth Ending Hunger involved many Shaker students in helpful community service activities. The list of accomplishments goes on and 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. 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. Especially noteworthy are the "Shaker Toolbox" workshops designed to share the expertise of our own teachers with colleagues through roleplaying and other techniques.

Efforts to enhance technology use continued during the 1999-2000 school year. More than 700 machines log onto the network on a daily basis, and more than 1,000 computers are deployed throughout the School District. Major improvements and high points include:

- An additional computer equipped with a DVD Player and a hookup to display the computer image on the classroom TV was added to each K-4 classroom last fall.
- Two more computer labs were added to the School District; one in the Fernway library and a second at the High School in room 109 to replace a typing lab.
- An additional 87 drops were installed to bring technology to all classrooms and work spaces throughout the School District.
- During the summer, five science labs at the High School were wired with drops at all lab workstations.
- Installation of the Computer Curriculum Corporation's math software on a School District server will allow the School District to distribute this software to all classrooms in the future using license metering. The programs installed were Math Concepts and Skills and Math Investigations and Math Processor.
- Shaker was selected to participate in a program in conjunction with Cuyahoga Community College and Academic Systems to pilot a Mediated Learning software program with an algebra class last spring. This software is being considered for future use.
- Training continued through both our own SchoolNet training as well as workshops being held at all buildings and the very successful Savvy Cyber Teacher being offered at the High School for all faculty.

- E-mail continued to grow in use as a means for moving documents and communicating both within and outside of the School District.
- Plans are under way to convert the School District network from T1 circuits to fiber optic cables, which are provided by Cablevision. This will eliminate the cost of the present T1 circuits and upgrade our wide area network to gigabyte speed.

The School District continued in 2000 to invest in its physical plant, using proceeds from the bond issue approved by the voters in 1996. Capital repairs have continued throughout the District. The most notable improvements are the total window replacement at Woodbury and work at the Middle School including the replacement of roofing and fascia and the renovation of the track and soccer field. Painting and selected carpet replacement have continued throughout the District.

In summary, the School District continued to move forward in 2000, maintaining its traditional high standards and challenging curriculum, working to be even 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 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 literacy and mathematics instruction; expanded efforts to help students prepare for the Ohio Proficiency Tests; extended-day and extended-year offerings for children in need of more time to master material; the refinement of a team teaching model at the Middle School; expanded efforts to encourage constructive parental and community involvement; highly focused professional development activities and collaboration with the City of Shaker Heights, the Shaker Heights Public Library, and nonprofit community agencies concerned with children and youth.

Continuous Improvement Plan

In an ongoing effort to enhance the effectiveness and efficiency of the School District, as well as to comply with the provisions of Senate Bill 55, staff members crafted a Continuous Improvement Plan (CIP) for the Shaker Heights City Schools. The CIP is a document used to guide a school district in the process of achieving and measuring substantial improvement in educational performance. Input for this document came from the Board of Education, business representatives, students, parents, faculty members, and residents of the Shaker Heights community. The CIP identifies seven key areas for improvement: curriculum/instruction, academic achievement, assessment/evaluation, professional development, student services, facilities/environments, and parent/community involvement. It includes missions and vision statements for the School District along with priority areas, performance goals, strategies, individuals responsible, time lines, and funding sources. The Continuous Improvement Plan was presented to the Board of Education and a public hearing was held on May 30, 2000. It has been posted on the School District's website and copies have been provided to interested members of the community.

Improving Student Achievement Grants

The Cleveland and George Gund Foundations have committed a total of \$286,500 to the Shaker Heights City School District for expanded efforts to close the achievement gap between Shaker's African-American and white students. Although Shaker has many high-achieving African-American students, a persistent gap

remains between the two groups in the aggregate. The grants will enable us to build on existing efforts and to seek research-based solutions. Specifically, the grants will support the School District's work with Ronald Ferguson, a Cleveland native who is now a lecturer and senior research associate at Harvard University. Ferguson, an emerging national authority on the achievement gap, has surveyed Shaker students and uncovered factors he believes may lie at the heart of the problem. Existing student programs such as the Minority Achievement Committee (MAC) at both the High School and the Middle School will be expanded and introduced into lower grades. The School District will implement new parent education and support efforts – in conjunction with groups such as Partnership 2000 and Caring Communities Organized for Education – to share ideas with parents about ways to maximize achievement and to effectively inform parents about resources the school district makes available to help students. The School District will also develop a speakers' bureau and organize professional development sessions aimed at helping teachers to elicit the best performance from each student. A portion of The Cleveland Foundation's grant has been set aside to help build local scholarly capacity to address achievement issues.

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, 1999 and 2000, and the amount and percentage of increases and decreases in relation to the prior year's revenues.

	1999 Amount	2000 Amount	Percent of Total	Change	Percent Change
Revenues					
Taxes	\$43,981,318	\$43,059,631	68.00%	(\$921,687)	(2.10%)
Intergovernmental	16,830,101	17,780,064	28.17	949,963	5.64
Interest	1,123,270	874,274	1.38	(248,996)	(22.17)
Tuition and Fees	1,022,084	1,089,754	1.73	67,670	6.62
Extracurricular Activities	221,845	226,828	0.36	4,983	2.25
Contributions and Donations	19,360	14,769	0.02	(4,591)	(23.71)
Charges for Services	7,529	7,656	0.01	127	1.69
Rentals	56,880	50,653	0.08	(6,227)	(10.95)
Miscellaneous	198,560	33,457	0.05	(165,103)	(83.15)
<i>Total Revenues</i>	<u>\$63,460,947</u>	<u>\$63,137,086</u>	<u>100.00</u>	<u>(\$323,861)</u>	<u>(0.51)</u>

The decrease in taxes from fiscal year 1999 resulted primarily due to one-time payments from the Cuyahoga County Treasurer for proceeds from the sale of past due delinquent tax liens in fiscal year 1999.

The increase in intergovernmental revenues from fiscal year 1999 was the result of an increase in the number of local, State and federal grants received, primarily the \$511,000 increase in the State Foundation revenue, and a \$130,000 E-Rate grant.

Interest income decreased from fiscal year 1999 due primarily to lower cash balances available for investing.

Miscellaneous revenue decreased from fiscal year 1999 due to the receipt of one-time monies in fiscal 1999.

The following schedule presents a summary of governmental funds' expenditures for the fiscal years ended June 30, 1999, and 2000, and the amount and percentage for increases and decreases in relation to the prior year expenditures.

	1999 Amount	2000 Amount	Percent of Total	Change	Percent Change
Expenditures					
Current:					
Instruction:					
Regular	\$25,468,539	\$26,389,292	37.86%	\$920,753	3.62%
Special	6,503,003	6,935,324	9.95	432,321	6.65
Vocational	268,251	338,095	0.48	69,844	26.04
Support Services:					
Pupils	3,624,052	4,040,878	5.80	416,826	11.50
Instructional Staff	3,640,454	4,208,828	6.04	568,374	15.61
Board of Education	61,146	44,778	0.06	(16,368)	(26.77)
Administration	4,551,469	4,913,663	7.05	362,194	7.96
Fiscal	1,293,336	1,451,946	2.08	158,610	12.26
Business	698,411	744,450	1.07	46,039	6.59
Operation and Maintenance					
of Plant	6,735,487	7,362,419	10.56	626,932	9.31
Pupil Transportation	2,755,507	3,194,117	4.58	438,610	15.92
Central	1,046,950	1,265,433	1.81	218,483	20.87
Operation of Non-Instructional					
Services	1,026,823	1,219,476	1.75	192,653	18.76
Extracurricular Activities	917,775	952,482	1.37	34,707	3.78
Capital Outlay	6,216,256	4,844,554	6.95	(1,371,702)	(22.07)
Debt Service:					
Principal Retirement	750,905	775,107	1.11	24,202	3.22
Interest and Fiscal Charges	671,909	1,046,498	1.50	374,589	55.75
<i>Total Expenditures</i>	<u>\$66,230,273</u>	<u>\$69,727,340</u>	<u>100.00</u>	<u>\$3,497,067</u>	<u>5.28</u>

Regular instruction increased from fiscal year 1999 due to increases in teacher salaries and benefits as well as the use of contracted services.

Special Instruction increased due to increases in teacher salaries and benefits, and also due to increasing out-of-district tuition charges.

Support service categories increased primarily due to increases in salaries and benefits, and also due to increasing State and federal mandates.

Capital outlay decreased from fiscal year 1999 as the result of the completion of the High School gymnasium and music wing construction project.

Debt service increased as principal and interest payments increased due to the 1999 bond issue.

General Fund Balance. The fund balance of the general fund decreased from \$9,248,807 at June 30, 1999, to \$6,366,148 at June 30, 2000. This decrease of 31.2 percent is due to the growth of expenditures without a corresponding increase in revenues due to the anti-inflation provisions of House Bill 920. The passage of a 9.4 mill operating levy in March 2000 will generate in excess of \$6.5 million on an annual basis beginning in calendar 2001.

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 \$4,659 for the fiscal year ended June 30, 2000. Retained earnings in the enterprise funds was \$36,833 at June 30, 2000.

Financial Highlights - Internal Service Funds. The internal service funds of the School District include a self-insurance fund and a Workers' Compensation retrospective rating plan fund. These funds account for the revenues and expenses related to the provision of prescription drug benefits and workers' compensation claims costs for the calendar years 1991, 1992, 1993, 1999, and 2000. The internal service funds had a retained deficit of \$109,070 at June 30, 2000, compared with retained earnings of \$34,200 at June 30, 1999, reflecting a net loss of \$143,270. This deficit is expected to be eliminated once the ten year loss reserves are settled commencing in 2001.

Debt Administration

At June 30, 2000, general obligation bonds outstanding totaled \$16,854,230. During 2000, the School District issued bond anticipation notes in the amount of \$1,500,000 for school improvements. The School District's overall legal debt margin was \$45,772,566 and the unvoted debt margin was \$697,800 at June 30, 2000. The School District's "AA" rating with Standard and Poors Investment Service, Inc., was renewed in September 2000, when the School District issued the \$3.2 million final installment of its 1996 \$12.7 million bond levy.

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 2000, the School District earned \$875,185 in interest income. Of that amount \$819,302 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, 2000, are sufficient to meet claim obligations.

For calendar years 1991, 1992, 1993, 1999, and 2000, 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. During calendar years 1994 through 1998, the School District participated in the Ohio Schools' Council Workers' Compensation group rating program and insurance purchasing pool.

For fiscal year 2000, 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, 2000, was \$39,823,492. 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, 2000. 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, 1999. 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.

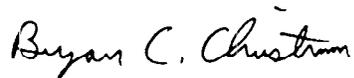
In addition, the School District will submit its CAFR to the Association of School Business Officials International.

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, 1999 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, 2000, 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 the staff of the Treasurer's office and numerous other 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.

Respectfully submitted,



Bryan C. Christman
Treasurer/Chief Financial Officer



Mark Freeman Ph.D.
Superintendent

Shaker Heights City School District
Principal Officials
June 30, 2000

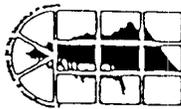
Board of Education

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

Administration

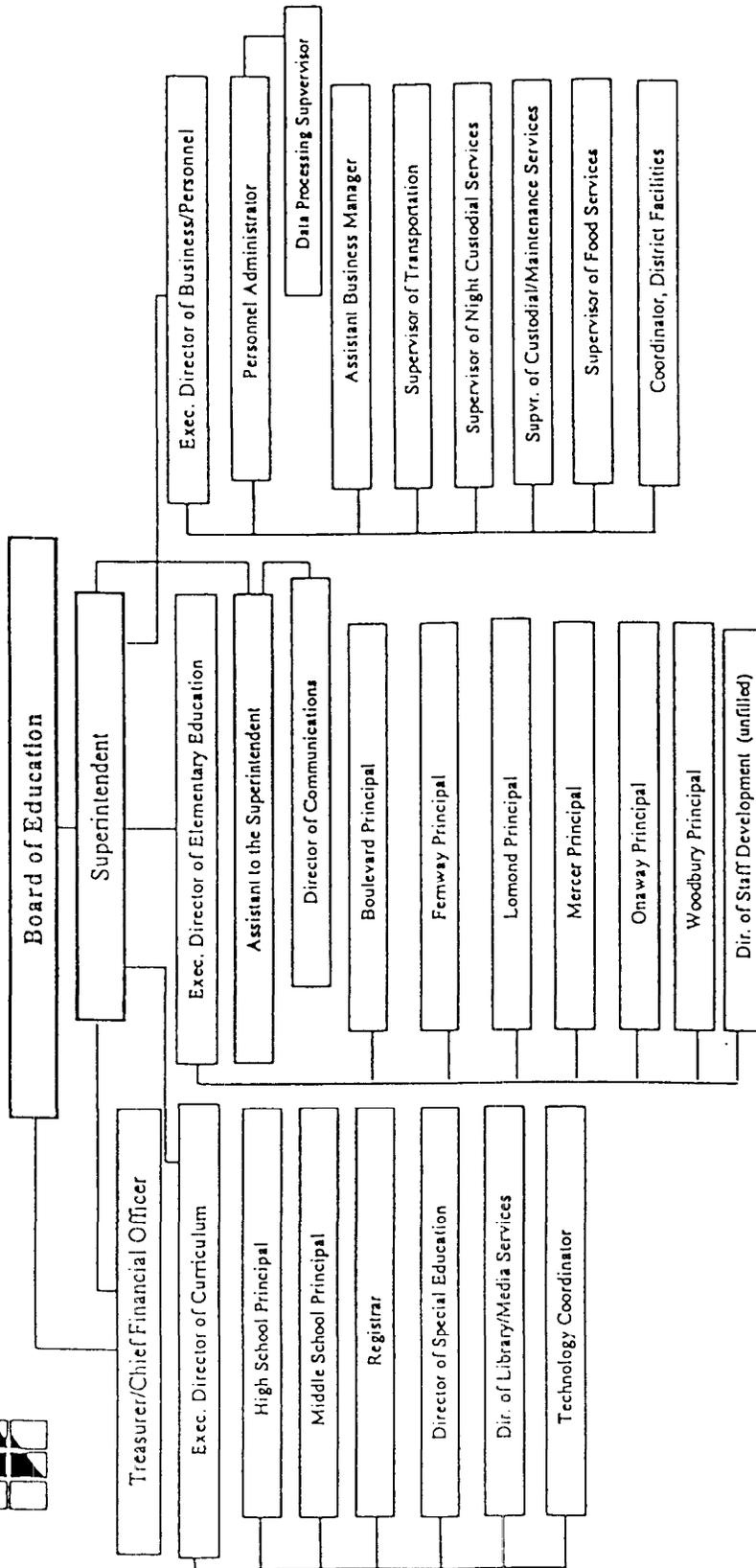
Mark Freeman Ph. D. Superintendent

Bryan C. Christman Treasurer



SHAKER HEIGHTS CITY SCHOOL DISTRICT

ORGANIZATIONAL CHART



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, 1999

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Anne Spray Kinney
President

Jeffrey L. Esler
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, 1999

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

Sam Deering
President

Don H. Hagan
Executive Director



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

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

Report of Independent Accountants

Board of Education
Shaker Heights City School District
Cuyahoga County
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, 2000, 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 Shaker Heights City School District, Cuyahoga County, Ohio, as of June 30, 2000, 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.

As described in Note 4 to the general-purpose financial statements, the District restated general fund equity due to overstated intergovernmental payables and enterprise fund retained earnings due to overstated compensated absences payables as previously reported at June 30, 1999.

In accordance with Government Auditing Standards, we have also issued a report dated December 8, 2000 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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". The signature is stylized with a large, sweeping initial "J" and a long horizontal stroke extending to the right.

Jim Petro
Auditor of State

December 8, 2000

GENERAL PURPOSE
FINANCIAL
STATEMENTS

Shaker Heights City School District
Combined Balance Sheet
All Fund Types and Account Groups
June 30, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$7,536,234	\$894,989	\$1,004,770	\$1,247,446
Cash and Cash Equivalents with Fiscal Agent	0	0	1,584	0
Receivables:				
Taxes	46,382,365	0	2,249,712	0
Accounts	4,396	0	0	0
Accrued Interest	109,135	0	0	16,307
Intergovernmental Receivable	17,262	142,363	0	0
Due from Other Funds	0	0	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	150,184	0	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	353,070	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
<i>Total Assets and Other Debits</i>	<u>\$54,552,646</u>	<u>\$1,037,352</u>	<u>\$3,256,066</u>	<u>\$1,263,753</u>

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals
Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Obligations	(Memorandum Only)
\$30,508	\$497,204	\$154,247	\$0	\$0	\$11,365,398
0	0	0	0	0	1,584
0	0	0	0	0	48,632,077
423	0	0	0	0	4,819
0	0	0	0	0	125,442
0	0	0	0	0	159,625
1,926	0	0	0	0	1,926
8,965	0	0	0	0	8,965
0	0	0	0	0	150,184
0	0	0	0	0	353,070
41,398	0	0	39,823,492	0	39,864,890
0	0	0	0	1,234,800	1,234,800
0	0	0	0	19,699,987	19,699,987
<u>\$83,220</u>	<u>\$497,204</u>	<u>\$154,247</u>	<u>\$39,823,492</u>	<u>\$20,934,787</u>	<u>\$121,602,767</u>

(continued)

Shaker Heights City School District
Combined Balance Sheet
All Fund Types and Account Groups (continued)
June 30, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities, Fund Equity and Other Credits				
Liabilities				
Accounts Payable	\$420,468	\$16,107	\$0	\$0
Contracts Payable	0	0	0	430,442
Accrued Wages and Benefits	4,910,737	173,657	0	0
Compensated Absences Payable	454,953	0	0	0
Intergovernmental Payable	1,265,912	12,130	0	0
Due to Other Funds	1,926	0	0	0
Deferred Revenue	41,132,502	0	2,019,682	0
Undistributed Monies	0	0	0	0
Retainage Payable	0	0	0	93,807
Matured Bonds Payable	0	0	1,000	0
Matured Interest Payable	0	0	584	0
Accrued Interest Payable	0	0	0	18,750
Claims Payable	0	0	0	0
Due to Students	0	0	0	0
Notes Payable	0	0	0	1,500,000
General Obligation Bonds Payable	0	0	0	0
<i>Total Liabilities</i>	<u>48,186,498</u>	<u>201,894</u>	<u>2,021,266</u>	<u>2,042,999</u>
Fund Equity and Other Credits				
Investment in General Fixed Assets	0	0	0	0
Retained Earnings:				
Unreserved (Deficit)	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	1,535,566	78,123	0	737,872
Reserved for Inventory	150,184	0	0	0
Reserved for Budget Stabilization	353,070	0	0	0
Reserved for Property Taxes	5,121,314	0	226,978	0
Unreserved, Undesignated (Deficit)	(793,986)	757,335	1,007,822	(1,517,118)
<i>Total Fund Equity (Deficit) and Other Credits</i>	<u>6,366,148</u>	<u>835,458</u>	<u>1,234,800</u>	<u>(779,246)</u>
<i>Total Liabilities, Fund Equity and Other Credits</i>	<u>\$54,552,646</u>	<u>\$1,037,352</u>	<u>\$3,256,066</u>	<u>\$1,263,753</u>

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	
\$8,383	\$0	\$0	\$0	\$0	\$444,958
0	0	0	0	0	430,442
10,949	0	0	0	0	5,095,343
10,622	0	0	0	3,400,417	3,865,992
15,647	0	0	0	680,140	1,973,829
0	0	0	0	0	1,926
786	0	0	0	0	43,152,970
0	0	61,635	0	0	61,635
0	0	0	0	0	93,807
0	0	0	0	0	1,000
0	0	0	0	0	584
0	0	0	0	0	18,750
0	606,274	0	0	0	606,274
0	0	92,612	0	0	92,612
0	0	0	0	0	1,500,000
0	0	0	0	16,854,230	16,854,230
<u>46,387</u>	<u>606,274</u>	<u>154,247</u>	<u>0</u>	<u>20,934,787</u>	<u>74,194,352</u>
0	0	0	39,823,492	0	39,823,492
36,833	(109,070)	0	0	0	(72,237)
0	0	0	0	0	2,351,561
0	0	0	0	0	150,184
0	0	0	0	0	353,070
0	0	0	0	0	5,348,292
0	0	0	0	0	(545,947)
<u>36,833</u>	<u>(109,070)</u>	<u>0</u>	<u>39,823,492</u>	<u>0</u>	<u>47,408,415</u>
<u>\$83,220</u>	<u>\$497,204</u>	<u>\$154,247</u>	<u>\$39,823,492</u>	<u>\$20,934,787</u>	<u>\$121,602,767</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, 2000*

	General	Special Revenue
Revenues		
Taxes	\$41,099,368	\$0
Intergovernmental	14,970,356	2,518,782
Interest	819,302	12,056
Tuition and Fees	1,076,931	12,823
Extracurricular Activities	0	226,828
Contributions and Donations	0	14,769
Charges for Services	0	7,656
Rentals	50,653	0
Miscellaneous	20,093	13,364
<i>Total Revenues</i>	<u>58,036,703</u>	<u>2,806,278</u>
Expenditures		
Current:		
Instruction:		
Regular	26,092,946	296,346
Special	6,499,476	435,848
Vocational	338,095	0
Support Services:		
Pupils	4,006,461	34,417
Instructional Staff	3,765,886	442,942
Board of Education	44,778	0
Administration	4,839,108	74,555
Fiscal	1,448,829	3,117
Business	735,562	8,888
Operation and Maintenance of Plant	7,357,041	5,378
Pupil Transportation	3,194,117	0
Central	1,265,433	0
Operation of Non-Instructional Services	183,828	1,035,648
Extracurricular Activities	740,718	211,764
Capital Outlay	0	0
Debt Service:		
Principal Retirement	5,107	0
Interest and Fiscal Charges	216	0
<i>Total Expenditures</i>	<u>60,517,601</u>	<u>2,548,903</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,480,898)</u>	<u>257,375</u>
Other Financing Sources (Uses)		
Sale of Fixed Assets	350	0
Operating Transfers In	0	80,280
Operating Transfers Out	(398,679)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(398,329)</u>	<u>80,280</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(2,879,227)</u>	<u>337,655</u>
<i>Fund Balances Beginning of Year - Restated (See Note 4)</i>	<u>9,248,807</u>	<u>497,803</u>
<i>Decrease in Reserve for Inventory</i>	<u>(3,432)</u>	<u>0</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$6,366,148</u>	<u>\$835,458</u>

See accompanying notes to the general purpose financial statements

Debt Service	Capital Projects	Totals (Memorandum Only)
\$1,755,056	\$205,207	\$43,059,631
220,886	70,040	17,780,064
0	42,916	874,274
0	0	1,089,754
0	0	226,828
0	0	14,769
0	0	7,656
0	0	50,653
0	0	33,457
<u>1,975,942</u>	<u>318,163</u>	<u>63,137,086</u>
0	0	26,389,292
0	0	6,935,324
0	0	338,095
0	0	4,040,878
0	0	4,208,828
0	0	44,778
0	0	4,913,663
0	0	1,451,946
0	0	744,450
0	0	7,362,419
0	0	3,194,117
0	0	1,265,433
0	0	1,219,476
0	0	952,482
0	4,844,554	4,844,554
770,000	0	775,107
<u>1,027,532</u>	<u>18,750</u>	<u>1,046,498</u>
<u>1,797,532</u>	<u>4,863,304</u>	<u>69,727,340</u>
<u>178,410</u>	<u>(4,545,141)</u>	<u>(6,590,254)</u>
0	0	350
261,899	0	342,179
0	0	(398,679)
<u>261,899</u>	<u>0</u>	<u>(56,150)</u>
440,309	(4,545,141)	(6,646,404)
794,491	3,765,895	14,306,996
0	0	(3,432)
<u>\$1,234,800</u>	<u>(\$779,246)</u>	<u>\$7,657,160</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, 2000*

	General Fund		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
Revenues			
Taxes	\$41,140,987	\$41,391,053	\$250,066
Intergovernmental	14,634,186	14,983,071	348,885
Interest	750,000	825,733	75,733
Tuition and Fees	42,336	1,080,430	1,038,094
Extracurricular Activities	0	0	0
Contributions and Donations	0	0	0
Charges for Services	0	0	0
Rentals	55,000	50,504	(4,496)
Miscellaneous	72,806	22,266	(50,540)
<i>Total Revenues</i>	<u>56,695,315</u>	<u>58,353,057</u>	<u>1,657,742</u>
Expenditures			
Current:			
Instruction:			
Regular	25,799,777	25,799,777	0
Special	7,531,276	7,531,276	0
Vocational	606,925	606,925	0
Support Services:			
Pupils	3,962,187	3,962,187	0
Instructional Staff	3,794,507	3,794,507	0
Board of Education	46,728	46,728	0
Administration	4,854,431	4,854,431	0
Fiscal	1,438,667	1,438,667	0
Business	751,155	751,155	0
Operation and Maintenance of Plant	7,222,278	7,222,278	0
Pupil Transportation	3,250,936	3,250,936	0
Central	1,296,445	1,296,445	0
Operation of Non-Instructional Services	181,796	181,796	0
Extracurricular Activities	756,845	756,845	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>61,493,953</u>	<u>61,493,953</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(4,798,638)</u>	<u>(3,140,896)</u>	<u>1,657,742</u>
Other Financing Sources (Uses)			
Proceeds of Bonds	0	0	0
Proceeds of Notes	0	0	0
Sale of Fixed Assets	0	350	350
Advances In	4,600	0	(4,600)
Advances Out	0	0	0
Operating Transfers In	0	0	0
Operating Transfers Out	(752,405)	(398,679)	353,726
<i>Total Other Financing Sources (Uses)</i>	<u>(747,805)</u>	<u>(398,329)</u>	<u>349,476</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(5,546,443)</u>	<u>(3,539,225)</u>	<u>2,007,218</u>
<i>Fund Balances Beginning of Year</i>	8,123,980	8,123,980	0
Prior Year Encumbrances Appropriated	1,494,249	1,494,249	0
<i>Fund Balances End of Year</i>	<u>\$4,071,786</u>	<u>\$6,079,004</u>	<u>\$2,007,218</u>

Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$1,645,549	\$1,694,373	\$48,824
3,230,430	2,419,851	(810,579)	210,468	220,886	10,418
12,600	12,056	(544)	0	0	0
11,900	9,252	(2,648)	0	0	0
474,300	232,923	(241,377)	0	0	0
87,040	15,169	(71,871)	0	0	0
20,500	7,517	(12,983)	0	0	0
0	0	0	0	0	0
20,300	21,179	879	0	0	0
3,857,070	2,717,947	(1,139,123)	1,856,017	1,915,259	59,242
652,461	333,333	319,128	0	0	0
684,932	434,844	250,088	0	0	0
0	0	0	0	0	0
65,208	34,150	31,058	0	0	0
808,172	436,449	371,723	0	0	0
0	0	0	0	0	0
160,540	77,040	83,500	0	0	0
17,858	3,117	14,741	0	0	0
15,700	8,952	6,748	0	0	0
8,560	5,360	3,200	0	0	0
0	0	0	0	0	0
60,073	2,000	58,073	0	0	0
1,209,971	1,070,674	139,297	0	0	0
565,608	226,204	339,404	0	0	0
0	0	0	770,000	770,000	0
0	0	0	1,027,532	1,027,532	0
4,249,083	2,632,123	1,616,960	1,797,532	1,797,532	0
(392,013)	85,824	477,837	58,485	117,727	59,242
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	(6,599)	0	6,599
171,160	80,280	(90,880)	0	261,899	261,899
0	0	0	0	0	0
171,160	80,280	(90,880)	(6,599)	261,899	268,498
(220,853)	166,104	386,957	51,886	379,626	327,740
490,906	490,906	0	625,144	625,144	0
137,168	137,168	0	0	0	0
\$407,221	\$794,178	\$386,957	\$677,030	\$1,004,770	\$327,740

(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, 2000*

	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$0	\$205,207	\$205,207
Intergovernmental	160,201	100,000	(60,201)
Interest	150,000	77,905	(72,095)
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
<i>Total Revenues</i>	<u>310,201</u>	<u>383,112</u>	<u>72,911</u>
Expenditures			
Current:			
Instruction:			
Regular	315,467	232,528	82,939
Special	0	0	0
Vocational	0	0	0
Support Services:			
Pupils	318,923	318,922	1
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	5,810,777	5,805,353	5,424
Pupil Transportation	0	0	0
Central	0	0	0
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>6,445,167</u>	<u>6,356,803</u>	<u>88,364</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(6,134,966)</u>	<u>(5,973,691)</u>	<u>161,275</u>
Other Financing Sources (Uses)			
Proceeds of Bonds	3,200,000	0	(3,200,000)
Proceeds of Notes	1,789,799	1,500,000	(289,799)
Sale of Fixed Assets	0	0	0
Advances In	0	0	0
Advances Out	(1,568,668)	0	1,568,668
Operating Transfers In	0	0	0
Operating Transfers Out	(831)	0	831
<i>Total Other Financing Sources (Uses)</i>	<u>3,420,300</u>	<u>1,500,000</u>	<u>(1,920,300)</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(2,714,666)</u>	<u>(4,473,691)</u>	<u>(1,759,025)</u>
<i>Fund Balances Beginning of Year</i>	487,919	487,919	0
Prior Year Encumbrances Appropriated	4,076,747	4,076,747	0
<i>Fund Balances End of Year</i>	<u>\$1,850,000</u>	<u>\$90,975</u>	<u>(\$1,759,025)</u>

See accompanying notes to the general purpose financial statements

Totals (Memorandum Only)

Revised Budget	Actual	Variance Favorable (Unfavorable)
\$42,786,536	\$43,290,633	\$504,097
18,235,285	17,723,808	(511,477)
912,600	915,694	3,094
54,236	1,089,682	1,035,446
474,300	232,923	(241,377)
87,040	15,169	(71,871)
20,500	7,517	(12,983)
55,000	50,504	(4,496)
93,106	43,445	(49,661)
<u>62,718,603</u>	<u>63,369,375</u>	<u>650,772</u>
26,767,705	26,365,638	402,067
8,216,208	7,966,120	250,088
606,925	606,925	0
4,346,318	4,315,259	31,059
4,602,679	4,230,956	371,723
46,728	46,728	0
5,014,971	4,931,471	83,500
1,456,525	1,441,784	14,741
766,855	760,107	6,748
13,041,615	13,032,991	8,624
3,250,936	3,250,936	0
1,356,518	1,298,445	58,073
1,391,767	1,252,470	139,297
1,322,453	983,049	339,404
770,000	770,000	0
1,027,532	1,027,532	0
<u>73,985,735</u>	<u>72,280,411</u>	<u>1,705,324</u>
<u>(11,267,132)</u>	<u>(8,911,036)</u>	<u>2,356,096</u>
3,200,000	0	(3,200,000)
1,789,799	1,500,000	(289,799)
0	350	350
4,600	0	(4,600)
(1,575,267)	0	1,575,267
171,160	342,179	171,019
(753,236)	(398,679)	354,557
<u>2,837,056</u>	<u>1,443,850</u>	<u>(1,393,206)</u>
(8,430,076)	(7,467,186)	962,890
9,727,949	9,727,949	0
5,708,164	5,708,164	0
<u>\$7,006,037</u>	<u>\$7,968,927</u>	<u>\$962,890</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, 2000*

	Enterprise	Internal Service	Totals (Memorandum Only)
Operating Revenues			
Sales	\$767,334	\$0	\$767,334
Charges for Services	0	1,014,356	1,014,356
Other	0	2,737	2,737
<i>Total Operating Revenues</i>	<u>767,334</u>	<u>1,017,093</u>	<u>1,784,427</u>
Operating Expenses			
Salaries and Wages	288,390	0	288,390
Fringe Benefits	58,301	0	58,301
Purchased Services	17,159	10,054	27,213
Materials and Supplies	13,886	0	13,886
Cost of Sales	552,736	0	552,736
Claims	0	1,150,309	1,150,309
Depreciation	2,357	0	2,357
<i>Total Operating Expenses</i>	<u>932,829</u>	<u>1,160,363</u>	<u>2,093,192</u>
<i>Operating Loss</i>	<u>(165,495)</u>	<u>(143,270)</u>	<u>(308,765)</u>
Non-Operating Revenues			
Federal Donated Commodities	19,889	0	19,889
Operating Grants	83,536	0	83,536
Interest	911	0	911
<i>Total Non-Operating Revenues</i>	<u>104,336</u>	<u>0</u>	<u>104,336</u>
<i>Loss Before Operating Transfers</i>	<u>(61,159)</u>	<u>(143,270)</u>	<u>(204,429)</u>
Operating Transfers In	56,500	0	56,500
<i>Net Loss</i>	<u>(4,659)</u>	<u>(143,270)</u>	<u>(147,929)</u>
<i>Retained Earnings Beginning of Year - Restated (See Note 4)</i>	<u>41,492</u>	<u>34,200</u>	<u>75,692</u>
<i>Retained Earnings (Deficit) End of Year</i>	<u><u>\$36,833</u></u>	<u><u>(\$109,070)</u></u>	<u><u>(\$72,237)</u></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, 2000*

	Enterprise Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Charges for Services	\$0	\$0	\$0
Sales	856,100	767,326	(88,774)
Interest	0	911	911
Operating Grants	85,000	93,719	8,719
Other	0	0	0
<i>Total Revenues</i>	<u>941,100</u>	<u>861,956</u>	<u>(79,144)</u>
Expenses			
Salaries and Wages	263,574	263,574	0
Fringe Benefits	81,585	81,583	2
Purchased Services	19,233	19,233	0
Materials and Supplies	610,581	541,788	68,793
Capital Outlay	300	300	0
<i>Total Expenses</i>	<u>975,273</u>	<u>906,478</u>	<u>68,795</u>
<i>Excess of Revenues Over (Under) Expenses</i>	(34,173)	(44,522)	(10,349)
Operating Transfers In	<u>50,000</u>	<u>56,500</u>	<u>6,500</u>
<i>Excess of Revenues Over (Under) Expenses and Operating Transfers</i>	15,827	11,978	(3,849)
<i>Fund Equity Beginning of Year</i>	5,957	5,957	0
Prior Year Encumbrances Appropriated	<u>7,001</u>	<u>7,001</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$28,785</u>	<u>\$24,936</u>	<u>(\$3,849)</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, 2000*

	Internal Service Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Charges for Services	\$973,710	\$1,014,356	\$40,646
Sales	0	0	0
Interest	0	0	0
Operating Grants	0	0	0
Other	0	2,737	2,737
<i>Total Revenues</i>	<u>973,710</u>	<u>1,017,093</u>	<u>43,383</u>
Expenses			
Salaries and Wages	0	0	0
Fringe Benefits	1,019,500	958,409	61,091
Purchased Services	0	10,054	(10,054)
Materials and Supplies	0	0	0
Capital Outlay	0	0	0
<i>Total Expenses</i>	<u>1,019,500</u>	<u>968,463</u>	<u>51,037</u>
<i>Excess of Revenues Over (Under) Expenses</i>	(45,790)	48,630	94,420
Operating Transfers In	0	0	0
<i>Excess of Revenues Over (Under) Expenses and Operating Transfers</i>	(45,790)	48,630	94,420
<i>Fund Equity Beginning of Year</i>	448,574	448,574	0
Prior Year Encumbrances Appropriated	0	0	0
<i>Fund Equity End of Year</i>	<u>\$402,784</u>	<u>\$497,204</u>	<u>\$94,420</u>

See accompanying notes to the general purpose financial statements

Totals (Memorandum Only)

Revised Budget	Actual	Variance Favorable (Unfavorable)
\$973,710	\$1,014,356	\$40,646
856,100	767,326	(88,774)
0	911	911
85,000	93,719	8,719
0	2,737	2,737
<u>1,914,810</u>	<u>1,879,049</u>	<u>(35,761)</u>
263,574	263,574	0
1,101,085	1,039,992	61,093
19,233	29,287	(10,054)
610,581	541,788	68,793
300	300	0
<u>1,994,773</u>	<u>1,874,941</u>	<u>119,832</u>
(79,963)	4,108	84,071
50,000	56,500	6,500
(29,963)	60,608	90,571
454,531	454,531	0
7,001	7,001	0
<u>\$431,569</u>	<u>\$522,140</u>	<u>\$90,571</u>

Shaker Heights City School District
Combined Statement of Cash Flows
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 2000

	Enterprise	Internal Service	Totals (Memorandum Only)
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash Received from Customers	\$767,333	\$0	\$767,333
Cash Received from Quasi-External Transactions With Other Funds	0	1,014,356	1,014,356
Cash Received from Other Operating Sources	0	2,737	2,737
Cash Payments to Employees for Services	(263,574)	0	(263,574)
Cash Payments for Employee Benefits	(81,583)	(958,409)	(1,039,992)
Cash Payments for Goods and Services	(557,413)	(10,054)	(567,467)
<i>Net Cash Provided by (Used for) Operating Activities</i>	(135,237)	48,630	(86,607)
Cash Flows from Noncapital Financing Activities			
Operating Grants Received	93,719	0	93,719
Operating Transfers In	56,500	0	56,500
<i>Net Cash Provided by Noncapital Financing Activities</i>	150,219	0	150,219
Cash Flows from Investing Activities:			
Interest on Investments	911	0	911
Net Increase in Cash and Cash Equivalents	15,893	48,630	64,523
<i>Cash and Cash Equivalents Beginning of Year</i>	14,615	448,574	463,189
<i>Cash and Cash Equivalents End of Year</i>	\$30,508	\$497,204	\$527,712

(continued)

Shaker Heights City School District
Combined Statement of Cash Flows
All Proprietary Fund Types (continued)
For the Fiscal Year Ended June 30, 2000

	Enterprise	Internal Service	Totals (Memorandum Only)
Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities			
Operating Loss	(\$165,495)	(\$143,270)	(\$308,765)
Adjustments:			
Depreciation Expense	2,357	0	2,357
Donated Commodities Used During Year	19,889	0	19,889
(Increase)/Decrease in Assets:			
Accounts Receivable	(423)	0	(423)
Due from Other Funds	(1,926)	0	(1,926)
Inventory Held for Resale	4,069	0	4,069
Increase/(Decrease) in Liabilities:			
Accounts Payable	4,759	0	4,759
Accrued Wages	(1,453)	0	(1,453)
Compensated Absences Payable	3,085	0	3,085
Intergovernmental Payable	(99)	0	(99)
Claims Payable	0	191,900	191,900
Total Adjustments	30,258	191,900	222,158
<i>Net Cash Provided by (Used for) Operating Activities</i>	<i>(\$135,237)</i>	<i>\$48,630</i>	<i>(\$86,607)</i>

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, 2000

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, 444 certificated full-time and part-time teaching and tutoring personnel, and 31 administrators who provide services to 5,714 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. This activity 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, 2000

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, 2000

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, 2000

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, 2000 and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2001 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, 2000

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 2000.

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 the passage

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

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 2000, investments were limited to federal agency securities, U.S. Treasury notes, commercial paper, bankers' acceptances, 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, 2000.

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

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 2000 amounted to \$819,302 which includes \$245,455 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 not purchased from the pool 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 amounts required by statute to be set-aside by the School District for the creation of a reserve for budget stabilization. See Note 24 for additional information regarding set-asides.

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. 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.

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

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
- Preschool
- Goals 2000

Capital Projects Funds

- School Net Plus

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

Reimbursable Grants

General Fund

Driver Education Reimbursement

Proprietary Funds

National School Lunch Program

Government Donated Commodities

Grants and entitlements amounted to twenty-eight percent of the School District's revenue in the governmental funds during the 2000 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.

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

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

been paid with current available financial resources. Bonds 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. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, inventories of supplies and materials, budget stabilization, 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. The reserve for budget stabilization represents money required to be set-aside by statute to protect against cyclical changes in revenues and expenditures.

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.

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.

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

Note 3 - Accountability and Compliance

A. Fund Deficits

Fund balances at June 30, 2000, included the following individual fund deficits:

Special Revenue Fund:	
Preschool Disability	\$1,190
Capital Projects Funds:	
Building	884,775
Internal Service Fund:	
Workers' Compensation	137,290

The Preschool Disability special revenue fund deficit 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.

The Building capital projects fund deficit resulted from the issuance of short-term school improvements notes. Once the bonds are issued and the liability is reported in the general long-term obligations account group rather than in the fund, the deficit will be eliminated.

The Workers' Compensation internal service fund deficit retained earnings resulted from adjustments for accrued liabilities. This deficit is expected to be eliminated once the ten year loss reserves are settled commencing in 2001.

B. Legal Compliance

The Local Grants special revenue fund had total appropriations in excess of estimated resources plus carryovers of \$2,175 in violation of Section 5705.39, Ohio Revised Code.

Note 4 - Restatements of Fund Equity

At June 30, 1999, intergovernmental payable and compensated absences payable in the general fund and Food Service enterprise fund, respectively, were overstated by \$37,112 and \$13,014, respectively.

The effect of these changes in Fund Balance/Retained Earnings are as follows:

	General	Enterprise
Fund Balance/Retained Earnings as Previously Reported	\$9,211,695	\$28,478
Overstated Intergovernmental Payable	37,112	0
Overstated Compensated Absences Payable	0	13,014
Restated Fund Balance/Retained Earnings as of June 30, 1999	\$9,248,807	\$41,492

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

The effect of these changes on the excess of revenues and other financing sources over (under) expenditures and other financing uses and the net loss as previously reported for the fiscal year ended June 30, 1999 is as follows:

	General	Enterprise
Excess/Net Loss as Previously Reported	(\$39,186)	(\$4,792)
Overstated Intergovernmental Payable	37,112	0
Overstated Compensated Absences	0	13,014
Restated at June 30, 1999	(\$2,074)	\$5,076

Due to an overstatement in intergovernmental payables, the general long-term obligations account group was restated by \$74,224 from \$21,686,548 to \$21,612,324 as of June 30, 1999.

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).
5. Proceeds from and principal payments on bond and revenue anticipation notes are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
6. Unrecorded cash, which consists of unrecorded interest, is not reported by the School District on the budget basis operating statements, but is reported on the GAAP basis operating statements.

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

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	(\$2,879,227)	\$337,655	\$440,309	(\$4,545,141)
Revenue Accruals	314,913	(84,473)	(59,099)	64,056
Fair Value Adjustment for Investments	5,980	0	0	893
Expenditure Accruals	835,389	13,733	0	(336,135)
Unrecorded Cash	(4,539)	(3,858)	(1,584)	0
Proceeds of Notes	0	0	0	1,500,000
Encumbrances	(1,811,741)	(96,953)	0	(1,157,364)
Budget Basis	<u>(\$3,539,225)</u>	<u>\$166,104</u>	<u>\$379,626</u>	<u>(\$4,473,691)</u>

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

	Enterprise	Internal Service
GAAP Basis	(\$4,659)	(\$143,270)
Revenue Accruals	(8,049)	0
Unrecorded Cash	(1,664)	0
Expense Accruals	32,615	191,900
Depreciation Expense	(2,357)	0
Encumbrances	(3,908)	0
Budget Basis	<u>\$11,978</u>	<u>\$48,630</u>

Note 6 - Construction Commitments

As of June 30, 2000, 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.

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

The contractual commitments for the projects are as follows:

Project	Amount
Administration Building Concrete Work	\$4,900
Boulevard School Restrooms	1,420
School District Carpet and Flooring	2,000
Fernway Teacher's Kitchen	2,662
High School Alterations	31,003
Master Plan & Feasibility Study	7,908
Middle School Alterations	25,819
Middle School Roof Alterations	289,874
Middle School Field Alterations	271,459
School District Signs	162
Shaker Heights Ball Field and Tennis Courts	10,955
Woodbury Alterations	793,464
Totals	\$1,441,626

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 established by the financial institution to secure the repayment of all public monies deposited with the institution.

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

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."

Cash on Hand At year end, the County had \$12,767 in undeposited cash on hand which is included on the balance sheet of the School District as part of "equity in pooled cash and cash equivalents."

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

A. Deposits

At fiscal year-end, the carrying amount of the School District's deposits was (\$2,504,553) and the bank balance was \$859,551. Of the bank balance, \$179,501 was covered by federal depository insurance and \$680,050 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 Mortgage Corporation Bond	\$495,200	\$495,200
Federal National Mortgage Association Notes	4,968,143	4,968,143
Federal Home Loan Bank Bonds	1,987,168	1,987,168
U.S. Treasury Notes	2,386,476	2,386,476
	\$9,836,987	9,836,987
STAROhio		4,374,851
Total		\$14,211,838

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
For the Fiscal Year Ended June 30, 2000

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	\$11,720,052	\$0
Cash on Hand	(12,767)	0
Investments which are part of a cash management pool:		
Federal Agency Securities	(7,450,511)	7,450,511
U.S. Treasury Notes	(2,386,476)	2,386,476
STAROhio	(4,374,851)	4,374,851
GASB Statement 3	(\$2,504,553)	\$14,211,838

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 2000 for real and public utility property taxes represents collections of calendar 1999 taxes. Property tax payments received during calendar 2000 for tangible personal property (other than public utility property) is for calendar 2000 taxes.

2000 real property taxes are levied after April 1, 2000, on the assessed value listed as of January 1, 2000, 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. 2000 public utility property taxes became a lien December 31, 1999, are levied after April 1, 2000, and are collected in 2001 with real property taxes.

2000 tangible personal property taxes are levied after April 1, 2000, on the value as of December 31, 1999. Collections are made in 2000. 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, 2000

The assessed values upon which the fiscal year 2000 taxes were collected are:

	1999 Second Half Collections		2000 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$663,126,030	94.71%	\$662,695,440	94.97%
Public Utility	26,011,210	3.71	23,622,520	3.38
Tangible Personal Property	11,049,610	1.58	11,482,000	1.65
Total Assessed Value	<u>\$700,186,850</u>	<u>100.00%</u>	<u>\$697,799,960</u>	<u>100.00%</u>

Tax rate per \$1,000 of assessed valuation	\$139.80	\$141.00
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The School District passed a 9.40 mill continuing levy in March of 2000. The collection on this levy will begin January of 2001.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits 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. This year, the June 2000 tangible personal property tax settlement was not received until July of 2000.

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, 2000, are available to finance fiscal year 2000 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding, the late settlement of personal property taxes and real property, personal property and public utility taxes which became measurable as of June 30, 2000. Although total property tax collections for the next fiscal year are measurable, only the delayed settlement of personal property tax and the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not levied to finance current year operations. The late settlement and the amount available as an advance at June 30 are recognized as revenue.

At June 30, 2000, \$5,121,314 was available as an advance to the general fund and \$226,978 was available to the bond retirement debt service fund.

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

Note 9 - Receivables

Receivables at June 30, 2000, 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.

A summary of the principal items of intergovernmental receivables follows:

	Amounts
General Fund:	
Medicaid	\$11,812
Driver's Education	5,450
Total General Fund	17,262
Special Revenue Fund:	
Title VI-B	20,775
Title I	90,896
Title VI	30,692
Total Special Revenue Fund	142,363
Grand Total	\$159,625

Note 10 - Fixed Assets

A summary of the enterprise funds' fixed assets at June 30, 2000, follows:

	Enterprise
Equipment	\$130,423
Accumulated Depreciation	(89,025)
Net	\$41,398

A summary of the changes in general fixed assets during fiscal year 2000 follows:

	Balance 6/30/99	Additions	Deductions	Balance 6/30/00
Land	\$2,981,664	\$0	\$0	\$2,981,664
Buildings	22,534,417	0	0	22,534,417
Furniture and Equipment	9,356,427	1,305,493	0	10,661,920
Vehicles	2,572,074	81,127	0	2,653,201
Construction in Progress	1,004,441	992,290	1,004,441	992,290
Total General Fixed Assets	\$38,449,023	\$2,378,910	\$1,004,441	\$39,823,492

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

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 2000, 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 participates 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, 2000, 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, 2000 was \$569,644.

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 \$113.98 for family coverage and \$44.83 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 \$10,054 in fees to the program administrator in fiscal year 2000. The fee is, generally, \$.58 per claim. The liability for claims for the prescription drug insurance at June 30, 2000 is \$36,630 and is based on the July 2000 actual billing.

The claims liability reported in the internal service funds at June 30, 2000 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 2000 are as follows:

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
1998	\$454,231	\$606,945	\$621,871	\$439,305
1999	439,305	741,984	766,915	414,374
2000	414,374	1,150,309	958,409	606,274

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 2000, 5.5 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 1999, 7.7 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, 2000, 1999, and 1998 were \$823,995, \$835,792 and \$1,213,167 respectively; 51.78 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998. \$436,502 representing the unpaid contribution for fiscal year 2000, 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, 2000

For the fiscal year ended June 30, 2000, 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. 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, 2000, 1999, and 1998 were \$2,412,009, \$2,322,584, \$3,854,158 respectively; 82.30 percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$1,809,007 representing the unpaid contribution for fiscal year 2000, 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 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, 2000, the STRS Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$2,412,009 for fiscal year 2000.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 1999, (the latest information available) the balance in the Fund was \$2,783 million. For the year ended June 30, 1999, net health care costs paid by STRS were \$249,929,000 and STRS had 95,796 eligible benefit recipients.

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2000, employer contributions to fund health care benefits were 8.50 percent of covered payroll, an increase of 2.20 percent for fiscal year 2000. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2000, the

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

minimum pay was established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2000 fiscal year equaled \$631,615.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 1999 (the latest information available), were \$126,380,984 and the target level was \$189.6 million. At June 30, 1999, SERS had net assets available for payment of health care benefits of \$188.0 million. SERS has approximately 51,000 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 \$145.58 per month while family coverage for a family of two is \$291.17 and for a family of three or more is \$436.74. The Anthem Insurance Company provides two plans. The first plan provides medical/surgical coverage with a \$100 single deductible on the first 80 percent of covered services and 100 percent afterwards and \$200 family deductible on the first 80 percent of covered services and 100 percent afterwards per calendar year. Individual coverage is \$177.02 per month and family coverage is \$467.34. The second Anthem plan provides medical/surgical insurance with no deductible in the network and co-pays for office visits, urgent care and emergency room services. Outside the network, the deductibles and co-payments are the same as the first plan. Individual coverage is \$163.09 per month while family coverage is \$429.61.

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
For the Fiscal Year Ended June 30, 2000

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 2000 totaled \$5,107 in the governmental funds.

As of June 30, 2000, leases for the Shaker Heights School District was paid in full.

Note 16 - Interfund Transactions

At June 30, 2000, the due from other funds/due to other funds consisted of:

Fund	Due From	Due To
General Fund	\$0	\$1,926
Enterprise Fund:		
Food Service	1,926	0
Total	\$1,926	\$1,926

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, 2000, the School District received \$8,883,380 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, 2000

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County 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 appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Ohio Supreme Court rendered an opinion on this issue. The Court concluded, “...the mandate of the [Ohio] Constitution has not been fulfilled.” The Court’s majority recognized efforts by the Ohio General Assembly taken in response to the Court’s March 24, 1997, decision, however, it found seven “...major areas warrant further attention, study, and development by the General Assembly...”, including the State’s reliance on local property tax funding, the state’s basic aid formula, the school foundation program, as discussed above, the mechanism for, and adequacy of, funding for school facilities, and the existence of the State’s School Solvency Assistance Fund, which the Court found took the place of the unconstitutional emergency school loan assistance program.

The Court decided to maintain jurisdiction over these issues and continued the case at least until June 15, 2001.

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	5.000	1,284,230	July 12, 2005
Bus Acquisition - 1997	5.246	332,000	April 15, 2001
School Improvement - 1999	5.034	9,500,000	December 1, 2019

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

Changes in long-term obligations of the School District during fiscal 2000, were as follows:

	Principal Outstanding 6/30/99	Additions	Deductions	Principal Outstanding 6/30/00
General Obligation Bonds:				
School Improvement Bonds 1990, 7.08%	\$3,850,000	\$0	\$215,000	\$3,635,000
Building Addition Bonds 1993, 5.034%	3,145,000	0	350,000	2,795,000
Energy Conservation Improvement Bonds 1995, 5.00%	954,230	0	120,000	834,230
Bus Acquisition Bonds 1997, 5.246%	175,000	0	85,000	90,000
School Improvement Bonds 1999, 5.034%	<u>9,500,000</u>	<u>0</u>	<u>0</u>	<u>9,500,000</u>
Total General Obligation Bonds	<u>17,624,230</u>	<u>0</u>	<u>770,000</u>	<u>16,854,230</u>
Compensated Absences	3,366,323	174,749	140,655	3,400,417
Pension Obligation	616,664	680,140	616,664	680,140
Capital Lease	<u>5,107</u>	<u>0</u>	<u>5,107</u>	<u>0</u>
Total General Long-Term Obligations	<u><u>\$21,612,324</u></u>	<u><u>\$854,889</u></u>	<u><u>\$1,532,426</u></u>	<u><u>\$20,934,787</u></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.

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

The School District's overall debt margin was \$45,772,566 with an unvoted debt margin of \$697,800 at June 30, 2000. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2000, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
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	995,000	602,736	1,597,736
2005 - 2009	5,094,230	2,149,240	7,243,470
2010 - 2014	3,205,000	946,920	4,151,920
2015- 2019	2,000,000	364,969	2,364,969
2020	460,000	11,385	471,385
Total	<u>\$16,854,230</u>	<u>\$6,386,864</u>	<u>\$23,241,094</u>

Note 19 - Jointly Governed Organization

The Ohio Schools' Council Association (Council) is a jointly governed organization among eighty-three school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2000, the School District paid \$750 to the Council. Financial information can be obtained by contacting Albert G. Vasek, the Executive Secretary at the Ohio Schools Council at 155 Center Road, Bedford, Ohio 44146.

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 purchase eight years of electricity from Cleveland Electric Illuminating (CEI) for the participants. The participating school districts are not obligated in any manner for this debt. If a participating school district terminates their agreement, the school district is required to repay the savings to CEI and CEI will refund the remaining prepayment related to that participant to Energy Acquisition Corp.

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

The School District participates in the Council's prepaid natural gas program which was implemented during fiscal year 2000. This program allows school districts to purchase natural gas at reduced rates, if the school districts will commit to participating for a twelve year period. The participants make monthly payments based on estimated usage. Each month these estimated payments are compared to their actual usage and any necessary adjustments are made.

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

Note 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, 2000.

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, 2000

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, 2000.

	Food Service	Uniform School Supplies	Totals
Operating Revenues	\$684,482	\$82,852	\$767,334
Depreciation	2,357	0	2,357
Operating Loss	(160,430)	(5,065)	(165,495)
Donated Commodities	19,889	0	19,889
Interest	911	0	911
Operating Grants	83,536	0	83,536
Operating Transfers In	31,500	25,000	56,500
Net Income (Loss)	(24,594)	19,935	(4,659)
Net Working Capital	(28,552)	23,987	(4,565)
Total Assets	59,233	23,987	83,220
Total Equity	12,846	23,987	36,833
Encumbrances, June 30, 2000 (Budget Basis)	3,793	115	3,908

Note 23 - Note Obligation

The School District's note activity for the fiscal year ended June 30, 2000, is as follows:

	Balance 6/30/99	Additions	Deletions	Balance 6/30/00
Building Fund:				
Bond Anticipation Note 4.5%	\$0	\$1,500,000	\$0	\$1,500,000

During fiscal year 2000, the School District issued a seven month \$1,500,000 school improvement note at an interest rate of 4.5 percent. The note was backed by the full faith and credit of the Shaker Heights City School District. The note liability is reflected in the building capital projects fund which received the proceeds.

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

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 fiscal 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
Set-aside Reserve Balance as of			
June 30, 1999	\$0	\$0	\$353,070
Current Year Set-Aside Requirement	1,387,359	1,387,359	0
Current Year Offset	0	(1,500,000)	0
Qualifying Disbursements	(1,431,775)	(431,604)	0
Set-aside Balance Carried Forward to Future Fiscal Years	(\$44,416)	(\$544,245)	\$353,070
Set-aside Reserve Balance as of June 30, 2000	\$0	\$0	\$353,070

The Shaker Heights City School District had qualifying disbursements and offsets during the fiscal year that reduced the textbook and capital improvement set aside amounts below zero. These extra amounts may be used to reduce the set aside requirements in future fiscal years. The total reserve balance for the three set asides at the end of the fiscal year was \$353,070.

Note 25 - Subsequent Event

The Shaker Heights City School District issued \$3,199,993 in general obligation bonds on September 1, 2000 for various school improvements. These bonds have various interest rates ranging from 4.30 percent to 5.15 percent and will mature in December of 2019.

Shaker Heights City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

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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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$41,140,987	\$41,391,053	\$250,066
Intergovernmental	14,634,186	14,983,071	348,885
Interest	750,000	825,733	75,733
Tuition and Fees	42,336	1,080,430	1,038,094
Rentals	55,000	50,504	(4,496)
Miscellaneous	<u>72,806</u>	<u>22,266</u>	<u>(50,540)</u>
Total Revenues	<u>56,695,315</u>	<u>58,353,057</u>	<u>1,657,742</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	19,707,736	19,707,736	0
Fringe Benefits	5,039,404	5,039,404	0
Purchased Services	230,052	230,052	0
Materials and Supplies	694,488	694,488	0
Capital Outlay - New	127,863	127,863	0
Capital Outlay - Replacement	<u>234</u>	<u>234</u>	<u>0</u>
Total Regular	<u>25,799,777</u>	<u>25,799,777</u>	<u>0</u>
Special:			
Salaries and Wages	3,677,216	3,677,216	0
Fringe Benefits	1,011,636	1,011,636	0
Purchased Services	2,775,403	2,775,403	0
Materials and Supplies	48,425	48,425	0
Capital Outlay - New	18,539	18,539	0
Capital Outlay - Replacement	<u>57</u>	<u>57</u>	<u>0</u>
Total Special	<u>7,531,276</u>	<u>7,531,276</u>	<u>0</u>
Vocational:			
Salaries and Wages	135,593	135,593	0
Fringe Benefits	35,087	35,087	0
Purchased Services	<u>436,245</u>	<u>436,245</u>	<u>0</u>
Total Vocational	<u>606,925</u>	<u>606,925</u>	<u>0</u>
Total Instruction	<u>\$33,937,978</u>	<u>\$33,937,978</u>	<u>\$0</u>

(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, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Support Services:			
Pupils:			
Salaries and Wages	\$2,689,942	\$2,689,942	\$0
Fringe Benefits	624,222	624,222	0
Purchased Services	529,513	529,513	0
Materials and Supplies	103,686	103,686	0
Capital Outlay - New	11,324	11,324	0
Capital Outlay - Replacement	3,500	3,500	0
Total Pupils	3,962,187	3,962,187	0
Instructional Staff:			
Salaries and Wages	2,318,171	2,318,171	0
Fringe Benefits	977,656	977,656	0
Purchased Services	311,177	311,177	0
Materials and Supplies	149,896	149,896	0
Capital Outlay - New	31,899	31,899	0
Capital Outlay - Replacement	5,708	5,708	0
Total Instructional Staff	3,794,507	3,794,507	0
Board of Education:			
Purchased Services	4,735	4,735	0
Materials and Supplies	608	608	0
Other	41,385	41,385	0
Total Board of Education	46,728	46,728	0
Administration:			
Salaries and Wages	3,086,656	3,086,656	0
Fringe Benefits	890,862	890,862	0
Purchased Services	643,558	643,558	0
Materials and Supplies	192,525	192,525	0
Capital Outlay - New	36,316	36,316	0
Other	4,514	4,514	0
Total Administration	4,854,431	4,854,431	0
Fiscal:			
Salaries and Wages	437,117	437,117	0
Fringe Benefits	125,961	125,961	0
Purchased Services	855,013	855,013	0
Materials and Supplies	8,264	8,264	0
Capital Outlay - New	1,791	1,791	0
Capital Outlay - Replacement	10,521	10,521	0
Total Fiscal	\$1,438,667	\$1,438,667	\$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, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Business:			
Salaries and Wages	\$437,949	\$437,949	\$0
Fringe Benefits	138,837	138,837	0
Purchased Services	89,142	89,142	0
Materials and Supplies	12,241	12,241	0
Capital Outlay - New	6,182	6,182	0
Capital Outlay - Replacement	66,804	66,804	0
Total Business	751,155	751,155	0
Operation and Maintenance:			
Salaries and Wages	3,888,068	3,888,068	0
Fringe Benefits	1,199,260	1,199,260	0
Purchased Services	1,593,231	1,593,231	0
Materials and Supplies	467,326	467,326	0
Capital Outlay - New	25,291	25,291	0
Capital Outlay - Replacement	38,967	38,967	0
Other	10,135	10,135	0
Total Operation and Maintenance	7,222,278	7,222,278	0
Pupil Transportation:			
Salaries and Wages	1,466,595	1,466,595	0
Fringe Benefits	363,812	363,812	0
Purchased Services	1,295,394	1,295,394	0
Materials and Supplies	120,384	120,384	0
Capital Outlay - New	2,184	2,184	0
Capital Outlay - Replacement	2,567	2,567	0
Total Pupil Transportation	3,250,936	3,250,936	0
Central:			
Salaries and Wages	527,888	527,888	0
Fringe Benefits	178,781	178,781	0
Purchased Services	454,709	454,709	0
Materials and Supplies	93,294	93,294	0
Capital Outlay - New	15,792	15,792	0
Capital Outlay - Replacement	25,981	25,981	0
Total Central	1,296,445	1,296,445	0
Total Support Services	\$26,617,334	\$26,617,334	\$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, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	\$26,854	\$26,854	\$0
Fringe Benefits	112,474	112,474	0
Purchased Services	41,462	41,462	0
Materials and Supplies	1,006	1,006	0
Total Operation of Non-Instructional Services	<u>181,796</u>	<u>181,796</u>	<u>0</u>
Extracurricular Activities:			
Academic Oriented Activities:			
Salaries and Wages	132,638	132,638	0
Fringe Benefits	29,138	29,138	0
Purchased Services	6,079	6,079	0
Capital Outlay - New	10,216	10,216	0
Total Academic Oriented Activities	<u>178,071</u>	<u>178,071</u>	<u>0</u>
Occupation Oriented Activities:			
Salaries and Wages	10,139	10,139	0
Fringe Benefits	1,407	1,407	0
Total Occupation Oriented Activities	<u>11,546</u>	<u>11,546</u>	<u>0</u>
Sport Oriented Activities:			
Salaries and Wages	382,673	382,673	0
Fringe Benefits	70,557	70,557	0
Purchased Services	39,670	39,670	0
Materials and Supplies	8,695	8,695	0
Capital Outlay - New	15,741	15,741	0
Total Sport Oriented Activities	<u>517,336</u>	<u>517,336</u>	<u>0</u>
Co-Curricular Oriented Activities:			
Salaries and Wages	43,835	43,835	0
Fringe Benefits	6,057	6,057	0
Total Co-Curricular Oriented Activities	<u>49,892</u>	<u>49,892</u>	<u>0</u>
Total Extracurricular Activities	<u>756,845</u>	<u>756,845</u>	<u>0</u>
Total Expenditures	<u>61,493,953</u>	<u>61,493,953</u>	<u>0</u>
Excess of Revenues Under Expenditures	<u>(\$4,798,638)</u>	<u>(\$3,140,896)</u>	<u>\$1,657,742</u> (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, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<i>Other Financing Sources (Uses)</i>			
Sale of Fixed Assets	\$0	\$350	\$350
Advances In	4,600	0	(4,600)
Operating Transfers Out	(752,405)	(398,679)	353,726
<i>Total Other Financing Sources (Uses)</i>	(747,805)	(398,329)	349,476
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(5,546,443)	(3,539,225)	2,007,218
Fund Balance at Beginning of Year	8,123,980	8,123,980	0
Prior Year Encumbrances Appropriated	1,494,249	1,494,249	0
<i>Fund Balance at End of Year</i>	\$4,071,786	\$6,079,004	\$2,007,218

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.

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.

Data Communication Grant - This fund is provided to account for money for Ohio Educational Computer Network Connections.

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

Ohio Reads Community Grant - This fund is intended to 1) improve reading outcomes, especially on the fourth grade reading proficiency test and 2) for volunteer coordinators in public school buildings, for educational service centers for costs associated with volunteer coordination, for background checks for volunteers, and to evaluate the Ohio Reads Program.

(continued)

Special Revenue Funds (continued)

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

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.

E-Rate - This fund is used to account for Federal monies received for various purposes including improved student achievement and teacher development.

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, 2000

	Public School Support	Shaker Merchandise	School Improvement Models	Athletic
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$103,657	\$2,231	\$8,392	\$69,134
Receivables:				
Intergovernmental	0	0	0	0
Total Assets	<u>\$103,657</u>	<u>\$2,231</u>	<u>\$8,392</u>	<u>\$69,134</u>
<i>Liabilities</i>				
Accounts Payable	\$0	\$647	\$0	\$0
Accrued Wages and Benefits	0	0	735	0
Intergovernmental Payable	0	0	50	80
Total Liabilities	<u>0</u>	<u>647</u>	<u>785</u>	<u>80</u>
<i>Fund Equity</i>				
Fund Balance:				
Reserved for Encumbrances	14,365	0	60	14,366
Unreserved, Undesignated (Deficit)	89,292	1,584	7,547	54,688
Total Fund Equity (Deficit)	<u>103,657</u>	<u>1,584</u>	<u>7,607</u>	<u>69,054</u>
Total Liabilities and Fund Equity	<u>\$103,657</u>	<u>\$2,231</u>	<u>\$8,392</u>	<u>\$69,134</u>

<u>Auxiliary Services</u>	<u>Local Professional Development</u>	<u>Excellence in Education</u>	<u>Management Information Systems</u>	<u>Data Communication Grant</u>	<u>Ohio Reads Community Grant</u>	<u>Goals 2000 Pacesetter</u>
\$165,531	\$9,063	\$79,801	\$60,261	\$21,696	\$10,231	\$33,058
0	0	0	0	0	0	0
<u>\$165,531</u>	<u>\$9,063</u>	<u>\$79,801</u>	<u>\$60,261</u>	<u>\$21,696</u>	<u>\$10,231</u>	<u>\$33,058</u>
\$8,810	\$4,411	\$0	\$0	\$0	\$0	\$428
68,787	750	0	0	0	2,000	3,117
3,290	80	0	0	0	32	145
<u>80,887</u>	<u>5,241</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,032</u>	<u>3,690</u>
31,232	1,812	1,214	2,000	0	0	2,439
<u>53,412</u>	<u>2,010</u>	<u>78,587</u>	<u>58,261</u>	<u>21,696</u>	<u>8,199</u>	<u>26,929</u>
<u>84,644</u>	<u>3,822</u>	<u>79,801</u>	<u>60,261</u>	<u>21,696</u>	<u>8,199</u>	<u>29,368</u>
<u>\$165,531</u>	<u>\$9,063</u>	<u>\$79,801</u>	<u>\$60,261</u>	<u>\$21,696</u>	<u>\$10,231</u>	<u>\$33,058</u>

(continued)

Shaker Heights City School District
Combining Balance Sheet
All Special Revenue Funds (continued)
June 30, 2000

	Eisenhower Grant	Title VI-B	Title I	Title VI
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$2,859	\$51,936	\$13,086	\$12,855
Receivables:				
Intergovernmental	0	20,775	90,896	30,692
Total Assets	\$2,859	\$72,711	\$103,982	\$43,547
 <i>Liabilities</i>				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages and Benefits	900	41,755	52,593	0
Intergovernmental Payable	72	2,097	2,770	3,370
Total Liabilities	972	43,852	55,363	3,370
 <i>Fund Equity</i>				
Fund Balance:				
Reserved for Encumbrances	0	43	0	9,183
Unreserved, Undesignated (Deficit)	1,887	28,816	48,619	30,994
Total Fund Equity (Deficit)	1,887	28,859	48,619	40,177
Total Liabilities and Fund Equity	\$2,859	\$72,711	\$103,982	\$43,547

<u>Emergency Immigrant Education</u>	<u>Drug Free Schools</u>	<u>Preschool Disability</u>	<u>E-Rate</u>	<u>Goals 2000</u>	<u>Local Grants</u>	<u>Totals</u>
\$5,672	\$18,708	\$1,974	\$129,922	\$34,073	\$60,849	\$894,989
0	0	0	0	0	0	142,363
<u>\$5,672</u>	<u>\$18,708</u>	<u>\$1,974</u>	<u>\$129,922</u>	<u>\$34,073</u>	<u>\$60,849</u>	<u>\$1,037,352</u>
\$0	\$0	\$0	\$0	\$0	\$1,811	\$16,107
0	0	3,020	0	0	0	173,657
0	0	144	0	0	0	12,130
0	0	3,164	0	0	1,811	201,894
0	0	0	0	0	1,409	78,123
5,672	18,708	(1,190)	129,922	34,073	57,629	757,335
5,672	18,708	(1,190)	129,922	34,073	59,038	835,458
<u>\$5,672</u>	<u>\$18,708</u>	<u>\$1,974</u>	<u>\$129,922</u>	<u>\$34,073</u>	<u>\$60,849</u>	<u>\$1,037,352</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, 2000*

	Public School Support	Shaker Merchandise	School Improvement Models	Athletic
Revenues				
Intergovernmental	\$0	\$0	\$25,000	\$0
Interest	11,991	0	0	0
Tuition and Fees	9,252	0	0	3,571
Extracurricular Activities	120,587	0	0	106,241
Contributions and Donations	13,236	0	0	1,533
Charges for Services	0	7,656	0	0
Miscellaneous	13,364	0	0	0
Total Revenues	168,430	7,656	25,000	111,345
Expenditures				
Current:				
Instruction:				
Regular	136,343	0	23,486	0
Special	0	0	0	0
Support Services:				
Pupils	0	0	0	0
Instructional Staff	0	0	3,747	0
Administration	0	0	0	0
Fiscal	0	0	0	0
Business	0	8,888	0	0
Operation and Maintenance of Plant	0	0	60	5,318
Operation of Non-Instructional				
Services	0	0	0	0
Extracurricular Activities	49,719	0	0	162,045
Total Expenditures	186,062	8,888	27,293	167,363
Excess of Revenues Over (Under) Expenditures	(17,632)	(1,232)	(2,293)	(56,018)
Other Financing Sources				
Operating Transfers In	0	3,000	0	77,280
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(17,632)	1,768	(2,293)	21,262
Fund Balances (Deficit) Beginning of Year	121,289	(184)	9,900	47,792
Fund Balances (Deficit) End of Year	\$103,657	\$1,584	\$7,607	\$69,054

<u>Auxiliary Services</u>	<u>Local Professional Development</u>	<u>Excellence in Education</u>	<u>Management Information Systems</u>	<u>Disadvantaged Pupil Impact Aid</u>	<u>Data Communication Grant</u>
\$949,962	\$46,366	\$83,000	\$16,060	\$66,203	\$21,696
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>949,962</u>	<u>46,366</u>	<u>83,000</u>	<u>16,060</u>	<u>66,203</u>	<u>21,696</u>
0	0	3,199	0	66,203	0
0	0	0	0	0	0
0	0	0	0	0	0
0	17,938	0	0	0	0
0	5,073	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
989,787	19,893	0	0	0	0
0	0	0	0	0	0
<u>989,787</u>	<u>42,904</u>	<u>3,199</u>	<u>0</u>	<u>66,203</u>	<u>0</u>
(39,825)	3,462	79,801	16,060	0	21,696
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(39,825)	3,462	79,801	16,060	0	21,696
<u>124,469</u>	<u>360</u>	<u>0</u>	<u>44,201</u>	<u>0</u>	<u>0</u>
<u>\$84,644</u>	<u>\$3,822</u>	<u>\$79,801</u>	<u>\$60,261</u>	<u>\$0</u>	<u>\$21,696</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, 2000*

	Textbook Subsidy	Ohio Reads Community Grant	Goals 2000 Pacesetter	Eisenhower Grant	Title VI-B	Title I
Revenues						
Intergovernmental	\$0	\$13,205	\$55,556	\$13,874	\$318,011	\$437,250
Interest	0	0	0	0	0	0
Tuition and Fees	0	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0	0
Contributions and Donations	0	0	0	0	0	0
Charges for Services	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0
Total Revenues	0	13,205	55,556	13,874	318,011	437,250
Expenditures						
Current:						
Instruction:						
Regular	181	2,974	4,526	0	0	0
Special	0	0	0	0	20,585	415,263
Support Services:						
Pupils	0	0	0	0	34,417	0
Instructional Staff	0	2,032	23,662	15,838	248,640	6,466
Administration	0	0	0	0	0	0
Fiscal	0	0	0	1,318	0	0
Business	0	0	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0	0	0
Operation of Non-Instructional Services	0	0	0	2,500	7,792	0
Extracurricular Activities	0	0	0	0	0	0
Total Expenditures	181	5,006	28,188	19,656	311,434	421,729
Excess of Revenues Over (Under) Expenditures	(181)	8,199	27,368	(5,782)	6,577	15,521
Other Financing Sources						
Operating Transfers In	0	0	0	0	0	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(181)	8,199	27,368	(5,782)	6,577	15,521
Fund Balances (Deficit) Beginning of Year	181	0	2,000	7,669	22,282	33,098
Fund Balances (Deficit) End of Year	\$0	\$8,199	\$29,368	\$1,887	\$28,859	\$48,619

<u>Title VI</u>	<u>Emergency Immigrant Education</u>	<u>Drug Free Schools</u>	<u>Preschool Disability</u>	<u>E-Rate</u>	<u>Goals 2000</u>	<u>Local Grants</u>	<u>Totals</u>
\$72,083	\$6,068	\$18,708	\$16,318	\$129,922	\$161,208	\$68,292	\$2,518,782
0	0	0	0	0	0	65	12,056
0	0	0	0	0	0	0	12,823
0	0	0	0	0	0	0	226,828
0	0	0	0	0	0	0	14,769
0	0	0	0	0	0	0	7,656
0	0	0	0	0	0	0	13,364
<u>72,083</u>	<u>6,068</u>	<u>18,708</u>	<u>16,318</u>	<u>129,922</u>	<u>161,208</u>	<u>68,357</u>	<u>2,806,278</u>
23,363	4,818	0	0	0	0	31,253	296,346
0	0	0	0	0	0	0	435,848
0	0	0	0	0	0	0	34,417
0	0	0	16,409	0	100,000	8,210	442,942
484	0	0	0	0	68,998	0	74,555
0	0	1,799	0	0	0	0	3,117
0	0	0	0	0	0	0	8,888
0	0	0	0	0	0	0	5,378
15,676	0	0	0	0	0	0	1,035,648
0	0	0	0	0	0	0	211,764
<u>39,523</u>	<u>4,818</u>	<u>1,799</u>	<u>16,409</u>	<u>0</u>	<u>168,998</u>	<u>39,463</u>	<u>2,548,903</u>
32,560	1,250	16,909	(91)	129,922	(7,790)	28,894	257,375
0	0	0	0	0	0	0	80,280
32,560	1,250	16,909	(91)	129,922	(7,790)	28,894	337,655
7,617	4,422	1,799	(1,099)	0	41,863	30,144	497,803
<u>\$40,177</u>	<u>\$5,672</u>	<u>\$18,708</u>	<u>(\$1,190)</u>	<u>\$129,922</u>	<u>\$34,073</u>	<u>\$59,038</u>	<u>\$835,458</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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<i>Revenues</i>			
Interest	\$11,100	\$11,991	\$891
Tuition and Fees	11,900	9,252	(2,648)
Extracurricular Activities	259,800	120,587	(139,213)
Contributions and Donations	56,400	13,636	(42,764)
Miscellaneous	<u>20,300</u>	<u>13,364</u>	<u>(6,936)</u>
<i>Total Revenues</i>	<u>359,500</u>	<u>168,830</u>	<u>(190,670)</u>
<i>Expenditures</i>			
Current:			
Instruction:			
Regular:			
Purchased Services	115,277	90,930	24,347
Materials and Supplies	68,711	33,815	34,896
Capital Outlay - New	16,325	3,980	12,345
Other	<u>45,936</u>	<u>21,883</u>	<u>24,053</u>
Total Regular Instruction	<u>246,249</u>	<u>150,608</u>	<u>95,641</u>
Extracurricular Activities:			
Academic Oriented Activities:			
Purchased Services	73,625	25,664	47,961
Materials and Supplies	62,073	20,023	42,050
Other	<u>16,402</u>	<u>4,132</u>	<u>12,270</u>
Total Extracurricular Activities	<u>152,100</u>	<u>49,819</u>	<u>102,281</u>
<i>Total Expenditures</i>	<u>398,349</u>	<u>200,427</u>	<u>197,922</u>
Excess of Revenues Under Expenditures	(38,849)	(31,597)	7,252
Fund Balance Beginning of Year	107,540	107,540	0
Prior Year Encumbrances Appropriated	<u>13,349</u>	<u>13,349</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$82,040</u></u>	<u><u>\$89,292</u></u>	<u><u>\$7,252</u></u>

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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Charges for Services	<u>\$20,500</u>	<u>\$7,517</u>	<u>(\$12,983)</u>
Expenditures			
Current:			
Support Services:			
Business:			
Materials and Supplies	14,960	8,212	6,748
Other	<u>740</u>	<u>740</u>	<u>0</u>
Total Expenditures	<u>15,700</u>	<u>8,952</u>	<u>6,748</u>
Excess of Revenues Over (Under) Expenditures	4,800	(1,435)	(6,235)
Other Financing Sources			
Operating Transfers In	<u>0</u>	<u>3,000</u>	<u>3,000</u>
Excess of Revenues and Other Financing Sources Over Expenditures	4,800	1,565	(3,235)
Fund Balance Beginning of Year	179	179	0
Prior Year Encumbrances Appropriated	<u>200</u>	<u>200</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$5,179</u></u>	<u><u>\$1,944</u></u>	<u><u>(\$3,235)</u></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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	<u>\$29,400</u>	<u>\$25,000</u>	<u>(\$4,400)</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	16,180	13,680	2,500
Purchased Services	880	790	90
Materials and Supplies	21,784	18,151	3,633
Capital Outlay - New	<u>2,433</u>	<u>2,433</u>	<u>0</u>
Total Instruction	<u>41,277</u>	<u>35,054</u>	<u>6,223</u>
Support Services:			
Instructional Staff:			
Salaries and Wages	1,350	1,350	0
Purchased Services	<u>5,013</u>	<u>2,905</u>	<u>2,108</u>
Total Instructional Staff	6,363	4,255	2,108
Operation and Maintenance of Plant:			
Salaries and Wages	<u>60</u>	<u>60</u>	<u>0</u>
Total Support Services	<u>6,423</u>	<u>4,315</u>	<u>2,108</u>
Total Expenditures	<u>47,700</u>	<u>39,369</u>	<u>8,331</u>
Excess of Revenues			
Under Expenditures	(18,300)	(14,369)	3,931
Fund Balance Beginning of Year	20,218	20,218	0
Prior Year Encumbrances Appropriated	<u>2,483</u>	<u>2,483</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$4,401</u></u>	<u><u>\$8,332</u></u>	<u><u>\$3,931</u></u>

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, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Extracurricular Activities	\$214,500	\$112,335	(\$102,165)
Contributions and Donations	25,440	1,534	(23,906)
Total Revenues	239,940	113,869	(126,071)
Expenditures			
Current:			
Support Services:			
Operation and Maintenance of Plant:			
Salaries and Wages	8,500	5,300	3,200
Extracurricular Activities:			
Sports Oriented Activities:			
Salaries and Wages	17,343	7,433	9,910
Purchased Services	138,003	63,934	74,069
Materials and Supplies	181,934	78,465	103,469
Capital Outlay - New	32,494	4,355	28,139
Other	43,734	22,198	21,536
Total Extracurricular Activities	413,508	176,385	237,123
Total Expenditures	422,008	181,685	240,323
Excess of Revenues Under Expenditures	(182,068)	(67,816)	114,252
Other Financing Sources			
Operating Transfers In	171,160	77,280	(93,880)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(10,908)	9,464	20,372
Fund Balance Beginning of Year	34,514	34,514	0
Prior Year Encumbrances Appropriated	7,219	7,219	0
Fund Balance End of Year	\$30,825	\$51,197	\$20,372

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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	<u>\$979,400</u>	<u>\$949,962</u>	<u>(\$29,438)</u>
Expenditures			
Current:			
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	495,531	406,287	89,244
Fringe Benefits	115,426	105,357	10,069
Purchased Services	386,983	384,495	2,488
Materials and Supplies	89,030	74,813	14,217
Capital Outlay - New	<u>62,397</u>	<u>52,928</u>	<u>9,469</u>
Total Expenditures	<u>1,149,367</u>	<u>1,023,880</u>	<u>125,487</u>
Excess of Revenues Under Expenditures	(169,967)	(73,918)	96,049
Fund Balance Beginning of Year	90,452	90,452	0
Prior Year Encumbrances Appropriated	<u>108,955</u>	<u>108,955</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$29,440</u></u>	<u><u>\$125,489</u></u>	<u><u>\$96,049</u></u>

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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	<u>\$46,366</u>	<u>\$46,366</u>	<u>\$0</u>
Expenditures			
Current:			
Support Services:			
Instructional Staff:			
Salaries and Wages	10,940	10,267	673
Fringe Benefits	558	558	0
Purchased Services	14,284	12,117	2,167
Materials and Supplies	590	590	0
Capital Outlay - New	<u>716</u>	<u>716</u>	<u>0</u>
Total Instructional Staff	27,088	24,248	2,840
Administration:			
Salaries and Wages	<u>7,558</u>	<u>7,558</u>	<u>0</u>
Total Support Services	34,646	31,806	2,840
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	<u>19,893</u>	<u>19,893</u>	<u>0</u>
Total Expenditures	<u>54,539</u>	<u>51,699</u>	<u>2,840</u>
Excess of Revenues Under Expenditures	(8,173)	(5,333)	2,840
Fund Balance Beginning of Year	<u>8,173</u>	<u>8,173</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$2,840</u></u>	<u><u>\$2,840</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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	<u>\$83,000</u>	<u>\$83,000</u>	<u>\$0</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	3,500	3,500	0
Materials and Supplies	<u>1,500</u>	<u>913</u>	<u>587</u>
Total Instruction	5,000	4,413	587
Support Services:			
Instructional Staff:			
Salaries and Wages	<u>78,000</u>	<u>0</u>	<u>78,000</u>
Total Expenditures	<u>83,000</u>	<u>4,413</u>	<u>78,587</u>
Excess of Revenues Over Expenditures	0	78,587	78,587
Fund Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$78,587</u></u>	<u><u>\$78,587</u></u>

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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues</i>			
Intergovernmental	<u>\$16,060</u>	<u>\$16,060</u>	<u>\$0</u>
<i>Expenditures:</i>			
Current:			
Support Services:			
Central:			
Salaries and Wages	13,873	0	13,873
Purchased Services	4,000	2,000	2,000
Capital Outlay - New	<u>42,200</u>	<u>0</u>	<u>42,200</u>
<i>Total Expenditures</i>	<u>60,073</u>	<u>2,000</u>	<u>58,073</u>
Excess of Revenues Over (Under) Expenditures	(44,013)	14,060	58,073
Fund Balance Beginning of Year	<u>44,201</u>	<u>44,201</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$188</u></u>	<u><u>\$58,261</u></u>	<u><u>\$58,073</u></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, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$66,203	\$66,203	\$0
Expenditures			
Current:			
Instruction:			
Regular Instruction:			
Salaries and Wages	66,203	66,203	0
Excess of Revenues Over 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
Data Communication Grant
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<i>Revenues</i>			
Intergovernmental	\$21,696	\$21,696	\$0
<i>Expenditures</i>			
Current:			
Instruction:			
Regular:			
Purchased Services	21,696	0	21,696
Excess of Revenues Over Expenditures	0	21,696	21,696
Fund Balance Beginning of Year	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$21,696	\$21,696

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, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues	\$0	\$0	\$0
Expenditures			
Current:			
Instruction:			
Regular Instruction:			
Materials and Supplies	351	351	0
Excess of Revenues Under Expenditures	(351)	(351)	0
Fund Balance Beginning of Year	351	351	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
Ohio Reads Community Grant
For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	<u>\$135,562</u>	<u>\$13,205</u>	<u>(\$122,357)</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	4,000	0	4,000
Fringe Benefits	40	40	0
Purchased Services	8,410	0	8,410
Materials and Supplies	2,660	2,413	247
Capital Outlay - New	<u>1,300</u>	<u>521</u>	<u>779</u>
Total Expenditures	<u>16,410</u>	<u>2,974</u>	<u>13,436</u>
Excess of Revenues Over Expenditures	119,152	10,231	(108,921)
Fund Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$119,152</u></u>	<u><u>\$10,231</u></u>	<u><u>(\$108,921)</u></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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	<u>\$177,913</u>	<u>\$55,556</u>	<u>(\$122,357)</u>
Expenditures			
Current:			
Instruction:			
Regular Instruction:			
Salaries and Wages	6,000	0	6,000
Fringe Benefits	503	404	99
Purchased Services	6,485	0	6,485
Materials and Supplies	9,012	4,122	4,890
Capital Outlay - New	<u>6,000</u>	<u>0</u>	<u>6,000</u>
Total Instruction	<u>28,000</u>	<u>4,526</u>	<u>23,474</u>
Support Services:			
Instructional Staff:			
Salaries and Wages	16,778	12,802	3,976
Fringe Benefits	3,200	0	3,200
Purchased Services	2,197	2,197	0
Materials and Supplies	<u>8,381</u>	<u>7,840</u>	<u>541</u>
Total Support Services	<u>30,556</u>	<u>22,839</u>	<u>7,717</u>
Total Expenditures	<u>58,556</u>	<u>27,365</u>	<u>31,191</u>
Excess of Revenues Over Expenditures	119,357	28,191	(91,166)
Fund Balance Beginning of Year	<u>2,000</u>	<u>2,000</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$121,357</u></u>	<u><u>\$30,191</u></u>	<u><u>(\$91,166)</u></u>

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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	<u>\$23,249</u>	<u>\$13,874</u>	<u>(\$9,375)</u>
Expenditures			
Current:			
Support Services:			
Instructional Staff:			
Salaries and Wages	12,875	7,625	5,250
Purchased Services	7,610	7,284	326
Materials and Supplies	<u>3,181</u>	<u>250</u>	<u>2,931</u>
Total Instructional Staff	23,666	15,159	8,507
Fiscal Services:			
Other	<u>1,918</u>	<u>1,318</u>	<u>600</u>
Total Support Services	<u>25,584</u>	<u>16,477</u>	<u>9,107</u>
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	1,857	0	1,857
Purchased Services	2,446	1,843	603
Materials and Supplies	667	0	667
Capital Outlay - New	<u>657</u>	<u>657</u>	<u>0</u>
Total Operation of Non-Instructional Services	<u>5,627</u>	<u>2,500</u>	<u>3,127</u>
Total Expenditures	<u>31,211</u>	<u>18,977</u>	<u>12,234</u>
Excess of Revenues Under Expenditures	(7,962)	(5,103)	2,859
Fund Balance Beginning of Year	<u>7,962</u>	<u>7,962</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$2,859</u></u>	<u><u>\$2,859</u></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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	<u>\$318,012</u>	<u>\$297,236</u>	<u>(\$20,776)</u>
Expenditures			
Current:			
Instruction:			
Special Instruction:			
Purchased Services	3,271	1,742	1,529
Materials and Supplies	10,250	10,100	150
Capital Outlay - New	<u>9,000</u>	<u>8,786</u>	<u>214</u>
Total Instruction	<u>22,521</u>	<u>20,628</u>	<u>1,893</u>
Support Services:			
Pupils:			
Salaries and Wages	40,034	34,150	5,884
Instructional Staff:			
Salaries and Wages	297,406	238,971	58,435
Fiscal:			
Other	<u>6,456</u>	<u>0</u>	<u>6,456</u>
Total Support Services	<u>343,896</u>	<u>273,121</u>	<u>70,775</u>
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	<u>7,793</u>	<u>7,792</u>	<u>1</u>
Total Expenditures	<u>374,210</u>	<u>301,541</u>	<u>72,669</u>
Excess of Revenues Under Expenditures	(56,198)	(4,305)	51,893
Fund Balance Beginning of Year	55,198	55,198	0
Prior Year Encumbrances Appropriated	<u>1,000</u>	<u>1,000</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$51,893</u></u>	<u><u>\$51,893</u></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, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$546,181	\$346,354	(\$199,827)
Expenditures			
Current:			
Instruction:			
Special Instruction:			
Salaries and Wages	503,424	375,367	128,057
Fringe Benefits	78,988	24,709	54,279
Purchased Services	5,609	5,448	161
Materials and Supplies	12,668	4,094	8,574
Capital Outlay - New	10,598	4,598	6,000
Total Instruction	611,287	414,216	197,071
Support Services:			
Instructional Staff:			
Purchased Services	22,308	6,466	15,842
Total Expenditures	633,595	420,682	212,913
Excess of Revenues Under Expenditures	(87,414)	(74,328)	13,086
Fund Balance Beginning of Year	86,685	86,685	0
Prior Year Encumbrances Appropriated	729	729	0
Fund Balance End of Year	\$0	\$13,086	\$13,086

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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	<u>\$72,084</u>	<u>\$41,391</u>	<u>(\$30,693)</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	43,513	16,703	26,810
Capital Outlay - New	<u>15,160</u>	<u>15,160</u>	<u>0</u>
Total Instruction	<u>58,673</u>	<u>31,863</u>	<u>26,810</u>
Support Services:			
Administration:			
Salaries and Wages	484	484	0
Fiscal:			
Other	<u>1,096</u>	<u>0</u>	<u>1,096</u>
Total Support Services	<u>1,580</u>	<u>484</u>	<u>1,096</u>
Operation of Non-Instructional Services:			
Community Services:			
Materials and Supplies	13,047	9,960	3,087
Capital Outlay - New	<u>6,651</u>	<u>6,649</u>	<u>2</u>
Total Operation of Non-Instructional Services	<u>19,698</u>	<u>16,609</u>	<u>3,089</u>
Total Expenditures	<u>79,951</u>	<u>48,956</u>	<u>30,995</u>
Excess of Revenues Under Expenditures	(7,867)	(7,565)	302
Fund Balance Beginning of Year	5,540	5,540	0
Prior Year Encumbrances Appropriated	<u>2,327</u>	<u>2,327</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$302</u></u>	<u><u>\$302</u></u>

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, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$6,068	\$6,068	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	7,456	4,818	2,638
Excess of Revenues Over (Under) Expenditures	(1,388)	1,250	2,638
Fund Balance Beginning of Year	4,422	4,422	0
Fund Balance End of Year	\$3,034	\$5,672	\$2,638

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, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$31,361	\$18,708	(\$12,653)
Expenditures			
Current:			
Support Services:			
Pupils:			
Salaries and Wages	23,174	0	23,174
Fiscal:			
Other	2,393	1,799	594
Total Support Services	25,567	1,799	23,768
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	7,593	0	7,593
Total Expenditures	33,160	1,799	31,361
Excess of Revenues Over (Under) Expenditures	(1,799)	16,909	18,708
Fund Balance Beginning of Year	1,799	1,799	0
Fund Balance End of Year	\$0	\$18,708	\$18,708

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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues</i>			
Intergovernmental	\$16,318	\$16,318	\$0
<i>Expenditures</i>			
Current:			
Support Services:			
Instructional Staff:			
Salaries and Wages	<u>18,136</u>	<u>16,162</u>	<u>1,974</u>
Excess of Revenues Over (Under) Expenditures	(1,818)	156	1,974
Fund Balance Beginning of Year	<u>1,818</u>	<u>1,818</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$1,974</u></u>	<u><u>\$1,974</u></u>

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

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues</i>			
Intergovernmental	\$13,780	\$129,922	\$116,142
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over Expenditures	13,780	129,922	116,142
Fund Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$13,780</u></u>	<u><u>\$129,922</u></u>	<u><u>\$116,142</u></u>

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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	<u>\$327,347</u>	<u>\$201,449</u>	<u>(\$125,898)</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	8,400	0	8,400
Fringe Benefits	<u>1,600</u>	<u>0</u>	<u>1,600</u>
Total Regular	<u>10,000</u>	<u>0</u>	<u>10,000</u>
Special:			
Purchased Services	44,444	0	44,444
Materials and Supplies	<u>6,680</u>	<u>0</u>	<u>6,680</u>
Total Special	<u>51,124</u>	<u>0</u>	<u>51,124</u>
Total Instruction	<u>61,124</u>	<u>0</u>	<u>61,124</u>
Support Services:			
Instructional Services:			
Purchased Services	<u>109,352</u>	<u>100,000</u>	<u>9,352</u>
Administration:			
Purchased Services	150,998	67,498	83,500
Materials and Supplies	<u>1,500</u>	<u>1,500</u>	<u>0</u>
Total Administration	<u>152,498</u>	<u>68,998</u>	<u>83,500</u>
Fiscal:			
Other	<u>5,995</u>	<u>0</u>	<u>5,995</u>
Total Support Services	<u>267,845</u>	<u>168,998</u>	<u>98,847</u>
Total Expenditures	<u>328,969</u>	<u>168,998</u>	<u>159,971</u>
Excess of Revenues Over (Under) Expenditures	(1,622)	32,451	34,073
Fund Balance Beginning of Year	1,516	1,516	0
Prior Year Encumbrances Appropriated	<u>106</u>	<u>106</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$34,073</u></u>	<u><u>\$34,073</u></u>

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, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$320,430	\$71,483	(\$248,947)
Interest	1,500	65	(1,435)
Contributions and Donations	5,200	0	(5,200)
Miscellaneous	0	7,815	7,815
Total Revenues	327,130	79,363	(247,767)
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	87,339	0	87,339
Fringe Benefits	13,860	0	13,860
Purchased Services	18,020	9,420	8,600
Materials and Supplies	17,322	10,048	7,274
Capital Outlay - New	13,605	13,055	550
Other	1,000	0	1,000
Total Instruction	151,146	32,523	118,623
Support Services:			
Pupils:			
Purchased Services	2,000	0	2,000
Instructional Staff:			
Salaries and Wages	6,167	6,167	0
Purchased Services	167,322	2,074	165,248
Materials and Supplies	11,808	108	11,700
Capital Outlay - New	10,000	0	10,000
Total Instructional Staff	195,297	8,349	186,948
Total Support Services	197,297	8,349	188,948
Total Expenditures	348,443	40,872	307,571
Excess of Revenues Over (Under) Expenditures	(21,313)	38,491	59,804
Fund Balance Beginning of Year	18,338	18,338	0
Prior Year Encumbrances Appropriated	800	800	0
Fund Balance (Deficit) End of Year	(\$2,175)	\$57,629	\$59,804

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, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$3,230,430	\$2,419,851	(\$810,579)
Interest	12,600	12,056	(544)
Tuition and Fees	11,900	9,252	(2,648)
Extracurricular Activities	474,300	232,923	(241,377)
Contributions and Donations	87,040	15,169	(71,871)
Charges for Services	20,500	7,517	(12,983)
Miscellaneous	20,300	21,179	879
Total Revenues	3,857,070	2,717,947	(1,139,123)
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	188,122	79,883	108,239
Fringe Benefits	16,003	444	15,559
Purchased Services	\$174,268	\$104,640	\$69,628
Materials and Supplies	172,309	91,334	80,975
Capital Outlay - New	54,823	35,149	19,674
Other	46,936	21,883	25,053
Total Regular	652,461	333,333	319,128
Special:			
Salaries and Wages	547,868	375,367	172,501
Fringe Benefits	85,668	24,709	60,959
Purchased Services	8,880	7,190	1,690
Materials and Supplies	22,918	14,194	8,724
Capital Outlay - New	19,598	13,384	6,214
Total Special	684,932	434,844	250,088
Total Instruction	1,337,393	768,177	569,216
Support Services:			
Pupils:			
Salaries and Wages	63,208	34,150	29,058
Purchased Services	2,000	0	2,000
Total Pupils	65,208	34,150	31,058
Instructional Staff:			
Salaries and Wages	441,652	293,344	148,308
Fringe Benefits	3,758	558	3,200
Purchased Services	328,086	133,043	195,043
Materials and Supplies	23,960	8,788	15,172
Capital Outlay - New	10,716	716	10,000
Total Instructional Staff	\$808,172	\$436,449	\$371,723

(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, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Administration:			
Salaries and Wages	\$8,042	\$8,042	\$0
Purchased Services	150,998	67,498	83,500
Materials and Supplies	1,500	1,500	0
Total Administration	160,540	77,040	83,500
Fiscal:			
Materials and Supplies	5,995	0	5,995
Other	11,863	3,117	8,746
Total Fiscal	17,858	3,117	14,741
Business:			
Materials and Supplies	14,960	8,212	6,748
Other	740	740	0
Total Business	15,700	8,952	6,748
Operation and Maintenance of Plant:			
Salaries and Wages	8,560	5,360	3,200
Central:			
Salaries and Wages	13,873	0	13,873
Purchased Services	4,000	0	4,000
Capital Outlay - New	42,200	2,000	40,200
Total Central	60,073	2,000	58,073
Total Support Services	1,136,111	567,068	569,043
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	497,388	406,287	91,101
Fringe Benefits	115,426	105,357	10,069
Purchased Services	424,708	414,023	10,685
Materials and Supplies	102,744	84,773	17,971
Capital Outlay - New	69,705	60,234	9,471
Total Operation of Non-Instructional Services	1,209,971	1,070,674	139,297
Extracurricular Activities:			
Salaries and Wages	17,343	7,433	9,910
Purchased Services	211,628	89,598	122,030
Materials and Supplies	244,007	98,488	145,519
Capital Outlay - New	32,494	4,355	28,139
Other	60,136	26,330	33,806
Total Extracurricular Activities	565,608	226,204	339,404
Total Expenditures	\$4,249,083	\$2,632,123	\$1,616,960

(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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Excess of Revenues Over (Under) Expenditures	(\$392,013)	\$85,824	\$477,837
<i>Other Financing Sources</i>			
Operating Transfers In	<u>171,160</u>	<u>80,280</u>	<u>(90,880)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(220,853)	166,104	386,957
Fund Balances Beginning of Year	490,906	490,906	0
Prior Year Encumbrances Appropriated	<u>137,168</u>	<u>137,168</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$407,221</u></u>	<u><u>\$794,178</u></u>	<u><u>\$386,957</u></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, 2000

	Capital	Building	School Net Plus	Totals
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$831	\$1,141,917	\$104,698	\$1,247,446
Receivables:				
Accrued Interest	0	16,307	0	16,307
Total Assets	\$831	\$1,158,224	\$104,698	\$1,263,753
 <i>Liabilities</i>				
Contracts Payable	\$0	\$430,442	\$0	\$430,442
Retainage Payable	0	93,807	0	93,807
Accrued Interest Payable	0	18,750	0	18,750
Notes Payable	0	1,500,000	0	1,500,000
Total Liabilities	0	2,042,999	0	2,042,999
 <i>Fund Equity</i>				
Fund Balance:				
Reserved for Encumbrances	0	716,113	21,759	737,872
Unreserved, Undesignated (Deficit)	831	(1,600,888)	82,939	(1,517,118)
Total Fund Equity (Deficit)	831	(884,775)	104,698	(779,246)
Total Liabilities and Fund Equity	\$831	\$1,158,224	\$104,698	\$1,263,753

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, 2000*

	<u>Capital</u>	<u>Building</u>	<u>School Net Plus</u>	<u>Totals</u>
<i>Revenues</i>				
Taxes	\$0	\$205,207	\$0	\$205,207
Intergovernmental	0	70,040	0	70,040
Interest	0	42,916	0	42,916
<i>Total Revenues</i>	<u>0</u>	<u>318,163</u>	<u>0</u>	<u>318,163</u>
<i>Expenditures</i>				
Capital Outlay	0	4,633,785	210,769	4,844,554
Debt Service:				
Interest and Fiscal Charges	0	18,750	0	18,750
<i>Total Expenditures</i>	<u>0</u>	<u>4,652,535</u>	<u>210,769</u>	<u>4,863,304</u>
Excess of Revenues Over (Under) Expenditures	0	(4,334,372)	(210,769)	(4,545,141)
Fund Balances Beginning of Year	<u>831</u>	<u>3,449,597</u>	<u>315,467</u>	<u>3,765,895</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$831</u></u>	<u><u>(\$884,775)</u></u>	<u><u>\$104,698</u></u>	<u><u>(\$779,246)</u></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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues	\$0	\$0	\$0
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over Expenditures	0	0	0
Other Financing Uses			
Operating Transfers Out	<u>(831)</u>	<u>0</u>	<u>831</u>
Excess of Revenues and Other Financing Sources Under Expenditures	(831)	0	831
Fund Balance Beginning of Year	<u>831</u>	<u>831</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$831</u></u>	<u><u>\$831</u></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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$0	\$205,207	\$205,207
Interest	150,000	77,905	(72,095)
Intergovernmental	<u>160,201</u>	<u>100,000</u>	<u>(60,201)</u>
Total Revenues	<u>310,201</u>	<u>383,112</u>	<u>72,911</u>
Expenditures			
Current:			
Support Services:			
Pupils:			
Capital Outlay	318,923	318,922	1
Operation and Maintenance of Plant:			
Capital Outlay	<u>5,810,777</u>	<u>5,805,353</u>	<u>5,424</u>
Total Expenditures	<u>6,129,700</u>	<u>6,124,275</u>	<u>5,425</u>
Excess of Revenues Under Expenditures	<u>(5,819,499)</u>	<u>(5,741,163)</u>	<u>78,336</u>
Other Financing Sources (Uses)			
Proceeds of Bonds	3,200,000	0	(3,200,000)
Proceeds of Notes	1,789,799	1,500,000	(289,799)
Advances Out	<u>(1,568,668)</u>	<u>0</u>	<u>1,568,668</u>
Total Other Financing Sources (Uses)	<u>3,421,131</u>	<u>1,500,000</u>	<u>(1,921,131)</u>
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(2,398,368)	(4,241,163)	(1,842,795)
Fund Balance Beginning of Year	171,621	171,621	0
Prior Year Encumbrances Appropriated	<u>4,076,747</u>	<u>4,076,747</u>	<u>0</u>
Fund Balance End of Year	<u>\$1,850,000</u>	<u>\$7,205</u>	<u>(\$1,842,795)</u>

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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	\$0	\$0	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Capital Outlay	<u>315,467</u>	<u>232,528</u>	<u>82,939</u>
Excess of Revenues Under Expenditures	(315,467)	(232,528)	82,939
Fund Balance Beginning of Year	<u>315,467</u>	<u>315,467</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$82,939</u></u>	<u><u>\$82,939</u></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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues</i>			
Taxes	\$0	\$205,207	\$205,207
Interest	150,000	77,905	(72,095)
Intergovernmental	160,201	100,000	(60,201)
<i>Total Revenues</i>	<u>310,201</u>	<u>383,112</u>	<u>72,911</u>
<i>Expenditures</i>			
Current:			
Instruction:			
Regular:			
Capital Outlay - New	315,467	232,528	82,939
Support Services:			
Pupils:			
Capital Outlay	318,923	318,922	1
Operation and Maintenance of Plant:			
Capital Outlay	5,810,777	5,805,353	5,424
Total Support Services	<u>6,129,700</u>	<u>6,124,275</u>	<u>5,425</u>
<i>Total Expenditures</i>	<u>6,445,167</u>	<u>6,356,803</u>	<u>88,364</u>
Excess of Revenues Under Expenditures	<u>(6,134,966)</u>	<u>(5,973,691)</u>	<u>161,275</u>
<i>Other Financing Sources (Uses)</i>			
Proceeds of Bonds	3,200,000	0	(3,200,000)
Proceeds of Notes	1,789,799	1,500,000	(289,799)
Advances Out	(1,568,668)	0	1,568,668
Operating Transfers Out	(831)	0	831
<i>Total Other Financing Sources (Uses)</i>	<u>3,420,300</u>	<u>1,500,000</u>	<u>(1,920,300)</u>
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	<u>(2,714,666)</u>	<u>(4,473,691)</u>	<u>(1,759,025)</u>
Fund Balances Beginning of Year	487,919	487,919	0
Prior Year Encumbrances Appropriated	<u>4,076,747</u>	<u>4,076,747</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$1,850,000</u>	<u>\$90,975</u>	<u>(\$1,759,025)</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, 2000

	<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	\$6,944	\$23,564	\$30,508
Receivables:			
Accounts	0	423	423
Due from Other Funds	1,926	0	1,926
Inventory Held For Resale	8,965	0	8,965
<i>Total Current Assets</i>	<u>17,835</u>	<u>23,987</u>	<u>41,822</u>
<i>Non-Current Assets</i>			
Fixed Assets (Net of Accumulated Depreciation)	<u>41,398</u>	<u>0</u>	<u>41,398</u>
<i>Total Assets</i>	<u><u>\$59,233</u></u>	<u><u>\$23,987</u></u>	<u><u>\$83,220</u></u>
<i>Liabilities</i>			
<i>Current Liabilities</i>			
Accounts Payable	\$8,383	\$0	\$8,383
Accrued Wages and Benefits	10,949	0	10,949
Compensated Absences Payable	10,622	0	10,622
Intergovernmental Payable	15,647	0	15,647
Deferred Revenue	786	0	786
<i>Total Liabilities</i>	<u>46,387</u>	<u>0</u>	<u>46,387</u>
Retained Earnings Unreserved	<u>12,846</u>	<u>23,987</u>	<u>36,833</u>
<i>Total Liabilities and Fund Equity</i>	<u><u>\$59,233</u></u>	<u><u>\$23,987</u></u>	<u><u>\$83,220</u></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, 2000*

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Totals</u>
<i>Operating Revenues</i>			
Sales	<u>\$684,482</u>	<u>\$82,852</u>	<u>\$767,334</u>
<i>Operating Expenses</i>			
Salaries	288,390	0	288,390
Fringe Benefits	58,301	0	58,301
Purchased Services	17,159	0	17,159
Materials and Supplies	13,886	0	13,886
Cost of Sales	464,819	87,917	552,736
Depreciation	<u>2,357</u>	<u>0</u>	<u>2,357</u>
<i>Total Operating Expenses</i>	<u>844,912</u>	<u>87,917</u>	<u>932,829</u>
<i>Operating Loss</i>	<u>(160,430)</u>	<u>(5,065)</u>	<u>(165,495)</u>
<i>Non-Operating Revenues</i>			
Federal Donated Commodities	19,889	0	19,889
Operating Grants	83,536	0	83,536
Interest	<u>911</u>	<u>0</u>	<u>911</u>
<i>Total Non-Operating Revenues</i>	<u>104,336</u>	<u>0</u>	<u>104,336</u>
Loss Before Operating Transfers	(56,094)	(5,065)	(61,159)
Operating Transfers In	<u>31,500</u>	<u>25,000</u>	<u>56,500</u>
<i>Net Income (Loss)</i>	<u>(24,594)</u>	<u>19,935</u>	<u>(4,659)</u>
Retained Earnings Beginning of Year	<u>37,440</u>	<u>4,052</u>	<u>41,492</u>
Retained Earnings End of Year	<u><u>\$12,846</u></u>	<u><u>\$23,987</u></u>	<u><u>\$36,833</u></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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Sales	\$748,500	\$684,104	(\$64,396)
Interest	0	911	911
Operating Grants	<u>85,000</u>	<u>93,719</u>	<u>8,719</u>
 Total Revenues	 <u>833,500</u>	 <u>778,734</u>	 <u>(54,766)</u>
 Expenses			
Salaries and Wages:			
Food Service Operations	263,574	263,574	0
 Fringe Benefits:			
Food Service Operations	81,585	81,583	2
 Purchased Services:			
Food Service Operations	19,233	19,233	0
 Materials and Supplies:			
Food Service Operations	502,427	451,397	51,030
 Capital Outlay:			
Food Service Operations	<u>300</u>	<u>300</u>	<u>0</u>
 Total Expenses	 <u>867,119</u>	 <u>816,087</u>	 <u>51,032</u>
 Excess of Revenues Under Expenses	 (33,619)	 (37,353)	 (3,734)
 Operating Transfers In	 <u>50,000</u>	 <u>31,500</u>	 <u>(18,500)</u>
 Excess of Revenues and Operating Transfers Over (Under) Expenses	 16,381	 (5,853)	 (22,234)
 Fund Equity Beginning of Year	 3,165	 3,165	 0
 Prior Year Encumbrances Appropriated	 <u>4,666</u>	 <u>4,666</u>	 <u>0</u>
 Fund Equity End of Year	 <u>\$24,212</u>	 <u>\$1,978</u>	 <u>(\$22,234)</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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues:</i>			
Sales	\$107,600	\$83,223	(\$24,377)
<i>Expenses</i>			
<i>Materials and Supplies:</i>			
Regular Instruction	<u>108,154</u>	<u>90,391</u>	<u>17,763</u>
Excess of Revenues Under Expenses	(554)	(7,168)	(6,614)
Operating Transfers In	<u>0</u>	<u>25,000</u>	<u>25,000</u>
Excess of Revenues and Operating Transfers Over (Under) Expenses	(554)	17,832	18,386
Fund Equity Beginning of Year	2,792	2,792	0
Prior Year Encumbrances Appropriated	<u>2,335</u>	<u>2,335</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$4,573</u></u>	<u><u>\$22,959</u></u>	<u><u>\$18,386</u></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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues</i>			
Sales	\$856,100	\$767,326	(\$88,774)
Interest	0	911	911
Operating Grants	<u>85,000</u>	<u>93,719</u>	<u>8,719</u>
<i>Total Revenues</i>	<u>941,100</u>	<u>861,956</u>	<u>(79,144)</u>
<i>Expenses</i>			
Salaries and Wages:			
Food Service Operations	<u>263,574</u>	<u>263,574</u>	<u>0</u>
Fringe Benefits:			
Food Service Operations	<u>81,585</u>	<u>81,583</u>	<u>2</u>
Purchased Services:			
Food Service Operations	<u>19,233</u>	<u>19,233</u>	<u>0</u>
Materials and Supplies:			
Regular Instruction	108,154	90,391	17,763
Food Service Operations	<u>502,427</u>	<u>451,397</u>	<u>51,030</u>
Total Materials and Supplies	<u>610,581</u>	<u>541,788</u>	<u>68,793</u>
Capital Outlay:			
Capital Outlay - New:			
Food Service Operations	<u>300</u>	<u>300</u>	<u>0</u>
<i>Total Expenses</i>	<u>975,273</u>	<u>906,478</u>	<u>68,795</u>
Excess of Revenues Under Expenses	(34,173)	(44,522)	(10,349)
Operating Transfers In	<u>50,000</u>	<u>56,500</u>	<u>6,500</u>
Excess of Revenues Over Expenses and Operating Transfers	15,827	11,978	(3,849)
Fund Equity Beginning of Year	5,957	5,957	0
Prior Year Encumbrances Appropriated	<u>7,001</u>	<u>7,001</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$28,785</u>	<u>\$24,936</u>	<u>(\$3,849)</u>

Shaker Heights City School District
Combining Statement of Cash Flows
All Enterprise Funds
For the Fiscal Year Ended June 30, 2000

	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	\$684,482	\$82,852	\$767,334
Cash Payments to Employees for Services	(263,574)	0	(263,574)
Cash Payments for Employee Benefits	(81,583)	0	(81,583)
Cash Payments for Goods and Services	(467,138)	(90,276)	(557,414)
<i>Net Cash Used for Operating Activities</i>	(127,813)	(7,424)	(135,237)
<i>Cash Flows from Noncapital Financing Activities</i>			
Operating Grants Received	93,719	0	93,719
Operating Transfers In	31,500	25,000	56,500
<i>Net Cash Provided by Noncapital Financing Activities</i>	125,219	25,000	150,219
<i>Cash Flows from Investing Activities</i>			
Interest on Investments	911	0	911
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(1,683)	17,576	15,893
Cash and Cash Equivalents Beginning of Year	8,627	5,988	14,615
<i>Cash and Cash Equivalents End of Year</i>	\$6,944	\$23,564	\$30,508
Reconciliation of Operating Loss to Net			
Cash Used for Operating Activities			
<i>Operating Loss</i>	(\$160,430)	(\$5,065)	(\$165,495)
<i>Adjustments:</i>			
Depreciation	2,357	0	2,357
Donated Commodities Used During Year	19,889	0	19,889
<i>(Increase)/Decrease in Assets:</i>			
Accounts Receivable	0	(423)	(423)
Due from Other Funds	(1,926)	0	(1,926)
Inventory Held for Resale	4,069	0	4,069
<i>Increase/(Decrease) in Liabilities:</i>			
Accounts Payable	6,695	(1,936)	4,759
Accrued Wages	(1,453)	0	(1,453)
Compensated Absences Payable	3,085	0	3,085
Intergovernmental Payable	(99)	0	(99)
<i>Total Adjustments</i>	32,617	(2,359)	30,258
<i>Net Cash Used for Operating Activities</i>	(\$127,813)	(\$7,424)	(\$135,237)

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, 1993, 1999, and 2000.

Shaker Heights City School District

Combining Balance Sheet

All Internal Service Funds

June 30, 2000

	<u>Self Insurance</u>	<u>Workers' Compensation Reserve</u>	<u>Totals</u>
<i>Assets</i>			
Equity in Pooled Cash and Cash Equivalents	<u>\$64,850</u>	<u>\$432,354</u>	<u>\$497,204</u>
<i>Liabilities</i>			
Claims Payable	<u>\$36,630</u>	<u>\$569,644</u>	<u>\$606,274</u>
<i>Fund Equity</i>			
Retained Earnings Unreserved (Deficit)	<u>28,220</u>	<u>(137,290)</u>	<u>(109,070)</u>
<i>Total Liabilities and Fund Equity</i>	<u><u>\$64,850</u></u>	<u><u>\$432,354</u></u>	<u><u>\$497,204</u></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, 2000*

	<u>Self Insurance</u>	<u>Workers' Compensation Reserve</u>	<u>Totals</u>
<i>Operating Revenues</i>			
Charges for Services	\$1,014,356	\$0	\$1,014,356
Other	0	2,737	2,737
	<u>1,014,356</u>	<u>2,737</u>	<u>1,017,093</u>
<i>Operating Expenses</i>			
Purchased Services	10,054	0	10,054
Claims	958,659	191,650	1,150,309
	<u>968,713</u>	<u>191,650</u>	<u>1,160,363</u>
<i>Operating Income (Loss)</i>	45,643	(188,913)	(143,270)
Retained Earnings (Deficit)			
Beginning of Year	<u>(17,423)</u>	<u>51,623</u>	<u>34,200</u>
Retained Earnings (Deficit)			
End of Year	<u><u>\$28,220</u></u>	<u><u>(\$137,290)</u></u>	<u><u>(\$109,070)</u></u>

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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues</i>			
Charges for Services	\$973,710	\$1,014,356	\$40,646
<i>Expenses</i>			
Fringe Benefits:			
Regular Instruction	979,500	945,242	34,258
Purchased Services:			
Regular Instruction	<u>0</u>	<u>10,054</u>	<u>(10,054)</u>
<i>Total Expenses</i>	<u>979,500</u>	<u>955,296</u>	<u>24,204</u>
Excess of Revenues Over (Under) Expenses	(5,790)	59,060	64,850
Fund Equity Beginning of Year	<u>5,790</u>	<u>5,790</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$0</u></u>	<u><u>\$64,850</u></u>	<u><u>\$64,850</u></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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues</i>			
Other	\$0	\$2,737	\$2,737
<i>Expenses</i>			
Fringe Benefits:			
Regular Instruction	<u>40,000</u>	<u>13,167</u>	<u>26,833</u>
Excess of Revenues Under Expenses	(40,000)	(10,430)	29,570
Fund Equity Beginning of Year	<u>442,784</u>	<u>442,784</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$402,784</u></u>	<u><u>\$432,354</u></u>	<u><u>\$29,570</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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues</i>			
Charges for Services	\$973,710	\$1,014,356	\$40,646
Other	<u>0</u>	<u>2,737</u>	<u>2,737</u>
<i>Total Revenues</i>	<u>973,710</u>	<u>1,017,093</u>	<u>43,383</u>
<i>Expenses</i>			
Fringe Benefits:			
Regular Instruction	1,019,500	958,409	61,091
Purchased Services:			
Regular Instruction	<u>0</u>	<u>10,054</u>	<u>(10,054)</u>
<i>Total Expenses</i>	<u>1,019,500</u>	<u>968,463</u>	<u>51,037</u>
Excess of Revenues Over (Under) Expenses	(45,790)	48,630	94,420
Fund Equity Beginning of Year	<u>448,574</u>	<u>448,574</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$402,784</u></u>	<u><u>\$497,204</u></u>	<u><u>\$94,420</u></u>

Shaker Heights City School District
Combining Statement of Cash Flows
All Internal Service Funds
For the Fiscal Year Ended June 30, 2000

	Self Insurance	Workers' Compensation Reserve	Totals
<i>Increase (Decrease) in Cash and Cash Equivalents</i>			
<i>Cash Flows from Operating Activities</i>			
<i>Cash Received from Quasi-External</i>			
Transactions with Other Funds	\$1,014,356	\$0	\$1,014,356
Cash Received from Intergovernmental Sources	0	0	0
Cash Received from Rentals	0	0	0
Cash Received from Other Operating Sources	0	2,737	2,737
Cash Payments for Employee Benefits	(945,242)	(13,167)	(958,409)
Cash Payments for Goods and Services	(10,054)	0	(10,054)
 <i>Net Cash Provided by (Used for) Operating Activities</i>	 59,060	 (10,430)	 48,630
 Cash and Cash Equivalents Beginning of Year	 5,790	 442,784	 448,574
 <i>Cash and Cash Equivalents End of Year</i>	 564,850	 432,354	 997,204
 Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
<i>Operating Income (Loss)</i>	\$45,643	(\$188,913)	(\$143,270)
 <i>Adjustments:</i>			
Claims Payable	13,417	178,483	191,900
 <i>Net Cash Provided by (Used for) Operating Activities</i>	 \$59,060	 (\$10,430)	 \$48,630

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.

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, 2000

	Beginning Balance July 1, 1999	Additions	Reductions	Ending Balance June 30, 2000
<i>Rotary</i>				
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$56,526	\$121,218	\$116,109	\$61,635
<i>Liabilities</i>				
Undistributed Monies	\$56,526	\$121,218	\$116,109	\$61,635
 <i>Student Activities</i>				
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$108,644	\$371,003	\$387,035	\$92,612
<i>Liabilities</i>				
Due to Students	\$108,644	\$370,056	\$386,088	\$92,612
 <i>Total - All Agency Funds</i>				
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$165,170	\$492,221	\$503,144	\$154,247
<i>Total Assets</i>	\$165,170	\$492,221	\$503,144	\$154,247
<i>Liabilities</i>				
Undistributed Monies	\$56,526	\$121,218	\$116,109	\$61,635
Due to Students	108,644	370,056	386,088	92,612
<i>Total Liabilities</i>	\$165,170	\$491,274	\$502,197	\$154,247

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, 2000

	Total	Land	Buildings	Furniture and Equipment	Vehicles	Construction In Progress
Instruction:						
Regular	\$934,580	\$0	\$0	\$914,580	\$20,000	\$0
Special	99,040	0	0	99,040	0	0
Support Services:						
Pupils	8,455,729	0	300,143	8,155,586	0	0
Instructional Staff	114,301	0	0	114,301	0	0
Board of Education	4,726	0	0	4,726	0	0
Administration	189,536	0	0	172,492	17,044	0
Fiscal	39,586	0	0	14,034	25,552	0
Business	254,895	0	0	254,895	0	0
Operation and Maintenance of Plant	26,885,904	2,981,664	21,947,125	516,923	447,902	992,290
Pupil Transportation	2,178,580	0	0	35,877	2,142,703	0
Central	88,861	0	0	88,861	0	0
Non-Instructional Services	150,750	0	0	150,750	0	0
Extracurricular Activities	137,448	0	0	137,448	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	\$39,823,492	\$2,981,664	\$22,534,417	\$10,661,920	\$2,653,201	\$992,290

Shaker Heights City School District
Schedule of Changes in General Fixed Assets
By Function
For the Fiscal Year Ended June 30, 2000

Function	General Fixed Assets June 30,1999	Additions	Deductions	General Fixed Assets June 30,2000
Instruction:				
Regular	\$611,616	\$322,964	\$0	\$934,580
Special	67,820	31,220	0	99,040
Support Services:				
Pupils	7,763,670	692,059	0	8,455,729
Instructional Staff	77,653	36,648	0	114,301
Board of Education	4,726	0	0	4,726
Administration	154,328	35,208	0	189,536
Fiscal	27,274	12,312	0	39,586
Business	182,109	72,786	0	254,895
Operation and Maintenance of Plant	26,833,497	1,056,848	1,004,441	26,885,904
Pupil Transportation	2,174,995	3,585	0	2,178,580
Central	62,546	26,315	0	88,861
Non-Instructional Services	90,515	60,235	0	150,750
Extracurricular Activities	108,718	28,730	0	137,448
Acquisition of Site	287,149	0	0	287,149
Other Miscellaneous Uses of Funds	2,407	0	0	2,407
Total General Fixed Assets	<u>\$38,449,023</u>	<u>\$2,378,910</u>	<u>\$1,004,441</u>	<u>\$39,823,492</u>

Shaker Heights City School District

Schedule of General Fixed Assets

By Source

June 30, 2000

Land	\$2,981,664
Buildings	22,534,417
Furniture and Equipment	10,661,920
Vehicles	2,653,201
Construction In Progress	<u>992,290</u>
<i>Total General Fixed Assets</i>	<u><u>\$39,823,492</u></u>

Investment in General Fixed Assets From:

General Fund	\$25,429,049
Special Revenue Funds	308,046
Capital Projects Funds	<u>14,086,397</u>
<i>Total Investment in General Fixed Assets</i>	<u><u>\$39,823,492</u></u>

Shaker Heights City School District
General Fund
Expenditures by Function
Last Ten Fiscal Years

	2000	1999	1998	1997	1996	1995	1994 (1)	1993 (1)	1992 (1)	1991 (1)
Current:										
Instruction:										
Regular	\$26,092,946	\$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
Special	6,499,476	6,170,717	6,586,739	5,910,984	5,090,868	4,702,390	N/A	N/A	N/A	N/A
Vocational	338,095	265,844	319,757	280,304	239,057	202,117	N/A	N/A	N/A	N/A
Support Services:										
Pupil	4,006,461	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
Instructional Staff	3,765,886	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
Board of Education	44,778	61,146	58,518	50,216	53,576	79,054	71,233	53,077	69,488	56,004
Administration	4,839,108	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
Fiscal	1,448,829	1,278,091	1,191,687	615,198	578,563	665,011	543,320	491,012	507,380	452,311
Business	735,562	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
Operation and Maintenance of Plant	7,357,041	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
Pupil Transportation	3,194,117	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
Central	1,265,433	1,044,950	978,612	868,798	812,516	904,322	946,172	831,099	782,002	725,519
Operation of Non-Instructional Services	183,828	178,280	39,015	40,315	55,047	64,349	157,025	313,950	205,717	232,042
Extracurricular Activities	740,718	708,418	647,506	678,757	594,881	587,141	563,584	482,121	433,930	420,011
Capital Outlay	0	154,399	0	0	0	0	559,851	0	0	0
Debt Service	5,323	12,777	12,776	12,776	12,776	7,453	0	0	0	0
Total	\$60,517,601	\$56,523,910	\$52,890,752	\$48,529,326	\$46,540,292	\$47,768,424	\$45,226,617	\$43,581,993	\$41,932,210	\$38,769,884

Source: School District Financial Records.

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

N/A - Not Available 1991 through 1994.

Shaker Heights City School District
General Fund
Revenues by Source
Last Ten Fiscal Years

	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>	<u>1991</u>
Taxes	\$41,099,368	\$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
Intergovernmental	14,970,356	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
Interest	819,302	810,924	896,297	680,412	397,422	235,592	249,371	311,022	477,572	711,758
Tuition and Fees	1,076,931	995,307	729,347	375,043	136,271	268,994	266,407	210,170	617,570	332,573
Contributions and Donations	0	0	300	0	0	0	0	0	0	0
Charges for Services	0	0	0	0	52,605	26,673	0	0	0	0
Rentals	50,653	56,880	48,292	53,174	5,891	53,708	0	0	0	0
Miscellaneous	<u>20,093</u>	<u>159,202</u>	<u>380,356</u>	<u>35,540</u>	<u>42,036</u>	<u>54,620</u>	<u>411,273</u>	<u>301,080</u>	<u>381,385</u>	<u>299,210</u>
Total	<u>\$58,036,703</u>	<u>\$59,045,343</u>	<u>\$55,845,458</u>	<u>\$53,544,067</u>	<u>\$49,826,417</u>	<u>\$46,649,996</u>	<u>\$45,479,174</u>	<u>\$42,119,192</u>	<u>\$39,376,949</u>	<u>\$40,143,514</u>

Source: School District Financial Records.

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

<u>Year (1)</u>	<u>Total Tax Levy</u>	<u>Current Collections</u>	<u>Percent of Current Taxes Collected</u>	<u>Delinquent Collections</u>	<u>Total Collections</u>	<u>Percent of Total Tax Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Taxes (2)</u>	<u>Percent of Outstanding Delinquent Taxes to Total Tax Levy</u>
1999	\$51,196,890	\$45,983,102	89.82%	\$2,163,870	\$48,146,972	94.04%	\$2,842,481	5.55%
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

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. 2000 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 - 2000

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	6,950	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
03/00	9.4	additional	Continuing	6,280	4,216	59.83	10,496	2,064

Source: Shaker Heights City School District Records

*Shaker Heights City School District
History of Bond Issues
For the Years 1912 - 2000*

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)	Assessed Value	Estimated Actual Value (1)	
2000	\$662,695,440	\$1,893,415,543	\$23,622,520	\$26,843,773	\$11,482,000	\$45,928,000	\$697,799,960	\$1,966,187,316	36%
1999	663,126,030	1,894,645,800	26,011,210	29,558,193	11,049,610	44,198,440	700,186,850	1,968,402,433	36
1998 (3)	661,972,460	1,891,349,886	26,022,220	29,570,705	11,863,524	47,454,096	699,858,204	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	656,367,668	1,841,665,674	36
1996	615,519,820	1,758,628,057	28,203,870	32,049,852	9,938,472	39,753,888	653,662,162	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	658,267,968	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	602,538,969	1,679,800,625	36
1993	569,686,740	1,627,676,400	28,745,290	32,665,102	6,568,492	26,273,968	605,000,522	1,686,615,470	36
1992 (3)	571,791,610	1,633,690,314	28,825,620	32,756,386	6,622,181	26,488,724	607,239,411	1,692,935,425	36
1991	466,031,910	1,331,519,743	27,951,390	27,951,390	7,533,118	30,132,472	501,516,418	1,389,603,605	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.

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

<u>Year</u>	<u>School Levy</u>	<u>Library</u>	<u>County Levy</u>	<u>City Levy</u>	<u>Total Levy</u>	<u>Debt Service Included in Total Levy</u>			
						<u>School</u>	<u>County</u>	<u>City</u>	<u>Total</u>
2000	\$141.00	\$4.00	\$15.30	\$9.90	\$170.20	\$3.27	\$0.27	\$0.00	\$3.54
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

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>
2000	\$15,619,430	\$697,799,960	30,867	2.24%	\$506
1999	16,829,739	700,186,850	30,867	2.40	545
1998	8,018,677	699,858,204	30,867	1.15	260
1997	9,144,582	656,367,668	30,867	1.39	296
1996	9,554,560	653,662,162	30,867	1.46	310
1995	8,976,814	658,267,968	30,867	1.36	291
1994	9,755,516	602,538,969	30,867	1.62	316
1993	10,305,339	605,000,522	30,867	1.70	334
1992	5,864,297	607,239,411	30,867	0.97	190
1991	6,367,457	501,516,418	30,867	1.27	206

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, 2000

Assessed Valuation	\$697,799,960
Overall Debt Limit - 9% of Assessed Value (1)	\$62,801,996
Amount of Debt Applicable to Debt Limit:	
School Improvement Bonds	3,635,000
Building Addition Bonds	2,795,000
Energy Conservation Improvement Bonds	834,230
Bus Acquisition Bonds	90,000
School Improvement Bonds	9,500,000
Bond Anticipation Note	1,500,000
Less: Amount Available in Debt Service Fund	<u>(1,234,800)</u>
Total	<u>17,119,430</u>
Exemptions:	
Bus Acquisition Bonds	(90,000)
Amount of Debt Subject to the Limit	<u>17,029,430</u>
Overall Debt Margin	<u><u>\$45,772,566</u></u>
Unvoted Debt Limit - .10% of Assessed Value (1)	\$697,800
Amount of Debt Applicable	<u>0</u>
Unvoted Debt Margin	<u><u>\$697,800</u></u>
Additional Limit for Unvoted Energy Conservation Improvement Bonds:	
Debt Limit - 1% of Assessed Valuation	\$6,978,000
Energy Conservation Improvement Bonds	<u>(834,230)</u>
Additional Unvoted Debt Margin	<u><u>\$6,143,770</u></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

Demographic Statistics

Last Ten Years

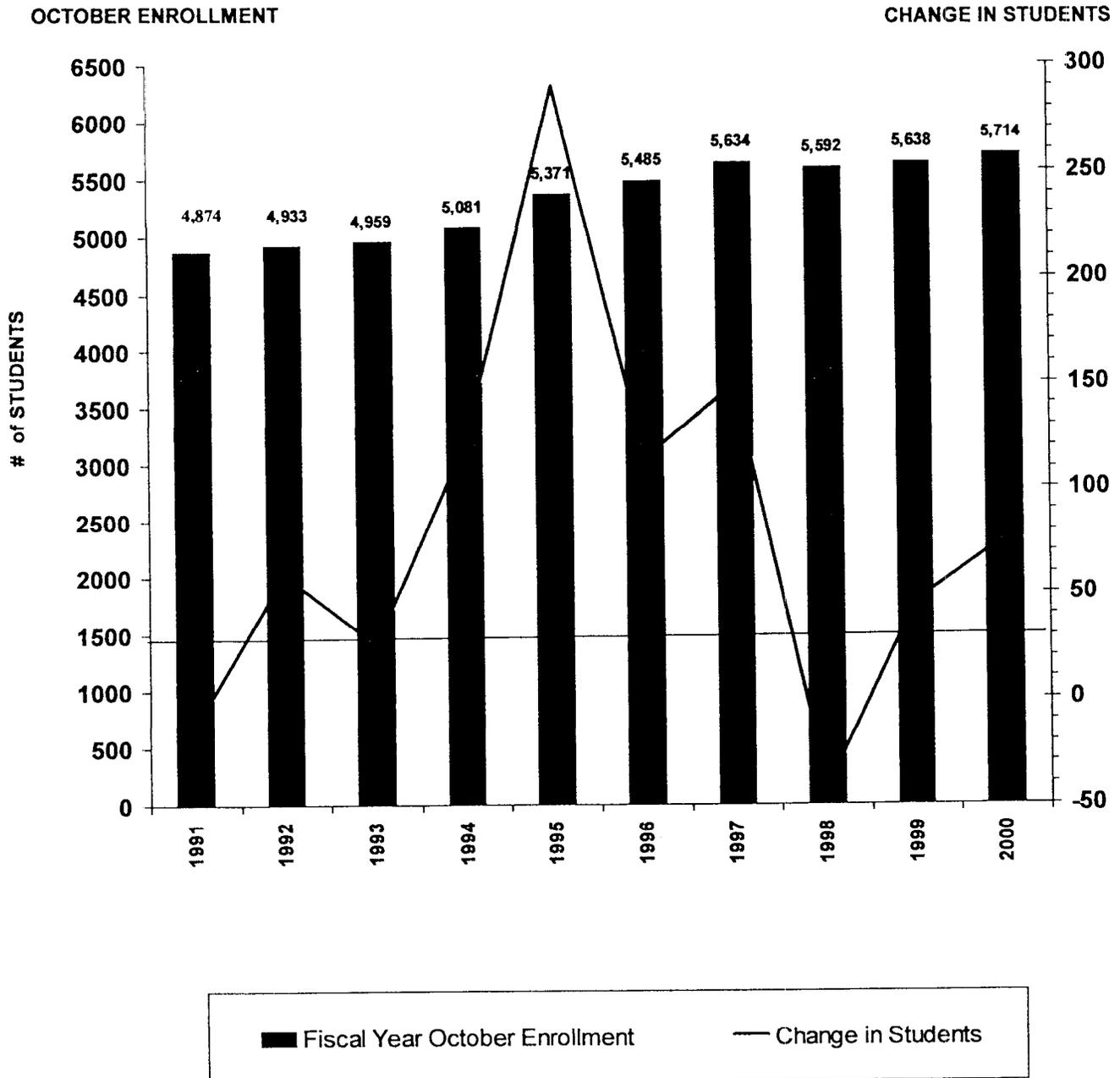
<u>Year</u>	<u>Cuyahoga County Population</u>	<u>Shaker Heights City Population</u>	<u>School Enrollment</u>	<u>Unemployment Rate (1)</u>
2000	1,386,096	30,867	5,714	4.7%
1999	1,386,096	30,867	5,638	4.5
1998	1,397,694	30,867	5,592	4.0
1997	1,398,169	30,867	5,634	5.0
1996	1,398,169	30,867	5,485	4.7
1995	1,403,239	30,867	5,371	5.8
1994	1,414,141	30,867	5,081	6.8
1993	1,414,141	30,867	4,959	7.6
1992	1,412,140	30,867	4,933	7.3
1991	1,404,286	30,867	4,874	5.2

Source: Cuyahoga County, School District Records,
and the City of Shaker Heights

(1) Represents Cuyahoga County.

SHAKER HEIGHTS CITY SCHOOL DISTRICT

ENROLLMENT SUMMARY LAST TEN FISCAL YEARS



Shaker Heights City School District

Per Pupil Cost

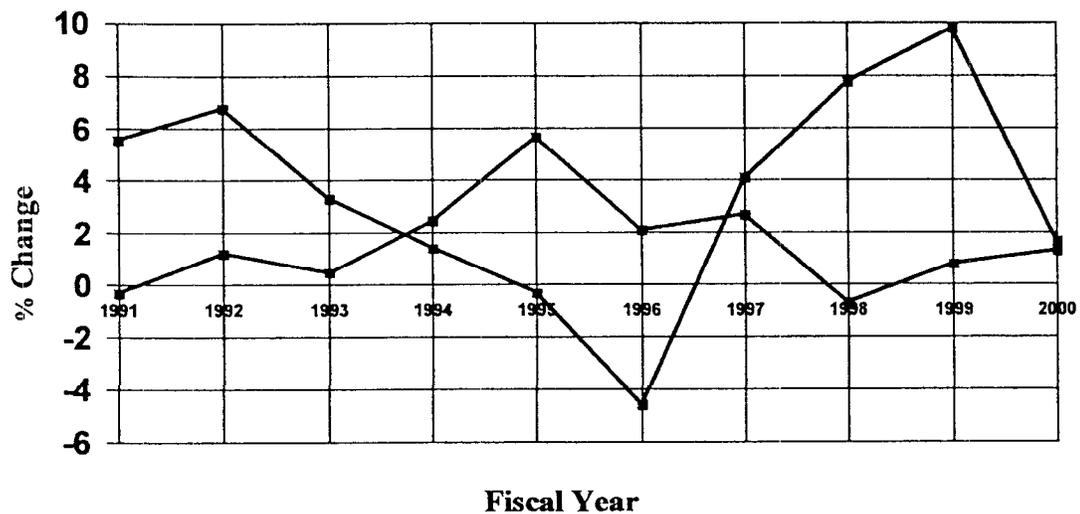
Last Ten Fiscal Years

<u>Year</u>	<u>General Fund Expenditures</u>	<u>Average Daily Student Enrollment</u>	<u>Per Pupil Cost</u>
2000	\$60,517,601	5,714	\$10,591
1999	56,523,910	5,638	10,026
1998	52,890,752	5,592	9,458
1997	48,529,326	5,634	8,614
1996	46,540,292	5,485	8,485
1995	47,768,424	5,371	8,894
1994	45,226,617	5,081	8,901
1993	43,581,993	4,959	8,788
1992	41,932,210	4,933	8,500
1991	38,769,884	4,874	7,954

Source: School District Financial Records.

SHAKER HEIGHTS CITY SCHOOL DISTRICT

COST PER PUPIL PERCENTAGE CHANGE LAST TEN FISCAL YEARS



— Cost Per Pupil % Change
— Enrollment % Change

Shaker Heights City School District
Public, Private, and Total School Enrollment by School Year
Fiscal Years 1979 to 2000

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
1980	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	5,013	16.5
1988	4,869	1,021	5,890	17.3
1989	4,830	966	4,830	16.6
1990	4,887	921	4,887	15.8
1991	4,874	842	4,874	17.3
1992	4,933	878	4,933	15.1
1993	4,959	867	4,959	14.8
1994	5,081	909	5,081	15.1
1995	5,371	966	5,371	15.2
1996	5,485	1,063	6,548	16.2
1997	5,634	1,071	6,705	15.9
1998	5,592	983	5,592	15.0
1999	5,638	1,017	6,655	15.3
2000	5,714	994	6,708	14.8

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 2000 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, 1999

Jurisdiction	General Obligation Bonded Debt Outstanding	Percentage Applicable to School District (1)	Amount Applicable to School District
Shaker Heights City School District	\$16,854,230	100.00%	\$16,854,230
Cuyahoga County	141,004,636	2.72	3,835,326
City of Shaker Heights	1,740,000	100.00	1,740,000
City of Cleveland	312,225,000	0.83	2,591,468
Regional Transit Authority	<u>101,865,000</u>	2.72	<u>2,770,728</u>
Total	<u>\$573,688,866</u>		<u>\$27,791,752</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 1999 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</u>	<u>Ratio of Debt Service to General Fund Expenditures (Percentage)</u>
2000	\$770,000	\$1,027,532	\$1,797,532	\$60,517,601	2.97%
1999	740,000	515,887	1,255,887	56,523,910	2.22
1998	937,000	556,684	1,493,684	52,890,752	2.82
1997	835,000	601,195	1,436,195	48,529,326	2.96
1996	695,000	575,106	1,270,106	46,540,292	2.73
1995	670,000	600,532	1,270,532	47,768,424	2.66
1994	640,000	679,583	1,319,583	45,226,617	2.92
1993	470,000	573,869	1,043,869	43,581,993	2.40
1992	455,000	607,556	1,062,556	41,932,210	2.53
1991	455,000	502,327	957,327	38,769,884	2.47

Source: School District Financial Records.

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

<u>Year</u>	<u>Property Value (1) (Real Estate Only)</u>	<u>Financial Institution Deposits (000's) Banks</u>	<u>Value of Building Permits Issued</u>
2000	\$662,695,440	\$57,816,942	\$36,382,085
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

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.

Shaker Heights City School District

Principal Taxpayers

Real Estate Tax

December 31, 1999

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total Assessed Value</u>
Edens and Avant Properties	\$3,272,500	0.49%
Community Links Limited Partnership	2,975,000	0.45
WKB Value Partners, Limited Partnership	2,362,610	0.36
Officemax Incorporated	1,988,530	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	1,153,710	0.17
University School	<u>1,035,160</u>	<u>0.16</u>
Total	<u>\$19,116,280</u>	<u>2.89%</u>
Total Real Estate Valuation	<u>\$662,695,440</u>	

Source: Cuyahoga County Auditor.

(1) Assessed values are for the 2000 collection year.

Shaker Heights City School District

Principal Taxpayers

Tangible Personal Property Tax

December 31, 1999

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total Assessed Value</u>
Telerama Incorporated	\$1,171,910	10.21%
Ganley Nissan Incorporated	512,760	4.47
Officemax Incorporated	500,830	4.36
Ryder Integrated Logistics Incorporated	486,110	4.23
Zalud Oldsmobile Incorporated	467,400	4.07
Heinens Incorporated	388,160	3.38
Qua Newco Incorporated	344,820	3.00
Community Dialysis Center, Inc.	303,310	2.64
Rite Aid of Ohio Incorporated	253,550	2.21
Russos Incorporated	<u>233,240</u>	<u>2.03</u>
Total	<u>\$4,662,090</u>	<u>40.60%</u>
Total Tangible Assessed Valuation	<u>\$11,482,000</u>	

Source: Cuyahoga County Auditor.

(1) Assessed values are for the 2000 collection year.

Shaker Heights City School District

Principal Taxpayers

Public Utilities Tax

December 31, 1999

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total Assessed Value</u>
Cleveland Electric Illuminating Company	\$10,122,740	42.85%
Ohio Bell Telephone	8,057,850	34.11
East Ohio Gas Company	<u>4,421,180</u>	<u>18.72</u>
Total	<u>\$22,601,770</u>	<u>95.68%</u>
Total Public Utility Assessed Value	<u>\$23,622,520</u>	

Source: Cuyahoga County Auditor.

(1) Assessed values are for the 2000 collection year.

Shaker Heights City School District

College Admissions for All Students

1991 - 2000

<u>Class</u>	<u>Percent of Four - Year</u>	<u>Percent of Two - Year</u>	<u>Total Percent</u>
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	91	2	93
2000(1)	82	5	87

(1) As of August 15, 2000

Source: Shaker Heights City School District Records

Shaker Heights City School District

National Merit and National
Achievement Recognition
1991 - 2000

<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>
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
2000	42	8	0	13	2

Source: Shaker Heights City School District Records

Shaker Heights City School District
 Teacher Education and Experience
 June 30, 2000

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	17	3.83%
Bachelor + 15	61	13.74
Master's Degree	171	38.51
Master's Degree +15	71	15.99
Master's Degree +30	56	12.61
Master's Degree +45	59	13.29
Ph.D.	<u>9</u>	<u>2.03</u>
Total	<u><u>444</u></u>	<u><u>100.00%</u></u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	104	23.42%
6 - 10	58	13.06
11 and Over	<u>282</u>	<u>63.52</u>
	<u><u>444</u></u>	<u><u>100.00%</u></u>

Source: School District Personnel Records.

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 PriceWaterhouseCoopers 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 2000 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	1,696	\$1,528,896	\$7,112,939	\$348,755	\$2,787,502	\$10,467,826	\$22,245,918
Adult/Continuing Middle School							
Shaker Heights Middle School	921	683,158	2,553,366	263,938	1,567,066	5,201,878	10,269,406
Elementary Schools							
Boulevard Elementary School	408	244,764	776,811	180,259	435,882	2,047,854	3,685,570
Fernway Elementary School	338	215,631	514,874	78,838	346,068	1,744,456	2,899,867
Lomond Elementary School	516	329,323	860,545	156,980	472,080	2,518,299	4,337,227
Mercer Elementary School	441	313,414	976,008	215,632	439,349	2,326,895	4,271,298
Onaway Elementary School	452	261,823	772,780	239,988	537,100	2,202,367	4,014,058
Woodbury Elementary School	882	665,114	2,550,792	219,100	927,460	5,149,729	9,512,195
Total Elementary Schools	3,037	2,030,069	6,451,810	1,090,797	3,157,939	15,989,600	28,720,215
School Total	5,654	4,242,123	16,118,115	1,703,490	7,512,507	31,659,304	61,235,539
Central Office	0	3,561,446	489,681	34,818	294,998	0	4,380,943
Expenditure Flow Model Total	5,654	\$7,803,569	\$16,607,796	\$1,738,308	\$7,807,505	\$31,659,304	\$65,616,482
Other Debt Service							1,797,532
Tuition - Other Districts							1,917,206
Non-Public							1,119,378
Rotary							2,014,717
Other Programs							82,293
Grand Total **							\$72,547,608

Average Daily Membership (ADM) Reported for District Internal Retrieval Number (IRN): 23.68***

*** 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	1,696	\$901	\$4,193	\$206	\$1,643	\$6,170	\$13,113
Middle School							
Shaker Heights Middle School	921	742	2,773	287	1,702	5,649	11,153
Elementary Schools							
Boulevard Elementary School	408	600	1,904	442	1,069	5,020	9,035
Ferway Elementary School	338	638	1,524	233	1,025	5,165	8,585
Lomond Elementary School	516	638	1,667	304	914	4,877	8,400
Mercec Elementary School	441	711	2,214	489	997	5,279	9,690
Onaway Elementary School	452	579	1,710	531	1,189	4,874	8,883
Woodbury Elementary School	882	754	2,892	248	1,051	5,838	10,783
Total Elementary Schools	<u>3,037</u>	<u>669</u>	<u>2,125</u>	<u>359</u>	<u>1,040</u>	<u>5,265</u>	<u>9,458</u>
School Total	5,654	750	2,850	301	1,329	5,599	10,830
Central Office	0	630	87	6	52	0	775
Grand Total	<u>5,654 **</u>	<u>\$1,380 **</u>	<u>\$2,937 **</u>	<u>\$307 **</u>	<u>\$1,381 **</u>	<u>\$5,599 **</u>	<u>\$11,605</u>

Average Daily Membership (ADM) Reported for District Internal Retrieval Number (IRN): 23.68***

** 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	1,696	7%	32%	2%	13%	47%	100%
Middle School							
Shaker Heights Middle School	921	7	25	3	15	51	100
Elementary Schools							
Boulevard Elementary School	408	7	21	5	12	56	101
Fernway Elementary School	338	7	18	3	12	60	100
Lomond Elementary School	516	8	20	4	11	58	100
Mercer Elementary School	441	7	23	5	10	54	100
Onaway Elementary School	452	7	19	6	13	55	100
Woodbury Elementary School	882	7	27	2	10	54	100
Total Elementary Schools	3,037	7	22	4	11	56	100
School Total	5,654	7	26	3	12	52	100
Central Office	0	81	11	1	7	0	100
Grand Total	5,654	12%	25%	3%	12%	48%	100%

Average Daily Membership (ADM) Reported for District Internal Retrieval Number (IRN): 23.68***

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

Source: Education Management Information System



STATE OF OHIO
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 16, 2001**