

**SHAKER HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2007



Mary Taylor, CPA
Auditor of State

SHAKER HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY

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**SHAKER HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2007**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education:</i>						
Food Donation	N/A	10.550	\$0	\$71,633	\$0	\$82,356
Nutrition Cluster:						
National School Lunch Program	LLP4 2006	10.555	104,723	0	104,723	0
National School Lunch Program	LLP4 2007	10.555	232,064	0	232,064	0
Total National School Lunch Program			336,787	0	336,787	0
School Breakfast Program	05PU 2006	10.553	4,188	0	4,188	0
School Breakfast Program	05PU 2007	10.553	8,889	0	8,889	0
Total Special Breakfast Program			13,077	0	13,077	0
Total Nutrition Cluster			349,864	0	349,864	0
Total U.S. Department of Agriculture - Nutrition Cluster			349,864	71,633	349,864	82,356
U.S. DEPARTMENT OF EDUCATION						
<i>Passed Through Ohio Department of Education:</i>						
Special Education: Grants to States	6BSF 2006	84.027	256,299	0	279,587	0
Special Education: Grants to States	6BSF 2007	84.027	1,164,121	0	1,131,981	0
Total Special Education: Grants to States			1,420,420	0	1,411,568	0
Special Education: Preschool Grants	PGS1 2006	84.173	2,629	0	3,090	0
Special Education: Preschool Grants	PGS1 2007	84.173	23,365	0	23,437	0
Total Special Education: Preschool Grants			25,994	0	26,527	0
Total Special Education Cluster			1,446,414	0	1,438,095	0
Title I Grants to Local Educational Agencies	C1S1 2006	84.010	89,785	0	127,362	0
Title I Grants to Local Educational Agencies	C1S1 2007	84.010	505,690	0	492,040	0
Title I Grants to Local Educational Agencies	C1SK 2006	84.010	19,917	0	22,078	0
Total Title I Grants to Local Educational Agencies			615,392	0	641,480	0
Innovative Education Program Strategies	C2S1 2006	84.298	(377)	0	575	0
Innovative Education Program Strategies	C2S1 2007	84.298	12,915	0	10,075	0
Total Innovative Education Program Strategies			12,538	0	10,650	0
Safe and Drug-Free Schools and Communities: State Grants	DRS1 2006	84.186	(2,703)	0	70	0
Safe and Drug-Free Schools and Communities: State Grants	DRS1 2007	84.186	22,754	0	19,819	0
Total Safe and Drug-Free Schools and Communities			20,051	0	19,889	0
English Language Acquisition Grants (Title III)	T3S1 2006	84.365	3,528	0	5,994	0
English Language Acquisition Grants (Title III)	T3S1 2007	84.365	26,019	0	28,536	0
English Language Acquisition Grants (Title III)	T3S2 2007	84.365	10,618	0	9,631	0
Total English Language Acquisition Grants (Title III)			40,165	0	44,161	0
Technology Literacy Challenge Fund Grants	TJS1 2007	84.318	9,317	0	8,005	0
Improving Teacher Quality State Grants	TRS1 2006	84.367	10,018	0	13,967	0
Improving Teacher Quality State Grants	TRS1 2007	84.367	139,045	0	144,759	0
Total Improving Teacher Quality State Grants			149,063	0	158,726	0
Hurricane Relief	HR01-2006	84.938	13,500	0	24,500	0
Total U.S. Department of Education			2,306,440	0	2,345,506	0
Total Federal Awards Receipts and Expenditures			\$2,656,304	\$71,633	\$2,695,370	\$82,356

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

**SHAKER HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2007**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying federal awards receipts and expenditures schedule 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.

NOTE D - CARRYOVER FUNDS

Negative receipts are shown in the Innovative Education Program Strategies Grant, CFDA # 84.298 and the Safe and Drug-Free Schools and Communities Grant, CFDA # 84.186. These negative receipts represent monies on the Final Expenditure Report that were unspent after the initial period of availability. These monies were in accordance with allowable carryover provisions and added to the following fiscal year award amounts.

CFDA - Catalog of Federal Domestic Assistance



Mary Taylor, CPA

Auditor of State

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

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

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Shaker Heights City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 18, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more than inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted a certain matter that we reported to the District's management in a separate letter dated December 18, 2007.

Compliance and Other Matters

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

We did note a certain noncompliance or other matter that we reported to the District's management in a separate letter dated December 18, 2007.

We intend this report solely for the information and use of the audit committee, management, the Board of Education, and federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

December 18, 2007



Mary Taylor, CPA

Auditor of State

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

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

To the Board of Education:

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 apply to its major federal program for the year ended June 30, 2007. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the Shaker Heights City School District, Cuyahoga County, Ohio, complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended June 30, 2007.

Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that the District's internal control will not prevent or detect more than inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the District's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Federal Awards Receipts and Expenditures Schedule

We have also audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Shaker Heights City School District, Cuyahoga County, Ohio, as of and for the year ended June 30, 2007, and have issued our report thereon dated December 18, 2007. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying federal awards receipts and expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Mary Taylor, CPA
Auditor of State

December 18, 2007

**SHAKER HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007**

1. SUMMARY OF AUDITOR'S RESULTS

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

SHAKER HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007
(Continued)

**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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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



The Mission of the Schools

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

Shaker

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Introductory Section

SHAKER HEIGHTS CITY SCHOOL DISTRICT
SHAKER HEIGHTS, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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, 2007
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*The School District's Mission Statement
is displayed with pride in
classrooms and offices
throughout the District.*

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



SHAKER HEIGHTS CITY SCHOOL DISTRICT

BOARD OF EDUCATION
15600 Parkland Drive
Shaker Heights, Ohio 44120
(216) 295-4000

MARK FREEMAN, Ph.D.
Superintendent

BRYAN C. CHRISTMAN
Treasurer

December 18, 2007

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 Comprehensive Annual Financial Report (CAFR) of the Shaker Heights City School District for the fiscal year ended June 30, 2007. This CAFR conforms to generally accepted accounting principles as applicable to governmental entities, and enables the School District to comply with the legal requirement to file an annual report with the Auditor of State within 150 days of the fiscal year end.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

State statutes require the School District to be subjected to an annual examination by an independent auditor or the State Auditor's Office. For the fiscal year 2007, the School District was audited by the Auditor of State's Office. Their unqualified opinion is included in the financial section of this CAFR.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The Shaker Heights City School District

The Shaker schools were founded in 1912 as an independent School District. 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 5,500 students in the Shaker schools.

The little real estate office was gradually supplanted by twelve 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 that 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, but then relocated to Onaway School in the fall of 2006.*
- 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 known as 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 614 school districts in the State of Ohio and one of 31 school districts in Cuyahoga County. The School District is the 57th largest in student enrollment in Ohio, with an enrollment of 5,577 students for the 2007 academic year and projected enrollment for fiscal year 2008 of 5,460 students. The School District offers general education, special education, and vocational education academic programs. 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 of the Ohio Revised Code, to provide educational services prescribed by State and Federal agencies. The Board of Education is made up of five members elected at large, for overlapping four-year terms. The Board of Education elects its President and Vice President annually, and appoints two officials: the Superintendent, who serves as the Chief Executive Officer, and the Treasurer, who serves as the Chief Financial Officer.

The Board of Education is required to adopt an annual tax budget and an annual appropriation resolution that serves as the basis for control over and authorization for all expenditures of School District tax money.

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 three organizations, the Ohio Schools' Council Association (OSC), the Lakeshore Northeast Ohio Computer Association (LNOCA), and the Shaker Heights Public Library. LNOCA and OSC are jointly-governed organizations whose relationships to the School District are described in Note 18 to the accompanying financial statements. The Shaker Heights Library is a related organization and is described in Note 19 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 29,405 residents in the City of Shaker Heights, and 4,558 for the City of Cleveland. The community is primarily residential in nature with a diverse base of residents working largely in professional capacities. The School District is a mature, fully developed inner ring suburb whose economic strength is largely dependent upon the strength of the Northeast Ohio economy. According to the Ohio Department of Taxation, the average federal adjusted gross income per return for residents of the School District filing returns for calendar year 2005 was \$115,780, compared to the averages of \$60,663 for all Ohio school districts and \$52,365 for all districts in Cuyahoga County.

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. While downtown Cleveland is only twenty minutes by car, the rapid transit, a light rail public transit system, provides even more accessibility to downtown Cleveland's business community and attractions. The Greater Cleveland Regional Transit System has extended the original rapid transit rail line to serve not only downtown Cleveland and Cleveland Hopkins International Airport but also the Cleveland waterfront area including the recreational/entertainment area known as the "Flats", the Rock & Roll Hall of Fame and Museum, the Great Lakes Science Museum, Quicken Loans Arena, Jacobs Field and Cleveland Browns Stadium.

Another contributor to the School District's economic strength is its proximity to the University Circle area of Cleveland. University Circle is the home to major cultural, educational and medical facilities including Severance Hall, the home of the world-renown Cleveland Orchestra, the Cleveland Museum of Art, Case Western Reserve University, and University Hospitals of Cleveland and the Cleveland Clinic, world-renowned medical research, teaching and treatment facilities and the two largest employers in Cuyahoga County. Significant numbers of Shaker Heights residents work in the medical, cultural, and educational institutions in nearby University Circle.

The Shaker Square shopping district, which lies in the Cleveland portion of the School District, was purchased and redeveloped in 2001 and 2002. The School District, in accordance with a tri-party agreement between the developer and the City of Cleveland, receives 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 2004 sale to a new local owner has reinvigorated the enthusiasm about the Shaker Square potential and long-term prospects for success.

While past development efforts including the re-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, have had mixed results, the City of Shaker Heights is aggressively pursuing new development, both commercial and residential. Through a process based on a collaborative effort of public and private community leaders, the City developed a Strategic Investment Plan that serves to advise the City on how to best leverage its limited assets to encourage appropriate private investment, and to ensure that Shaker Heights remains one of the premier communities in the country.

The City's Strategic Investment Plan is currently in the implementation phase. A listing of projects either completed or near completion include:

- Construction of a new \$5 million City Fire Station in the Shaker Towne Centre area;
- Redevelopment of commercial properties in the Shaker Towne Centre complex including \$3 million of façade and other improvements;

- \$13 million of public improvements at the Shaker Towne Centre including the reconfiguration and narrowing of Chagrin Boulevard; the addition of angled, on-street parking on Chagrin Boulevard; the construction of Center Street- a new road through Shaker Towne Centre which connects Chagrin Boulevard with Van Aken Boulevard; utility work to upgrade sewers, electric and telephone lines; streetscape work on Chagrin Boulevard; and streetscape work on Lee Road between Chagrin Boulevard and City Hall.
- Building of 16 cluster townhouses known as Sussex Courts - Phase I on the north side of Chagrin Boulevard at Farnsleigh Road;
- Building of 30 cluster townhouses known as Sussex Courts - Phase II on the south side of Chagrin Boulevard at Farnsleigh Road; and
- Development of 16 new residential condominiums entitled South Park Row on vacant land in the Warwick Road area.

Already in process is the following residential development:

- Razing of certain residential properties adjacent to the Shaker Towne Centre and the construction of a new residential project entitled Avalon Station. Phase 1 of the project is to include up to 50 loft condominiums. When complete the project will consist of three 4-story buildings with more than 160 loft condominiums and 17 townhomes.

Other development opportunities being pursued in Shaker Heights include:

- Redevelopment of two 1950's strip shopping centers located at the end of the Blue Line rapid transit;
- Redevelopment of various parcels at this major intersection including underutilized office buildings;
- Development of a City-owned parking lot on Farnsleigh, which abuts the Shaker Heights Country Club; and
- Development of other potential sites throughout the City.

In addition to commercial and multi-family dwelling property development, the City is also pursuing single-family residential development. In keeping with its aggressive pursuit of maintaining and enhancing the City's housing stock, in late 2006 the City enacted legislation creating five new "housing only" Community Reinvestment Areas (CRA's) with the particular objective to encourage new residential construction and significant rehabilitation.

Although the departure from the City of OfficeMax and its headquarters left a significant hole in the commercial backbone of the City, the void was short lived. In the fall of 2006, the University Hospitals Corporation announced its purchase of the OfficeMax headquarters building and the relocation of as many as 900 full-time employees to such facility by early 2008.

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. These local initiatives, combined with Cleveland's economic growth, provide for a stable and desirable economic condition for our School District. The favorable economic condition has resulted in School District tax levy success including:

- A 60 percent voter approval of a continuing 9.4 mill operating levy in March 2000;
- A 65 percent voter approval of a continuing 9.6 mill operating levy in May 2003;
- A 68 percent voter approval of a \$23.5 million capital improvement bond issue in November 2004; and
- A 60 percent voter approval of a continuing 9.9 mill operating levy in May 2006.

These are the cornerstones upon which the School District's future financial outlook depends. With these resounding reinforcements from the community, the economic outlook for the School District remains favorable.

Long-Term Financial Planning

The Board of Education has adopted three specific policies that guide both the short- and long-term financial planning as well as 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 the School District's 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 spending caps were renewed in 2000, and the District has successfully operated under spending limits since then.

Currently, the Board of Education's long-term financial plan is guided by the Board-mandated edicts of restricting the District's operating levy cycle to no more often than once every three years, at a millage level below ten mills.

2007 Major Initiatives

Academic Achievement

With the support of faculty, parents, and local residents, our students continued to excel in academics, the arts, athletics, and community service. Approximately 11 percent of the Class of 2007 earned honors in the National Merit and National Achievement scholarship competitions, compared with 2 percent nationally. This again places Shaker in the top ranks of Ohio schools using this nationally

accepted “gold standard” of scholastic achievement. Each year since the inception of the National Merit program in 1956, Shaker has far outpaced the national average in the production of these scholars.

Approximately 25 percent of eligible students at Shaker Heights High School took one or more Advanced Placement (AP) classes this year. In May 2007, 380 students took 820 AP examinations, with 79 percent earning a score of 3 or higher. Based on their outstanding performance on the national Advanced Placement examinations, 131 Shaker students were named AP Scholars in November 2007.

Shaker Heights students continue to be sought after by colleges. About 10 percent of the Class of 2007 were accepted early into their first-choice colleges, including some of the most selective in the nation. Approximately 90 percent of graduating seniors plan to attend college.

Helping each student reach his/her potential academically continues to be the paramount goal of the School District. Building on the development of School Improvement Plans for each school and information from the National School Boards Association’s achievement initiatives, academic issues remained a major focus of Board of Education meetings. Formal presentations were made at regularly scheduled Board of Education meetings covering the following topics:

- New physical education activities that are designed to engage students of all ability levels in lifetime fitness habits, replacing the traditional focus on competitive games;
- Initiatives by the City of Shaker Heights in the areas of housing, economic development, and improvements to parks and bike paths;
- An update on the introduction of Mandarin Chinese language instruction;
- A report on mathematics education, given at two consecutive meetings; and
- The Fact Book for the 2005-2006 school year.

Technology

Our computer network serves students, teachers and staff in a wide variety of applications for instruction and business. We have more than 25 servers and approximately 1250 workstations in 12 buildings. Our network also supports our phone system, which provides phone access in all offices and classrooms. We continue our bond issue replacement of aging computers, with approximately 100 new boxes and memory upgrades added in the past year. Software supports our focus on student achievement, particularly in mathematics with the use of Pearson Successmaker in the elementary grades and Aleks and Cognitive Tutor in the upper grades.

Capital Improvements

Several major construction or repair projects were begun during the summer of 2006. Some of the largest and most visible of these projects included the repair and replacement of the sewer line and sidewalk on the north side of the Middle School; repair and new landscaping of the Middle School Courtyard; replacement of the Middle School Auditorium stage rigging; repair of the drainage system around the High School North Gym; replacement and repair of the wood columns at the High School entrance to the egress hallway; complete replacement of the west sidewalk at Woodbury; replacement of the pool boiler at Woodbury; installation of a new low-pressure boiler at Lomond; and the creation of a new dumpster enclosure with landscaping at Fernway. Expansion and improvement of classroom spaces included High School art and special education rooms, the pre-school special needs classrooms at Onaway, and the reconfiguration of some spaces in the High School guidance offices. During the Spring of 2007, the following projects were started: replacement of windows at the High School and Boulevard Elementary; the expansion of the High School dining area; restoration and renovation of the High School Large Auditorium; repair of the home-side stadium bleachers, track and adjacent areas; replacement of all Middle School parking areas; repair of the Woodbury chimney and clock tower; replacement of the gymnasium floor at Boulevard; partial renovation of the media centers at Fernway and Lomond, and the necessary modifications for the addition of a third serving line in the Woodbury cafeteria. In addition, the District is working with the Shaker Heights Public Library to complete

selected renovations, including main door replacement. The District also worked with community groups to secure a Federal Grant to replace the Doan Brook foot bridge on the Woodbury campus. The District has continued to maintain its facilities through an ongoing program of sidewalk repair, masonry tuck pointing, painting, floor refinishing and/or carpeting, repair and replacement of exterior and interior doors, and preventive maintenance upgrades to electrical, HVAC, mechanical, and plumbing systems. In addition, the District's bus fleet achieved a 100 percent pass rate on state inspections for the fifteenth year in a row.

Current and Future Initiatives

The School District continues to study, plan, and implement instructional initiatives aimed at improving the academic achievement of all students. Current instructional initiatives include early intervention, before- and after-school as well as Saturday tutoring sessions and summer programming for students; an intensified focus on the core subject areas of instruction; increased efforts to help students prepare for the Ohio Diagnostic, Achievement and Graduation Tests; the refinement of team teaching approaches at the secondary school level; efforts to increase 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 the welfare of youth.

School Improvement Plans

The culture of the Shaker schools reflects an ongoing commitment to the philosophy of continuous improvement. Each school principal has crafted a school improvement plan (SIP) in consultation with faculty members, key members of the central office staff and the superintendent. Each plan includes educational goals, performance measures, benchmarks, strategies, resource allocation, assignment of responsibility and timelines for completion. The plans are updated annually to reflect both District and building-level instructional priorities.

Improving Student Achievement Grants

The Shaker schools were awarded two-year grants of \$242,000 from The Cleveland Foundation and \$80,000 from The George Gund Foundation to support minority achievement efforts in 2006. This is the third time the two foundations have made grants to the District for this work. The grants support a range of activities, including professional development, Scholars programs for students in grades 5-12, the establishment of study circles to support students in Advanced Placement and Honors classes, and dissemination of best practices. The generous support of the Cleveland and George Gund foundations has helped make the Shaker schools a national leader in the field of improving student achievement. The District has been sharing its research and innovative programming both locally and with other Minority Student Achievement Network (MSAN) school districts at national meetings and conferences.

Awards

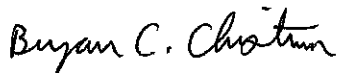
GFOA Certificate of Achievement - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Shaker Heights City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2006. The Certificate is the highest form of recognition in the area of governmental financial reporting. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

ASBO Certificate - The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2006 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, 2007, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

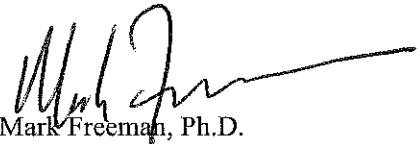
Acknowledgments

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 for their assistance in preparing and reviewing this financial report.

Respectfully submitted,



Bryan C. Christman
Treasurer



Mark Freeman, Ph.D.
Superintendent

Shaker Heights City School District
Principal Officials
June 30, 2007

Board of Education

Ms. Freda J. Levenson.....President
Mr. F. Drexel Feeling.....Vice-President
Mr. Norman A. Bliss.....Member
Mrs. Mary S. Johnson.....Member
Ms. Annette Tucker Sutherland.....Member

Administration

Mark Freeman Ph.D.....Superintendent

Bryan C. Christman.....Treasurer



SHAKER HEIGHTS CITY SCHOOL DISTRICT

ORGANIZATIONAL CHART

Board of Education

Superintendent

Treasurer/Chief Financial Officer

Exec. Director of Curriculum

High School Principal

Middle School Principal

Registrar

Director of Special Education

Dir. of Library/Media Services

Technology Coordinator

Exec. Director of Elementary Education

Assistant to the Superintendent

Director of Communications

Boulevard Principal

Fernway Principal

Lomond Principal

Mercer Principal

Onaway Principal

Woodbury Principal

Dir. of Staff Development
(unfilled)

Business Administrator

Personnel Administrator

Data Processing Supervisor

Director of Research and
Evaluation

Operations Manager

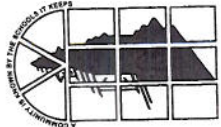
Custodial Night Supervisor

Transportation Supervisor

Facilities Supervisor

Food Service Supervisor

Safety & Security Supervisor



SHAKER HEIGHTS CITY SCHOOL DISTRICT

www.shaker.org

- 1** Shaker Heights City Schools K-4
15600 Parkland Drive
Shaker Heights, OH 44120
216 295-1400
- 2** Boulevard Elementary K-4
14900 Drexmore Road
Shaker Heights, OH 44120
216 295-4020
- 3** Fernway Elementary K-4
17420 Fernway Road
Shaker Heights, OH 44120
216 295-4040
- 4** Lomond Elementary K-4
17917 Lomond Boulevard
Shaker Heights, OH 44122
216 295-4050
- 5** Mercer Elementary K-4
23325 Wimbledon Road
Shaker Heights, OH 44122
216 295-4070
- 6** Onaway Elementary K-4
3115 Woodbury Road
Shaker Heights, OH 44120
216 295-4080
- 7** Woodbury Elementary 5-6
15400 South Woodland Road
Shaker Heights, OH 44120
216 295-4150
- 8** Shaker Heights Middle School 7-8
20600 Shaker Boulevard
Shaker Heights, OH 44122
216 295-4100
- 9** Shaker Heights High School 9-12
15911 Aldersyde Drive
Shaker Heights, OH 44120
216 295-4200



ATTENDANCE ZONES

Shaker Heights City School District



Street	School	Street	School	Street	School	Street	School	Street	School
Aberdeen	Onaway	Courtland	Onaway	Hornwood	Mercer	N. Moreland	Boulevard	Strandhill	Lomond
Albion	Boulevard	Courtland O.	Boulevard	Huntington	Boulevard	North Park	Boulevard	Strathaxon	Ferryway
	Onaway	Coventry	Boulevard		Onaway	Norwood	Ferryway*	Sudbury	Mercer
Aldersyde	Onaway	Cranlyn	Mercer	Ingliside	Ferryway*		Lomond	Sulgrave	Mercer
	Ferryway							Sussex	Lomond
Almar	Mercer	Daleford	Ferryway	Inverness	Lomond	Onaway	Onaway	Sutherland	Lomond
Ardmore	Ferryway				Mercer	Onaway	Onaway	Sutton Road	Onaway
Ardron	Boulevard	Dorchester	Lomond			Oxford	Onaway	Sutton Place	Onaway
Asby	Ferryway	Douglas	Ferryway				Onaway	Sydenham	Mercer
	Ferryway								
Ashford	Onaway	Drexmore	Mercer	Kemper	Boulevard	Palmerston	Lomond	Tolland	Lomond
Ashley	Onaway	Drummond	Boulevard	Kendall	Boulevard	Park Drive	Boulevard	Torrington	Onaway
Ashwood	Boulevard	Drummond	Boulevard	Kenmore	Ferryway*	Parkland	Ferryway*	Townley	Lomond
	Onaway	Dryden	Mercer	Kenyon	Ferryway		Onaway	Traver	Lomond
		Durfield	Mercer	Keswick	Boulevard	Parnell	Mercer	Traymore	Boulevard
					Onaway	Paxton	Boulevard	Trynham	Lomond
Attleboro	Boulevard	East 127th	Boulevard	Kingsley	Onaway	Pennington	Mercer	University	Mercer
	Ferryway								
	Onaway	East 135th	Onaway	Landon	Mercer	Ramsdale	Lomond	Van Aken	Boulevard
Avallon	Ferryway	East 137th	Onaway	Lansmere	Ferryway*	Riedham	Ferryway		Ferryway
	Lomond	East 140th	Onaway	Larchmere	Boulevard	Rile Court	Mercer		
Becket	Boulevard	E. Belvoir O.	Mercer	Latimore	Lomond	Ripley	Boulevard		
	Onaway		Boulevard	Laurel	Onaway	Rochester	Mercer		
Belvoir	Onaway	Edgerton	Onaway	Laureldale	Mercer	Rolliston	Mercer		
Berwyn	Mercer	Elsmere	Boulevard	Lee	Boulevard	Rye	Mercer		
Boyce	Ferryway	Endby	Ferryway	Lee odd	Ferryway	Scottsdale	Lomond		
Braemar	Mercer	Endicott	Boulevard	Leighton	Onaway		Ferryway		
Brightley	Onaway	Fairhill	Boulevard	Lindholm	Boulevard	Sebor	Mercer		
Brixton	Boulevard	Fairmount	Boulevard	Litchfield	Boulevard	Sedgewick	Boulevard		
Bryden	Mercer	Falmouth	Mercer	Lmington	Onaway	Shaker Blvd.	Boulevard		
Byron	Mercer	Falmouth	Onaway	Lomond	Lomond	Shaker Blvd. odd	Boulevard		
		Farnsleigh	Mercer	Ludgate	Mercer	Shaker Blvd. even	Mercer		
		Ferryway	Ferryway	Ludlow	Boulevard	Shaker Glen	Onaway		
Calverton	Mercer	Fontenay	Onaway	Lyman Blvd.	Onaway	Shelburne	Onaway		
Canterbury	Mercer		Boulevard	Lynman Circle	Mercer		Boulevard		
Carlton	Onaway	Glencalm	Ferryway	Lynnfield	Lomond	Shelley	Mercer		
Chadbourne	Boulevard		Onaway	Lynon	Ferryway*	Sherrbrooke	Boulevard		
	Onaway	Glengary	Lomond	Lyle	Lomond	Sherrington	Lomond		
Chagrin	Onaway	Glennore	Mercer	Malvern	Onaway	Somerser	Boulevard		
				Marchester	Onaway	Southington	Boulevard		
				Manchmont	Onaway		Boulevard		
Chaikant	Ferryway	Green	Ferryway	Maynard	Ferryway*	S. Moreland	Boulevard		
Chelton	Mercer	Greenway	Lomond	McCauley	Mercer	South Park	Boulevard		
Cheshire	Boulevard	Gridley	Onaway	Menlo	Ferryway	S. Woodland	Boulevard		
Chesteron	Boulevard	Gripping	Onaway	Milverton	Mercer	South Park odd	Boulevard		
Claremont	Onaway	Haddam	Boulevard	Morley	Onaway	South Park even	Boulevard		
Claridge O.	Boulevard	Hadleigh	Mercer	Newell	Lomond	Stanford	Mercer		
Claythorne	Mercer	Haburton	Mercer	Nicholas	Lomond	Stockholm	Ferryway		
		Haliwoth	Mercer	Northwood	Boulevard	Stoer	Lomond		
		Hampton	Boulevard						
Clayton	Onaway	Hazelnut	Mercer						
Colby	Mercer	Hawthick	Mercer						
Colton	Mercer	Hawthorn	Mercer						
Colwyn	Onaway	Helm	Mercer						
Cordy	Boulevard	Herritage	Mercer						
Corriere	Boulevard	Hildana	Mercer						
Courtland	Boulevard	Holbrook	Ferryway						

*The District will provide transportation for residents of the area bounded by Kenmore, Parkland, and Van Aken who wish to attend Lomond.

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, 2006

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.



President

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, 2006

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

President

Executive Director

Financial Section



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Shaker Heights City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Shaker Heights City School District, Cuyahoga County, Ohio, as of June 30, 2007, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2007, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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

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

Mary Taylor, CPA
Auditor of State

December 18, 2007

Shaker Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

The management's discussion and analysis of Shaker Heights City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2007. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, financial statements and the notes to those respective statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2007 are as follows:

- Net assets totaled \$24,268,024 for fiscal year 2007.
- Revenue for governmental activities totaled \$95,989,250 in fiscal year 2007. Of this total, 92.6 percent consisted of general revenues while program revenues accounted for the balance of 7.4 percent.
- Program expenses totaled \$85,180,668. Instructional expenses comprised 52.8 percent of this total, while support services accounted for 41.6 percent. Other expenses rounded out the balance of 5.6 percent.
- Outstanding general obligation bonded debt increased to \$28,578,859 from \$22,156,229.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes pertaining to those statements. These statements are organized so the reader can understand Shaker Heights City School District as a whole financial unit or complete operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Assets* and *Statement of Activities* provide information about activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term and what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of the Shaker Heights City School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

The analysis of the School District as a whole begins on page 5. While this document contains all of the funds used by the School District to provide programs and activities, the view of the School District as a whole considers all financial transactions and asks the question, "Are we in a better financial position this year than last?" and "Why" or "Why not". The Statement of Net Assets and the Statement of Activities provide the basis for answering these questions. These statements include all assets and liabilities using accrual basis of accounting, this accounting method is similar to that used by most private-sector companies. Accrual accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

Shaker Heights City School District
Management's Discussion and Analysis
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These two statements report the School District's net assets and the changes in those assets. The change in net assets is important because it tells the reader that, for the school district as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors may include, but are not limited to, the School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions or needs, required educational programs and other factors.

All of the School District's programs and services are reported as Governmental Activities in the Statement of Net Assets and the Statement of Activities. Governmental Activities consist of functions that are principally supported by taxes and intergovernmental revenues. Such activities include instruction, support services, operation and maintenance of plant, pupil transportation, food service and extracurricular activities among others for the School District.

Currently, the School District has no Business-Type Activities, which include functions that are intended to recover all or a significant portion of their costs through user fees and charges.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The presentation of the School District's major funds begins on page 18. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund and the Building Capital Projects Fund.

Governmental Funds – Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual*, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds – Proprietary funds have historically operated as enterprise and internal service funds using the same basis of accounting as business-type activities. The School District has no enterprise funds. The internal service funds account for the payments, administrative costs and reserves of the School District's self-insured prescription drug coverage, the obligation under its contingent premium health and dental insurance plan, and the State's retrospective rating workers' compensation plan, and are reported separately as the School District's proprietary funds.

Shaker Heights City School District
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Unaudited

The School District as a Whole

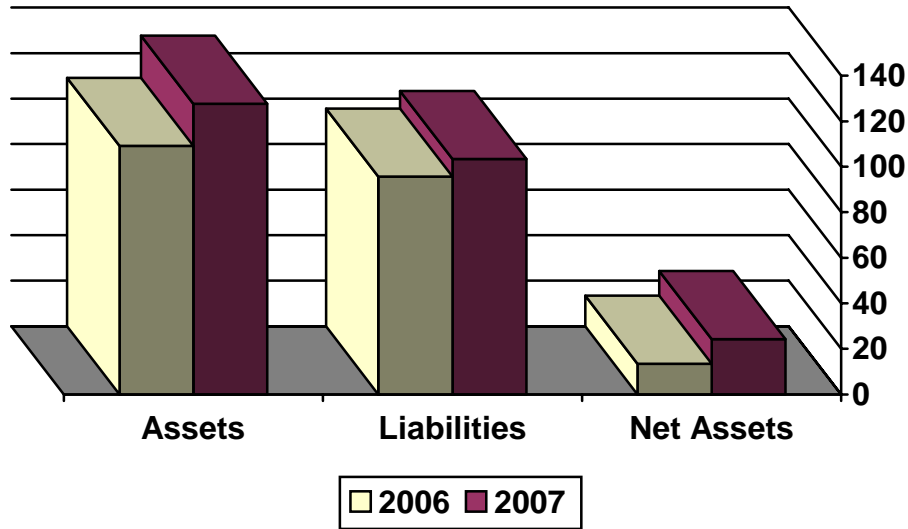
As you may recall, the Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for fiscal year 2007 and 2006.

Table 1
Net Assets
Governmental Activities

	<u>2007</u>	<u>2006</u>	<u>Change</u>
Assets			
Current and Other Assets	\$103,495,025	\$88,796,959	\$14,698,066
Capital Assets, Net	24,136,755	20,302,152	3,834,603
Total Assets	<u>127,631,780</u>	<u>109,099,111</u>	<u>18,532,669</u>
Liabilities			
Current and Other Liabilities	68,857,526	67,224,592	1,632,934
Long Term Liabilities:			
Due Within One Year	2,967,494	2,852,728	114,766
Due in More than One Year	31,538,736	25,562,349	5,976,387
Total Liabilities	<u>103,363,756</u>	<u>95,639,669</u>	<u>7,724,087</u>
Net Assets			
Invested in Capital Assets			
Net of Related Debt	4,632,987	2,204,521	2,428,466
Restricted:			
Capital Projects	400,300	1,655,509	(1,255,209)
Debt Service	2,455,559	2,263,055	192,504
Set Asides	353,070	353,070	0
Other Purposes	797,215	544,543	252,672
Unrestricted	15,628,893	6,438,744	9,190,149
Total Net Assets	<u>\$24,268,024</u>	<u>\$13,459,442</u>	<u>\$10,808,582</u>

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Graph 1
Net Assets
Governmental Activities
(in \$millions)



Property taxes receivable contributed \$70,018,578 or 54.9 percent of total assets. Of this amount \$54,923,874 is offset as deferred revenue, revenue to be used in future periods. Liabilities for governmental activities totaled \$103,363,756; of this amount \$34,506,230 or 33.3 percent is long-term liabilities. By comparing assets and liabilities, one can see the overall position of the School District is good. The vast majority of revenue supporting all governmental activities is general revenue. General revenue totaled \$88,902,597 or 92.6 percent of total revenue, up from \$77,798,516 or 91.6 percent in the prior fiscal year. The most significant portion of the general revenue is the local property tax. The remaining amount of revenue received was in the form of program revenues, which equated to \$7,086,653 or 7.4 percent of total revenue, down from \$7,178,400 or 8.4 percent in the prior fiscal year.

Table 2 shows the changes in net assets for fiscal years 2007 and 2006.

Shaker Heights City School District
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Table 2
Changes in Net Assets
Governmental Activities

	<u>2007</u>	<u>2006</u>	<u>Change</u>
Revenues			
Program Revenues:			
Charges for Services	\$2,325,663	\$2,470,940	(\$145,277)
Operating Grants, Interest and Contributions	4,711,888	4,565,310	146,578
Capital Grants and Contributions	49,102	142,150	(93,048)
<i>Total Program Revenues</i>	<u>7,086,653</u>	<u>7,178,400</u>	<u>(91,747)</u>
General Revenues:			
Property Taxes	63,668,314	53,913,009	9,755,305
Grant and Entitlements not Restricted to Specific Programs	23,496,372	22,583,373	912,999
Investment Earnings	1,625,920	1,147,810	478,110
Gain on Sale of Capital Assets	0	5,250	(5,250)
Other	111,991	149,074	(37,083)
<i>Total General Revenues</i>	<u>88,902,597</u>	<u>77,798,516</u>	<u>11,104,081</u>
Total Revenues	<u>95,989,250</u>	<u>84,976,916</u>	<u>11,012,334</u>
Program Expenses			
Instruction:			
Regular	33,772,290	35,310,361	(1,538,071)
Special	10,931,104	10,607,843	323,261
Vocational	249,179	261,197	(12,018)
Support Services:			
Pupils	5,183,166	5,375,507	(192,341)
Instructional Staff	5,011,630	5,578,777	(567,147)
Board of Education	16,097	19,423	(3,326)
Administration	5,413,913	6,436,016	(1,022,103)
Fiscal	2,502,091	1,851,290	650,801
Business	831,094	923,004	(91,910)
Operation and Maintenance of Plant	11,044,168	11,863,117	(818,949)
Pupil Transportation	3,732,632	4,243,701	(511,069)
Central	1,665,801	1,548,776	117,025
Operation of Non-Instructional Services	1,374,292	1,425,671	(51,379)
Food Service Operations	1,236,661	1,311,946	(75,285)
Extracurricular Activities	1,213,896	1,241,147	(27,251)
Interest and Fiscal Charges	1,002,654	1,015,691	(13,037)
Total Expenses	<u>85,180,668</u>	<u>89,013,467</u>	<u>(3,832,799)</u>
Increase (Decrease) in Net Assets	10,808,582	(4,036,551)	14,845,133
<i>Net Assets Beginning of Year</i>	<u>13,459,442</u>	<u>17,495,993</u>	<u>(4,036,551)</u>
<i>Net Assets End of Year</i>	<u>\$24,268,024</u>	<u>\$13,459,442</u>	<u>\$10,808,582</u>

Shaker Heights City School District
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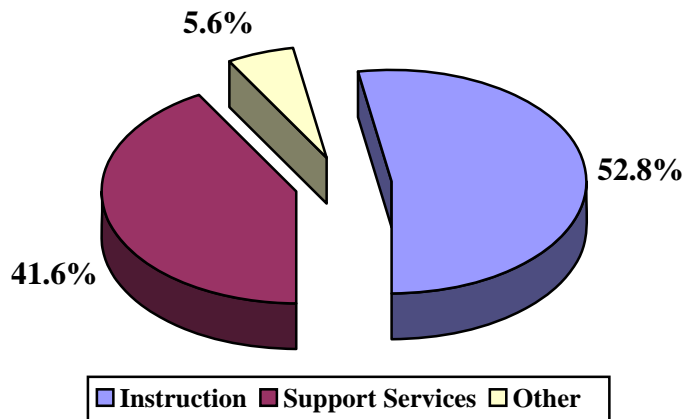
Governmental Activities

The School District has prepared and closely monitors its five-year financial forecast that includes forecasted revenues and expenditures for the School District's primary General operating fund. Since 1933, the residents of the School District have only rejected three operating levies placed on the ballot, 1934, 1983 and 1994, all of which were approved at the following election. In May of 2003, the School District successfully passed a 9.6 mill-operating levy that generates \$7.5 million dollars in revenue per year. Collections on this new levy began the second half of fiscal year 2004 with full collection of this levy realized in fiscal year 2005. In May 2006, the School District successfully passed a 9.9 mill-operating levy that is expected to generate \$8.2 million dollars in revenue per year. Collections on this new levy will began in the second half of fiscal year 2007 with full collection of this levy to be realized in fiscal year 2008. The additional income from this levy is dedicated to fund the day-to-day operations of the School District (e.g., salaries, utilities, textbooks, transportation, etc.) and is expected to cover three years of operation.

Ohio House Bill 920 effectively freezes tax revenue to a specific dollar amount the minute a levy is passed. This House Bill also eliminates any growth from local revenue, therefore school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to voters to maintain a constant level of academically excellent service.

Although the School District relies heavily upon local property taxes to support its operations, the School District does actively solicit and receive grant and entitlement funds to help offset some operating costs. Property taxes approximated 66.3 percent of revenues for governmental activities for Shaker Heights City Schools in fiscal year 2007, up from 63.4 percent in the prior year.

Graph 2
Program Expenses



Approximately 52.8 percent of the School District's expenses are used for instructional expenses. Supporting services for pupils, staff and business operations account for an additional 41.6 percent. The remaining amount of program expenses, roughly 5.6 percent, is budgeted to facilitate other obligations of the School District including interest and fiscal charges, food services operations and extracurricular activities.

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The School District's net assets increased in fiscal year 2007 by \$10,808,597. The increase was primarily due to the growth in property tax revenue due to the passage of the 2006 operating levy, coupled with a planned \$4.5 million reduction in the General Fund operating budget. Total revenues for the year were \$11,012,334 higher than the prior year, while expenses totaled \$3,832,799 lower than the prior year.

The Statement of Activities presents information about the cost of program services and the charges for services and any grants offsetting the cost of providing those services. Table 3 shows the total cost of services and the net cost of services for governmental activities. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3
Governmental Activities

Programs	Total Cost of Services 2007	Total Cost of Services 2006	Net Cost of Services 2007	Net Cost of Services 2006
Instruction:				
Regular	\$33,772,290	\$35,310,361	\$32,273,679	\$33,716,093
Special	10,931,104	10,607,843	10,170,460	10,366,350
Vocational	249,179	261,197	245,380	257,004
Support Services:				
Pupils	5,183,166	5,375,507	5,077,905	5,250,054
Instructional Staff	5,011,630	5,578,777	3,538,426	3,771,965
Board of Education	16,097	19,423	15,861	19,068
Administration	5,413,913	6,436,016	5,328,542	6,322,340
Fiscal	2,502,091	1,851,290	2,435,058	1,816,583
Business	831,094	923,004	819,620	907,632
Operation and Maintenance of Plant	11,044,168	11,863,117	10,775,824	11,380,211
Pupil Transportation	3,732,632	4,243,701	3,672,301	4,169,413
Central	1,665,801	1,548,776	1,614,794	1,507,899
Operation of Non-Instructional Services	1,374,292	1,425,671	48,784	151,983
Food Service Operations	1,236,661	1,311,946	43,459	134,704
Extracurricular Activities	1,213,896	1,241,147	1,031,268	1,048,077
Interest and Fiscal Charges	1,002,654	1,015,691	1,002,654	1,015,691
Total Expenses	\$85,180,668	\$89,013,467	\$78,094,015	\$81,835,067

The reliance upon local tax revenues for governmental activities is crucial at Shaker Heights City Schools. More than 74.8 percent of expenses are directly supported by local property taxes. Grant and entitlements not restricted to specific programs, investment earnings and other miscellaneous types of revenues support the remaining activity costs. Program revenue accounts for only 8.3 percent of all governmental expenses.

School District's Funds

Information pertaining to the School District's major funds can be found beginning on page 18. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$94,523,612 and expenditures of \$92,027,107. The net change in fund balance for the year in the General Fund was an increase of \$7,093,259. The net change in fund balance for the year in the Building Fund was an increase of \$3,663,408, due to the receipt of bond proceeds issued for School District capital projects.

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General Fund Budgeting Highlights

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The General Fund is the most significant fund to be budgeted and is the main operating fund of the School District.

The School District did not amend its general fund budget during the course of the 2007 fiscal year. The School District uses a modified site-based method of budgeting that has in place systems designed to closely control expenses, but also provides flexibility for decision-making by the site-based management.

The General Fund's final revenue budget totaled \$80,206,594, which was \$243,661 below the original budget estimate of \$80,450,255. The final expenditure budget totaled \$82,660,256, which was the same as the original estimate.

The School District's ending unencumbered cash balance totaled \$14,317,377, which was \$4,654,700 higher than the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2007, the School District had \$24,136,755 in land and land improvements, buildings and improvements, equipment, vehicles and construction in progress. Table 4 shows fiscal year 2007 values compared to 2006.

Table 4
Capital Assets, Net

	Governmental Activities		
	2007	2006	Change
Land	\$943,600	\$943,600	\$0
Land Improvements	1,972,507	1,973,154	(647)
Buildings and Improvements	15,990,297	13,360,871	2,629,426
Equipment	2,943,631	2,506,231	437,400
Vehicles	928,974	712,520	216,454
Construction In Progress	<u>1,357,746</u>	<u>805,776</u>	<u>551,970</u>
Total	<u>\$24,136,755</u>	<u>\$20,302,152</u>	<u>\$3,834,603</u>

All capital assets, except land and construction in progress, are reported net of depreciation. The net increase in capital assets during the fiscal year resulted primarily due to the expenditure of the April 2005 and April 2007 bond issuance proceeds on District capital projects, partially offset by depreciation charges for the year. The increase in buildings and improvements is due to various capital projects. The furniture and equipment category was mainly due to the acquisition of equipment, primarily in the technology related areas. The increase in construction in progress is primarily attributable to window replacements at Boulevard Elementary and the High School, and other major capital projects that were still in progress as of June 30, 2007. For more information on capital assets refer to Note 9 of the basic financial statements.

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Debt

At June 30 2007, the School District had \$28,578,859 in outstanding debt. Table 5 below summarizes the School District's bonds outstanding.

Table 5
Outstanding Debt

	Governmental Activities	
	2007	2006
General Obligation Bonds:		
School Improvement 1990, 7.10%	\$1,645,000	\$1,990,000
School Improvement 1999, 3.95%-4.95%	1,125,000	5,405,000
School Improvement 2000		
Serial and Term 4.5%-5.375%	325,000	2,415,000
Capital Appreciation 5.00%-5.05%	299,377	285,543
School Improvement 2005		
Serial and Term 3%-4.5%	8,901,082	9,928,185
Capital Appreciation 3.64%-3.85%	281,076	243,421
Building Addition Refunding 2005		
Serial and Term 3%-4.5%	1,042,173	1,213,140
Capital Appreciation 3.64%-3.85%	116,063	105,940
School Improvement Bonds 2007		
Serial and Term 4%-4.125%	8,591,616	0
Capital Appreciation 24.7%	24,862	0
School Improvement Refunding 2007		
Serial and Term 4%-4.125%	3,698,602	0
Capital Appreciation 24.7%	10,359	0
School Improvement Refunding 2007		
Serial and Term 4%-4.125%	1,931,384	0
Capital Appreciation 24.7%	17,265	0
Bus Acquisition Bond Anticipation Note - Long-Term	500,000	570,000
Bus Acquisition Bond Anticipation Note - Short Term	70,000	0
Total Outstanding Debt	\$28,578,859	\$22,156,229

In an election held on November 5, 1996 the electors of the School District approved the issuing of \$12.7 million of bonds for the purpose of improving school buildings and renovating, remodeling, adding to, furnishing, equipping and otherwise improving school facilities and their sites. These bonds were issued in 1999 and 2000 and were refunded in April 2007. The bonds will be fully repaid in calendar year 2019.

General obligation bonds for the purpose of renovating and making additions to school buildings were issued in 1990 and 1993. The 1990 bonds will be fully repaid in calendar year 2010. The 1993 issue was refunded in April 2005.

In an election held on November 2, 2004 the electors of the School District approved the issuing of \$23.5 million of bonds for the purpose of building and facilities improvement. \$9,999,995 and \$8,498,960 million of bonds were issued under this authority in April 2005 and April 2007, respectively.

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In October 2005, the School District issued \$570,000 of unvoted bond anticipation notes for the purpose of financing the acquisition of school buses and all necessary appurtenances. In October 2006, the note was refinanced with the issuance of a new bond anticipation note. In October 2007, the \$500,000 note was refinanced with the issuance of a new bond anticipation note.

The School District's overall debt margin was \$60,113,626 with an unvoted debt margin of \$952,028 at June 30, 2007. The School District's most recent bond rating is an AA+ (up from the previous rating of AA) by Standard & Poor's and Aa2 by Moody's. For more information on debt, refer to Notes 16 and 17 of the basic financial statements.

School District Outlook

Shaker Heights City School District has continued to maintain the highest standards of service to our students, parents and community. The School District is continually presented with challenges and opportunities. The School District is impacted by national and state factors, including economic, political, and educational issues. Despite reductions over the last several fiscal years in the State's various funding programs, the School District was able to maintain its educational program uninterrupted by the financial shock inflicted as a result of the State's budget crisis. Because the School District relies heavily upon its local taxpayer base, the impact of the State's budget crisis does not play as significant a role in the funding picture for the School District as it does for many of the neighboring districts. The School District specifically monitors such matters in order to anticipate, with the objective of minimizing, any negative fallout from these events.

The establishment of the Finance & Audit Committee (F&A Committee) in October 2002 by the Board of Education paved the way for a new era in the School District's financial management function. By creating the F&A Committee, the Board added an ongoing mechanism designed to provide additional financial insight and oversight to complement the School District's internal financial management. The F&A Committee consists of nine community members (two of which are Board members). The backgrounds of the members are primarily concentrated in business and financial management. The F&A Committee's charter includes the twin objectives of monitoring the financial affairs of the School District and serving as the primary contact for the School District's external financial auditors.

Because of its long history of strong community support at the ballot box, coupled with the continuous City efforts targeted toward maintaining the housing stock (thereby helping to maintain and improve the City's tax base), the Shaker Heights City School District has a strong financial outlook. The Board of Education and administration closely monitor its revenues and expenditures in accordance with its financial forecast. Overall, the School District continues to perform at one of the highest levels determined by the State of Ohio, which is measured by a defined set of proficiency criteria. Our most recent state report card shows Shaker Heights City School District students achieving 23 out of 30 indicators for an "effective" rating in accordance with the State-established criteria.

As the preceding information shows, the School District heavily depends on its residential property taxpayers. Our community's support continues to be unwavering as demonstrated by the most recent operating levy in May of 2006, wherein a 9.9 mill levy was passed with a 60.1% margin in the wake of a national, state and local economic slump. Additionally, the community approved a \$23.5 million bond issue for purposes of District capital needs with a 67.7% margin in November 2004. The continued financial support of the School District demonstrates the strong belief of parents and community members that their schools are one of the highest priorities and one of the most important public institutions in their community.

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The School District has communicated to the community the extent upon which the School District relies upon their support for the major part of its operations, and will continue to work diligently to carefully monitor expenses, staying within the School District's five-year financial plan. State law retards the growth of income generated by local levies rendering revenue relatively constant. This lack of revenue growth, however, forces the School District to come back to the voters from time to time and ask for additional financial support.

State School Funding

The DeRolph Case & The Governor's Blue Ribbon Task Force

In December 1991, the Ohio Coalition for Equity and Adequacy of School Funding, representing over 550 Ohio school districts filed a lawsuit, *DeRolph vs. Ohio*, that became synonymous with the state-wide attempt to accomplish public school funding reform in Ohio. The plaintiffs were successful in winning both at the local Perry County Common Pleas level in 1994, and in the subsequent appeals process which led to an unprecedented four Ohio Supreme Court rulings that upheld the lower court ruling that the Ohio system of funding was unconstitutional in that it was neither "adequate" nor "equitable." Unfortunately, the plaintiffs were unsuccessful in forcing the State of Ohio to comply with the Ohio Supreme Court orders and in fact were denied a last ditch effort in October 2003, when the United States Supreme Court denied the plaintiffs motion to be heard. As of the date of these financial statements, the consensus opinion is that the *DeRolph* case is over and done.

During the last biennium, the State continued to struggle with the development of a constitutional school funding system primarily through the work of the Governor's Blue Ribbon Task Force on Financing Student Success. The recommendations of the Task Force, which had failed to reach consensus on school funding improvements to provide a system that would be predictable, affordable, spend money effectively, and support student achievement, were only partially adopted and incorporated into House Bill No. 66, the state's budget bill for the fiscal years 2006 and 2007.

Tax Reform-House Bill No. 66

House Bill No. 66 (H.B. 66), the State's biennial budget for fiscal years 2006 and 2007, was enacted in June 2005. This legislation adopted sweeping changes in the State's tax structure. The most significant provisions impacting the School District are the elimination of the Cost of Doing Business factor (CODB) portion of the State Formula Aid calculation, and the elimination of the tangible personal property tax.

The CODB is being phased-out over fiscal years 2006 and 2007. H.B. 66, however, provides for a "guarantee", or a floor (the fiscal 2005 State Formula Aid amount) below which school districts' funding will not fall during this biennium. Absent the continuation of this biennial "guarantee", the School District would lose approximately \$2 million per year.

H.B. 66 eliminates the tangible personal property tax. The tax has in recent years generated about \$2 million per year for the District. The phase-out for the tangible personal property taxpayer begins with the 2006 tax collection year, in which approximately 75% of the traditional amount will be payable, followed by 50% and 25% in tax collection years 2007 and 2008, respectively, with no tax due in tax collection year 2009.

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At the same time the taxpayer phase-out is occurring, the phase-in of the H.B. 66 personal property tax loss reimbursement mechanism will begin to make payments to school districts to help offset the loss of personal property tax collections. The reimbursement payments will coincide with the phase-out, and will in essence approximate the reciprocal percentage of the phase-out tax payment percentage (i.e. 25%, 50%, 75%, and 100% for the tax collection years 2006, 2007, 2008, and 2009, respectively). After a second 100% reimbursement year in tax collection year 2010, the reimbursement payments will be phased-out over the ensuing seven years.

Because personal property tax collections are unpredictable under normal circumstances, the exact impact of the tax phase-out and tax reimbursement phase-in is unknown at this time. Consequently, all of the School District's financial abilities will be called upon to meet the challenges the future will bring. It is imperative the School District's Board and management team continue to carefully and prudently plan in order to provide the resources required to meet the future needs of its students.

The Fiscal 2008 & 2009 Biennial State Budget

Under the provisions of the most recent State biennial budget (passed in June 2007), the tax reform implementation provisions of House Bill No. 66 are continued. Additionally, the budget bill provided for the continuation of the State Foundation Formula Aid "guarantee" through the end of the new biennium.

Contacting the School District's Financial Management

This financial report is designed to provide our citizen's, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Bryan C. Christman, Treasurer, at Shaker Heights City School District, 15600 Parkland Drive, Shaker Heights, Ohio 44120, or e-mail at christman_b@shaker.org.

Basic Financial Statements

Shaker Heights City School District

Statement of Net Assets

June 30, 2007

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$31,740,250
Accounts Receivable	4,606
Accrued Interest Receivable	192,190
Intergovernmental Receivable	850,188
Prepaid Items	227,177
Materials and Supplies Inventory	139,091
Property Taxes Receivable	70,018,578
Deferred Charges	322,945
Nondepreciable Capital Assets	2,301,346
Depreciable Capital Assets, Net	<u>21,835,409</u>
<i>Total Assets</i>	<u>127,631,780</u>
Liabilities	
Accounts Payable	736,089
Contracts Payable	638,151
Accrued Wages and Benefits	7,788,092
Matured Compensated Absences Payable	949,624
Retainage Payable	80,391
Intergovernmental Payable	2,913,150
Deferred Revenue	54,923,874
Claims Payable	675,671
Accrued Interest Payable	82,484
Notes Payable	70,000
Long-Term Liabilities:	
Due Within One Year	2,967,494
Due In More Than One Year	<u>31,538,736</u>
<i>Total Liabilities</i>	<u>103,363,756</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	4,632,987
Restricted for:	
Capital Projects	400,300
Debt Service	2,455,559
Set Asides	353,070
Food Service	9,610
Uniform School Supplies	7,376
Athletics	32,296
State Grants	251,741
Federal Grants	148,421
Other Purposes	347,771
Unrestricted	<u>15,628,893</u>
<i>Total Net Assets</i>	<u><u>\$24,268,024</u></u>

See accompanying notes to the basic financial statements

Shaker Heights City School District

Statement of Activities

For the Fiscal Year Ended June 30, 2007

	Program Revenues				Net (Expense)
					Revenue and Changes
					in Net Assets
	Expenses	Charges for Services and Sales	Operating Grants, Interest and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction:					
Regular	\$33,772,290	\$638,404	\$860,207	\$0	(\$32,273,679)
Special	10,931,104	158,673	601,971	0	(10,170,460)
Vocational	249,179	3,799	0	0	(245,380)
Support Services:					
Pupils	5,183,166	78,661	26,600	0	(5,077,905)
Instructional Staff	5,011,630	55,156	1,418,048	0	(3,538,426)
Board of Education	16,097	236	0	0	(15,861)
Administration	5,413,913	82,913	2,458	0	(5,328,542)
Fiscal	2,502,091	36,415	30,618	0	(2,435,058)
Business	831,094	11,474	0	0	(819,620)
Operation and Maintenance of Plant	11,044,168	160,269	58,973	49,102	(10,775,824)
Pupil Transportation	3,732,632	60,331	0	0	(3,672,301)
Central	1,665,801	24,249	26,758	0	(1,614,794)
Operation of Non-Instructional Services	1,374,292	100,717	1,224,791	0	(48,784)
Food Service Operations	1,236,661	738,586	454,616	0	(43,459)
Extracurricular Activities	1,213,896	175,780	6,848	0	(1,031,268)
Interest and Fiscal Charges	1,002,654	0	0	0	(1,002,654)
<i>Totals</i>	<u>\$85,180,668</u>	<u>\$2,325,663</u>	<u>\$4,711,888</u>	<u>\$49,102</u>	<u>(78,094,015)</u>
General Revenues					
Property Taxes Levied for:					
					60,456,905
					3,211,409
					23,496,372
					1,625,920
					111,991
					<u>88,902,597</u>
					Change in Net Assets 10,808,582
					<u>Net Assets Beginning of Year 13,459,442</u>
					<u>Net Assets End of Year \$24,268,024</u>

See accompanying notes to the basic financial statements

Shaker Heights City School District

Balance Sheet

Governmental Funds

June 30, 2007

	<u>General</u>	<u>Building</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$17,120,629	\$9,763,846	\$2,941,405	\$29,825,880
Restricted Assets:				
Equity in Pooled Cash and				
Cash Equivalents	353,070	0	0	353,070
Accounts Receivable	4,606	0	0	4,606
Accrued Interest Receivable	192,190	0	0	192,190
Intergovernmental Receivable	0	0	850,188	850,188
Interfund Receivable	7,316	0	0	7,316
Prepaid Items	227,177	0	0	227,177
Materials and Supplies Inventory	122,649	0	16,442	139,091
Property Taxes Receivable	66,674,989	0	3,343,589	70,018,578
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Total Assets</i>	<u>\$84,702,626</u>	<u>\$9,763,846</u>	<u>\$7,151,624</u>	<u>\$101,618,096</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$545,029	\$75,811	\$115,249	\$736,089
Contracts Payable	0	638,151	0	638,151
Accrued Wages and Benefits	7,330,155	0	457,937	7,788,092
Matured Compensated Absences Payable	927,538	0	22,086	949,624
Retainage Payable	0	80,391	0	80,391
Interfund Payable	0	0	7,316	7,316
Intergovernmental Payable	2,599,270	0	177,551	2,776,821
Deferred Revenue	58,524,000	0	3,264,988	61,788,988
Accrued Interest Payable	0	233	0	233
Notes Payable	0	70,000	0	70,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Total Liabilities</i>	<u>69,925,992</u>	<u>864,586</u>	<u>4,045,127</u>	<u>74,835,705</u>
 Fund Balances				
Reserved for Encumbrances	2,278,564	2,863,477	420,806	5,562,847
Reserved for Property Taxes	7,121,406	0	391,912	7,513,318
Reserved for Budget Stabilization	353,070	0	0	353,070
Unreserved, Undesignated				
Reported in:				
General Fund	5,023,594	0	0	5,023,594
Special Revenue Funds	0	0	248,532	248,532
Debt Service Fund	0	0	2,045,247	2,045,247
Capital Projects Funds	0	6,035,783	0	6,035,783
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Total Fund Balances</i>	<u>14,776,634</u>	<u>8,899,260</u>	<u>3,106,497</u>	<u>26,782,391</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Total Liabilities and Fund Balances</i>	<u>\$84,702,626</u>	<u>\$9,763,846</u>	<u>\$7,151,624</u>	<u>\$101,618,096</u>

See accompanying notes to the basic financial statements

Shaker Heights City School District
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities*
 June 30, 2007

Total Governmental Fund Balances	\$26,782,391
 <i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	24,136,755
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. These deferrals are attributed to property taxes and intergovernmental receivable.	
Property Taxes	6,529,127
Grants	<u>335,987</u>
Total	6,865,114
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.	749,300
Bond issuance costs will be amortized over the life of the bonds on the statement of net assets.	322,945
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(82,251)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Compensated Absences	(5,997,371)
General Obligation Bonds	(27,045,000)
Notes Payable	(500,000)
Capital Appreciation Bonds	(749,002)
Accounting Gain	259,778
Bond Premium	<u>(474,635)</u>
Total	<u>(34,506,230)</u>
<i>Net Assets of Governmental Activities</i>	<u><u>\$24,268,024</u></u>

See accompanying notes to the basic financial statements

Shaker Heights City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2007

	General	Building	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$59,337,408	\$0	\$3,068,137	\$62,405,545
Intergovernmental	23,125,904	0	4,854,184	27,980,088
Interest	1,168,400	419,966	37,554	1,625,920
Tuition and Fees	1,047,715	0	94,586	1,142,301
Extracurricular Activities	0	0	211,365	211,365
Contributions and Donations	0	49,102	25,303	74,405
Charges for Services	86,586	0	738,611	825,197
Rentals	46,800	100,000	0	146,800
Miscellaneous	84,661	0	27,330	111,991
<i>Total Revenues</i>	<u>84,897,474</u>	<u>569,068</u>	<u>9,057,070</u>	<u>94,523,612</u>
Expenditures				
Current:				
Instruction:				
Regular	32,979,250	0	938,618	33,917,868
Special	10,381,358	0	604,972	10,986,330
Vocational	247,794	0	0	247,794
Support Services:				
Pupils	5,161,485	0	23,758	5,185,243
Instructional Staff	3,598,113	0	1,346,769	4,944,882
Board of Education	16,097	0	0	16,097
Administration	5,354,880	0	3,332	5,358,212
Fiscal	2,379,216	0	74,478	2,453,694
Business	760,942	0	6,137	767,079
Operation and Maintenance of Plant	10,280,718	0	66,863	10,347,581
Pupil Transportation	3,951,396	0	0	3,951,396
Central	1,606,538	0	21,701	1,628,239
Operation of Non-Instructional Services	48,939	0	1,125,164	1,174,103
Food Service Operations	0	0	1,234,851	1,234,851
Extracurricular Activities	912,489	0	290,193	1,202,682
Capital Outlay	0	5,313,843	0	5,313,843
Debt Service:				
Principal Retirement	0	0	2,200,000	2,200,000
Interest and Fiscal Charges	0	22,970	886,202	909,172
Bond Issuance Costs	0	0	188,041	188,041
<i>Total Expenditures</i>	<u>77,679,215</u>	<u>5,336,813</u>	<u>9,011,079</u>	<u>92,027,107</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>7,218,259</u>	<u>(4,767,745)</u>	<u>45,991</u>	<u>2,496,505</u>
Other Financing Sources (Uses)				
Bonds Issued	0	8,498,960	5,701,622	14,200,582
Bond Premium	0	2,193	307,924	310,117
Notes Issued	0	500,000	0	500,000
Current Refunding	0	(570,000)	0	(570,000)
Payments to Refunded Bond Escrow Agent	0	0	(5,942,840)	(5,942,840)
Transfers In	0	0	125,000	125,000
Transfers Out	(125,000)	0	0	(125,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(125,000)</u>	<u>8,431,153</u>	<u>191,706</u>	<u>8,497,859</u>
<i>Net Change in Fund Balances</i>	7,093,259	3,663,408	237,697	10,994,364
<i>Fund Balances Beginning of Year</i>	<u>7,683,375</u>	<u>5,235,852</u>	<u>2,868,800</u>	<u>15,788,027</u>
<i>Fund Balances End of Year</i>	<u>\$14,776,634</u>	<u>\$8,899,260</u>	<u>\$3,106,497</u>	<u>\$26,782,391</u>

See accompanying notes to the basic financial statements

Shaker Heights City School District
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2007*

Net Change in Fund Balances - Total Governmental Funds \$10,994,364

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

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

Capital Outlay	5,511,581
Depreciation	<u>(1,667,287)</u>

Total	3,844,294
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Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (9,691)

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

Property Taxes	1,262,769
Intergovernmental	<u>202,869</u>

Total	1,465,638
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Other financing sources in the government funds that increase long-term liabilities such as notes issued in the statement of net assets are not reported as revenues in the statement of activities.

Bonds Issued	(14,200,582)
Notes Issued	(500,000)
Premium on Bonds	<u>(310,117)</u>

Total	(15,010,699)
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Repayment of bond and note principal are expenditures in the governmental funds, but the repayments reduce the long-term liabilities in the statement of net assets.

Bonds and Note Principal	2,770,000
Payment to the Refunded Bond Escrow Agent	<u>5,942,840</u>

Total	8,712,840
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In the statement of activities, interest accrued on outstanding bonds and bond accretion, bond premium, and bond issuance costs are amortized over the terms of the bonds, whereas in the governmental funds the expenditure is reported when the bonds are issued:

Accrued Interest on Bonds	(28,462)
Amortization of Bond Issuance Cost	(10,249)
Amortization of Bond Premiums	14,908
Amortization of Refunding	(6,163)
Annual Accretion	<u>(63,516)</u>

Total	(93,482)
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Bond issuance costs are recognized as deferred charges and will be amortized over the life of the bonds on the statement of activities. 188,041

Compensated Absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. 261,477

The internal service funds used by management to charge the costs of prescription drug insurance and workers' compensation reserve are included in the statement of activities and not on the governmental fund expenditures. 455,800

Change in Net Assets of Governmental Activities \$10,808,582

See accompanying notes to the basic financial statements

Shaker Heights City School District
Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$55,961,871	\$55,673,210	\$57,389,197	\$1,715,987
Intergovernmental	22,391,384	22,391,384	23,132,654	741,270
Interest	686,000	686,000	1,058,966	372,966
Tuition and Fees	1,091,000	1,091,000	1,045,007	(45,993)
Charges for Services	0	43,000	86,586	43,586
Rentals	43,000	45,000	46,800	1,800
Miscellaneous	277,000	277,000	85,161	(191,839)
<i>Total Revenues</i>	80,450,255	80,206,594	82,844,371	2,637,777
Expenditures				
Current:				
Instruction:				
Regular	33,030,245	33,030,245	32,931,035	99,210
Special	12,002,211	12,002,211	11,774,906	227,305
Vocational	642,132	642,132	429,539	212,593
Support Services:				
Pupils	5,254,860	5,254,860	5,245,367	9,493
Instructional Staff	3,711,164	3,711,164	3,596,361	114,803
Board of Education	21,832	21,832	20,149	1,683
Administration	5,706,140	5,706,140	5,463,718	242,422
Fiscal	3,105,382	3,105,382	2,579,815	525,567
Business	865,001	865,001	791,244	73,757
Operation and Maintenance of Plant	11,239,542	11,239,542	11,025,229	214,313
Pupil Transportation	4,246,233	4,246,233	4,107,920	138,313
Central	1,782,701	1,782,701	1,709,844	72,857
Operation of Non-Instructional Services	61,855	61,855	48,948	12,907
Extracurricular Activities	990,958	990,958	928,258	62,700
<i>Total Expenditures</i>	82,660,256	82,660,256	80,652,333	2,007,923
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,210,001)	(2,453,662)	2,192,038	4,645,700
Other Financing Uses				
Transfers Out	(134,000)	(134,000)	(125,000)	9,000
<i>Net Change in Fund Balance</i>	(2,344,001)	(2,587,662)	2,067,038	4,654,700
<i>Fund Balance Beginning of Year</i>	9,381,583	9,381,583	9,381,583	0
Prior Year Encumbrances Appropriated	2,868,756	2,868,756	2,868,756	0
<i>Fund Balance End of Year</i>	\$9,906,338	\$9,662,677	\$14,317,377	\$4,654,700

See accompanying notes to the basic financial statements

Shaker Heights City School District

Statement of Fund Net Assets

Internal Service Funds

June 30, 2007

Assets	
<i>Current Assets</i>	
Equity in Pooled Cash and Cash Equivalents	<u>\$1,561,300</u>
Liabilities	
<i>Current Liabilities</i>	
Intergovernmental Payable	136,329
Claims Payable	<u>675,671</u>
<i>Total Liabilities</i>	<u>812,000</u>
Net Assets	
Unrestricted	<u><u>\$749,300</u></u>

See accompanying notes to the basic financial statements

Shaker Heights City School District
*Statement of Revenues,
Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year Ended June 30, 2007*

Operating Revenues	
Charges for Services	<u>\$9,588,657</u>
Operating Expenses	
Purchased Services	21,603
Claims	<u>9,111,254</u>
<i>Total Operating Expenses</i>	<u>9,132,857</u>
<i>Change in Net Assets</i>	455,800
<i>Net Assets Beginning of Year</i>	<u>293,500</u>
<i>Net Assets End of Year</i>	<u><u>\$749,300</u></u>

See accompanying notes to the basic financial statements

Shaker Heights City School District
Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2007

Increase (Decrease) in Cash and Cash Equivalents

Cash Flows from Operating Activities

Cash Received from Transactions with Other Funds	\$9,588,657
Cash Payments for Goods and Services	(21,603)
Cash Payments for Claims	(8,886,754)

Net Cash Provided by Operating Activities 680,300

Cash and Cash Equivalents Beginning of Year 881,000

Cash and Cash Equivalents End of Year \$1,561,300

***Reconciliation of Operating Income to
Net Cash Provided by Operating Activities***

Operating Income \$455,800

**Adjustments to Reconcile Operating Income to
Net Cash Used for Operating Activities**

Increase in Liabilities:

Intergovernmental Payable	136,329
Claims Payable	88,171

Total Adjustments 224,500

Net Cash Provided by Operating Activities \$680,300

See accompanying notes to the basic financial statements

Shaker Heights City School District
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2007

Assets

Equity Pooled in Cash and Cash Equivalents	<u><u>\$310,158</u></u>
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Liabilities

Undistributed Monies	\$165,224
Due to Students	<u>144,934</u>

<i>Total Liabilities</i>	<u><u>\$310,158</u></u>
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See accompanying notes to the basic financial statements

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

Note 1 - Description of The School District

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

The School District operates under a locally elected five-member Board form of government. Each member is elected to a four year term. The School District provides educational services as mandated by State and federal agencies. The Board of Education controls the School District's eight instructional and four support facilities staffed by 284 classified employees, 429 certified teachers and 38 tutoring personnel, and 35 administrators who provide services to 5,577 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), and one high school (9-12). The School District's four support facilities include an administration building, transportation center, warehouse and maintenance vehicle garage, and a media and technology services facility.

Reporting Entity

A reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards and agencies that are not legally separate from the School District. For 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 Hanna-Perkin, 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 organization's 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 their debt or the levying of their taxes. The School District has no component units.

The School District is associated with two jointly governed organizations and a related organization. These organizations are the Ohio Schools' Council Association, the Lakeshore Northeast Ohio Computer Association (LNOCA) and the Shaker Heights Public Library. These organizations are presented in Notes 18 and 19 to the basic financial statements.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

Note 2 - Summary of Significant Accounting Policies

The financial statements of the Shaker Heights City School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities and to its internal service funds unless those pronouncements conflict with or contradict GASB pronouncements. The most significant of the School District's accounting policies are described below.

A. Basis of Presentation

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

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. The statements usually distinguish between those activities of the School District that are governmental and those that are considered business-type. The School District however, has no business-type activities.

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

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

B. Fund Accounting

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

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

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

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

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

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

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

Internal Service Funds The internal service funds account 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. The internal service funds accounts for the payments, administrative costs and reserves of the School District's self-insured prescription drug coverage, the potential obligation under its contingent premium health and dental insurance plan, and the State's retrospective rating workers' compensation plan.

Fiduciary Funds Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The School District has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has two agency funds which are rotary and student activities, including field trips and college entrance exam testing.

C. Measurement Focus

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

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

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

D. Basis of Accounting

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

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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

Property taxes for which there is an enforceable legal claim as of June 30, 2007, but which were levied to finance fiscal year 2008 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Budgetary Data

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

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

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

F. Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through School District records. Interest in the pool is presented as "equity in pooled cash and cash equivalents".

During fiscal year 2007, investments were limited to Federal Home Loan Bank Bonds, Federal National Mortgage Association Bonds, Federal Home Loan Mortgage Corporation Bonds, Federal Home Loan Mortgage Corporation Discounted Notes, Federal National Mortgage Association Discounted Notes, and STAROhio (the State Treasury Asset Reserve of Ohio).

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For the Fiscal Year Ended June 30, 2007*

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2007.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating contracts such as certificate of deposits and repurchase agreements are reported at cost.

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2007 amounted to \$1,168,400, which includes \$281,958 assigned from other School District funds.

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

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2007, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

H. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventories consist of donated and purchased food and materials and supplies held for consumption.

I. Restricted Assets

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the general fund include amounts required by State statute to be set-aside to create a reserve for budget stabilization. See Note 8 for additional information regarding set asides.

J. Capital Assets

All capital assets of the School District are classified as general capital assets. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The School District was able to estimate the historical cost for the initial reporting of capital assets by backtrending (i.e., estimating the current replacement cost of the capital asset to be capitalized and using an appropriate price-level index to deflate the cost of the acquisition year or estimated acquisition year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of one thousand dollars. The School

Shaker Heights City School District

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For the Fiscal Year Ended June 30, 2007*

District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

Description	Governmental Activities Estimated Lives
Land Improvements	40 years
Buildings and Improvements	40 -100 years
Equipment	5 - 20 years
Vehicles	8 years

K. Compensated Absences

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

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

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

On the governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employee who has unpaid leave is paid.

L. Bond Issuance Costs

On government-wide statements, bond issuance costs are deferred and amortized over the term of the applicable bonds using the effective interest method. Within the governmental fund statements, bond issuance costs are expended when incurred.

M. Bond Premium

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the effective interest method. Bond premiums are presented as an increase of the face amount of the bonds payable. On governmental fund statements, bond premiums are reported as another financing source when received.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

N. Gain/Loss on Refunding

On the government-wide financial statements, the difference between the reacquisition price (the funds required to refund the old debt) and the net carrying amount of the old debt, the deferred amount on refunding, is being amortized as a component of interest expense. This deferred amount is amortized over the life of the old or new debt, whichever is shorter.

O. Accrued Liabilities and Long-term Obligations

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

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

P. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The government-wide statement of net assets reports \$4,006,144 of restricted net assets, none of which is restricted by enabling legislation.

Net assets restricted for other purposes include local grants, public school support and the operation of the Shaker Heights merchandise account.

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

Q. Fund Balance Reserves

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

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

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

R. Internal Activity

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities.

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

S. Operating Revenue and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are charges for services for self-insurance programs. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. Any revenues and expenses not meeting the definitions of operating are reported as nonoperating.

T. Extraordinary and Special Items

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

U. Estimates

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

Note 3 – Fund Deficits

The following funds had deficit fund balances as of June 30, 2007:

Special Revenue Funds

Management Information Systems	\$217
Poverty Based Assistance	1,063
Limited English Proficiency	18,186
Preschool Disability	1,309

The deficits in the special revenue funds resulted from the recognition of accrued liabilities. The general fund is liable for any deficit in these funds and provides operating transfers when cash is required, rather than when accruals occur.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

Note 4 - Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
4. Investments are reported at cost (budget basis) rather than fair value (GAAP basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statement to the budgetary basis statement on a fund type basis for the general fund.

Net Change in Fund Balance	
GAAP Basis	\$7,093,259
Net Adjustment for Revenue Accruals	(2,059,672)
Beginning Fair Value Adjustment for Investments	(31,887)
Ending Fair Value Adjustment for Investments	38,456
Net Adjustment for Expenditure Accruals	152,064
Adjustment for Encumbrances	(3,125,182)
Budget Basis	<u><u>\$2,067,038</u></u>

Note 5 - Deposits and Investments

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

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

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

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other 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;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);
7. The State Treasurer's investment pool (STAROhio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

Deposits

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year end, \$17,481,408 of the School District's bank balance of \$17,690,338 was uninsured and uncollateralized. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

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

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

Investments

Investments are reported at fair value. As of June 30, 2007, the School District had the following investments:

	<u>Fair Value</u>	<u>Maturity</u>
Federal Home Loan Bank Bonds	\$4,983,752	1/11/08 - 10/16/09
Federal National Mortgage Association Bonds	2,967,841	11/23/07 - 6/4/09
Federal Home Loan Mortgage Corporation Bonds	996,204	12/26/08
Federal Home Loan Mortgage Corporation Discounted Notes	4,888,717	7/23/07 - 10/22/07
Federal National Mortgage Association Discounted Notes	977,365	12/5/07
STAROhio	<u>1,881</u>	33 Days Average
Total	<u><u>\$14,815,760</u></u>	

Interest Rate Risk As a means of limiting its exposure to fair value losses caused by rising interest rates, the School District's investment policy requires that operating funds be invested primarily in investments so that the securities mature to meet cash requirements for ongoing operations and long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity. To date, no investments have been purchased with a life greater than four years.

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

Credit Risk The Federal Home Loan Bank Bonds, the Federal National Mortgage Association Bonds, the Federal Home Loan Mortgage Corporation Bonds, the Federal Home Loan Mortgage Corporation Discounted Notes, and the Federal National Mortgage Association Discounted Notes all carry a rating of AAA by Standard & Poor's. STAROhio also carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The School District has no investment policy that addresses credit risk.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

Concentration of Credit Risk The School District places no limit on the amount it may invest in any one issuer. The following is the School District's allocation as of June 30, 2007:

Investment	Percentage of Investments
Federal Home Loan Bank Bonds	33.64%
Federal National Mortgage Association Bonds	20.03%
Federal Home Loan Mortgage Corporation Bonds	6.72%
Federal Home Loan Mortgage Corporation Discounted Notes	33.00%
Federal National Mortgage Association Discounted Notes	6.60%
STAROhio	0.01%

Note 6 - Property Taxes

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar 2007 represents collections of calendar year 2006 taxes. Real property taxes received in calendar year 2007 were levied after April 1, 2006, on the assessed value listed as of January 1, 2006, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2007 represents collections of calendar year 2006 taxes. Public utility real and tangible personal property taxes received in calendar year 2007 became a lien December 31, 2005, were levied after April 1, 2006 and are collected in 2007 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

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

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

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, 2007, are available to finance fiscal year 2007 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2007 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 and the late June personal property tax settlement were levied to finance current fiscal year operations and are reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2007 was \$7,121,406 in the general fund and \$391,912 in the bond retirement debt service fund. The amount available as an advance at June 30, 2006, was \$5,878,425 in the general fund and \$348,720 in the bond retirement debt service fund.

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

The assessed values upon which the fiscal year 2007 taxes were collected are:

	2006 Second- Half Collections		2007 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$847,971,800	97.02%	\$933,671,870	97.51%
Public Utility Property	15,778,790	1.81	15,113,730	1.58
Tangible Personal Property	10,227,037	1.17	8,670,762	0.91
Total	<u>\$873,977,627</u>	<u>100.00%</u>	<u>\$957,456,362</u>	<u>100.00%</u>
Full voted tax rate per \$1,000 of assessed valuation		\$160.50		\$170.30

The increase in the full voted tax rate is due to the School District passing a 9.9 mill operating levy in May 2006.

Note 7 - Receivables

Receivables at June 30, 2007, consisted of taxes, accounts (rent and student fees) and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables are expected to be collected within one year except delinquent property taxes.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amount</u>
Title VI-B Grant and Subsidies	\$269,569
Title I Grant and Subsidies	179,526
Special Trust Grant and Subsidies	142,500
Federal Nutrition Subsidies	113,108
Classroom Size Reduction Grant and Subsidies	106,975
Goals 2000 Grant and Subsidies	18,615
Continuous Improvement Grant and Subsidies	9,384
Limited English Proficiency Grant and Subsidies	4,379
Title V Grant and Subsidies	4,141
Drug Free Grant and Subsidies	1,841
Preschool Disability Grant and Subsidies	150
Total Intergovernmental Receivables	<u><u>\$850,188</u></u>

Note 8 - Set-Asides

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year 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. In prior years, the School District was also required to set aside money for budget stabilization. At June 30, 2007, only the unspent portion of certain workers' compensation refunds continue to be set-aside.

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

	<u>Textbooks</u>	<u>Capital Improvements</u>	<u>Budget Stabilization</u>
Set-Aside Reserve Balance as of June 30, 2006	(\$3,929,620)	(\$17,509,658)	\$353,070
Current Year Set-Aside Requirement	880,543	880,543	0
Current Year Offset	0	(9,640,221)	0
Qualifying Disbursements	(1,156,657)	(311,568)	0
Totals	<u>(\$4,205,734)</u>	<u>(\$26,580,904)</u>	<u>\$353,070</u>
Set-Aside Balances Carried Forward to Future Fiscal Years	<u>(\$4,205,734)</u>	<u>(\$26,580,904)</u>	<u>\$353,070</u>
Set-Aside Reserve Balance as of June 30, 2007	<u>\$0</u>	<u>\$0</u>	<u>\$353,070</u>

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

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

Note 9 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2007, was as follows:

	Balance 6/30/06	Additions	Deletions	Balance 6/30/07
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$943,600	\$0	\$0	\$943,600
Construction in Progress	805,776	2,263,262	(1,711,292)	1,357,746
<i>Total Capital Assets, not being Depreciated</i>	<u>1,749,376</u>	<u>2,263,262</u>	<u>(1,711,292)</u>	<u>2,301,346</u>
<i>Capital Assets, being Depreciated</i>				
Land Improvements	2,828,776	124,648	0	2,953,424
Buildings and Improvemets	21,790,299	3,209,730	0	25,000,029
Equipment	12,152,435	1,215,402	(446,800)	12,921,037
Vehicles	2,977,709	409,831	(256,000)	3,131,540
<i>Total Capital Assets, being Depreciated</i>	<u>39,749,219</u>	<u>4,959,611</u>	<u>(702,800)</u>	<u>44,006,030</u>
Less: Accumulated Depreciation:				
Land Improvements	(855,622)	(125,295)	0	(980,917)
Buildings and Improvements	(8,429,428)	(580,304)	0	(9,009,732)
Equipment	(9,646,204)	(768,311)	437,109	(9,977,406)
Vehicles	(2,265,189)	(193,377)	256,000	(2,202,566)
<i>Total Accumulated Depreciation</i>	<u>(21,196,443)</u>	<u>(1,667,287)</u>	<u>693,109</u>	<u>(22,170,621)</u>
<i>Total Capital Assets, being Depreciated, Net</i>	<u>18,552,776</u>	<u>3,292,324</u>	<u>(9,691)</u>	<u>21,835,409</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$20,302,152</u>	<u>\$5,555,586</u>	<u>(\$1,720,983)</u>	<u>\$24,136,755</u>

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$422,497
Special	24,010
Support Services:	
Pupils	7,039
Instructional Staff	50,148
Administration	30,057
Fiscal	4,158
Business	75,343
Operation and Maintenance of Plant	705,599
Pupil Transportation	193,377
Central	56,890
Operation of Non-Instructional Services	87,241
Extracurricular	10,928
Total Depreciation Expense	<u>\$1,667,287</u>

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

Note 10 - Risk Management

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2007, the School District contracted with Indiana Insurance Company for property and inland marine insurance. The primary deductibles are \$250 for inland marine and \$10,000 for property coverage. The boiler and machinery policy is provided by Travelers Insurance Company and has a \$1,000 deductible.

General liability coverage is provided by Indiana Insurance Company with a \$1,000,000 single occurrence limit, a \$2,000,000 aggregate and a \$2,500 deductible. Vehicles, including school buses, are covered by Indiana Insurance Company with a \$250 deductible for comprehensive, and a \$500 deductible for collision. There is a \$1,000,000 per accident combined single limit of liability. The School District also has a \$6,000,000 umbrella policy with Indiana Insurance Company that covers both general liability and vehicle policies, and Foreign Travel coverage with the Hartford Steam Boiler Company. 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.

B. Workers' Compensation

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, 2007, represents an estimate of the liability for unpaid claims costs provided by Workers' Compensation. The claims liability reported in the internal service funds for the Workers' Compensation retrospective rating and payment system at June 30, 2007, was \$528,671.

C. Employee Health Benefits

The School District is self-insured for prescription drug insurance. Caremark (formerly known as Advance PCS), the third party administrator of the program, reviews and pays the claims. Monthly premiums for prescription drug insurance are \$282.80 for family coverage and \$106.51 for single coverage. The program utilizes a \$4 prescription deductible for generic drugs and a \$12 deductible for non-generic drugs. The School District paid \$4,891 in fees to the program administrator in fiscal year 2007. The fee is, generally, \$.20 per claim. The School District elects the contingent premium option for its dental and health insurance provided by its primary health insurance carrier Anthem Blue Cross/Blue Shield of Ohio. Under the terms of the contingent premium agreement, the School District pays 90 percent of the fully-insured premium during the contract period, but is subject to an additional payment of 105 percent of the fully-insured premium based upon the actual experience during the contract period. The liability for claims reported in the internal service funds for the medical, dental and prescription drug insurance at June 30, 2007 is \$147,000 and is based on the July 2007 actual billing.

The claims liability reported in the internal service funds at June 30, 2007 for worker's compensation and employee medical, dental and drug coverage is based on the requirements of Governmental Accounting Standards Board Statement No. 30 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 2006 and 2007 are as follows:

Shaker Heights City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

	<u>Balance at</u> <u>Beginning of Year</u>	<u>Current Year</u> <u>Claims</u>	<u>Claim</u> <u>Payments</u>	<u>Balance at</u> <u>End of Year</u>
2006	\$426,100	\$9,254,419	\$9,093,019	\$587,500
2007	587,500	9,111,254	9,023,083	675,671

Note 11 - Other Employee Benefits

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees 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 a \$10 office visit co-pay. Individual coverage is \$353.47 per month while family coverage for a family of two is \$706.94 and for a family of three or more is \$1,060.41. The Anthem Insurance Company 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 plan provides medical/surgical insurance coverage at 80 percent on the first \$2,500 of covered services and 100 percent afterwards, with a \$100 deductible for single subscribers, and 80 percent on the first \$5,000 of covered services and 100 percent afterwards, with a \$200 deductible for family subscribers per calendar year. Individual coverage is \$355.50 per month while family coverage is \$935.92.

Dental insurance is offered to employees through Anthem Insurance Company with a \$50 deductible on orthodontal and restoration services. Individual coverage is \$38.98 per month and family coverage is \$111.91 per month.

C. Life Insurance

Life insurance is offered to employees through Anthem Life Insurance Company. The Treasurer and Superintendent receive \$150,000 coverage for \$18 per month; administrators, supervisors and certified employees receive \$50,000 coverage for \$6 per month, custodial and clerical employees receive \$40,000 for \$4.80 per month, and other non-bargaining employees receive \$30,000 for \$3.60 per month.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

Note 12 - Pension Plans

A. School Employees Retirement System

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

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2007, 10.68 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2007, 2006 and 2005 were \$1,353,493, \$1,439,664, and \$1,574,844, respectively; 39.18 percent has been contributed for fiscal year 2007 and 100 percent for fiscal years 2006 and 2005.

B. State Teachers Retirement System

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

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

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the fiscal year ended June 30, 2007, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2006, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to the STRS Ohio for the fiscal years ended June 30, 2007, 2006, and 2005 were \$4,749,719, \$4,845,841, and \$4,720,002, respectively; 84.94 percent has been contributed for fiscal year 2007 and 100 percent for fiscal years 2006 and 2005. Contributions to the DC and Combined Plans for fiscal year 2007 were \$61,080 made by the School District and \$133,100 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Retirement System. As of June 30, 2007, three members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages.

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 Ohio), 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 Ohio retirees who participated in the DB or Combined Plans and their dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2007, the STRS Ohio Board allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. For the School District, this amount equaled \$365,363 for fiscal year 2007.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2006, (the latest information available) the balance in the Fund was \$3.5 billion. For the year ended June 30, 2006, net health care costs paid by STRS were \$282,743,000 and STRS had 119,184 eligible benefit recipients.

Shaker Heights City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. All retirees and beneficiaries are required to pay a portion of their health care premium. The portion is based on years of service, Medicare eligibility, and retirement status.

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, 2007, employer contributions to fund health care benefits were 3.32 percent of covered payroll, compared to 3.42 percent of covered payroll for fiscal year 2006. 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 2007, the minimum pay was established at \$35,800. However, the surcharge is capped at two percent of each employer's SERS salaries. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2007 fiscal year equaled \$433,422.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the projected claims less premium contributions for the next fiscal year. Expenses for health care at June 30, 2006 (the latest information available) were \$158,751,207. At June 30, 2006, SERS had net assets available for payment of health care benefits of \$295.6 million. SERS has 59,492 participants eligible to receive health care benefits.

Note 14 – Interfund Transfers and Balances

A. Transfers

Transfers made during the year ended June 30, 2007 were as follows:

<u>Transfers To</u>	<u>General</u>
Non-Major Governmental Funds:	
Shaker Merchandise	\$5,000
Athletics	<u>120,000</u>
<i>Total All Funds</i>	<u><u>\$125,000</u></u>

The transfers were made from the general fund to the Shaker merchandise and athletics special revenue funds to help support the funds.

B. Interfund Balances

As of June 30, 2007, the general fund had a \$7,316 interfund receivable and the nonmajor governmental funds had a corresponding \$7,316 interfund payable. The interfund receivable and payable are due to the timing of the receipt of grant monies by the nonmajor funds. The School District expects to receive the grant monies and repay the advances within the next fiscal year.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

Note 15 - Contingencies

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2007.

B. Litigation

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

Note 16 – Short-Term Debt

During fiscal year 2007, the School District issued a \$570,000 note for the purpose of acquiring school buses and all necessary appurtenances. The note proceeds were receipted into the building capital projects fund. On October 18, 2007, the School District paid \$70,000 on the \$570,000 note and refinanced the remainder with a \$500,000 note. Therefore, only \$70,000 of the note is presented as short-term debt.

	Balance 06/30/06	Additions	Deletions	Balance 06/30/07
Bus Acquisition Notes, 4.00%	\$0	\$70,000	\$0	\$70,000

Note 17 – Long-Term Obligations

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

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
<i>General Obligation Bonds:</i>			
School Improvement - 1990	7.08%	\$5,000,000	2011
School Improvement - 1999	3.95 - 4.95%	9,500,000	2010
School Improvement - 2000	4.30 - 5.38%	3,199,993	2011
School Improvement - 2005	3.00 - 4.50%	9,999,995	2026
Building Improvement Refunding - 2005	3.00 - 4.50%	1,324,999	2013
School Improvement - 2007	4.00 - 24.70%	8,498,960	2026
School Improvement Refunding - 2007	4.00 - 24.70%	3,769,983	2020
School Improvement Refunding - 2007	4.00 - 24.70%	1,931,639	2020
<i>Long-Term Notes:</i>			
Bus Acquisition Bond Anticipation Note - 2007	4.00%	500,000	2008
Bond Anticipation Note - 2007	4.25%	6,000,000	2007

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

Changes in long-term obligations of the School District during fiscal year 2007, were as follows:

	Balance Outstanding 06/30/06	Additions	Deletions	Balance Outstanding 06/30/07	Amounts Due in One Year
Governmental Activities					
School Improvement Bonds - 1990					
Serial Bonds	\$1,990,000	\$0	\$345,000	\$1,645,000	\$370,000
School Improvement Bonds - 1999					
Serial Bonds	5,405,000	0	4,280,000	1,125,000	555,000
School Improvement Bonds - 2000					
Serial and Term Bonds	2,415,000	0	2,090,000	325,000	160,000
Capital Appreciation Bonds	134,993	0	0	134,993	0
Accretion on Capital Appreciation Bonds	150,550	13,834	0	164,384	0
Total School Improvement Bonds - 2000	2,700,543	13,834	2,090,000	624,377	160,000
School Improvement Bonds 2005					
Serial Bonds	9,795,000	0	1,020,000	8,775,000	1,050,000
Capital Appreciation Bonds	204,995	0	0	204,995	0
Accretion on Capital Appreciation Bonds	38,426	37,655	0	76,081	0
Unamortized Premium	133,185	0	7,103	126,082	0
Total School Improvement Bonds - 2005	10,171,606	37,655	1,027,103	9,182,158	1,050,000
Building Addition Refunding Bonds 2005					
Serial Bonds	1,195,000	0	170,000	1,025,000	165,000
Capital Appreciation Bonds	94,999	0	0	94,999	0
Accretion on Capital Appreciation Bonds	10,941	10,123	0	21,064	0
Unamortized Premium	46,241	0	2,466	43,775	0
Unamortized Accounting Gain	(28,101)	0	(1,499)	(26,602)	0
Total Building Addition Refunding Bonds - 2005	1,319,080	10,123	170,967	1,158,236	165,000
School Improvement Bonds - 2007					
Serial Bonds	0	8,475,000	0	8,475,000	0
Capital Appreciation Bonds	0	23,960	0	23,960	0
Accretion on Capital Appreciation Bonds	0	902	0	902	0
Unamortized Premium	0	118,192	1,576	116,616	0
Total School Improvement Bonds - 2007	0	8,618,054	1,576	8,616,478	0
School Improvement Refunding - 2007					
Serial Bonds	0	3,760,000	0	3,760,000	0
Capital Appreciation Bonds	0	9,983	0	9,983	0
Accretion on Capital Appreciation Bonds	0	376	0	376	0
Unamortized Premium	0	94,348	1,850	92,498	0
Unamortized Accounting Gain	0	(156,974)	(3,078)	(153,896)	0
Total School Improvement Bonds - 2007	0	3,707,733	(1,228)	3,708,961	0
School Improvement Refunding - 2007					
Serial Bonds	0	1,915,000	0	1,915,000	0
Capital Appreciation Bonds	0	16,639	0	16,639	0
Accretion on Capital Appreciation Bonds	0	626	0	626	0
Unamortized Premium	0	97,577	1,913	95,664	0
Unamortized Accounting Gain	0	(80,866)	(1,586)	(79,280)	0
Total School Improvement Bonds - 2007	0	1,948,976	327	1,948,649	0
Total General Obligation Bonds	\$21,586,229	\$14,336,375	\$7,913,745	\$28,008,859	\$2,300,000

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

	Balance Outstanding 06/30/06	Additions	Deletions	Balance Outstanding 06/30/07	Amounts Due in One Year
Long-Term Notes					
Bus Acquisition Bond Anticipation Note - 2007	570,000	500,000	570,000	500,000	0
Bond Anticipation Note - 2007	0	6,000,000	6,000,000	0	0
<i>Total Long-Term Notes</i>	<u>570,000</u>	<u>6,500,000</u>	<u>6,570,000</u>	<u>500,000</u>	<u>0</u>
Compensated Absences	6,258,848	465,082	726,559	5,997,371	667,494
<i>Total Governmental Activities</i>	<u>\$28,415,077</u>	<u>\$21,301,457</u>	<u>\$15,210,304</u>	<u>\$34,506,230</u>	<u>\$2,967,494</u>

General obligation bonds issued for the purpose of renovating and making additions to school buildings will be paid from property taxes in the debt service fund.

On September 28, 2000, Shaker Heights City School District issued \$3,199,993 in voted general obligation bonds for the purpose of renovating and making additions to school buildings, and related site development. The bond issue included serial, term and capital appreciation bonds in the amounts \$1,885,000, \$1,180,000, and \$134,993, respectively. The bonds will be retired with a voted property tax levy from the debt service fund.

The term bonds maturing December 1, 2019, are subject to mandatory sinking fund redemption in part by lot pursuant to the terms of the mandatory sinking fund redemption requirements of the School District. The mandatory redemption is to occur on December 1, in each of the years 2015 through 2018 (with the balance of \$260,000 to be paid at stated maturity on December 1, 2019) at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

Year	Amount
2015	\$210,000
2016	225,000
2017	235,000
2018	250,000

Term bonds redeemed by other than mandatory redemption, or purchased for cancellation, may be credited against the applicable mandatory redemption requirement.

The serial bonds maturing on or after December 1, 2011, are subject to prior redemption on or after December 1, 2010, by and at the sole option of the Board, either in whole or in part (as selected by the Board) on any interest payment date and in integral multiples of \$5,000, at par plus accrued interest to the redemption date.

The capital appreciation bonds will mature in fiscal years 2008 and 2009. The maturity amount of the bonds is \$330,000. For fiscal year 2007, \$13,834 was accreted for a total bond value of \$299,377.

On April 5, 2005, the School District issued \$1,230,000 in building addition refunding bonds and \$9,999,995 in serial and term school improvement bonds with interest rates varying from 4.3 to 5.375 percent. The bonds were issued at a premium of \$191,387. Proceeds of \$1,354,975 were deposited in an irrevocable trust with an escrow agent to provide for all future debt payment on the refunded portion of the 1993 building addition bonds. As a result, \$1,475,000 of these bonds was considered defeased and

Shaker Heights City School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

the liability for the refunded portion of these bonds has been removed from the basic financial statements. On June 30, 2007, \$1,025,000 of the bonds are outstanding.

The 2005 capital appreciation bonds will mature in fiscal year 2011. The maturity amount of the bonds is \$465,000. For fiscal year 2007, \$37,655 was accreted for a total bond value of \$281,076.

The 2005 refunding capital appreciation bonds will mature in fiscal years 2009 and 2010. The maturity amount of the bonds is \$175,000. For fiscal year 2007, \$10,123 was accreted for a total bond value of \$116,063.

On April 19, 2007, the School District issued \$5,701,622 in school improvement refunding bonds and \$8,498,960 in serial and term school improvement bonds with interest rates varying from 4.0 to 24.70 percent. Proceeds were used to refund \$5,705,000 of the outstanding 1999 and 2000 bonds as follows:

	1999 School Improvement Bonds	2000 School Improvement Bonds	Total
Outstanding at June 30, 2006	\$5,405,000	\$2,415,000	\$7,820,000
Amount Refunded	(3,770,000)	(1,935,000)	(5,705,000)
Non-Refunded Portion	1,635,000	480,000	2,115,000
Principal Payment of Non-Refunded Portion	(510,000)	(155,000)	(665,000)
Outstanding at June 30, 2007	<u>\$1,125,000</u>	<u>\$325,000</u>	<u>\$1,450,000</u>

The bonds were issued at a premium of \$310,117. Proceeds of \$5,942,840 were deposited in an irrevocable trust with an escrow agent to provide for all future debt payment on the refunded portion of the 1999 and 2000 school improvement bonds. As a result, \$5,705,000 of these bonds are considered defeased and the liability for the refunded bonds has been removed from the basic financial statements.

The refunding resulted in a difference between the acquisition price and the net carrying amount of the old debt of \$237,840. This difference, reported as a deduction from bonds payable, is being charged to interest through fiscal year 2020. The City completed the refunding to reduce its total debt service over the next 13 years by \$292,855 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$239,116.

The 2007 capital appreciation bonds will mature in fiscal year 2016. The maturity amount of the bonds is \$180,000. For fiscal year 2007, \$902 was accreted for a total bond value of \$24,862.

The 2007 refunding capital appreciation bonds for the 1999 school improvement bonds will mature in fiscal year 2016. The maturity amount of the bonds is \$75,000. For fiscal year 2007, \$376 was accreted for a total bond value of \$10,359.

The 2007 refunding capital appreciation bonds for the 2000 school improvement bonds will mature in fiscal year 2016. The maturity amount of the bonds is \$125,000. For fiscal year 2007, \$626 was accreted for a total bond value of \$17,265.

Bond anticipation notes that were rolled over prior to the issuance of the financial statements and have a new maturity beyond the end of year in which the report is issued have been reported in the government wide statements. The notes are backed by the full faith of the Shaker Heights City School District.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

Compensated absences will be paid from the general, food service, auxiliary services, summer school, goals 2000 pacesetter, title VI-B, limited English proficiency, Title I, drug free schools, preschool, and class size reduction funds.

The School District's overall debt margin was \$60,113,626 with an unvoted debt margin of \$952,028 at June 30, 2007. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2007 are as follows:

Fiscal Year Ending June 30,	Serial and Term Bonds		Capital Appreciation Bonds	
	Principal	Interest	Principal	Interest
2008	\$2,300,000	\$1,455,038	\$0	\$0
2009	2,115,000	1,297,511	70,976	94,024
2010	2,205,000	1,210,462	64,017	100,983
2011	1,450,000	915,422	204,995	260,005
2012	1,305,000	752,492	94,999	80,001
2013-2017	7,100,000	2,908,244	50,582	329,418
2018-2022	6,580,000	1,475,877	0	0
2023-2026	3,990,000	351,980	0	0
	<u>\$27,045,000</u>	<u>\$10,367,026</u>	<u>\$485,569</u>	<u>\$864,431</u>

Note 18 - Jointly Governed Organizations

A. Ohio Schools' Council Association

The Ohio Schools' Council Association (Council) is a jointly governed organization among one hundred and eight 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 terms rotate. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2007, the School District paid \$4,050 to the Council. Financial information can be obtained by contacting Dr. David A. Cottrell, the Executive Director at the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

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

Energy Acquisition 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 district is required to repay the savings to CEI and CEI will refund the remaining prepayment related to that participant to Energy Acquisition Corp. The School District also elected to participate in a second electricity prepayment which began during fiscal year 2007 after the end of the first program.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

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.

B. Lakeshore Northeast Ohio Computer Association

The Lakeshore Northeast Ohio Computer Association (LNOCA) is a jointly governed computer service bureau that was formed for the purpose of providing data services to the seventeen member districts. Major areas of service provided by LNOCA include accounting, payroll, inventory, career guidance services, handicapped student tracking, pupil scheduling, attendance reporting and grade reporting. Each school is represented on the LNOCA Board of Directors by its superintendent. Each year, the Board of Directors elects a Chairman, a Vice Chairman and a Recording Secretary. The Treasurer of the fiscal agent is a nonvoting, ex-officio member of the Board of Directors. The Cuyahoga County Educational Service Center serves as the fiscal agent of LNOCA. Each school district supports LNOCA based upon a per pupil charge dependent upon the software packages used. In fiscal year 2007, the School District paid \$140,969 to LNOCA. Financial information can be obtained by contacting the Treasurer of the fiscal agent at 5811 West Canal Road, Valley View, Ohio 44125.

Note 19 - 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, David Piskac, Clerk-Treasurer, at 16500 Van Aken Boulevard, Shaker Heights, Ohio 44120.

Note 20 – Subsequent Event

On October 18, 2007, the School District issued a \$500,000 bus acquisition note with a coupon interest rate of 4.00 percent and a net interest rate of 3.60 percent, the proceeds of which were deposited into the School District's building capital projects fund. The note matures on October 18, 2008. The proceeds were used to refinance the note issued in fiscal year 2007.

Combining Statements and Individual Fund Schedules

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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.

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.

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.

Entry Teacher Program – This fund accounts for State monies which support the development of programs for teachers beginning employment with the School District.

Data Communication Grant – This fund is provided to account for money for Ohio Educational Computer Network Connections. Although this fund was budgeted, no activity occurred during the fiscal year and the fund had no balance at fiscal year end.

School Net Professional Development Grant - This fund accounts for State professional development subsidy grants.

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.

Alternative Schools- This fund accounts for State monies for alternative education programs for existing and new at-risk and delinquent youth.

Poverty Based Assistance – This fund accounts for monies appropriated for poverty based assistance as part of the state foundation system.

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

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.

(continued)

Fund Descriptions – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

Limited English Proficiency – This fund accounts for Federal monies used to assist the School District in providing programs for children learning English as a second language.

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

Title V - 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.

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 a Federal grant which is paid directly to the telecommunication service provider.

Class Size Reduction - This fund accounts for Federal monies to hire additional classroom teachers in grades one through three, so that the number of students per teacher will be reduced.

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

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.

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.

Nonmajor 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.

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

(continued)

Fund Descriptions – Nonmajor Governmental Funds (continued)

Nonmajor 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).

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. Although this fund was budgeted, no activity occurred during the fiscal year and the fund had no balance at fiscal year end.

Shaker Heights City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007

	Nonmajor Special Revenue Funds	Nonmajor Bond Retirement Debt Service Fund	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$916,059	\$2,025,346	\$2,941,405
Intergovernmental Receivable	850,188	0	850,188
Materials and Supplies Inventory	16,442	0	16,442
Property Taxes Receivable	0	3,343,589	3,343,589
<i>Total Assets</i>	<u>\$1,782,689</u>	<u>\$5,368,935</u>	<u>\$7,151,624</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$115,249	\$0	\$115,249
Accrued Wages and Benefits	457,937	0	457,937
Matured Compensated Absences Payable	22,086	0	22,086
Interfund Payable	7,316	0	7,316
Intergovernmental Payable	177,551	0	177,551
Deferred Revenue	335,987	2,929,001	3,264,988
<i>Total Liabilities</i>	<u>1,116,126</u>	<u>2,929,001</u>	<u>4,045,127</u>
Fund Balances			
Reserved for Encumbrances	418,031	2,775	420,806
Reserved for Property Taxes	0	391,912	391,912
Unreserved, Undesignated Reported In:			
Special Revenue Funds	248,532	0	248,532
Debt Service Fund	0	2,045,247	2,045,247
<i>Total Fund Balances</i>	<u>666,563</u>	<u>2,439,934</u>	<u>3,106,497</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,782,689</u>	<u>\$5,368,935</u>	<u>\$7,151,624</u>

Shaker Heights City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2007

	Nonmajor Special Revenue Funds	Nonmajor Bond Retirement Debt Service Fund	Total Nonmajor Governmental Funds
Revenues			
Property Taxes	\$0	\$3,068,137	\$3,068,137
Intergovernmental	4,483,716	370,468	4,854,184
Interest	37,554	0	37,554
Tuition and Fees	94,586	0	94,586
Extracurricular Activities	211,365	0	211,365
Contributions and Donations	25,303	0	25,303
Charges for Services	738,611	0	738,611
Miscellaneous	27,330	0	27,330
<i>Total Revenues</i>	<u>5,618,465</u>	<u>3,438,605</u>	<u>9,057,070</u>
Expenditures			
Current:			
Instruction:			
Regular	938,618	0	938,618
Special	604,972	0	604,972
Support Services:			
Pupils	23,758	0	23,758
Instructional Staff	1,346,769	0	1,346,769
Administration	3,332	0	3,332
Fiscal	30,617	43,861	74,478
Business	6,137	0	6,137
Operation and Maintenance of Plant	66,863	0	66,863
Central	21,701	0	21,701
Operation of Non-Instructional Services	1,125,164	0	1,125,164
Food Service Operations	1,234,851	0	1,234,851
Extracurricular Activities	290,193	0	290,193
Debt Service:			
Principal Retirement	0	2,200,000	2,200,000
Interest and Fiscal Charges	0	886,202	886,202
Bond Issuance Costs	0	188,041	188,041
<i>Total Expenditures</i>	<u>5,692,975</u>	<u>3,318,104</u>	<u>9,011,079</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(74,510)</u>	<u>120,501</u>	<u>45,991</u>
Other Financing Sources (Uses)			
Bonds Issued	0	5,701,622	5,701,622
Bond Premium	0	307,924	307,924
Payments to Refunded Bond Escrow Agent	0	(5,942,840)	(5,942,840)
Transfers In	125,000	0	125,000
<i>Total Other Financing Sources (Uses)</i>	<u>125,000</u>	<u>66,706</u>	<u>191,706</u>
<i>Net Change in Fund Balances</i>	50,490	187,207	237,697
<i>Fund Balances Beginning of Year</i>	<u>616,073</u>	<u>2,252,727</u>	<u>2,868,800</u>
<i>Fund Balances End of Year</i>	<u>\$666,563</u>	<u>\$2,439,934</u>	<u>\$3,106,497</u>

Shaker Heights City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2007

	Public School Support	Shaker Merchandise	Athletic	Auxiliary Services
Assets				
Equity in Pooled Cash and Cash Equivalents	\$177,436	\$6,723	\$36,618	\$498,175
Intergovernmental Receivable	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$177,436</u>	<u>\$6,723</u>	<u>\$36,618</u>	<u>\$498,175</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$47,088	\$0	\$3,195	\$13,919
Accrued Wages and Benefits	0	0	0	108,960
Matured Compensated Absences Payable	0	0	0	22,086
Interfund Payable	0	0	0	0
Intergovernmental Payable	0	0	1,127	17,599
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>47,088</u>	<u>0</u>	<u>4,322</u>	<u>162,564</u>
 Fund Balances				
Reserved for Encumbrances	1,727	750	8,288	340,178
Unreserved, Undesignated (Deficit)	128,621	5,973	24,008	(4,567)
<i>Total Fund Balances (Deficit)</i>	<u>130,348</u>	<u>6,723</u>	<u>32,296</u>	<u>335,611</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$177,436</u>	<u>\$6,723</u>	<u>\$36,618</u>	<u>\$498,175</u>

Management Information Systems	Entry Teacher Program	Poverty Based Assistance	Goals 2000 Pacesetter	Title VI-B	Limited English Proficiency	Title I
\$0	\$1,279	\$0	\$4,224	\$32,140	\$0	\$13,650
0	0	0	18,615	269,569	4,379	179,526
0	0	0	0	0	0	0
\$0	\$1,279	\$0	\$22,839	\$301,709	\$4,379	\$193,176
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	161,981	7,748	85,937
0	0	0	0	0	0	0
0	0	0	0	0	1,530	0
217	172	1,063	1,867	72,060	11,425	13,832
0	0	0	18,615	43,019	1,862	92,364
217	172	1,063	20,482	277,060	22,565	192,133
0	668	0	0	25,146	0	357
(217)	439	(1,063)	2,357	(497)	(18,186)	686
(217)	1,107	(1,063)	2,357	24,649	(18,186)	1,043
\$0	\$1,279	\$0	\$22,839	\$301,709	\$4,379	\$193,176

(continued)

Shaker Heights City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2007

	<u>Title V</u>	<u>Drug Free Schools</u>	<u>Preschool Disability</u>	<u>Class Size Reduction</u>
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$2,840	\$2,935	\$0	\$0
Intergovernmental Receivable	4,141	1,841	150	106,975
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$6,981</u>	<u>\$4,776</u>	<u>\$150</u>	<u>\$106,975</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$17,417
Accrued Wages and Benefits	0	0	0	18,638
Matured Compensated Absences Payable	0	0	0	0
Interfund Payable	0	0	72	5,714
Intergovernmental Payable	145	409	1,387	3,237
Deferred Revenue	4,141	1,841	0	52,261
<i>Total Liabilities</i>	<u>4,286</u>	<u>2,250</u>	<u>1,459</u>	<u>97,267</u>
 Fund Balances				
Reserved for Encumbrances	1,250	0	0	0
Unreserved, Undesignated (Deficit)	1,445	2,526	(1,309)	9,708
<i>Total Fund Balances (Deficit)</i>	<u>2,695</u>	<u>2,526</u>	<u>(1,309)</u>	<u>9,708</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$6,981</u>	<u>\$4,776</u>	<u>\$150</u>	<u>\$106,975</u>

<u>Goals 2000</u>	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Local Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$3,278	\$40,057	\$7,376	\$89,328	\$916,059
9,384	113,108	0	142,500	850,188
0	16,442	0	0	16,442
<u>\$12,662</u>	<u>\$169,607</u>	<u>\$7,376</u>	<u>\$231,828</u>	<u>\$1,782,689</u>
\$0	\$17,479	\$0	\$16,151	\$115,249
0	71,340	0	3,333	457,937
0	0	0	0	22,086
0	0	0	0	7,316
9	49,951	0	3,051	177,551
9,384	0	0	112,500	335,987
<u>9,393</u>	<u>138,770</u>	<u>0</u>	<u>135,035</u>	<u>1,116,126</u>
4,137	0	0	35,530	418,031
(868)	30,837	7,376	61,263	248,532
<u>3,269</u>	<u>30,837</u>	<u>7,376</u>	<u>96,793</u>	<u>666,563</u>
<u>\$12,662</u>	<u>\$169,607</u>	<u>\$7,376</u>	<u>\$231,828</u>	<u>\$1,782,689</u>

Shaker Heights City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2007

	Public School Support	Shaker Merchandise	Athletic	Auxiliary Services	Management Information Systems
Revenues					
Intergovernmental	\$0	\$0	\$0	\$1,200,125	\$19,321
Interest	6,042	0	0	25,791	0
Tuition and Fees	43,447	0	0	0	0
Extracurricular Activities	112,289	0	99,076	0	0
Contributions and Donations	10,186	0	2,517	0	0
Charges for Services	0	25	0	0	0
Miscellaneous	8,099	5,305	627	0	0
<i>Total Revenues</i>	<u>180,063</u>	<u>5,330</u>	<u>102,220</u>	<u>1,225,916</u>	<u>19,321</u>
Expenditures					
Current:					
Instruction:					
Regular	96,168	0	0	0	0
Special	0	0	0	0	0
Support Services:					
Pupils	0	0	0	0	0
Instructional Staff	0	0	0	0	0
Administration	842	0	0	0	0
Fiscal	0	0	0	0	3,617
Business	0	6,137	0	0	0
Operation and Maintenance of Plant	0	0	7,890	0	0
Central	0	0	0	0	15,701
Operation of Non-Instructional Services	0	0	0	1,096,507	0
Food Service Operations	0	0	0	0	0
Extracurricular Activities	71,745	0	218,448	0	0
<i>Total Expenditures</i>	<u>168,755</u>	<u>6,137</u>	<u>226,338</u>	<u>1,096,507</u>	<u>19,318</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	11,308	(807)	(124,118)	129,409	3
Other Financing Sources					
Transfers In	0	5,000	120,000	0	0
<i>Net Change in Fund Balances</i>	11,308	4,193	(4,118)	129,409	3
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>119,040</u>	<u>2,530</u>	<u>36,414</u>	<u>206,202</u>	<u>(220)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$130,348</u></u>	<u><u>\$6,723</u></u>	<u><u>\$32,296</u></u>	<u><u>\$335,611</u></u>	<u><u>(\$217)</u></u>

Entry Teacher Program	Data Communication Grant	School Net Professional Development Grant	Ohio Reads Community Grant	Alternative Schools	Poverty Based Assistance	Goals 2000 Pacesetter
\$0	\$27,000	\$3,300	\$10,000	\$58,039	\$154,664	\$41,020
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	27,000	3,300	10,000	58,039	154,664	41,020
0	0	0	0	58,039	131,460	1,487
0	0	0	0	0	23,201	0
0	0	0	0	0	0	0
107	0	3,300	10,000	0	0	39,465
0	0	0	0	0	0	0
0	27,000	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
2,200	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
2,307	27,000	3,300	10,000	58,039	154,661	40,952
(2,307)	0	0	0	0	3	68
0	0	0	0	0	0	0
(2,307)	0	0	0	0	3	68
3,414	0	0	0	0	(1,066)	2,289
\$1,107	\$0	\$0	\$0	\$0	(\$1,063)	\$2,357

(continued)

Shaker Heights City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2007

	Title VI-B	Limited English Proficiency	Title I	Title V	Drug Free Schools
Revenues					
Intergovernmental	\$1,351,572	\$39,154	\$580,435	\$9,417	\$20,051
Interest	0	0	0	0	0
Tuition and Fees	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Charges for Services	0	0	0	0	0
Miscellaneous	0	0	0	0	0
<i>Total Revenues</i>	<u>1,351,572</u>	<u>39,154</u>	<u>580,435</u>	<u>9,417</u>	<u>20,051</u>
Expenditures					
Current:					
Instruction:					
Regular	191,928	18,943	140,671	1,190	0
Special	64,235	37,908	479,628	0	0
Support Services:					
Pupils	14,142	0	0	0	9,616
Instructional Staff	1,111,684	259	6,909	8,366	0
Administration	0	0	2,435	0	0
Fiscal	0	0	0	0	0
Business	0	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0	0
Central	0	0	0	0	0
Operation of Non-Instructional Services	937	0	3,243	997	3,645
Food Service Operations	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0
<i>Total Expenditures</i>	<u>1,382,926</u>	<u>57,110</u>	<u>632,886</u>	<u>10,553</u>	<u>13,261</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(31,354)	(17,956)	(52,451)	(1,136)	6,790
Other Financing Sources					
Transfers In	0	0	0	0	0
<i>Net Change in Fund Balances</i>	(31,354)	(17,956)	(52,451)	(1,136)	6,790
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>56,003</u>	<u>(230)</u>	<u>53,494</u>	<u>3,831</u>	<u>(4,264)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$24,649</u>	<u>(\$18,186)</u>	<u>\$1,043</u>	<u>\$2,695</u>	<u>\$2,526</u>

Preschool Disability	E-Rate	Class Size Reduction	Goals 2000	Food Service	Uniform School Supplies	Local Grants	Total Nonmajor Special Revenue Funds
\$23,516	\$58,973	\$190,208	\$22,817	\$454,616	\$0	\$219,488	\$4,483,716
0	0	0	0	5,721	0	0	37,554
0	0	0	0	0	51,139	0	94,586
0	0	0	0	0	0	0	211,365
0	0	0	0	0	0	12,600	25,303
0	0	0	0	738,586	0	0	738,611
0	0	0	0	9,292	7	4,000	27,330
<u>23,516</u>	<u>58,973</u>	<u>190,208</u>	<u>22,817</u>	<u>1,208,215</u>	<u>51,146</u>	<u>236,088</u>	<u>5,618,465</u>
0	0	99,633	18,734	0	63,113	117,252	938,618
0	0	0	0	0	0	0	604,972
0	0	0	0	0	0	0	23,758
22,015	0	78,886	2,280	0	0	63,498	1,346,769
0	0	55	0	0	0	0	3,332
0	0	0	0	0	0	0	30,617
0	0	0	0	0	0	0	6,137
0	58,973	0	0	0	0	0	66,863
0	0	0	0	0	0	6,000	21,701
0	0	6,135	11,500	0	0	0	1,125,164
0	0	0	0	1,234,851	0	0	1,234,851
0	0	0	0	0	0	0	290,193
<u>22,015</u>	<u>58,973</u>	<u>184,709</u>	<u>32,514</u>	<u>1,234,851</u>	<u>63,113</u>	<u>186,750</u>	<u>5,692,975</u>
1,501	0	5,499	(9,697)	(26,636)	(11,967)	49,338	(74,510)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>125,000</u>
1,501	0	5,499	(9,697)	(26,636)	(11,967)	49,338	50,490
(2,810)	0	4,209	12,966	57,473	19,343	47,455	616,073
<u>(\$1,309)</u>	<u>\$0</u>	<u>\$9,708</u>	<u>\$3,269</u>	<u>\$30,837</u>	<u>\$7,376</u>	<u>\$96,793</u>	<u>\$666,563</u>

Fund Descriptions – 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 all health insurance payments, administrative costs, and reserves for the self-insured prescription drug coverage, and the potential obligation under the contingent premium health and dental insurance plan.

Workers' Compensation Reserve – This fund accounts for all claims cost payments and the reserve for the State's retrospective rating workers' compensation plan for the years in which the School District elects the retrospective rating plan option.

Shaker Heights City School District
Combining Statement of Fund Net Assets
Internal Service Funds
June 30, 2007

	Self Insurance	Workers' Compensation Reserve	Totals
Assets			
<i>Current Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$896,300	\$665,000	\$1,561,300
Liabilities			
<i>Current Liabilities:</i>			
Intergovernmental Payable	0	136,329	136,329
Claims Payable	147,000	528,671	675,671
<i>Total Liabilities</i>	147,000	665,000	812,000
Net Assets			
Unrestricted	\$749,300	\$0	\$749,300

Shaker Heights City School District
*Combining Statement of Revenues,
Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year Ended June 30, 2007*

	Self Insurance	Workers' Compensation Reserve	Totals
Operating Revenues			
Charges for Services	\$9,185,302	\$403,355	\$9,588,657
Operating Expenses			
Purchased Services	21,603	0	21,603
Claims	8,707,899	403,355	9,111,254
<i>Total Operating Expenses</i>	8,729,502	403,355	9,132,857
<i>Change in Net Assets</i>	455,800	0	455,800
<i>Net Assets Beginning of Year</i>	293,500	0	293,500
<i>Net Assets End of Year</i>	\$749,300	\$0	\$749,300

Shaker Heights City School District
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2007

	Self Insurance	Workers' Compensation Reserve	Totals
<i>Increase (Decrease) in Cash and Cash Equivalents</i>			
Cash Flows from Operating Activities			
Cash Received from Transactions with Other Funds	\$9,185,302	\$403,355	\$9,588,657
Cash Payments for Goods and Services	(21,603)	0	(21,603)
Cash Payments for Claims	(8,698,399)	(188,355)	(8,886,754)
<i>Net Cash Provided by Operating Activities</i>	465,300	215,000	680,300
<i>Cash and Cash Equivalents Beginning of Year</i>	431,000	450,000	881,000
<i>Cash and Cash Equivalents End of Year</i>	\$896,300	\$665,000	\$1,561,300
<i>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</i>			
<i>Operating Income</i>	\$455,800	\$0	\$455,800
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Increase in Liabilities:			
Intergovernmental Payable	0	136,329	136,329
Claims Payable	9,500	78,671	88,171
<i>Total Adjustments</i>	9,500	215,000	224,500
<i>Net Cash Provided by Operating Activities</i>	\$465,300	\$215,000	\$680,300

Fund Description – Fiduciary Funds

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The following are the School District's fiduciary fund types:

Agency Funds

Rotary - This fund reflects resources that belong to the student bodies of the various schools and are used for field trips and college entrance exam 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, 2007

	Beginning Balance 06/30/06	Additions	Deductions	Ending Balance 06/30/07
Rotary				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$132,240	\$158,012	\$125,028	\$165,224
Liabilities				
Undistributed Monies	\$132,240	\$158,012	\$125,028	\$165,224
Student Activities				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$140,045	\$218,649	\$213,760	\$144,934
Liabilities				
Due to Students	\$140,045	\$218,649	\$213,760	\$144,934
Total - All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$272,285	\$376,661	\$338,788	\$310,158
Liabilities				
Undistributed Monies	\$132,240	\$158,012	\$125,028	\$165,224
Due to Students	140,045	218,649	213,760	144,934
<i>Total Liabilities</i>	\$272,285	\$376,661	\$338,788	\$310,158

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

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General
For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$55,961,871	\$55,673,210	\$57,389,197	\$1,715,987
Intergovernmental	22,391,384	22,391,384	23,132,654	741,270
Interest	686,000	686,000	1,058,966	372,966
Tuition and Fees	1,091,000	1,091,000	1,045,007	(45,993)
Charges for Services	0	43,000	86,586	43,586
Rentals	43,000	45,000	46,800	1,800
Miscellaneous	277,000	277,000	85,161	(191,839)
<i>Total Revenues</i>	<u>80,450,255</u>	<u>80,206,594</u>	<u>82,844,371</u>	<u>2,637,777</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	24,345,159	24,345,159	24,334,244	10,915
Fringe Benefits	7,625,554	7,625,554	7,621,356	4,198
Purchased Services	324,480	324,480	298,969	25,511
Materials and Supplies	648,901	648,901	613,708	35,193
Capital Outlay - New	10,160	10,160	9,699	461
Capital Outlay - Replacement	64,292	64,292	42,539	21,753
Other	11,699	11,699	10,520	1,179
Total Regular	<u>33,030,245</u>	<u>33,030,245</u>	<u>32,931,035</u>	<u>99,210</u>
Special:				
Salaries and Wages	4,730,729	4,730,729	4,730,696	33
Fringe Benefits	1,685,528	1,685,528	1,654,612	30,916
Purchased Services	5,532,671	5,532,671	5,339,393	193,278
Materials and Supplies	30,339	30,339	27,413	2,926
Capital Outlay - New	21,744	21,744	21,697	47
Other	1,200	1,200	1,095	105
Total Special	<u>12,002,211</u>	<u>12,002,211</u>	<u>11,774,906</u>	<u>227,305</u>
Vocational:				
Salaries and Wages	85,819	85,819	78,907	6,912
Fringe Benefits	25,579	25,579	25,502	77
Purchased Services	530,734	530,734	325,130	205,604
Total Vocational	<u>642,132</u>	<u>642,132</u>	<u>429,539</u>	<u>212,593</u>
Total Instruction	<u>\$45,674,588</u>	<u>\$45,674,588</u>	<u>\$45,135,480</u>	<u>\$539,108</u>

(continued)

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General (continued)
For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support Services:				
Pupils:				
Salaries and Wages	\$3,498,959	\$3,498,959	\$3,498,584	\$375
Fringe Benefits	1,038,786	1,038,786	1,037,724	1,062
Purchased Services	668,632	668,632	667,918	714
Materials and Supplies	39,982	39,982	35,584	4,398
Capital Outlay - New	7,382	7,382	5,342	2,040
Capital Outlay - Replacement	349	349	0	349
Other	770	770	215	555
Total Pupils	5,254,860	5,254,860	5,245,367	9,493
Instructional Staff:				
Salaries and Wages	2,168,167	2,168,167	2,167,612	555
Fringe Benefits	1,099,299	1,099,299	1,014,547	84,752
Purchased Services	202,763	202,763	195,194	7,569
Materials and Supplies	162,341	162,341	151,378	10,963
Capital Outlay - New	67,523	67,523	58,992	8,531
Capital Outlay - Replacement	6,535	6,535	4,954	1,581
Other	4,536	4,536	3,684	852
Total Instructional Staff	3,711,164	3,711,164	3,596,361	114,803
Board of Education:				
Purchased Services	5,499	5,499	5,455	44
Materials and Supplies	1,295	1,295	295	1,000
Other	15,038	15,038	14,399	639
Total Board of Education	21,832	21,832	20,149	1,683
Administration:				
Salaries and Wages	3,628,229	3,628,229	3,466,862	161,367
Fringe Benefits	1,443,210	1,443,210	1,442,197	1,013
Purchased Services	390,956	390,956	325,933	65,023
Materials and Supplies	200,033	200,033	199,504	529
Capital Outlay - New	23,737	23,737	9,895	13,842
Capital Outlay - Replacement	4,997	4,997	4,767	230
Other	14,978	14,978	14,560	418
Total Administration	5,706,140	5,706,140	5,463,718	242,422
Fiscal:				
Salaries and Wages and Wages	525,220	525,220	524,430	790
Fringe Benefits	1,231,558	1,231,558	834,496	397,062
Purchased Services	246,974	246,974	238,516	8,458
Materials and Supplies	106,223	106,223	61,299	44,924
Capital Outlay - New	73,075	73,075	0	73,075
Other	922,332	922,332	921,074	1,258
Total Fiscal	\$3,105,382	\$3,105,382	\$2,579,815	\$525,567

(continued)

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General (continued)
For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Business:				
Salaries and Wages	\$362,333	\$362,333	\$344,639	\$17,694
Fringe Benefits	174,880	174,880	157,471	17,409
Purchased Services	205,691	205,691	171,880	33,811
Materials and Supplies	65,601	65,601	65,564	37
Capital Outlay - New	4,348	4,348	3,424	924
Capital Outlay - Replacement	2,054	2,054	14	2,040
Other	50,094	50,094	48,252	1,842
Total Business	865,001	865,001	791,244	73,757
Operation and Maintenance of Plant:				
Salaries and Wages	4,784,965	4,784,965	4,652,655	132,310
Fringe Benefits	2,129,951	2,129,951	2,065,755	64,196
Purchased Services	3,279,747	3,279,747	3,277,810	1,937
Materials and Supplies	850,651	850,651	839,265	11,386
Capital Outlay - New	101,091	101,091	99,431	1,660
Capital Outlay - Replacement	83,568	83,568	82,444	1,124
Other	9,569	9,569	7,869	1,700
Total Operation and Maintenance of Plant	11,239,542	11,239,542	11,025,229	214,313
Pupil Transportation:				
Salaries and Wages	1,644,147	1,644,147	1,643,776	371
Fringe Benefits	565,502	565,502	483,834	81,668
Purchased Services	1,680,807	1,680,807	1,678,086	2,721
Materials and Supplies	340,778	340,778	298,563	42,215
Capital Outlay - New	6,588	6,588	1,335	5,253
Capital Outlay - Replacement	1,563	1,563	462	1,101
Other	6,848	6,848	1,864	4,984
Total Pupil Transportation	4,246,233	4,246,233	4,107,920	138,313
Central:				
Salaries and Wages	748,875	748,875	748,110	765
Fringe Benefits	364,422	364,422	345,977	18,445
Purchased Services	536,945	536,945	531,606	5,339
Materials and Supplies	119,543	119,543	78,850	40,693
Capital Outlay - New	7,684	7,684	1,207	6,477
Capital Outlay - Replacement	2,922	2,922	2,559	363
Other	2,310	2,310	1,535	775
Total Central	1,782,701	1,782,701	1,709,844	72,857
Total Support Services	\$35,932,855	\$35,932,855	\$34,539,647	\$1,393,208

(continued)

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General (continued)
For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	\$8,118	\$8,118	\$0	\$8,118
Fringe Benefits	2,272	2,272	0	2,272
Purchased Services	50,864	50,864	48,948	1,916
Materials and Supplies	601	601	0	601
Total Operation of Non-Instructional Services	61,855	61,855	48,948	12,907
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	186,081	186,081	175,358	10,723
Fringe Benefits	63,041	63,041	59,696	3,345
Purchased Services	10,523	10,523	6,666	3,857
Materials and Supplies	5,486	5,486	4,758	728
Capital Outlay - New	1,107	1,107	0	1,107
Total Academic and Subject Oriented Activities	266,238	266,238	246,478	19,760
Occupational Oriented Activities:				
Salaries and Wages	7,078	7,078	4,839	2,239
Fringe Benefits	2,734	2,734	1,269	1,465
Total Occupational Oriented Activities	9,812	9,812	6,108	3,704
Sports Oriented Activities:				
Salaries and Wages	443,909	443,909	443,902	7
Fringe Benefits	110,711	110,711	109,646	1,065
Purchased Services	68,702	68,702	63,736	4,966
Materials and Supplies	15,850	15,850	6,511	9,339
Total Sports Oriented Activities	639,172	639,172	623,795	15,377
School and Public Service				
Co-Curricular Activities:				
Salaries and Wages	58,206	58,206	39,808	18,398
Fringe Benefits	17,530	17,530	12,069	5,461
Total School and Public Service	75,736	75,736	51,877	23,859
Total Extracurricular Activities	990,958	990,958	928,258	62,700
Total Expenditures	82,660,256	82,660,256	80,652,333	2,007,923
Excess of Revenues Over (Under) Expenditures	(\$2,210,001)	(\$2,453,662)	\$2,192,038	\$4,645,700

(continued)

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General (continued)
For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Other Financing Uses				
Operating Transfers Out	(\$134,000)	(\$134,000)	(\$125,000)	\$9,000
<i>Net Change in Fund Balance</i>	(2,344,001)	(2,587,662)	2,067,038	4,654,700
<i>Fund Balance Beginning of Year</i>	9,381,583	9,381,583	9,381,583	0
Prior Year Encumbrances Appropriated	2,868,756	2,868,756	2,868,756	0
<i>Fund Balance End of Year</i>	<u>\$9,906,338</u>	<u>\$9,662,677</u>	<u>\$14,317,377</u>	<u>\$4,654,700</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$250,000	\$250,000	\$419,966	\$169,966
Contributions and Donations	50,000	50,000	49,102	(898)
Rentals	100,000	100,000	100,000	0
<i>Total Revenues</i>	<u>400,000</u>	<u>400,000</u>	<u>569,068</u>	<u>169,068</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	0	4,800	4,800	0
Materials and Supplies	0	131,070	131,070	0
Capital Outlay - New	240,215	279,112	58,512	220,600
Total Instruction	<u>240,215</u>	<u>414,982</u>	<u>194,382</u>	<u>220,600</u>
Support Services:				
Instructional Staff:				
Capital Outlay	6,000	127,102	121,102	6,000
Fiscal:				
Capital Outlay	106,205	106,205	37,705	68,500
Business:				
Capital Outlay	16,000	102,630	99,130	3,500
Operation and Maintenance of Plant:				
Purchased Services	6,821,806	12,452,953	7,923,307	4,529,646
Materials and Supplies	362,645	433,357	146,771	286,586
Capital Outlay	8,559	8,559	8,000	559
Capital Outlay - Replacement	302,905	196,298	42,724	153,574
Other	32,000	32,000	0	32,000
Total Operation and Maintenance of Plant	<u>7,527,915</u>	<u>13,123,167</u>	<u>8,120,802</u>	<u>5,002,365</u>
Pupil Transportation:				
Capital Outlay - Replacement	387,853	387,853	301,650	86,203
Total Support Services	<u>8,043,973</u>	<u>13,846,957</u>	<u>8,680,389</u>	<u>5,166,568</u>
Operation of Non-Instructional Services:				
Food Service:				
Capital Outlay - New	12,000	34,249	22,249	12,000
Debt Service:				
Principal Retirement	720,000	6,711,763	6,570,000	141,763
Interest and Fiscal Charges	14,500	22,737	22,737	0
Total Debt Service	<u>734,500</u>	<u>6,734,500</u>	<u>6,592,737</u>	<u>141,763</u>
<i>Total Expenditures</i>	<u>9,030,688</u>	<u>21,030,688</u>	<u>15,489,757</u>	<u>5,540,931</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(8,630,688)</u>	<u>(20,630,688)</u>	<u>(14,920,689)</u>	<u>5,709,999</u>
Other Financing Sources				
Bonds Issued	0	6,000,000	8,498,960	2,498,960
Notes Issued	2,600,000	8,600,000	6,570,000	(2,030,000)
Bond Premium	0	0	2,193	2,193
Total Other Financing Sources	<u>2,600,000</u>	<u>14,600,000</u>	<u>15,071,153</u>	<u>471,153</u>
<i>Net Change in Fund Balance</i>	(6,030,688)	(6,030,688)	150,464	6,181,152
<i>Fund Balance Beginning of Year</i>	3,005,255	3,005,255	3,005,255	0
Prior Year Encumbrances Appropriated	3,030,688	3,030,688	3,030,688	0
<i>Fund Balance End of Year</i>	<u>\$5,255</u>	<u>\$5,255</u>	<u>\$6,186,407</u>	<u>\$6,181,152</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$11,400	\$11,400	\$6,042	(\$5,358)
Tuition and Fees	31,000	31,000	43,447	12,447
Extracurricular Activities	135,000	135,000	112,289	(22,711)
Contributions and Donations	12,600	12,600	10,186	(2,414)
Miscellaneous	160,000	160,000	8,099	(151,901)
<i>Total Revenues</i>	350,000	350,000	180,063	(169,937)
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	99,408	99,408	80,634	18,774
Materials and Supplies	43,747	43,747	35,661	8,086
Capital Outlay - New	3,125	3,125	0	3,125
Other	26,142	26,142	17,896	8,246
Total Instruction:	172,422	172,422	134,191	38,231
Support Services:				
Instructional Staff:				
Materials and Supplies	350	350	0	350
Other	100	100	0	100
Total Instructional Staff	450	450	0	450
Administration:				
Materials and Supplies	427	427	427	0
Other	415	415	415	0
Total Administration	842	842	842	0
Total Support Services	1,292	1,292	842	450
Extracurricular Activities:				
Academic Oriented Activities:				
Purchased Services	38,966	38,966	38,891	75
Materials and Supplies	30,230	30,230	29,164	1,066
Other	900	900	0	900
Total Extracurricular Activities:	70,096	70,096	68,055	2,041
<i>Total Expenditures</i>	243,810	243,810	203,088	40,722
<i>Net Change in Fund Balance</i>	106,190	106,190	(23,025)	(129,215)
<i>Fund Balance Beginning of Year</i>	107,836	107,836	107,836	0
Prior Year Encumbrances Appropriated	43,810	43,810	43,810	0
<i>Fund Balance End of Year</i>	\$257,836	\$257,836	\$128,621	(\$129,215)

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$2,000	\$2,000	\$25	(\$1,975)
Miscellaneous	17,000	17,000	5,305	(11,695)
<i>Total Revenues</i>	<u>19,000</u>	<u>19,000</u>	<u>5,330</u>	<u>(13,670)</u>
Expenditures				
Current:				
Support Services:				
Business:				
Materials and Supplies	6,137	6,137	6,137	0
Other	9,363	9,363	750	8,613
<i>Total Expenditures</i>	<u>15,500</u>	<u>15,500</u>	<u>6,887</u>	<u>8,613</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	3,500	3,500	(1,557)	(5,057)
Other Financing Sources				
Transfers In	1,000	1,000	5,000	4,000
<i>Net Change in Fund Balance</i>	4,500	4,500	3,443	(1,057)
<i>Fund Balance Beginning of Year</i>	2,030	2,030	2,030	0
Prior Year Encumbrances Appropriated	500	500	500	0
<i>Fund Balance End of Year</i>	<u>\$7,030</u>	<u>\$7,030</u>	<u>\$5,973</u>	<u>(\$1,057)</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Extracurricular Activities	\$170,000	\$170,000	\$99,076	(\$70,924)
Contributions and Donations	30,000	30,000	2,517	(27,483)
Miscellaneous	80,000	80,000	627	(79,373)
<i>Total Revenues</i>	<u>280,000</u>	<u>280,000</u>	<u>102,220</u>	<u>(177,780)</u>
Expenditures				
Current:				
Support Services:				
Operation and Maintenance of Plant:				
Salaries and Wages	7,100	7,100	6,702	398
Fringe Benefits	1,300	1,300	1,236	64
<i>Total Support Services</i>	<u>8,400</u>	<u>8,400</u>	<u>7,938</u>	<u>462</u>
Extracurricular Activities:				
Sports Oriented Activities:				
Salaries and Wages	13,917	13,917	4,251	9,666
Fringe Benefits	3,147	3,147	3,101	46
Purchased Services	127,628	127,628	91,919	35,709
Materials and Supplies	80,845	80,845	50,160	30,685
Capital Outlay - New	52,329	52,329	42,318	10,011
Other	47,966	47,966	40,318	7,648
<i>Total Extracurricular Activities</i>	<u>325,832</u>	<u>325,832</u>	<u>232,067</u>	<u>93,765</u>
<i>Total Expenditures</i>	<u>334,232</u>	<u>334,232</u>	<u>240,005</u>	<u>94,227</u>
<i>Excess of Revenues Under Expenditures</i>	(54,232)	(54,232)	(137,785)	(83,553)
Other Financing Sources				
Transfers In	120,000	120,000	120,000	0
<i>Net Change in Fund Balance</i>	65,768	65,768	(17,785)	(83,553)
<i>Fund Balance Beginning of Year</i>	33,688	33,688	33,688	0
Prior Year Encumbrances Appropriated	9,232	9,232	9,232	0
<i>Fund Balance End of Year</i>	<u>\$108,688</u>	<u>\$108,688</u>	<u>\$25,135</u>	<u>(\$83,553)</u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Auxiliary Services
For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$1,474,200	\$1,474,200	\$1,200,125	(\$274,075)
Interest	25,800	25,800	25,791	(9)
<i>Total Revenues</i>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,225,916</u>	<u>(274,084)</u>
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	543,783	571,274	518,288	52,986
Fringe Benefits	189,359	198,932	164,003	34,929
Purchased Services	293,780	308,642	261,999	46,643
Materials and Supplies	119,609	125,650	115,552	10,098
Capital Outlay - New	347,307	364,865	364,440	425
Other	100	100	100	0
<i>Total Expenditures</i>	<u>1,493,938</u>	<u>1,569,463</u>	<u>1,424,382</u>	<u>145,081</u>
<i>Net Change in Fund Balance</i>	6,062	(69,463)	(198,466)	(129,003)
<i>Fund Balance Beginning of Year</i>	248,606	248,606	248,606	0
Prior Year Encumbrances Appropriated	93,938	93,938	93,938	0
<i>Fund Balance End of Year</i>	<u>\$348,606</u>	<u>\$273,081</u>	<u>\$144,078</u>	<u>(\$129,003)</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$25,000	\$25,000	\$19,321	(\$5,679)
Expenditures:				
Current:				
Support Services:				
Fiscal:				
Purchased Services	4,296	4,296	3,617	679
Central:				
Salaries and Wages	15,704	15,704	15,704	0
<i>Total Expenditures</i>	<u>20,000</u>	<u>20,000</u>	<u>19,321</u>	<u>679</u>
<i>Net Change in Fund Balance</i>	5,000	5,000	0	(5,000)
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$5,000</u></u>	<u><u>\$5,000</u></u>	<u><u>\$0</u></u>	<u><u>(\$5,000)</u></u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Entry Teacher Program
For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$20,000	\$20,000	\$0	(\$20,000)
Expenditures:				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	12,524	15,514	264	15,250
Administration:				
Salaries and Wages	1,700	400	400	0
Fringe Benefits	780	390	390	0
Purchased Services	400	6,350	989	5,361
Total Administration	2,880	7,140	1,779	5,361
Total Support Services	15,404	22,654	2,043	20,611
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	11,128	5,764	5,764	0
Materials and Supplies	872	2,036	2,036	0
Total Operation of Non-Instructional Services	12,000	7,800	7,800	0
<i>Total Expenditures</i>	27,404	30,454	9,843	20,611
<i>Net Change in Fund Balance</i>	(7,404)	(10,454)	(9,843)	611
<i>Fund Balance Beginning of Year</i>	3,050	3,050	3,050	0
Prior Year Encumbrances Appropriated	7,404	7,404	7,404	0
<i>Fund Balance End of Year</i>	\$3,050	\$0	\$611	\$611

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$24,000	\$27,000	\$27,000	\$0
Expenditures				
Current:				
Support Services:				
Fiscal Services:				
Purchased Services	24,000	27,000	27,000	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
School Net Professional Development Grant
For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$5,000	\$5,000	\$3,300	(\$1,700)
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	5,000	1,808	1,808	0
Materials and Supplies	0	1,492	1,492	0
<i>Total Expenditures</i>	<u>5,000</u>	<u>3,300</u>	<u>3,300</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	1,700	0	(1,700)
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$1,700</u>	<u>\$0</u>	<u>(\$1,700)</u>

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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$10,000	\$10,000	\$10,000	\$0
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	8,000	8,000	8,000	0
Purchased Services	2,000	2,000	2,000	0
<i>Total Expenditures</i>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Alternative Schools
For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$58,000	\$58,100	\$58,039	(\$61)
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	58,000	58,039	58,039	0
<i>Net Change in Fund Balance</i>	0	61	0	(61)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$61	\$0	(\$61)

Shaker Heights City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Poverty Based Assistance
For the Fiscal Year Ended June 30, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	<u>\$165,000</u>	<u>\$165,000</u>	<u>\$154,664</u>	<u>(\$10,336)</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	160,000	136,799	131,463	5,336
Special:				
Salaries and Wages	<u>5,000</u>	<u>23,201</u>	<u>23,201</u>	<u>0</u>
<i>Total Expenditures</i>	<u>165,000</u>	<u>160,000</u>	<u>154,664</u>	<u>5,336</u>
<i>Net Change in Fund Balance</i>	0	5,000	0	(5,000)
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$5,000</u></u>	<u><u>\$0</u></u>	<u><u>(\$5,000)</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, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$75,000	\$75,000	\$41,020	(\$33,980)
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	20,615	27,245	1,487	25,758
Support Services:				
Instructional Staff:				
Salaries and Wages	10,156	21,041	20,000	1,041
Fringe Benefits	4,584	4,375	4,375	0
Purchased Services	7,514	7,514	7,514	0
Materials and Supplies	7,131	7,131	7,131	0
Total Support Services:	29,385	40,061	39,020	1,041
<i>Total Expenditures</i>	50,000	67,306	40,507	26,799
<i>Net Change in Fund Balance</i>	25,000	7,694	513	(7,181)
<i>Fund Balance Beginning of Year</i>	3,711	3,711	3,711	0
<i>Fund Balance End of Year</i>	\$28,711	\$11,405	\$4,224	(\$7,181)

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, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$1,700,000	\$1,700,000	\$1,420,420	(\$279,580)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	111,311	134,000	104,445	29,555
Fringe Benefits	71,439	86,001	77,252	8,749
Total Regular	182,750	220,001	181,697	38,304
Special:				
Purchased Services	2,491	2,999	2,965	34
Materials and Supplies	43,880	52,825	51,843	982
Capital Outlay - New	21,202	25,524	25,479	45
Total Special	67,573	81,348	80,287	1,061
Total Instruction	250,323	301,349	261,984	39,365
Support Services:				
Pupils:				
Purchased Services	18,097	21,786	3,493	18,293
Materials and Supplies	9,018	10,856	10,856	0
Capital Outlay - New	662	1,000	1,000	0
Total Pupils	27,777	33,642	15,349	18,293
Instructional Staff:				
Salaries and Wages	659,469	793,895	667,386	126,509
Fringe Benefits	462,319	556,558	475,916	80,642
Purchased Services	12,845	15,463	15,142	321
Total Instructional Staff	1,134,633	1,365,916	1,158,444	207,472
Administration:				
Salaries and Wages	1,661	2,000	0	2,000
Fringe Benefits	916	1,000	0	1,000
Materials and Supplies	500	500	0	500
Total Administration	3,077	3,500	0	3,500
Total Support Services	1,165,487	1,403,058	1,173,793	229,265
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	7,368	8,870	937	7,933
Total Expenditures	1,423,178	1,713,277	1,436,714	276,563
Net Change in Fund Balance	276,822	(13,277)	(16,294)	(3,017)
Fund Balance Beginning of Year	110	110	110	0
Prior Year Encumbrances Appropriated	23,178	23,178	23,178	0
Fund Balance End of Year	\$300,110	\$10,011	\$6,994	(\$3,017)

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Limited English Proficiency
For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$70,000	\$70,000	\$40,165	(\$29,835)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	2,399	5,639	5,639	0
Fringe Benefits	151	355	355	0
Total Regular	2,550	5,994	5,994	0
Special:				
Salaries and Wages	10,256	24,106	24,106	0
Fringe Benefits	5,872	13,802	13,802	0
Capital Outlay - New	1,212	2,849	0	2,849
Total Special	17,340	40,757	37,908	2,849
Total Instruction	19,890	46,751	43,902	2,849
Support Services:				
Instructional Staff:				
Purchased Services	67	159	159	0
Materials and Supplies	43	100	100	0
Total Support Services	110	259	259	0
<i>Total Expenditures</i>	20,000	47,010	44,161	2,849
<i>Net Change in Fund Balance</i>	50,000	22,990	(3,996)	(26,986)
<i>Fund Balance Beginning of Year</i>	2,466	2,466	2,466	0
<i>Fund Balance (Deficit) End of Year</i>	\$52,466	\$25,456	(\$1,530)	(\$26,986)

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$905,000	\$905,000	\$615,392	(\$289,608)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	79,700	85,017	85,017	0
Fringe Benefits	29,714	31,696	31,696	0
Materials and Supplies	27,351	29,176	27,674	1,502
Capital Outlay - New	17,505	18,676	5,974	12,702
Total Regular	154,270	164,565	150,361	14,204
Special:				
Salaries and Wages	437,293	462,319	343,300	119,019
Fringe Benefits	165,489	176,530	125,550	50,980
Materials and Supplies	8,444	9,007	9,007	0
Total Special	611,226	647,856	477,857	169,999
Total Instruction	765,496	812,421	628,218	184,203
Support Services:				
Instructional Staff:				
Salaries and Wages	877	935	935	0
Fringe Benefits	90	96	96	0
Purchased Services	6,508	11,090	5,579	5,511
Materials and Supplies	360	384	384	0
Total Instructional Staff	7,835	12,505	6,994	5,511
Administration:				
Purchased Services	797	850	850	0
Materials and Supplies	2,283	2,435	2,435	0
Total Administration	3,080	3,285	3,285	0
Total Support Services	10,915	15,790	10,279	5,511
Operation of Non-Instructional Services:				
Community Service Operations:				
Purchased Services	6,042	6,445	3,340	3,105
<i>Total Expenditures</i>	782,453	834,656	641,837	192,819
<i>Net Change in Fund Balance</i>	122,547	70,344	(26,445)	(96,789)
<i>Fund Balance Beginning of Year</i>	7,285	7,285	7,285	0
Prior Year Encumbrances Appropriated	32,453	32,453	32,453	0
<i>Fund Balance End of Year</i>	\$162,285	\$110,082	\$13,293	(\$96,789)

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title V
For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$40,000	\$40,000	\$12,537	(\$27,463)
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	3,397	1,937	1,190	747
Support Services:				
Instructional Staff:				
Salaries and Wages	10,581	6,034	6,034	0
Fringe Benefits	3,251	1,854	1,854	0
Materials and Supplies	1,007	575	575	0
Total Support Services	14,839	8,463	8,463	0
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	10,488	5,981	997	4,984
Materials and Supplies	2,192	1,250	1,250	0
Total Operation of Non-Instructional Services	12,680	7,231	2,247	4,984
<i>Total Expenditures</i>	30,916	17,631	11,900	5,731
<i>Net Change in Fund Balance</i>	9,084	22,369	637	(21,732)
<i>Fund Balance Beginning of Year</i>	37	37	37	0
Prior Year Encumbrances Appropriated	916	916	916	0
<i>Fund Balance End of Year</i>	\$10,037	\$23,322	\$1,590	(\$21,732)

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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$30,000	\$30,000	\$20,051	(\$9,949)
Expenditures				
Current:				
Support Services:				
Pupils:				
Salaries and Wages	14,250	11,716	11,716	0
Fringe Benefits	6,057	4,980	4,527	453
Total Support Services	20,307	16,696	16,243	453
Operation of Non-Instructional Services:				
Community Service Operations:				
Purchased Services	9,693	7,969	3,645	4,324
<i>Total Expenditures</i>	<u>30,000</u>	<u>24,665</u>	<u>19,888</u>	<u>4,777</u>
<i>Net Change in Fund Balance</i>	0	5,335	163	(5,172)
<i>Fund Balance Beginning of Year</i>	<u>2,772</u>	<u>2,772</u>	<u>2,772</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,772</u></u>	<u><u>\$8,107</u></u>	<u><u>\$2,935</u></u>	<u><u>(\$5,172)</u></u>

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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$28,000	\$28,000	\$25,995	(\$2,005)
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	15,425	16,416	16,416	0
Fringe Benefits	9,434	10,040	10,040	0
Purchased Services	141	150	72	78
<i>Total Expenditures</i>	<u>25,000</u>	<u>26,606</u>	<u>26,528</u>	<u>78</u>
<i>Net Change in Fund Balance</i>	3,000	1,394	(533)	(1,927)
<i>Fund Balance Beginning of Year</i>	<u>461</u>	<u>461</u>	<u>461</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$3,461</u></u>	<u><u>\$1,855</u></u>	<u><u>(\$72)</u></u>	<u><u>(\$1,927)</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$75,000	\$75,000	\$58,973	(\$16,027)
Expenditures				
Current:				
Support Services:				
Operation and Maintenance of Plant:				
Purchased Services	75,000	75,000	58,973	16,027
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Class Size Reduction
For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$200,000	\$260,000	\$149,063	(\$110,937)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	34,503	86,295	67,712	18,583
Fringe Benefits	10,259	25,658	22,037	3,621
Total Instruction	44,762	111,953	89,749	22,204
Support Services:				
Instructional Staff:				
Salaries and Wages	20,298	50,767	31,559	19,208
Fringe Benefits	8,045	20,121	9,802	10,319
Purchased Services	11,391	28,489	12,927	15,562
Materials and Supplies	6,287	15,724	8,081	7,643
Capital Outlay - New	6,597	16,500	13,867	2,633
Total Instructional Staff	52,618	131,601	76,236	55,365
Administration:				
Materials and Supplies	22	55	55	0
Total Support Services	52,640	131,656	76,291	55,365
Operation of Non-Instructional Services:				
Community Service Operations:				
Purchased Services	6,547	16,378	8,935	7,443
Total Expenditures	103,949	259,987	174,975	85,012
Net Change in Fund Balance	96,051	13	(25,912)	(25,925)
Fund Balance Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	3,949	3,949	3,949	0
Fund Balance (Deficit) End of Year	\$100,000	\$3,962	(\$21,963)	(\$25,925)

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$55,000	\$55,000	\$22,817	(\$32,183)
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	11,571	13,723	13,723	0
Capital Outlay - New	13,086	16,231	7,696	8,535
Total Instruction	24,657	29,954	21,419	8,535
Support Services:				
Instructional Staff:				
Salaries and Wages	2,341	2,776	1,723	1,053
Fringe Benefits	1,384	930	557	373
Total Support Services	3,725	3,706	2,280	1,426
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	3,566	4,229	2,166	2,063
Other	9,275	11,000	11,000	0
Total Operation of Non-Instructional Services	12,841	15,229	13,166	2,063
<i>Total Expenditures</i>	41,223	48,889	36,865	12,024
<i>Net Change in Fund Balance</i>	13,777	6,111	(14,048)	(20,159)
<i>Fund Balance Beginning of Year</i>	1,966	1,966	1,966	0
<i>Prior Year Encumbrances Appropriated</i>	11,223	11,223	11,223	0
<i>Fund Balance (Deficit) End of Year</i>	\$26,966	\$19,300	(\$859)	(\$20,159)

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Food Service
For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Intergovernmental	\$455,000	\$455,000	\$367,602	(\$87,398)
Interest	5,000	5,000	5,721	721
Charges for Services	960,000	960,000	738,586	(221,414)
Miscellaneous	30,000	30,000	9,292	(20,708)
<i>Total Revenues</i>	<u>1,450,000</u>	<u>1,450,000</u>	<u>1,121,201</u>	<u>(328,799)</u>
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Food Service Operations:				
Salaries and Wages	611,982	611,982	470,561	141,421
Fringe Benefits	173,597	173,597	150,745	22,852
Purchased Services	23,687	23,687	10,331	13,356
Materials and Supplies	609,187	609,187	486,326	122,861
Capital Outlay - New	28,782	28,782	10,770	18,012
Capital Outlay - Replacement	6,717	6,717	3,219	3,498
Other	50,154	50,154	47,773	2,381
<i>Total Expenditures</i>	<u>1,504,106</u>	<u>1,504,106</u>	<u>1,179,725</u>	<u>324,381</u>
<i>Net Change in Fund Balance</i>	(54,106)	(54,106)	(58,524)	(4,418)
<i>Fund Balance Beginning of Year</i>	82,875	82,875	82,875	0
Prior Year Encumbrances Appropriated	4,106	4,106	4,106	0
<i>Fund Balance End of Year</i>	<u>\$32,875</u>	<u>\$32,875</u>	<u>\$28,457</u>	<u>(\$4,418)</u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
Uniform School Supplies
For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Tuition and Fees	\$90,000	\$90,000	\$51,139	(\$38,861)
Miscellaneous	10,000	10,000	7	(9,993)
<i>Total Revenues</i>	<u>100,000</u>	<u>100,000</u>	<u>51,146</u>	<u>(48,854)</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	92,656	92,656	63,113	29,543
Other	300	300	0	300
Total Instruction	92,956	92,956	63,113	29,843
Support Services:				
Administration:				
Materials and Supplies	4,700	4,700	0	4,700
<i>Total Expenditures</i>	<u>97,656</u>	<u>97,656</u>	<u>63,113</u>	<u>34,543</u>
<i>Net Change in Fund Balance</i>	2,344	2,344	(11,967)	(14,311)
<i>Fund Balance Beginning of Year</i>	17,687	17,687	17,687	0
Prior Year Encumbrances Appropriated	1,656	1,656	1,656	0
<i>Fund Balance End of Year</i>	<u>\$21,687</u>	<u>\$21,687</u>	<u>\$7,376</u>	<u>(\$14,311)</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$355,900	\$355,900	\$189,488	(\$166,412)
Contributions and Donations	12,600	12,600	12,600	0
Miscellaneous	11,500	11,500	11,500	0
<i>Total Revenues</i>	<u>380,000</u>	<u>380,000</u>	<u>213,588</u>	<u>(166,412)</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	21,712	154,166	86,858	67,308
Fringe Benefits	5,267	29,576	19,065	10,511
Purchased Services	1,087	6,106	2,553	3,553
Materials and Supplies	6,035	33,889	14,645	19,244
Capital Outlay - New	1,084	1,470	344	1,126
Other	1,000	1,000	0	1,000
Total Instruction	<u>36,185</u>	<u>226,207</u>	<u>123,465</u>	<u>102,742</u>
Support Services:				
Pupils:				
Purchased Services	1,399	2,239	0	2,239
Materials and Supplies	486	2,729	0	2,729
Total Pupils	<u>1,885</u>	<u>4,968</u>	<u>0</u>	<u>4,968</u>
Instructional Staff:				
Salaries and Wages	1,603	9,000	7,200	1,800
Fringe Benefits	356	2,000	1,958	42
Purchased Services	26,856	150,805	77,988	72,817
Materials and Supplies	1,431	8,037	7,798	239
Total Instructional Staff	<u>30,246</u>	<u>169,842</u>	<u>94,944</u>	<u>74,898</u>
Fiscal:				
Capital Outlay - New	1,361	9,000	0	9,000
Central				
Purchased Services	5,137	12,000	12,000	0
Total Support Services	<u>38,629</u>	<u>195,810</u>	<u>106,944</u>	<u>88,866</u>
<i>Total Expenditures</i>	<u>74,814</u>	<u>422,017</u>	<u>230,409</u>	<u>191,608</u>
<i>Net Change in Fund Balance</i>	305,186	(42,017)	(16,821)	25,196
<i>Fund Balance Beginning of Year</i>	39,654	39,654	39,654	0
Prior Year Encumbrances Appropriated	14,814	14,814	14,814	0
<i>Fund Balance End of Year</i>	<u><u>\$359,654</u></u>	<u><u>\$12,451</u></u>	<u><u>\$37,647</u></u>	<u><u>\$25,196</u></u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
Bond Retirement
For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$2,934,201	\$3,238,849	\$3,010,071	(\$228,778)
Intergovernmental	340,000	340,000	370,468	30,468
<i>Total Revenues</i>	<u>3,274,201</u>	<u>3,578,849</u>	<u>3,380,539</u>	<u>(198,310)</u>
Expenditures				
Current:				
Support Services:				
Fiscal:				
Other	40,000	43,861	43,861	0
Debt Service:				
Principal Retirement	2,129,230	2,200,000	2,200,000	0
Interest and Fiscal Charges	1,030,770	972,258	888,977	83,281
Bond Issuance Costs	0	188,041	188,041	0
<i>Total Debt Service</i>	<u>3,160,000</u>	<u>3,360,299</u>	<u>3,277,018</u>	<u>83,281</u>
<i>Total Expenditures</i>	<u>3,200,000</u>	<u>3,404,160</u>	<u>3,320,879</u>	<u>83,281</u>
<i>Excess of Revenues Over Expenditures</i>	<u>74,201</u>	<u>174,689</u>	<u>59,660</u>	<u>(115,029)</u>
Other Financing Sources (Uses)				
Bonds Issued	0	5,701,622	5,701,622	0
Bond Premium	0	307,924	307,924	0
Payment to Refunded Bond Escrow Agent	0	(5,942,840)	(5,942,840)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>66,706</u>	<u>66,706</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	74,201	241,395	126,366	(115,029)
<i>Fund Balance Beginning of Year</i>	<u>1,896,205</u>	<u>1,896,205</u>	<u>1,896,205</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,970,406</u></u>	<u><u>\$2,137,600</u></u>	<u><u>\$2,022,571</u></u>	<u><u>(\$115,029)</u></u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
School Net Plus
For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$50,000	\$50,000	\$0	(\$50,000)
Expenditures				
Current:				
Support Services:				
Fiscal:				
Purchased Services	50,000	0	0	0
<i>Net Change in Fund Balance</i>	0	50,000	0	(50,000)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$50,000	\$0	(\$50,000)

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$10,500,000	\$10,500,000	\$9,185,302	(\$1,314,698)
Expenses				
Purchased Services	21,603	21,603	21,603	0
Claims	10,878,397	10,878,397	8,698,399	2,179,998
<i>Total Expenses</i>	10,900,000	10,900,000	8,720,002	2,179,998
<i>Net Change in Fund Equity</i>	(400,000)	(400,000)	465,300	865,300
<i>Fund Equity Beginning of Year</i>	431,000	431,000	431,000	0
<i>Fund Equity End of Year</i>	\$31,000	\$31,000	\$896,300	\$865,300

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$400,000	\$400,000	\$403,355	\$3,355
Expenses				
Claims	300,000	300,000	188,355	111,645
<i>Net Change in Fund Equity</i>	100,000	100,000	215,000	115,000
<i>Fund Equity Beginning of Year</i>	450,000	450,000	450,000	0
<i>Fund Equity End of Year</i>	<u>\$550,000</u>	<u>\$550,000</u>	<u>\$665,000</u>	<u>\$115,000</u>

Statistical Section

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Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	S2-S9
Revenue Capacity These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.	S10-S23
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	S24-S28
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.	S29-S31
Operating Information These schedules contain service data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	S32-S43

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant fiscal year. The School District implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that fiscal year.

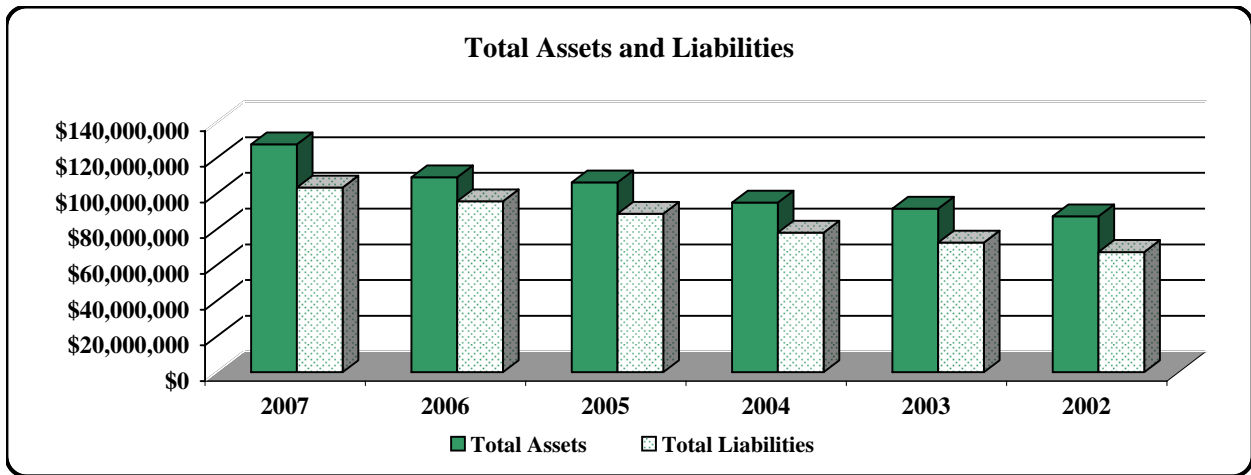
Shaker Heights City School District

Net Assets by Component

Last Six Fiscal Years

(accrual basis of accounting)

	2007	2006	2005	2004	2003	2002
Invested in Capital Assets, Net of Related Debt	\$4,632,987	\$2,204,521	\$4,100,033	\$2,500,547	\$1,855,573	\$905,036
Restricted for:						
Capital Projects	400,300	1,655,509	678,855	1,543,825	1,901,796	3,569,042
Debt Service	2,455,559	2,263,055	1,400,799	868,760	917,851	1,487,304
Set Asides	353,070	353,070	353,070	353,070	353,070	353,070
Other Purposes	797,215	544,543	608,066	305,712	421,775	978,130
Unrestricted	15,628,893	6,438,744	10,355,170	11,215,209	5,262,682	12,662,100
Total Net Assets	\$24,268,024	\$13,459,442	\$17,495,993	\$16,787,123	\$10,712,747	\$19,954,682



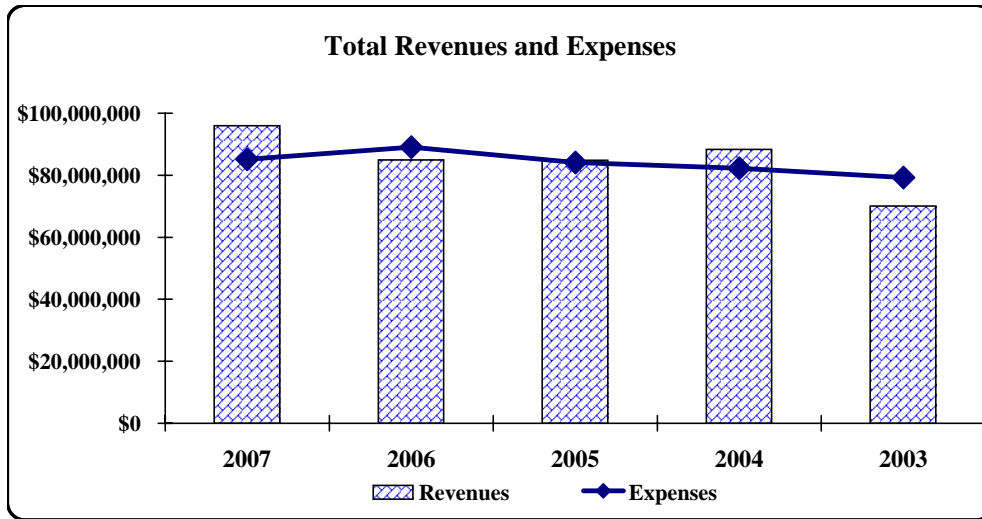
Shaker Heights City School District
Changes in Net Assets of Governmental Activities
Last Five Fiscal Years
(accrual basis of accounting)

	2007	2006	2005	2004	2003
Expenses					
Instruction:					
Regular	\$33,772,290	\$35,310,361	\$32,924,168	\$32,864,526	\$31,814,593
Special	10,931,104	10,607,843	10,647,502	10,008,927	9,238,257
Vocational	249,179	261,197	365,419	242,694	293,396
Support Services:					
Pupils	5,183,166	5,375,507	5,238,920	5,169,180	5,012,167
Instructional Staff	5,011,630	5,578,777	5,352,258	5,203,618	4,970,899
Board of Education	16,097	19,423	12,936	81,020	44,557
Administration	5,413,913	6,436,016	6,251,458	6,098,561	5,579,077
Fiscal	2,502,091	1,851,290	1,957,648	1,641,345	1,626,208
Business	831,094	923,004	899,420	636,841	667,241
Operation and Maintenance of Plant	11,044,168	11,863,117	10,369,547	10,509,814	10,329,284
Pupil Transportation	3,732,632	4,243,701	4,429,933	4,065,825	3,802,122
Central	1,665,801	1,548,776	1,537,060	1,488,606	1,655,119
Operation of Non-Instructional Services	1,374,292	1,425,671	1,057,019	1,202,617	1,317,092
Food Service Operations	1,236,661	1,311,946	1,029,189	921,209	946,834
Extracurricular Activities	1,213,896	1,241,147	1,294,801	1,332,974	1,131,817
Interest and Fiscal Charges	1,002,654	1,015,691	781,322	775,725	858,143
<i>Total Expenses</i>	<u>85,180,668</u>	<u>89,013,467</u>	<u>84,148,600</u>	<u>82,243,482</u>	<u>79,286,806</u>
Program Revenues					
Charges for Services and Sales					
Instruction:					
Regular	638,404	692,997	971,608	63,746	1,379,232
Special	158,673	178,796	148,714	1,211,647	0
Vocational	3,799	4,193	0	1,187	0
Support Services:					
Pupils	78,661	88,616	9,913	0	0
Instructional Staff	55,156	63,556	0	0	0
Board of Education	236	355	0	0	0
Administration	82,913	97,895	0	0	0
Fiscal	36,415	31,050	0	0	0
Business	11,474	15,372	19	0	0
Operation and Maintenance of Plant	160,269	275,039	146,592	150,000	0
Pupil Transportation	60,331	74,288	905	0	0
Central	24,249	24,904	0	0	0
Operation of Non-Instruction Services	100,717	893	0	0	0
Food Service Operations	738,586	750,790	793,978	701,537	679,991
Extracurricular Activities	175,780	172,196	227,586	414,131	437,824
Operating Grants, Contributions and Interest					
Instruction:					
Regular	860,207	901,271	528,306	657,616	629,987
Special	601,971	62,697	808,425	692,085	442,599
Support Services:					
Pupils	26,600	36,837	24,560	0	27,904
Instructional Staff	1,418,048	1,743,256	1,438,595	1,038,916	657,499
Administration	2,458	15,781	0	0	0
Fiscal	30,618	3,657	5,737	21,271	0
Operation and Maintenance of Plant	58,973	65,717	79,378	0	28,000
Central	26,758	15,973	15,154	0	21,121
Operation of Non-Instruction Services	1,224,791	1,272,795	1,196,573	1,345,919	1,036,096
Food Service Operations	454,616	426,452	391,333	0	245,419
Extracurricular Activities	6,848	20,874	39,074	85,681	16,960
Capital Grants and Contributions					
Instruction:					
Regular	0	0	47,670	0	87,683
Support Services:					
Operation and Maintenance of Plant	49,102	142,150	34,282	444,511	57,890
Pupil Transportation	0	0	20,997	0	0
<i>Total Program Revenues</i>	<u>7,086,653</u>	<u>7,178,400</u>	<u>6,929,399</u>	<u>6,828,247</u>	<u>5,748,205</u>
Net Expense	<u>(\$78,094,015)</u>	<u>(\$81,835,067)</u>	<u>(\$77,219,201)</u>	<u>(\$75,415,235)</u>	<u>(\$73,538,601)</u>

(continued)

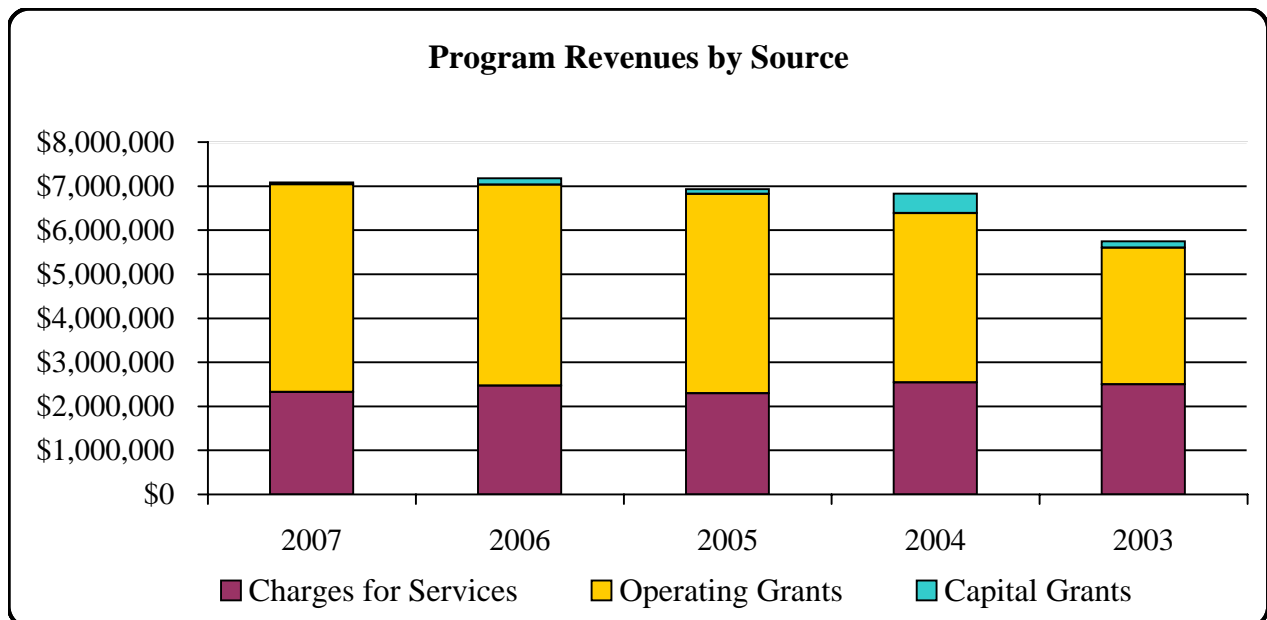
Shaker Heights City School District
Changes in Net Assets of Governmental Activities (continued)
Last Five Fiscal Years
(accrual basis of accounting)

	2007	2006	2005	2004	2003
<i>General Revenues</i>					
Property Taxes Levied for:					
General Purposes	\$60,456,905	\$51,230,820	\$51,902,593	\$56,520,406	\$40,344,179
Debt Service	3,211,409	2,475,501	1,604,046	2,110,278	1,709,155
Capital Outlay	0	206,688	519,804	323,065	141,401
Grants and Entitlements not					
Restricted to Specific Programs	23,496,372	22,583,373	22,989,562	22,160,812	21,576,741
Payment in Lieu of Taxes	0	0	0	0	0
Contributions and Donations	0	0	1,225	0	0
Investment Earnings	1,625,920	1,147,810	622,591	169,849	388,345
Gain on Sale of Capital Assets	0	5,250	0	0	0
Miscellaneous	111,991	149,074	288,250	205,201	136,845
<i>Total General Revenues</i>	<u>88,902,597</u>	<u>77,798,516</u>	<u>77,928,071</u>	<u>81,489,611</u>	<u>64,296,666</u>
<i>Change in Net Assets</i>	<u>\$10,808,582</u>	<u>(\$4,036,551)</u>	<u>\$708,870</u>	<u>\$6,074,376</u>	<u>(\$9,241,935)</u>



Shaker Heights City School District
Program Revenues by Function
Last Five Fiscal Years
(accrual basis of accounting)

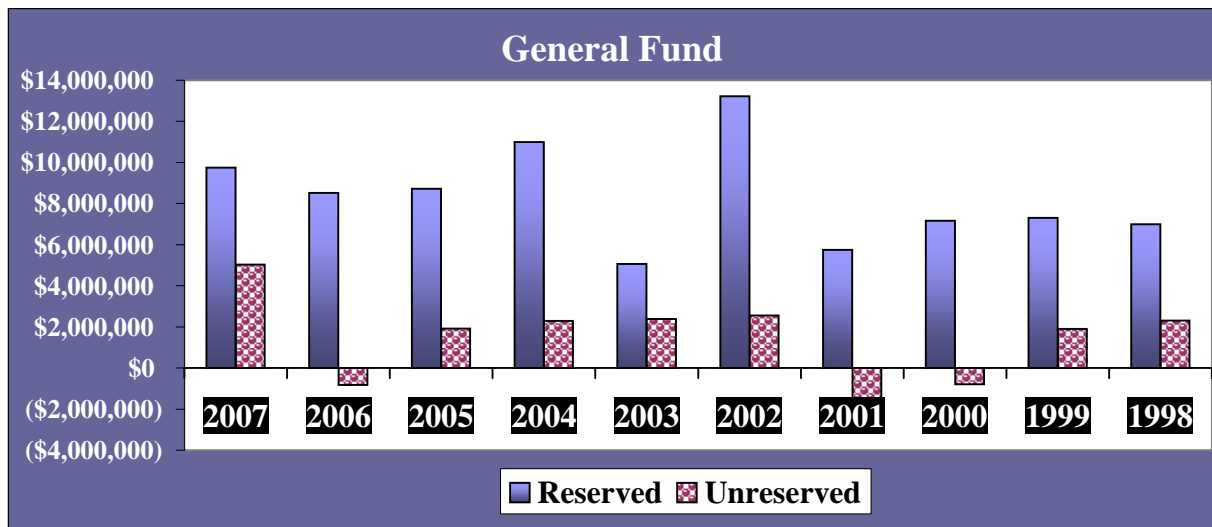
	2007	2006	2005	2004	2003
Governmental Activities					
<i>Function</i>					
Instruction:					
Regular	\$1,498,611	\$1,594,268	\$1,547,584	\$721,362	\$2,096,902
Special	760,644	241,493	957,139	1,903,732	442,599
Vocational	3,799	4,193	0	1,187	0
Support Services:					
Pupils	105,261	125,453	34,473	0	27,904
Instructional Staff	1,473,204	1,806,812	1,438,595	1,038,916	657,499
Board of Education	236	355	0	0	0
Administration	85,371	113,676	0	0	0
Fiscal	67,033	34,707	5,737	21,271	0
Business	11,474	15,372	19	0	0
Operation and Maintenance of Plant	268,344	482,906	260,252	594,511	85,890
Pupil Transportation	60,331	74,288	21,902	0	0
Central	51,007	40,877	15,154	0	21,121
Operation of Non-Instructional Services	1,325,508	1,273,688	1,196,573	1,345,919	1,036,096
Food Service Operations	1,193,202	1,177,242	1,185,311	701,537	925,410
Extracurricular Activities	182,628	193,070	266,660	499,812	454,784
Total Program Revenues	\$7,086,653	\$7,178,400	\$6,929,399	\$6,828,247	\$5,748,205



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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Fund				
Reserved	\$9,753,040	\$8,511,681	\$8,725,818	\$10,987,610
Unreserved	<u>5,023,594</u>	<u>(828,306)</u>	<u>1,917,235</u>	<u>2,285,249</u>
<i>Total General Fund</i>	<u>14,776,634</u>	<u>7,683,375</u>	<u>10,643,053</u>	<u>13,272,859</u>
All Other Governmental Funds				
Reserved	3,676,195	2,796,510	2,335,692	1,324,079
Unreserved, Undesignated, Reported in:				
Special Revenue funds	248,532	439,345	264,879	85,919
Debt Service funds	2,045,247	1,904,007	1,171,864	965,905
Capital Projects funds (Deficit)	<u>6,035,783</u>	<u>2,964,790</u>	<u>8,910,495</u>	<u>416,890</u>
<i>Total All Other Governmental Funds</i>	<u>12,005,757</u>	<u>8,104,652</u>	<u>12,682,930</u>	<u>2,792,793</u>
<i>Total Governmental Funds</i>	<u>\$26,782,391</u>	<u>\$15,788,027</u>	<u>\$23,325,983</u>	<u>\$16,065,652</u>

2003	2002	2001	2000	1999	1998
\$5,061,262	\$13,221,489	\$5,752,540	\$7,160,134	\$7,309,654	\$6,987,222
2,390,165	2,560,165	(1,532,913)	(793,986)	1,902,041	2,300,804
7,451,427	15,781,654	4,219,627	6,366,148	9,211,695	9,288,026
1,104,311	1,448,484	808,933	1,042,973	3,493,579	1,944,318
139,795	773,433	793,419	757,335	369,769	238,792
649,422	766,641	689,135	1,007,822	627,074	733,447
1,377,365	2,909,315	1,270,242	(1,517,118)	567,767	(4,513,703)
3,270,893	5,897,873	3,561,729	1,291,012	5,058,189	(1,597,146)
\$10,722,320	\$21,679,527	\$7,781,356	\$7,657,160	\$14,269,884	\$7,690,880



Shaker Heights City School District
Changes in Fund Balances
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2007	2006	2005	2004
Revenues				
Property Taxes	\$62,405,545	\$54,190,185	\$53,655,836	\$58,039,121
Intergovernmental	27,980,088	27,216,734	27,269,185	25,877,126
Interest	1,625,920	1,147,810	622,591	169,849
Tuition and Fees	1,142,301	1,275,721	1,061,636	1,288,125
Extracurricular Activities	211,365	216,236	225,611	254,088
Contributions and Donations	74,405	193,730	104,820	594,335
Charges for Services	825,197	834,854	865,476	747,618
Rentals	146,800	144,129	146,592	156,653
Miscellaneous	111,991	149,074	288,250	300,965
<i>Total Revenues</i>	<u>94,523,612</u>	<u>85,368,473</u>	<u>84,239,997</u>	<u>87,427,880</u>
Expenditures				
Current:				
Instruction:				
Regular	33,917,868	34,957,392	33,016,459	31,014,952
Special	10,986,330	10,567,581	10,740,864	9,844,459
Vocational	247,794	256,939	365,264	236,759
Support Services:				
Pupils	5,185,243	5,351,841	5,335,372	5,173,505
Instructional Staff	4,944,882	5,521,803	5,503,732	5,052,264
Board of Education	16,097	19,423	12,969	80,848
Administration	5,358,212	5,827,818	6,409,117	6,082,455
Fiscal	2,453,694	1,838,791	2,009,811	1,633,900
Business	767,079	911,179	932,775	630,972
Operation and Maintenance of Plant	10,347,581	11,247,987	10,247,849	9,682,083
Pupil Transportation	3,951,396	4,453,502	4,372,503	3,841,783
Central	1,628,239	1,485,332	1,538,769	1,335,852
Operation of Non-Instructional Services	1,174,103	1,296,494	1,144,380	1,258,577
Food Service Operations	1,234,851	1,310,623	1,053,939	921,209
Extracurricular Activities	1,202,682	1,230,648	1,331,621	1,330,480
Capital Outlay	5,313,843	4,503,634	1,575,538	2,060,855
Intergovernmental	0	0	0	0
Debt Service:				
Principal Retirement	2,200,000	1,724,230	1,205,000	1,130,000
Interest and Fiscal Charges	909,172	971,212	760,280	773,595
Bond Issuance Costs	188,041	0	154,830	0
<i>Total Expenditures</i>	<u>92,027,107</u>	<u>93,476,429</u>	<u>87,711,072</u>	<u>82,084,548</u>
<i>Excess of Revenue Over (Under) Expenditures</i>	<u>2,496,505</u>	<u>(8,107,956)</u>	<u>(3,471,075)</u>	<u>5,343,332</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
Bonds Issued	14,200,582	0	11,324,994	0
Bond Premium	310,117	0	191,387	0
Notes Issued	500,000	570,000	570,000	0
Current Refunding	(570,000)	0	0	0
Payment to Refunded Bond Escrow Agent	(5,942,840)	0	(1,354,975)	0
Transfers In	125,000	287,192	281,912	252,711
Transfers Out	(125,000)	(287,192)	(281,912)	(252,711)
<i>Total Other Financing Sources (Uses)</i>	<u>8,497,859</u>	<u>570,000</u>	<u>10,731,406</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>\$10,994,364</u>	<u>(\$7,537,956)</u>	<u>\$7,260,331</u>	<u>\$5,343,332</u>
<i>Debt Service as a Percentage of</i>				
<i>Noncapital Expenditures</i>	3.80%	3.03%	2.28%	2.38%

(1) Includes General, Special Revenue, Capital Projects and Debt Service Funds.

2003	2002	2001	2000	1999	1998
\$41,691,916	\$57,147,630	\$44,457,641	\$43,059,631	\$43,981,318	\$42,428,548
24,778,809	24,123,265	19,683,999	17,780,064	16,830,101	14,743,305
389,026	540,061	826,019	874,274	1,123,270	1,179,341
1,284,963	1,553,543	937,117	1,089,754	1,022,084	744,554
279,017	218,056	269,771	226,828	221,845	244,219
74,850	17,508	18,872	14,769	19,360	14,020
784,100	33,326	36,856	7,656	7,529	6,969
148,967	143,243	47,510	50,653	56,880	148,292
136,845	2,817,053	89,695	33,457	198,560	380,356
<u>69,568,493</u>	<u>86,593,685</u>	<u>66,367,480</u>	<u>63,137,086</u>	<u>63,460,947</u>	<u>59,889,604</u>
30,619,859	28,432,858	26,620,897	26,389,292	25,468,539	23,950,340
9,153,316	8,196,710	7,750,085	6,935,324	6,503,003	6,979,218
289,951	229,153	244,799	338,095	268,251	319,757
4,817,011	4,506,569	4,097,061	4,040,878	3,624,052	3,123,652
4,845,603	4,490,022	4,477,168	4,208,828	3,640,454	3,127,388
44,557	71,907	57,321	44,778	61,146	58,518
5,537,916	5,308,385	5,188,071	4,913,663	4,551,469	4,314,171
1,624,904	1,543,580	1,389,621	1,451,946	1,293,336	1,219,772
659,032	702,495	690,732	744,450	698,411	807,790
8,779,635	8,433,018	8,034,532	7,362,419	6,735,487	6,567,677
3,659,578	3,515,732	3,264,343	3,194,117	2,755,507	1,877,529
1,533,731	1,135,390	1,295,220	1,265,433	1,046,950	978,612
1,310,622	112,101	1,098,390	1,219,476	1,026,823	998,997
920,416	0	0	0	0	0
1,142,053	1,056,962	1,038,751	952,482	917,775	897,165
2,044,360	1,038,371	1,622,174	4,844,554	6,216,256	1,769,022
0	1,079,261	0	0	0	0
1,885,000	1,783,306	1,683,033	775,107	750,905	946,232
859,491	958,966	1,094,517	1,046,498	671,909	909,794
0	0	0	0	0	0
<u>79,727,035</u>	<u>72,594,786</u>	<u>69,646,715</u>	<u>69,727,340</u>	<u>66,230,273</u>	<u>58,845,634</u>
<u>(10,158,542)</u>	<u>13,998,899</u>	<u>(3,279,235)</u>	<u>(6,590,254)</u>	<u>(2,769,326)</u>	<u>1,043,970</u>
0	0	0	350	125	1,806
0	0	3,199,993	0	9,500,000	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
246,961	250,461	643,525	342,179	2,445,544	459,931
(246,961)	(250,461)	(648,525)	(398,679)	(2,560,744)	(487,031)
<u>0</u>	<u>0</u>	<u>3,194,993</u>	<u>(56,150)</u>	<u>9,384,925</u>	<u>(25,294)</u>
<u>(\$10,158,542)</u>	<u>\$13,998,899</u>	<u>(\$84,242)</u>	<u>(\$6,646,404)</u>	<u>\$6,615,599</u>	<u>\$1,018,676</u>
3.53%	3.83%	4.08%	2.81%	2.37%	3.25%

Shaker Heights City School District

History of School Operating Levies

For the Years 1933 - 2007

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
05/03	9.6	additional	Continuing	5,657	2,987	65.44	8,644	2,670
05/06	9.9	additional	Continuing	5,579	3,697	60.14	9,276	1,882

Source: Shaker Heights City School District Records

Shaker Heights City School District

History of Bond Issues

For the Years 1912 - 2007

<u>Purpose of Issue</u>	<u>Election Date</u>	<u>Issue Date</u>	<u>Amount of Issue</u>
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	5,000,000
School Improvement	May 8, 1990	April 1, 1993	5,000,000
School Improvement	November 5, 1996	March 11, 1999	9,500,000
School Improvement	November 5, 1996	September 28, 2000	3,199,993
School Improvement	November 2, 2004	April 5, 2005	9,999,995
School Improvement	November 2, 2004	April 18, 2007	8,498,960

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 Estate			Estimated Actual Value	Tangible Assessed Value
	Assessed Value				
	Residential/ Agricultural	Commercial/ Industrial/ PU	Total		
2007	\$843,012,950	\$90,658,920	\$933,671,870	\$2,667,633,914	\$8,670,762
2006	758,082,460	89,889,340	847,971,800	2,422,776,571	10,227,037
2005	760,446,580	92,028,820	852,475,400	2,435,644,000	10,874,112
2004	766,529,040	93,225,960	859,755,000	2,456,442,857	13,995,216
2003	665,936,590	89,502,910	755,439,500	2,158,398,571	18,235,730
2002	666,253,450	92,219,710	758,473,160	2,167,066,171	15,119,701
2001	665,664,730	87,362,310	753,027,040	2,151,505,829	13,134,797
2000	586,899,040	75,769,400	662,668,440	1,893,338,400	11,482,000
1999	586,802,970	76,323,060	663,126,030	1,894,645,800	11,049,610
1998	587,283,980	74,688,480	661,972,460	1,891,349,886	11,863,524

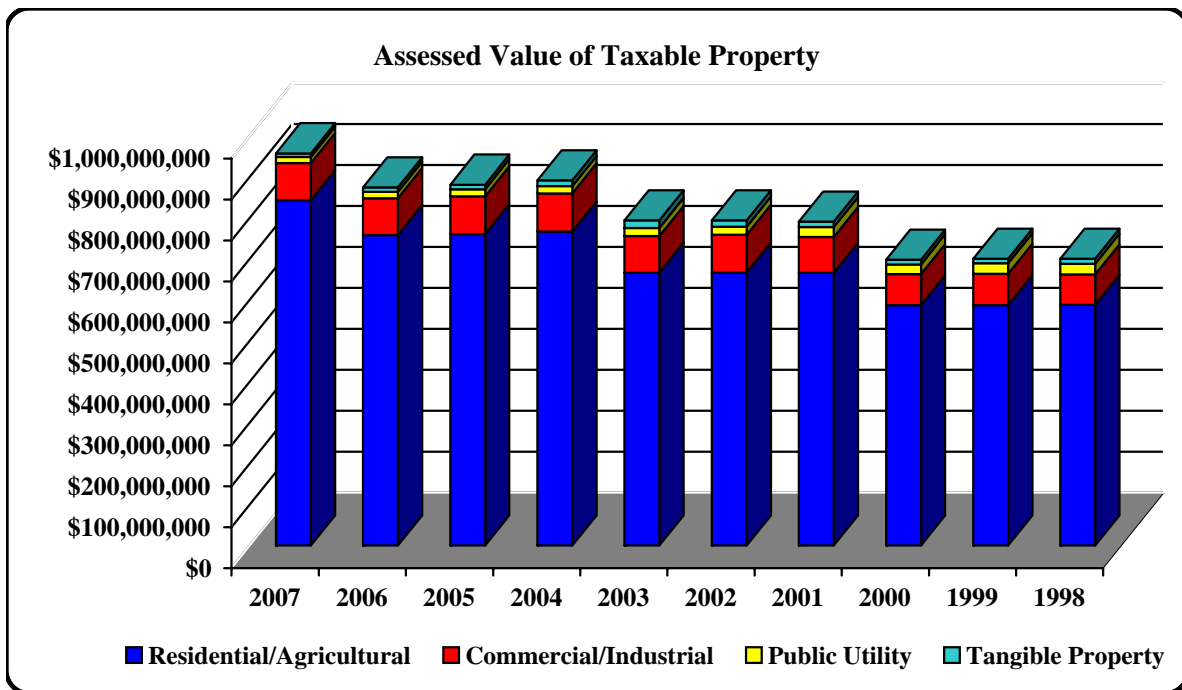
Source: Office of the County Auditor, Cuyahoga County, Ohio

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

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

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

Personal		Public Utility Personal		Total	
Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Weighted Average Tax Rate
\$69,366,096	\$15,113,730	\$17,174,693	\$957,456,362	\$2,754,174,703	\$73.90
54,544,197	15,778,790	17,930,443	873,977,627	2,495,251,211	64.64
47,278,748	17,529,940	19,920,386	880,879,452	2,502,843,134	64.48
60,848,765	17,827,640	20,258,682	891,577,856	2,537,550,304	65.11
79,285,783	19,900,850	22,614,602	793,576,080	2,260,298,956	57.37
60,478,804	20,101,330	22,842,420	793,694,191	2,250,387,395	56.87
52,539,188	24,248,080	27,554,636	790,409,917	2,231,599,653	56.78
45,928,000	23,622,520	26,843,773	697,772,960	1,966,110,173	48.97
44,198,440	26,011,210	29,558,193	700,186,850	1,968,402,433	49.26
47,454,096	26,022,220	29,570,705	699,858,204	1,968,374,687	49.23



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

	1998	1999	2000	2001
Unvoted Millage				
Operating	\$4.100000	\$4.100000	\$4.100000	\$4.100000
Voted Millage - by levy				
All Prior to 1977 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	13.419583	13.434215	13.445043	11.883346
Commercial/Industrial	23.576411	23.642784	23.703533	20.217433
Tangible/Public Utility Personal	58.530000	58.530000	58.530000	58.530000
1977 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	3.501816	3.505632	3.508464	3.100944
Commercial/Industrial	5.208324	5.222976	5.236392	4.466268
Tangible/Public Utility Personal	12.000000	12.000000	12.000000	12.000000
1979 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	1.750908	1.752816	1.754232	1.550472
Commercial/Industrial	2.604162	2.611488	2.618196	2.233134
Tangible/Public Utility Personal	6.000000	6.000000	6.000000	6.000000
1981 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	2.900073	2.903232	2.905572	2.568072
Commercial/Industrial	3.348508	3.357933	3.366558	2.871434
Tangible/Public Utility Personal	6.500000	6.500000	6.500000	6.500000
1982 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	2.681370	2.684292	2.686458	2.374410
Commercial/Industrial	3.091002	3.099702	3.107664	2.650614
Tangible/Public Utility Personal	6.000000	6.000000	6.000000	6.000000
1983 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	4.476525	4.481400	4.485008	3.964048
Commercial/Industrial	5.217432	5.232110	5.245548	4.474078
Tangible/Public Utility Personal	8.800000	8.800000	8.800000	8.800000
1986 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	4.053645	4.051313	4.061333	3.589590
Commercial/Industrial	4.927613	4.941480	4.954170	4.225553
Tangible/Public Utility Personal	7.500000	7.500000	7.500000	7.500000
1989 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	6.696850	6.704151	6.709550	5.930205
Commercial/Industrial	7.830700	7.852730	7.872899	6.715019
Tangible/Public Utility Personal	9.800000	9.800000	9.800000	9.800000
1990 School Improvement Bonds (\$10,000,000)	1.470000	1.470000	1.420000	1.520000

2002	2003	2004	2005	2006	2007
\$4.100000	\$4.100000	\$4.100000	\$4.100000	\$4.100000	\$4.100000
11.888321	11.904592	10.366424	10.463467	10.483601	9.458097
20.217432	20.778735	20.117697	20.105874	20.940688	19.841787
58.530000	58.530000	58.530000	58.530000	58.530000	58.530000
3.102240	3.106476	2.705088	2.730420	2.735676	2.468076
4.466268	4.590264	4.444236	4.441620	4.626036	4.383276
12.000000	12.000000	12.000000	12.000000	12.000000	12.000000
1.551120	1.553238	1.352544	1.365210	1.367838	1.234038
2.233134	2.295132	2.222118	2.220810	2.313018	2.191638
6.000000	6.000000	6.000000	6.000000	6.000000	6.000000
2.569138	2.572648	2.240232	2.261207	2.265556	2.043938
2.871433	2.951156	2.857270	2.855593	2.974153	2.818075
6.500000	6.500000	6.500000	6.500000	6.500000	6.500000
2.375400	2.378646	2.071302	2.090694	2.094720	1.889814
2.650614	2.724204	2.637540	2.635992	2.745438	2.601366
6.000000	6.000000	6.000000	6.000000	6.000000	6.000000
3.965694	3.971114	3.458004	3.490379	3.497094	3.155011
4.474078	4.598290	4.452008	4.449394	4.634133	4.390945
8.800000	8.800000	8.800000	8.800000	8.800000	8.800000
3.591083	3.595988	3.131348	3.160665	3.166748	2.856975
4.225552	4.342867	4.204710	4.202235	4.376708	4.147028
7.500000	7.500000	7.500000	7.500000	7.500000	7.500000
5.932675	5.940780	5.173165	5.221597	5.231642	4.719886
6.715018	6.901444	6.681885	6.677955	6.955217	6.590216
9.800000	9.800000	9.800000	9.800000	9.800000	9.800000
1.520000	1.020000	1.020000	1.020000	1.020000	0.510000

(continued)

Shaker Heights City School District
Property Tax Rates - Direct and Overlapping Governments (continued)
(per \$1,000 of assessed value)
Last Ten Years (1)

	1998	1999	2000	2001
1992 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	8.364565	8.373679	8.380421	7.406987
Commercial/Industrial	8.798695	8.823450	8.846117	7.545108
Tangible/Public Utility Personal	9.800000	9.800000	9.800000	9.800000
1995 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	8.080499	8.089304	8.095820	7.155446
Commercial/Industrial	8.436033	8.459767	8.481500	7.234111
Tangible/Public Utility Personal	8.700000	8.700000	8.700000	8.700000
1996 School Improvement Bonds (\$12,700,000)	0.600000	0.600000	1.850000	1.850000
2000 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	0.000000	0.000000	0.000000	8.308134
Commercial/Industrial	0.000000	0.000000	0.000000	8.017523
Tangible/Public Utility Personal	0.000000	0.000000	0.000000	9.400000
2003 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	0.000000	0.000000	0.000000	0.000000
Commercial/Industrial	0.000000	0.000000	0.000000	0.000000
Tangible/Public Utility Personal	0.000000	0.000000	0.000000	0.000000
2004 School Improvement Bonds (\$23,500,000)	0.000000	0.000000	0.000000	0.000000
2006 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	0.000000	0.000000	0.000000	0.000000
Commercial/Industrial	0.000000	0.000000	0.000000	0.000000
Tangible/Public Utility Personal	0.000000	0.000000	0.000000	0.000000
Total voted millage by type of property				
Residential/Agricultural	55.925834	55.980034	56.031901	57.831654
Commercial/Industrial	73.038880	73.244420	73.432577	70.650275
Tangible/Public Utility Personal	135.700000	135.700000	136.900000	146.400000
Overlapping Rates by Taxing District				
City of Shaker Heights Charter & Inside Millage				
Effective Millage Rates				
Residential/Agricultural	9.900000	9.900000	9.900000	9.900000
Commercial/Industrial	9.900000	9.900000	9.900000	9.900000
Tangible/Public Utility Personal	9.900000	9.900000	9.900000	9.900000
City of Cleveland Charter & Inside Millage				
Effective Millage Rates				
Residential/Agricultural	12.700000	12.700000	12.700000	12.700000
Commercial/Industrial	12.700000	12.700000	12.700000	12.700000
Tangible/Public Utility Personal	12.700000	12.700000	12.700000	12.700000

2002	2003	2004	2005	2006	2007
7.410064	7.420188	6.461414	6.521900	6.534444	5.895239
7.545108	7.754583	7.507888	7.503468	7.815000	7.404880
9.800000	9.800000	9.800000	9.800000	9.800000	9.800000
7.158421	7.168200	6.241989	6.300427	6.312546	5.695055
7.234110	7.434950	7.198424	7.194187	7.492875	7.099661
8.700000	8.700000	8.700000	8.700000	8.700000	8.700000
1.850000	1.850000	1.150000	1.150000	1.150000	1.100000
8.311583	8.322929	7.247513	7.315362	7.329434	6.612468
8.017523	8.240105	7.977959	7.973268	8.304308	7.868514
9.400000	9.400000	9.400000	9.400000	9.400000	9.400000
0.000000	0.000000	8.359565	8.437824	8.454058	7.626701
0.000000	0.000000	9.294586	9.289114	9.600000	9.096202
0.000000	0.000000	9.600000	9.600000	9.600000	9.600000
0.000000	0.000000	0.000000	0.300000	1.600000	2.060000
0.000000	0.000000	0.000000	0.000000	0.000000	8.931572
0.000000	0.000000	0.000000	0.000000	0.000000	9.380458
0.000000	0.000000	0.000000	0.000000	0.000000	9.900000
57.855739	57.934799	58.808588	59.359152	59.473357	62.586870
70.650270	72.611730	79.596321	79.549510	82.777574	87.814046
146.400000	145.900000	154.800000	155.100000	156.400000	166.200000
9.900000	9.900000	9.900000	9.900000	9.900000	9.900000
9.900000	9.900000	9.900000	9.900000	9.900000	9.900000
9.900000	9.900000	9.900000	9.900000	9.900000	9.900000
12.700000	12.700000	12.700000	12.700000	12.700000	12.700000
12.700000	12.700000	12.700000	12.700000	12.700000	12.700000
12.700000	12.700000	12.700000	12.700000	12.700000	12.700000

(continued)

Shaker Heights City School District
Property Tax Rates - Direct and Overlapping Governments (continued)
(per \$1,000 of assessed value)
Last Ten Years (1)

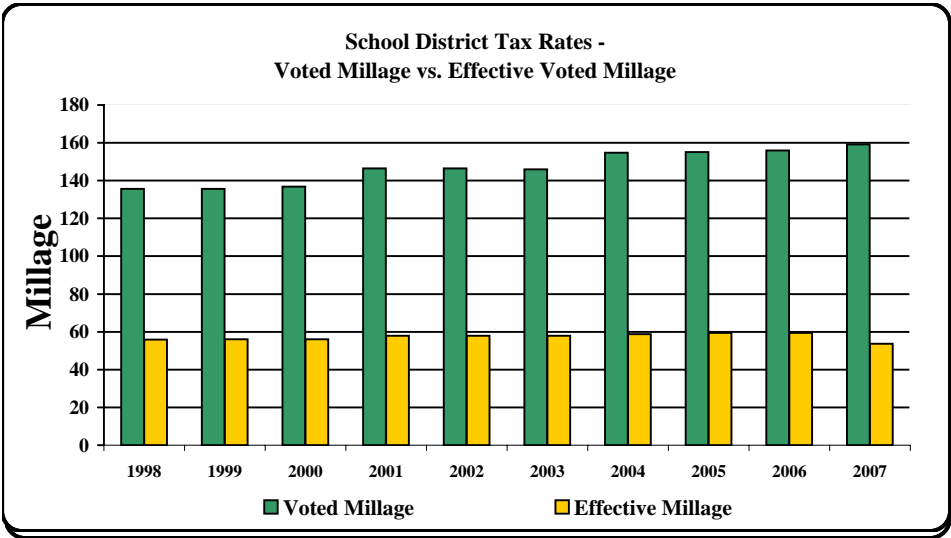
	1998	1999	2000	2001
Shaker Heights Public Library Voted Millage				
Effective Millage Rates				
Residential/Agricultural	3.715172	3.719200	3.722216	3.289860
Commercial/Industrial	3.878636	3.889500	3.899540	3.326028
Tangible/Public Utility Personal	4.000000	4.000000	4.000000	4.000000
Cuyahoga County Voted Millage				
Effective Millage Rates				
Residential/Agricultural	N/A	12.852500	12.838100	12.677900
Commercial/Industrial	N/A	13.914800	13.877500	13.254500
Tangible/Public Utility Personal	16.600000	15.300000	15.300000	16.200000

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented on S12 and S13 generated the property tax revenue received in that year.

Real property tax rates are reduced so that inflationary increases in value do not generate additional taxes.

Source: Ohio Department of Taxation

2002	2003	2004	2005	2006	2007
3.291228	4.000000	3.483152	3.515760	3.522524	3.177948
3.326028	4.000000	3.872744	3.870464	4.000000	3.790084
4.000000	4.000000	4.000000	4.000000	4.000000	4.000000
12.658600	13.736700	14.608900	15.270300	16.019200	18.690000
13.335800	14.221100	16.052900	16.502100	17.131400	18.760000
16.200000	16.200000	18.000000	18.300000	18.300000	20.200000



Shaker Heights City School District

Property Tax Levies and Collections

Last Ten Years

Year (1)	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes (2)	Ratio of Delinquent Taxes to Total Tax Levy
2006	\$70,402,802	\$59,713,108	84.81%	\$2,763,300	\$62,476,408	88.74%	\$6,529,128	9.27%
2005	68,357,014	58,502,023	85.58	2,924,281	61,426,304	89.86	6,005,534	8.79
2004	69,712,232	60,204,426	86.36	2,955,133	63,159,559	90.60	6,152,166	8.83
2003	60,781,197	52,442,163	86.28	2,755,165	55,197,328	90.81	5,823,933	9.58
2002	61,031,382	53,061,790	86.94	2,696,283	55,758,073	91.36	4,853,033	7.95
2001	59,395,866	53,242,741	89.64	2,025,582	55,268,323	93.05	4,107,206	6.91
2000	51,218,889	46,518,513	90.82	2,114,816	48,633,329	94.95	3,047,657	5.95
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

Source: Office of the 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. 2007 information cannot be presented because all collections have not yet been made.

(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.

(3) The County does not maintain delinquency information by tax year.

Shaker Heights City School District

Principal Taxpayers

Real Estate Tax

2007 and 1998 (1)

2007		
Name of Taxpayer	Assessed Valuation	Percent of Real Assessed Value
Tower East Operating Association	\$3,781,820	0.41 %
Shaker Towne Center LLC	2,653,140	0.28
Coral Shaker Square LLC	2,025,630	0.22
Salzburg, Deborah	1,921,220	0.21
Oliver Family LTD	1,901,100	0.20
Kirt Montlack, LTD	1,811,440	0.19
University Hospitals	1,507,450	0.16
Sunrise Shaker Heights	1,248,350	0.13
Gator Shaker Heights, LLC	1,184,440	0.13
Transcon Builders Incorporated	1,129,530	0.12
Total	\$19,164,120	2.05 %
Total Real Estate Valuation	\$933,671,870	
1998		
Name of Taxpayer	Assessed Valuation	Percent of Real Assessed Value
Shaker Towne Centre Limited	\$3,272,500	0.49 %
Community Links Limited Partnership	2,975,000	0.45
Ohio Teachers Retirement	2,867,240	0.43
OfficeMax Incorporated	1,988,460	0.30
Somerset Point Limited Partnership	1,850,800	0.28
Karrington Acquisition Incorporated	1,595,300	0.24
Albert Ratner, Trustee	1,583,120	0.24
Cleveland Skating Club	1,299,550	0.20
Excel Cleveland Limited Partnership	1,183,000	0.18
Cleveland I Limited Partnership	1,153,710	0.17
Total	\$19,768,680	2.98 %
Total Real Estate Valuation	\$661,972,460	

Source: Office of the Auditor, Cuyahoga County, Ohio

(1) The amounts presented represent the assessed values upon which 2007 and 1998 collections were based

Shaker Heights City School District

Principal Taxpayers

Tangible Personal Property Tax

2007 and 1998 (1)

2007		
Name of Taxpayer	Assessed Valuation	Percent of Tangible Assessed Value
Ohio Bell Telephone Company	\$2,419,530	27.90 %
Time Warner Cable, LLC	385,420	4.45
Walgreen Company	268,240	3.09
Wide Open West Cleveland, LLC	244,810	2.82
Heinens, Incorporated	205,570	2.37
Ameritech Advanced Data	193,740	2.23
Ganley Nissan, Incorporated	169,300	1.95
New Par	144,590	1.67
Revco Discount Drug	120,470	1.39
Sprintcom, Incorporated	100,410	1.16
Total	\$4,252,080	49.03 %
Total Tangible Assessed Valuation	\$8,670,762	
1998		
Name of Taxpayer	Assessed Valuation	Percent of Tangible Assessed Value
Ryder Integrated Logistics Incorporated	\$1,322,360	11.15 %
OfficeMax Incorporated	1,278,560	10.78
Telerama Incorporated	976,480	8.23
Ganley Nissan Incorporated	675,800	5.70
Zalud Oldsmobile Incorporated	433,470	3.65
Heinens Incorporated	387,670	3.27
Qua Newco Incorporated	325,000	2.74
Connell Limited Partnership	265,020	2.23
Russos Incorporated	198,220	1.67
Rite Aid of Ohio Incorporated	195,050	1.64
Total	\$6,057,630	51.06 %
Total Tangible Assessed Valuation	\$11,863,524	

Source: Office of the Auditor, Cuyahoga County, Ohio

(1) The amounts presented represent the assessed values upon which 2007 and 1998 collections were based

Shaker Heights City School District

Principal Taxpayers

Public Utilities Tax

2007 and 1998 (1)

2007		
Name of Taxpayer	Assessed Valuation	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$7,394,020	48.92 %
Ohio Bell Telephone Company	4,405,000	29.15
The East Ohio Gas Company	1,595,420	10.56
American Transmission System	695,860	4.60
Total	\$14,090,300	93.23 %
Total Public Utility Valuation	\$15,113,730	
1998		
Name of Taxpayer	Assessed Valuation	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$11,464,900	44.06 %
Ohio Bell Telephone Company	9,877,680	37.96
East Ohio Gas Company	4,421,690	16.99
Northern Ohio Cellular	210,760	0.81
Total	\$25,975,030	99.82 %
Total Public Utility Valuation	\$26,022,220	

Source: Office of the Auditor, Cuyahoga County, Ohio

(1) The amounts presented represent the assessed values upon which 2007 and 1998 collections were based

Shaker Heights City School District
Ratio of Bonded Debt to Personal Income and Debt per Capita
Last Ten Fiscal Years

Fiscal Year	Estimated Population (1)	Estimated Actual Value	General Obligation Bonded Debt		
			General Obligation Bonded Debt	Ratio of General Obligation Bonded Debt to Estimated Actual Value	General Obligation Bonded Debt per Capita
2007	29,405	\$2,754,174,703	\$28,008,859	1.02%	\$953
2006	29,405	2,495,251,211	21,586,229	0.87	734
2005	29,405	2,502,843,134	22,692,846	0.91	772
2004	29,405	2,537,550,304	13,717,774	0.54	467
2003	29,405	2,260,298,956	14,031,071	0.62	477
2002	29,405	2,250,387,395	15,326,921	0.68	521
2001	29,405	2,231,599,653	17,574,060	0.79	598
2000	30,867	1,966,110,173	15,619,430	0.79	506
1999	30,867	1,968,402,433	17,824,430	0.91	577
1998	30,867	1,968,374,687	8,864,230	0.45	287

Sources:

- (1) U.S. Census of Population, 2000 and 1990 Federal Census
- (2) The personal income can be found on S29

Other Governmental
Activities Debt

Notes	Capital Leases	Total Debt	Percentage of Personal Income (2)	Per Capita
\$570,000	\$0	\$28,578,859	2.35%	\$972
570,000	0	22,156,229	1.82	753
570,000	0	23,262,846	1.91	791
0	0	13,717,774	1.13	467
0	0	14,031,071	1.15	477
0	0	15,326,921	1.26	521
0	0	17,574,060	1.45	598
1,500,000	0	17,119,430	1.41	555
0	5,107	17,829,537	1.47	578
0	16,012	8,880,242	0.73	288

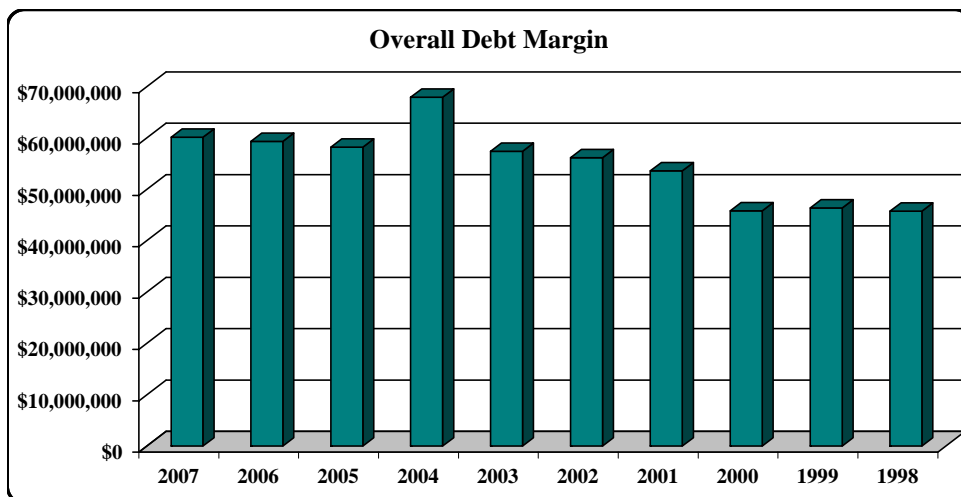
Shaker Heights City School District
Computation of Legal Debt Margin
Last Ten Fiscal Years

	2007	2006	2005	2004
Assessed Valuation (1)	\$952,028,342	\$873,977,627	\$880,879,452	\$891,577,856
Debt Limit - 9% of Assessed Value (2)	\$85,682,551	\$78,657,986	\$79,279,151	\$80,242,007
Amount of Debt Outstanding				
General Obligation Bonds				
School Improvement Bonds	1,645,000	1,990,000	2,315,000	2,615,000
School Improvement Bonds	325,000	2,415,000	2,560,000	2,700,000
School Improvement Capital Appreciation Bonds	299,377	285,543	271,709	258,544
Energy Conservation Improvement Bonds	0	0	159,230	304,230
School Improvement Bonds	8,901,082	9,928,185	9,935,288	0
School Improvement Capital Appreciation Bonds	281,076	243,421	210,811	0
Building Addition Bonds	0	0	0	1,475,000
Building Addition Refunding Bonds	1,042,173	1,213,140	1,249,107	0
Refunding Capital Appreciation Bonds	116,063	105,940	96,701	0
School Improvement Bonds	1,125,000	5,405,000	5,895,000	6,365,000
School Improvement Bonds	8,591,616	0	0	0
School Improvement Capital Appreciation Bonds	24,862	0	0	0
School Improvement Bonds	3,698,602	0	0	0
School Improvement Capital Appreciation Bonds	10,359	0	0	0
School Improvement Bonds	1,931,384	0	0	0
School Improvement Capital Appreciation Bonds	17,265	0	0	0
Bus Acquisition Bond Anticipation Note	570,000	570,000	570,000	0
Less: Amount Available in Debt Service	(2,439,934)	(2,252,727)	(1,446,773)	(1,379,309)
Total	26,138,925	19,903,502	21,816,073	12,338,465
Exemptions:				
Energy Conservation Improvement Bonds	0	0	(159,230)	0
Bus Acquisition Bond Anticipation Note	(570,000)	(570,000)	(570,000)	0
Amount of Debt Subject to Limit	25,568,925	19,333,502	21,086,843	12,338,465
Overall Debt Margin	\$60,113,626	\$59,324,484	\$58,192,308	\$67,903,542
Legal Debt Margin as a Percentage of Debt Limit	70.16%	75.42%	73.40%	84.62%
Unvoted Legal Debt Limit -				
.10% of Assessed Value (1)	\$952,028	\$873,978	\$880,879	\$891,578
Amount of Debt Subject to Limit	0	0	(159,230)	0
Unvoted Debt Margin	\$952,028	\$873,978	\$721,649	\$891,578
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	100.00%	81.92%	100.00%
Additional Limit for Unvoted Energy Conservation Improvement Bonds:				
Debt Limit - 1% of Assessed Valuation	\$8,568,255	\$7,865,799	\$7,927,915	\$8,024,201
Energy Conservation Improvement Bonds	0	0	(159,230)	(304,230)
Additional Unvoted Debt Margin	\$8,568,255	\$7,865,799	\$7,768,685	\$7,719,971

Source: Cuyahoga County Auditor and School District Financial Records

- (1) For fiscal year 2007, HB530 changed the assessed valuation utilized in the legal debt margin calculation to exclude tangible personal property as well as railroad and telephone tangible property.
- (2) Ohio Bond Law sets a limit of 9% for overall debt and 1/10 of 1% for unvoted debt.

2003	2002	2001	2000	1999	1998
<u>\$793,576,080</u>	<u>\$793,694,191</u>	<u>\$790,409,917</u>	<u>\$697,799,960</u>	<u>\$700,186,850</u>	<u>\$699,858,204</u>
\$71,421,847	\$71,432,477	\$71,136,893	\$62,801,996	\$63,016,817	\$62,987,238
2,895,000	3,160,000	3,405,000	3,635,000	3,850,000	4,055,000
2,835,000	2,965,000	3,065,000	0	0	0
246,017	234,099	222,758	0	0	0
444,230	579,230	709,230	834,230	954,230	1,069,230
0	0	0	0	0	0
0	0	0	0	0	0
1,625,000	2,025,000	2,415,000	2,795,000	3,145,000	3,485,000
0	0	0	0	0	0
0	0	0	0	0	0
6,790,000	7,745,000	8,655,000	9,500,000	9,500,000	0
0	0	0	1,500,000	0	9,500,000
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	90,000	175,000	255,000
<u>(804,176)</u>	<u>(1,381,408)</u>	<u>(897,928)</u>	<u>(1,234,800)</u>	<u>(794,491)</u>	<u>(845,553)</u>
14,031,071	15,326,921	17,574,060	17,119,430	16,829,739	17,518,677
0	0	0	0	0	0
0	0	0	(90,000)	(175,000)	(255,000)
<u>14,031,071</u>	<u>15,326,921</u>	<u>17,574,060</u>	<u>17,029,430</u>	<u>16,654,739</u>	<u>17,263,677</u>
<u>\$57,390,776</u>	<u>\$56,105,556</u>	<u>\$53,562,833</u>	<u>\$45,772,566</u>	<u>\$46,362,078</u>	<u>\$45,723,561</u>
80.35%	78.54%	75.30%	72.88%	73.57%	72.59%
\$793,576	\$793,694	\$790,410	\$697,800	\$700,187	\$699,858
0	0	0	0	0	0
<u>\$793,576</u>	<u>\$793,694</u>	<u>\$790,410</u>	<u>\$697,800</u>	<u>\$700,187</u>	<u>\$699,858</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
\$7,142,185	\$7,143,248	\$7,904,099	\$6,978,000	\$7,001,869	\$6,998,582
(444,230)	(579,230)	(709,230)	(834,230)	(954,230)	(1,069,230)
<u>\$6,697,955</u>	<u>\$6,564,018</u>	<u>\$7,194,869</u>	<u>\$6,143,770</u>	<u>\$6,047,639</u>	<u>\$5,929,352</u>



Shaker Heights City School District

Computation of Direct and Overlapping

Governmental Activities Debt

December 31, 2006

	<u>Debt Attributable to Governmental Activities</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount of Direct and Overlapping Debt</u>
Direct Debt			
Shaker Heights City School District			
General Obligation Bonds	\$28,008,859	100.00%	\$28,008,859
Notes Payable	<u>570,000</u>	100.00	<u>570,000</u>
Total Direct Debt	<u>28,578,859</u>	100.00	<u>28,578,859</u>
Overlapping Debt:			
Cuyahoga County			
General Obligation Bonds	208,194,000	2.94	6,120,904
Revenue Bonds	106,016,000	2.94	3,116,870
Capital Lease Obligations	29,485,000	2.94	866,859
Loans Payable	7,574,000	2.94	222,676
City of Shaker Heights			
General Obligation Bonds	15,020,000	100.00	15,020,000
OPWC Loans	4,271,192	100.00	4,271,192
Notes Payable	12,445,000	100.00	12,445,000
City of Cleveland			
General Obligation Bonds	323,795,000	6.00	19,427,700
Urban Renewal Bonds	7,170,000	6.00	430,200
Income Tax Refunding Bonds	60,700,000	6.00	3,642,000
Non-Tax Revenue Bonds	69,353,000	6.00	4,161,180
Certificates of Participation - Stadium	143,950,000	6.00	8,637,000
Capital Lease Obligations	15,057,000	6.00	903,420
Gateway Note Payable	2,500,000	6.00	150,000
Regional Transit Authority			
General Obligation Bonds	156,500,000	2.94	4,601,100
SIB Loan	<u>4,580,196</u>	2.94	<u>134,658</u>
Total Overlapping	<u>1,166,610,388</u>		<u>84,150,759</u>
Total	<u>\$1,195,189,247</u>		<u>\$112,729,618</u>

Source: Office of the Auditor, Cuyahoga County, Ohio

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2006 collection year.

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>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>School Enrollment</u>	<u>Cuyahoga County Unemployment Rate</u>
2007	1,363,888	29,405	\$1,216,014,370	\$41,354	5,577	6.3 %
2006	1,363,888	29,405	1,216,014,370	41,354	5,628	5.6
2005	1,363,888	29,405	1,216,014,370	41,354	5,734	5.9
2004	1,363,888	29,405	1,216,014,370	41,354	5,623	6.6
2003	1,363,888	29,405	1,216,014,370	41,354	5,608	6.7
2002	1,393,978	29,405	1,216,014,370	41,354	5,619	4.6
2001	1,393,978	29,405	1,216,014,370	41,354	5,625	4.5
2000	1,393,978	30,867	1,213,628,706	39,318	5,714	4.5
1999	1,412,140	30,867	1,213,628,706	39,318	5,640	4.6
1998	1,412,140	30,867	1,213,628,706	39,318	5,592	4.4

Source 2000 U.S. Census Bureau

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

Year	Property Value (1) (Real Estate Only)	Financial Institution Deposits (000's) Banks	Value of Building Permits Issued
2007	\$933,671,870	\$161,139,482	\$12,992,828
2006	847,971,800	110,547,665	23,288,638
2005	852,475,400	105,769,931	26,855,317
2004	859,755,000	97,238,973	15,419,905
2003	755,439,500	95,761,917	11,489,850
2002	758,473,160	88,346,368	20,633,259
2001	753,027,040	61,942,764	25,751,459
2000	662,695,440	57,021,360	36,382,085
1999	663,126,030	56,770,353	1,790,370
1998	661,972,460	53,941,971	4,224,290

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

(1) Represents assessed value.

Shaker Heights City School District

Principal Employers

2006 and 2005 (1)

2006

Employer	Nature of Business or Activity	Number of Employees
Shaker Heights City School District	government entity	815
City of Shaker Heights	government entity	450
University Hospitals	hospital	400
Hathaway Brown School	school	200
Laurel School	school	150
University School (Shaker campus)	school	98
Heinens	supermarket	92
Total		<u><u>2,205</u></u>
Total Employment within the School District		<u><u>n/a</u></u>

2005

Employer	Nature of Business or Activity	Number of Employees
Shaker Heights City School District	government entity	818
City of Shaker Heights	government entity	450
Hathaway Brown School	school	200
Laurel School	school	150
University School (Shaker campus)	school	98
Heinens	supermarket	92
Total		<u><u>1,808</u></u>
Total Employment within the School District		<u><u>n/a</u></u>

Source: Employer survey

(1) Information prior to 2005 is not available.

n/a - Total employment with in the School District is not available.

Shaker Heights City School District

Building Statistics by Function/Program

Last Four Fiscal Years (1)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Boulevard Elementary School				
Constructed in 1914				
Total Building Square Footage	48,000	48,000	48,000	48,000
Enrollment Grades K - 4	360	393	424	384
Student Capacity	544	544	544	544
Regular Instruction Classrooms	22	21	21	21
Special Instruction Classrooms	2	3	3	3
Fernway Elementary School				
Constructed in 1927				
Total Building Square Footage	29,925	29,925	29,925	29,925
Enrollment Grades K - 4	324	313	312	300
Student Capacity	366	366	366	366
Regular Instruction Classrooms	15	16	17	17
Special Instruction Classrooms	2	1	0	0
Lomond Elementary School				
Constructed in 1928				
Total Building Square Footage	65,075	65,075	65,075	65,075
Enrollment Grades K - 4	526	518	538	512
Student Capacity	620	620	620	620
Regular Instruction Classrooms	26	25	25	25
Special Instruction Classrooms	2	3	3	3
Mercer Elementary School				
Constructed in 1952				
Total Building Square Footage	70,640	70,640	70,640	70,640
Enrollment Grades K - 4	411	411	432	414
Student Capacity	590	590	590	590
Regular Instruction Classrooms	24	25	25	25
Special Instruction Classrooms	4	3	3	3

	2007	2006	2005	2004
Onaway Elementary School				
Constructed in 1923				
Total Building Square Footage	63,700	63,700	63,700	63,700
Enrollment Grades K - 4	418	360	370	371
Student Capacity	606	606	606	606
Regular Instruction Classrooms	23	24	24	24
Special Instruction Classrooms	5	4	4	4
Woodbury Elementary School				
Constructed in 1918				
Total Building Square Footage	138,350	138,350	138,350	138,350
Enrollment Grades 5 - 6	816	833	834	865
Student Capacity	900	900	900	900
Regular Instruction Classrooms	42	43	43	43
Special Instruction Classrooms	7	6	6	6
Shaker Heights Middle School				
Constructed in 1957				
Total Building Square Footage	133,400	133,400	133,400	133,400
Enrollment - Grades 7 - 8	852	900	964	954
Student Capacity	1,000	1,000	1,000	1,000
Regular Instruction Classrooms	27	27	27	27
Special Instruction Classrooms	6	6	6	6
Shaker Heights High School				
Constructed in 1930				
Total Building Square Footage	304,400	304,400	304,400	304,400
Enrollment - Grades 9 - 12	1,870	1,876	1,838	1,805
Student Capacity	2,000	2,000	2,000	2,000
Regular Instruction Classrooms	52	52	52	52
Special Instruction Classrooms	8	8	8	8
Sussex Pre-School (2)				
Constructed in 1922				
Total Building Square Footage	0	33,000	33,000	33,000
Enrollment - Grades Pre - K	0	24	22	18
Student Capacity	0	30	30	30

(1) Information prior to 2004 not available.

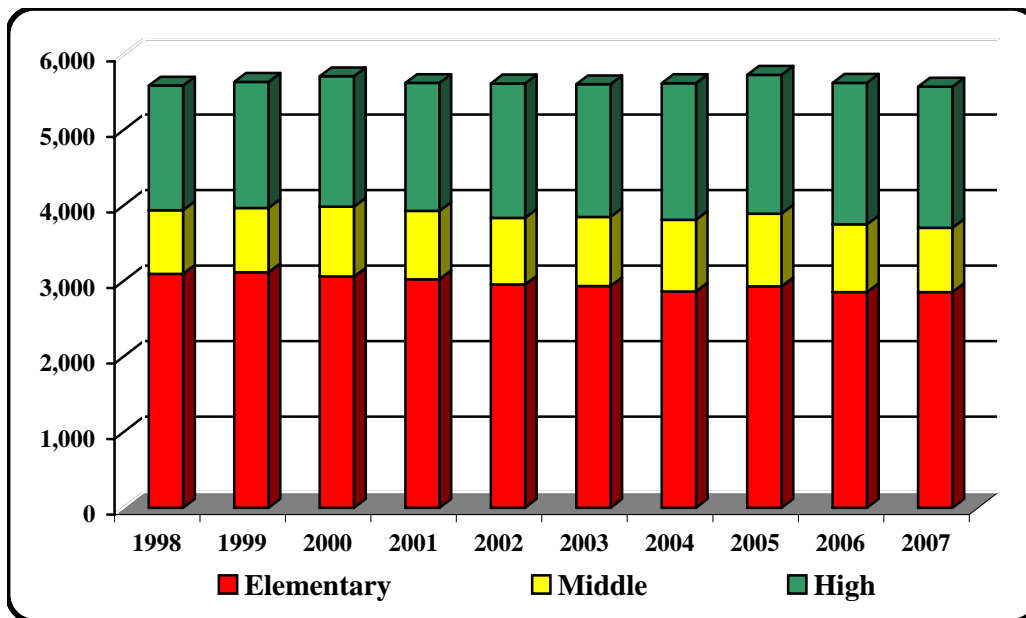
(2) District leases only one classroom from Shaker Family Center, the lease was terminated 6/30/06.

Shaker Heights City School District

Enrollment Statistics

Last Ten Fiscal Years

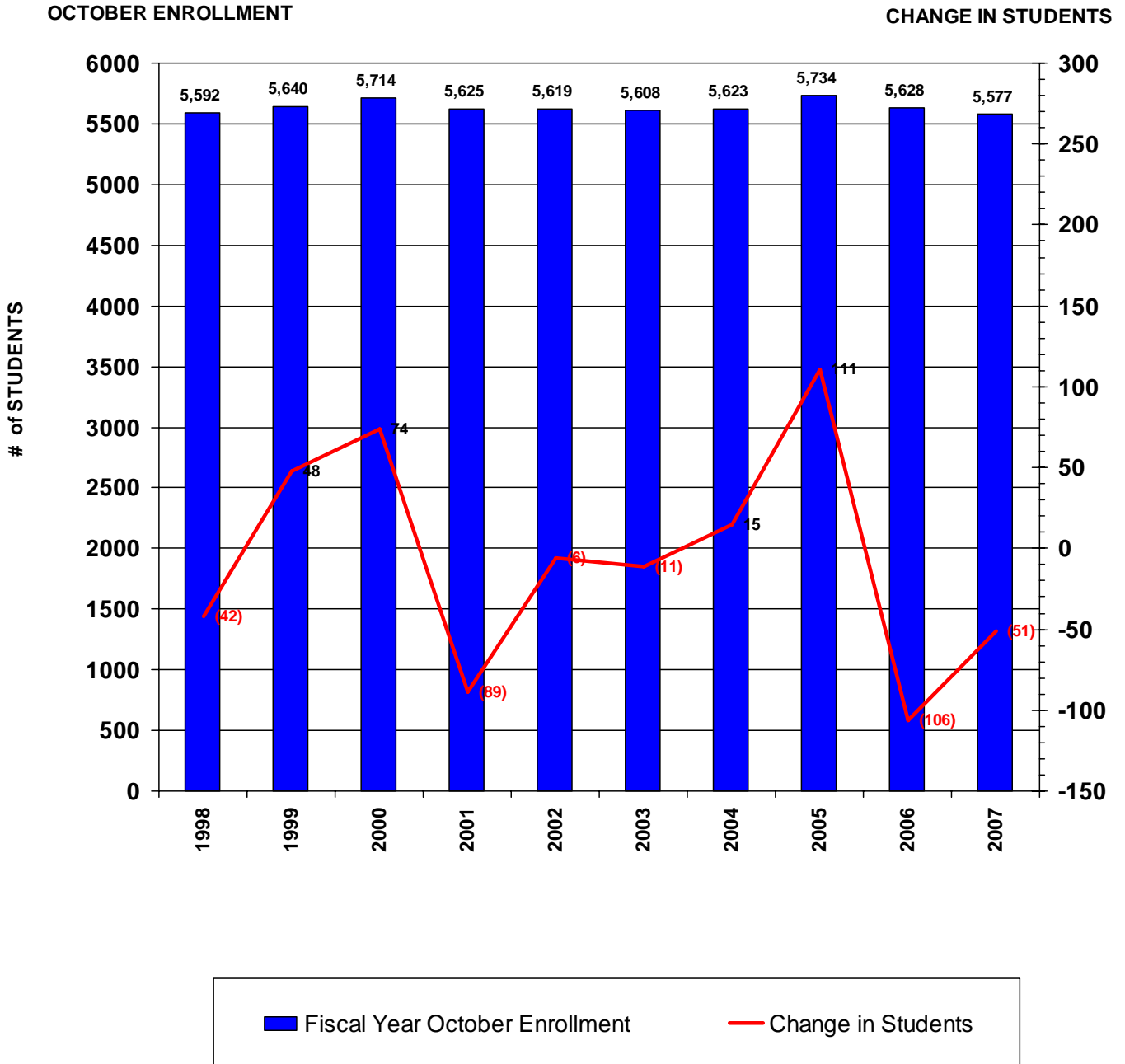
Fiscal Year	Elementary Schools	Middle School	High School	Total
1998	3,098	843	1,651	5,592
1999	3,119	851	1,670	5,640
2000	3,061	927	1,726	5,714
2001	3,026	904	1,695	5,625
2002	2,955	885	1,779	5,619
2003	2,934	917	1,757	5,608
2004	2,864	950	1,809	5,623
2005	2,932	962	1,840	5,734
2006	2,855	897	1,876	5,628
2007	2,855	852	1,870	5,577



Source: Shaker Heights City School Records

SHAKER HEIGHTS CITY SCHOOL DISTRICT

ENROLLMENT SUMMARY LAST TEN FISCAL YEARS



Shaker Heights City School District
Public, Private, and Total School Enrollment by School Year
Fiscal Years 1979 to 2007

Fiscal Year	Total Public Enrollment (1)	Total Private Enrollment (2)	Total Public and Private	Private as a Percent of Public and Private
1979	6,156	1,375	7,531	18.3%
1980	6,049	1,355	7,404	18.3
1981	5,951	1,236	7,187	17.2
1982	5,759	1,249	7,008	17.8
1983	5,490	1,216	6,706	18.1
1984	5,294	1,200	6,494	18.5
1985	5,187	1,160	6,347	18.3
1986	5,125	1,047	6,172	17.0
1987	5,013	996	6,009	16.6
1988	4,869	1,009	5,878	17.2
1989	4,830	964	5,794	16.6
1990	4,887	916	5,803	15.8
1991	4,874	846	5,720	14.8
1992	4,933	873	5,806	15.0
1993	4,959	869	5,828	14.9
1994	5,081	911	5,992	15.2
1995	5,371	964	6,335	15.2
1996	5,485	1,065	6,550	16.3
1997	5,634	1,071	6,705	16.0
1998	5,592	983	6,575	15.0
1999	5,640	1,017	6,657	15.3
2000	5,714	1,079	6,793	15.9
2001	5,625	1,088	6,713	16.2
2002	5,619	1,104	6,723	16.4
2003	5,608	897	6,505	13.8
2004	5,623	956	6,579	14.5
2005	5,734	1,123	6,857	16.4
2006	5,628	1,130	6,758	16.7
2007	5,577	1,174	6,751	17.4

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 2005 are based on first full week of Shaker Heights City School District October enrollment report.
- (2) Estimated from State of Ohio District Enrollment by Nonpublic Schools Report and/or telephone and mail survey of private and parochial schools.

Shaker Heights City School District

Per Pupil Cost

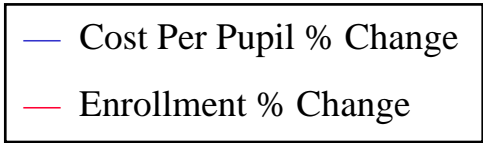
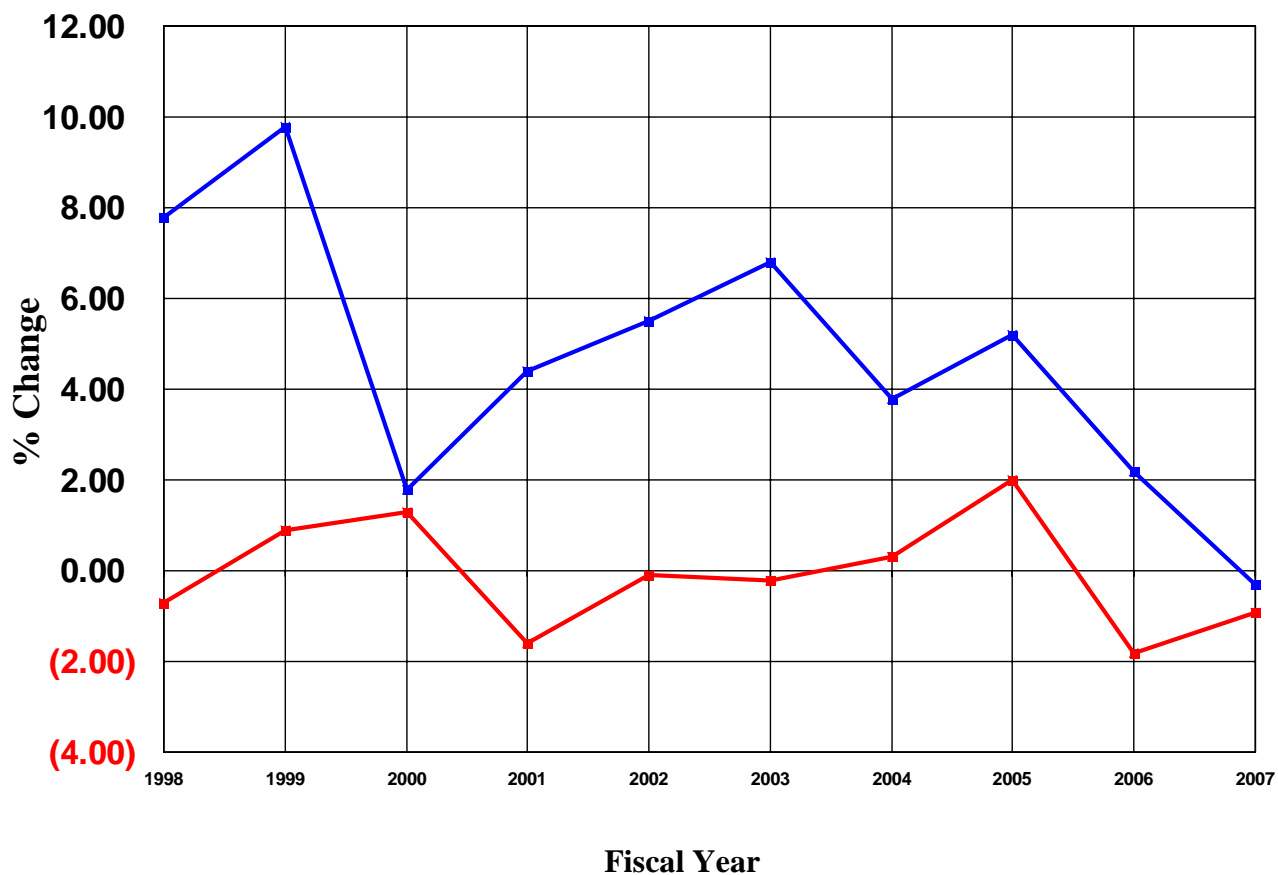
Last Ten Fiscal Years

<u>Year</u>	<u>General Fund Expenditures</u>	<u>Average Daily Student Enrollment</u>	<u>Per Pupil Cost</u>
2007	\$77,679,215	5,577	\$13,928
2006	78,621,894	5,628	13,970
2005	78,336,642	5,734	13,662
2004	73,034,370	5,623	12,989
2003	70,141,022	5,608	12,507
2002	65,753,511	5,619	11,702
2001	62,292,329	5,625	11,074
2000	60,517,601	5,714	10,591
1999	56,523,910	5,640	10,022
1998	52,890,752	5,592	9,458

SHAKER HEIGHTS CITY SCHOOL DISTRICT

COST PER PUPIL PERCENTAGE CHANGE

LAST TEN FISCAL YEARS



Shaker Heights City School District
School District Employees by Function/Program
Last Six Fiscal Years

Function/Program	2007	2006	2005	2004	2003	2002
Regular Instruction						
Elementary Classroom Teachers	152.0	156.0	162.1	154.2	163.3	164.7
Middle School Classroom Teachers	58.8	62.7	62.7	65.0	61.4	61.1
High School Classroom Teachers	116.5	128.4	128.4	130.1	127.2	128.1
Special Instruction						
Preschool Teachers	1.0	1.0	2.0	0.0	0.0	0.0
Elementary Classroom Teachers	24.1	22.0	18.0	22.0	22.0	21.0
Gifted Education Teachers	8.0	8.0	8.0	8.0	8.0	7.0
Middle School Classroom Teachers	9.6	8.2	6.2	5.0	6.0	5.0
High School Classroom Teachers	9.4	6.4	6.4	6.2	4.6	5.0
Vocational Instruction						
High School Classroom Teachers	1.0	1.0	1.0	0.9	0.9	1.0
Pupil Support Services						
Teacher Aides	66.0	61.5	58.2	62.1	58.4	53.4
Tutors	37.7	47.6	51.6	55.4	52.2	50.6
Guidance Counselors	11.0	10.0	11.0	11.0	11.0	11.0
Librarians and Library Technicians	9.0	9.0	9.4	8.5	8.5	9.0
Psychologists	8.8	6.4	6.4	6.4	6.0	6.4
Speech & Language Pathologists	6.0	6.4	6.4	6.8	6.4	6.4
Nurse	8.4	7.2	7.2	7.3	7.3	7.3
Other Professional	5.0	3.5	3.0	3.0	6.2	5.4
Administrators						
Elementary	9.0	9.0	9.0	9.0	9.0	9.0
Middle School	3.0	4.0	4.0	4.0	4.0	4.0
High School	6.0	6.0	6.0	6.0	6.0	6.0
Districtwide (Certificated & Classified)	17.0	17.0	17.0	17.0	17.0	17.0
Operation of Plant						
Custodians	62.6	68.0	65.0	66.0	67.0	68.0
Maintenance and Groundskeeping	11.0	19.0	19.0	17.0	18.0	18.0
Pupil Transportation						
Bus Drivers	27.5	28.5	36.0	32.5	30.7	29.8
Mechanics	4.0	4.0	5.0	3.0	4.0	3.0
Food Service Program						
Elementary Cooks	9.9	8.1	4.7	3.1	3.8	3.9
Middle School Cooks	4.9	5.0	4.0	5.8	4.0	5.0
High School Cooks	4.8	6.1	4.4	4.0	4.2	5.0
Other						
Supervisor/Administrator classification	28.4	29.4	29.4	31.1	24.7	26.1
OAPSE	53.9	52.8	53.8	53.8	53.7	53.4
Security	8.0	8.0	8.0	7.0	15.1	7.8
Data Processing	4.0	5.0	5.0	5.0	6.0	6.0
Total Employees	786.3	815.2	818.3	816.1	816.6	804.4

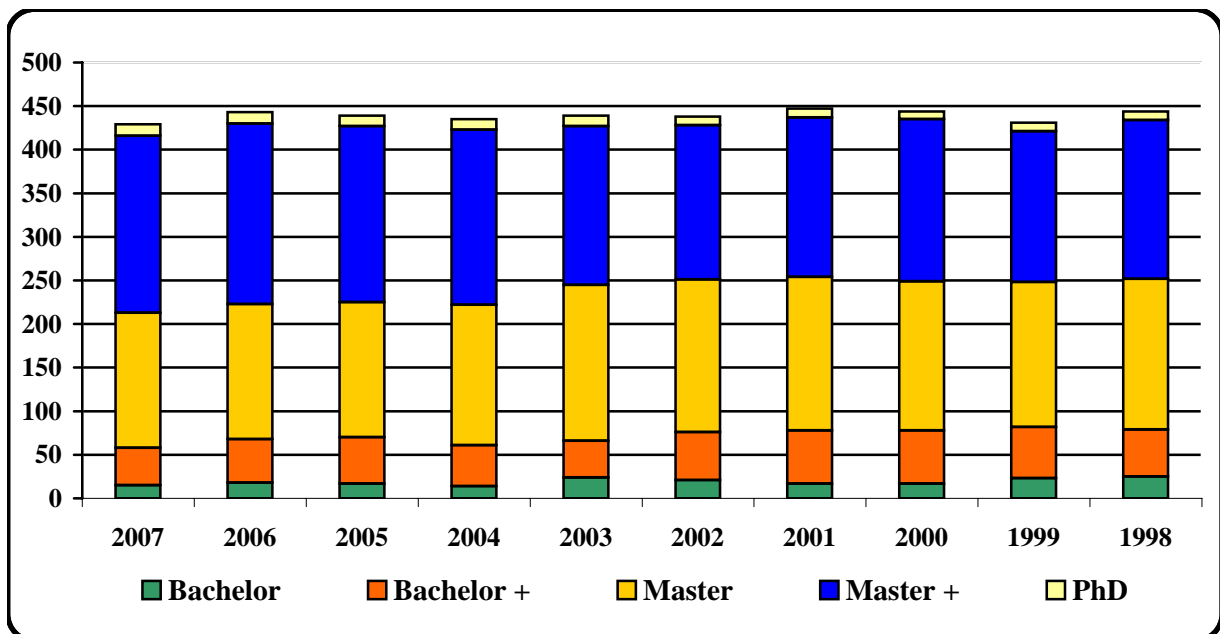
Method: Using 1.0 for each full-time employee and 0.1 for each part time and seasonal employee.
The count is performed on September 1 of each year.

Information prior to 2002 is not available.

Shaker Heights City School District
Full-Time Equivalent Certified School District Employees by Education
Last Ten Fiscal Years

Degree	2007	2006	2005	2004
Bachelor	15	18	17	14
Bachelor +15	43	50	53	47
Master	155	155	155	161
Master +15	88	88	91	86
Master +30	48	50	46	49
Master +45	67	69	65	66
PhD	13	13	12	12
Total	429	443	439	435

Years of Experience	2007	2006	2005	2004
0 - 5	84	109	123	122
6 - 10	96	90	80	85
11 and Over	249	243	236	228
Total	429	442	439	435



2003	2002	2001	2000	1999	1998
24	21	17	17	23	25
42	55	61	61	59	54
179	175	176	171	166	173
77	70	70	71	76	84
47	50	55	56	45	47
58	57	58	59	52	51
12	10	10	9	10	11
<u>439</u>	<u>438</u>	<u>447</u>	<u>444</u>	<u>431</u>	<u>445</u>
124	76	93	104	83	96
89	83	64	58	51	46
<u>226</u>	<u>279</u>	<u>290</u>	<u>282</u>	<u>297</u>	<u>303</u>
<u>439</u>	<u>438</u>	<u>447</u>	<u>444</u>	<u>431</u>	<u>445</u>

Shaker Heights City School
College Admissions for All Students
Last Ten School Years

Class	Percent of Four - Year	Percent of Two - Year	Total Percent
2007	88	2	90
2006	87	2	89
2005	88	2	90
2004	88	3	91
2003	86	2	88
2002	82	4	86
2001	82	6	88
2000	82	5	87
1999	91	2	93
1998	84	4	88

Source: Shaker Heights City School District Records

Shaker Heights City School
National Merit and National Achievement Recognition
Last Ten School Years

Class	National Merit (all students)	National Achievement (African- American students only)	National Hispanic Scholars	Percent of Shaker Seniors Honored	Percent of United States Seniors Honored
2007	37	5	1	11 %	2 %
2006	37	4	1	11	2
2005	34	6	2	11	2
2004	34	6	0	14	2
2003	29	7	2	10	2
2002	27	6	0	9	2
2001	42	5	0	13	2
2000	42	8	0	13	2
1999	35	14	2	15	2
1998	44	6	0	14	2

Source: Shaker Heights City School District Records

Supplemental Information Section

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 for the New York City Public Schools.

The reporting format is now being nationally distributed by Price Waterhouse Coopers 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 2006 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	1,803	\$1,812,566	\$5,133,449	\$467,773	\$3,151,186	\$13,542,070	\$24,107,044
Total High School	<u>1,803</u>	<u>1,812,566</u>	<u>5,133,449</u>	<u>467,773</u>	<u>3,151,186</u>	<u>13,542,070</u>	<u>24,107,044</u>
Middle School							
Shaker Heights Middle School	853	751,637	3,557,903	307,090	1,620,063	7,183,137	13,419,830
Total Middle School	<u>853</u>	<u>751,637</u>	<u>3,557,903</u>	<u>307,090</u>	<u>1,620,063</u>	<u>7,183,137</u>	<u>13,419,830</u>
Elementary Schools							
Boulevard Elementary School	364	258,091	1,973,466	152,489	494,369	2,490,914	5,369,329
Fernway Elementary School	322	243,477	1,397,029	141,541	379,852	2,253,066	4,414,965
Lomond Elementary School	519	338,250	1,290,123	135,238	545,452	3,482,569	5,791,632
Mercer Elementary School	416	276,842	1,388,311	269,463	612,447	3,141,897	5,688,960
Onaway Elementary School	387	238,889	1,634,784	338,917	739,140	2,642,163	5,593,893
Woodbury Elementary School	809	649,005	2,898,295	347,402	994,891	6,226,931	11,116,524
Total Elementary Schools	<u>2,817</u>	<u>2,004,554</u>	<u>10,582,008</u>	<u>1,385,050</u>	<u>3,766,151</u>	<u>20,237,540</u>	<u>37,975,303</u>
School Total	5,473	4,568,757	19,273,360	2,159,913	8,537,400	40,962,747	75,502,177
Central Office	0	5,474,522	1,340,194	301,605	393,984	0	7,510,305
Expenditure Flow Model Total	<u>5,473</u>	<u>\$10,043,279</u>	<u>\$20,613,554</u>	<u>\$2,461,518</u>	<u>\$8,931,384</u>	<u>\$40,962,747</u>	<u>\$83,012,482</u>
Tax Anticipation Notes							6,000,000
Other Debt Service							9,853,680
Tuition - Other Districts							4,288,369
Non-Public							1,154,788
Rotary							9,505,801
Fiscal Agency							(208,389)
Other Programs							61,720
Grand Total							<u>\$113,668,451</u>

Average Daily Membership (ADM) Reported for District Internal Retrieval Number (IRN): 0.99***

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

Source: Education Management Information System

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

<u>School</u>	<u>Average Daily Membership</u>	<u>Administration</u>	<u>Operations Support</u>	<u>Staff Support</u>	<u>Pupil Support</u>	<u>Instruction</u>	<u>Totals</u>
High School							
Shaker Heights High School	1,803	\$1,005	\$2,847	\$259	\$1,747	\$7,509	\$13,367
Total High School	<u>1,803</u>	<u>1,005</u>	<u>2,847</u>	<u>259</u>	<u>1,747</u>	<u>7,509</u>	<u>13,367</u>
Middle School							
Shaker Heights Middle School	853	882	4,173	360	1,900	8,426	15,741
Total Middle School	<u>853</u>	<u>882</u>	<u>4,173</u>	<u>360</u>	<u>1,900</u>	<u>8,426</u>	<u>15,741</u>
Elementary Schools							
Boulevard Elementary School	364	710	5,430	420	1,360	6,853	14,773
Fernway Elementary School	322	756	4,336	439	1,179	6,993	13,703
Lomond Elementary School	519	651	2,483	26	1,050	6,704	10,914
Mercer Elementary School	416	665	3,336	647	1,472	7,550	13,670
Onaway Elementary School	387	617	4,223	875	1,909	6,825	14,449
Woodbury Elementary School	809	803	3,584	430	1,230	7,701	13,748
Total Elementary Schools	<u>2,817</u>	<u>712</u>	<u>3,756</u>	<u>492</u>	<u>1,337</u>	<u>7,184</u>	<u>81,257</u>
School Total							
School Total	5,473	835	3,521	395	1,560	7,485	13,796
Central Office	0	1,000	245	55	72	0	1,372
Grand Total	<u>5,473</u> **	<u>\$1,835</u> **	<u>\$3,766</u> **	<u>\$450</u> **	<u>\$1,632</u> **	<u>\$7,485</u> **	<u>\$15,168</u> **

Average Daily Membership (ADM) Reported for District Internal Retrieval Number (IRN): 0.99***

** 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.

Source: Education Management Information System

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

<u>School</u>	<u>Average Daily Membership</u>	<u>Administration</u>	<u>Operations Support</u>	<u>Staff Support</u>	<u>Pupil Support</u>	<u>Instruction</u>	<u>Totals</u>
High School							
Shaker Heights High School	1,803	8%	21%	2%	13%	56%	100%
Total High School	1,803	8	18	2	13	59	100
Middle School							
Shaker Heights Middle School	853	6	27	2	12	53	100
Total Middle School	853	6	27	2	12	53	100
Elementary Schools							
Boulevard Elementary School	364	5	37	3	9	46	100
Fernway Elementary School	322	6	32	3	9	50	100
Lomond Elementary School	519	6	22	2	9	61	100
Mercer Elementary School	416	5	24	5	11	55	100
Onaway Elementary School	387	4	29	6	13	48	100
Woodbury Elementary School	809	6	26	3	9	56	100
Total Elementary Schools	2,817	5	28	4	10	53	100
School Total	5,473	6	26	3	11	54	100
Central Office	0	73	18	4	5	0	100
Grand Total	5,473	12%	25%	3%	11%	49%	100%

Average Daily Membership (ADM) Reported for District Internal Retrieval Number (IRN): 0.99***

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

Source: Education Management Information System



Mary Taylor, CPA
Auditor of State

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 10, 2008**