

**SHAKER HEIGHTS
CITY SCHOOL DISTRICT**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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

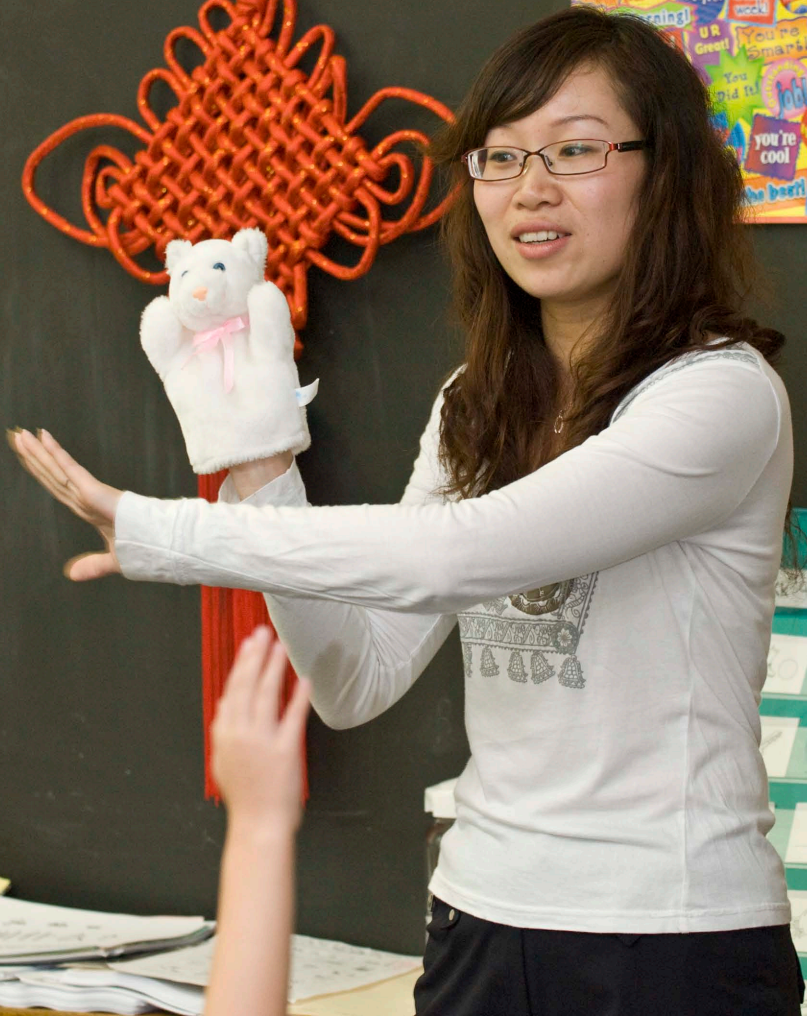
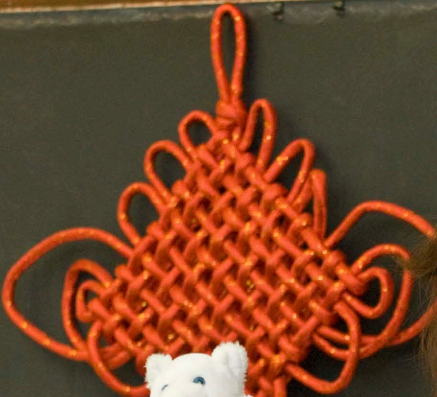


The Mission of the Schools

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

Introductory Section



SHAKER HEIGHTS CITY SCHOOL DISTRICT
SHAKER HEIGHTS, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2008
Table of Contents

	Page
<i>I. Introductory Section</i>	
Title Page.....	i
Table of Contents	ii
Letter of Transmittal.....	vii
List of Principal Officials.....	xvii
Organizational Chart	xviii
Shaker Heights City School District Map	xix
Attendance Zones.....	xx
GFOA Certificate of Achievement.....	xxi
ASBO Certificate of Excellence.....	xxii
 <i>II. Financial Section</i>	
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
 Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Assets	16
Statement of Activities.....	17
 Fund Financial Statements:	
Balance Sheet – Governmental Funds	18
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities.....	19
Statement of Revenues, Expenditures and Changes In Fund Balances – Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	21
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual General Fund.....	22
Statement of Fund Net Assets – Internal Service Funds.....	23
Statement of Revenues, Expenses and Changes in Fund Net Assets – Internal Service Funds	24

Statement of Cash Flows – Internal Service Funds	25
Statement of Fiduciary Assets and Liabilities – Agency Funds	26
Notes to the Basic Financial Statements	27

Combining Statements and Individual Fund Schedules:

Combining Statements – Nonmajor Governmental Funds:

Description of Funds.....	55
Combining Balance Sheet – Nonmajor Governmental Funds.....	58
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	59
Combining Balance Sheet – Nonmajor Special Revenue Funds	60
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	64

Combining Statements – Internal Service Funds

Description of Funds.....	68
Combining Statement of Fund Net Assets – Internal Service Funds.....	69
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Internal Service Funds	70
Combining Statement of Cash Flows – Internal Service Funds	71

Combining Statement – Fiduciary Funds

Description of Funds.....	72
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	73

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

Major Funds:

General Fund	75
Building.....	80

Nonmajor Funds:

Public School Support.....	81
Shaker Merchandise	82
Athletic	83
Auxiliary Services	84
Management Information Systems.....	85
Entry Teacher Program	86
Data Communication Grant.....	87

School Net Professional Development Grant.....	88
Ohio Reads Community Grant.....	89
Alternative Schools.....	90
Poverty Based Assistance.....	91
Goals 2000 Pacesetter.....	92
Title VI-B.....	93
Limited English Proficiency.....	94
Title I.....	95
Title V.....	96
Drug Free Schools.....	97
Preschool Disability.....	98
E-Rate.....	99
Class Size Reduction.....	100
Goals 2000.....	101
Food Service.....	102
Uniform School Supplies.....	103
Local Grants.....	104
Bond Retirement.....	105
School Net Plus.....	106
Self Insurance.....	107
Workers' Compensation Reserve.....	108

III. Statistical Section

Statistical Section.....	S1
Net Assets by Component – Last Seven Fiscal Years.....	S2
Changes in Net Assets of Governmental Activities – Last Six Fiscal Years.....	S3
Program Revenues by Function – Last Six Fiscal Years.....	S5
Fund Balances, Governmental Funds – Last Ten Fiscal Years.....	S6
Changes in Fund Balances – Last Ten Fiscal years.....	S8
History of School Operating Levies – For the Years 1933 - 2008.....	S10
Assessed and Estimated Actual Value of Taxable Property – Last Ten Years.....	S12
Property Tax Rates - Direct and Overlapping Governments (per \$1,000 of assessed value) – Last Ten Years.....	S14
Property Tax Levies and Collections – Last Ten Years.....	S20
Principal Taxpayers, Real Estate Tax – 2008 and 1999.....	S21
Principal Taxpayers, Tangible Personal Property Tax – 2008 and 1999.....	S22
Principal Taxpayers, Public Utilities Tax – 2008 and 1999.....	S23

Ratio of Bonded Debt to Personal Income and Debt per Capita – Last Ten Fiscal Years	S24
Computation of Legal Debt Margin – Last Ten Fiscal Years	S26
Computation of Direct and Overlapping Governmental Activities Debt – December 31, 2007.	S28
History of Bond Issues – For the Years 1912 - 2008	S29
Property Value, Financial Institution Deposits, and Value of Building Permits Issued - Last Ten Years	S30
Principal Employers – 2007 and 2005.....	S31
Demographic Statistics	S33
Building Statistics by Function/Program – Last Five Fiscal Years	S34
Enrollment Statistics – Last Ten Fiscal Years.....	S36
Enrollment Summary – Last Ten Fiscal Years.....	S37
Public, Private and Total School Enrollment by School Year – Fiscal Years 1979 to 2008.....	S38
Per Pupil Cost – Last Ten Fiscal Years.....	S39
Cost Per Pupil Percentage Change – Last Ten Fiscal Years.....	S40
School District Employees by Function/Program – Last Seven Fiscal Years	S41
Full-Time Equivalent Certified School District Employees by Education – Last Ten Fiscal Years.....	S42
College Admissions for All Students – Last Ten School Years.....	S44
National Merit and National Achievement Recognition – Last Ten School Years.....	S45

IV. Supplemental Information Section

Expenditure Flow Model:

Description	SP1
Building Expenditures Report.....	SP2
Expenditure Per Pupil Report	SP3
Percentage of School Cost Report	SP4

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

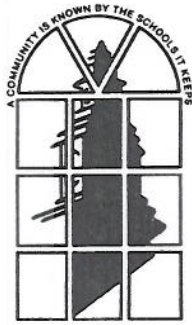
*Throughout this report you will find photos
depicting various aspects of the District's
Asian studies program captured
by one of the following photographers:*

Peggy Caldwell

Rick Horvath

Kevin Reeves

Emily Rosenberg



SHAKER HEIGHTS CITY SCHOOL DISTRICT

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

MARK FREEMAN, Ph.D.
Superintendent

BRYAN C. CHRISTMAN
Treasurer

December 26, 2008

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, 2008. 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 2008, 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 accountants' 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 nearly 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. A two-story cafeteria addition was added in 2008.*
- 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 58th largest in student enrollment in Ohio, with an enrollment of 5,482 students for the 2008 academic year and projected enrollment for fiscal year 2009 of 5,482 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 20 to the accompanying financial statements. The Shaker Heights Library is a related organization and is described in Note 17 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 2006 was \$124,820, compared to the averages of \$63,444 for all Ohio school districts and \$55,363 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, Progressive 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.

The area of the School District is a substantially fully-developed residential community among the 'inner ring' suburbs surrounding the City of Cleveland. The City of Shaker Heights, however, 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 includes:

- 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(began in November 2005) of the project is to include up to 50 loft condominiums and a 90-car parking garage with a landscaped roof. When complete the project will consist of three 4-story buildings with more than 160 loft condominiums and 17 townhomes as well as ground floor retail space in two buildings.

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. The impact of the 2008 mortgage crisis development initiatives is unknown at this time.

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. Such relocation (which has been completed) is subject to a temporary income tax sharing arrangement with the City of Cleveland, from which the employees relocated.

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 School 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 School District's operating levy cycle to no more often than once every three years, at a millage level below ten mills.

2008 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 2008 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 2008, 370 students took 882 AP examinations, with 79 percent earning a score of 3 or higher. Based on their outstanding performance on the national Advanced Placement examinations, 144 Shaker students were named AP Scholars in November 2008.

Shaker Heights students continue to be sought after by colleges. About 15 percent of the Class of 2008 were accepted early into their first-choice colleges, including some of the most selective in the nation. Approximately 85 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:

- The impact of recent capital improvements on school operations;
- Asian studies, Mandarin Chinese, and international travel opportunities for students;
- School climate initiatives to heighten student achievement;
- Use of instructional technology to enhance learning;
- Accountability Report and Fact Book for the 2006-07 school year;
- Building interest in engineering in the Shaker schools;

Technology

Our computer network serves students, teachers and staff in a wide variety of applications for instruction and for business applications. We have more than 25 servers and approximately 1,250 workstations in 12 buildings, running over a fiber network. Our network also supports our phone system, which provides phone access in all offices and classrooms. We continue our bond issue replacement cycle to keep our workstations as up-to-date as possible, with approximately 150 new computers 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. We also provide a variety of online database resources for journals, encyclopedias and other learning resources to support our students. New resources include Atomic Learning, which provides online technology training modules, and Moodle, an online learning framework for posting course work, that a small group began exploring this year.

Capital Improvements

Many capital improvement or repair projects were completed over the 2007-08 school year. Ceiling fans were installed in all classrooms and built-in cabinetry was added to the teacher workroom at Boulevard Elementary School. Student restrooms were completely remodeled, faculty restrooms were updated, a lunch serving area was created, a stair railing was replaced, and a boiler wall was repaired at Fernway Elementary School. All windows were replaced, restrooms were upgraded, ceiling fans were added to all classrooms, a storage building was built, and roof and parking lot repairs were made at Mercer Elementary School. The Occupational Therapy room was waterproofed; the gymnasium floor refinished, iron railings were replaced, tennis courts improved and main entrance enhancements

were completed at Onaway Elementary School. A new boiler was installed and the gymnasium floor was refinished at Lomond Elementary School. Boiler repairs, swimming pool and parking lot improvements, restroom upgrades, lighting and ceiling tile replacement, additional ceiling fans and some exterior fascia board repairs were made at Woodbury Elementary School. An additional cafeteria line was constructed, gymnasium hallway windows and lockers in the boys' locker room were replaced, woodwork was refinished in the main office hallway, roof repairs and additional parking lot resurfacing was done, security cameras were added, and swimming pool improvements were made at Shaker Heights Middle School. Improvements were made to interior and exterior lighting, ceiling fans were installed in all third floor classrooms, kitchen wall tile was replaced, band room cabinetry was added, locker room and art room improvements were completed and sidewalk and front entrance repairs were made at Shaker Heights High School. Parking lot improvements were made and the flagpole was replaced at the Administration building. Security cameras and a new overhead door were installed at the Transportation Center, and new front doors were installed at the District Library Media Office.

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; extended day and extended year programming for students; an intensified focus on the core subject areas of instruction; increased efforts to help students prepare for the Ohio Achievement and Graduation Tests; the refinement of team teaching approaches in grades 5-12; 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, the Shaker Heights Youth and Family Counseling Center, and other local agencies concerned with the welfare of youth.

School Improvement Plans

The Shaker Heights City School District maintains an ongoing commitment to the philosophy of continuous improvement. All school principals revise their school improvement plans on an ongoing basis in consultation with faculty members, key members of the central office staff and the superintendent. Each plan includes educational goals, performance measures, strategies, resource allocation, assignment of responsibility and timelines for completion. The plans reflect both School District and building-level instructional priorities and needs based upon an annual data review.

Educational Enrichment Grants

The Ohio Department of Education awarded the School District a grant of \$43,377.41 over two years to support the expansion of the elementary Chinese language program. During the 2007-08 school year, two guest teachers from China began teaching the basics of the Mandarin Chinese language and Chinese culture to students in grades 1 and 2 in all five K-4 buildings in Shaker. Visiting for the year under the auspices of the College Board and Hanban, these teachers joined a third visiting instructor from China who returned for a second year at Shaker Heights High School. The third guest teacher taught three High School classes of Chinese during the regular school day – two sections of Mandarin Chinese I and a second-year class for students who took Chinese I the previous year. More than 50 high school students were enrolled in Chinese language classes during the 2007-08 school year. Also, ten students and two teachers from the Hebei International School visited the Shaker Heights City Schools as part of the new exchange program.

The School District also received a \$100,000 grant from the Federal Highway Administration to support the High School's new pre-engineering course. The FHA's Garrett A. Morgan Technology and Transportation Education Program was created to improve the preparation of students, particularly women and minorities, in science, technology, engineering, and mathematics as they relate to transportation. The successful grant application was the result of a month's long collaborative effort among the Shaker schools, Cleveland State University, the Science and Mathematics Achievement Required for Tomorrow (SMART) Consortium, and related industries. The grant funds were used primarily for computers, other equipment and supplies for the new Engineering Applications course.

Awards

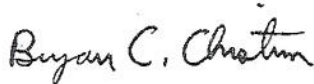
GFOA Certificate of Achievement - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Shaker Heights City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2007. 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, 2007 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, 2008, 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, 2008

Board of Education

Mr. F. Drexel FeelingPresident
Mr. Norman A. BlissVice-President
Ms. Freda J. Levenson..... Member
Mr. Peter A. Robertson.....Member
Ms. Annette Tucker Sutherland.....Member

Administration

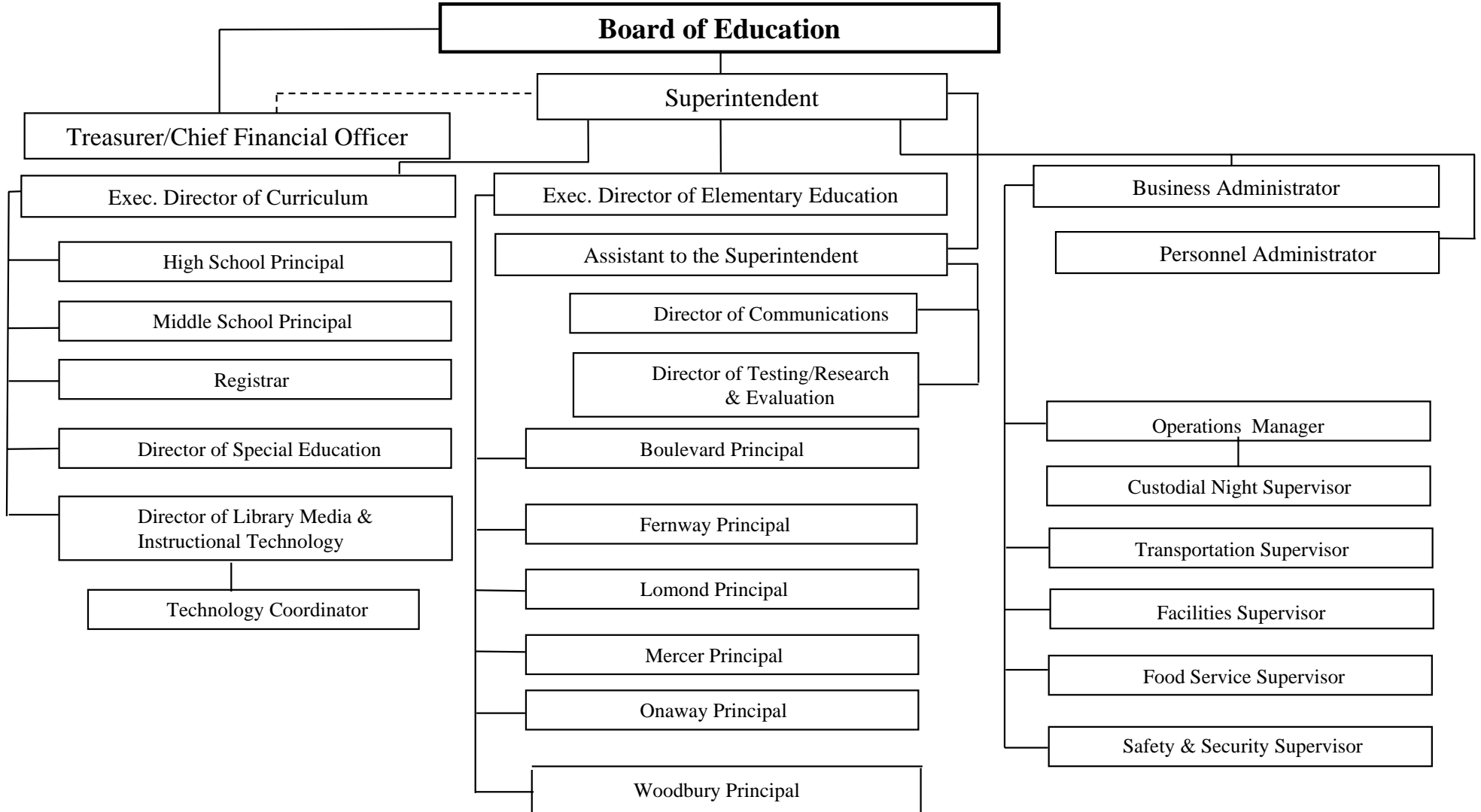
Mark Freeman Ph.D.....Superintendent

Bryan C. Christman.....Treasurer



SHAKER HEIGHTS CITY SCHOOL DISTRICT

ORGANIZATIONAL CHART





SHAKER HEIGHTS CITY SCHOOL DISTRICT

www.shaker.org

1 Shaker Heights City Schools
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



Street	School	Street	School	Street	School	Street	School	Street	School
Aberdeen 3250-3343	Onaway	Courtland 2833-3160	Onaway	Holmwood 26650-22949	Mercer	N. Moreland 2523-2680	Boulevard	Strandhill 3573-3726	Lomond
Albion 3000-3097	Boulevard	Courtland O. 2619-2626	Boulevard	Huntington 2869-2939	Boulevard	North Park 18201-20350	Boulevard	Strathavon 3544-3728	Fernway
3112-3148	Onaway	Coventry 2555-2878	Boulevard	2998-3166	Onaway	Norwood 3270-3365	Fernway*	Sudbury 3690-3741	Mercer
Aldersyde 15520-16306	Onaway	Cranlyn 2662-2749	Mercer	—	—	3450-3680	Lomond	Sulgrave 2668-2744	Mercer
16605-17450	Fernway	—	—	Ingleside 3260-3400	Fernway*	—	—	Sussex 19605-20035	Lomond
Almar 20417-21411	Mercer	Daleford 3255-3397	Fernway	3430-3727	Lomond	Onaway 14149-16115	Onaway	Sutherland 3552-3726	Lomond
Ardmore 3256-3366	Fernway	3425-3727	Lomond	Inverness 2679-2767	Mercer	& 3174-3209	—	Sutton Place 1-30	Onaway
Ardoon 13415-13808	Boulevard	Dorchester 3255-3400	Fernway	—	—	Oxford 18801-19101	Onaway	Sutton Road 3275-3400	Onaway
Ashby 3354-3467	Fernway	Douglas 22029-22775	Mercer	Kemper 2501-2662	Boulevard	—	—	Sydenham 20600-21375	Mercer
3341	Onaway	Drexmore 13300-14817	Boulevard	Kendall 2532-2585	Boulevard	Palmerston 3518-3726	Lomond	—	—
Ashford 3093-3121	Onaway	Drummond 2821-2951	Boulevard	Kenmore 3256-3399	Fernway*	Park Drive 2701	Boulevard	Tolland 3524-3726	Lomond
Ashley 2671-2755	Mercer	Dryden 2700-2730	Mercer	Kenyon 16618-17124	Fernway	Parkland 18000-18680	Fernway*	Torrington 2846-3051	Onaway
Ashwood 3026-3113	Boulevard	Duffield 23349-24235	Mercer	Keswick 2991-3082	Boulevard	15601-17916	Onaway	Townley 3519-3726	Lomond
3122-14316	Onaway	—	—	3100-3139	Onaway	Parnell 21749-22300	Mercer	Traver 3571-3726	Lomond
Attleboro 2755-2975	Boulevard	East 127th 2461, 65, 69	Boulevard	Kingsley 2886-3200	Onaway	Paxton 2820-2971	Boulevard	Traymore 2657	Boulevard
3150	Fernway	only	—	—	—	Pennington 3545-3750	Mercer	Traynham 3612-3726	Lomond
3021	Onaway	East 135th 3120-3149	Onaway	—	—	—	—	—	—
Avalon 3259-3396	Fernway	East 137th 3156-3228	Onaway	Landon 2680-2767	Mercer	—	—	University 20550-20749	Mercer
3430-3727	Lomond	East 140th 3202-3246	Onaway	Lansmere 3256-3370	Fernway*	Rawnsdale 3611-3726	Lomond	2650	—
—	—	East 140th 3202-3246	Onaway	Larchmere 12725,	Boulevard	Riedham 3547-3728	Fernway	—	—
Becket 2966-3097	Boulevard	E. Belvoir O. 2960-3020	Mercer	12733-14706	—	Rife Court if any	Mercer	—	—
3116-3166	Onaway	Eaton 2670-2796	Boulevard	Latimore 3544-3725	Lomond	Ripley 2952-3051	Boulevard	Van Aken 2800-2949	Boulevard
14003-14206	Onaway	2824-3030	Onaway	Laurel 3070-3175	Onaway	Rochester 2667-2737	Mercer	15500-17200	Fernway
Belvoir 2661-3230	Mercer	Edgerton 2658	Boulevard	Laureldale 23149-24296	Mercer	Rocklyn 2664-2742	Mercer	odd 17401-17717	Fernway*
Berwyn 17426-17720	Fernway	Elsmere 3255-3369	Fernway	Lee 2812-2945	Boulevard	Rolliston 3608-3728	Fernway	even 17402-17802	Lomond
Boyce 2938-2960	Mercer	Enderbly 3252-3310	Onaway	odd 3255-3429	Fernway	Rye 21825-22732	Mercer	even 18028-20020	Lomond
Braemar 3256-3365	Onaway	Endercott 2646-2750	Boulevard	even 3074-3328	Onaway	—	—	odd 18203-18705	Fernway
Brantley 20620-21376	Mercer	—	—	Leighton 2665-2750	Boulevard	Scottsdale 17302-20330	Lomond	odd 18675-19901	Lomond
Brighton 2841-3008	Boulevard	Fairhill 12700-13800	Boulevard	Lindholm 3586-3734	Fernway	16622-17130	Fernway	2994-3341	Onaway
Broxton 2820-2979	Boulevard	Fairmount 3538-20201	Boulevard	Litchfield 2848-3003	Boulevard	15516-16510	Mercer	—	—
Bryden 23201-23451	Mercer	20600-24150	Mercer	Livingston 3033-3231	Onaway	Sebor 2124-3161	Onaway	Wadsworth 2680-2721	Mercer
Byron 20499-22926	Mercer	Falmouth 2841-3199	Onaway	Lomond 17300-20149	Lomond	Sedgewick 2830-2957	Boulevard	Warrensville Center Road	—
—	—	Farnsleigh 20770-20975	Mercer	16614-17126	Fernway	Shaker Blvd. 13400-18450	Boulevard	even 2880-3024	Onaway
Calverton 21925-22700	Mercer	Fernway 16601-17829	Fernway	Ludgate 3521-3746	Mercer	odd 18501-19713	Boulevard	odd 2671-3755	Mercer
Canterbury 22303-22905	Mercer	18000-18300	Fernway	Ludlow 2805-3024	Boulevard	20649-24300	Mercer	even 3076-3730	Lomond
Carlton 2885-3035	Onaway	15611-16507	Onaway	3029-3193	Onaway	even 18600-20200	Onaway	Warrington 2883-2929	Boulevard
Chadbourne 2796-2930	Boulevard	Fontenay 2842-3025	Boulevard	Lyman Blvd. 23130-24275	Mercer	Shaker Glen 1-12	Onaway	2990-3323	Onaway
2976-3317	Onaway	—	—	Lyman Circle 2-56	Mercer	Shelburne 18200-20301	Boulevard	2520-2593	Boulevard
15706-16106	Onaway	Glencairn 3255-3395	Fernway	Lynnfield 3434-3725	Lomond	20450-24139	Mercer	Washington 14504-14505	Mercer
Chagrin 16112-16114	Mercer	3443-3726	Lomond	Lynton 18222-18520	Fernway*	Shelley 2724-2736	Mercer	Westbury 3370-3458	Fernway
17302-20013	Lomond	Glengary 2849-3025	Boulevard	Lytle 3539-3725	Lomond	Sherbrooke 2711-2781	Boulevard	Westchester 21811-22725	Mercer
20825-20875	Mercer	Glenmore 2899-2951	Mercer	—	—	Sherrington 17921-18329	Lomond	W. Belvoir O. 2935-3025	Mercer
Chalfant 3255-3396	Fernway	Green 2662-3190	Mercer	Malvern 19751-20101	Onaway	Somermet 3115-3330	Mercer	West Park 2616-2956	Boulevard
Chelton 3517-3742	Mercer	Grenway 3255-3369	Fernway	Manchester 2839-3031	Onaway	Southington 2690-2933	Boulevard	W. Sulgrave O. 2860-3010	Mercer
Cheshire 2531-2590	Boulevard	Gridley 3545-3726	Lomond	Marchmont 19650-20201	Onaway	13500-14215	Onaway	Weybridge 2831-2953	Boulevard
Chesterton 2680-2791	Boulevard	Griffing 13108-13204	Onaway	Maynard 3280-3365	Fernway*	14475 & 3022	Onaway	Weymouth 2865-2931	Boulevard
Claremont 2896-3024	Onaway	—	—	McCauley 21925-22600	Mercer	S. Moreland 2804-3052	Boulevard	Wicklow 2646-2750	Boulevard
Claridge O. 3774	Boulevard	Haddam 2634-2695	Boulevard	Menlo 3434-3472	Fernway	South Park 2725-20001	Boulevard	Wimbledon 23200-24187	Mercer
Claythorne 2683-2765 &	Mercer	Hadleigh 4180-4187	Mercer	3542-3753	Mercer	S. Woodland 13210-13804	Boulevard	Winchell 3537-3726	Lomond
20900-21520	—	Halburton 20899-20975	Mercer	Miliverton 3284-3375	Onaway	odd 14101-17355	Boulevard	Winslow 17304-20006	Lomond
Clayton 3315-3400	Onaway	Halworth 20676-20960	Mercer	3380-3479	Fernway	even 14100-17200	Onaway	Winthrop 2816-2985	Boulevard
Colby 20725-21307	Mercer	Hampton 2843-2988	Boulevard	Montgomery 2838-3175	Onaway	odd 17405-18411	Boulevard	Woodbury 2846-2914	Boulevard
Colton 3412-3471	Mercer	Hardwick 23126-23399	Mercer	Morley 2888-3200	Onaway	even 17414-18200	Onaway	3004-3150	Onaway
Colwyn 3338-3397	Onaway	Halworth 20676-20960	Mercer	—	—	18500-20201	Onaway	Wrenford 2660-2680	Mercer
Corby 13507-13714	Boulevard	Halworth 20676-20960	Mercer	Newell 18309-18726	Lomond	20501-24299	Mercer	—	—
Cormere 13302-13810	Boulevard	Hampton 2843-2988	Boulevard	Nicholas 16313-16501	Mercer	Stanford 23300-24100	Mercer	*The District will provide transportation for	—
Courtland 2627-2799	Boulevard	Hardwick 23126-23399	Mercer	Normandy 3516-3727	Lomond	Stockholm 3256-3364	Fernway	residents of the area bounded by Kenmore,	—
—	—	Hazelmere 23350-24250	Mercer	Northwood 12806	Boulevard	Stoer 3510-3725	Lomond	Parkland, and Van Aken who wish to attend	—
—	—	Helen 3401-3465	Mercer	—	—	—	—	Lomond.	—
—	—	Hermitage 23655-24270	Mercer	—	—	—	—	—	—
—	—	Hildana 3511-3742	Mercer	—	—	—	—	—	—
—	—	Holbrook 16722-17010	Fernway	—	—	—	—	—	—

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, 2007

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.



Charles S. Cox

President

Jeffrey R. Emer

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, 2007

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

Jrome E. Brendel

President

John D. Musso

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, 2008, 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, 2008, 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 26, 2008, 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 26, 2008

Shaker Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
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, 2008. 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 2008 are as follows:

- Net assets totaled \$42,959,509 for fiscal year 2008.
- Revenue for governmental activities totaled \$108,001,783 in fiscal year 2008. Of this total, 91.6 percent consisted of general revenues while program revenues accounted for the balance of 8.4 percent.
- Program expenses totaled \$89,310,298. Instructional expenses comprised 51.1 percent of this total, while support services accounted for 43.1 percent. Other expenses rounded out the balance of 5.8 percent.
- Outstanding general obligation bonded debt increased to \$31,280,255 from \$28,578,859.

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 the 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
For the Fiscal Year Ended June 30, 2008
Unaudited

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
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

The School District as a Whole

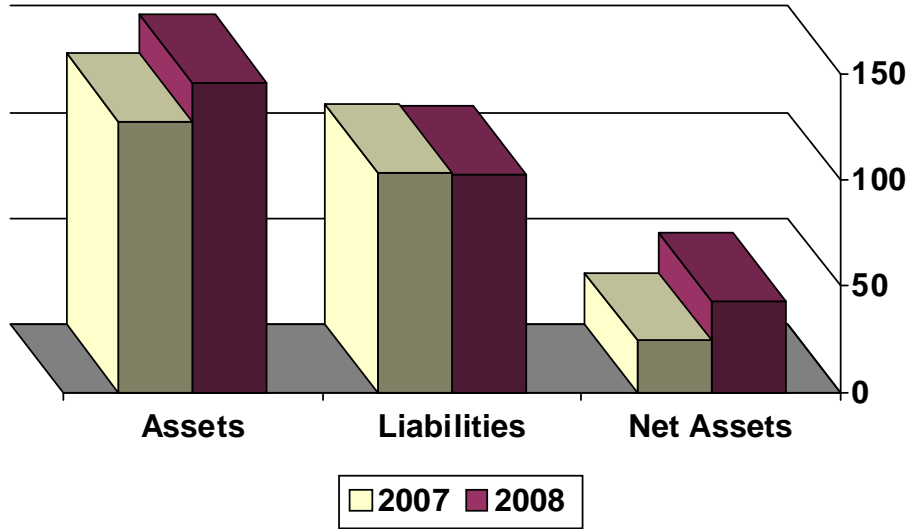
As you may recall, the Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for fiscal year 2008 and 2007.

Table 1
Net Assets
Governmental Activities

	<u>2008</u>	<u>2007</u>	<u>Change</u>
Assets			
Current and Other Assets	\$115,045,850	\$103,495,025	\$11,550,825
Capital Assets, Net	30,695,034	24,136,755	6,558,279
Total Assets	<u>145,740,884</u>	<u>127,631,780</u>	<u>18,109,104</u>
Liabilities			
Current and Other Liabilities	64,781,369	68,857,526	(4,076,157)
Long Term Liabilities:			
Due Within One Year	3,259,740	2,967,494	292,246
Due in More than One Year	34,740,266	31,538,736	3,201,530
Total Liabilities	<u>102,781,375</u>	<u>103,363,756</u>	<u>(582,381)</u>
Net Assets			
Invested in Capital Assets			
Net of Related Debt	8,694,425	4,632,987	4,061,438
Restricted:			
Capital Projects	99,381	400,300	(300,919)
Debt Service	2,853,551	2,455,559	397,992
Set Asides	353,070	353,070	0
Other Purposes	390,160	797,215	(407,055)
Unrestricted	30,568,922	15,628,893	14,940,029
Total Net Assets	<u>\$42,959,509</u>	<u>\$24,268,024</u>	<u>\$18,691,485</u>

Shaker Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

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



Property taxes receivable contributed \$75,903,977 or 52.1 percent of total assets. Of this amount \$51,721,251 is offset as deferred revenue, revenue to be used in future periods. Liabilities for governmental activities totaled \$102,781,375. Of this amount the long-term liability is \$38,000,006 or 37.0 percent. 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 \$98,925,724 or 91.6 percent of total revenue, up from \$88,902,597 or 92.6 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 \$9,076,059 or 8.4 percent of total revenue, up from \$7,086,653 or 7.4 percent in the prior fiscal year.

Table 2 shows the changes in net assets for fiscal years 2008 and 2007.

Shaker Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

Table 2
Changes in Net Assets
Governmental Activities

	<u>2008</u>	<u>2007</u>	<u>Change</u>
Revenues			
Program Revenues:			
Charges for Services	\$2,784,638	\$2,325,663	\$458,975
Operating Grants, Interest and Contributions	5,488,727	4,711,888	776,839
Capital Grants and Contributions	802,694	49,102	753,592
<i>Total Program Revenues</i>	<u>9,076,059</u>	<u>7,086,653</u>	<u>1,989,406</u>
General Revenues:			
Property Taxes	72,678,899	63,668,314	9,010,585
Grant and Entitlements not Restricted to Specific Programs	24,004,932	23,496,372	508,560
Investment Earnings	1,831,239	1,625,920	205,319
Other	410,654	111,991	298,663
<i>Total General Revenues</i>	<u>98,925,724</u>	<u>88,902,597</u>	<u>10,023,127</u>
Total Revenues	<u>108,001,783</u>	<u>95,989,250</u>	<u>12,012,533</u>
Program Expenses			
Instruction:			
Regular	34,107,481	33,772,290	335,191
Special	11,332,475	10,931,104	401,371
Vocational	225,025	249,179	(24,154)
Support Services:			
Pupils	5,495,125	5,183,166	311,959
Instructional Staff	5,714,875	5,011,630	703,245
Board of Education	29,232	16,097	13,135
Administration	5,995,614	5,413,913	581,701
Fiscal	1,509,745	2,502,091	(992,346)
Business	995,011	831,094	163,917
Operation and Maintenance of Plant	13,073,322	11,044,168	2,029,154
Pupil Transportation	3,989,689	3,732,632	257,057
Central	1,670,621	1,665,801	4,820
Operation of Non-Instructional Services	1,140,592	1,374,292	(233,700)
Food Service Operations	1,518,386	1,236,661	281,725
Extracurricular Activities	1,230,898	1,213,896	17,002
Interest and Fiscal Charges	1,282,207	1,002,654	279,553
Total Expenses	<u>89,310,298</u>	<u>85,180,668</u>	<u>4,129,630</u>
Increase in Net Assets	18,691,485	10,808,582	7,882,903
<i>Net Assets Beginning of Year</i>	<u>24,268,024</u>	<u>13,459,442</u>	<u>10,808,582</u>
<i>Net Assets End of Year</i>	<u>\$42,959,509</u>	<u>\$24,268,024</u>	<u>\$18,691,485</u>

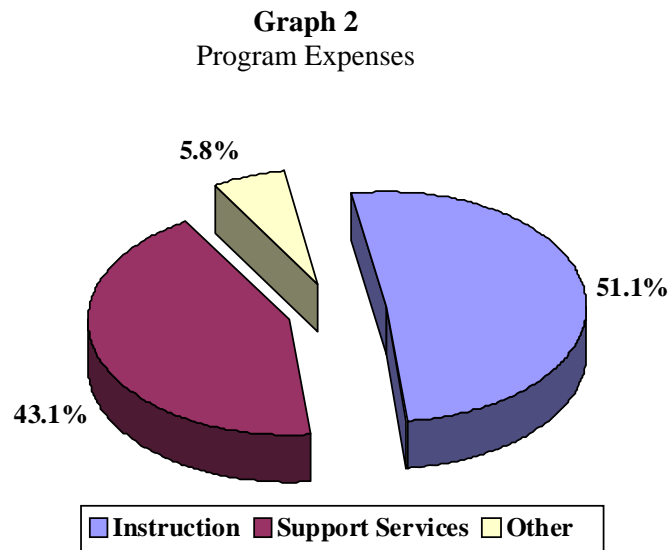
Shaker Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

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, in 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 generates \$8.0 million in revenue per year. Collections on this new levy began in the second half of fiscal year 2007 with full collection of this levy 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 67.3 percent of revenues for governmental activities for Shaker Heights City Schools in fiscal year 2008, up from 66.3 percent in the prior year.



Approximately 51.1 percent of the School District's expenses are used for instructional expenses. Supporting services for pupils, staff and business operations account for an additional 43.1 percent. The remaining amount of program expenses, roughly 5.8 percent, is budgeted to facilitate other obligations of the School District including interest and fiscal charges, food services operations and extracurricular activities.

The School District's net assets increased in fiscal year 2008 by \$18,691,485. The increase was primarily due to the growth in property tax revenue due to the passage of the 2006 operating levy. An increase in delinquent taxes including a recent addition of approximately \$8 million of delinquent tangible personal

Shaker Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

property taxes also contributed to the increase in taxes receivable, total assets and property tax revenues. Total revenues for the year were \$12,012,533 higher than the prior year, while expenses totaled \$4,129,630 higher 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 2008	Total Cost of Services 2007	Net Cost of Services 2008	Net Cost of Services 2007
Instruction:				
Regular	\$34,107,481	\$33,772,290	\$32,251,543	\$32,273,679
Special	11,332,475	10,931,104	10,289,953	10,170,460
Vocational	225,025	249,179	218,294	245,380
Support Services:				
Pupils	5,495,125	5,183,166	5,301,119	5,077,905
Instructional Staff	5,714,875	5,011,630	4,304,843	3,538,426
Board of Education	29,232	16,097	28,358	15,861
Administration	5,995,614	5,413,913	5,804,284	5,328,542
Fiscal	1,509,745	2,502,091	1,436,104	2,435,058
Business	995,011	831,094	968,006	819,620
Operation and Maintenance of Plant	13,073,322	11,044,168	11,878,181	10,775,824
Pupil Transportation	3,989,689	3,732,632	3,864,512	3,672,301
Central	1,670,621	1,665,801	1,596,796	1,614,794
Operation of Non-Instructional Services	1,140,592	1,374,292	(274,064)	48,784
Food Service Operations	1,518,386	1,236,661	198,248	43,459
Extracurricular Activities	1,230,898	1,213,896	1,085,855	1,031,268
Interest and Fiscal Charges	1,282,207	1,002,654	1,282,207	1,002,654
Total Expenses	\$89,310,298	\$85,180,668	\$80,234,239	\$78,094,015

The reliance upon local tax revenues for governmental activities is crucial at Shaker Heights City School District. More than 81.4 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 revenues account for only 10.2 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 \$100,645,428 and expenditures of \$97,798,957. The net change in fund balance for the year in the General Fund was an increase of \$9,171,826. The net change in fund balance for the year in the Building Fund was a decrease of \$1,061,116, due to the disbursement of bond proceeds issued for School District capital projects.

Shaker Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

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 2008 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 \$82,685,504 which was \$1,755,506 less than the original budget estimate of \$84,441,010. The final expenditure budget including other financing uses totaled \$85,782,982 which was the same as the original estimate including other financing uses.

The School District's ending unencumbered cash balance totaled \$21,176,201, which was \$6,831,120 higher than the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2008, the School District had \$30,695,034 in land, construction in progress, land improvements, buildings and improvements, equipment and vehicles. Table 4 shows fiscal year 2008 values compared to 2007.

Table 4
Capital Assets, Net

	Governmental Activities		
	2008	2007	Change
Land	\$943,600	\$943,600	\$0
Land Improvements	2,299,071	1,972,507	326,564
Buildings and Improvements	19,890,760	15,990,297	3,900,463
Equipment	3,342,118	2,943,631	398,487
Vehicles	1,124,264	928,974	195,290
Construction In Progress	3,095,221	1,357,746	1,737,475
Total	<u>\$30,695,034</u>	<u>\$24,136,755</u>	<u>\$6,558,279</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 was primarily due to the expenditure of the April 2005 and April 2007 bond issue proceeds on School District capital projects which were partially offset by depreciation charges for the year. The increase in buildings and improvements is due to various capital projects including the completion and transfer from construction in progress of the High School large auditorium renovation. 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 the High School cafeteria addition, and other major capital projects that were still in progress as of June 30, 2008. For more information on capital assets refer to Note 11 of the basic financial statements.

Shaker Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

Debt

At June 30, 2008, the School District had \$31,280,255 in outstanding debt. Table 5 below summarizes the School District's bonds outstanding.

Table 5
Outstanding Debt

	Governmental Activities	
	2008	2007
General Obligation Bonds:		
School Improvement 1990, 7.10%	\$1,275,000	\$1,645,000
School Improvement 1999, 3.95%-4.95%	570,000	1,125,000
School Improvement 2000		
Serial and Term 4.5%-5.375%	165,000	325,000
Capital Appreciation 5.00%-5.05%	313,211	299,377
School Improvement 2005		
Serial and Term 3%-4.5%	7,843,979	8,901,082
Capital Appreciation 3.64%-3.85%	324,556	281,076
Building Addition Refunding 2005		
Serial and Term 3%-4.5%	876,206	1,042,173
Capital Appreciation 3.64%-3.85%	127,153	116,063
School Improvement Bonds 2007		
Serial and Term 4%-4.125%	8,585,312	8,591,616
Capital Appreciation 24.7%	31,382	24,862
School Improvement Refunding 2007		
Serial and Term 4%-4.125%	3,703,514	3,698,602
Capital Appreciation 24.7%	13,076	10,359
School Improvement Refunding 2007		
Serial and Term 4%-4.125%	1,930,073	1,931,384
Capital Appreciation 24.7%	21,793	17,265
Bus Acquisition Bond Anticipation Note - Long-Term	500,000	500,000
Bus Acquisition Bond Anticipation Note - Long Term	0	70,000
Bond Anticipation Note	5,000,000	0
Total Outstanding Debt	\$31,280,255	\$28,578,859

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. The refunding bonds will be fully repaid in calendar year 2013.

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 of bonds were issued under this authority in April 2005 and April 2007, respectively.

Shaker Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

In October 2004, the School District issued \$720,000 of unvoted bond anticipation notes for the purpose of financing the acquisition of school buses and all necessary appurtenances. Such notes were partially refinanced with new one-year bond anticipation notes.

The School District's overall debt margin was \$56,149,303 with an unvoted debt margin of \$932,774 at June 30, 2008. The School District's April 2007 bond rating was an AA+ by Standard & Poor's and Aa1 by Moody's. For more information on debt, refer to Notes 18 and 19 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 25 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 percent 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 School District capital needs with a 67.7 percent 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.

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

Shaker Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

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 was 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 School District. The phase-out for the tangible personal property taxpayer begins with the 2006 tax collection year, in which approximately 75 percent of the traditional amount will be payable, followed by 50 percent and 25 percent in tax collection years 2007 and 2008, respectively, with no tax due in tax collection year 2009.

Shaker Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

At the same time the tangible personal property tax 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 percent, 50 percent, 75 percent, and 100 percent for the tax collection years 2006, 2007, 2008, and 2009, respectively). After a second 100 percent 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 current State biennial budget (passed in June 2007), the tax reform implementation provisions of House Bill No. 66 have been continued. Additionally, the budget bill provided for the continuation of the State Foundation Formula Aid "guarantee" through the end of the biennium.

However, due to the current biennial State budget crisis, the Governor has twice implemented mid-term budget reductions in 2008 resulting in peripheral budget reductions to Ohio school district funding, but has left the primary school districts State Foundation Funding untouched.

The Constitutional Amendment and the Governor's Proposal

A coalition of state-wide school related groups (including OSBA, OASBO, BASA, OEA among others) undertook a voter initiative petition effort in 2006 and 2007 to place a constitutional amendment on the Ohio ballot that would provide for substantial changes in the funding of schools. The effort was suspended in 2007 due to the inability to solicit sufficient signatures through its wholly volunteer efforts. The Governor who had failed to endorse the coalition initiative, undertook his own effort through a series of public forums in 2008 first to gather input about the desired attributes of a world class educational system, and then about financing such educational system. The Governor intends to announce his educational proposal in early 2009. The exact impact of any new educational and funding proposal on the School District is unknown at this time.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, 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, 2008

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$37,946,606
Accounts Receivable	17,565
Accrued Interest Receivable	101,051
Intergovernmental Receivable	574,217
Prepaid Items	23,087
Materials and Supplies Inventory	174,173
Property Taxes Receivable	75,903,977
Deferred Charges	305,174
Nondepreciable Capital Assets	4,038,821
Depreciable Capital Assets, Net	<u>26,656,213</u>
<i>Total Assets</i>	<u>145,740,884</u>
Liabilities	
Accounts Payable	636,288
Contracts Payable	446,910
Accrued Wages and Benefits	8,069,054
Retainage Payable	54,175
Intergovernmental Payable	2,902,667
Deferred Revenue	51,721,251
Claims Payable	874,200
Accrued Interest Payable	76,824
Long-Term Liabilities:	
Due Within One Year	3,259,740
Due In More Than One Year	<u>34,740,266</u>
<i>Total Liabilities</i>	<u>102,781,375</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	8,694,425
Restricted for:	
Capital Projects	99,381
Debt Service	2,853,551
Set Asides	353,070
Uniform School Supplies	9,295
State Grants	151,227
Federal Grants	112,494
Other Purposes	117,144
Unrestricted	<u>30,568,922</u>
<i>Total Net Assets</i>	<u><u>\$42,959,509</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, 2008

	Program Revenues				Net (Expense)
	Expenses	Charges for Services and Sales	Operating Grants, Interest and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
Governmental Activities					
Instruction:					
Regular	\$34,107,481	\$855,900	\$1,000,038	\$0	(\$32,251,543)
Special	11,332,475	224,936	817,586	0	(10,289,953)
Vocational	225,025	4,720	2,011	0	(218,294)
Support Services:					
Pupils	5,495,125	114,444	79,562	0	(5,301,119)
Instructional Staff	5,714,875	88,939	1,321,093	0	(4,304,843)
Board of Education	29,232	613	261	0	(28,358)
Administration	5,995,614	127,938	63,392	0	(5,804,284)
Fiscal	1,509,745	32,260	41,381	0	(1,436,104)
Business	995,011	18,990	8,015	0	(968,006)
Operation and Maintenance of Plant	13,073,322	258,411	134,036	802,694	(11,878,181)
Pupil Transportation	3,989,689	87,773	37,404	0	(3,864,512)
Central	1,670,621	32,775	41,050	0	(1,596,796)
Operation of Non-Instructional Services	1,140,592	103,118	1,311,538	0	274,064
Food Service Operations	1,518,386	710,786	609,352	0	(198,248)
Extracurricular Activities	1,230,898	123,035	22,008	0	(1,085,855)
Interest and Fiscal Charges	1,282,207	0	0	0	(1,282,207)
Totals	<u>\$89,310,298</u>	<u>\$2,784,638</u>	<u>\$5,488,727</u>	<u>\$802,694</u>	<u>(80,234,239)</u>

General Revenues

Property Taxes Levied for:

General Purposes	69,184,729
Debt Service	3,494,170
Grants and Entitlements not Restricted to Specific Programs	24,004,932
Investment Earnings	1,831,239
Miscellaneous	410,654

Total General Revenues 98,925,724

Change in Net Assets 18,691,485

Net Assets Beginning of Year 24,268,024

Net Assets End of Year \$42,959,509

See accompanying notes to the basic financial statements

Shaker Heights City School District

Balance Sheet

Governmental Funds

June 30, 2008

	General	Building	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$24,342,227	\$8,399,579	\$2,791,730	\$35,533,536
Restricted Assets:				
Equity in Pooled Cash and				
Cash Equivalents	353,070	0	0	353,070
Accounts Receivable	609	16,094	862	17,565
Accrued Interest Receivable	101,051	0	0	101,051
Intergovernmental Receivable	0	0	574,217	574,217
Interfund Receivable	8,773	0	0	8,773
Prepaid Items	23,087	0	0	23,087
Materials and Supplies Inventory	148,772	0	25,401	174,173
Property Taxes Receivable	72,134,539	0	3,769,438	75,903,977
<i>Total Assets</i>	<u>\$97,112,128</u>	<u>\$8,415,673</u>	<u>\$7,161,648</u>	<u>\$112,689,449</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$437,622	\$78,940	\$119,726	\$636,288
Contracts Payable	2,496	444,414	0	446,910
Accrued Wages and Benefits	7,587,084	0	481,970	8,069,054
Retainage Payable	0	54,175	0	54,175
Interfund Payable	0	0	8,773	8,773
Intergovernmental Payable	2,727,118	0	175,549	2,902,667
Deferred Revenue	62,409,348	0	3,533,372	65,942,720
<i>Total Liabilities</i>	<u>73,163,668</u>	<u>577,529</u>	<u>4,319,390</u>	<u>78,060,587</u>
 Fund Balances				
Reserved for Encumbrances	2,759,942	1,780,771	287,451	4,828,164
Reserved for Property Taxes	7,856,482	0	432,695	8,289,177
Reserved for Budget Stabilization	353,070	0	0	353,070
Unreserved, Undesignated				
Reported in:				
General Fund	12,978,966	0	0	12,978,966
Special Revenue Funds	0	0	125,845	125,845
Debt Service Fund	0	0	1,996,267	1,996,267
Capital Projects Funds	0	6,057,373	0	6,057,373
<i>Total Fund Balances</i>	<u>23,948,460</u>	<u>7,838,144</u>	<u>2,842,258</u>	<u>34,628,862</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$97,112,128</u>	<u>\$8,415,673</u>	<u>\$7,161,648</u>	<u>\$112,689,449</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, 2008*

Total Governmental Fund Balances	\$34,628,862
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*Amounts reported for governmental activities in the
 statement of net assets are different because*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	30,695,034
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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	13,983,682
Grants	<u>237,787</u>

Total	14,221,469
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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.	1,185,800
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Bond issuance costs will be amortized over the life of the bonds on the statement of net assets.	305,174
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In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(76,824)
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

Compensated Absences	(6,719,751)
General Obligation Bonds	(24,745,000)
Notes Payable	(5,500,000)
Capital Appreciation Bonds	(831,171)
Accounting Gain	239,625
Bond Premium	<u>(443,709)</u>

Total	<u>(38,000,006)</u>
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<i>Net Assets of Governmental Activities</i>	<u><u>\$42,959,509</u></u>
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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, 2008

	General	Building	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$62,119,021	\$0	\$3,105,323	\$65,224,344
Intergovernmental	24,321,152	0	5,237,395	29,558,547
Interest	1,573,416	252,653	18,601	1,844,670
Tuition and Fees	1,565,083	0	96,317	1,661,400
Extracurricular Activities	0	0	171,779	171,779
Contributions and Donations	0	802,694	19,881	822,575
Charges for Services	90,799	0	710,970	801,769
Rentals	47,635	102,055	0	149,690
Miscellaneous	184,898	151,755	74,001	410,654
<i>Total Revenues</i>	<u>89,902,004</u>	<u>1,309,157</u>	<u>9,434,267</u>	<u>100,645,428</u>
Expenditures				
Current:				
Instruction:				
Regular	32,722,380	0	944,240	33,666,620
Special	10,670,896	0	668,045	11,338,941
Vocational	222,870	0	0	222,870
Support Services:				
Pupils	5,395,873	0	28,565	5,424,438
Instructional Staff	4,222,436	0	1,420,994	5,643,430
Board of Education	29,232	0	0	29,232
Administration	5,887,176	0	14,375	5,901,551
Fiscal	1,539,067	0	91,878	1,630,945
Business	893,858	0	12,881	906,739
Operation and Maintenance of Plant	12,159,388	0	27,118	12,186,506
Pupil Transportation	4,191,485	0	0	4,191,485
Central	1,577,097	0	43,504	1,620,601
Operation of Non-Instructional Services	50,669	0	1,367,847	1,418,516
Food Service Operations	0	0	1,512,621	1,512,621
Extracurricular Activities	992,751	0	224,885	1,217,636
Capital Outlay	0	7,347,769	40,590	7,388,359
Debt Service:				
Principal Retirement	0	0	2,300,000	2,300,000
Interest and Fiscal Charges	0	22,504	1,175,963	1,198,467
<i>Total Expenditures</i>	<u>80,555,178</u>	<u>7,370,273</u>	<u>9,873,506</u>	<u>97,798,957</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>9,346,826</u>	<u>(6,061,116)</u>	<u>(439,239)</u>	<u>2,846,471</u>
Other Financing Sources (Uses)				
General Obligation Notes Issued	0	5,500,000	0	5,500,000
Current Refunding	0	(500,000)	0	(500,000)
Transfers In	0	0	175,000	175,000
Transfers Out	(175,000)	0	0	(175,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(175,000)</u>	<u>5,000,000</u>	<u>175,000</u>	<u>5,000,000</u>
<i>Net Change in Fund Balances</i>	9,171,826	(1,061,116)	(264,239)	7,846,471
<i>Fund Balances Beginning of Year</i>	<u>14,776,634</u>	<u>8,899,260</u>	<u>3,106,497</u>	<u>26,782,391</u>
<i>Fund Balances End of Year</i>	<u>\$23,948,460</u>	<u>\$7,838,144</u>	<u>\$2,842,258</u>	<u>\$34,628,862</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, 2008*

Net Change in Fund Balances - Total Governmental Funds \$7,846,471

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	8,524,849
Depreciation	<u>(1,940,740)</u>

Total	6,584,109
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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. (25,830)

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

Property Taxes	7,454,555
Intergovernmental	<u>(98,200)</u>

Total	7,356,355
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Other financing sources, such as proceeds of notes, 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. (5,500,000)

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. 2,800,000

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	5,427
Amortization of Bond Issuance Cost	(17,771)
Amortization of Bond Premiums	30,926
Amortization of Refunding	(20,153)
Annual Accretion	<u>(82,169)</u>

Total	(83,740)
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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. (722,380)

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. 436,500

Change in Net Assets of Governmental Activities \$18,691,485

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, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$57,785,555	\$56,584,208	\$60,544,819	\$3,960,611
Intergovernmental	23,212,741	22,730,155	24,321,152	1,590,997
Interest	1,637,897	1,603,846	1,716,107	112,261
Tuition and Fees	1,496,883	1,465,763	1,568,359	102,596
Charges for Services	86,661	84,859	90,799	5,940
Rentals	45,464	44,519	47,635	3,116
Miscellaneous	175,809	172,154	184,793	12,639
<i>Total Revenues</i>	84,441,010	82,685,504	88,473,664	5,788,160
Expenditures				
Current:				
Instruction:				
Regular	35,325,156	33,881,967	33,565,508	316,459
Special	11,224,642	11,995,093	11,963,427	31,666
Vocational	235,009	485,992	343,758	142,234
Support Services:				
Pupils	5,684,778	5,511,480	5,511,480	0
Instructional Staff	4,398,008	4,214,220	4,213,565	655
Board of Education	31,471	31,204	31,204	0
Administration	6,181,347	5,902,888	5,902,888	0
Fiscal	1,670,958	2,363,569	1,885,674	477,895
Business	920,942	966,799	966,799	0
Operation and Maintenance of Plant	12,949,335	13,005,636	13,005,636	0
Pupil Transportation	4,419,527	4,516,307	4,516,307	0
Central	1,483,628	1,638,805	1,605,453	33,352
Operation of Non-Instructional Services	55,718	65,123	53,324	11,799
Extracurricular Activities	1,027,463	1,028,899	999,999	28,900
<i>Total Expenditures</i>	85,607,982	85,607,982	84,565,022	1,042,960
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,166,972)	(2,922,478)	3,908,642	6,831,120
Other Financing Uses				
Transfers Out	(175,000)	(175,000)	(175,000)	0
<i>Net Change in Fund Balance</i>	(1,341,972)	(3,097,478)	3,733,642	6,831,120
<i>Fund Balance Beginning of Year</i>	14,317,377	14,317,377	14,317,377	0
Prior Year Encumbrances Appropriated	3,125,182	3,125,182	3,125,182	0
<i>Fund Balance End of Year</i>	\$16,100,587	\$14,345,081	\$21,176,201	\$6,831,120

See accompanying notes to the basic financial statements

Shaker Heights City School District

Statement of Fund Net Assets

Internal Service Funds

June 30, 2008

Assets	
<i>Current Assets</i>	
Equity in Pooled Cash and Cash Equivalents	\$2,060,000
Liabilities	
<i>Current Liabilities:</i>	
Claims Payable	248,710
<i>Long-Term Liabilities:</i>	
Claims Payable	<u>625,490</u>
<i>Total Liabilities</i>	<u>874,200</u>
Net Assets	
Unrestricted	<u><u>\$1,185,800</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, 2008*

Operating Revenues	
Charges for Services	\$9,150,398
Operating Expenses	
Claims	<u>8,713,898</u>
<i>Change in Net Assets</i>	436,500
<i>Net Assets Beginning of Year</i>	<u>749,300</u>
<i>Net Assets End of Year</i>	<u><u>\$1,185,800</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, 2008

Increase (Decrease) in Cash and Cash Equivalents

Cash Flows from Operating Activities

Cash Received from Transactions with Other Funds	\$9,150,398
Cash Payments for Claims	<u>(8,651,698)</u>

<i>Net Increase in Cash and Cash Equivalents</i>	498,700
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<i>Cash and Cash Equivalents Beginning of Year</i>	<u>1,561,300</u>
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<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$2,060,000</u></u>
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***Reconciliation of Operating Income to
Net Cash Provided by Operating Activities***

<i>Operating Income</i>	\$436,500
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Increase in Liabilities:

Claims Payable	<u>62,200</u>
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<i>Net Cash Provided by Operating Activities</i>	<u><u>\$498,700</u></u>
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See accompanying notes to the basic financial statements

Shaker Heights City School District
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2008

Assets

Equity Pooled in Cash and Cash Equivalents	<u><u>\$326,979</u></u>
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Liabilities

Undistributed Monies	\$194,981
Due to Students	<u>131,998</u>

<i>Total Liabilities</i>	<u><u>\$326,979</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, 2008*

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 303 classified employees, 436 certified teachers and 34 tutoring personnel, and 34 administrators who provide services to 5,482 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 the agencies and departments that provide the following services: 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-Perkins, 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 and as a governmental activity of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of or 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 and the Shaker Heights Public Library. These organizations are presented in Notes 20 and 17 to the basic financial statements.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008*

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 more significant of the School District's accounting policies are described below.

A. Basis of Presentation

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

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The 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, 2008*

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

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 account 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 account for field trips and college entrance exam testing and student activities.

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

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008*

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

Like the government-wide statements, 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 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the 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, 2008, but which were levied to finance fiscal year 2009 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, 2008*

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 original and final budgeted amounts in the budgetary statements reflect the amounts in the amended certificate that was in effect at the time the original and 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 2008, investments were limited to Federal Home Loan Bank Bonds, Federal National Mortgage Association Bonds, Federal Home Loan Mortgage Corporation Bonds, and STAROhio (the State Treasury Asset Reserve of Ohio).

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, 2008.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008*

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 2008 amounted to \$1,573,416, which includes \$383,178 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, 2008, 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 9 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 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.

Shaker Heights City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

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. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables.” These amounts are eliminated in the governmental activities column of the statement of net assets.

L. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the 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.

M. 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. Bond issuance costs are generally paid from the bond proceeds.

N. 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 an other financing source when received.

O. 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.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008*

P. 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.

Q. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any 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.

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.

R. 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.

S. Internal Activity

Transfers between governmental activities are eliminated on the government wide financial statements. Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Interfund payments for services provided and used are not eliminated.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008*

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.

T. 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.

U. 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.

V. Estimates

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

Note 3 – Change in Accounting Principles

For fiscal year 2008, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions”, GASB Statement No. 48, “Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues”, and GASB Statement No. 50, “Pension Disclosures”.

GASB Statement No. 45 improves the relevance and usefulness of financial reporting by requiring systematic, accrual-basis measurement and recognition of OPEB costs over a period that approximates employees’ years of service and providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan. An OPEB liability at transition was determined in accordance with this Statement for both the SERS and STRS post-employment healthcare plans in the amounts of \$263,607 and \$55,024 respectively, which are the same as the previous reported liabilities.

GASB Statement No. 48 addresses how to account for the exchange of an interest in expected cash flows from collecting specific receivables or specific future revenues for immediate cash payments. The statement established criteria used to determine whether the transaction should be recorded as revenue or as a liability (a sale or a collateralized borrowing). The implementation of this Statement did not result in any change to the financial statements.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008*

GASB Statement No. 50 requires employers contributing to defined pension plans to include the legal or contractual maximum contribution rates in the notes to the financial statements. The implementation of this Statement did not result in any change to the financial statements.

Note 4 – Fund Deficits

The following funds had deficit fund balances as of June 30, 2008:

Special Revenue Funds

Title VI-B	\$37,492
Limited English Proficiency	7,887
Drug Free Schools	1,003
Preschool Disability	4,798
Goals 2000	12,950
Food Service	72,261

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 transfers when cash is required, rather than when accruals occur.

Note 5 - Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP 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.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008*

Net Change in Fund Balance	
GAAP Basis	\$9,171,826
Net Adjustment for Revenue Accruals	(1,454,526)
Beginning Fair Value Adjustment for Investments	38,456
Ending Fair Value Adjustment for Investments	(12,270)
Net Adjustment for Expenditure Accruals	(469,705)
Adjustment for Encumbrances	<u>(3,540,139)</u>
Budget Basis	<u><u>\$3,733,642</u></u>

Note 6 - Deposits and Investments

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

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

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

Interim deposits are deposits of interim monies. Interim 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;

Shaker Heights City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

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, \$25,696,620 of the School District's bank balance of \$26,045,625 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.

Investments

As of June 30, 2008, the School District had the following investments:

	<u>Fair Value</u>	<u>Maturity</u>
Federal Home Loan Bank Bonds	\$3,981,299	6/11/2010-2/22/2011
Federal National Mortgage Association Bonds	6,984,079	6/18/2008-6/9/2010
Federal Home Loan Mortgage Corporation Bonds	999,397	2/12/2010
STAROhio	<u>705,274</u>	53.8 Days Average
Total	<u><u>\$12,670,049</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.

Credit Risk The Federal Home Loan Bank Bonds, the Federal National Mortgage Association Bonds, the Federal Home Loan Mortgage Corporation Bonds 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

Shaker Heights City School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

School District's investment policy states that preservation of principal is the primary investment objective. Additionally, the policy also delineates allowable investments by class and minimum credit quality.

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, 2008:

Investment	Percentage of Investments
Federal Home Loan Bank Bonds	31.42%
Federal National Mortgage Association Bonds	55.12
Federal Home Loan Mortgage Corporation Bonds	7.89
STAROhio	5.57

Note 7 - Property Taxes

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar 2008 represents collections of calendar year 2007 taxes. Real property taxes received in calendar year 2008 were levied after April 1, 2007, on the assessed value listed as of January 1, 2007, 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 2008 represents collections of calendar year 2007 taxes. Public utility real and tangible personal property taxes received in calendar year 2008 became a lien December 31, 2006, were levied after April 1, 2007 and are collected in 2008 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 2008 (other than public utility property tax) represents the collection of 2008 taxes. Tangible personal property taxes received in calendar year 2008 were levied after April 1, 2007, on the value listed as of December 31, 2007. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2008 is 6.25 percent. This will be reduced to 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 2008 tangible personal property tax settlement was not received until July 2008.

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

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008*

collected by the County by June 30, 2008, are available to finance fiscal year 2008 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, 2008 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, 2008 was \$7,856,482 in the general fund and \$432,695 in the bond retirement debt service fund. 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.

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 2008 taxes were collected are:

	2007 Second- Half Collections		2008 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$933,671,870	97.51%	\$926,108,350	98.60%
Public Utility Property	15,113,730	1.58	9,871,720	1.05
Tangible Personal Property	8,670,762	0.91	3,243,846	0.35
Total	<u>\$957,456,362</u>	<u>100.00%</u>	<u>\$939,223,916</u>	<u>100.00%</u>
Full voted tax rate per \$1,000 of assessed valuation	\$170.30		\$170.30	

Note 8 - Receivables

Receivables at June 30, 2008, 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 except for delinquent property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008*

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amount</u>
Title I Grant and Subsidies	\$247,714
Title VI-B Grant and Subsidies	185,784
Classroom Size Reduction Grant and Subsidies	73,731
Continuous Improvement Grant and Subsidies	53,164
Drug Free Grant and Subsidies	8,851
Title V Grant and Subsidies	4,973
Total Intergovernmental Receivables	<u><u>\$574,217</u></u>

Note 9 - 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, 2008, 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, 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, 2007	(\$4,205,734)	(\$26,580,904)	\$353,070
Current Year Set-Aside Requirement	890,422	890,422	0
Current Year Offset	0	(6,700,391)	0
Qualifying Disbursements	<u>(1,358,573)</u>	<u>(617,796)</u>	<u>0</u>
Totals	<u>(\$4,673,885)</u>	<u>(\$33,008,669)</u>	<u>\$353,070</u>
Set-Aside Balances Carried Forward to Future Fiscal Years	<u>(\$4,673,885)</u>	<u>(\$33,008,669)</u>	<u>\$353,070</u>
Set-Aside Reserve Balance as of June 30, 2008	<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.

Note 10 - 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

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008*

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, 2008.

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 11 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2008, was as follows:

	Balance 6/30/07	Additions	Deletions	Balance 6/30/08
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$943,600	\$0	\$0	\$943,600
Construction in Progress	1,357,746	6,253,756	(4,516,281)	3,095,221
<i>Total Capital Assets, not being Depreciated</i>	<u>2,301,346</u>	<u>6,253,756</u>	<u>(4,516,281)</u>	<u>4,038,821</u>
<i>Capital Assets, being Depreciated</i>				
Land Improvements	2,953,424	463,445	0	3,416,869
Buildings and Improvements	25,000,029	4,596,177	0	29,596,206
Equipment	12,921,037	1,294,450	(662,057)	13,553,430
Vehicles	3,131,540	433,302	(221,500)	3,343,342
<i>Total Capital Assets, being Depreciated</i>	<u>44,006,030</u>	<u>6,787,374</u>	<u>(883,557)</u>	<u>49,909,847</u>
Less: Accumulated Depreciation:				
Land Improvements	(980,917)	(136,881)	0	(1,117,798)
Buildings and Improvements	(9,009,732)	(695,714)	0	(9,705,446)
Equipment	(9,977,406)	(870,133)	636,227	(10,211,312)
Vehicles	(2,202,566)	(238,012)	221,500	(2,219,078)
<i>Total Accumulated Depreciation</i>	<u>(22,170,621)</u>	<u>(1,940,740)</u>	<u>857,727</u>	<u>(23,253,634)</u>
<i>Total Capital Assets, being Depreciated, Net</i>	<u>21,835,409</u>	<u>4,846,634</u>	<u>(25,830)</u>	<u>26,656,213</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$24,136,755</u>	<u>\$11,100,390</u>	<u>(\$4,542,111)</u>	<u>\$30,695,034</u>

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008*

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$478,489
Special	27,192
Support Services:	
Pupils	7,972
Instructional Staff	56,794
Administration	34,040
Fiscal	4,709
Business	85,328
Operation and Maintenance of Plant	832,595
Pupil Transportation	238,012
Central	64,430
Operation of Non-Instructional Services	98,803
Extracurricular	12,376
Total Depreciation Expense	<u>\$1,940,740</u>

Note 12 - 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 2008, the School District contracted with Indiana Insurance Company for property and inland marine insurance.

General liability coverage is provided by Indiana Insurance Company with a \$1,000,000 single occurrence limit, a \$2,000,000 aggregate and no 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 \$7,000,000 umbrella policy with Indiana Insurance Company that covers both general liability and vehicle policies, and foreign travel coverage with the AIG World Source. 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, 2008, 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, 2008, was \$720,000.

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 through December 16, 2007, reviewed and paid the claims. As of December 17, 2007, Wellpoint NextRx became the School District's third party

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008*

administrator for the prescription drug program. Monthly premiums for prescription drug insurance are \$296.94 for family coverage and \$111.84 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 \$4,905 in fees to the program administrator (\$2,841 to Caremark and \$2,064 to Wellpoint NextRx) in fiscal year 2008. 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 up to 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, 2008 is \$154,200 and is based on the July 2008 actual billing.

The claims liability reported in the internal service funds at June 30, 2008 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 2007 and 2008 are as follows:

	<u>Beginning of Year</u>	<u>Claims</u>	<u>Payments</u>	<u>End of Year</u>
2007	\$723,829	\$9,111,254	\$9,023,083	\$812,000
2008	812,000	8,713,898	8,651,698	874,200

Note 13 - Other Employee Benefits

A. *Compensated Absences*

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees 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 \$10 office visit co-pay. Individual coverage is \$391.57 per month while family coverage for a family of two is \$783.14 and for a family of three or more is \$1,174.71. 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.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008*

Dental insurance is offered to employees through Anthem Insurance Company with a \$50 deductible on orthodontal and restoration services. Individual coverage is \$35.98 per month and family coverage is \$103.27 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.

Note 14 – Pension Plans

A. School Employee Retirement System

Plan Description - The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer 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 43215-3746.

Funding Policy - 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 2008, 9.16 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 by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2008, 2007 and 2006 were \$1,266,412, \$1,267,318 and \$1,342,692 respectively; 41.30 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

B. State Teachers Retirement System

Plan Description - The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement plan. 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 43215-3771, by calling (888) 227-7877, 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 a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008*

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 member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. 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. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. 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 retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For the fiscal year ended June 30, 2008, 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 2007, 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 STRS Ohio for the fiscal years ended June 30, 2008, 2007, and 2006 were \$4,855,357, \$4,749,719, and \$4,845,841, respectively; 83.35 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006. Contributions to the DC and Combined Plans for fiscal year 2008 were \$83,384 made by the School District and \$154,961 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 Employees Retirement System. As of June 30, 2008, three members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages.

Note 15 - Postemployment Benefits

A. School Employee Retirement System

Plan Description - The School District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Plan B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008*

Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutory required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2008, 4.18 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2008, this amount was \$276,367.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The School District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$854,271, \$433,422, and \$465,374 respectively; 41.30 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B fund. For 2008, this actuarially required allocation was 0.66 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2008, 2007, and 2006 were \$91,248, \$86,178, and \$96,972 respectively; 41.30 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

B. State Teachers Retirement System

Plan Description – The School District contributes to the cost sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.stsroh.org or by calling (888) 227-7877.

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2008, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$373,489, \$365,363, and \$372,757 respectively; 83.35 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

Note 16 – Interfund Transfers and Balances

A. Transfers

The general fund made transfers of \$175,000 to the non-major governmental funds. The transfers were made to support the activities of the funds.

Shaker Heights City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

B. Interfund Balances

Interfund balances at June 30, 2008, consist of an interfund receivable/payable between the general fund and the Title I nonmajor governmental fund in the amount of \$8,773. This loan was made to support programs and projects in the Title I nonmajor fund pending the receipt of grant money that will be used to repay the loan. This loan is expected to be repaid in one year.

Note 17 - 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 18 – 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:

<u>Debt Issue</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date to Maturity</u>
<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 Addition 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 - 2008	4.00%	500,000	2009
Bond Anticipation Note - 2008	2.50%	5,000,000	2009

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008*

Changes in long-term obligations of the School District during fiscal year 2008, were as follows:

	Balance Outstanding 06/30/07	Additions	Deletions	Balance Outstanding 06/30/08	Amounts Due in One Year
Governmental Activities					
School Improvement Bonds - 1990					
Serial Bonds	\$1,645,000	\$0	\$370,000	\$1,275,000	\$395,000
School Improvement Bonds - 1999					
Serial Bonds	1,125,000	0	555,000	570,000	280,000
School Improvement Bonds - 2000					
Serial and Term Bonds	325,000	0	160,000	165,000	0
Capital Appreciation Bonds	134,993	0	0	134,993	70,976
Accretion on Capital Appreciation Bonds	164,384	13,834	0	178,218	94,024
Total School Improvement Bonds - 2000	624,377	13,834	160,000	478,211	165,000
School Improvement Bonds 2005					
Serial Bonds	8,775,000	0	1,050,000	7,725,000	455,000
Capital Appreciation Bonds	204,995	0	0	204,995	0
Accretion on Capital Appreciation Bonds	76,081	43,480	0	119,561	0
Unamortized Premium	126,082	0	7,103	118,979	0
Total School Improvement Bonds - 2005	9,182,158	43,480	1,057,103	8,168,535	455,000
Building Addition Refunding Bonds 2005					
Serial Bonds	1,025,000	0	165,000	860,000	160,000
Capital Appreciation Bonds	94,999	0	0	94,999	0
Accretion on Capital Appreciation Bonds	21,064	11,090	0	32,154	0
Unamortized Premium	43,775	0	2,466	41,309	0
Unamortized Accounting Loss	(26,602)	0	(1,499)	(25,103)	0
Total Building Addition Refunding Bonds - 2005	1,158,236	11,090	165,967	1,003,359	160,000
School Improvement Bonds - 2007					
Serial Bonds	8,475,000	0	0	8,475,000	800,000
Capital Appreciation Bonds	23,960	0	0	23,960	0
Accretion on Capital Appreciation Bonds	902	6,520	0	7,422	0
Unamortized Premium	116,616	0	6,304	110,312	0
Total School Improvement Bonds - 2007	8,616,478	6,520	6,304	8,616,694	800,000
School Improvement Refunding - 2007					
Serial Bonds	3,760,000	0	0	3,760,000	10,000
Capital Appreciation Bonds	9,983	0	0	9,983	0
Accretion on Capital Appreciation Bonds	376	2,717	0	3,093	0
Unamortized Premium	92,498	0	7,400	85,098	0
Unamortized Accounting Loss	(153,896)	0	(12,312)	(141,584)	0
Total School Improvement Refunding Bonds - 2007	3,708,961	2,717	(4,912)	3,716,590	10,000
School Improvement Refunding - 2007					
Serial Bonds	1,915,000	0	0	1,915,000	15,000
Capital Appreciation Bonds	16,639	0	0	16,639	0
Accretion on Capital Appreciation Bonds	626	4,528	0	5,154	0
Unamortized Premium	95,664	0	7,653	88,011	0
Unamortized Accounting Loss	(79,280)	0	(6,342)	(72,938)	0
Total School Improvement Refunding Bonds - 2007	1,948,649	4,528	1,311	1,951,866	15,000
Total General Obligation Bonds	\$28,008,859	\$82,169	\$2,310,773	\$25,780,255	\$2,280,000

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008*

	Balance Outstanding 06/30/07	Additions	Deletions	Balance Outstanding 06/30/08	Amounts Due in One Year
Long-Term Notes					
Bus Acquisition Bond Anticipation					
Note - 2008	\$500,000	\$500,000	\$500,000	\$500,000	\$0
Bond Anticipation Note - 2008	0	5,000,000	0	5,000,000	0
<i>Total Long-Term Notes</i>	500,000	5,500,000	500,000	5,500,000	0
Compensated Absences	5,997,371	1,301,630	579,250	6,719,751	979,740
<i>Total Governmental Activities</i>	<u>\$34,506,230</u>	<u>\$6,883,799</u>	<u>\$3,390,023</u>	<u>\$38,000,006</u>	<u>\$3,259,740</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 year 2009. The maturity amount of the bonds is \$330,000. For fiscal year 2008, \$13,834 was accreted for a total bond value of \$313,211.

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. These bonds were issued to provide for all future debt payments on the refunded portion of the 1993 building addition bonds. The maturity amount of outstanding building addition refunding bonds at June 30, 2008 is \$860,000. The bonds will mature in 2014.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008*

The maturity amount of outstanding serial and term school improvement bonds at June 30, 2008 is \$7,725,000. The bonds will mature in 2026.

The 2005 capital appreciation bonds will mature in fiscal year 2011. The maturity amount of the bonds is \$465,000. For fiscal year 2008, \$43,480 was accreted for a total bond value of \$324,556.

The 2005 refunding capital appreciation bonds will mature in fiscal year 2012. The maturity amount of the bonds is \$175,000. For fiscal year 2008, \$11,090 was accreted for a total bond value of \$127,153.

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. The school improvement refunding bonds and serial and term school improvement bonds were issued for the purpose of refunding the outstanding portion of 1999 and 2000 bonds to take advantage of lower interest rates. The serial and term school improvement bonds were issued for a twenty year period with final maturity in 2026. The school improvement refunding bonds will mature in 2020.

The 2007 capital appreciation bonds will mature in fiscal year 2016. The maturity amount of the bonds is \$180,000. For fiscal year 2008, \$6,520 was accreted for a total bond value of \$31,382.

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 2008, \$2,717 was accreted for a total bond value of \$13,076.

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 2008, \$4,528 was accreted for a total bond value of \$21,793.

Bond anticipation notes that were refinanced 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.

Compensated absences will be paid from the general, food service, auxiliary services, 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 \$56,149,303 with an unvoted debt margin of \$932,774 at June 30, 2008. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2008 are as follows:

Fiscal Year Ending June 30,	Serial and Term Bonds		Capital Appreciation Bonds	
	Principal	Interest	Principal	Interest
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	1,530,000	697,143	0	0
2014-2018	7,090,000	2,625,228	50,582	329,418
2019-2023	6,025,000	1,214,252	0	0
2024-2026	3,025,000	199,478	0	0
	<u>\$24,745,000</u>	<u>\$8,911,988</u>	<u>\$485,569</u>	<u>\$864,431</u>

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008*

Note 19 – Short-Term Debt

The School District’s note activity, including amount outstanding and interest rate, is as follows:

	Balance 06/30/07	Additions	Deletions	Balance 06/30/08
Bus Acquisition Note, 4.00%	<u>\$70,000</u>	<u>\$0</u>	<u>\$70,000</u>	<u>\$0</u>

The bus acquisition note was issued for the purpose of acquiring school buses. All the note proceeds were received into the building capital projects fund.

Note 20 - Jointly Governed Organizations

A. Ohio Schools’ Council Association

The Ohio Schools’ Council Association (Council) is a jointly governed organization among 121 school districts. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each district supports the Council by paying an annual participation fee. Each school district member’s superintendent serves as a representative of the Assembly. The Assembly elects five of the Council’s Board members and the remaining four are representatives of the Greater Cleveland School Superintendents’ Association. The Council operates under a nine-member Board of Directors (the Board). The Board is the policy making authority of the Council. The Board meets monthly September to June. The Board appoints an Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Board and Assembly and carrying out such other responsibilities as designated by the Board. In fiscal year 2008, the District paid \$4,015 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 natural gas purchase program. This program allows the School District to purchase natural gas at reduced rates if the School District will commit to participating for a twelve year period. There are currently 137 districts in the Program. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

The School District also participates in the Council’s electric purchase program. The Council provides 238 school districts and 11 MR/DD boards in the First Energy territory (Cleveland Electric Illuminating, Ohio Edison, Toledo Edison) the ability to purchase electricity at reduced rates if the school district committed to participating in either a thirty-six month (Cleveland Electric Illuminating Company) or a forty-four month (Ohio Edison and Toledo Edison) program beginning either May 1, 2005 or January 1, 2006 and ending December 31, 2008. Each month, the Council invoices participants based on estimated payments which are compared to their actual usage for the year (July to June). Refund checks are issued to districts that consumed less than their projected usage of electrical energy and districts that over-consumed are invoiced.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008*

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 2008, the School District paid \$161,789 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 21 – Subsequent Event

On October 16, 2008, the School District refinanced the October 2007 bus acquisition notes in the amount of \$500,000 for \$500,000 with a coupon interest rate of 3.00 percent and a net interest rate of 2.92 percent. The proceeds were used to retire the October 2007 \$500,000 note.

On November 25, 2008, the School District issued \$5,000,000 General Obligation Bonds at various interest rates ranging from 4.0 through 4.50 percent. The bonds mature in 2025.

On December 2, 2008, the School District retired the \$5,000,000 general obligation bond anticipation notes with the above mentioned bond proceeds.

Combining and Individual Fund Statements and 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.

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

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

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.

Shaker Heights City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2008

	Nonmajor Special Revenue Funds	Nonmajor Bond Retirement Debt Service Fund	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$835,338	\$1,956,392	\$2,791,730
Accounts Receivable	862	0	862
Intergovernmental Receivable	574,217	0	574,217
Materials and Supplies Inventory	25,401	0	25,401
Property Taxes Receivable	0	3,769,438	3,769,438
<i>Total Assets</i>	<u>\$1,435,818</u>	<u>\$5,725,830</u>	<u>\$7,161,648</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$119,726	\$0	\$119,726
Accrued Wages and Benefits	481,970	0	481,970
Interfund Payable	8,773	0	8,773
Intergovernmental Payable	175,549	0	175,549
Deferred Revenue	237,787	3,295,585	3,533,372
<i>Total Liabilities</i>	<u>1,023,805</u>	<u>3,295,585</u>	<u>4,319,390</u>
Fund Balances			
Reserved for Encumbrances	286,168	1,283	287,451
Reserved for Property Taxes	0	432,695	432,695
Unreserved, Undesignated Reported In:			
Special Revenue Funds	125,845	0	125,845
Debt Service Fund	0	1,996,267	1,996,267
<i>Total Fund Balances</i>	<u>412,013</u>	<u>2,430,245</u>	<u>2,842,258</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,435,818</u>	<u>\$5,725,830</u>	<u>\$7,161,648</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, 2008

	Nonmajor Special Revenue Funds	Nonmajor Bond Retirement Debt Service Fund	Nonmajor School Net Plus Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$0	\$3,105,323	\$0	\$3,105,323
Intergovernmental	4,787,069	409,736	40,590	5,237,395
Interest	18,601	0	0	18,601
Tuition and Fees	96,317	0	0	96,317
Extracurricular Activities	171,779	0	0	171,779
Contributions and Donations	19,881	0	0	19,881
Charges for Services	710,970	0	0	710,970
Miscellaneous	58,501	15,500	0	74,001
<i>Total Revenues</i>	<u>5,863,118</u>	<u>3,530,559</u>	<u>40,590</u>	<u>9,434,267</u>
Expenditures				
Current:				
Instruction:				
Regular	944,240	0	0	944,240
Special	668,045	0	0	668,045
Support Services:				
Pupils	28,565	0	0	28,565
Instructional Staff	1,420,994	0	0	1,420,994
Administration	14,375	0	0	14,375
Fiscal	27,593	64,285	0	91,878
Business	12,881	0	0	12,881
Operation and Maintenance of Plant	27,118	0	0	27,118
Central	43,504	0	0	43,504
Operation of Non-Instructional Services	1,367,847	0	0	1,367,847
Food Service Operations	1,512,621	0	0	1,512,621
Extracurricular Activities	224,885	0	0	224,885
Capital Outlay	0	0	40,590	40,590
Debt Service:				
Principal Retirement	0	2,300,000	0	2,300,000
Interest and Fiscal Charges	0	1,175,963	0	1,175,963
<i>Total Expenditures</i>	<u>6,292,668</u>	<u>3,540,248</u>	<u>40,590</u>	<u>9,873,506</u>
<i>Excess of Revenues Under Expenditures</i>	(429,550)	(9,689)	0	(439,239)
Other Financing Sources				
Transfers In	175,000	0	0	175,000
<i>Net Change in Fund Balances</i>	(254,550)	(9,689)	0	(264,239)
<i>Fund Balances Beginning of Year</i>	<u>666,563</u>	<u>2,439,934</u>	<u>0</u>	<u>3,106,497</u>
<i>Fund Balances End of Year</i>	<u>\$412,013</u>	<u>\$2,430,245</u>	<u>\$0</u>	<u>\$2,842,258</u>

Shaker Heights City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2008

	Public School Support	Shaker Merchandise	Athletic
Assets			
Equity in Pooled Cash and Cash Equivalents	\$175,145	\$8,069	\$43,937
Accounts Receivable	597	115	0
Intergovernmental Receivable	0	0	0
Materials and Supplies Inventory	0	0	0
<i>Total Assets</i>	<u>\$175,742</u>	<u>\$8,184</u>	<u>\$43,937</u>
 Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$35,273	\$0	\$2,887
Accrued Wages and Benefits	0	0	0
Interfund Payable	0	0	0
Intergovernmental Payable	0	0	1,273
Deferred Revenue	0	0	0
<i>Total Liabilities</i>	<u>35,273</u>	<u>0</u>	<u>4,160</u>
 Fund Balances			
Reserved for Encumbrances	28,525	1,026	18,120
Unreserved, Undesignated (Deficit)	111,944	7,158	21,657
<i>Total Fund Balances (Deficit)</i>	<u>140,469</u>	<u>8,184</u>	<u>39,777</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$175,742</u>	<u>\$8,184</u>	<u>\$43,937</u>

<u>Auxiliary Services</u>	<u>Entry Teacher Program</u>	<u>Title VI-B</u>	<u>Limited English Proficiency</u>	<u>Title I</u>
\$450,008	\$1,279	\$41,053	\$309	\$0
0	0	0	0	0
0	0	185,784	0	247,714
0	0	0	0	0
<u>\$450,008</u>	<u>\$1,279</u>	<u>\$226,837</u>	<u>\$309</u>	<u>\$247,714</u>

\$59,389	\$0	\$6,007	\$0	\$0
97,891	0	176,054	7,701	91,761
0	0	0	0	8,773
15,161	48	82,268	495	0
0	0	0	0	112,941
<u>172,441</u>	<u>48</u>	<u>264,329</u>	<u>8,196</u>	<u>213,475</u>
141,783	909	9,019	0	26,733
135,784	322	(46,511)	(7,887)	7,506
<u>277,567</u>	<u>1,231</u>	<u>(37,492)</u>	<u>(7,887)</u>	<u>34,239</u>
<u>\$450,008</u>	<u>\$1,279</u>	<u>\$226,837</u>	<u>\$309</u>	<u>\$247,714</u>

(continued)

Shaker Heights City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2008

	Title V	Drug Free Schools	Preschool Disability	Class Size Reduction
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$468	\$1,681	\$0	\$4,628
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	4,973	8,851	0	73,731
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$5,441</u>	<u>\$10,532</u>	<u>\$0</u>	<u>\$78,359</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$859
Accrued Wages and Benefits	0	2,380	4,798	7,564
Interfund Payable	0	0	0	0
Intergovernmental Payable	0	304	0	2,121
Deferred Revenue	4,973	8,851	0	58,608
<i>Total Liabilities</i>	<u>4,973</u>	<u>11,535</u>	<u>4,798</u>	<u>69,152</u>
 Fund Balances				
Reserved for Encumbrances	3,945	5,381	0	22,201
Unreserved, Undesignated (Deficit)	(3,477)	(6,384)	(4,798)	(12,994)
<i>Total Fund Balances (Deficit)</i>	<u>468</u>	<u>(1,003)</u>	<u>(4,798)</u>	<u>9,207</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$5,441</u>	<u>\$10,532</u>	<u>\$0</u>	<u>\$78,359</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>
\$673	\$65,965	\$9,295	\$32,828	\$835,338
0	150	0	0	862
53,164	0	0	0	574,217
0	25,401	0	0	25,401
<u>\$53,837</u>	<u>\$91,516</u>	<u>\$9,295</u>	<u>\$32,828</u>	<u>\$1,435,818</u>

\$14,373	\$938	\$0	\$0	\$119,726
0	89,967	0	3,854	481,970
0	0	0	0	8,773
0	72,872	0	1,007	175,549
52,414	0	0	0	237,787
<u>66,787</u>	<u>163,777</u>	<u>0</u>	<u>4,861</u>	<u>1,023,805</u>
20,421	3,927	678	3,500	286,168
(33,371)	(76,188)	8,617	24,467	125,845
(12,950)	(72,261)	9,295	27,967	412,013
<u>\$53,837</u>	<u>\$91,516</u>	<u>\$9,295</u>	<u>\$32,828</u>	<u>\$1,435,818</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, 2008

	Public School Support	Shaker Merchandise	Athletic	Auxiliary Services	Management Information Systems
Revenues					
Intergovernmental	\$0	\$0	\$0	\$1,274,061	\$19,613
Interest	5,170	0	0	11,191	0
Tuition and Fees	38,192	0	0	0	0
Extracurricular Activities	91,195	0	80,584	0	0
Contributions and Donations	6,877	0	12,254	0	0
Charges for Services	0	184	0	0	0
Miscellaneous	9,958	7,958	0	0	0
<i>Total Revenues</i>	<u>151,392</u>	<u>8,142</u>	<u>92,838</u>	<u>1,285,252</u>	<u>19,613</u>
Expenditures					
Current:					
Instruction:					
Regular	111,125	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	3,500	0	0	0	0
Fiscal	0	0	0	0	3,593
Business	0	11,681	0	0	0
Operation and Maintenance of Plant	0	0	7,118	0	0
Central	0	0	0	0	15,803
Operation of Non-Instructional Services	0	0	0	1,343,296	0
Food Service Operations	0	0	0	0	0
Extracurricular Activities	26,646	0	198,239	0	0
<i>Total Expenditures</i>	<u>141,271</u>	<u>11,681</u>	<u>205,357</u>	<u>1,343,296</u>	<u>19,396</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	10,121	(3,539)	(112,519)	(58,044)	217
Other Financing Sources					
Transfers In	0	5,000	120,000	0	0
<i>Net Change in Fund Balances</i>	10,121	1,461	7,481	(58,044)	217
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>130,348</u>	<u>6,723</u>	<u>32,296</u>	<u>335,611</u>	<u>(217)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$140,469</u>	<u>\$8,184</u>	<u>\$39,777</u>	<u>\$277,567</u>	<u>\$0</u>

Entry Teacher Program	Data Communication Grant	School Net Professional Development Grant	Alternative Schools	Poverty Based Assistance	Goals 2000 Pacesetter
\$8,800	\$24,000	\$2,970	\$56,790	\$113,344	\$59,440
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
8,800	24,000	2,970	56,790	113,344	59,440
0	0	0	56,790	94,937	22,923
0	0	0	0	17,344	0
0	0	0	0	0	0
8,676	0	2,970	0	0	24,173
0	0	0	0	0	0
0	24,000	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	14,701
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
8,676	24,000	2,970	56,790	112,281	61,797
124	0	0	0	1,063	(2,357)
0	0	0	0	0	0
124	0	0	0	1,063	(2,357)
1,107	0	0	0	(1,063)	2,357
\$1,231	\$0	\$0	\$0	\$0	\$0

(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, 2008

	Title VI-B	Limited English Proficiency	Title I	Title V	Drug Free Schools
Revenues					
Intergovernmental	\$1,453,649	\$36,058	\$687,293	\$13,292	\$14,989
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>1,453,649</u>	<u>36,058</u>	<u>687,293</u>	<u>13,292</u>	<u>14,989</u>
Expenditures					
Current:					
Instruction:					
Regular	255,271	370	34,428	12,475	0
Special	59,697	25,389	565,615	0	0
Support Services:					
Pupils	13,697	0	0	0	14,868
Instructional Staff	1,177,409	0	54,054	0	0
Administration	9,716	0	0	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	0	0	0	3,044	3,650
Food Service Operations	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0
<i>Total Expenditures</i>	<u>1,515,790</u>	<u>25,759</u>	<u>654,097</u>	<u>15,519</u>	<u>18,518</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(62,141)	10,299	33,196	(2,227)	(3,529)
Other Financing Sources					
Transfers In	0	0	0	0	0
<i>Net Change in Fund Balances</i>	(62,141)	10,299	33,196	(2,227)	(3,529)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>24,649</u>	<u>(18,186)</u>	<u>1,043</u>	<u>2,695</u>	<u>2,526</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$37,492)</u>	<u>(\$7,887)</u>	<u>\$34,239</u>	<u>\$468</u>	<u>(\$1,003)</u>

Preschool Disability	Class Size Reduction	Goals 2000	Food Service	Uniform School Supplies	Local Grants	Total Nonmajor Special Revenue Funds
\$23,186	\$158,600	\$98,372	\$607,112	\$0	\$135,500	\$4,787,069
0	0	0	2,240	0	0	18,601
0	0	0	0	58,125	0	96,317
0	0	0	0	0	0	171,779
0	0	0	0	0	750	19,881
0	0	0	710,786	0	0	710,970
0	0	0	40,585	0	0	58,501
<u>23,186</u>	<u>158,600</u>	<u>98,372</u>	<u>1,360,723</u>	<u>58,125</u>	<u>136,250</u>	<u>5,863,118</u>
0	63,391	92,368	0	56,206	143,956	944,240
0	0	0	0	0	0	668,045
0	0	0	0	0	0	28,565
26,675	79,076	0	0	0	47,961	1,420,994
0	1,000	0	0	0	159	14,375
0	0	0	0	0	0	27,593
0	0	0	1,200	0	0	12,881
0	0	20,000	0	0	0	27,118
0	0	0	0	0	13,000	43,504
0	15,634	2,223	0	0	0	1,367,847
0	0	0	1,512,621	0	0	1,512,621
0	0	0	0	0	0	224,885
<u>26,675</u>	<u>159,101</u>	<u>114,591</u>	<u>1,513,821</u>	<u>56,206</u>	<u>205,076</u>	<u>6,292,668</u>
(3,489)	(501)	(16,219)	(153,098)	1,919	(68,826)	(429,550)
<u>0</u>	<u>0</u>	<u>0</u>	<u>50,000</u>	<u>0</u>	<u>0</u>	<u>175,000</u>
(3,489)	(501)	(16,219)	(103,098)	1,919	(68,826)	(254,550)
<u>(1,309)</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>
<u>(\$4,798)</u>	<u>\$9,207</u>	<u>(\$12,950)</u>	<u>(\$72,261)</u>	<u>\$9,295</u>	<u>\$27,967</u>	<u>\$412,013</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, 2008

	Self Insurance	Workers' Compensation Reserve	Totals
Assets			
<i>Current Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$1,340,000	\$720,000	\$2,060,000
Liabilities			
<i>Current Liabilities:</i>			
Claims Payable	154,200	94,510	248,710
<i>Long-Term Liabilities:</i>			
Claims Payable	0	625,490	625,490
<i>Total Liabilities</i>	154,200	720,000	874,200
Net Assets			
Unrestricted	\$1,185,800	\$0	\$1,185,800

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, 2008*

	Self Insurance	Workers' Compensation Reserve	Totals
Operating Revenues			
Charges for Services	\$8,964,500	\$185,898	\$9,150,398
Operating Expenses			
Claims	8,528,000	185,898	8,713,898
<i>Change in Net Assets</i>	436,500	0	436,500
<i>Net Assets Beginning of Year</i>	749,300	0	749,300
<i>Net Assets End of Year</i>	<u>\$1,185,800</u>	<u>\$0</u>	<u>\$1,185,800</u>

Shaker Heights City School District
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2008

	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	\$8,964,500	\$185,898	\$9,150,398
Cash Payments for Claims	(8,520,800)	(130,898)	(8,651,698)
<i>Net Increase in Cash and Cash Equivalents</i>	443,700	55,000	498,700
<i>Cash and Cash Equivalents Beginning of Year</i>	896,300	665,000	1,561,300
<i>Cash and Cash Equivalents End of Year</i>	\$1,340,000	\$720,000	\$2,060,000
<i>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</i>			
<i>Operating Income</i>	\$436,500	\$0	\$436,500
Adjustments			
Increase in Liabilities:			
Claims Payable	7,200	55,000	62,200
<i>Net Cash Provided by Operating Activities</i>	\$443,700	\$55,000	\$498,700

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, 2008

	Beginning Balance 06/30/07	Additions	Deductions	Ending Balance 06/30/08
Rotary				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$165,224	\$174,239	\$144,482	\$194,981
Liabilities				
Undistributed Monies	\$165,224	\$174,239	\$144,482	\$194,981
Student Activities				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$144,934	\$209,661	\$222,597	\$131,998
Liabilities				
Due to Students	\$144,934	\$209,661	\$222,597	\$131,998
Total - All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$310,158	\$383,900	\$367,079	\$326,979
Liabilities				
Undistributed Monies	\$165,224	\$174,239	\$144,482	\$194,981
Due to Students	144,934	209,661	222,597	131,998
<i>Total Liabilities</i>	\$310,158	\$383,900	\$367,079	\$326,979

**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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$57,785,555	\$56,584,208	\$60,544,819	\$3,960,611
Intergovernmental	23,212,741	22,730,155	24,321,152	1,590,997
Interest	1,637,897	1,603,846	1,716,107	112,261
Tuition and Fees	1,496,883	1,465,763	1,568,359	102,596
Charges for Services	86,661	84,859	90,799	5,940
Rentals	45,464	44,519	47,635	3,116
Miscellaneous	175,809	172,154	184,793	12,639
<i>Total Revenues</i>	<u>84,441,010</u>	<u>82,685,504</u>	<u>88,473,664</u>	<u>5,788,160</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	26,029,005	25,077,970	25,034,863	43,107
Fringe Benefits	8,119,819	7,595,157	7,345,800	249,357
Purchased Services	360,423	403,180	389,527	13,653
Materials and Supplies	723,063	696,699	696,699	0
Capital Outlay - New	67,764	65,198	54,856	10,342
Capital Outlay - Replacement	13,913	32,922	32,922	0
Other	11,169	10,841	10,841	0
Total Regular	<u>35,325,156</u>	<u>33,881,967</u>	<u>33,565,508</u>	<u>316,459</u>
Special:				
Salaries and Wages	3,799,234	4,809,984	4,809,984	0
Fringe Benefits	1,355,082	1,706,333	1,706,333	0
Purchased Services	6,013,516	5,421,801	5,402,157	19,644
Materials and Supplies	30,984	38,016	27,126	10,890
Capital Outlay - New	24,626	17,724	17,712	12
Other	1,200	1,235	115	1,120
Total Special	<u>11,224,642</u>	<u>11,995,093</u>	<u>11,963,427</u>	<u>31,666</u>
Vocational:				
Salaries and Wages	85,819	87,280	87,280	0
Fringe Benefits	25,579	26,691	26,691	0
Purchased Services	123,611	372,021	229,787	142,234
Total Vocational	<u>235,009</u>	<u>485,992</u>	<u>343,758</u>	<u>142,234</u>
Total Instruction	<u>\$46,784,807</u>	<u>\$46,363,052</u>	<u>\$45,872,693</u>	<u>\$490,359</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support Services:				
Pupils:				
Salaries and Wages	\$3,756,331	\$3,678,701	\$3,678,701	\$0
Fringe Benefits	1,116,575	1,111,863	1,111,863	0
Purchased Services	756,105	679,760	679,760	0
Materials and Supplies	45,060	36,562	36,562	0
Capital Outlay - New	9,464	2,741	2,741	0
Capital Outlay - Replacement	473	961	961	0
Other	770	892	892	0
Total Pupils	5,684,778	5,511,480	5,511,480	0
Instructional Staff:				
Salaries and Wages	2,547,825	2,503,077	2,503,077	0
Fringe Benefits	1,285,172	1,178,419	1,178,419	0
Purchased Services	271,300	282,235	282,235	0
Materials and Supplies	201,029	174,373	174,373	0
Capital Outlay - New	81,037	71,355	71,355	0
Capital Outlay - Replacement	6,569	225	225	0
Other	5,076	4,536	3,881	655
Total Instructional Staff	4,398,008	4,214,220	4,213,565	655
Board of Education:				
Purchased Services	12,138	17,487	17,487	0
Materials and Supplies	1,295	729	729	0
Other	18,038	12,988	12,988	0
Total Board of Education	31,471	31,204	31,204	0
Administration:				
Salaries and Wages	3,891,921	3,662,336	3,662,336	0
Fringe Benefits	1,564,184	1,555,346	1,555,346	0
Purchased Services	437,460	351,652	351,652	0
Materials and Supplies	235,926	273,100	273,100	0
Capital Outlay - New	27,937	32,559	32,559	0
Capital Outlay - Replacement	6,191	1,387	1,387	0
Other	17,728	26,508	26,508	0
Total Administration	6,181,347	5,902,888	5,902,888	0
Fiscal:				
Salaries and Wages	425,220	429,861	337,634	92,227
Fringe Benefits	0	322,581	161,560	161,021
Purchased Services	270,375	347,508	347,508	0
Materials and Supplies	154,485	137,549	13,151	124,398
Capital Outlay - New	1,075	71,974	114	71,860
Other	819,803	1,054,096	1,025,707	28,389
Total Fiscal	\$1,670,958	\$2,363,569	\$1,885,674	\$477,895

(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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Business:				
Salaries and Wages	\$392,661	\$401,222	\$401,222	\$0
Fringe Benefits	174,880	183,168	183,168	0
Purchased Services	220,713	214,066	214,066	0
Materials and Supplies	73,192	123,405	123,405	0
Capital Outlay - New	4,348	7,121	7,121	0
Capital Outlay - Replacement	2,054	14,121	14,121	0
Other	53,094	23,696	23,696	0
Total Business	920,942	966,799	966,799	0
Operation and Maintenance of Plant:				
Salaries and Wages	5,124,329	5,041,654	5,041,654	0
Fringe Benefits	2,274,046	2,142,803	2,142,803	0
Purchased Services	4,210,008	4,407,176	4,407,176	0
Materials and Supplies	1,097,074	1,021,511	1,021,511	0
Capital Outlay - New	143,980	352,520	352,520	0
Capital Outlay - Replacement	85,155	13,322	13,322	0
Other	14,743	26,650	26,650	0
Total Operation and Maintenance of Plant	12,949,335	13,005,636	13,005,636	0
Pupil Transportation:				
Salaries and Wages	1,644,147	1,835,426	1,835,426	0
Fringe Benefits	565,861	506,960	506,960	0
Purchased Services	1,808,268	1,667,569	1,667,569	0
Materials and Supplies	385,577	433,499	433,499	0
Capital Outlay - New	6,588	23,402	23,402	0
Capital Outlay - Replacement	1,563	10,456	10,456	0
Other	7,523	38,995	38,995	0
Total Pupil Transportation	4,419,527	4,516,307	4,516,307	0
Central:				
Salaries and Wages	574,335	678,875	662,248	16,627
Fringe Benefits	288,137	293,941	289,446	4,495
Purchased Services	509,553	542,504	542,504	0
Materials and Supplies	101,073	107,291	102,181	5,110
Capital Outlay - New	7,318	7,684	1,404	6,280
Capital Outlay - Replacement	1,288	6,200	6,200	0
Other	1,924	2,310	1,470	840
Total Central	1,483,628	1,638,805	1,605,453	33,352
Total Support Services	\$37,739,994	\$38,150,908	\$37,639,006	\$511,902

(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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	\$547	\$8,118	\$0	\$8,118
Fringe Benefits	1,903	2,272	0	2,272
Purchased Services	53,268	54,132	53,084	1,048
Materials and Supplies	0	601	240	361
Total Operation of Non-Instructional Services	55,718	65,123	53,324	11,799
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	206,081	193,348	193,348	0
Fringe Benefits	74,301	65,359	65,359	0
Purchased Services	10,523	17,340	17,340	0
Materials and Supplies	5,486	8,885	8,885	0
Capital Outlay - New	1,107	0	0	0
Other	0	480	480	0
Total Academic and Subject Oriented Activities	297,498	285,412	285,412	0
Occupational Oriented Activities:				
Salaries and Wages	3,835	7,078	4,901	2,177
Fringe Benefits	2,734	2,734	1,316	1,418
Total Occupational Oriented Activities	6,569	9,812	6,217	3,595
Sports Oriented Activities:				
Salaries and Wages	451,828	486,028	486,028	0
Fringe Benefits	110,711	120,753	120,753	0
Purchased Services	80,502	37,862	37,862	0
Materials and Supplies	22,035	10,951	6,185	4,766
Capital Outlay - New	0	2,345	2,345	0
Total Sports Oriented Activities	\$665,076	\$657,939	\$653,173	\$4,766

(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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
School and Public Service				
Co-Curricular Activities:				
Salaries and Wages	\$45,206	\$58,206	\$42,756	\$15,450
Fringe Benefits	13,114	17,530	12,441	5,089
Total School and Public Service	58,320	75,736	55,197	20,539
Total Extracurricular Activities	1,027,463	1,028,899	999,999	28,900
<i>Total Expenditures</i>	85,607,982	85,607,982	84,565,022	1,042,960
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,166,972)	(2,922,478)	3,908,642	6,831,120
Other Financing Uses				
Transfers Out	(175,000)	(175,000)	(175,000)	0
<i>Net Change in Fund Balance</i>	(1,341,972)	(3,097,478)	3,733,642	6,831,120
<i>Fund Balance Beginning of Year</i>	14,317,377	14,317,377	14,317,377	0
Prior Year Encumbrances Appropriated	3,125,182	3,125,182	3,125,182	0
<i>Fund Balance End of Year</i>	\$16,100,587	\$14,345,081	\$21,176,201	\$6,831,120

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$214,932	\$214,932	\$252,653	\$37,721
Contributions and Donations	682,852	682,852	802,694	119,842
Rentals	85,070	85,070	100,000	14,930
Miscellaneous	117,146	117,146	137,716	20,570
<i>Total Revenues</i>	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,293,063</u>	<u>193,063</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	0	4,800	0	4,800
Materials and Supplies	0	18,070	0	18,070
Capital Outlay - New	47,311	208,987	208,987	0
Total Instruction	<u>47,311</u>	<u>231,857</u>	<u>208,987</u>	<u>22,870</u>
Support Services:				
Instructional Staff:				
Materials and Supplies	55,764	22,460	22,460	0
Capital Outlay	281,381	276,965	276,965	0
Total Instructional Staff	<u>337,145</u>	<u>299,425</u>	<u>299,425</u>	<u>0</u>
Fiscal:				
Capital Outlay	106,205	6,205	0	6,205
Business:				
Capital Outlay	190,872	264,955	264,955	0
Operation and Maintenance of Plant:				
Purchased Services	6,944,066	8,266,912	8,179,833	87,079
Materials and Supplies	471,040	129,101	118,152	10,949
Capital Outlay	206,598	387,095	387,095	0
Capital Outlay - Replacement	32,000	32,000	0	32,000
Other	16,559	16,559	8,000	8,559
Total Operation and Maintenance of Plant	<u>7,670,263</u>	<u>8,831,667</u>	<u>8,693,080</u>	<u>138,587</u>
Pupil Transportation:				
Capital Outlay	0	89,020	89,020	0
Capital Outlay - Replacement	340,334	287,853	278,909	8,944
Total Pupil Transportation	<u>340,334</u>	<u>376,873</u>	<u>367,929</u>	<u>8,944</u>
Central:				
Capital Outlay	953	732	732	0
Total Support Services	<u>8,645,772</u>	<u>9,779,857</u>	<u>9,626,121</u>	<u>153,736</u>
Food Service Operations:				
Capital Outlay	196,226	150,739	150,739	0
Capital Outlay - Replacement	0	22,249	0	22,249
Total Food Service Operations	<u>196,226</u>	<u>172,988</u>	<u>150,739</u>	<u>22,249</u>
Debt Service:				
Principal Retirement	600,000	570,000	570,000	0
Interest and Fiscal Charges	88,130	22,737	22,737	0
Total Debt Service	<u>688,130</u>	<u>592,737</u>	<u>592,737</u>	<u>0</u>
<i>Total Expenditures</i>	<u>9,577,439</u>	<u>10,777,439</u>	<u>10,578,584</u>	<u>198,855</u>
<i>Excess of Revenues Under Expenditures</i>	(8,477,439)	(9,677,439)	(9,285,521)	391,918
Other Financing Sources				
General Obligation Notes Issued	0	0	5,500,000	5,500,000
<i>Net Change in Fund Balance</i>	(8,477,439)	(9,677,439)	(3,785,521)	5,891,918
<i>Fund Balance Beginning of Year</i>	6,186,407	6,186,407	6,186,407	0
<i>Prior Year Encumbrances Appropriated</i>	<u>3,577,439</u>	<u>3,577,439</u>	<u>3,577,439</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,286,407</u>	<u>\$86,407</u>	<u>\$5,978,325</u>	<u>\$5,891,918</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, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$6,857	\$6,857	\$5,170	(\$1,687)
Tuition and Fees	50,657	50,657	38,192	(12,465)
Extracurricular Activities	120,950	120,950	91,195	(29,755)
Contributions and Donations	9,121	9,121	6,877	(2,244)
Miscellaneous	12,415	12,415	9,361	(3,054)
<i>Total Revenues</i>	<u>200,000</u>	<u>200,000</u>	<u>150,795</u>	<u>(49,205)</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	120,410	105,204	94,095	11,109
Materials and Supplies	41,418	56,624	56,624	0
Capital Outlay - New	3,125	3,125	0	3,125
Other	26,088	26,088	20,286	5,802
Total Instruction	<u>191,041</u>	<u>191,041</u>	<u>171,005</u>	<u>20,036</u>
Support Services:				
Administration:				
Purchased Services	4,845	4,846	3,500	1,346
Materials and Supplies	428	10,220	10,220	0
Other	415	415	0	415
Total Support Services	<u>5,688</u>	<u>15,481</u>	<u>13,720</u>	<u>1,761</u>
Extracurricular Activities:				
Academic Oriented Activities:				
Purchased Services	31,202	18,644	15,458	3,186
Materials and Supplies	20,777	21,780	15,362	6,418
Other	107	1,869	1,339	530
Total Extracurricular Activities	<u>52,086</u>	<u>42,293</u>	<u>32,159</u>	<u>10,134</u>
<i>Total Expenditures</i>	<u>248,815</u>	<u>248,815</u>	<u>216,884</u>	<u>31,931</u>
<i>Net Change in Fund Balance</i>	(48,815)	(48,815)	(66,089)	(17,274)
<i>Fund Balance Beginning of Year</i>	128,621	128,621	128,621	0
Prior Year Encumbrances Appropriated	<u>48,815</u>	<u>48,815</u>	<u>48,815</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$128,621</u>	<u>\$128,621</u>	<u>\$111,347</u>	<u>(\$17,274)</u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Shaker Merchandise
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$86	\$86	\$69	(\$17)
Miscellaneous	9,914	9,914	7,958	(1,956)
<i>Total Revenues</i>	<u>10,000</u>	<u>10,000</u>	<u>8,027</u>	<u>(1,973)</u>
Expenditures				
Current:				
Support Services:				
Business:				
Materials and Supplies	5,637	11,685	11,685	0
Other	10,113	4,065	1,250	2,815
<i>Total Expenditures</i>	<u>15,750</u>	<u>15,750</u>	<u>12,935</u>	<u>2,815</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(5,750)	(5,750)	(4,908)	842
Other Financing Sources				
Transfers In	5,000	5,000	5,000	0
<i>Net Change in Fund Balance</i>	(750)	(750)	92	842
<i>Fund Balance Beginning of Year</i>	5,973	5,973	5,973	0
Prior Year Encumbrances Appropriated	750	750	750	0
<i>Fund Balance End of Year</i>	<u>\$5,973</u>	<u>\$5,973</u>	<u>\$6,815</u>	<u>\$842</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Extracurricular Activities	\$177,941	\$177,941	\$80,584	(\$97,357)
Contributions and Donations	27,059	27,059	12,254	(14,805)
<i>Total Revenues</i>	<u>205,000</u>	<u>205,000</u>	<u>92,838</u>	<u>(112,162)</u>
Expenditures				
Current:				
Support Services:				
Operation and Maintenance of Plant:				
Salaries and Wages	9,826	7,100	5,997	1,103
Fringe Benefits	1,803	1,300	1,106	194
Total Support Services	<u>11,629</u>	<u>8,400</u>	<u>7,103</u>	<u>1,297</u>
Extracurricular Activities:				
Sports Oriented Activities:				
Salaries and Wages	13,624	13,923	4,760	9,163
Fringe Benefits	2,945	3,226	3,226	0
Purchased Services	123,238	118,713	86,523	32,190
Materials and Supplies	79,771	83,262	57,014	26,248
Capital Outlay - New	52,806	55,013	37,912	17,101
Other	52,470	53,946	29,988	23,958
Total Extracurricular Activities	<u>324,854</u>	<u>328,083</u>	<u>219,423</u>	<u>108,660</u>
<i>Total Expenditures</i>	<u>336,483</u>	<u>336,483</u>	<u>226,526</u>	<u>109,957</u>
<i>Excess of Revenues Under Expenditures</i>	(131,483)	(131,483)	(133,688)	(2,205)
Other Financing Sources				
Transfers In	120,000	120,000	120,000	0
<i>Net Change in Fund Balance</i>	(11,483)	(11,483)	(13,688)	(2,205)
<i>Fund Balance Beginning of Year</i>	25,135	25,135	25,135	0
Prior Year Encumbrances Appropriated	<u>11,483</u>	<u>11,483</u>	<u>11,483</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$25,135</u>	<u>\$25,135</u>	<u>\$22,930</u>	<u>(\$2,205)</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$1,288,680	\$1,288,679	\$1,274,061	(\$14,618)
Interest	11,320	11,321	11,191	(130)
<i>Total Revenues</i>	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,285,252</u>	<u>(14,748)</u>
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	59,998	644,401	499,872	144,529
Fringe Benefits	40,000	191,748	148,992	42,756
Purchased Services	1,318,945	357,598	357,598	0
Materials and Supplies	46,728	153,316	91,765	61,551
Capital Outlay - New	288,426	436,364	436,364	0
<i>Total Expenditures</i>	<u>1,754,097</u>	<u>1,783,427</u>	<u>1,534,591</u>	<u>248,836</u>
<i>Net Change in Fund Balance</i>	(454,097)	(483,427)	(249,339)	234,088
<i>Fund Balance Beginning of Year</i>	144,078	144,078	144,078	0
Prior Year Encumbrances Appropriated	<u>354,097</u>	<u>354,097</u>	<u>354,097</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$44,078</u>	<u>\$14,748</u>	<u>\$248,836</u>	<u>\$234,088</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$20,000	\$20,000	\$19,613	(\$387)
Expenditures:				
Current:				
Support Services:				
Fiscal:				
Purchased Services	3,665	3,593	3,593	0
Central:				
Salaries and Wages	16,335	14,040	14,040	0
Fringe Benefits	0	1,980	1,980	0
Total Central	16,335	16,020	16,020	0
<i>Total Expenditures</i>	20,000	19,613	19,613	0
<i>Net Change in Fund Balance</i>	0	387	0	(387)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$387	\$0	(\$387)

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$24,000	\$24,000	\$8,800	(\$15,200)
Expenditures:				
Current:				
Support Services:				
Pupils:				
Materials and Supplies	139	139	19	120
Instructional Staff:				
Purchased Services	5,000	9,050	8,800	250
Administration:				
Salaries and Wages	15,139	400	400	0
Fringe Benefits	390	390	390	0
Purchased Services	0	100	100	0
Total Administration	15,529	890	890	0
<i>Total Expenditures</i>	20,668	10,079	9,709	370
<i>Net Change in Fund Balance</i>	3,332	13,921	(909)	(14,830)
<i>Fund Balance Beginning of Year</i>	611	611	611	0
Prior Year Encumbrances Appropriated	668	668	668	0
<i>Fund Balance End of Year</i>	\$4,611	\$15,200	\$370	(\$14,830)

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$28,000	\$28,000	\$24,000	(\$4,000)
Expenditures				
Current:				
Support Services:				
Fiscal Services:				
Purchased Services	27,000	24,000	24,000	0
<i>Net Change in Fund Balance</i>	1,000	4,000	0	(4,000)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$1,000</u>	<u>\$4,000</u>	<u>\$0</u>	<u>(\$4,000)</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$5,000	\$5,000	\$2,970	(\$2,030)
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	5,000	2,970	2,970	0
<i>Net Change in Fund Balance</i>	0	2,030	0	(2,030)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$2,030</u>	<u>\$0</u>	<u>(\$2,030)</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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$10,000	\$10,000	\$0	(\$10,000)
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	8,000	0	0	0
Purchased Services	2,000	0	0	0
<i>Total Expenditures</i>	<u>10,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	10,000	0	(10,000)
<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>\$10,000</u></u>	<u><u>\$0</u></u>	<u><u>(\$10,000)</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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$61,000	\$61,000	\$56,790	(\$4,210)
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	<u>60,000</u>	<u>56,790</u>	<u>56,790</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	1,000	4,210	0	(4,210)
<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>\$1,000</u></u>	<u><u>\$4,210</u></u>	<u><u>\$0</u></u>	<u><u>(\$4,210)</u></u>

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$165,000	\$165,000	\$113,344	(\$51,656)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	131,282	96,000	96,000	0
Special:				
Salaries and Wages	23,718	17,344	17,344	0
<i>Total Expenditures</i>	155,000	113,344	113,344	0
<i>Net Change in Fund Balance</i>	10,000	51,656	0	(51,656)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$10,000	\$51,656	\$0	(\$51,656)

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$50,000	\$60,000	\$59,440	(\$560)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	0	9,515	9,515	0
Fringe Benefits	0	1,842	1,842	0
Materials and Supplies	18,001	11,566	11,566	0
Total Instruction	18,001	22,923	22,923	0
Support Services:				
Instructional Staff:				
Salaries and Wages	16,041	21,665	21,665	0
Fringe Benefits	4,411	4,375	4,375	0
Total Instructional Staff	20,452	26,040	26,040	0
Central:				
Purchased Services	6,547	7,701	7,701	0
Materials and Supplies	5,000	7,000	7,000	0
Total Central	11,547	14,701	14,701	0
Total Support Services	31,999	40,741	40,741	0
<i>Total Expenditures</i>	50,000	63,664	63,664	0
<i>Net Change in Fund Balance</i>	0	(3,664)	(4,224)	(560)
<i>Fund Balance Beginning of Year</i>	4,224	4,224	4,224	0
<i>Fund Balance End of Year</i>	\$4,224	\$560	\$0	(\$560)

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, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$1,425,000	\$1,685,000	\$1,494,415	(\$190,585)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	106,066	167,758	134,976	32,782
Fringe Benefits	68,185	103,097	86,080	17,017
Materials and Supplies	43,943	4,611	3,229	1,382
Total Regular	218,194	275,466	224,285	51,181
Special:				
Materials and Supplies	29,866	40,065	39,768	297
Capital Outlay - New	22,476	26,771	26,771	0
Total Special	52,342	66,836	66,539	297
Total Instruction	270,536	342,302	290,824	51,478
Support Services:				
Pupils:				
Purchased Services	1,325	1,222	1,222	0
Materials and Supplies	11,000	12,499	12,499	0
Capital Outlay - New	1,000	925	925	0
Total Pupils	13,325	14,646	14,646	0
Instructional Staff:				
Salaries and Wages	664,302	788,776	696,294	92,482
Fringe Benefits	454,069	531,763	476,902	54,861
Purchased Services	8,459	12,146	12,146	0
Materials and Supplies	25,000	0	0	0
Total Instructional Staff	1,151,830	1,332,685	1,185,342	147,343
Administration:				
Purchased Services	9,455	9,800	9,716	84
Total Support Services	1,174,610	1,357,131	1,209,704	147,427
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	0	12,905	0	12,905
Total Expenditures	1,445,146	1,712,338	1,500,528	211,810
Net Change in Fund Balance	(20,146)	(27,338)	(6,113)	21,225
Fund Balance Beginning of Year	6,994	6,994	6,994	0
Prior Year Encumbrances Appropriated	25,146	25,146	25,146	0
Fund Balance End of Year	\$11,994	\$4,802	\$26,027	\$21,225

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$45,000	\$45,000	\$38,575	(\$6,425)
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	353	370	370	0
Special:				
Salaries and Wages	27,547	29,475	29,266	209
Fringe Benefits	7,100	7,100	7,100	0
Total Special	34,647	36,575	36,366	209
Total Instruction	35,000	36,945	36,736	209
Support Services:				
Administration:				
Materials and Supplies	0	100	0	100
<i>Total Expenditures</i>	35,000	37,045	36,736	309
<i>Net Change in Fund Balance</i>	10,000	7,955	1,839	(6,116)
<i>Fund Deficit Beginning of Year</i>	(1,530)	(1,530)	(1,530)	0
<i>Fund Balance End of Year</i>	\$8,470	\$6,425	\$309	(\$6,116)

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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$780,000	\$890,000	\$639,682	(\$250,318)
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	0	2,312	2,312	0
Materials and Supplies	25,405	32,874	26,640	6,234
Capital Outlay - New	12,951	22,500	13,855	8,645
Total Regular	38,356	57,686	42,807	14,879
Special:				
Salaries and Wages	457,242	582,858	432,269	150,589
Fringe Benefits	147,566	165,446	139,506	25,940
Total Special	604,808	748,304	571,775	176,529
Total Instruction	643,164	805,990	614,582	191,408
Support Services:				
Instructional Staff:				
Salaries and Wages	12,320	5,000	536	4,464
Fringe Benefits	5,000	1,000	178	822
Purchased Services	39,873	79,773	73,542	6,231
Capital Outlay - New	0	2,304	0	2,304
Total Support Services	57,193	88,077	74,256	13,821
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	0	6,727	0	6,727
Materials and Supplies	0	253	0	253
Total Operation of Non-Instructional Services	0	6,980	0	6,980
<i>Total Expenditures</i>	700,357	901,047	688,838	212,209
<i>Net Change in Fund Balance</i>	79,643	(11,047)	(49,156)	(38,109)
<i>Fund Balance Beginning of Year</i>	13,293	13,293	13,293	0
Prior Year Encumbrances Appropriated	357	357	357	0
<i>Fund Balance (Deficit) End of Year</i>	\$93,293	\$2,603	(\$35,506)	(\$38,109)

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$30,000	\$30,000	\$13,292	(\$16,708)
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	1,891	2,972	2,972	0
Materials and Supplies	7,951	9,640	9,502	138
Total Instruction	9,842	12,612	12,474	138
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	5,158	7,541	6,184	1,357
Materials and Supplies	1,250	951	951	0
Total Operation of Non-Instructional Services	6,408	8,492	7,135	1,357
<i>Total Expenditures</i>	16,250	21,104	19,609	1,495
<i>Net Change in Fund Balance</i>	13,750	8,896	(6,317)	(15,213)
<i>Fund Balance Beginning of Year</i>	1,590	1,590	1,590	0
Prior Year Encumbrances Appropriated	1,250	1,250	1,250	0
<i>Fund Balance (Deficit) End of Year</i>	\$16,590	\$11,736	(\$3,477)	(\$15,213)

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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$40,000	\$40,000	\$14,989	(\$25,011)
Expenditures				
Current:				
Support Services:				
Pupils:				
Salaries and Wages	10,947	10,946	8,568	2,378
Fringe Benefits	5,415	5,415	3,210	2,205
Capital Outlay - New	3,020	815	815	0
Total Support Services	19,382	17,176	12,593	4,583
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	5,618	9,599	9,031	568
<i>Total Expenditures</i>	<u>25,000</u>	<u>26,775</u>	<u>21,624</u>	<u>5,151</u>
<i>Net Change in Fund Balance</i>	15,000	13,225	(6,635)	(19,860)
<i>Fund Balance Beginning of Year</i>	<u>2,935</u>	<u>2,935</u>	<u>2,935</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$17,935</u></u>	<u><u>\$16,160</u></u>	<u><u>(\$3,700)</u></u>	<u><u>(\$19,860)</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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$27,000	\$27,000	\$23,336	(\$3,664)
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	19,669	17,960	17,960	0
Fringe Benefits	5,331	5,304	5,304	0
<i>Total Expenditures</i>	<u>25,000</u>	<u>23,264</u>	<u>23,264</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	2,000	3,736	72	(3,664)
<i>Fund Deficit Beginning of Year</i>	<u>(72)</u>	<u>(72)</u>	<u>(72)</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,928</u>	<u>\$3,664</u>	<u>\$0</u>	<u>(\$3,664)</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$75,000	\$75,000	\$0	(\$75,000)
Expenditures				
Current:				
Support Services:				
Operation and Maintenance of Plant:				
Purchased Services	70,000	0	0	0
<i>Net Change in Fund Balance</i>	5,000	75,000	0	(75,000)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$5,000</u>	<u>\$75,000</u>	<u>\$0</u>	<u>(\$75,000)</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$200,000	\$275,000	\$198,191	(\$76,809)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	55,807	63,839	50,445	13,394
Fringe Benefits	18,818	24,822	24,822	0
Total Instruction	74,625	88,661	75,267	13,394
Support Services:				
Instructional Staff:				
Salaries and Wages	19,856	51,803	26,033	25,770
Fringe Benefits	6,872	15,614	9,010	6,604
Purchased Services	35,414	51,961	50,606	1,355
Materials and Supplies	2,579	10,000	3,381	6,619
Capital Outlay - New	30,411	18,001	16,444	1,557
Total Instructional Staff	95,132	147,379	105,474	41,905
Administration:				
Purchased Services	991	1,000	1,000	0
Total Support Services	96,123	148,379	106,474	41,905
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	15,501	29,168	29,168	0
Total Expenditures	186,249	266,208	210,909	55,299
Net Change in Fund Balance	13,751	8,792	(12,718)	(21,510)
Fund Deficit Beginning of Year	(21,963)	(21,963)	(21,963)	0
Prior Year Encumbrances Appropriated	16,249	16,249	16,249	0
Fund Balance (Deficit) End of Year	\$8,037	\$3,078	(\$18,432)	(\$21,510)

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$50,000	\$165,000	\$97,622	(\$67,378)
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	23,749	44,425	41,833	2,592
Materials and Supplies	0	52,675	41,955	10,720
Capital Outlay - New	10,602	30,509	25,767	4,742
Other	0	990	0	990
Total Instruction	34,351	128,599	109,555	19,044
Support Services:				
Operation and Maintenance of Plant:				
Salaries and Wages	0	384	384	0
Capital Outlay - New	8,807	19,616	19,616	0
Total Support Services	8,807	20,000	20,000	0
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	979	5,466	5,466	0
Total Expenditures	44,137	154,065	135,021	19,044
Net Change in Fund Balance	5,863	10,935	(37,399)	(48,334)
Fund Deficit Beginning of Year	(859)	(859)	(859)	0
Prior Year Encumbrances Appropriated	4,137	4,137	4,137	0
Fund Balance (Deficit) End of Year	\$9,141	\$14,213	(\$34,121)	(\$48,334)

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$721,112	\$721,112	\$655,495	(\$65,617)
Interest	2,464	2,464	2,240	(224)
Charges for Services	781,941	781,941	710,786	(71,155)
Miscellaneous	44,483	44,483	40,435	(4,048)
<i>Total Revenues</i>	<u>1,550,000</u>	<u>1,550,000</u>	<u>1,408,956</u>	<u>(141,044)</u>
Expenditures				
Current:				
Support Services:				
Pupils:				
Fringe Benefits	2,824	2,049	0	2,049
Business:				
Purchased Services	425	1,200	1,200	0
<i>Total Support Services</i>	<u>3,249</u>	<u>3,249</u>	<u>1,200</u>	<u>2,049</u>
Food Service Operations:				
Salaries and Wages	607,876	611,980	601,930	10,050
Fringe Benefits	170,772	192,539	192,539	0
Purchased Services	24,882	24,882	11,822	13,060
Materials and Supplies	619,166	580,409	551,312	29,097
Capital Outlay - New	28,782	28,782	16,070	12,712
Capital Outlay - Replacement	6,719	6,719	0	6,719
Other	50,154	63,040	63,040	0
<i>Total Food Service Operations</i>	<u>1,508,351</u>	<u>1,508,351</u>	<u>1,436,713</u>	<u>71,638</u>
<i>Total Expenditures</i>	<u>1,511,600</u>	<u>1,511,600</u>	<u>1,437,913</u>	<u>73,687</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	38,400	38,400	(28,957)	(67,357)
Other Financing Sources				
Transfers In	50,000	50,000	50,000	0
<i>Net Change in Fund Balance</i>	88,400	88,400	21,043	(67,357)
<i>Fund Balance Beginning of Year</i>	28,457	28,457	28,457	0
Prior Year Encumbrances Appropriated	11,600	11,600	11,600	0
<i>Fund Balance End of Year</i>	<u>\$128,457</u>	<u>\$128,457</u>	<u>\$61,100</u>	<u>(\$67,357)</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, 2008

	<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	\$100,000	\$100,000	\$58,125	(\$41,875)
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	99,700	63,657	56,884	6,773
Other	300	300	0	300
Total Instruction	100,000	63,957	56,884	7,073
Support Services:				
Administration:				
Materials and Supplies	0	4,700	0	4,700
Fiscal:				
Materials and Supplies	0	31,343	0	31,343
Total Support Services	0	36,043	0	36,043
<i>Total Expenditures</i>	100,000	100,000	56,884	43,116
<i>Net Change in Fund Balance</i>	0	0	1,241	1,241
<i>Fund Balance Beginning of Year</i>	7,376	7,376	7,376	0
<i>Fund Balance End of Year</i>	\$7,376	\$7,376	\$8,617	\$1,241

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$248,872	\$248,872	\$165,500	(\$83,372)
Contributions and Donations	1,128	1,128	750	(378)
<i>Total Revenues</i>	<u>250,000</u>	<u>250,000</u>	<u>166,250</u>	<u>(83,750)</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	48,643	111,318	97,020	14,298
Fringe Benefits	5,387	12,329	10,745	1,584
Purchased Services	310	710	619	91
Materials and Supplies	15,224	34,840	30,365	4,475
Capital Outlay - New	3,259	7,458	6,500	958
Total Instruction	<u>72,823</u>	<u>166,655</u>	<u>145,249</u>	<u>21,406</u>
Instructional Staff:				
Purchased Services	20,797	59,486	50,925	8,561
Materials and Supplies	8,454	7,454	7,417	37
Total Instructional Staff	<u>29,251</u>	<u>66,940</u>	<u>58,342</u>	<u>8,598</u>
Administration:				
Purchased Services	81	182	159	23
Central				
Purchased Services	9,526	21,800	22,500	(700)
Total Support Services	<u>38,858</u>	<u>88,922</u>	<u>81,001</u>	<u>7,921</u>
<i>Total Expenditures</i>	<u>111,681</u>	<u>255,577</u>	<u>226,250</u>	<u>29,327</u>
<i>Net Change in Fund Balance</i>	138,319	(5,577)	(60,000)	(54,423)
<i>Fund Balance Beginning of Year</i>	37,647	37,647	37,647	0
Prior Year Encumbrances Appropriated	<u>51,681</u>	<u>51,681</u>	<u>51,681</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$227,647</u></u>	<u><u>\$83,751</u></u>	<u><u>\$29,328</u></u>	<u><u>(\$54,423)</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, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$2,942,799	\$2,968,990	\$3,046,058	\$77,068
Intergovernmental	395,845	399,368	409,736	10,368
Miscellaneous	0	0	15,500	15,500
<i>Total Revenues</i>	<u>3,338,644</u>	<u>3,368,358</u>	<u>3,471,294</u>	<u>102,936</u>
Expenditures				
Current:				
Support Services:				
Fiscal:				
Purchased Services	21,558	71,775	19,550	52,225
Other	43,861	55,000	46,018	8,982
Total Fiscal	<u>65,419</u>	<u>126,775</u>	<u>65,568</u>	<u>61,207</u>
Debt Service:				
Principal Retirement	2,340,623	2,300,000	2,300,000	0
Interest and Fiscal Charges	1,196,733	1,176,000	1,175,963	37
Total Debt Service	<u>3,537,356</u>	<u>3,476,000</u>	<u>3,475,963</u>	<u>37</u>
<i>Total Expenditures</i>	<u>3,602,775</u>	<u>3,602,775</u>	<u>3,541,531</u>	<u>61,244</u>
<i>Net Change in Fund Balance</i>	(264,131)	(234,417)	(70,237)	164,180
<i>Fund Balance Beginning of Year</i>	2,022,571	2,022,571	2,022,571	0
Prior Year Encumbrances Appropriated	<u>2,775</u>	<u>2,775</u>	<u>2,775</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,761,215</u>	<u>\$1,790,929</u>	<u>\$1,955,109</u>	<u>\$164,180</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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$50,000	\$50,000	\$40,590	(\$9,410)
Expenditures				
Current:				
Support Services:				
Fiscal:				
Purchased Services	50,000	40,590	40,590	0
<i>Net Change in Fund Balance</i>	0	9,410	0	(9,410)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$9,410	\$0	(\$9,410)

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$10,900,000	\$10,900,000	\$8,964,500	(\$1,935,500)
Expenses				
Claims	11,000,000	11,000,000	8,522,600	2,477,400
<i>Net Change in Fund Equity</i>	(100,000)	(100,000)	441,900	541,900
<i>Fund Equity Beginning of Year</i>	896,300	896,300	896,300	0
<i>Fund Equity End of Year</i>	<u>\$796,300</u>	<u>\$796,300</u>	<u>\$1,338,200</u>	<u>\$541,900</u>

Shaker Heights City School District
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Workers' Compensation Reserve
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$300,000	\$600,000	\$185,898	(\$414,102)
Expenses				
Claims	300,000	300,000	130,898	169,102
<i>Net Change in Fund Equity</i>	0	300,000	55,000	(245,000)
<i>Fund Equity Beginning of Year</i>	665,000	665,000	665,000	0
<i>Fund Equity End of Year</i>	<u>\$665,000</u>	<u>\$965,000</u>	<u>\$720,000</u>	<u>(\$245,000)</u>

Statistical Section



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Statistical Section

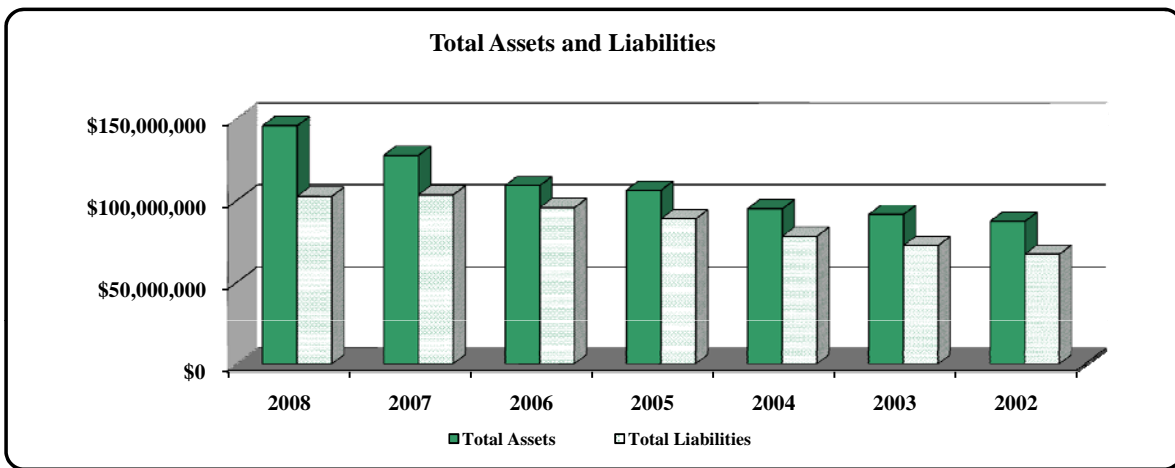
This is part of the Shaker Heights City School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School District's overall 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-S29
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.	S30-S33
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.	S34-S45

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 Seven Fiscal Years
(accrual basis of accounting)

	2008	2007	2006	2005	2004	2003	2002
Invested in Capital Assets, Net of Related Debt	\$8,694,425	\$4,632,987	\$2,204,521	\$4,100,033	\$2,500,547	\$1,855,573	\$905,036
Restricted for:							
Capital Projects	99,381	400,300	1,655,509	678,855	1,543,825	1,901,796	3,569,042
Debt Service	2,853,551	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	353,070
Other Purposes	390,160	797,215	544,543	608,066	305,712	421,775	978,130
Unrestricted	30,568,922	15,628,893	6,438,744	10,355,170	11,215,209	5,262,682	12,662,100
Total Net Assets	\$42,959,509	\$24,268,024	\$13,459,442	\$17,495,993	\$16,787,123	\$10,712,747	\$19,954,682

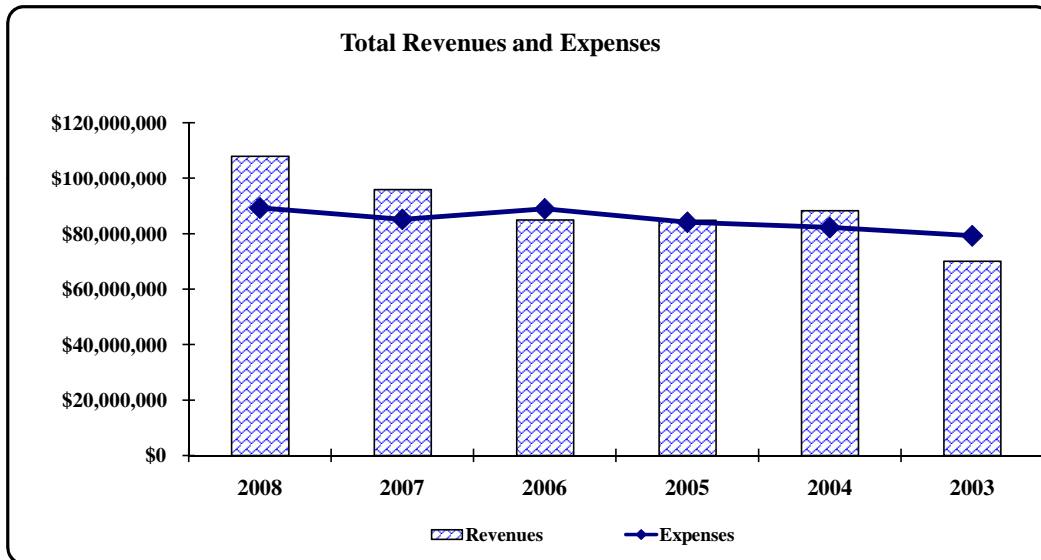


Shaker Heights City School District
Changes in Net Assets of Governmental Activities
Last Six Fiscal Years
(accrual basis of accounting)

	2008	2007	2006	2005	2004	2003
Expenses						
Instruction:						
Regular	\$34,107,481	\$33,772,290	\$35,310,361	\$32,924,168	\$32,864,526	\$31,814,593
Special	11,332,475	10,931,104	10,607,843	10,647,502	10,008,927	9,238,257
Vocational	225,025	249,179	261,197	365,419	242,694	293,396
Support Services:						
Pupils	5,495,125	5,183,166	5,375,507	5,238,920	5,169,180	5,012,167
Instructional Staff	5,714,875	5,011,630	5,578,777	5,352,258	5,203,618	4,970,899
Board of Education	29,232	16,097	19,423	12,936	81,020	44,557
Administration	5,995,614	5,413,913	6,436,016	6,251,458	6,098,561	5,579,077
Fiscal	1,509,745	2,502,091	1,851,290	1,957,648	1,641,345	1,626,208
Business	995,011	831,094	923,004	899,420	636,841	667,241
Operation and Maintenance of Plant	13,073,322	11,044,168	11,863,117	10,369,547	10,509,814	10,329,284
Pupil Transportation	3,989,689	3,732,632	4,243,701	4,429,933	4,065,825	3,802,122
Central	1,670,621	1,665,801	1,548,776	1,537,060	1,488,606	1,655,119
Operation of Non-Instructional Services	1,140,592	1,374,292	1,425,671	1,057,019	1,202,617	1,317,092
Food Service Operations	1,518,386	1,236,661	1,311,946	1,029,189	921,209	946,834
Extracurricular Activities	1,230,898	1,213,896	1,241,147	1,294,801	1,332,974	1,131,817
Interest and Fiscal Charges	1,282,207	1,002,654	1,015,691	781,322	775,725	858,143
<i>Total Expenses</i>	<u>89,310,298</u>	<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	855,900	638,404	692,997	971,608	63,746	1,379,232
Special	224,936	158,673	178,796	148,714	1,211,647	0
Vocational	4,720	3,799	4,193	0	1,187	0
Support Services:						
Pupils	114,444	78,661	88,616	9,913	0	0
Instructional Staff	88,939	55,156	63,556	0	0	0
Board of Education	613	236	355	0	0	0
Administration	127,938	82,913	97,895	0	0	0
Fiscal	32,260	36,415	31,050	0	0	0
Business	18,990	11,474	15,372	19	0	0
Operation and Maintenance of Plant	258,411	160,269	275,039	146,592	150,000	0
Pupil Transportation	87,773	60,331	74,288	905	0	0
Central	32,775	24,249	24,904	0	0	0
Operation of Non-Instruction Services	103,118	100,717	893	0	0	0
Food Service Operations	710,786	738,586	750,790	793,978	701,537	679,991
Extracurricular Activities	123,035	175,780	172,196	227,586	414,131	437,824
Operating Grants, Contributions and Interest						
Instruction:						
Regular	1,000,038	860,207	901,271	528,306	657,616	629,987
Special	817,586	601,971	62,697	808,425	692,085	442,599
Vocational	2,011	0	0	0	0	0
Support Services:						
Pupils	79,562	26,600	36,837	24,560	0	27,904
Instructional Staff	1,321,093	1,418,048	1,743,256	1,438,595	1,038,916	657,499
Board of Education	261	0	0	0	0	0
Administration	63,392	2,458	15,781	0	0	0
Fiscal	41,381	30,618	3,657	5,737	21,271	0
Business	8,015	0	0	0	0	0
Operation and Maintenance of Plant	134,036	58,973	65,717	79,378	0	28,000
Pupil Transportation	37,404	0	0	0	0	0
Central	41,050	26,758	15,973	15,154	0	21,121
Operation of Non-Instruction Services	1,311,538	1,224,791	1,272,795	1,196,573	1,345,919	1,036,096
Food Service Operations	609,352	454,616	426,452	391,333	0	245,419
Extracurricular Activities	22,008	6,848	20,874	39,074	85,681	16,960
Capital Grants and Contributions						
Instruction:						
Regular	0	0	0	47,670	0	87,683
Support Services:						
Operation and Maintenance of Plant	802,694 (1)	49,102	142,150	34,282	444,511	57,890
Pupil Transportation	0	0	0	20,997	0	0
<i>Total Program Revenues</i>	<u>9,076,059</u>	<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>(\$80,234,239)</u>	<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>

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

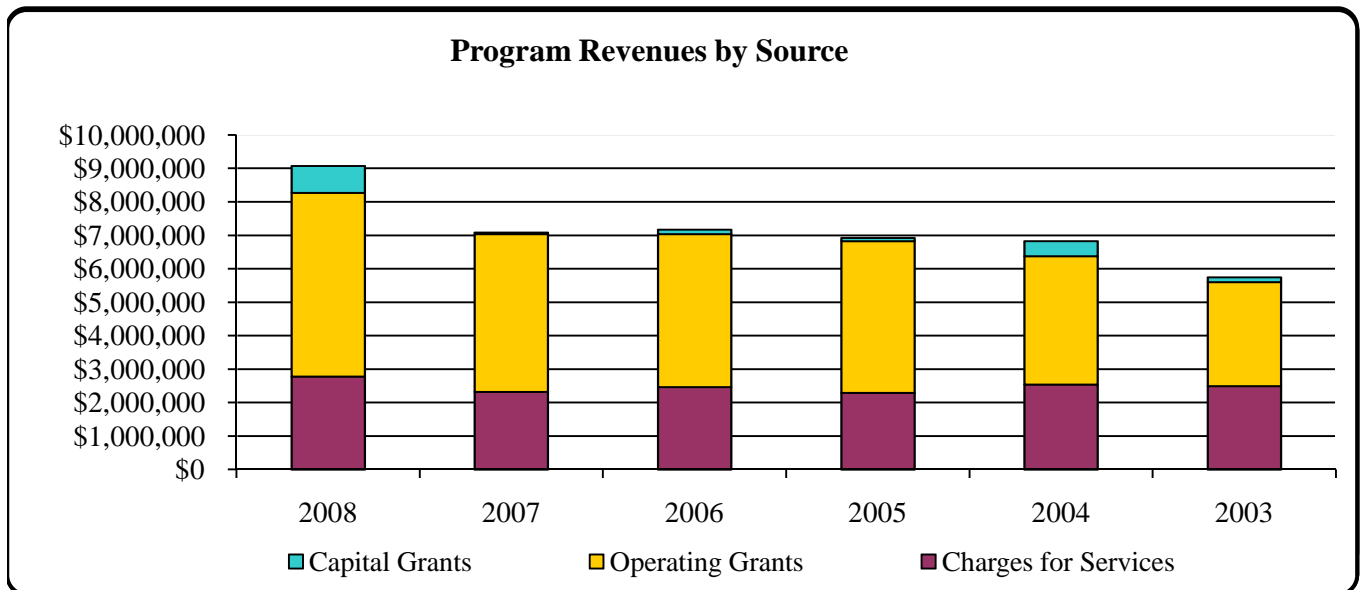
	2008	2007	2006	2005	2004	2003
<i>General Revenues</i>						
Property Taxes Levied for:						
General Purposes	\$69,184,729	\$60,456,905	\$51,230,820	\$51,902,593	\$56,520,406	\$40,344,179
Debt Service	3,494,170	3,211,409	2,475,501	1,604,046	2,110,278	1,709,155
Capital Outlay	0	0	206,688	519,804	323,065	141,401
Grants and Entitlements not						
Restricted to Specific Programs	24,004,932	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	0
Contributions and Donations	0	0	0	1,225	0	0
Investment Earnings	1,831,239	1,625,920	1,147,810	622,591	169,849	388,345
Gain on Sale of Capital Assets	0	0	5,250	0	0	0
Miscellaneous	410,654	111,991	149,074	288,250	205,201	136,845
<i>Total General Revenues</i>	<u>98,925,724</u>	<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>\$18,691,485</u>	<u>\$10,808,582</u>	<u>(\$4,036,551)</u>	<u>\$708,870</u>	<u>\$6,074,376</u>	<u>(\$9,241,935)</u>



(1) The School District received an \$800,000 donation in fiscal year 2008.

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

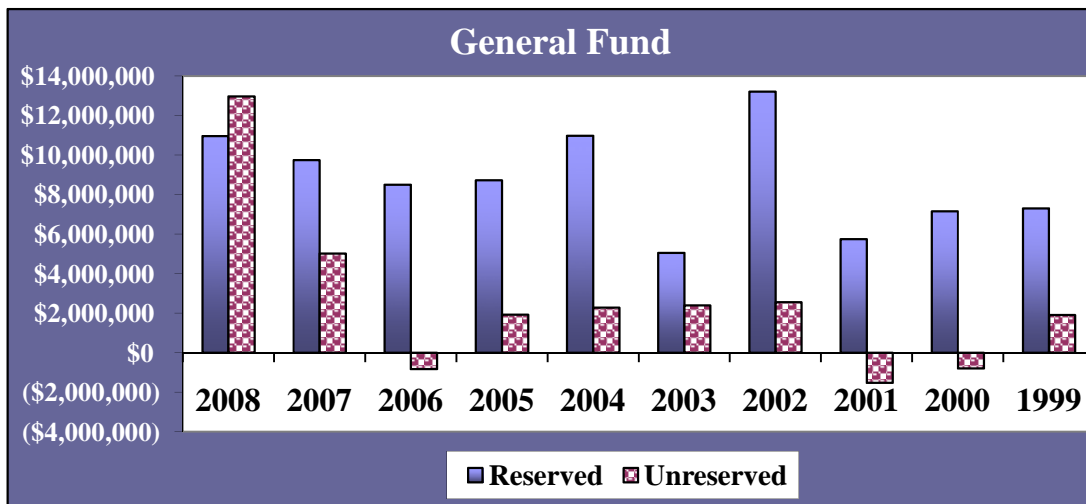
	2008	2007	2006	2005	2004	2003
Governmental Activities						
<i>Function</i>						
Instruction:						
Regular	\$1,855,938	\$1,498,611	\$1,594,268	\$1,547,584	\$721,362	\$2,096,902
Special	1,042,522	760,644	241,493	957,139	1,903,732	442,599
Vocational	6,731	3,799	4,193	0	1,187	0
Support Services:						
Pupils	194,006	105,261	125,453	34,473	0	27,904
Instructional Staff	1,410,032	1,473,204	1,806,812	1,438,595	1,038,916	657,499
Board of Education	874	236	355	0	0	0
Administration	191,330	85,371	113,676	0	0	0
Fiscal	73,641	67,033	34,707	5,737	21,271	0
Business	27,005	11,474	15,372	19	0	0
Operation and Maintenance of Plant	1,195,141	268,344	482,906	260,252	594,511	85,890
Pupil Transportation	125,177	60,331	74,288	21,902	0	0
Central	73,825	51,007	40,877	15,154	0	21,121
Operation of Non-Instructional Services	1,414,656	1,325,508	1,273,688	1,196,573	1,345,919	1,036,096
Food Service Operations	1,320,138	1,193,202	1,177,242	1,185,311	701,537	925,410
Extracurricular Activities	145,043	182,628	193,070	266,660	499,812	454,784
Total Program Revenues	\$9,076,059	\$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>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Fund				
Reserved	\$10,969,494	\$9,753,040	\$8,511,681	\$8,725,818
Unreserved	<u>12,978,966</u>	<u>5,023,594</u>	<u>(828,306)</u>	<u>1,917,235</u>
<i>Total General Fund</i>	<u>23,948,460</u>	<u>14,776,634</u>	<u>7,683,375</u>	<u>10,643,053</u>
All Other Governmental Funds				
Reserved	2,500,917	3,676,195	2,796,510	2,335,692
Unreserved, Undesignated, Reported in:				
Special Revenue funds	125,845	248,532	439,345	264,879
Debt Service fund	1,996,267	2,045,247	1,904,007	1,171,864
Capital Projects funds (Deficit)	<u>6,057,373</u>	<u>6,035,783</u>	<u>2,964,790</u>	<u>8,910,495</u>
<i>Total All Other Governmental Funds</i>	<u>10,680,402</u>	<u>12,005,757</u>	<u>8,104,652</u>	<u>12,682,930</u>
<i>Total Governmental Funds</i>	<u>\$34,628,862</u>	<u>\$26,782,391</u>	<u>\$15,788,027</u>	<u>\$23,325,983</u>

2004	2003	2002	2001	2000	1999
\$10,987,610	\$5,061,262	\$13,221,489	\$5,752,540	\$7,160,134	\$7,309,654
2,285,249	2,390,165	2,560,165	(1,532,913)	(793,986)	1,902,041
13,272,859	7,451,427	15,781,654	4,219,627	6,366,148	9,211,695
1,324,079	1,104,311	1,448,484	808,933	1,042,973	3,493,579
85,919	139,795	773,433	793,419	757,335	369,769
965,905	649,422	766,641	689,135	1,007,822	627,074
416,890	1,377,365	2,909,315	1,270,242	(1,517,118)	567,767
2,792,793	3,270,893	5,897,873	3,561,729	1,291,012	5,058,189
\$16,065,652	\$10,722,320	\$21,679,527	\$7,781,356	\$7,657,160	\$14,269,884



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

	2008	2007	2006	2005
Revenues				
Property Taxes	\$65,224,344	\$62,405,545	\$54,190,185	\$53,655,836
Intergovernmental	29,558,547	27,980,088	27,216,734	27,269,185
Interest	1,844,670	1,625,920	1,147,810	622,591
Tuition and Fees	1,661,400	1,142,301	1,275,721	1,061,636
Extracurricular Activities	171,779	211,365	216,236	225,611
Contributions and Donations	822,575	74,405	193,730	104,820
Charges for Services	801,769	825,197	834,854	865,476
Rentals	149,690	146,800	144,129	146,592
Miscellaneous	410,654	111,991	149,074	288,250
<i>Total Revenues</i>	<u>100,645,428</u>	<u>94,523,612</u>	<u>85,368,473</u>	<u>84,239,997</u>
Expenditures				
Current:				
Instruction:				
Regular	33,666,620	33,917,868	34,957,392	33,016,459
Special	11,338,941	10,986,330	10,567,581	10,740,864
Vocational	222,870	247,794	256,939	365,264
Support Services:				
Pupils	5,424,438	5,185,243	5,351,841	5,335,372
Instructional Staff	5,643,430	4,944,882	5,521,803	5,503,732
Board of Education	29,232	16,097	19,423	12,969
Administration	5,901,551	5,358,212	5,827,818	6,409,117
Fiscal	1,630,945	2,453,694	1,838,791	2,009,811
Business	906,739	767,079	911,179	932,775
Operation and Maintenance of Plant	12,186,506	10,347,581	11,247,987	10,247,849
Pupil Transportation	4,191,485	3,951,396	4,453,502	4,372,503
Central	1,620,601	1,628,239	1,485,332	1,538,769
Operation of Non-Instructional Services	1,418,516	1,174,103	1,296,494	1,144,380
Food Service Operations	1,512,621	1,234,851	1,310,623	1,053,939
Extracurricular Activities	1,217,636	1,202,682	1,230,648	1,331,621
Capital Outlay	7,388,359	5,313,843	4,503,634	1,575,538
Intergovernmental	0	0	0	0
Debt Service:				
Principal Retirement	2,300,000	2,200,000	1,724,230	1,205,000
Interest and Fiscal Charges	1,198,467	909,172	971,212	760,280
Bond Issuance Costs	0	188,041	0	154,830
<i>Total Expenditures</i>	<u>97,798,957</u>	<u>92,027,107</u>	<u>93,476,429</u>	<u>87,711,072</u>
<i>Excess of Revenue Over (Under) Expenditures</i>	<u>2,846,471</u>	<u>2,496,505</u>	<u>(8,107,956)</u>	<u>(3,471,075)</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
Bonds Issued	0	14,200,582	0	11,324,994
Bond Premium	0	310,117	0	191,387
Notes Issued	5,500,000	500,000	570,000	570,000
Current Refunding	(500,000)	(570,000)	0	0
Payment to Refunded Bond Escrow Agent	0	(5,942,840)	0	(1,354,975)
Transfers In	175,000	125,000	287,192	281,912
Transfers Out	(175,000)	(125,000)	(287,192)	(281,912)
<i>Total Other Financing Sources (Uses)</i>	<u>5,000,000</u>	<u>8,497,859</u>	<u>570,000</u>	<u>10,731,406</u>
<i>Net Change in Fund Balances</i>	<u>\$7,846,471</u>	<u>\$10,994,364</u>	<u>(\$7,537,956)</u>	<u>\$7,260,331</u>
<i>Debt Service as a Percentage of</i>				
<i>Noncapital Expenditures</i>	3.92%	3.80%	3.03%	2.28%

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

The amount of capital outlay used to calculate the ratio of total debt service expenditures is from page 21.

2004	2003	2002	2001	2000	1999
\$58,039,121	\$41,691,916	\$57,147,630	\$44,457,641	\$43,059,631	\$43,981,318
25,877,126	24,778,809	24,123,265	19,683,999	17,780,064	16,830,101
169,849	389,026	540,061	826,019	874,274	1,123,270
1,288,125	1,284,963	1,553,543	937,117	1,089,754	1,022,084
254,088	279,017	218,056	269,771	226,828	221,845
594,335	74,850	17,508	18,872	14,769	19,360
747,618	784,100	33,326	36,856	7,656	7,529
156,653	148,967	143,243	47,510	50,653	56,880
300,965	136,845	2,817,053	89,695	33,457	198,560
<u>87,427,880</u>	<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>
31,014,952	30,619,859	28,432,858	26,620,897	26,389,292	25,468,539
9,844,459	9,153,316	8,196,710	7,750,085	6,935,324	6,503,003
236,759	289,951	229,153	244,799	338,095	268,251
5,173,505	4,817,011	4,506,569	4,097,061	4,040,878	3,624,052
5,052,264	4,845,603	4,490,022	4,477,168	4,208,828	3,640,454
80,848	44,557	71,907	57,321	44,778	61,146
6,082,455	5,537,916	5,308,385	5,188,071	4,913,663	4,551,469
1,633,900	1,624,904	1,543,580	1,389,621	1,451,946	1,293,336
630,972	659,032	702,495	690,732	744,450	698,411
9,682,083	8,779,635	8,433,018	8,034,532	7,362,419	6,735,487
3,841,783	3,659,578	3,515,732	3,264,343	3,194,117	2,755,507
1,335,852	1,533,731	1,135,390	1,295,220	1,265,433	1,046,950
1,258,577	1,310,622	112,101	1,098,390	1,219,476	1,026,823
921,209	920,416	0	0	0	0
1,330,480	1,142,053	1,056,962	1,038,751	952,482	917,775
2,060,855	2,044,360	1,038,371	1,622,174	4,844,554	6,216,256
0	0	1,079,261	0	0	0
1,130,000	1,885,000	1,783,306	1,683,033	775,107	750,905
773,595	859,491	958,966	1,094,517	1,046,498	671,909
0	0	0	0	0	0
<u>82,084,548</u>	<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>5,343,332</u>	<u>(10,158,542)</u>	<u>13,998,899</u>	<u>(3,279,235)</u>	<u>(6,590,254)</u>	<u>1,043,970</u>
0	0	0	0	350	125
0	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
252,711	246,961	250,461	643,525	342,179	2,445,544
<u>(252,711)</u>	<u>(246,961)</u>	<u>(250,461)</u>	<u>(648,525)</u>	<u>(398,679)</u>	<u>(2,560,744)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>3,194,993</u>	<u>(56,150)</u>	<u>9,384,925</u>
<u>\$5,343,332</u>	<u>(\$10,158,542)</u>	<u>\$13,998,899</u>	<u>(\$84,242)</u>	<u>(\$6,646,404)</u>	<u>\$10,428,895</u>
2.38%	3.53%	3.83%	4.08%	2.81%	2.37%

Shaker Heights City School District

History of School Operating Levies

For the Years 1933 - 2008

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

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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		
2008	\$839,801,250	\$86,307,100	\$926,108,350	\$2,646,023,857	\$3,243,846
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

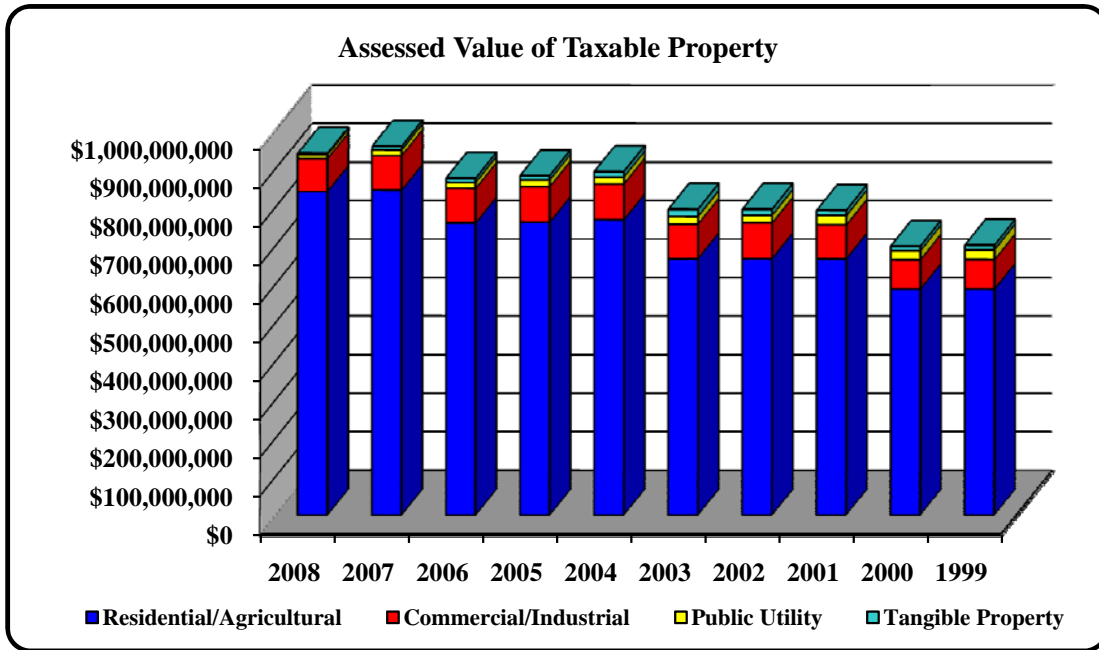
Source: Office of the County Auditor, Cuyahoga County, Ohio

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
\$51,901,536	\$9,871,720	\$11,217,864	\$939,223,916	\$2,709,143,257	\$66.99
69,366,096	15,113,730	17,174,693	957,456,362	2,754,174,702	71.13
54,544,197	15,778,790	17,930,443	873,977,627	2,495,251,212	68.41
47,278,748	17,529,940	19,920,386	880,879,452	2,502,843,134	66.94
60,848,765	17,827,640	20,258,682	891,577,856	2,537,550,304	67.31
79,285,783	19,900,850	22,614,602	793,576,080	2,260,298,955	59.95
60,478,804	20,101,330	22,842,420	793,694,191	2,250,387,396	59.91
52,539,188	24,248,080	27,554,636	790,409,917	2,231,599,653	59.81
45,928,000	23,622,520	26,843,773	697,772,960	1,966,110,173	51.56
44,198,440	26,011,210	29,558,193	700,186,850	1,968,402,434	50.91



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

	2008	2007	2006	2005
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	9.474953	9.458097	10.483601	10.463467
Commercial/Industrial	20.074093	19.841787	20.940688	20.105874
Tangible/Public Utility Personal	58.530000	58.530000	58.530000	58.530000
1977 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	2.472480	2.468076	2.735676	2.730420
Commercial/Industrial	4.434588	4.832760	4.626036	4.441620
Tangible/Public Utility Personal	12.000000	12.000000	12.000000	12.000000
1979 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	1.236240	1.234038	1.367838	1.365210
Commercial/Industrial	2.217294	2.191638	2.313018	2.220810
Tangible/Public Utility Personal	6.000000	6.000000	6.000000	6.000000
1981 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	2.047585	2.043938	2.265556	2.261207
Commercial/Industrial	2.851063	2.818075	2.974153	2.855593
Tangible/Public Utility Personal	6.500000	6.500000	6.500000	6.500000
1982 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	1.893180	1.889814	2.094720	2.090694
Commercial/Industrial	2.631816	2.601366	2.745438	2.635992
Tangible/Public Utility Personal	6.000000	6.000000	6.000000	6.000000
1983 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	3.160634	3.155011	3.490940	3.490379
Commercial/Industrial	4.442346	4.390945	4.634133	4.449394
Tangible/Public Utility Personal	8.800000	8.800000	8.800000	8.800000
1986 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	2.862068	2.856975	3.166748	3.160665
Commercial/Industrial	4.195575	4.147028	4.376708	4.202235
Tangible/Public Utility Personal	7.500000	7.500000	7.500000	7.500000
1989 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	4.728294	4.719886	5.231642	5.221597
Commercial/Industrial	6.667361	6.590216	6.955217	6.677955
Tangible/Public Utility Personal	9.800000	9.800000	9.800000	9.800000
1990 School Improvement Bonds (\$10,000,000)	0.747118	0.779070	0.840387	0.874516

2004	2003	2002	2001	2000	1999	1998
\$4.100000	\$4.100000	\$4.100000	\$4.100000	\$4.100000	\$4.100000	\$4.100000
10.366424	11.904592	11.888321	11.888321	13.445043	13.434215	13.419583
20.117697	20.778735	20.217432	20.217433	23.703533	23.642784	23.576411
58.530000	58.530000	58.530000	58.530000	58.530000	58.530000	58.530000
2.705088	3.106476	3.102240	3.100944	3.508464	3.505632	3.501816
4.444236	4.590264	4.466268	4.466268	5.236392	5.222976	5.208324
12.000000	12.000000	12.000000	12.000000	12.000000	12.000000	12.000000
1.352544	1.553238	1.551120	1.550472	1.754232	1.752816	1.750908
2.222118	2.295132	2.233134	2.233134	2.618196	2.611488	2.604162
6.000000	6.000000	6.000000	6.000000	6.000000	6.000000	6.000000
2.240232	2.572648	2.569138	2.568072	2.905572	2.903232	2.900073
2.857270	2.951156	2.871433	2.871434	3.366558	3.357933	3.348508
6.500000	6.500000	6.500000	6.500000	6.500000	6.500000	6.500000
2.071302	2.378646	2.375400	2.374410	2.686458	2.684292	2.681370
2.637540	2.724204	2.650614	2.650614	3.107664	3.099702	3.091002
6.000000	6.000000	6.000000	6.000000	6.000000	6.000000	6.000000
3.458004	3.971114	3.965694	3.964048	4.485008	4.481400	4.476525
4.452008	4.598290	4.474078	4.474078	5.245548	5.232110	5.217432
8.800000	8.800000	8.800000	8.800000	8.800000	8.800000	8.800000
3.131348	3.595988	3.591083	3.589590	4.061333	4.051313	4.053645
4.204710	4.342867	4.225552	4.225553	4.954170	4.941480	4.927613
7.500000	7.500000	7.500000	7.500000	7.500000	7.500000	7.500000
5.173165	5.940780	5.932675	5.930205	6.709550	6.704151	6.696850
6.681885	6.901444	6.715018	6.715019	7.782899	7.852730	7.830700
9.800000	9.800000	9.800000	9.800000	9.800000	9.800000	9.800000
0.888694	1.020000	1.520000	1.520000	1.420000	1.470000	1.470000

(continued)

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

	2008	2007	2006	2005
1992 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	5.905745	5.895239	6.534444	6.521900
Commercial/Industrial	7.491561	7.404880	7.815000	7.503468
Tangible/Public Utility Personal	9.800000	9.800000	9.800000	9.800000
1995 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	5.705199	5.695055	6.312546	6.300427
Commercial/Industrial	7.182764	7.099661	7.492875	7.194187
Tangible/Public Utility Personal	8.700000	8.700000	8.700000	8.700000
1996 School Improvement Bonds (\$12,700,000)	0.808272	1.052726	1.248007	1.274561
2000 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	6.624246	6.612468	7.329434	7.315362
Commercial/Industrial	7.960616	7.868514	8.304308	7.973268
Tangible/Public Utility Personal	9.400000	9.400000	9.400000	9.400000
2003 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	7.640659	7.626701	8.454058	8.437824
Commercial/Industrial	9.202675	9.096202	9.600000	9.289114
Tangible/Public Utility Personal	9.600000	9.600000	9.600000	9.600000
2004 School Improvement Bonds (\$23,500,000)	2.114610	1.838204	1.681606	0.320923
2006 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	8.947481	8.931572	0.000000	0.000000
Commercial/Industrial	9.490259	9.380458	0.000000	0.000000
Tangible/Public Utility Personal	9.900000	9.900000	0.000000	0.000000
Total Effective Voted Millage by type of property				
Residential/Agricultural	\$66.368764	\$66.256870	\$63.237203	\$61.829152
Commercial/Industrial	92.512011	91.484046	86.547574	82.019510
Tangible/Public Utility Personal	166.200000	166.200000	156.400000	155.100000
Overlapping Rates by Taxing District				
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	12.700000	12.700000	12.700000	12.700000
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

2004	2003	2002	2001	2000	1999	1998
6.461414	7.420188	7.410064	7.406987	8.380421	8.373679	8.364565
7.507888	7.754583	7.545108	7.545108	8.846117	8.823450	8.798695
9.800000	9.800000	9.800000	9.800000	9.800000	9.800000	9.800000
6.241989	7.168200	7.158421	7.155445	8.095820	8.089304	8.080499
7.198424	7.434950	7.234110	7.234111	8.481500	8.459767	8.436033
8.700000	8.700000	8.700000	8.700000	8.700000	8.700000	8.700000
1.281306	1.850000	1.850000	1.850000	1.850000	0.600000	0.600000
7.247513	8.322929	8.311583	8.308134	0.000000	0.000000	0.000000
7.977959	8.240105	8.017523	8.017523	0.000000	0.000000	0.000000
9.400000	9.400000	9.400000	9.400000	0.000000	0.000000	0.000000
8.359565	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
9.294586	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
9.600000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
\$60.978588	\$60.804799	\$61.225739	\$61.206628	\$59.301901	\$58.050034	\$57.995834
81.766321	75.481730	74.020270	74.020275	76.612577	75.314420	75.108880
154.800000	145.900000	146.400000	146.400000	136.900000	135.700000	135.700000
\$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	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	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

	2008	2007	2006	2005
Shaker Heights Public Library Voted Millage				
Effective Millage Rates				
Residential/Agricultural	3.183608	3.177948	3.522524	3.515760
Commercial/Industrial	3.834448	3.790084	4.000000	3.870464
Tangible/Public Utility Personal	4.000000	4.000000	4.000000	4.000000
Cuyahoga County Voted Millage				
Effective Millage Rates				
Residential/Agricultural	15.377008	16.025850	16.019200	15.270300
Commercial/Industrial	16.833423	16.833430	17.131400	16.502100
Tangible/Public Utility Personal	18.200000	18.200000	18.300000	18.300000

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.

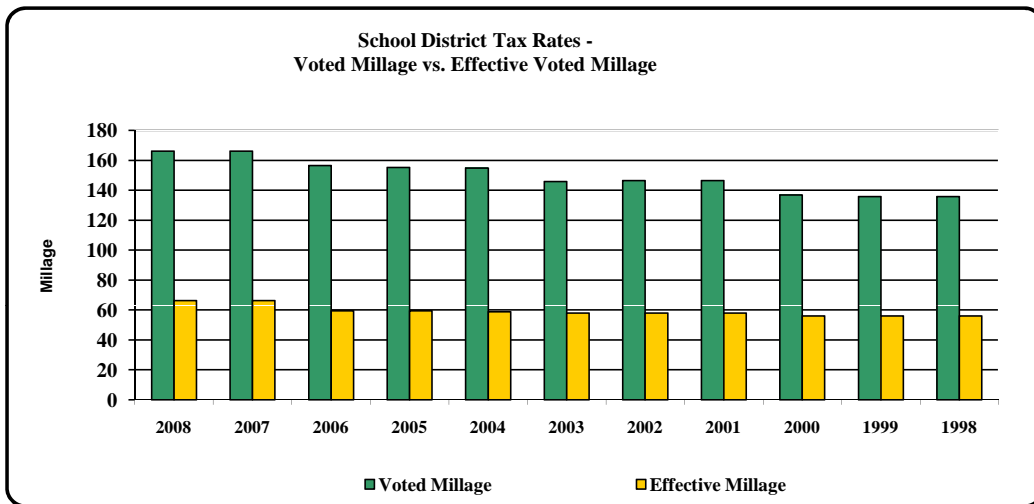
Real property tax rates are reduced so that inflationary increases in value do not generate additional taxes.

The City School District's basic property tax may be increased only by a majority vote of the City School District's residents.

Overlapping rates are those of local and county governments that apply to property owners within the School District.

Source: Ohio Department of Taxation

2004	2003	2002	2001	2000	1999	1998
3.483152	4.000000	3.291228	3.289860	3.722216	3.719200	3.715172
3.872744	4.000000	3.326028	3.326028	3.899540	3.889500	3.878636
4.000000	4.000000	4.000000	4.000000	4.000000	4.000000	4.000000
14.608900	13.736700	12.658600	12.677900	12.838100	12.852500	N/A
16.052900	14.221100	13.335800	13.254500	13.877500	13.914800	N/A
18.000000	16.200000	16.200000	16.200000	15.300000	15.300000	16.600000



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
2007	\$71,622,535	\$66,645,731	93.05%	\$3,687,456	\$70,333,187	98.20%	\$13,982,682	19.52%
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

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. 2008 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

2008 and 1999 (1)

			2008	
Name of Taxpayer	Assessed Valuation	Percent of Real Assessed Value		
University Hospitals	\$4,764,340	0.51 %		
Tower East Operating Association	3,781,820	0.41		
Shaker Towne Center LLC	2,653,140	0.29		
Coral Shaker Square LLC	2,025,630	0.22		
Salzberg, Deborah	1,921,220	0.21		
Oliver Family Limited	1,901,100	0.20		
Kirt Montlack, Limited	1,811,440	0.20		
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	\$22,421,010	2.42 %		
Total Real Estate Valuation	\$926,108,350			
			1999	
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	\$663,126,030			

Source: Office of the Auditor, Cuyahoga County, Ohio

(1) The amounts presented represent the assessed values upon which 2008 and 1999 collections were based

Shaker Heights City School District

Principal Taxpayers

Tangible Personal Property Tax

2008 and 1999 (1)

2008		
Name of Taxpayer	Assessed Valuation	Percent of Tangible Assessed Value
Ohio Bell Telephone Company	\$1,811,340	55.84 %
Time Warner NY Cable, LLC	229,430	7.07
Walgreen Company	150,460	4.64
Ameritech Advanced Data	145,060	4.47
Neopost Leasing, Inc.	136,120	4.20
New Par	116,630	3.60
Fresh Market of Ohio, Inc.	110,360	3.40
Wide Open West Cleveland, LLC	103,270	3.18
Heinens, Incorporated	100,410	3.10
New Cingular Wireless PCS, LLC	79,310	2.44
Total	\$2,982,390	91.94 %
Total Tangible Assessed Valuation	\$3,243,846	

1999		
Name of Taxpayer	Assessed Valuation	Percent of Tangible Assessed Value
Telerama Incorporated	\$1,244,640	11.26 %
Ganley Nissan Incorporated	643,890	5.83
OfficeMax Incorporated	624,710	5.65
Ryder Integrated Logistics Incorporated	458,030	4.15
Zalud Oldsmobile Incorporated	456,800	4.13
Heinens Incorporated	359,660	3.25
Qua Newco Incorporated	318,190	2.88
Community Dialysis Center	247,980	2.25
Rite Aid of Ohio Incorporated	218,910	1.99
Russos Incorporated	195,700	1.77
Total	\$4,768,510	43.16 %
Total Tangible Assessed Valuation	\$11,049,610	

Source: Office of the Auditor, Cuyahoga County, Ohio

(1) The amounts presented represent the assessed values upon which 2008 and 1999 collections were based

Shaker Heights City School District

Principal Taxpayers

Public Utilities Tax

2008 and 1999 (1)

2008		
Name of Taxpayer	Assessed Valuation	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$7,612,720	77.12 %
The East Ohio Gas Company	1,570,230	15.91
American Transmission System	688,770	6.97
Total	\$9,871,720	100.00 %
Total Public Utility Valuation	\$9,871,720	

1999		
Name of Taxpayer	Assessed Valuation	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$11,686,700	44.93 %
Ohio Bell Telephone Company	9,215,990	35.43
East Ohio Gas Company	4,620,550	17.76
Northern Ohio Cellular	235,940	0.91
Total	\$25,759,180	99.03 %
Total Public Utility Valuation	\$26,011,210	

Source: Office of the Auditor, Cuyahoga County, Ohio

(1) The amounts presented represent the assessed values upon which 2008 and 1999 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 Bonded Debt		
			General Bonded Debt	Ratio of General Bonded Debt to Estimated Actual Value	General Bonded Debt per Capita
2008	29,405	\$2,709,143,257	\$25,780,255	0.95%	\$877
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

Sources:

- (1) U.S. Census of Population, 2000 and 1990 Federal Census
- (2) The personal income can be found on S33

Other Governmental
Activities Debt

Notes	Capital Leases	Total Debt	Percentage of Total Debt to Personal Income (2)	Per Capita
\$5,500,000	\$0	\$31,280,255	2.57%	\$1,064
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

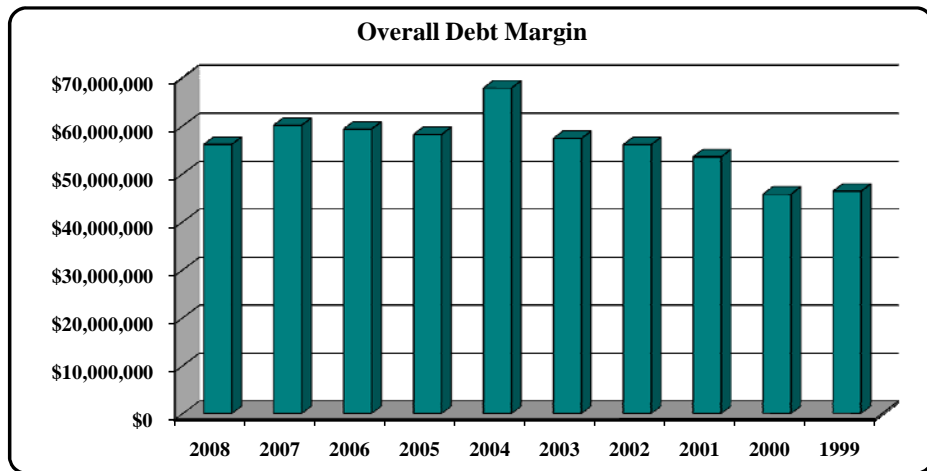
Shaker Heights City School District
Computation of Legal Debt Margin
Last Ten Fiscal Years

	2008	2007	2006 (1)	2005
Assessed Valuation	<u>\$932,773,630</u>	<u>\$952,028,342</u>	<u>\$873,977,627</u>	<u>\$880,879,452</u>
Debt Limit - 9% of Assessed Value (2)	\$83,949,627	\$85,682,551	\$78,657,986	\$79,279,151
Amount of Debt Outstanding				
General Obligation Bonds				
School Improvement Bonds	1,275,000	1,645,000	1,990,000	2,315,000
School Improvement Bonds	165,000	325,000	2,415,000	2,560,000
School Improvement Capital Appreciation Bonds	134,993	299,377	285,543	271,709
Energy Conservation Improvement Bonds	0	0	0	159,230
School Improvement Bonds	7,725,000	8,901,082	9,928,185	9,935,288
School Improvement Capital Appreciation Bonds	204,995	281,076	243,421	210,811
Building Addition Bonds	0	0	0	0
Building Addition Refunding Bonds	860,000	1,042,173	1,213,140	1,249,107
Refunding Capital Appreciation Bonds	94,999	116,063	105,940	96,701
School Improvement Bonds	570,000	1,125,000	5,405,000	5,895,000
School Improvement Bonds	8,475,000	8,591,616	0	0
School Improvement Capital Appreciation Bonds	23,960	24,862	0	0
School Improvement Bonds	3,760,000	3,698,602	0	0
School Improvement Capital Appreciation Bonds	9,983	10,359	0	0
School Improvement Bonds	1,915,000	1,931,384	0	0
School Improvement Capital Appreciation Bonds	16,639	17,265	0	0
Bus Acquisition Bond Anticipation Note	500,000	570,000	570,000	570,000
Bond Anticipation Note	5,000,000	0	0	0
Less: Amount Available in Debt Service	<u>(2,430,245)</u>	<u>(2,439,934)</u>	<u>(2,252,727)</u>	<u>(1,446,773)</u>
Total	28,300,324	26,138,925	19,903,502	21,816,073
Exemptions:				
Energy Conservation Improvement Bonds	0	0	0	(159,230)
Bus Acquisition Bond Anticipation Note	<u>(500,000)</u>	<u>(570,000)</u>	<u>(570,000)</u>	<u>(570,000)</u>
Amount of Debt Subject to Limit	<u>27,800,324</u>	<u>25,568,925</u>	<u>19,333,502</u>	<u>21,086,843</u>
Overall Debt Margin	<u>\$56,149,303</u>	<u>\$60,113,626</u>	<u>\$59,324,484</u>	<u>\$58,192,308</u>
Legal Debt Margin as a Percentage of Debt Limit	66.88%	70.16%	75.42%	73.40%
Unvoted Legal Debt Limit -				
.10% of Assessed Value (1)	\$932,774	\$952,028	\$873,978	\$880,879
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>(159,230)</u>
Unvoted Debt Margin	<u>\$932,774</u>	<u>\$952,028</u>	<u>\$873,978</u>	<u>\$721,649</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	100.00%	100.00%	81.92%
Additional Limit for Unvoted Energy Conservation Improvement Bonds:				
Debt Limit - 1% of Assessed Valuation	\$8,394,963	\$8,568,255	\$7,865,799	\$7,927,915
Energy Conservation Improvement Bonds	<u>0</u>	<u>0</u>	<u>0</u>	<u>(159,230)</u>
Additional Unvoted Debt Margin	<u>\$8,394,963</u>	<u>\$8,568,255</u>	<u>\$7,865,799</u>	<u>\$7,768,685</u>

Source: Cuyahoga County Auditor and School District Financial Records

- (1) 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.

2004	2003	2002	2001	2000	1999
<u>\$891,577,856</u>	<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>
\$80,242,007	\$71,421,847	\$71,432,477	\$71,136,893	\$62,801,996	\$63,016,817
2,615,000	2,895,000	3,160,000	3,405,000	3,635,000	3,850,000
2,700,000	2,835,000	2,965,000	3,065,000	0	0
258,544	246,017	234,099	222,758	0	0
304,230	444,230	579,230	709,230	834,230	954,230
0	0	0	0	0	0
0	0	0	0	0	0
1,475,000	1,625,000	2,025,000	2,415,000	2,795,000	3,145,000
0	0	0	0	0	0
0	0	0	0	0	0
6,365,000	6,790,000	7,745,000	8,655,000	9,500,000	9,500,000
0	0	0	0	1,500,000	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	0	0	0	0
0	0	0	0	90,000	175,000
0	0	0	0	0	0
<u>(1,379,309)</u>	<u>(804,176)</u>	<u>(1,381,408)</u>	<u>(897,928)</u>	<u>(1,234,800)</u>	<u>(794,491)</u>
12,338,465	14,031,071	15,326,921	17,574,060	17,119,430	16,829,739
0	0	0	0	0	0
0	0	0	0	(90,000)	(175,000)
<u>12,338,465</u>	<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>\$67,903,542</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>
84.62%	80.35%	78.54%	75.30%	72.88%	73.57%
\$891,578	\$793,576	\$793,694	\$790,410	\$697,800	\$700,187
0	0	0	0	0	0
<u>\$891,578</u>	<u>\$793,576</u>	<u>\$793,694</u>	<u>\$790,410</u>	<u>\$697,800</u>	<u>\$700,187</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
\$8,024,201	\$7,142,185	\$7,143,248	\$7,904,099	\$6,978,000	\$7,001,869
(304,230)	(444,230)	(579,230)	(709,230)	(834,230)	(954,230)
<u>\$7,719,971</u>	<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>



Shaker Heights City School District

Computation of Direct and Overlapping

Governmental Activities Debt

December 31, 2007

	<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	\$25,780,255	100.00%	\$25,780,255
Notes Payable	5,500,000	100.00	5,500,000
	<u>31,280,255</u>		<u>31,280,255</u>
Total Direct Debt			
	<u>31,280,255</u>	100.00	<u>31,280,255</u>
Overlapping Debt:			
Cuyahoga County			
General Obligation Bonds	188,814,000	2.96	5,551,132
Revenue Bonds	101,905,000	2.96	2,996,007
Capital Lease Obligations	28,846,000	2.96	848,072
Loans Payable	6,784,000	2.96	199,450
City of Shaker Heights			
General Obligation Bonds	14,855,000	100.00	14,855,000
OPWC Loans	4,026,050	100.00	4,026,050
Notes Payable	8,610,000	100.00	8,610,000
City of Cleveland			
General Obligation Bonds	336,990,000	0.84	20,219,400
Urban Renewal Bonds	6,760,000	0.84	405,600
Income Tax Refunding Bonds	58,900,000	0.84	3,534,000
Non-Tax Revenue Bonds	68,091,000		
OWDA/OPWC Loans	110,070,000	0.84	6,604,200
Revenue Notes/Bonds	2,075,755,000	0.84	124,545,300
Capital Lease Obligations	11,786,000	0.84	707,160
Regional Transit Authority			
General Obligation Bonds	147,385,000	2.96	4,333,119
	<u>3,169,577,050</u>		<u>197,434,491</u>
Total Overlapping			
	<u>3,169,577,050</u>		<u>197,434,491</u>
Total			
	<u>\$3,200,857,305</u>		<u>\$228,714,746</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 2007 collection year.

Shaker Heights City School District

History of Bond Issues

For the Years 1912 - 2008

Purpose of Issue	Election Date	Issue Date	Amount of Issue
Erecting and furnishing school house	July 2, 1912	August 12, 1912	\$60,000
Purchasing site and erecting and furnishing school house thereon	N/A	May 17, 1917	100,000
Purchasing site and erecting and furnishing school house thereon and purchased real estate for playground	N/A	November 16, 1917	250,000
Completing building and purchasing site and erecting building	January 21, 1920	November 3, 1920	250,000
Erecting two schools	November 8, 1921	March 1, 1922	600,000
Moreland School and Shaker Boulevard addition	November 4, 1924	January 1, 1925	650,000
Fernway, Ludlow and High School addition	November 3, 1925	July 1, 1926	1,165,587
High School Site and Addition to Malvern	November 2, 1926	January 1, 1927	550,000
Lomond Boulevard and Furniture	November 8, 1927	April 1, 1929	500,000
Land for Lomond Junior High	November 6, 1928	January 1, 1929	78,375
Land and Furniture	November 6, 1928	July 15, 1929	75,183
High School Building	November 6, 1928	November 1, 1930	1,040,500
Furnishings High School	Unvoted	May 1, 1931	50,000
First Library Issue	November 6, 1945	April 1, 1950	150,000
Sussex Addition	November 5, 1946	January 1, 1947	200,000
Complete Sussex and Other Improvements	November 2, 1948	December 1, 1948	300,000
Second Library Issue	November 2, 1948	February 1, 1951	200,000
School Furnishings	November 2, 1948	February 1, 1951	25,000
Mercer, Senior High Music Wings, etc.	November 6, 1951	March 1, 1951	1,750,000
New Junior High, Additions to Lomond and Senior High	November 3, 1953	October 1, 1954	4,100,000
Byron Auditorium and Woodbury Gym	November 3, 1953	October 1, 1958	2,100,000
School Improvement	November 3, 1960	October 1, 1964	1,775,000
School Improvement	May 7, 1968	March 1, 1972	4,500,000
School Improvement	June 7, 1977	September 1, 1977	4,650,000
School Improvement	May 8, 1990	August 29, 1990	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
*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
2008	\$926,108,350	\$159,000,767	\$22,193,823
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	662,668,440	57,021,360	36,382,085
1999	663,126,030	56,770,353	1,790,370

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

(1) Represents assessed value.

Shaker Heights City School District

Principal Employers

2007 and 2005 (1)

2007

Employer	Nature of Business or Activity	Number of Employees
Shaker Heights City School District	government entity	786
City of Shaker Heights	government entity	395
University Hospitals	hospital	950
Hathaway Brown School	school	210
Laurel School	school	154
University School (Shaker campus)	school	100
Heinens	supermarket	115
Total		<u>2,710</u>
Total Employment within the School District		<u>n/a</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>1,808</u>
Total Employment within the School District		<u>n/a</u>

Source: Employer survey

(1) Information prior to 2005 is not available.

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

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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>
2008	1,363,888	29,405	\$1,216,014,370	\$41,354	5,482	6.1 %
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

Source: 2000 U.S. Census Bureau

Shaker Heights City School District
Building Statistics by Function/Program
Last Five Fiscal Years (1)

	2008	2007	2006	2005	2004
Boulevard Elementary School					
Constructed in 1914					
Total Building Square Footage	48,000	48,000	48,000	48,000	48,000
Enrollment Grades K - 4	340	360	393	424	384
Student Capacity	544	544	544	544	544
Regular Instruction Classrooms	22	22	21	21	21
Special Instruction Classrooms	2	2	3	3	3
Fernway Elementary School					
Constructed in 1927					
Total Building Square Footage	29,925	29,925	29,925	29,925	29,925
Enrollment Grades K - 4	333	324	313	312	300
Student Capacity	366	366	366	366	366
Regular Instruction Classrooms	15	15	16	17	17
Special Instruction Classrooms	2	2	1	0	0
Lomond Elementary School					
Constructed in 1928					
Total Building Square Footage	65,075	65,075	65,075	65,075	65,075
Enrollment Grades K - 4	512	526	518	538	512
Student Capacity	620	620	620	620	620
Regular Instruction Classrooms	26	26	25	25	25
Special Instruction Classrooms	2	2	3	3	3
Mercer Elementary School					
Constructed in 1952					
Total Building Square Footage	70,640	70,640	70,640	70,640	70,640
Enrollment Grades K - 4	432	411	411	432	414
Student Capacity	590	590	590	590	590
Regular Instruction Classrooms	24	24	25	25	25
Special Instruction Classrooms	4	4	3	3	3

(continued)

Shaker Heights City School District
Building Statistics by Function/Program
Last Five Fiscal Years (2)

	2008	2007	2006	2005	2004
Onaway Elementary School					
Constructed in 1923					
Total Building Square Footage	63,700	63,700	63,700	63,700	63,700
Enrollment Grades K - 4	414	418	360	370	371
Student Capacity	606	606	606	606	606
Regular Instruction Classrooms	23	23	24	24	24
Special Instruction Classrooms	5	5	4	4	4
Woodbury Elementary School					
Constructed in 1918					
Total Building Square Footage	138,350	138,350	138,350	138,350	138,350
Enrollment Grades 5 - 6	785	816	833	834	865
Student Capacity	900	900	900	900	900
Regular Instruction Classrooms	42	42	43	43	43
Special Instruction Classrooms	7	7	6	6	6
Shaker Heights Middle School					
Constructed in 1957					
Total Building Square Footage	133,400	133,400	133,400	133,400	133,400
Enrollment - Grades 7 - 8	843	852	900	964	954
Student Capacity	1,000	1,000	1,000	1,000	1,000
Regular Instruction Classrooms	27	27	27	27	27
Special Instruction Classrooms	6	6	6	6	6
Shaker Heights High School					
Constructed in 1930					
Total Building Square Footage	314,400	304,400	304,400	304,400	304,400
Enrollment - Grades 9 - 12	1,823	1,870	1,876	1,838	1,805
Student Capacity	2,000	2,000	2,000	2,000	2,000
Regular Instruction Classrooms	52	52	52	52	52
Special Instruction Classrooms	8	8	8	8	8
Sussex Pre-School (2)					
Constructed in 1922					
Total Building Square Footage	0	0	33,000	33,000	33,000
Enrollment - Grades Pre - K	0	0	24	22	18
Student Capacity	0	0	30	30	30

(1) Information prior to 2004 not available.

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

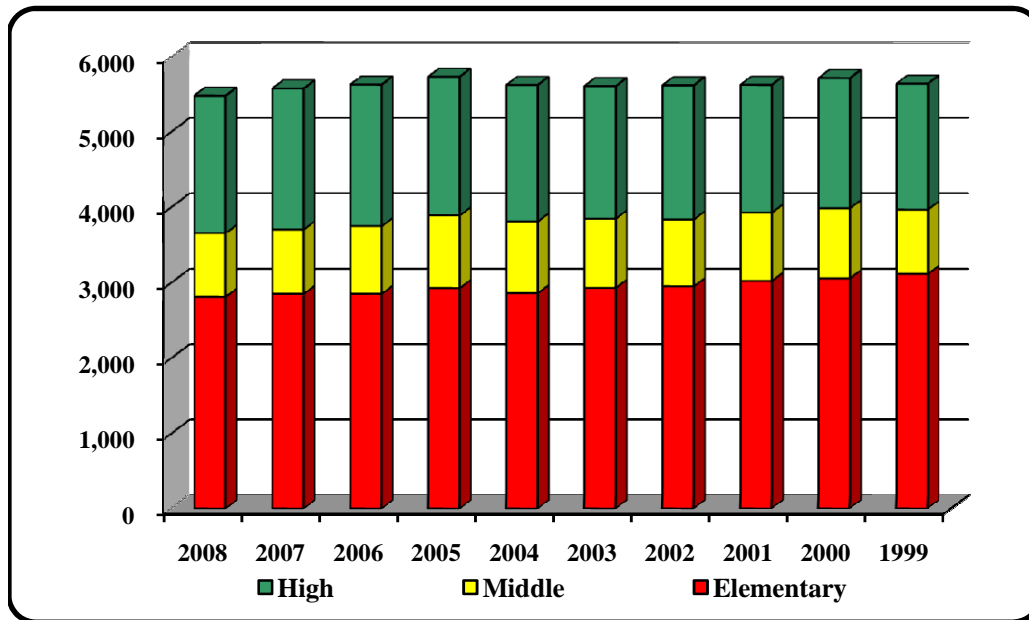
(3) Source: School District Records

Shaker Heights City School District

Enrollment Statistics

Last Ten Fiscal Years

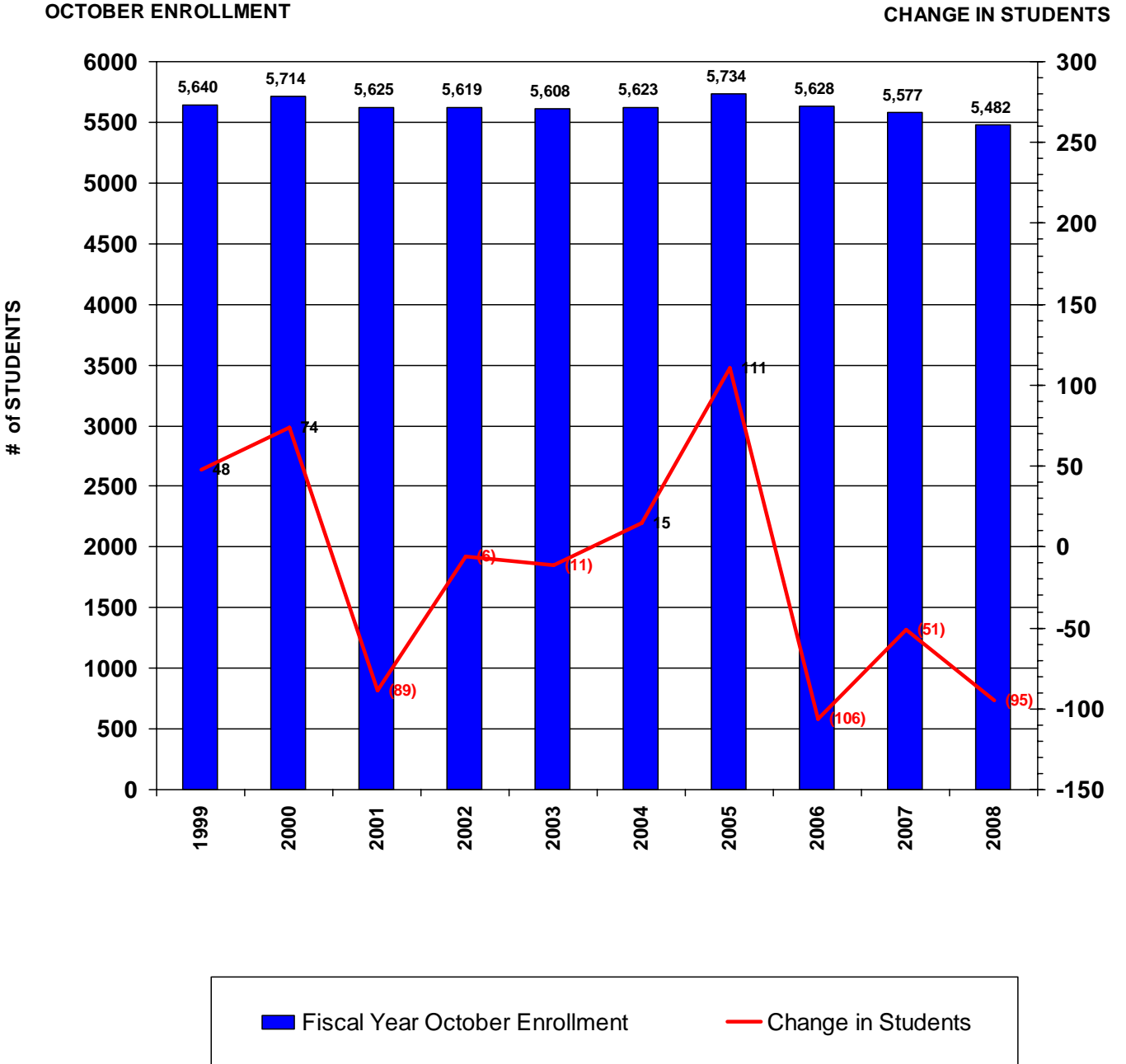
Fiscal Year	Elementary Schools	Middle School	High School	Total
2008	2,816	843	1,823	5,482
2007	2,855	852	1,870	5,577
2006	2,855	897	1,876	5,628
2005	2,932	962	1,840	5,734
2004	2,864	950	1,809	5,623
2003	2,934	917	1,757	5,608
2002	2,955	885	1,779	5,619
2001	3,026	904	1,695	5,625
2000	3,061	927	1,726	5,714
1999	3,119	851	1,670	5,640



Source: School District 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 2008

Fiscal Year	Total Public Enrollment (1)	Total Private Enrollment (2)	Total Public and Private	Private as a Percent of Public and Private
2008	5,482	1,180	6,662	17.7%
2007	5,577	1,174	6,751	17.4
2006	5,628	1,130	6,758	16.7
2005	5,734	1,123	6,857	16.4
2004	5,623	956	6,579	14.5
2003	5,608	897	6,505	13.8
2002	5,619	1,104	6,723	16.4
2001	5,625	1,088	6,713	16.2
2000	5,714	1,079	6,793	15.9
1999	5,640	1,017	6,657	15.3
1998	5,592	983	6,575	15.0
1997	5,634	1,071	6,705	16.0
1996	5,485	1,065	6,550	16.3
1995	5,371	964	6,335	15.2
1994	5,081	911	5,992	15.2
1993	4,959	869	5,828	14.9
1992	4,933	873	5,806	15.0
1991	4,874	846	5,720	14.8
1990	4,887	916	5,803	15.8
1989	4,830	964	5,794	16.6
1988	4,869	1,009	5,878	17.2
1987	5,013	996	6,009	16.6
1986	5,125	1,047	6,172	17.0
1985	5,187	1,160	6,347	18.3
1984	5,294	1,200	6,494	18.5
1983	5,490	1,216	6,706	18.1
1982	5,759	1,249	7,008	17.8
1981	5,951	1,236	7,187	17.2
1980	6,049	1,355	7,404	18.3
1979	6,156	1,375	7,531	18.3

Source: Shaker Heights City School District Records

- (1) Figures for fiscal year 1979 through 1982 are based on Shaker Heights City School District Racial Ethnic Reports. Figures for 1983 through 2008 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

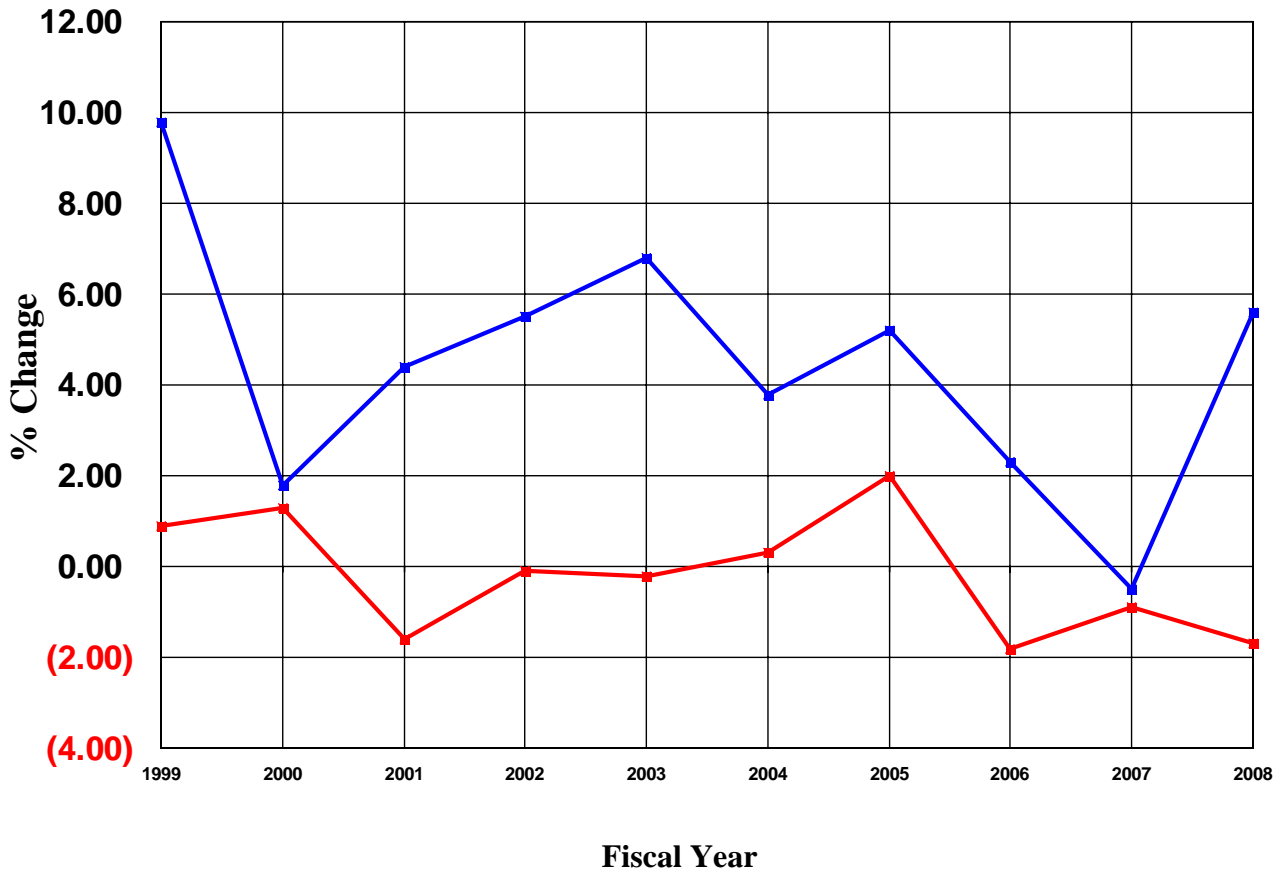
<u>Year</u>	<u>General Fund Expenditures</u>	<u>Average Daily Student Enrollment</u>	<u>Per Pupil Cost</u>
2008	\$80,555,178	5,482	\$14,694
2007	77,679,215	5,577	13,928
2006	78,621,894	5,628	13,970
2005	78,336,642	5,734	13,662
2004	73,034,370	5,623	12,989
2003	70,141,022	5,608	12,507
2002	65,753,511	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

Source: School District Records

SHAKER HEIGHTS CITY SCHOOL DISTRICT

COST PER PUPIL PERCENTAGE CHANGE

LAST TEN FISCAL YEARS



— Cost Per Pupil % Change
— Enrollment % Change

Shaker Heights City School District
School District Employees by Function/Program
Last Seven Fiscal Years (1)

Function/Program	2008	2007	2006	2005	2004	2003	2002
Regular Instruction							
Elementary Classroom Teachers	159.4	152.0	156.0	162.1	154.2	163.3	164.7
Middle School Classroom Teachers	58.0	58.8	62.7	62.7	65.0	61.4	61.1
High School Classroom Teachers	122.3	116.5	128.4	128.4	130.1	127.2	128.1
Special Instruction							
Preschool Teachers	1.0	1.0	1.0	2.0	0.0	0.0	0.0
Elementary Classroom Teachers	23.2	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	8.0	7.0
Middle School Classroom Teachers	10.1	9.6	8.2	6.2	5.0	6.0	5.0
High School Classroom Teachers	8.8	9.4	6.4	6.4	6.2	4.6	5.0
Vocational Instruction							
High School Classroom Teachers	1.0	1.0	1.0	1.0	0.9	0.9	1.0
Pupil Support Services							
Teacher Aides	71.6	66.0	61.5	58.2	62.1	58.4	53.4
Tutors	33.9	37.7	47.6	51.6	55.4	52.2	50.6
Guidance Counselors	11.0	11.0	10.0	11.0	11.0	11.0	11.0
Librarians and Library Technicians	9.4	9.0	9.0	9.4	8.5	8.5	9.0
Psychologists	8.0	8.8	6.4	6.4	6.4	6.0	6.4
Speech & Language Pathologists	6.0	6.0	6.4	6.4	6.8	6.4	6.4
Nurse	8.4	8.4	7.2	7.2	7.3	7.3	7.3
Other Professional	1.9	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	9.0
Middle School	3.0	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	6.0
Districtwide (Certificated & Classified)	16.0	17.0	17.0	17.0	17.0	17.0	17.0
Operation of Plant							
Custodians	61.6	62.6	68.0	65.0	66.0	67.0	68.0
Maintenance and Groundskeeping	11.0	11.0	19.0	19.0	17.0	18.0	18.0
Pupil Transportation							
Bus Drivers	28.9	27.5	28.5	36.0	32.5	30.7	29.8
Mechanics	4.0	4.0	4.0	5.0	3.0	4.0	3.0
Food Service Program							
Elementary Cooks	12.3	9.9	8.1	4.7	3.1	3.8	3.9
Middle School Cooks	5.2	4.9	5.0	4.0	5.8	4.0	5.0
High School Cooks	4.8	4.8	6.1	4.4	4.0	4.2	5.0
Other							
Supervisor/Administrator classification	28.9	28.4	29.4	29.4	31.1	24.7	26.1
OAPSE	53.9	53.9	52.8	53.8	53.8	53.7	53.4
Security	17.4 *	8.0	8.0	8.0	7.0	15.1	7.8
Data Processing	3.0	4.0	5.0	5.0	5.0	6.0	6.0
Total Employees	<u>807.0</u>	<u>786.3</u>	<u>815.2</u>	<u>818.3</u>	<u>816.1</u>	<u>816.6</u>	<u>804.4</u>

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.

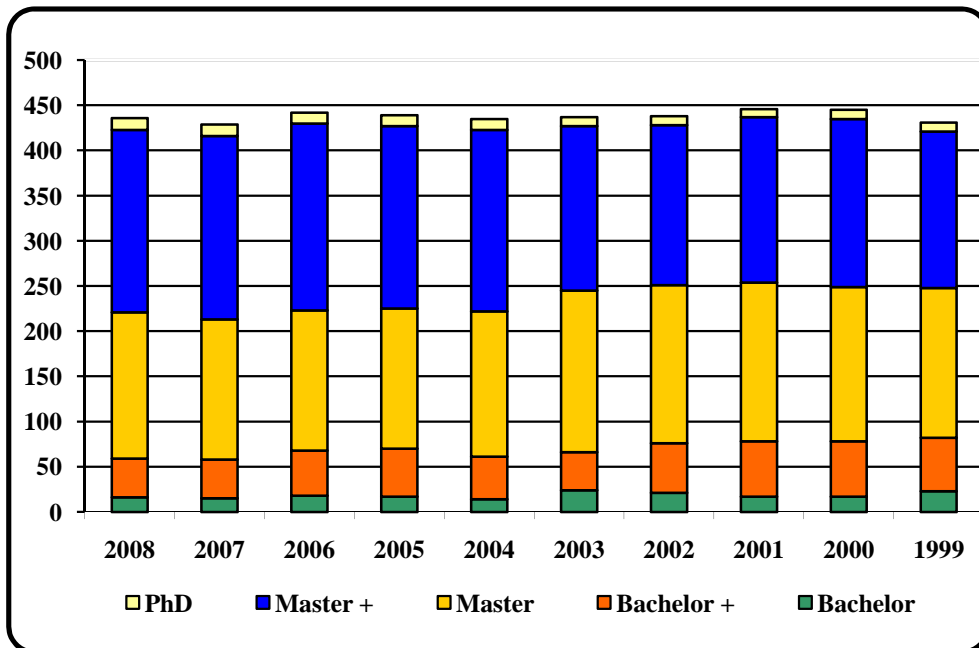
* Increase due to reclassification of employee status effective in Fiscal 2008
(1) Information prior to 2002 is not available.

Source: School District Records

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

Degree	2008	2007	2006	2005
Bachelor	16	15	18	17
Bachelor +15	43	43	50	53
Master	162	155	155	155
Master +15	87	88	88	91
Master +30	48	48	50	46
Master +45	67	67	69	65
PhD	13	13	13	12
Total	436	429	443	439

Years of Experience	2008	2007	2006	2005
0 - 5	86	84	109	123
6 - 10	100	96	90	80
11 and Over	250	249	243	236
Total	436	429	442	439



Source: School District Records

2004	2003	2002	2001	2000	1999
14	24	21	17	17	23
47	42	55	61	61	59
161	179	175	176	171	166
86	77	70	70	71	76
49	47	50	55	56	45
66	58	57	58	59	52
12	12	10	10	9	10
<u>435</u>	<u>439</u>	<u>438</u>	<u>447</u>	<u>444</u>	<u>431</u>
122	124	76	93	104	83
85	89	83	64	58	51
228	226	279	290	282	297
<u>435</u>	<u>439</u>	<u>438</u>	<u>447</u>	<u>444</u>	<u>431</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
2008	75	10	85
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

Source: School District Records

Note: In 2008, the data collection procedure for college admission was modified which affects the validity of comparisons of new data with past years. The percentage of seniors admitted to a four-year college was 75 percent and the percentage of those admitted to two-year colleges was 10 percent. This set of numbers deviates from past years, possibly because of data collection changes and/or because of changes in the economy that affect students' decisions whether to apply and, if so, where.

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
2008	33	6	2	11 %	2 %
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

Source: School District Records



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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 2008 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	1,757	\$1,950,342	\$11,100,213	\$598,676	\$3,378,285	\$13,788,063	\$30,815,579
Total High School	<u>1,757</u>	<u>1,950,342</u>	<u>11,100,213</u>	<u>598,676</u>	<u>3,378,285</u>	<u>13,788,063</u>	<u>30,815,579</u>
Middle School							
Shaker Heights Middle School	831	786,215	4,364,290	349,930	1,750,085	7,328,733	14,579,253
Total Middle School	<u>831</u>	<u>786,215</u>	<u>4,364,290</u>	<u>349,930</u>	<u>1,750,085</u>	<u>7,328,733</u>	<u>14,579,253</u>
Elementary Schools							
Boulevard Elementary School	349	272,467	1,061,986	146,275	439,980	2,715,937	4,636,645
Fernway Elementary School	333	260,016	745,192	151,049	403,345	2,301,643	3,861,245
Lomond Elementary School	512	373,940	1,223,135	191,694	595,881	3,514,970	5,899,620
Mercer Elementary School	427	283,545	1,074,152	305,004	680,675	3,074,978	5,418,354
Onaway Elementary School	377	257,057	955,101	398,432	746,277	2,719,722	5,076,589
Woodbury Elementary School	783	723,346	3,558,477	521,123	995,538	6,176,137	11,974,621
Total Elementary Schools	<u>2,781</u>	<u>2,170,371</u>	<u>8,618,043</u>	<u>1,713,577</u>	<u>3,861,696</u>	<u>20,503,387</u>	<u>36,867,074</u>
School Total							
	5,369	4,906,928	24,082,546	2,662,183	8,990,066	41,620,183	82,261,906
Central Office	0	4,804,112	1,548,739	417,810	412,617	0	7,183,278
Expenditure Flow Model Total	<u>5,369</u>	<u>\$9,711,040</u>	<u>\$25,631,285</u>	<u>\$3,079,993</u>	<u>\$9,402,683</u>	<u>\$41,620,183</u>	<u>\$89,445,184</u>
Other Debt Service							4,132,984
Tuition - Other Districts							4,250,416
Non-Public							1,363,305
Rotary							9,310,328
Fiscal Agency							(371,051)
Other Programs							57,554
Grand Total							<u>\$108,188,720</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	1,757	\$1,110	\$6,317	\$341	\$1,923	\$7,847	\$17,538
Total High School	1,757	1,110	6,317	341	1,923	7,847	17,538
Middle School							
Shaker Heights Middle School	831	946	5,250	421	2,105	8,816	17,538
Total Middle School	831	946	5,250	421	2,105	8,816	17,538
Elementary Schools							
Boulevard Elementary School	349	780	3,039	419	1,259	7,772	13,269
Fernway Elementary School	333	781	2,237	453	1,211	6,910	11,592
Lomond Elementary School	512	730	2,388	374	1,163	6,863	11,518
Mercer Elementary School	427	664	2,517	715	1,595	7,206	12,697
Onaway Elementary School	377	682	2,536	1,058	1,981	7,221	13,478
Woodbury Elementary School	783	924	4,544	665	1,271	7,886	15,290
Total Elementary Schools	2,781	780	3,099	616	1,337	7,184	77,844
School Total							
School Total	5,370	914	4,485	496	1,674	7,751	15,320
Central Office	0	895	288	78	77	0	1,338
Grand Total	5,370 **	\$1,809 **	\$4,773 **	\$574 **	\$1,751 **	\$7,751 **	\$16,658 **

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	1,757	6%	36%	2%	11%	45%	100%
Total High School	1,757	6	36	2	11	45	100
Middle School							
Shaker Heights Middle School	831	6	30	2	12	50	100
Total Middle School	831	6	30	2	12	50	100
Elementary Schools							
Boulevard Elementary School	349	6	23	3	9	59	100
Fernway Elementary School	333	7	19	4	10	60	100
Lomond Elementary School	512	6	21	3	10	60	100
Mercer Elementary School	427	5	20	5	13	57	100
Onaway Elementary School	377	5	19	8	15	53	100
Woodbury Elementary School	783	6	30	4	8	52	100
Total Elementary Schools	2,781	6	23	5	10	56	100
School Total	5,370	6	29	3	11	51	100
Central Office	0	67	21	6	6	0	100
Grand Total	5,370	11%	29%	3%	11%	47%	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



