

**SHAKER HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2006



**Auditor of State
Betty Montgomery**



Mary Taylor, CPA
Auditor of State

January 10, 2007

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 8, 2007. Thus, I am certifying this audit report for release under the signature of my predecessor.

Mary Taylor

MARY TAYLOR, CPA
Auditor of State

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SHAKER HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY

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**SHAKER HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2006**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster: Food Donation	N/A	10.550	\$0	\$86,326	\$0	\$86,326
National School Lunch Program	LLP4 2005	10.555	101,112	0	101,112	0
National School Lunch Program	LLP4 2006	10.555	268,950	0	268,950	0
Total National School Lunch Program			<u>370,062</u>	<u>0</u>	<u>370,062</u>	<u>0</u>
School Breakfast Program	05PU 2006	10.553	9,489	0	9,489	0
Total Special Breakfast Program			<u>9,489</u>	<u>0</u>	<u>9,489</u>	<u>0</u>
Total U.S. Department of Agriculture - Nutrition Cluster			<u>379,551</u>	<u>86,326</u>	<u>379,551</u>	<u>86,326</u>
U.S. DEPARTMENT OF EDUCATION						
<i>Passed Through Ohio Department of Education:</i>						
Special Education: Grants to States	6BSF 2005	84.027	212,031	0	215,081	0
Special Education: Grants to States	6BSF 2005	84.027	1,095,007	0	1,071,718	0
Total Special Education: Grants to States			<u>1,307,038</u>	<u>0</u>	<u>1,286,799</u>	<u>0</u>
Special Education: Preschool Grants	PGS1 2005	84.173	4,083	0	4,132	0
Special Education: Preschool Grants	PGS1 2006	84.173	21,634	0	21,174	0
Total Special Education: Preschool Grants			<u>25,717</u>	<u>0</u>	<u>25,306</u>	<u>0</u>
Total Special Education Cluster			<u>1,332,755</u>	<u>0</u>	<u>1,312,105</u>	<u>0</u>
Title I Grants to Local Educational Agencies	C1S1 2005	84.010	123,787	0	140,068	0
Title I Grants to Local Educational Agencies	C1S1 2006	84.010	572,812	0	535,235	0
Title I Grants to Local Educational Agencies	C1SK 2005	84.010	17,345	0	7,345	0
Title I Grants to Local Educational Agencies	C1SK 2006	84.010	62,738	0	60,578	0
Total Title I Grants to Local Educational Agencies			<u>776,682</u>	<u>0</u>	<u>743,226</u>	<u>0</u>
Innovative Education Program Strategies	C2S1 2005	84.298	2,454	0	3,349	0
Innovative Education Program Strategies	C2S1 2006	84.298	24,556	0	23,603	0
Total Innovative Education Program Strategies			<u>27,010</u>	<u>0</u>	<u>26,952</u>	<u>0</u>
Safe and Drug-Free Schools and Communities: State Grants	DRS1 2005	84.186	6,105	0	8,205	0
Safe and Drug-Free Schools and Communities: State Grants	DRS1 2006	84.186	32,837	0	30,065	0
Total Safe and Drug-Free Schools and Communities			<u>38,942</u>	<u>0</u>	<u>38,270</u>	<u>0</u>
English Language Acquisition Grants (Title III)	T3S1 2005	84.365	8,316	0	9,304	0
English Language Acquisition Grants (Title III)	T3S1 2006	84.365	18,794	0	16,328	0
English Language Acquisition Grants (Title III)	T3S2 2004	84.365	(577)	0	0	0
English Language Acquisition Grants (Title III)	T3S2 2005	84.365	(577)	0	0	0
Total English Language Acquisition Grants (Title III)			<u>25,956</u>	<u>0</u>	<u>25,632</u>	<u>0</u>
Technology Literacy Challenge Fund Grants	TJS1 2005	84.318	1,837	0	1,837	0
Technology Literacy Challenge Fund Grants	TJS1 2006	84.318	6,023	0	6,023	0
Total Technology Literacy Challenge Fund Grants			<u>7,860</u>	<u>0</u>	<u>7,860</u>	<u>0</u>
Advanced Placement Program	AVTF 2004	84.330	208	0	143	0
Federal Reserve Challenge Grant	N/A	84.XXX	4,500	0	2,534	0
Improving Teacher Quality State Grants	TRS1 2005	84.367	11,717	0	19,832	0
Improving Teacher Quality State Grants	TRS1 2006	84.367	115,780	0	111,831	0
Total Improving Teacher Quality State Grants			<u>127,497</u>	<u>0</u>	<u>131,663</u>	<u>0</u>
Hurricane Relief	Hr01-2006	84.938	15,000	0	4,000	0
Total U.S. Department of Education			<u>2,356,410</u>	<u>0</u>	<u>2,292,385</u>	<u>0</u>
U. S. Department of Health and Human Services						
<i>Passed Through the Ohio Department of MRDD:</i>						
Medical Assistance Program (Medicaid)	N/A	93.778	55,541	0	55,541	0
Total U.S. Department of Health and Human Services			<u>55,541</u>	<u>0</u>	<u>55,541</u>	<u>0</u>
Total Federal Awards Receipts and Expenditures			<u><u>\$2,791,502</u></u>	<u><u>\$86,326</u></u>	<u><u>\$2,727,477</u></u>	<u><u>\$86,326</u></u>

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

**SHAKER HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2006**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying federal awards receipts and expenditures schedule is a summary of the activity of the District's federal awards programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - FOOD DISTRIBUTION

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

NOTE C - NATIONAL SCHOOL LUNCH AND SPECIAL MILK PROGRAMS

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

NOTE D – CARRYOVER FUNDS

Negative receipts are shown in the Title III Grant, CFDA # 84.365. These negative receipts represent monies on the Final Expenditure Report that were unspent after the initial period of availability. These monies were in accordance with allowable carryover provisions and added to the following fiscal year award amounts.

CFDA - Catalog of Federal Domestic Assistance



**Auditor of State
Betty Montgomery**

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

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

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Shaker Heights City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2006, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 22, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the District's management dated December 22, 2006, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the District's management dated December 22, 2006, we reported other matters related to noncompliance we deemed immaterial.

Shaker Heights City School District
Cuyahoga County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

December 22, 2006



Auditor of State Betty Montgomery

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

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

To the Board of Education:

Compliance

We have audited the compliance of the Shaker Heights City School District, Cuyahoga County, Ohio, (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that apply to its major federal program for the year ended June 30, 2006. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the Shaker Heights City School District, Cuyahoga County, Ohio, complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended June 30, 2006. In a separate letter to the District's management dated December 22, 2006, we reported a matter related to federal noncompliance not requiring inclusion in this report.

Internal Control Over Compliance

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

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Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over federal compliance not requiring inclusion in this report, that we reported to the District's management in a separate letter dated December 22, 2006.

Federal Awards Receipts and Expenditures Schedule

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Shaker Heights City School District, Cuyahoga County, Ohio, as of and for the year ended June 30, 2006, and have issued our report thereon dated December 22, 2006. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying federal awards receipts and expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Betty Montgomery
Auditor of State

December 22, 2006

**SHAKER HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2006**

1. SUMMARY OF AUDITOR'S RESULTS
--

(d)(1)(i)	<i>Type of Financial Statement Opinion</i>	Unqualified
(d)(1)(ii)	<i>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(ii)	<i>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(iii)	<i>Was there any reported non-compliance at the financial statement level (GAGAS)?</i>	No
(d)(1)(iv)	<i>Were there any material internal control weakness conditions reported for major federal programs?</i>	No
(d)(1)(iv)	<i>Were there any other reportable internal control weakness conditions reported for major federal programs?</i>	No
(d)(1)(v)	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
(d)(1)(vi)	<i>Are there any reportable findings under § 510?</i>	No
(d)(1)(vii)	<i>Major Programs (list)</i>	CFDA # 84.010 – Title I Grants to Local Educational Agencies
(d)(1)(viii)	<i>Dollar Threshold: Type A/B Programs</i>	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	<i>Low Risk Auditee?</i>	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
--

None.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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

Shaker Heights City School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2006
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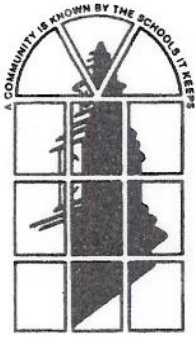
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SHAKER HEIGHTS CITY SCHOOL DISTRICT

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

MARK FREEMAN, Ph.D.
Superintendent

BRYAN C. CHRISTMAN
Treasurer

December 22, 2006

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

Dear Board Members and Residents:

We are pleased to submit to you the Shaker Heights City School District's ninth Comprehensive Annual Financial Report (CAFR). This report is the School District's official annual financial report for the fiscal year that ended June 30, 2006. This report presents the School District's financial information in a comprehensive manner consistent with the Generally Accepted Accounting Principles (GAAP) applicable to all governmental entities. Generally Accepted Accounting Principles are uniform minimum standards and guidelines for financial accounting and reporting. These national standards provide a consistent and standard format for the reader to analyze and interpret the financial data presented. The Government Accounting Standards Board (GASB) is the authoritative body that prescribes and administers the guidelines and standards relative to financial reporting. This report also includes an unqualified opinion from the Auditor of State's Office for the 2006 fiscal year.

Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and presents fairly the financial position of the School District.

This report has been filed with the appropriate regulatory agencies as well as the major bond rating agencies. Copies have also been provided to the Shaker Heights League of Women Voters, the Shaker Heights City School District Finance & Audit Committee, the Shaker Heights City School District Parent Teacher Organization (PTO) Council, the City of Shaker Heights, and the Shaker Heights Community Associations, among others. Copies are available in the Treasurer's Office and on the District's website at <http://shaker.org/news/financial/ComprehensiveAnnualFinancialReports.htm> for all other interested parties.

This report is presented in four sections:

The Introductory Section contains the table of contents, this letter of transmittal, a list of principal officials, an organizational chart of the School District, a map of the School District, the GFOA Certificate of Achievement, and the ASBO Certificate of Excellence. This transmittal letter is presented in a less technical manner than the information in the remaining three

sections and the reader may find this to be the most reader-friendly section of the report. We recommend, however, that the entire report be reviewed.

The Financial Section begins with the Independent Accountants' Report offered by the Auditor of State's Office and includes Management's Discussion and Analysis, the Basic Financial Statements and Notes, which provide an overview of the School District's financial position and operating results as of June 30, 2006. The Combining Statements by Fund Type and other schedules provide detailed information relative to the Basic Financial Statements. This section contains a significant amount of detailed financial and budgetary information that will be particularly useful to the investment community.

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

The Supplemental Information Section contains a report based on the expenditure flow model prepared by the Ohio Department of Education.

The Shaker Heights City School District

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

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

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

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

1918 - Woodbury Elementary, on South Woodland at Woodbury Road. *Originally used as the Senior High School until 1931, then renamed Woodbury Junior High. In 1985 it was converted to an upper elementary school that serves students in grades five and six.*

1922 - Malvern School, at Malvern and Falmouth Roads. *Sold to the City of Shaker Heights, it now houses a private school.*

1922 - Sussex School, on Sussex at Norwood Road. *Sold to the City of Shaker Heights, it serves as a center for several preschools and the Shaker Family Center, a non-profit organization serving families with young children. The School District's Pre-K program for children with disabilities was relocated there in the fall of 1999, but then relocated to Onaway School in the fall of 2006.*

1923 - Onaway School, at Onaway and Woodbury Roads. *A new classroom wing was added to this facility in 1990.*

1924 - Moreland School, at Van Aken Boulevard (then known as Moreland Boulevard and Lee Road). *Sold to the City of Shaker Heights and serves as the community's new main library.*

1927 - Fernway School, at Fernway and Ardmore Roads.

1927 - Ludlow School, at Southington and Ludlow Roads. *Now houses the Positive Education Program (PEP) operated by the county.*

1928 - Lomond School, on Lomond Boulevard at Strandhill and Palmerston Roads.

1931 - Shaker Heights High School, on Aldersyde Drive at Onaway Road. *A new handicapped accessible front entrance and gym/music wing was added in 1999.*

1952 - Mercer School, on Wimbledon Road off of Green Road and Shaker Boulevard.

1957 - Shaker Heights Middle School, on Shaker Boulevard and Warrensville Center Road, *formerly known as Byron Junior High.*

1962 - Administration Building, on Parkland at Ashford Road.

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

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

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

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

The Shaker Heights City School District is one of 612 school districts in the State of Ohio and one of 31 school districts in Cuyahoga County. The School District is the 55th largest in student enrollment in Ohio, with an enrollment of 5,628 students for the 2006 academic year and projected enrollment for fiscal year 2007 of 5,550 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 Reporting Entity

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

The School District is associated with three organizations, the Ohio Schools' Council Association (OSC), the Lakeshore Northeast Ohio Computer Association (LNOCA), and the Shaker Heights Public Library. LNOCA and OSC are jointly-governed organizations whose relationships to the School District are described in Note 18 to the accompanying financial statements. The Shaker Heights Library is a related organization and is described in Note 19 to the accompanying financial statements.

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

2006 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 2006 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 2006, 323 sophomores, juniors, and seniors took 721 AP examinations, with 89 percent earning a score of 3 or higher. Based on their outstanding performance on the national Advanced Placement examinations, 131 Shaker students were named AP Scholars in November 2006.

Shaker Heights students continue to be sought after by colleges. About 10 percent of the Class of 2006 were accepted early into their first-choice colleges, including some of the most selective in the nation. Approximately 90 percent of graduating seniors plan to attend college.

Teams and individual students won numerous awards in mathematics, science, economics, history, foreign language and the fine arts. Our student athletes had another outstanding year of interscholastic success and groups such as Student Council and Youth Ending Hunger involved many Shaker students in community service activities. The list of accomplishments continues.

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. At the request of the Board of Education president last July, the staff developed a series of three presentations and framed related discussions with Board members at the October, November and December meetings. The discussions focused on examining assets of the Shaker Heights City School District. The topics covered included the breadth and depth of the curriculum, the quality of the faculty, the co-curricular activities, the learning environment, services to students and their families, and the outcomes for students. These Board presentations/discussions were collectively called, "The Shaker Advantage: A Community is Known

by the School it Keeps” and focused on ten key benefits of a K-12 Shaker education. Among the benefits were: (1) A Great Start, (2) Diversity, (3) Solid Core Education, (4) Opportunities Beyond the Basics, (5) Hands-on/Active Learning Experiences, (6) Enrichment and Extra Help, (7) Rigorous Curriculum, (8) Continuity, (9) A Tradition of Excellence, and (10) A Great Finish.

Another presentation discussed graduates in the middle: those who are neither struggling academically nor at the top of the class. The information presented was based on an examination of the academic and co-curricular records of 202 students whose grade-point average placed them in the middle 50 percent of the Class of 2005, plus follow-up interviews with a representative sample of 42 members of the class.

Staff members also reported about health and nutrition initiatives in the School District. The District has had a longstanding focus on student and staff wellness. Over the last few years, alarmed by the national epidemic of childhood obesity, several Shaker parents have approached the administration, offering their assistance and expertise in improving school nutrition and wellness programs. Drawing on staff and community expertise in the fields of health care, public health and nutrition, a broadly representative district health council was formed to recommend improvements in policies and practices. During the same period, the federal government enacted a requirement that all school boards adopt wellness policies by September 2006. Members of the District’s health council reported on the importance of sound student wellness practices, steps taken in the District to improve nutrition and health, and challenges.

In addition, staff presentations were made at regularly scheduled Board of Education meetings covering the following topics:

- Teacher Quality and Recruitment Techniques
- High School Art Program
- Student Mobility
- Educational Information from the District Fact Book
- Middle School Music Program
- The Art and Craft of Teaching

Technology

Shaker-Net, the School District’s computer network, now consists of 20 servers and approximately 1,230 client computers in 12 buildings connected by fiber optic cables. Over 150 aging computers were replaced last winter with new Dell computers and an additional 140 computers will be replaced this year as part of our bond issue replacement cycle. This fall the District upgraded our SuccessMaker Math Concepts & Skills software to the Enterprise version running in all K-6 buildings. It also includes language arts, science and social studies courseware.

Capital Improvements

Repairs and preventive maintenance efforts continued throughout the District, including interior and exterior painting; replacing carpet and floor tile; roof repair; repairing exterior walkways, stairs and railings; and replacing exterior doors. Major capital projects undertaken over the summer included expanding classroom space for special needs and art classes, and creating an additional science lab at the High School; replacing windows at Fernway, Lomond and Onaway; renovating the student restrooms at Boulevard; providing handicap accessibility and adding wheelchair lifts at the High School; increasing the electrical service into Lomond, reorganizing and providing increased electricity for the computer stations in the Fernway library; renovating the women’s locker rooms and providing ADA accessibility at the Middle School; replacing the visitors’ bleachers at the High School varsity football field; and installing emergency generators to keep critical computer and telephone systems functioning in the event of a power outage. With grant funds, the Doan Brook Watershed Partnership is restoring much of the brook, including the portion that runs alongside Woodbury; District faculty

and staff members met with the Partnership staff to ensure that educational opportunities are incorporated into the restoration. In addition, the District's bus fleet achieved a 100 percent pass rate on state inspections for the fourteenth year in a row.

Current and Future Initiatives

The School District continues to study, plan, and implement instructional initiatives aimed at improving the academic achievement of all students. Current instructional initiatives include early intervention, after-school/Saturday tutoring sessions and summer programming for students; an intensified focus on literacy and mathematics instruction; increased efforts to help students prepare for the Ohio Diagnostic, Achievement and Graduation Tests; the refinement of team teaching approaches at the secondary school level; efforts to increase parental and community involvement; highly focused professional development activities and collaboration with the City of Shaker Heights, the Shaker Heights Public Library, and nonprofit community agencies concerned with the welfare of youth.

School Improvement Plans

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

Improving Student Achievement Grants

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

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 for residents of the School District filing returns for calendar year 2004 was \$115,167, compared to the averages of \$46,741 for all Ohio school districts and \$50,721 for all districts in Cuyahoga County.

Because Shaker Heights is home to many management employees, the stability of Cleveland's major employers -- including several Fortune 500 companies -- is important to the continued vitality of this School District. While downtown Cleveland is only twenty minutes by car, the rapid transit, a light rail public transit system, provides even more accessibility to downtown Cleveland's business community, and attractions. The Greater Cleveland Regional Transit System has extended the original rapid transit rail line to serve not only downtown Cleveland and Cleveland Hopkins International Airport but also the Cleveland waterfront area including the recreational/entertainment area known as the "Flats", the Rock & Roll Hall of Fame and Museum, the Great Lakes Science Museum, Quicken Loans Arena, Jacobs Field and Cleveland Browns Stadium.

Another contributor to the School District's economic strength is its proximity to the University Circle area of Cleveland. University Circle is the home to major cultural, educational and medical facilities including Severance Hall, the home of the world-renown Cleveland Orchestra, the Cleveland Museum

of Art, Case Western Reserve University, 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 fall 2004 sale to a new local owner has reinvigorated the enthusiasm about the Shaker Square potential and long-term prospects for success.

While past development efforts including the re-development of the Shaker Towne Centre shopping area, the expansion of the OfficeMax corporate headquarters, the development of Somerset Point and Sunrise Communities assisted-living facilities, and the location of a new United States Post Office, have had mixed results, the City of Shaker Heights is aggressively pursuing new development, both commercial and residential. Through a process based on a collaborative effort of public and private community leaders, the City developed a Strategic Investment Plan that serves to advise the City on how to best leverage its limited assets to encourage appropriate private investment, and to ensure that Shaker Heights remains one of the premier communities in the country.

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

- Construction of a new \$5 million City Fire Station in the Shaker Towne Centre area;
- Redevelopment of commercial properties in the Shaker Towne Centre complex including \$3 million of façade and other improvements;
- \$13 million of public improvements at the Shaker Towne Centre including the reconfiguration and narrowing of Chagrin Boulevard; the addition of angled, on-street parking on Chagrin Boulevard; the construction of Center Street- a new road through Shaker Towne Centre which connects Chagrin Boulevard with Van Aken Boulevard; utility work to upgrade sewers, electric and telephone lines; streetscape work on Chagrin Boulevard; and streetscape work on Lee Road between Chagrin Boulevard and City Hall.
- Building of 16 cluster townhouses known as Sussex Courts - Phase I on the north side of Chagrin Boulevard at Farnsleigh Road;
- Building of 30 cluster townhouses known as Sussex Courts - Phase II on the south side of Chagrin Boulevard at Farnsleigh Road; and
- Development of 16 new residential condominiums entitled South Park Row on vacant land in the Warwick Road area.

Already in process is the following residential development:

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

Other development opportunities being pursued in Shaker Heights include:

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

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

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

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.

Financial Management

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

BUDGET

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

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

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

APPROPRIATIONS

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

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

In April of 1995, the Board of Education revised its policies to incorporate the use of expense-growth limitations for future years' spending as a part of long-term financial planning. The annual expense-growth rate was developed using an assumed rate of inflation as measured by the Consumer Price Index and an assumed rate of change in student enrollment measured by the official October Average Daily Membership. These spending caps were renewed in 2000, and the District has successfully operated under spending limits since then.

Financial Information

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

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

Through its membership in the Information Technology Center (ITC), LNOCA, the School District utilizes state-developed software for its financial accounting and payroll systems. These systems, coupled with oversight review procedures provide controls to ensure that the financial information generated is both accurate and reliable.

At the beginning of each fiscal year, the Board of Education adopts a temporary appropriation measure for that fiscal year. By Statute, permanent appropriations must be adopted upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates. The School District adopts the permanent appropriation measure prior to October 1st.

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

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are appropriated at the fund level and controlled at the object account level within a function. All purchase order requests must be approved by the site administrator and the Business

Administrator's office and be certified by the Treasurer; necessary funds are then encumbered and purchase orders released to vendors. Those requests that exceed the available appropriation are rejected until additional appropriations are secured.

The accounting system used by the School District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date. Effective April 1, 2003 for the accounting system, and July 1, 2003 for the payroll system, the School District converted to State Software Systems operated by the School District's Data Acquisition Site, the Lakeshore Northeast Ohio Computer Association (LNOCA). The conversion has resulted in improved operational efficiencies. Additionally, the implementation of an electronic purchase order system that is currently being phased in is expected to yield further efficiencies in the purchasing and payment functions.

Each administrator and school principal is furnished monthly reports showing the status of the budget accounts for which they are responsible. As part of the District's efforts to improve both the timeliness and efficiency of the financial operations, beginning in late 2006, such management reports are available to the administrators on-line on a daily updated basis. In addition to the budgeting controls in place, all employees are covered by a blanket fidelity bond, while certain individuals in policy-making roles are covered by separate, higher limit bonds.

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

Financial Reporting

Effective for the fiscal year ending June 30, 2003, the School District implemented the provisions of Governmental Accounting Standards Board Statement No. 34, "Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments". This pronouncement significantly changed the way the School District reports its financial condition and results of operations as compared to previous years. The new basic financial statements for reporting on the School District's financial activities are as follows:

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

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

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

As part of this new reporting model, management is responsible for preparing a Discussion and Analysis of the School District. This discussion appears after the Independent Accountants' Report in the financial section of this report. The Management Discussion and Analysis provides an assessment of the School District's finances for 2006.

Cash Management

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

The available cash of the School District's individual funds is combined into a single cash pool and invested according to cash flow projections. The School District invests in authorized federal agency securities, STAROhio, an investment pool operated by the Ohio State Treasurer, and high balance savings accounts at School District depository banking institutions. The authorized maximum investment maturity for operating funds is five years from the date of investment. Interest earned on investments is distributed in accordance with Board of Education authorization. During fiscal year 2006, the School District earned \$1,147,810 in interest income. Of that amount \$786,428 was credited to the general fund.

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

Risk Management

The School District strives to provide itself with superior risk coverage at the lowest possible cost to the taxpayers. The School District manages the prescription drug benefits for its employees on a self-insured basis. A third party administrator processes and pays the claims. Because the maximum payment per participant is limited, no individual or aggregate stop-losses are necessary. Additionally, the School District maintains a reserve for its potential obligation under its contingent premium health and dental insurance through its primary health insurance carrier Anthem Blue Cross/Blue Shield of Ohio. Under the terms of the contingent premium agreement, the School District pays 90 percent of the fully-insured premium during the contract period, but is subject to an additional payment of up to 105 percent of the fully-insured premium based upon the actual experience during the contract period. Reserves at June 30, 2006, are sufficient to meet claim obligations.

For calendar years 1999 through 2006, the School District participated in the State's workers' compensation retrospective rating plan. This plan involves the payment of a minimum premium for administrative services and stop loss coverage plus the actual claims cost for injured employees.

For fiscal year 2006, the School District contracted with Indiana Insurance Company for property and inland marine insurance. The primary deductibles are \$250 for inland marine and \$10,000 for property coverages. The boiler and machinery policy is provided by Travelers Insurance Company and has a \$1,000 deductible. General liability coverage is provided by Indiana Insurance Company with a \$1,000,000 single occurrence limit, a \$2,000,000 aggregate, and a \$2,500 deductible. Vehicles, including school buses, are covered by Indiana Insurance Company with a \$1,000 deductible for comprehensive, and a \$1,000 deductible for collision. There is a \$1,000,000 per accident combined single limit of liability. Additionally, the School District has a \$6,000,000 umbrella policy with Indiana Insurance Company that covers both general liability and vehicle policies, and Foreign Travel coverage with the Hartford Steam Boiler Company.

Pension Plans

All School District employees are covered by either the statewide School Employees Retirement System of Ohio (SERS) or the State Teachers Retirement System (STRS). The School District's employer contributions to both systems are based on a percentage of employee salaries. State law

requires the School District to pay the employer share as determined by each retirement system. A more detailed discussion of both pension plans can be found in Note 12 to the financial statements in the financial section of this report.

Independent Audit

State statutes require the School District to undergo an annual audit by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. The Auditor of State was selected to render an opinion on the School District's financial statements as of and for the fiscal year ended June 30, 2006. The Auditor's unqualified opinion has been included in this report at the beginning of the financial section. Pursuant to State statute, the Auditor of State prescribes a uniform accounting system to standardize accounting classifications and financial reporting for all governments in Ohio. The School District adopted and has been in conformance with that system beginning with its financial report for the 1979 fiscal year.

Awards

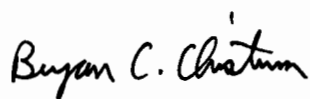
GFOA Certificate of Achievement - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Shaker Heights City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2005. 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, 2005 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, 2006, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

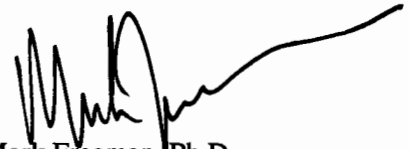
Acknowledgments

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, 2006

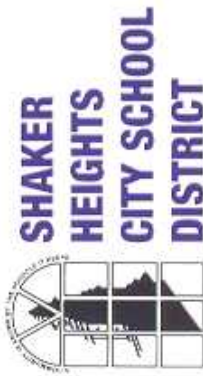
Board of Education

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

Administration

Mark Freeman Ph.D.....Superintendent

Bryan C. Christman.....Treasurer



www.shaker.org

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15600 Parkland Drive
Shaker Heights, OH 44120
216 295-4000
- 2** Boulevard Elementary K-4
14900 Drexmore Road
Shaker Heights, OH 44120
216 295-4020
- 3** Fermy Elementary K-4
17420 Fermy 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



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, 2005

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.



Carla E. Fudge

President

Jeffrey R. Emmer

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

SHAKER HEIGHTS CITY SCHOOL DISTRICT

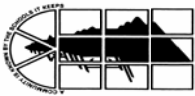
For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2005

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

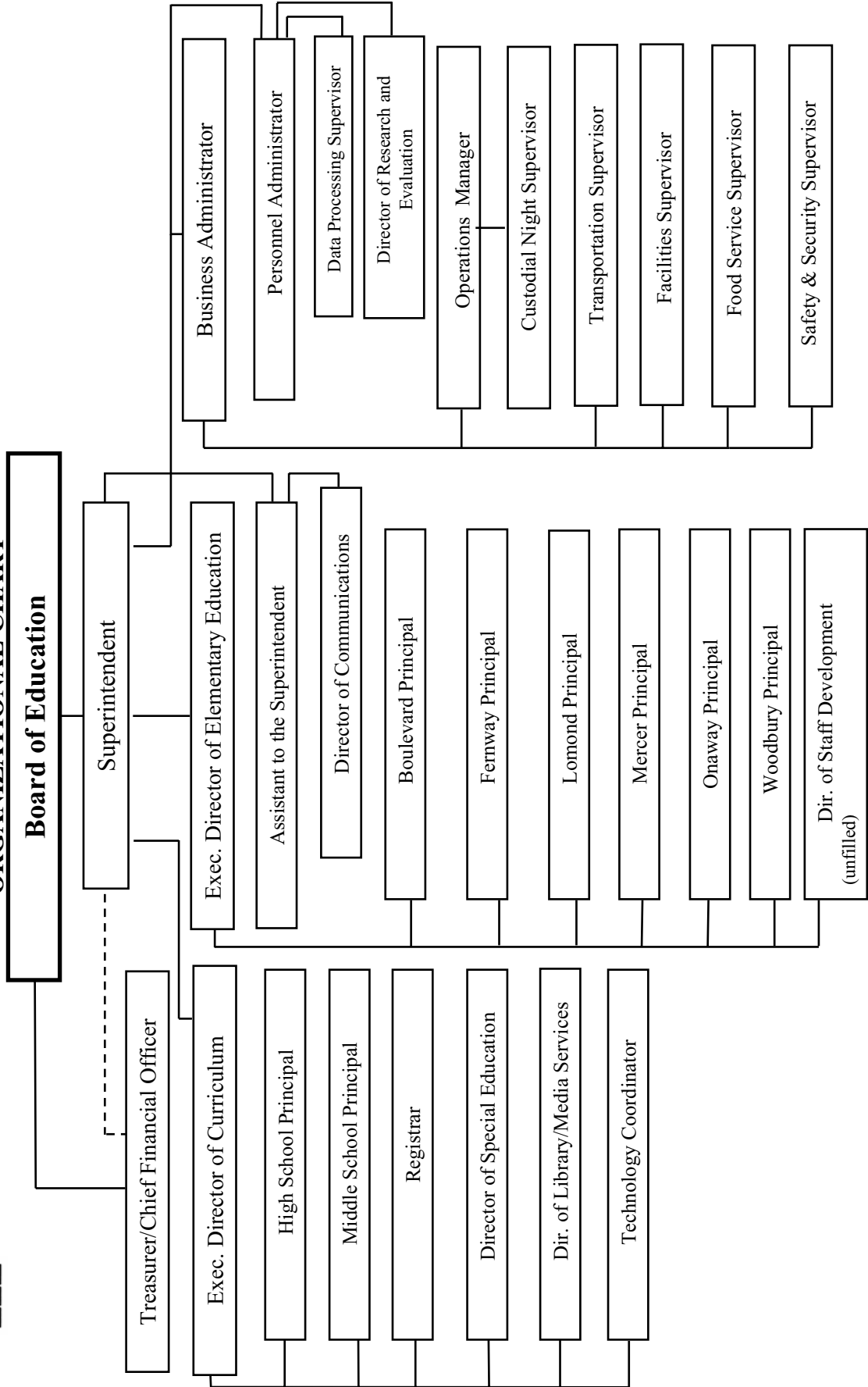
President

Interim Executive Director



SHAKER HEIGHTS CITY SCHOOL DISTRICT

ORGANIZATIONAL CHART



Financial Section



Auditor of State Betty Montgomery

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, 2006, 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, 2006, 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 22, 2006, 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 black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

December 22, 2006

Shaker Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
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, 2006. 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 2006 are as follows:

- Net assets totaled \$13,459,442 for fiscal year 2006.
- Revenue for governmental activities totaled \$84,976,916 in fiscal year 2006. Of this total, 91.6 percent consisted of general revenues while program revenues accounted for the balance of 8.4 percent.
- Program expenses totaled \$89,013,467. Instructional expenses comprised 51.9 percent of this total, while support services accounted for 42.5 percent. Other expenses rounded out the balance of 5.6 percent.
- Outstanding general obligation bonded debt decreased to \$22,156,229 from \$23,262,846.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

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

Shaker Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
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 potential 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, 2006
Unaudited

The School District as a Whole

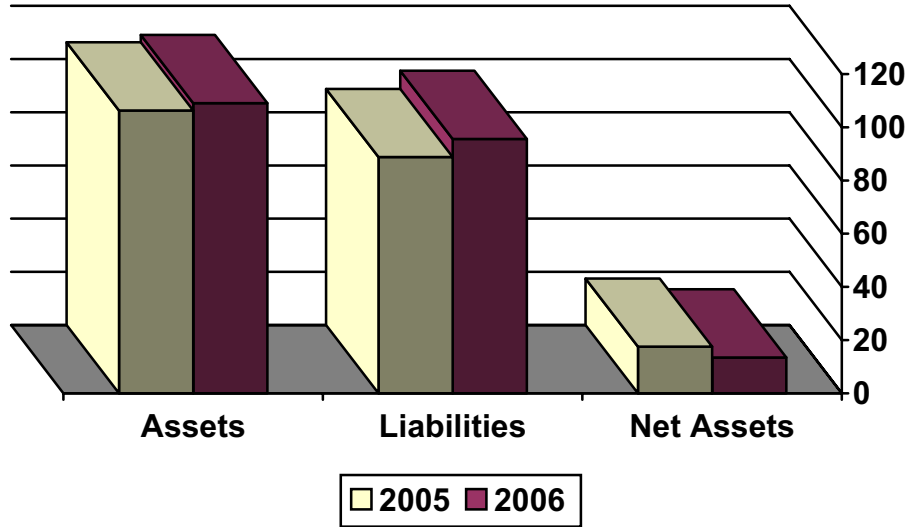
As you may recall, the Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for fiscal year 2006 and 2005.

Table 1
Net Assets
Governmental Activities

	<u>2006</u>	<u>2005</u>	<u>Change</u>
Assets			
Current and Other Assets	\$88,796,959	\$89,419,716	(\$622,757)
Capital Assets, Net	20,302,152	16,876,760	3,425,392
Total Assets	<u>109,099,111</u>	<u>106,296,476</u>	<u>2,802,635</u>
Liabilities			
Current and Other Liabilities	67,224,592	59,426,519	7,798,073
Long Term Liabilities:			
Due Within One Year	2,852,728	1,841,890	1,010,838
Due in More than One Year	25,562,349	27,532,074	(1,969,725)
Total Liabilities	<u>95,639,669</u>	<u>88,800,483</u>	<u>6,839,186</u>
Net Assets			
Invested in Capital Assets			
Net of Related Debt	2,250,762	4,100,033	(1,849,271)
Restricted:			
Capital Projects	1,655,509	678,855	976,654
Debt Service	2,216,814	1,400,799	816,015
Set Asides	353,070	353,070	0
Other Purposes	544,543	608,066	(63,523)
Unrestricted	6,438,744	10,355,170	(3,916,426)
Total Net Assets	<u>\$13,459,442</u>	<u>\$17,495,993</u>	<u>(\$4,036,551)</u>

Shaker Heights City School District
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Graph 1
Net Assets
Governmental Activities
(in \$millions)



Property taxes receivable contributed \$65,664,076 or 60.2 percent of total assets. Of this amount \$53,838,418 is offset as deferred revenue, revenue to be used in future periods. In May of 2003, a 9.6 mill operating levy was passed generating approximately \$7.5 million annually, beginning in fiscal year 2004, with a full year's collection occurring in fiscal year 2005. Liabilities for governmental activities totaled \$95,639,669; of this amount \$28,415,077 or 29.7 percent is long-term liabilities. By comparing assets and liabilities, one can see the overall position of the School District is good. The vast majority of revenue supporting all governmental activities is general revenue. General revenue totaled \$77,798,516 or 91.6 percent of total revenue, down from \$77,928,071 or 91.8 percent in the prior fiscal year. The most significant portion of the general revenue is the local property tax. The remaining amount of revenue received was in the form of program revenues, which equated to \$7,178,400 or 8.4 percent of total revenue, up from \$6,929,399 or 8.2 percent in the prior fiscal year.

Table 2 shows the changes in net assets for fiscal years 2006 and 2005.

Shaker Heights City School District
Management's Discussion and Analysis
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Table 2
Changes in Net Assets
Governmental Activities

	<u>2006</u>	<u>2005</u>	<u>Change</u>
Revenues			
Program Revenues:			
Charges for Services	\$2,470,940	\$2,299,315	\$171,625
Operating Grants, Interest and Contributions	4,565,310	4,527,135	38,175
Capital Grants and Contributions	142,150	102,949	39,201
<i>Total Program Revenues</i>	<u>7,178,400</u>	<u>6,929,399</u>	<u>249,001</u>
General Revenues:			
Property Taxes	53,913,009	54,026,443	(113,434)
Grant and Entitlements not Restricted to Specific Programs	22,583,373	22,989,562	(406,189)
Investment Earnings	1,147,810	622,591	525,219
Unrestricted Contributions & Donations	0	1,225	(1,225)
Gain on Sale of Capital Assets	5,250	0	5,250
Other	149,074	288,250	(139,176)
<i>Total General Revenues</i>	<u>77,798,516</u>	<u>77,928,071</u>	<u>(129,555)</u>
Total Revenues	<u>84,976,916</u>	<u>84,857,470</u>	<u>119,446</u>
Program Expenses			
Instruction:			
Regular	35,310,361	32,924,168	2,386,193
Special	10,607,843	10,647,502	(39,659)
Vocational	261,197	365,419	(104,222)
Support Services:			
Pupils	5,375,507	5,238,920	136,587
Instructional Staff	5,578,777	5,352,258	226,519
Board of Education	19,423	12,936	6,487
Administration	6,436,016	6,251,458	184,558
Fiscal	1,851,290	1,957,648	(106,358)
Business	923,004	899,420	23,584
Operation and Maintenance of Plant	11,863,117	10,369,547	1,493,570
Pupil Transportation	4,243,701	4,429,933	(186,232)
Central	1,548,776	1,537,060	11,716
Operation of Non-Instructional Services	1,425,671	1,057,019	368,652
Food Service Operations	1,311,946	1,029,189	282,757
Extracurricular Activities	1,241,147	1,294,801	(53,654)
Interest and Fiscal Charges	1,015,691	781,322	234,369
Total Expenses	<u>89,013,467</u>	<u>84,148,600</u>	<u>4,864,867</u>
Increase in Net Assets	<u>(4,036,551)</u>	<u>708,870</u>	<u>(4,745,421)</u>
<i>Net Assets Beginning of Year</i>	<u>17,495,993</u>	<u>16,787,123</u>	<u>708,870</u>
<i>Net Assets End of Year</i>	<u>\$13,459,442</u>	<u>\$17,495,993</u>	<u>(\$4,036,551)</u>

Shaker Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

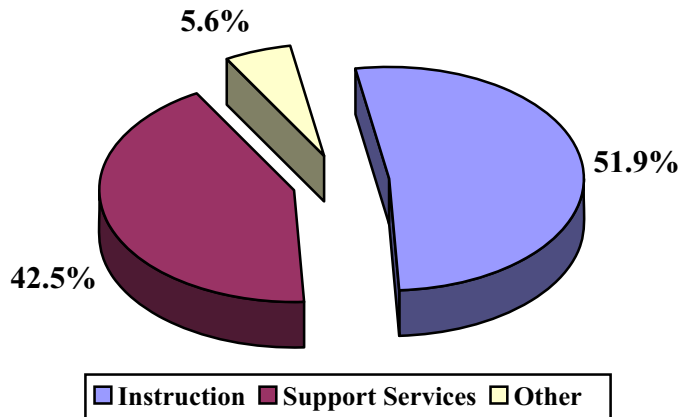
Governmental Activities

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, 1934, 1983 and 1994, all of which were approved at the following election. In May of 2003, the School District successfully passed a 9.6 mill-operating levy that generates \$7.5 million dollars in revenue per year. Collections on this new levy began the second half of fiscal year 2004 with full collection of this levy realized in fiscal year 2005. In May 2006, the School District successfully passed a 9.9 mill-operating levy that is expected to generate \$8.2 million dollars in revenue per year. Collections on this new levy will begin the second half of fiscal year 2007 with full collection of this levy to be realized in fiscal year 2008. The additional income from this levy is dedicated to fund the day-to-day operations of the School District (e.g., salaries, utilities, textbooks, transportation, etc.) and is expected to cover three years of operation.

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

Although the School District relies heavily upon local property taxes to support its operations, the School District does actively solicit and receive grant and entitlement funds to help offset some operating costs. Property taxes approximated 63.4 percent of revenues for governmental activities for Shaker Heights City Schools in fiscal year 2006, down from 63.7 percent in the prior year.

Graph 2
Program Expenses



Approximately 51.9 percent of the School District's expenses are used for instructional expenses. Supporting services for pupils, staff and business operations account for an additional 42.5 percent. The remaining amount of program expenses, roughly 5.6 percent, is budgeted to facilitate other obligations of the School District including interest and fiscal charges, food services operations and extracurricular activities.

The School District's net assets decreased in fiscal year 2006 by \$4,036,551. The decrease was primarily due to the growth in program expenses for the year, which were consistent with annual budget

Shaker Heights City School District
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expectations. Total revenues for the year were only \$119,446 higher than the prior year, while expenses totaled \$4,864,867 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 2006	Total Cost of Services 2005	Net Cost of Services 2006	Net Cost of Services 2005
Instruction:				
Regular	\$35,310,361	\$32,924,168	\$33,716,093	\$31,376,584
Special	10,607,843	10,647,502	10,366,350	9,690,363
Vocational	261,197	365,419	257,004	365,419
Support Services:				
Pupils	5,375,507	5,238,920	5,250,054	5,204,447
Instructional Staff	5,578,777	5,352,258	3,771,965	3,913,663
Board of Education	19,423	12,936	19,068	12,936
Administration	6,436,016	6,251,458	6,322,340	6,251,458
Fiscal	1,851,290	1,957,648	1,816,583	1,951,911
Business	923,004	899,420	907,632	899,401
Operation and Maintenance of Plant	11,863,117	10,369,547	11,380,211	10,109,295
Pupil Transportation	4,243,701	4,429,933	4,169,413	4,408,031
Central	1,548,776	1,537,060	1,507,899	1,521,906
Operation of Non-Instructional Services	1,425,671	1,057,019	151,983	(139,554)
Food Service Operations	1,311,946	1,029,189	134,704	(156,122)
Extracurricular Activities	1,241,147	1,294,801	1,048,077	1,028,141
Interest and Fiscal Charges	1,015,691	781,322	1,015,691	781,322
Total Expenses	\$89,013,467	\$84,148,600	\$81,835,067	\$77,219,201

The reliance upon local tax revenues for governmental activities is crucial at Shaker Heights City Schools. More than 60.6 percent of expenses are directly supported by local property taxes. Grant and entitlements not restricted to specific programs, investment earnings and other miscellaneous types of revenues support the remaining activity costs. Program revenue accounts for only 8.1 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 \$85,368,473 and expenditures of \$92,906,429. The net change in fund balance for the year in the General Fund was a decrease of \$2,959,678. The net change in fund balance for the year in the Building Fund was a decrease of \$5,442,998, due to the expenditure of the bond proceeds issued in April 2005 for School District capital projects.

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General Fund Budgeting Highlights

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

The School District did not amend its general fund budget during the course of the 2006 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 \$76,931,496, which was \$374,194 below the original budget estimate of \$77,305,690. The final expenditure budget totaled \$83,697,565, which was the same as the original estimate.

The School District's ending unencumbered cash balance totaled \$9,381,583, which was \$3,034,301 higher than the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2006, the School District had \$20,302,152 in land and land improvements, buildings and improvements, equipment, vehicles and construction in progress. Table 4 shows fiscal year 2006 values compared to 2005.

Table 4
Capital Assets, Net

	Governmental Activities		
	2006	2005	Change
Land	\$943,600	\$943,600	\$0
Land Improvements	1,973,154	1,207,559	765,595
Buildings and Improvements	13,360,871	12,085,534	1,275,337
Equipment	2,506,231	1,862,003	644,228
Vehicles	712,520	496,583	215,937
Construction In Progress	805,776	281,481	524,295
Total	<u>\$20,302,152</u>	<u>\$16,876,760</u>	<u>\$3,425,392</u>

All capital assets, except land and construction in progress, are reported net of depreciation. The net increase in capital assets during the fiscal year resulted primarily due to the expenditure of the April 2005 bond issuance proceeds on District capital projects partially offset by depreciation charges for the year. The increase in land improvements, and buildings and improvements is due to various capital projects. The furniture and equipment category was mainly due to the acquisition of equipment, primarily in the technology related areas. The increase in construction in progress is primarily attributable to window replacements at Onaway and Fernway, and other major capital projects that were still in progress as of June 30, 2006. For more information on capital assets refer to Note 9 of the basic financial statements.

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For the Fiscal Year Ended June 30, 2006
Unaudited

Debt

At June 30 2006, the School District had \$22,156,229 in outstanding debt. Table 5 below summarizes the School District's bonds outstanding.

Table 5
Outstanding Debt

	Governmental Activities	
	2006	2005
General Obligation Bonds:		
School Improvement 1990, 7.10%	\$1,990,000	\$2,315,000
Energy Conservation Improvement 1995, 5.00%	0	159,230
School Improvement 1999, 3.95%-4.95%	5,405,000	5,895,000
School Improvement 2000		
Serial and Term 4.5%-5.375%	2,415,000	2,560,000
Capital Appreciation 5.00%-5.05%	285,543	271,709
School Improvement 2005		
Serial and Term 3%-4.5%	9,795,000	9,795,000
Capital Appreciation 3.64%-3.85%	376,606	351,099
Building Addition Refunding 2005		
Serial and Term 3%-4.5%	1,195,000	1,230,000
Capital Appreciation 3.64%-3.85%	124,080	115,808
Bus Acquisition Bond Anticipation Note 1.99%-4%	570,000	570,000
Total Outstanding Debt	<u>\$22,156,229</u>	<u>\$23,262,846</u>

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 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. Energy conservation bonds were issued in 1995 and were fully repaid in July 2005.

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

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. In October 2005, \$150,000 was repaid and the remaining \$570,000 of the notes was refinanced with the issuance of a new bond anticipation note. In October 2006, the \$570,000 note was refinanced with the issuance of a new bond anticipation note.

Shaker Heights City School District
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Unaudited

The School District's overall debt margin was \$57,814,176 with an unvoted debt margin of \$857,196 at June 30, 2006. The School District's most recent bond rating is an AA+ (up from the previous rating of AA) by Standard & Poor's and Aa2 by Moody's. For more information on debt, refer to Notes 16 and 17 of the basic financial statements.

School District Outlook

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

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

Because of its long history of strong community support at the ballot box, coupled with the continuous City efforts targeted toward maintaining the housing stock (thereby helping to maintain and improve the City's tax base), the Shaker Heights City School District has a strong financial outlook. The Board of Education and administration closely monitor its revenues and expenditures in accordance with its financial forecast. Overall, the School District continues to perform at one of the highest levels determined by the State of Ohio, which is measured by a defined set of proficiency criteria. Our most recent state report card shows Shaker Heights City School District students achieving 21 out of 25 indicators for an "effective" rating in accordance with the State-established criteria.

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

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

Shaker Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

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. Although the plaintiffs were successful in winning both at the local Perry County Common Pleas level in 1994, and in the subsequent appeals process which led to an unprecedented four Ohio Supreme Court rulings that upheld the lower court ruling that the Ohio system of funding was unconstitutional in that it was neither "adequate" nor "equitable." Unfortunately, the plaintiffs were unsuccessful in forcing the State of Ohio to comply with the Ohio Supreme Court orders and in fact were denied a last ditch effort in October 2003, when the United States Supreme Court denied the plaintiffs motion to be heard. As of the date of these financial statements, the consensus opinion is that the *DeRolph* case is over and done.

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

Tax Reform-House Bill No. 66

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

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

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

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

Shaker Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

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.

Contacting the School District's Financial Management

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

Basic Financial Statements

Shaker Heights City School District

Statement of Net Assets

June 30, 2006

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$20,952,013
Cash and Cash Equivalents in Segregated Accounts	881,000
Accounts Receivable	10,134
Accrued Interest Receivable	152,863
Intergovernmental Receivable	639,675
Prepaid Items	183,497
Materials and Supplies Inventory	168,548
Property Taxes Receivable	65,664,076
Deferred Charges	145,153
Nondepreciable Capital Assets	1,749,376
Depreciable Capital Assets, Net	<u>18,552,776</u>
<i>Total Assets</i>	<u>109,099,111</u>
Liabilities	
Accounts Payable	864,458
Contracts Payable	544,774
Accrued Wages and Benefits	7,988,369
Matured Compensated Absences Payable	703,977
Retainage Payable	40,465
Intergovernmental Payable	2,602,842
Deferred Revenue	53,838,418
Claims Payable	587,500
Accrued Interest Payable	53,789
Long-Term Liabilities:	
Due Within One Year	2,852,728
Due In More Than One Year	<u>25,562,349</u>
<i>Total Liabilities</i>	<u>95,639,669</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	2,250,762
Restricted for:	
Capital Projects	1,655,509
Debt Service	2,216,814
Set Asides	353,070
Food Service	38,056
Uniform School Supplies	19,343
Athletics	36,414
State Grants	99,905
Federal Grants	181,800
Other Purposes	169,025
Unrestricted	<u>6,438,744</u>
<i>Total Net Assets</i>	<u>\$13,459,442</u>

See accompanying notes to the basic financial statements

Shaker Heights City School District

Statement of Activities

For the Fiscal Year Ended June 30, 2006

	Program Revenues				Net (Expense)
					Revenue and Changes
	Expenses	Charges for Services and Sales	Operating Grants, Interest and Contributions	Capital Grants and Contributions	in Net Assets
				Governmental Activities	
Governmental Activities					
Instruction:					
Regular	\$35,310,361	\$692,997	\$901,271	\$0	(\$33,716,093)
Special	10,607,843	178,796	62,697	0	(10,366,350)
Vocational	261,197	4,193	0	0	(257,004)
Support Services:					
Pupils	5,375,507	88,616	36,837	0	(5,250,054)
Instructional Staff	5,578,777	63,556	1,743,256	0	(3,771,965)
Board of Education	19,423	355	0	0	(19,068)
Administration	6,436,016	97,895	15,781	0	(6,322,340)
Fiscal	1,851,290	31,050	3,657	0	(1,816,583)
Business	923,004	15,372	0	0	(907,632)
Operation and Maintenance of Plant	11,863,117	275,039	65,717	142,150	(11,380,211)
Pupil Transportation	4,243,701	74,288	0	0	(4,169,413)
Central	1,548,776	24,904	15,973	0	(1,507,899)
Operation of Non-Instructional Services	1,425,671	893	1,272,795	0	(151,983)
Food Service Operations	1,311,946	750,790	426,452	0	(134,704)
Extracurricular Activities	1,241,147	172,196	20,874	0	(1,048,077)
Interest and Fiscal Charges	1,015,691	0	0	0	(1,015,691)
<i>Totals</i>	<u>\$89,013,467</u>	<u>\$2,470,940</u>	<u>\$4,565,310</u>	<u>\$142,150</u>	<u>(81,835,067)</u>
General Revenues					
Property Taxes Levied for:					
					51,230,820
					2,475,501
					206,688
					22,583,373
					5,250
					1,147,810
					149,074
					<u>77,798,516</u>
					(4,036,551)
					<u>17,495,993</u>
					<u>\$13,459,442</u>

See accompanying notes to the basic financial statements

Shaker Heights City School District

Balance Sheet

Governmental Funds

June 30, 2006

	<u>General</u>	<u>Building</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$11,865,382	\$6,035,943	\$2,697,618	\$20,598,943
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	353,070	0	0	353,070
Accounts Receivable	2,634	0	7,500	10,134
Accrued Interest Receivable	152,863	0	0	152,863
Intergovernmental Receivable	6,750	0	632,925	639,675
Prepaid Items	183,497	0	0	183,497
Materials and Supplies Inventory	150,907	0	17,641	168,548
Property Taxes Receivable	62,492,846	0	3,171,230	65,664,076
<i>Total Assets</i>	<u>\$75,207,949</u>	<u>\$6,035,943</u>	<u>\$6,526,914</u>	<u>\$87,770,806</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$581,490	\$214,852	\$68,116	\$864,458
Contracts Payable	0	544,774	0	544,774
Accrued Wages and Benefits	7,531,593	0	456,776	7,988,369
Matured Compensated Absences Payable	703,977	0	0	703,977
Retainage Payable	0	40,465	0	40,465
Intergovernmental Payable	2,417,446	0	185,396	2,602,842
Deferred Revenue	56,290,068	0	2,947,826	59,237,894
<i>Total Liabilities</i>	<u>67,524,574</u>	<u>800,091</u>	<u>3,658,114</u>	<u>71,982,779</u>
 Fund Balances				
Reserved for Encumbrances	2,280,186	2,271,062	176,728	4,727,976
Reserved for Property Taxes	5,878,425	0	348,720	6,227,145
Reserved for Budget Stabilization	353,070	0	0	353,070
Unreserved, Undesignated				
Reported in:				
General Fund (Deficit)	(828,306)	0	0	(828,306)
Special Revenue Funds	0	0	439,345	439,345
Debt Service Fund	0	0	1,904,007	1,904,007
Capital Projects Funds	0	2,964,790	0	2,964,790
<i>Total Fund Balances</i>	<u>7,683,375</u>	<u>5,235,852</u>	<u>2,868,800</u>	<u>15,788,027</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$75,207,949</u>	<u>\$6,035,943</u>	<u>\$6,526,914</u>	<u>\$87,770,806</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, 2006*

Total Governmental Fund Balances	\$15,788,027
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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	20,302,152
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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	5,266,358
Grants	<u>133,118</u>

Total	5,399,476
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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.	293,500
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Bond issuance costs will be amortized over the life of the bonds on the statement of net assets.	145,153
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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.	(53,789)
--	----------

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

Compensated Absences	(6,258,848)
General Obligation Bonds	(20,800,000)
Notes Payable	(570,000)
Capital Appreciation Bonds	(634,904)
Accounting Gain	28,101
Bond Premium	<u>(179,426)</u>

Total	<u>(28,415,077)</u>
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<i>Net Assets of Governmental Activities</i>	<u><u>\$13,459,442</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, 2006

	General	Building	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$51,497,612	\$206,688	\$2,485,885	\$54,190,185
Intergovernmental	22,278,464	0	4,938,270	27,216,734
Interest	786,428	337,149	24,233	1,147,810
Tuition and Fees	1,185,303	0	90,418	1,275,721
Extracurricular Activities	0	0	216,236	216,236
Contributions and Donations	0	142,150	51,580	193,730
Charges for Services	84,064	0	750,790	834,854
Rentals	44,129	100,000	0	144,129
Miscellaneous	73,408	0	75,666	149,074
<i>Total Revenues</i>	<u>75,949,408</u>	<u>785,987</u>	<u>8,633,078</u>	<u>85,368,473</u>
Expenditures				
Current:				
Instruction:				
Regular	33,689,237	0	1,069,860	34,759,097
Special	10,470,653	0	96,928	10,567,581
Vocational	256,939	0	0	256,939
Support Services:				
Pupils	5,302,659	0	49,182	5,351,841
Instructional Staff	3,820,929	0	1,695,835	5,516,764
Board of Education	19,423	0	0	19,423
Administration	5,804,410	0	23,408	5,827,818
Fiscal	1,759,005	0	44,581	1,803,586
Business	892,192	0	3,458	895,650
Operation and Maintenance of Plant	9,963,446	0	107,307	10,070,753
Pupil Transportation	4,185,681	0	0	4,185,681
Central	1,466,335	0	18,997	1,485,332
Operation of Non-Instructional Services	48,839	0	1,235,755	1,284,594
Food Service Operations	0	0	1,310,623	1,310,623
Extracurricular Activities	942,146	0	288,502	1,230,648
Capital Outlay	0	6,214,657	0	6,214,657
Debt Service:				
Principal Retirement	0	0	1,154,230	1,154,230
Interest and Fiscal Charges	0	14,328	956,884	971,212
<i>Total Expenditures</i>	<u>78,621,894</u>	<u>6,228,985</u>	<u>8,055,550</u>	<u>92,906,429</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,672,486)</u>	<u>(5,442,998)</u>	<u>577,528</u>	<u>(7,537,956)</u>
Other Financing Sources (Uses)				
Notes Issued	0	570,000	0	570,000
Current Refunding	0	(570,000)	0	(570,000)
Transfers In	0	0	287,192	287,192
Transfers Out	(287,192)	0	0	(287,192)
<i>Total Other Financing Sources (Uses)</i>	<u>(287,192)</u>	<u>0</u>	<u>287,192</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(2,959,678)</u>	<u>(5,442,998)</u>	<u>864,720</u>	<u>(7,537,956)</u>
<i>Fund Balances Beginning of Year</i>	<u>10,643,053</u>	<u>10,678,850</u>	<u>2,004,080</u>	<u>23,325,983</u>
<i>Fund Balances End of Year</i>	<u>\$7,683,375</u>	<u>\$5,235,852</u>	<u>\$2,868,800</u>	<u>\$15,788,027</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, 2006*

Net Change in Fund Balances - Total Governmental Funds (\$7,537,956)

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 which capital outlays exceeded depreciation in the current period.

Capital Outlay	4,754,942
Depreciation	<u>(1,329,127)</u>

Total 3,425,815

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 (423)

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

Property Taxes	(277,176)
Intergovernmental	<u>(119,631)</u>

Total (396,807)

Repayment of bond and notes principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 1,724,230

Other financing sources in the governmental funds increased long-term liabilities in the statement of net assets. Governmental funds report the effect of premiums when the debt is first issued; however, these amounts are deferred and amortized on the statement of activities

Notes Issued (570,000)

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	10,876
Amortization of Deferred Charges	(7,742)
Amortization of Bond Premiums	9,569
Amortization of Refunding	(1,499)
Annual Accretion	<u>(55,683)</u>

Total (44,479)

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. (147,730)

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. (489,201)

Change in Net Assets of Governmental Activities (\$4,036,551)

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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$52,736,577	\$52,480,616	\$52,661,732	\$181,116
Intergovernmental	22,714,156	22,603,912	22,271,714	(332,198)
Interest	449,263	447,083	606,365	159,282
Tuition and Fees	1,053,272	1,048,160	1,187,052	138,892
Contributions and Donations	1,000	1,000	0	(1,000)
Charges for Services	69,883	69,543	84,064	14,521
Rentals	47,921	47,689	44,129	(3,560)
Miscellaneous	233,618	233,493	72,908	(160,585)
<i>Total Revenues</i>	77,305,690	76,931,496	76,927,964	(3,532)
Expenditures				
Current:				
Instruction:				
Regular	35,346,328	35,346,328	33,262,509	2,083,819
Special	11,709,224	11,709,224	11,689,300	19,924
Vocational	459,941	459,941	457,755	2,186
Support Services:				
Pupils	5,319,867	5,319,867	5,258,422	61,445
Instructional Staff	3,915,811	3,915,811	3,851,166	64,645
Board of Education	23,507	23,507	21,598	1,909
Administration	6,002,495	6,002,495	5,876,303	126,192
Fiscal	2,459,074	2,459,074	1,970,713	488,361
Business	932,828	932,828	907,179	25,649
Operation and Maintenance of Plant	10,506,247	10,506,247	10,482,657	23,590
Pupil Transportation	4,413,045	4,413,045	4,305,919	107,126
Central	1,592,505	1,592,505	1,586,782	5,723
Operation of Non-Instructional Services	61,855	61,855	50,479	11,376
Extracurricular Activities	954,838	954,838	943,950	10,888
<i>Total Expenditures</i>	83,697,565	83,697,565	80,664,732	3,032,833
<i>Excess of Revenues Under Expenditures</i>	(6,391,875)	(6,766,069)	(3,736,768)	3,029,301
Other Financing Uses				
Transfers Out	(292,192)	(292,192)	(287,192)	5,000
<i>Net Change in Fund Balance</i>	(6,684,067)	(7,058,261)	(4,023,960)	3,034,301
<i>Fund Balance Beginning of Year</i>	11,685,138	11,685,138	11,685,138	0
Prior Year Encumbrances Appropriated	1,720,405	1,720,405	1,720,405	0
<i>Fund Balance End of Year</i>	\$6,721,476	\$6,347,282	\$9,381,583	\$3,034,301

See accompanying notes to the basic financial statements

Shaker Heights City School District

Statement of Fund Net Assets

Internal Service Funds

June 30, 2006

Assets

Current Assets

Cash and Cash Equivalents
in Segrated Accounts

\$881,000

Liabilities

Current Liabilities

Claims Payable

587,500

Net Assets

Unrestricted

\$293,500

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, 2006*

Operating Revenues	
Charges for Services	<u>\$8,789,434</u>
Operating Expenses	
Purchased Services	24,216
Claims	<u>9,254,419</u>
<i>Total Operating Expenses</i>	<u>9,278,635</u>
<i>Change in Net Assets</i>	(489,201)
<i>Net Assets Beginning of Year</i>	<u>782,701</u>
<i>Net Assets End of Year</i>	<u><u>\$293,500</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, 2006

Increase (Decrease) in Cash and Cash Equivalents

Cash Flows from Operating Activities

Cash Received from Transactions with Other Funds	\$8,789,434
Cash Payments for Goods and Services	(24,216)
Cash Payments for Claims	(9,093,019)

Net Cash Used for by Operating Activities (327,801)

Cash and Cash Equivalents Beginning of Year 1,208,801

Cash and Cash Equivalents End of Year \$881,000

***Reconciliation of Operating Loss to
Net Cash Used for Operating Activities***

Operating Loss (\$489,201)

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

Increase in Liabilities:

 Claims Payable 161,400

Net Cash Used for by Operating Activities (\$327,801)

See accompanying notes to the basic financial statements

Shaker Heights City School District
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2006

Assets

Equity Pooled in Cash and Cash Equivalents	<u><u>\$272,285</u></u>
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Liabilities

Undistributed Monies	\$132,240
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Due to Students	<u>140,045</u>
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<i>Total Liabilities</i>	<u><u>\$272,285</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, 2006*

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 295 classified employees, 436 certified teachers and 48 tutoring personnel, and 36 administrators who provide services to 5,628 students.

The School District is located in Shaker Heights, Ohio, Cuyahoga County. The School District operates five elementary schools (K-4), one elementary school (5-6), one middle school (7-8), one high school (9-12), and a pre-kindergarten Early Intervention Center at the Shaker Family Center. The School District's four support facilities include an administration building, transportation center, warehouse and maintenance vehicle garage, and a media and technology services facility.

Reporting Entity

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

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

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

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

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006*

Note 2 - Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses.

The 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, 2006*

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

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

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

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

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

Internal Service Funds The internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost-reimbursement basis. The internal service funds accounts for the payments, administrative costs and reserves of the School District's self-insured prescription drug coverage, the potential obligation under its contingent premium health and dental insurance plan, and the State's retrospective rating workers' compensation plan.

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

C. Measurement Focus

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

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

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006*

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, 2006, but which were levied to finance fiscal year 2007 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006*

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

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

E. Budgetary Data

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

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

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

F. Cash and Cash Equivalents

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

The School District has a segregated bank account for self-insurance monies held separate from the School District's central bank account. This depository account is presented on the statements as "cash and cash equivalents in segregated accounts" since it is not required to be deposited into the School District treasury.

During fiscal year 2006, investments were limited to Federal Home Loan Bank Bonds, Federal National Mortgage Association Bonds, Federal Home Loan Mortgage Corporation Bonds, Federal Home Loan Mortgage Corporation Discounted Notes, and STAROhio (the State Treasury Asset Reserve of Ohio).

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006*

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, 2006.

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 2006 amounted to \$786,428, which includes \$151,989 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, 2006, 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 15 for additional information regarding set asides.

J. Capital Assets

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

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

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006*

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

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

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

K. Compensated Absences

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

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

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

L. Bond Issuance Costs

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

M. Bond Premium

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

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006*

N. Gain/Loss on Refunding

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

O. Accrued Liabilities and Long-term Obligations

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

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

P. Net Assets

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

The government-wide statement of net assets reports \$4,769,936 of restricted net assets, none of which is restricted by enabling legislation.

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

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

Q. Fund Balance Reserves

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

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

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006*

R. Interfund Activity

Transfers between governmental activities on the government-wide statements are reported in the same manner as general revenues.

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

S. Operating Revenue and Expenses

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

T. Extraordinary and Special Items

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

U. Estimates

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

Note 3 – Change in Accounting Principles

For fiscal year 2006, the School District has implemented GASB Statement No.44, “Economic Condition Reporting: The Statistical Section”, and GASB Statement No. 47, “Accounting for Termination Benefits”.

The purpose of GASB Statement No. 44 is to improve the understandability and usefulness of the information that State and local governments present as supplementary information in the statistical section.

GASB Statement No. 47 establishes standards of accounting and financial reporting for termination benefits.

The implementation of GASB Statement No. 47 did not materially affect the presentation of the financial statements of the School District.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006*

Note 4 – Fund Deficits

The following funds had deficit fund balances as of June 30, 2006:

Special Revenue Funds

Management Information Systems	\$220
Poverty Based Assistance	1,066
Limited English Proficiency	230
Drug Free Schools	4,264
Preschool Disability	2,810

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

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.

Net Change in Fund Balance	
GAAP Basis	(\$2,959,678)
Net Adjustment for Revenue Accruals	1,068,468
Beginning Fair Value Adjustment for Investments	(58,025)
Ending Fair Value Adjustment for Investments	(31,887)
Net Adjustment for Expenditure Accruals	825,918
Adjustment for Encumbrances	<u>(2,868,756)</u>
Budget Basis	<u><u>(\$4,023,960)</u></u>

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006*

Note 6 - Deposits and Investments

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

Active deposits are public deposits necessary to meet current demands on the 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 deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidence 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 Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio);

Shaker Heights City School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. 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, \$13,727,196 of the School District's bank balance of \$13,973,282 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

Investments are reported at fair value. As of June 30, 2006, the School District had the following investments:

	Fair Value	Average Maturity
Federal Home Loan Bank Bonds	\$2,980,806	9/29/06 - 8/15/08
Federal National Mortgage Association Bonds	1,986,184	11/23/07 - 2/1/08
Federal Home Loan Mortgage Corporation Bonds	2,966,120	12/13/06 - 4/5/07
Federal Home Loan Mortgage Corporation Discounted Notes	978,987	11/21/06
STAROhio	1,786	33 Days
Total	<u>\$8,913,883</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.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006*

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

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

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, 2006:

Investment	Percentage of Investments
Federal Home Loan Bank Bonds	33.44%
Federal National Mortgage Association Bonds	22.28%
Federal Home Loan Mortgage Corporation Bonds	33.28%
Federal Home Loan Mortgage Corporation Discounted Notes	10.98%
STAROhio	0.02%

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.

Shaker Heights City School District

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2006

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 2006 represents collections of calendar year 2005 taxes. Real property taxes received in calendar year 2006 were levied after April 1, 2005, on the assessed value listed as of January 1, 2005, 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 2006 represents collections of calendar year 2005 taxes. Public utility real and tangible personal property taxes received in calendar year 2006 became a lien December 31, 2004, were levied after April 1, 2005 and are collected in 2006 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 2006 (other than public utility property tax) represents the collection of 2006 taxes. Tangible personal property taxes received in calendar year 2006 were levied after April 1, 2005, on the value listed as of December 31, 2005. In prior years, tangible personal property was assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2006 is 18.75 percent. This will be reduced to 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30. This year, the June 2006 tangible personal property tax settlement was not received until July 2006.

The School District receives property taxes from Cuyahoga County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2006, are available to finance fiscal year 2006 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, 2006 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, 2006 was \$5,878,425 in the general fund and \$348,720 in the bond retirement debt service fund. The amount available as an advance at June 30, 2005, was \$7,062,944 in the general fund and \$274,909 in the bond retirement debt service fund.

The late tax settlement made by the County for fiscal year 2006 was \$218,189 in the general fund and \$5,279 in the building capital projects 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.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006*

The assessed values upon which the fiscal year 2006 taxes were collected are:

	2005 Second- Half Collections		2006 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$852,475,400	96.78%	\$847,971,800	97.02%
Public Utility Property	17,529,940	1.99	15,778,790	1.81
Tangible Personal Property	10,874,112	1.23	10,227,037	1.17
Total	<u>\$880,879,452</u>	<u>100.00%</u>	<u>\$873,977,627</u>	<u>100.00%</u>
Full voted tax rate per \$1,000 of assessed valuation	\$159.20		\$160.50	

Note 8 - Receivables

Receivables at June 30, 2006, consisted of taxes, accounts (rent and student fees) and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables are expected to be collected within one year except delinquent property taxes.

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	Amount
Title VI-B Grant and Subsidies	\$295,398
Title I Grant and Subsidies	150,821
Classroom Size Reduction Grant and Subsidies	95,991
Federal Nutrition Subsidies	59,444
Goals 2000 Grant and Subsidies	19,000
Cleveland Heights-University Heights City School District	6,750
Title V Grant and Subsidies	6,114
Limited English Proficiency Grant and Subsidies	3,528
Preschool Disability Grant and Subsidies	2,629
Total Intergovernmental Receivables	<u>\$639,675</u>

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006*

Note 9 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2006, was as follows:

	<u>Balance 6/30/05</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/06</u>
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$943,600	\$0	\$0	\$943,600
Construction in Progress	281,481	1,274,069	(749,774)	805,776
<i>Total Capital Assets, not being Depreciated</i>	<u>1,225,081</u>	<u>1,274,069</u>	<u>(749,774)</u>	<u>1,749,376</u>
<i>Capital Assets, being Depreciated</i>				
Land Improvements	1,941,002	887,774	0	2,828,776
Buildings and Improvemets	20,014,901	1,775,398	0	21,790,299
Equipment	10,931,863	1,316,167	(95,595)	12,152,435
Vehicles	2,842,401	251,308	(116,000)	2,977,709
<i>Total Capital Assets, being Depreciated</i>	<u>35,730,167</u>	<u>4,230,647</u>	<u>(211,595)</u>	<u>39,749,219</u>
Less: Accumulated Depreciation:				
Land Improvements	(733,443)	(122,179)	0	(855,622)
Buildings and Improvements	(7,929,367)	(500,061)	0	(8,429,428)
Equipment	(9,069,860)	(671,516)	95,172	(9,646,204)
Vehicles	(2,345,818)	(35,371)	116,000	(2,265,189)
<i>Total Accumulated Depreciation</i>	<u>(20,078,488)</u>	<u>(1,329,127)</u>	<u>211,172</u>	<u>(21,196,443)</u>
<i>Total Capital Assets, being Depreciated, Net</i>	<u>15,651,679</u>	<u>2,901,520</u>	<u>(423)</u>	<u>18,552,776</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$16,876,760</u>	<u>\$4,175,589</u>	<u>(\$750,197)</u>	<u>\$20,302,152</u>

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$405,012
Special	23,016
Support Services:	
Pupils	6,748
Instructional Staff	48,073
Administration	28,813
Fiscal	3,986
Business	7,225
Operation and Maintenance of Plant	622,240
Pupil Transportation	35,371
Central	54,536
Operation of Non-Instructional Services	83,631
Extracurricular	10,476
Total Depreciation Expense	<u>\$1,329,127</u>

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006*

Note 10 - Risk Management

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2006, the School District contracted with Indiana Insurance Company for property and inland marine insurance. The primary deductibles are \$250 for inland marine and \$10,000 for property coverages. The boiler and machinery policy is provided by Travelers Insurance Company and has a \$1,000 deductible.

General liability coverage is provided by Indiana Insurance Company with a \$1,000,000 single occurrence limit, a \$2,000,000 aggregate and a \$2,500 deductible. Vehicles, including school buses, are covered by Indiana Insurance Company with a \$1,000 deductible for comprehensive, and a \$1,000 deductible for collision. There is a \$1,000,000 per accident combined single limit of liability. The School District also has a \$6,000,000 umbrella policy with Indiana Insurance Company that covers both general liability and vehicle policies, and Foreign Travel coverage with the Hartford Steam Boiler Company. Settled claims have not exceeded this commercial coverage in any of the past three years and there has not been a significant reduction in coverage from the prior year.

B. Workers' Compensation

The School District participates in the State Workers' Compensation retrospective rating and payment system. This plan involves the payment of a minimum premium for administrative services and stop-loss coverage plus the actual claims cost for injured employees. The balance of claims payable at June 30, 2006, 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, 2006, was \$450,000.

C. Employee Health Benefits

The School District is self-insured for prescription drug insurance. The Caremerk PCS (formally known as Advance PCS), the third party administrator of the program, reviews and pays the claims. Monthly premiums for prescription drug insurance are \$274.86 for family coverage and \$103.72 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 \$4,823 in fees to the program administrator in fiscal year 2006. The fee since October 2003 is, generally, \$.20 per claim. The School District elects the contingent premium option for its dental and health insurance provided by its primary health insurance carrier Anthem Blue Cross/Blue Shield of Ohio. Under the terms of the contingent premium agreement, the School District pays 90 percent of the fully-insured premium during the contract period, but is subject to an additional payment of the 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, 2006 is \$137,500 and is based on the July 2006 actual billing.

The claims liability reported in the internal service funds at June 30, 2006 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 2005 and 2006 are as follows:

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006*

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2005	\$443,300	\$8,251,996	\$8,269,196	\$426,100
2006	426,100	9,254,419	9,093,019	587,500

Note 11 - Other Employee Benefits

A. Compensated Absences

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

B. Health Care Benefits

Medical/surgical insurance is offered to employees through either Kaiser Permanente Insurance Company or Anthem Insurance Company. The Kaiser Permanente plan has a \$10 office visit co-pay. Individual coverage is \$298.45 per month while family coverage for a family of two is \$596.90 and for a family of three or more is \$895.35. 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 \$2,000 of covered services and 100 percent afterwards, with a \$100 deductible for single subscribers, and 80 percent on the first \$4,000 of covered services and 100 percent afterwards, with a \$200 deductible for family subscribers per calendar year. Individual coverage is \$308.06 per month while family coverage is \$811.04.

Dental insurance is offered to employees through Anthem Insurance Company with a \$50 deductible on orthodontal and restoration services. Individual coverage is \$34.88 per month and family coverage is \$100.13 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 \$21 per month; administrators, supervisors and certified employees receive \$50,000 coverage for \$7 per month, custodial and clerical employees receive \$40,000 for \$5.60 per month, and other non-bargaining employees receive \$30,000 for \$4.20 per month.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006*

Note 12 - Pension Plans

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746, by calling (800) 878-5853 or by visiting the SERS website at www.ohsers.org.

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 2006, 10.58 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2006, 2005 and 2004 were \$1,439,664, \$1,574,844, and \$1,219,781, respectively; 42.94 percent has been contributed for fiscal year 2006 and 100 percent for fiscal years 2005 and 2004.

B. State Teachers Retirement System

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

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

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006*

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 dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the fiscal year ended June 30, 2006, 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 2005, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to the STRS Ohio for the fiscal years ended June 30, 2006, 2005, and 2004 were \$4,845,841, \$4,720,002, and \$4,498,377, respectively; 88.83 percent has been contributed for fiscal year 2006 and 100 percent for fiscal years 2005 and 2004. Contributions to the DC and Combined Plans for fiscal year 2006 were \$50,120 made by the School District and \$107,505 made by the plan members.

Note 13 - Postemployment Benefits

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

All STRS Ohio retirees who participated in the DB or Combined Plans and their dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of health care costs in the form of a monthly premium. By law, the cost of coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2006, the STRS Ohio Board allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. For the School District, this amount equaled \$372,757 for fiscal year 2006.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2005, (the latest information available) the balance in the Fund was \$3.3 billion. For the year ended June 30, 2005, net health care costs paid by STRS Ohio were \$254,780,000 and STRS had 115,395 eligible benefit recipients.

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

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006*

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2006, employer contributions to fund health care benefits were 3.42 percent of covered payroll, compared to 3.43 percent of covered payroll for fiscal year 2005. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2006, the minimum pay was established at \$35,800. However, the surcharge is capped at two percent of each employer's SERS salaries. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2006 fiscal year equaled \$362,858.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the projected claims less premium contributions for the next fiscal year. Expenses for health care for the fiscal year ended June 30, 2005 (the latest information available) were \$178,221,113. At June 30, 2005, SERS had net assets available for payment of health care benefits of \$267.5 million. SERS has 58,123 participants eligible to receive health care benefits.

Note 14 – Interfund Transfers and Balances

Transfers made during the year ended June 30, 2006 were as follows:

<u>Transfers To</u>	<u>General</u>
Non-Major Governmental Funds:	
Athletics	\$120,000
Bond Retirement	<u>167,192</u>
<i>Total All Funds</i>	<u><u>\$287,192</u></u>

The transfers were made from the general fund to the athletics special revenue funds to help support the fund and the bond retirement fund for the energy conservation loan principal and interest payments.

Note 15 - 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, 2006, only the unspent portion of certain workers' compensation refunds continue to be set-aside.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006*

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

	<u>Textbooks</u>	<u>Capital Improvements</u>	<u>Budget Stabilization</u>
Set-Aside Reserve Balance as of June 30, 2005	(\$3,270,581)	(\$16,830,700)	\$353,070
Current Year Set-Aside Requirement	869,062	869,062	0
Current Year Offset	0	(1,355,987)	0
Qualifying Disbursements	(1,528,101)	(192,033)	0
Totals	<u>(\$3,929,620)</u>	<u>(\$17,509,658)</u>	<u>\$353,070</u>
Set-Aside Balances Carried Forward to Future Fiscal Years	<u>(\$3,929,620)</u>	<u>(\$17,509,658)</u>	<u>\$353,070</u>
Set-Aside Reserve Balance as of June 30, 2006	<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. This amount may be used to reduce the textbook set-aside requirement of future years. The total reserve balance for the three set-asides at the end of the fiscal year was \$353,070.

Note 16 – Short-Term Debt

During fiscal year 2005, the School District issued a \$720,000 note for the purpose of acquiring school buses and all necessary appurtenances. The note proceeds were receipted into the building capital projects fund. In fiscal year 2006, the School District paid \$150,000 on the \$720,000 note and refinanced the remainder with a \$570,000 note. Therefore, only \$150,000 of the note is presented as short-term debt.

	<u>Balance 06/30/05</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/06</u>
Bus Acquisition Notes, 1.99%	<u>\$150,000</u>	<u>\$0</u>	<u>\$150,000</u>	<u>\$0</u>

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006*

Note 17 – Long-Term Obligations

Changes in long-term obligations of the School District during fiscal year 2006, were as follows:

	Balance Outstanding 06/30/05	Additions	Deletions	Balance Outstanding 06/30/06	Amounts Due in One Year
Governmental Activities					
School Improvement Bonds					
1990, 7.10%	\$2,315,000	\$0	\$325,000	\$1,990,000	\$345,000
Energy Conservation Improvement					
Bonds 1995, 5.00%	159,230	0	159,230	0	0
School Improvement Bonds					
1999, 3.95% - 4.95%	5,895,000	0	490,000	5,405,000	510,000
School Improvement Bonds 2000					
Serial and Term Bonds 4.5% - 5.375%	2,560,000	0	145,000	2,415,000	155,000
Capital Appreciation					
Bonds 5.00% - 5.05%	134,993	0	0	134,993	0
Accretion on Capital					
Appreciation Bonds	136,716	13,834	0	150,550	0
School Improvement Bonds 2005					
Serial and Term Bonds 3.00% - 4.50%	9,795,000	0	0	9,795,000	1,020,000
Capital Appreciation					
Bonds 3.64% - 3.85%	204,995	0	0	204,995	0
Accretion on Capital Appreciation Bonds	5,816	32,610	0	38,426	0
Unamortized Premium	140,288	0	7,103	133,185	0
Building Addition Refunding Bonds 2005					
Serial and Term Bonds 3.00% - 4.50%	1,230,000	0	35,000	1,195,000	170,000
Capital Appreciation					
Bonds 3.64% - 3.85%	94,999	0	0	94,999	0
Accretion on Capital Appreciation Bonds	1,702	9,239	0	10,941	0
Unamortized Premium	48,707	0	2,466	46,241	0
Unamortized Accounting Gain	(29,600)	0	(1,499)	(28,101)	0
<i>Total General Obligation Bonds</i>	<u>22,692,846</u>	<u>55,683</u>	<u>1,162,300</u>	<u>21,586,229</u>	<u>2,200,000</u>
Bus Acquisition Bond Anticipation Note					
2004, 1.99% - 4.00%	570,000	570,000	570,000	570,000	0
Compensated Absences	6,111,118	695,663	547,933	6,258,848	652,728
<i>Total Governmental Activities</i>	<u>\$29,373,964</u>	<u>\$1,321,346</u>	<u>\$2,280,233</u>	<u>\$28,415,077</u>	<u>\$2,852,728</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.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006*

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:

<u>Year</u>	<u>Amount</u>
2015	\$210,000
2016	225,000
2017	235,000
2018	250,000

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

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

The capital appreciation bonds will mature in fiscal years 2008 and 2009. The maturity amount of the bonds is \$330,000. For fiscal year 2006, \$13,834 was accreted for a total bond value of \$285,543.

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

The 2005 capital appreciation bonds will mature in fiscal year 2011. The maturity amount of the bonds is \$465,000. For fiscal year 2006, \$32,610 was accreted for a total bond value of \$243,421.

The 2005 refunding capital appreciation bonds will mature in fiscal years 2009 and 2010. The maturity amount of the bonds is \$175,000. For fiscal year 2006, \$9,239 was accreted for a total bond value of \$105,940.

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

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006*

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

The School District's overall debt margin was \$57,814,176 with an unvoted debt margin of \$857,196 at June 30, 2006. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2006 are as follows:

Fiscal Year Ending June 30,	Serial and Term Bonds		Capital Appreciation Bonds	
	Principal	Interest	Principal	Interest
2007	\$2,200,000	\$880,043	\$0	\$0
2008	2,300,000	789,615	0	0
2009	1,290,000	739,545	70,976	94,024
2010	1,330,000	686,496	64,017	100,983
2011	1,105,000	593,104	204,995	260,005
2012-2016	5,350,000	2,247,828	94,999	80,001
2017-2021	4,960,000	1,023,983	0	0
2022-2026	2,265,000	253,681	0	0
	<u>\$20,800,000</u>	<u>\$7,214,295</u>	<u>\$434,987</u>	<u>\$535,013</u>

Note 18 - Jointly Governed Organizations

A. Ohio Schools' Council Association

The Ohio Schools' Council Association (Council) is a jointly governed organization among eighty-nine school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose terms rotate. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2006, the School District paid \$4,098 to the Council. Financial information can be obtained by contacting Dr. David A. Cottrell, the Executive Secretary/Treasurer at the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

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

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

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006*

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

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

B. Lakeshore Northeast Ohio Computer Association

The Lakeshore Northeast Ohio Computer Association (LNOCA) is a jointly governed computer service bureau that was formed for the purpose of providing data services to the seventeen member districts. Major areas of service provided by LNOCA include accounting, payroll, inventory, career guidance services, handicapped student tracking, pupil scheduling, attendance reporting and grade reporting. Each school is represented on the LNOCA Board of Directors by its superintendent. Each year, the Board of Directors elects a Chairman, a Vice Chairman and a Recording Secretary. The Treasurer of the fiscal agent is a nonvoting, ex-officio member of the Board of Directors. The Cuyahoga County Educational Service Center serves as the fiscal agent of LNOCA. Each school district supports LNOCA based upon a per pupil charge dependent upon the software packages used. In fiscal year 2006, the School District paid \$2,947 to LNOCA. Financial information can be obtained by contacting the Treasurer of the fiscal agent at 5811 West Canal Road, Valley View, Ohio 44125.

Note 19 - Related Organization

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

Note 20 - Contingencies

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006*

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, 2006.

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 21 – Subsequent Events

On October 19, 2006, the School District issued a \$570,000 bus acquisition note with a coupon interest rate of 4.00 percent and a net interest rate of 3.60 percent, the proceeds of which were deposited into the School District's building capital projects fund. The note matures on October 18, 2007. The proceeds were used to refinance the note issued in fiscal year 2006.

On December 20, 2006, the School District issued \$6,000,000 of Bond Anticipation Notes (BAN's) under the \$23.5 million bond authority approved by the School District's voters in November 2004. The BAN's, which mature on June 14, 2007, were issued with a coupon interest rate of 4.25 percent with a interest rate yield of 3.55 percent. The proceeds were deposited into the School District's building capital projects fund for use on upcoming designated capital projects.

Combining Statements and Individual Fund Schedules

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

Disadvantaged Pupil Impact Aid - This fund accounts for State monies received for disadvantaged impact aid. Although this fund was budgeted, no activity occurred during the fiscal year and the fund had no balance at fiscal year end.

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

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

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

Summer School - This fund accounts for State monies for summer intervention services satisfying State defined criteria.

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.

(continued)

Fund Descriptions – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

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.

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

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

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

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

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

E-Rate - This fund is used to account for a Federal grant which is paid directly to the telecommunication service provider.

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

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

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

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

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

Nonmajor Debt Service Fund

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

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

(continued)

Fund Descriptions – Nonmajor Governmental Funds (continued)

Nonmajor Capital Projects Funds

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

School Net Plus – This fund accounts for State monies used to obtain computers and related educational technology equipment and/or the necessary infrastructure for educational technology. Although this fund was budgeted, no activity occurred during the fiscal year and the fund had no balance at fiscal year end.

Shaker Heights City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2006

	Nonmajor Special Revenue Funds	Nonmajor Bond Retirement Debt Service Fund	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$801,413	\$1,896,205	\$2,697,618
Accounts Receivable	7,500	0	7,500
Intergovernmental Receivable	632,925	0	632,925
Materials and Supplies Inventory	17,641	0	17,641
Property Taxes Receivable	0	3,171,230	3,171,230
<i>Total Assets</i>	<u>\$1,459,479</u>	<u>\$5,067,435</u>	<u>\$6,526,914</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$68,116	\$0	\$68,116
Accrued Wages and Benefits	456,776	0	456,776
Intergovernmental Payable	185,396	0	185,396
Deferred Revenue	133,118	2,814,708	2,947,826
<i>Total Liabilities</i>	<u>843,406</u>	<u>2,814,708</u>	<u>3,658,114</u>
Fund Balances			
Reserved for Encumbrances	176,728	0	176,728
Reserved for Property Taxes	0	348,720	348,720
Unreserved, Undesignated Reported In:			
Special Revenue Funds	439,345	0	439,345
Debt Service Fund	0	1,904,007	1,904,007
<i>Total Fund Balances</i>	<u>616,073</u>	<u>2,252,727</u>	<u>2,868,800</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,459,479</u>	<u>\$5,067,435</u>	<u>\$6,526,914</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, 2006

	Nonmajor Special Revenue Funds	Nonmajor Bond Retirement Debt Service Fund	Total Nonmajor Governmental Funds
Revenues			
Property Taxes	\$0	\$2,485,885	\$2,485,885
Intergovernmental	4,633,361	304,909	4,938,270
Interest	24,233	0	24,233
Tuition and Fees	90,418	0	90,418
Extracurricular Activities	216,236	0	216,236
Contributions and Donations	51,580	0	51,580
Charges for Services	750,790	0	750,790
Miscellaneous	75,666	0	75,666
<i>Total Revenues</i>	<u>5,842,284</u>	<u>2,790,794</u>	<u>8,633,078</u>
Expenditures			
Current:			
Instruction:			
Regular	1,069,860	0	1,069,860
Special	96,928	0	96,928
Support Services:			
Pupils	49,182	0	49,182
Instructional Staff	1,695,835	0	1,695,835
Administration	23,408	0	23,408
Fiscal	3,663	40,918	44,581
Business	3,458	0	3,458
Operation and Maintenance of Plant	107,307	0	107,307
Central	18,997	0	18,997
Operation of Non-Instructional Services	1,235,755	0	1,235,755
Food Service Operations	1,310,623	0	1,310,623
Extracurricular Activities	288,502	0	288,502
Debt Service:			
Principal Retirement	0	1,154,230	1,154,230
Interest and Fiscal Charges	0	956,884	956,884
<i>Total Expenditures</i>	<u>5,903,518</u>	<u>2,152,032</u>	<u>8,055,550</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(61,234)	638,762	577,528
Other Financing Sources			
Transfers In	120,000	167,192	287,192
<i>Net Change in Fund Balances</i>	58,766	805,954	864,720
<i>Fund Balances Beginning of Year</i>	<u>557,307</u>	<u>1,446,773</u>	<u>2,004,080</u>
<i>Fund Balances End of Year</i>	<u><u>\$616,073</u></u>	<u><u>\$2,252,727</u></u>	<u><u>\$2,868,800</u></u>

Shaker Heights City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2006

	Public School Support	Shaker Merchandise	Athletic	Auxiliary Services
Assets				
Equity in Pooled Cash and Cash Equivalents	\$151,646	\$2,530	\$42,920	\$342,544
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$151,646</u>	<u>\$2,530</u>	<u>\$42,920</u>	<u>\$342,544</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$32,606	\$0	\$4,916	\$13,097
Accrued Wages and Benefits	0	0	0	106,182
Intergovernmental Payable	0	0	1,590	17,063
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>32,606</u>	<u>0</u>	<u>6,506</u>	<u>136,342</u>
 Fund Balances				
Reserved for Encumbrances	11,204	500	4,316	80,841
Unreserved, Undesignated (Deficit)	107,836	2,030	32,098	125,361
<i>Total Fund Balances (Deficit)</i>	<u>119,040</u>	<u>2,530</u>	<u>36,414</u>	<u>206,202</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$151,646</u>	<u>\$2,530</u>	<u>\$42,920</u>	<u>\$342,544</u>

Management Information Systems	Entry Teacher Program	Poverty Based Assistance	Goals 2000 Pacesetter	Title VI-B	Limited English Proficiency	Title I
\$0	\$10,454	\$0	\$3,711	\$23,288	\$2,466	\$39,738
0	0	0	0	0	0	0
0	0	0	0	295,398	3,528	150,821
0	0	0	0	0	0	0
<u>\$0</u>	<u>\$10,454</u>	<u>\$0</u>	<u>\$3,711</u>	<u>\$318,686</u>	<u>\$5,994</u>	<u>\$190,559</u>
\$0	\$6,850	\$0	\$0	\$0	\$0	\$964
0	0	0	0	169,022	5,639	90,739
220	190	1,066	1,422	93,661	585	16,660
0	0	0	0	0	0	28,702
<u>220</u>	<u>7,040</u>	<u>1,066</u>	<u>1,422</u>	<u>262,683</u>	<u>6,224</u>	<u>137,065</u>
0	554	0	0	23,178	0	31,489
(220)	2,860	(1,066)	2,289	32,825	(230)	22,005
<u>(220)</u>	<u>3,414</u>	<u>(1,066)</u>	<u>2,289</u>	<u>56,003</u>	<u>(230)</u>	<u>53,494</u>
<u>\$0</u>	<u>\$10,454</u>	<u>\$0</u>	<u>\$3,711</u>	<u>\$318,686</u>	<u>\$5,994</u>	<u>\$190,559</u>

(continued)

Shaker Heights City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2006

	Title V	Drug Free Schools	Preschool Disability	Class Size Reduction
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$953	\$2,772	\$461	\$3,949
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	6,114	0	2,629	95,991
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$7,067</u>	<u>\$2,772</u>	<u>\$3,090</u>	<u>\$99,940</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$1,069
Accrued Wages and Benefits	0	6,298	4,898	9,594
Intergovernmental Payable	242	738	1,002	2,646
Deferred Revenue	2,994	0	0	82,422
<i>Total Liabilities</i>	<u>3,236</u>	<u>7,036</u>	<u>5,900</u>	<u>95,731</u>
 Fund Balances				
Reserved for Encumbrances	916	0	0	2,880
Unreserved, Undesignated (Deficit)	2,915	(4,264)	(2,810)	1,329
<i>Total Fund Balances (Deficit)</i>	<u>3,831</u>	<u>(4,264)</u>	<u>(2,810)</u>	<u>4,209</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$7,067</u>	<u>\$2,772</u>	<u>\$3,090</u>	<u>\$99,940</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>
\$13,189	\$86,981	\$19,343	\$54,468	\$801,413
0	0	0	7,500	7,500
19,000	59,444	0	0	632,925
0	17,641	0	0	17,641
<u>\$32,189</u>	<u>\$164,066</u>	<u>\$19,343</u>	<u>\$61,968</u>	<u>\$1,459,479</u>
\$223	\$1,611	\$0	\$6,780	\$68,116
0	62,131	0	2,273	456,776
0	42,851	0	5,460	185,396
19,000	0	0	0	133,118
<u>19,223</u>	<u>106,593</u>	<u>0</u>	<u>14,513</u>	<u>843,406</u>
11,000	2,495	1,656	5,699	176,728
1,966	54,978	17,687	41,756	439,345
<u>12,966</u>	<u>57,473</u>	<u>19,343</u>	<u>47,455</u>	<u>616,073</u>
<u>\$32,189</u>	<u>\$164,066</u>	<u>\$19,343</u>	<u>\$61,968</u>	<u>\$1,459,479</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, 2006

	Public School Support	Shaker Merchandise	Athletic	Auxiliary Services	Management Information Systems
Revenues					
Intergovernmental	\$0	\$0	\$0	\$1,202,603	\$19,630
Interest	3,676	0	0	16,343	0
Tuition and Fees	37,790	0	0	0	0
Extracurricular Activities	101,964	0	114,272	0	0
Contributions and Donations	10,455	0	17,794	0	0
Charges for Services	0	0	0	0	0
Miscellaneous	11,176	5,074	7,754	100	0
<i>Total Revenues</i>	<u>165,061</u>	<u>5,074</u>	<u>139,820</u>	<u>1,219,046</u>	<u>19,630</u>
Expenditures					
Current:					
Instruction:					
Regular	96,703	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	0	0	0	0	0
Fiscal	0	0	0	0	3,663
Business	0	3,033	0	0	0
Operation and Maintenance of Plant	0	0	9,426	0	0
Central	0	0	0	0	15,997
Operation of Non-Instructional Services	0	0	0	1,216,247	0
Food Service Operations	0	0	0	0	0
Extracurricular Activities	40,390	0	248,112	0	0
<i>Total Expenditures</i>	<u>137,093</u>	<u>3,033</u>	<u>257,538</u>	<u>1,216,247</u>	<u>19,660</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	27,968	2,041	(117,718)	2,799	(30)
Other Financing Sources					
Transfers In	0	0	120,000	0	0
<i>Net Change in Fund Balances</i>	27,968	2,041	2,282	2,799	(30)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>91,072</u>	<u>489</u>	<u>34,132</u>	<u>203,403</u>	<u>(190)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$119,040</u>	<u>\$2,530</u>	<u>\$36,414</u>	<u>\$206,202</u>	<u>(\$220)</u>

Entry Teacher Program	Disadvantaged Pupil Impact Aid	School Net Professional Development Grant	Ohio Reads Community Grant	Summer School	Alternative Schools	Poverty Based Assistance	Goals 2000 Pacesetter
\$18,050	\$682	\$3,925	\$10,000	\$710	\$57,609	\$154,663	\$26,009
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
18,050	682	3,925	10,000	710	57,609	154,663	26,009
0	0	905	0	2,287	57,609	155,729	577
0	0	0	0	0	0	0	0
7,972	0	0	0	0	0	0	0
8,477	0	3,020	9,975	453	0	0	31,331
1,250	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
5,600	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
23,299	0	3,925	9,975	2,740	57,609	155,729	31,908
(5,249)	682	0	25	(2,030)	0	(1,066)	(5,899)
0	0	0	0	0	0	0	0
(5,249)	682	0	25	(2,030)	0	(1,066)	(5,899)
8,663	(682)	0	(25)	2,030	0	0	8,188
\$3,414	\$0	\$0	\$0	\$0	\$0	(\$1,066)	\$2,289

(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, 2006

	Title VI-B	Limited English Proficiency	Title I	Title V	Drug Free Schools
Revenues					
Intergovernmental	\$1,409,155	\$21,372	\$781,216	\$29,101	\$35,260
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>1,409,155</u>	<u>21,372</u>	<u>781,216</u>	<u>29,101</u>	<u>35,260</u>
Expenditures					
Current:					
Instruction:					
Regular	0	22,227	492,041	9,909	0
Special	52,749	0	44,179	0	0
Support Services:					
Pupils	8,996	0	0	0	29,390
Instructional Staff	1,269,359	88	176,304	8,725	0
Administration	0	250	14,258	118	0
Fiscal	0	0	0	0	0
Business	0	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0	9,274
Central	0	0	0	0	0
Operation of Non-Instructional Services	0	0	0	7,965	0
Food Service Operations	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0
<i>Total Expenditures</i>	<u>1,331,104</u>	<u>22,565</u>	<u>726,782</u>	<u>26,717</u>	<u>38,664</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	78,051	(1,193)	54,434	2,384	(3,404)
Other Financing Sources					
Transfers In	0	0	0	0	0
<i>Net Change in Fund Balances</i>	78,051	(1,193)	54,434	2,384	(3,404)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(22,048)</u>	<u>963</u>	<u>(940)</u>	<u>1,447</u>	<u>(860)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$56,003</u>	<u>(\$230)</u>	<u>\$53,494</u>	<u>\$3,831</u>	<u>(\$4,264)</u>

Preschool Disability	E-Rate	Class Size Reduction	Goals 2000	Food Service	Uniform School Supplies	Local Grants	Total Nonmajor Special Revenue Funds
\$24,576	\$65,717	\$132,328	\$27,360	\$426,452	\$0	\$186,943	\$4,633,361
0	0	0	0	4,214	0	0	24,233
0	0	0	0	0	52,628	0	90,418
0	0	0	0	0	0	0	216,236
0	0	0	0	0	0	23,331	51,580
0	0	0	0	750,790	0	0	750,790
0	0	0	0	26,512	0	25,050	75,666
<u>24,576</u>	<u>65,717</u>	<u>132,328</u>	<u>27,360</u>	<u>1,207,968</u>	<u>52,628</u>	<u>235,324</u>	<u>5,842,284</u>
0	0	43,704	2,997	0	55,838	129,334	1,069,860
0	0	0	0	0	0	0	96,928
0	0	0	0	2,824	0	0	49,182
25,917	0	64,623	169	0	0	97,394	1,695,835
0	0	719	0	0	4,563	2,250	23,408
0	0	0	0	0	0	0	3,663
0	0	0	0	425	0	0	3,458
0	65,717	17,290	0	0	0	0	107,307
0	0	0	0	0	0	3,000	18,997
0	0	0	11,543	0	0	0	1,235,755
0	0	0	0	1,310,623	0	0	1,310,623
0	0	0	0	0	0	0	288,502
<u>25,917</u>	<u>65,717</u>	<u>126,336</u>	<u>14,709</u>	<u>1,313,872</u>	<u>60,401</u>	<u>231,978</u>	<u>5,903,518</u>
(1,341)	0	5,992	12,651	(105,904)	(7,773)	3,346	(61,234)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>120,000</u>
(1,341)	0	5,992	12,651	(105,904)	(7,773)	3,346	58,766
(1,469)	0	(1,783)	315	163,377	27,116	44,109	557,307
<u>(\$2,810)</u>	<u>\$0</u>	<u>\$4,209</u>	<u>\$12,966</u>	<u>\$57,473</u>	<u>\$19,343</u>	<u>\$47,455</u>	<u>\$616,073</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, reserves for the self-insured prescription drug coverage, and the potential obligation under its 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, 2006

	Self Insurance	Workers' Compensation Reserve	Totals
Assets			
<i>Current Assets:</i>			
Cash and Cash Equivalents in Segrated Accounts	\$431,000	\$450,000	\$881,000
Liabilities			
<i>Current Liabilities:</i>			
Claims Payable	137,500	450,000	587,500
Net Assets			
Unrestricted	\$293,500	\$0	\$293,500

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, 2006*

	Self Insurance	Workers' Compensation Reserve	Totals
Operating Revenues			
Charges for Services	\$8,517,593	\$271,841	\$8,789,434
Operating Expenses			
Purchased Services	24,216	0	24,216
Claims	8,982,578	271,841	9,254,419
<i>Total Operating Expenses</i>	9,006,794	271,841	9,278,635
<i>Change in Net Assets</i>	(489,201)	0	(489,201)
<i>Net Assets Beginning of Year</i>	782,701	0	782,701
<i>Net Assets End of Year</i>	<u>\$293,500</u>	<u>\$0</u>	<u>\$293,500</u>

Shaker Heights City School District
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2006

	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	\$8,517,593	\$271,841	\$8,789,434
Cash Payments for Goods and Services	(24,216)	0	(24,216)
Cash Payments for Claims	(8,978,778)	(114,241)	(9,093,019)
<i>Net Cash Provided by (Used for) Operating Activities</i>	(485,401)	157,600	(327,801)
<i>Cash and Cash Equivalents Beginning of Year</i>	916,401	292,400	1,208,801
<i>Cash and Cash Equivalents End of Year</i>	\$431,000	\$450,000	\$881,000
<i>Reconciliation of Operating Loss to Net Cash Used for Operating Activities</i>			
<i>Operating Loss</i>	(\$489,201)	\$0	(\$489,201)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities			
Increase in Claims Payable	3,800	157,600	161,400
<i>Net Cash Provided by (Used for) Operating Activities</i>	(\$485,401)	\$157,600	(\$327,801)

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 is the School District's fiduciary fund type:

Agency Funds

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

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

Shaker Heights City School District
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended June 30, 2006

	Beginning Balance 06/30/05	Additions	Deductions	Ending Balance 06/30/06
Rotary				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$114,137	\$186,851	\$168,748	\$132,240
Liabilities				
Undistributed Monies	\$114,137	\$186,851	\$168,748	\$132,240
Student Activities				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$147,522	\$204,566	\$212,043	\$140,045
Liabilities				
Due to Students	\$147,522	\$204,566	\$212,043	\$140,045
Total - All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$261,659	\$391,417	\$380,791	\$272,285
Liabilities				
Undistributed Monies	\$114,137	\$186,851	\$168,748	\$132,240
Due to Students	147,522	204,566	212,043	140,045
<i>Total Liabilities</i>	\$261,659	\$391,417	\$380,791	\$272,285

**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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$52,736,577	\$52,480,616	\$52,661,732	\$181,116
Intergovernmental	22,714,156	22,603,912	22,271,714	(332,198)
Interest	449,263	447,083	606,365	159,282
Tuition and Fees	1,053,272	1,048,160	1,187,052	138,892
Contributions and Donations	1,000	1,000	0	(1,000)
Charges for Services	69,883	69,543	84,064	14,521
Rentals	47,921	47,689	44,129	(3,560)
Miscellaneous	233,618	233,493	72,908	(160,585)
<i>Total Revenues</i>	<i>77,305,690</i>	<i>76,931,496</i>	<i>76,927,964</i>	<i>(3,532)</i>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	25,843,123	25,843,123	24,841,412	1,001,711
Fringe Benefits	8,258,814	8,258,814	7,232,787	1,026,027
Purchased Services	305,279	305,279	296,433	8,846
Materials and Supplies	860,316	860,316	821,800	38,516
Capital Outlay - New	60,602	60,602	55,794	4,808
Capital Outlay - Replacement	16,424	16,424	13,270	3,154
Other	1,770	1,770	1,013	757
<i>Total Regular</i>	<i>35,346,328</i>	<i>35,346,328</i>	<i>33,262,509</i>	<i>2,083,819</i>
Special:				
Salaries and Wages	4,594,729	4,594,729	4,591,640	3,089
Fringe Benefits	1,733,628	1,733,628	1,729,362	4,266
Purchased Services	5,349,129	5,349,129	5,348,913	216
Materials and Supplies	26,626	26,626	15,151	11,475
Capital Outlay - New	5,112	5,112	4,234	878
<i>Total Special</i>	<i>11,709,224</i>	<i>11,709,224</i>	<i>11,689,300</i>	<i>19,924</i>
Vocational:				
Salaries and Wages	85,819	85,819	84,351	1,468
Fringe Benefits	25,479	25,479	24,761	718
Purchased Services	348,643	348,643	348,643	0
<i>Total Vocational</i>	<i>459,941</i>	<i>459,941</i>	<i>457,755</i>	<i>2,186</i>
<i>Total Instruction</i>	<i>\$47,515,493</i>	<i>\$47,515,493</i>	<i>\$45,409,564</i>	<i>\$2,105,929</i>

(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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support Services:				
Pupils:				
Salaries and Wages	\$3,465,959	\$3,465,959	\$3,412,240	\$53,719
Fringe Benefits	1,014,567	1,014,567	1,013,541	1,026
Purchased Services	787,257	787,257	786,120	1,137
Materials and Supplies	42,160	42,160	37,369	4,791
Capital Outlay - New	8,905	8,905	8,318	587
Capital Outlay - Replacement	349	349	349	0
Other	670	670	485	185
Total Pupils	5,319,867	5,319,867	5,258,422	61,445
Instructional Staff:				
Salaries and Wages	2,348,167	2,348,167	2,305,549	42,618
Fringe Benefits	1,167,542	1,167,542	1,156,731	10,811
Purchased Services	172,507	172,507	171,717	790
Materials and Supplies	166,360	166,360	161,539	4,821
Capital Outlay - New	51,123	51,123	51,093	30
Capital Outlay - Replacement	4,235	4,235	110	4,125
Other	5,877	5,877	4,427	1,450
Total Instructional Staff	3,915,811	3,915,811	3,851,166	64,645
Board of Education:				
Purchased Services	4,174	4,174	3,265	909
Materials and Supplies	1,295	1,295	300	995
Other	18,038	18,038	18,033	5
Total Board of Education	23,507	23,507	21,598	1,909
Administration:				
Salaries and Wages	3,863,229	3,863,229	3,772,615	90,614
Fringe Benefits	1,514,321	1,514,321	1,513,360	961
Purchased Services	393,307	393,307	381,722	11,585
Materials and Supplies	185,217	185,217	180,686	4,531
Capital Outlay - New	20,472	20,472	16,966	3,506
Capital Outlay - Replacement	10,922	10,922	1,188	9,734
Other	15,027	15,027	9,766	5,261
Total Administration	6,002,495	6,002,495	5,876,303	126,192
Fiscal:				
Salaries and Wages and Wages	526,757	526,757	522,499	4,258
Fringe Benefits	611,925	611,925	350,256	261,669
Purchased Services	213,732	213,732	213,361	371
Materials and Supplies	21,769	21,769	15,829	5,940
Capital Outlay - New	194,578	194,578	197	194,381
Other	890,313	890,313	868,571	21,742
Total Fiscal	\$2,459,074	\$2,459,074	\$1,970,713	\$488,361

(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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Business:				
Salaries and Wages	\$362,333	\$362,333	\$360,277	\$2,056
Fringe Benefits	174,880	174,880	174,839	41
Purchased Services	228,238	228,238	214,247	13,991
Materials and Supplies	135,495	135,495	135,351	144
Capital Outlay - New	2,348	2,348	0	2,348
Capital Outlay - Replacement	2,054	2,054	978	1,076
Other	27,480	27,480	21,487	5,993
Total Business	932,828	932,828	907,179	25,649
Operation and Maintenance of Plant:				
Salaries and Wages	5,159,965	5,159,965	5,157,640	2,325
Fringe Benefits	2,126,254	2,126,254	2,126,084	170
Purchased Services	2,489,951	2,489,951	2,488,410	1,541
Materials and Supplies	639,291	639,291	630,201	9,090
Capital Outlay - New	44,951	44,951	44,875	76
Capital Outlay - Replacement	36,366	36,366	26,066	10,300
Other	9,469	9,469	9,381	88
Total Operation and Maintenance of Plant	10,506,247	10,506,247	10,482,657	23,590
Pupil Transportation:				
Salaries and Wages	1,842,912	1,842,912	1,814,314	28,598
Fringe Benefits	563,878	563,878	495,189	68,689
Purchased Services	1,639,738	1,639,738	1,639,631	107
Materials and Supplies	314,568	314,568	309,760	4,808
Capital Outlay - New	5,588	5,588	2,239	3,349
Capital Outlay - Replacement	1,563	1,563	0	1,563
Other	44,798	44,798	44,786	12
Total Pupil Transportation	4,413,045	4,413,045	4,305,919	107,126
Central:				
Salaries and Wages	747,875	747,875	747,777	98
Fringe Benefits	364,422	364,422	364,246	176
Purchased Services	355,082	355,082	354,296	786
Materials and Supplies	114,560	114,560	113,481	1,079
Capital Outlay - New	7,684	7,684	5,417	2,267
Capital Outlay - Replacement	1,122	1,122	0	1,122
Other	1,760	1,760	1,565	195
Total Central	1,592,505	1,592,505	1,586,782	5,723
Total Support Services	\$35,165,379	\$35,165,379	\$34,260,739	\$904,640

(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, 2006

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Operation of Non-Instructional Services:				
Salaries and Wages	\$8,118	\$8,118	\$495	\$7,623
Fringe Benefits	2,272	2,272	81	2,191
Purchased Services	50,864	50,864	49,903	961
Materials and Supplies	601	601	0	601
Total Operation of Non-Instructional Services	61,855	61,855	50,479	11,376
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	186,081	186,081	184,978	1,103
Fringe Benefits	63,041	63,041	62,923	118
Purchased Services	8,856	8,856	8,230	626
Materials and Supplies	6,127	6,127	6,112	15
Capital Outlay - New	1,107	1,107	0	1,107
Total Academic and Subject Oriented Activities	265,212	265,212	262,243	2,969
Occupational Oriented Activities:				
Salaries and Wages	7,078	7,078	6,253	825
Fringe Benefits	2,734	2,734	1,774	960
Total Occupational Oriented Activities	9,812	9,812	8,027	1,785
Sports Oriented Activities:				
Salaries and Wages	443,909	443,909	443,776	133
Fringe Benefits	110,711	110,711	109,775	936
Purchased Services	38,661	38,661	37,148	1,513
Materials and Supplies	10,797	10,797	10,187	610
Total Sports Oriented Activities	604,078	604,078	600,886	3,192
School and Public Service				
Co-Curricular Activities:				
Salaries and Wages	58,206	58,206	56,113	2,093
Fringe Benefits	17,530	17,530	16,681	849
Total School and Public Service				
Co-Curricular Activities	75,736	75,736	72,794	2,942
Total Extracurricular Activities	954,838	954,838	943,950	10,888
Total Expenditures	83,697,565	83,697,565	80,664,732	3,032,833
Excess of Revenues Under Expenditures	(\$6,391,875)	(\$6,766,069)	(\$3,736,768)	\$3,029,301

(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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Other Financing Uses				
Operating Transfers Out	(\$292,192)	(\$292,192)	(\$287,192)	\$5,000
<i>Net Change in Fund Balance</i>	(6,684,067)	(7,058,261)	(4,023,960)	3,034,301
<i>Fund Balance Beginning of Year</i>	11,685,138	11,685,138	11,685,138	0
Prior Year Encumbrances Appropriated	1,720,405	1,720,405	1,720,405	0
<i>Fund Balance End of Year</i>	<u>\$6,721,476</u>	<u>\$6,347,282</u>	<u>\$9,381,583</u>	<u>\$3,034,301</u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
Building
For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$200,000	\$200,000	\$206,688	\$6,688
Interest	300,000	300,000	337,149	37,149
Contributions and Donations	0	0	142,150	142,150
Rentals	100,000	100,000	100,000	0
<i>Total Revenues</i>	<u>600,000</u>	<u>600,000</u>	<u>785,987</u>	<u>185,987</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Capital Outlay - New	164,423	225,894	218,510	7,384
Support Services:				
Instructional Staff:				
Capital Outlay	4,367	6,000	5,039	961
Fiscal:				
Capital Outlay	51,679	71,000	70,410	590
Business:				
Capital Outlay	11,646	16,000	15,529	471
Operation and Maintenance of Plant:				
Purchased Services	5,318,676	7,576,327	7,559,957	16,370
Materials and Supplies	227,617	312,715	293,537	19,178
Capital Outlay	4,367	6,000	5,460	540
Capital Outlay - Replacement	170,773	234,619	97,300	137,319
Other	23,292	32,000	31,616	384
<i>Total Operation and Maintenance of Plant</i>	<u>5,744,725</u>	<u>8,161,661</u>	<u>7,987,870</u>	<u>173,791</u>
Pupil Transportation:				
Capital Outlay - Replacement	238,251	327,325	327,295	30
<i>Total Support Services</i>	<u>6,050,668</u>	<u>8,581,986</u>	<u>8,406,143</u>	<u>175,843</u>
Operation of Non-Instructional Services:				
Food Service:				
Capital Outlay - New	8,735	12,000	11,900	100
Debt Service:				
Principal Retirement	720,000	720,000	720,000	0
Interest and Fiscal Charges	10,554	14,500	14,328	172
<i>Total Debt Service</i>	<u>730,554</u>	<u>734,500</u>	<u>734,328</u>	<u>172</u>
<i>Total Expenditures</i>	<u>6,954,380</u>	<u>9,554,380</u>	<u>9,370,881</u>	<u>183,499</u>
<i>Excess of Revenues Under Expenditures</i>	(6,354,380)	(8,954,380)	(8,584,894)	369,486
Other Financing Sources				
Notes Issued	0	0	570,000	570,000
<i>Net Change in Fund Balance</i>	(6,354,380)	(8,954,380)	(8,014,894)	939,486
<i>Fund Balance Beginning of Year</i>	9,065,769	9,065,769	9,065,769	0
Prior Year Encumbrances Appropriated	1,954,380	1,954,380	1,954,380	0
<i>Fund Balance End of Year</i>	<u>\$4,665,769</u>	<u>\$2,065,769</u>	<u>\$3,005,255</u>	<u>\$939,486</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, 2006

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest	\$3,000	\$3,000	\$3,676	\$676
Tuition and Fees	31,000	31,000	37,790	6,790
Extracurricular Activities	91,000	91,000	101,964	10,964
Contributions and Donations	10,000	10,000	10,455	455
Miscellaneous	215,000	215,000	11,176	(203,824)
<i>Total Revenues</i>	<u>350,000</u>	<u>350,000</u>	<u>165,061</u>	<u>(184,939)</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	72,225	72,225	49,654	22,571
Materials and Supplies	48,550	48,550	44,768	3,782
Capital Outlay - New	6,810	6,810	0	6,810
Other	25,295	25,295	14,480	10,815
Total Instruction	<u>152,880</u>	<u>152,880</u>	<u>108,902</u>	<u>43,978</u>
Support Services:				
Instructional Staff:				
Materials and Supplies	650	650	0	650
Other	100	100	0	100
Total Instructional Staff	<u>750</u>	<u>750</u>	<u>0</u>	<u>750</u>
Fiscal:				
Purchased Services	59,353	59,353	0	59,353
Total Support Services	<u>60,103</u>	<u>60,103</u>	<u>0</u>	<u>60,103</u>
Extracurricular Activities:				
Academic Oriented Activities:				
Purchased Services	72,304	72,304	24,802	47,502
Materials and Supplies	52,622	52,622	23,113	29,509
Other	15,875	15,875	2,675	13,200
Total Extracurricular Activities	<u>140,801</u>	<u>140,801</u>	<u>50,590</u>	<u>90,211</u>
<i>Total Expenditures</i>	<u>353,784</u>	<u>353,784</u>	<u>159,492</u>	<u>194,292</u>
<i>Net Change in Fund Balance</i>	(3,784)	(3,784)	5,569	9,353
<i>Fund Balance Beginning of Year</i>	78,143	78,143	78,143	0
Prior Year Encumbrances Appropriated	<u>24,124</u>	<u>24,124</u>	<u>24,124</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$98,483</u>	<u>\$98,483</u>	<u>\$107,836</u>	<u>\$9,353</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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$2,000	\$2,000	\$0	(\$2,000)
Miscellaneous	17,000	17,000	5,074	(11,926)
<i>Total Revenues</i>	19,000	19,000	5,074	(13,926)
Expenditures				
Current:				
Support Services:				
Business:				
Materials and Supplies	4,000	4,000	3,033	967
Other	11,400	11,400	500	10,900
<i>Total Expenditures</i>	15,400	15,400	3,533	11,867
<i>Excess of Revenues Over Expenditures</i>	3,600	3,600	1,541	(2,059)
Other Financing Sources				
Transfers In	1,000	1,000	0	(1,000)
<i>Net Change in Fund Balance</i>	4,600	4,600	1,541	(3,059)
<i>Fund Balance Beginning of Year</i>	89	89	89	0
Prior Year Encumbrances Appropriated	400	400	400	0
<i>Fund Balance End of Year</i>	\$5,089	\$5,089	\$2,030	(\$3,059)

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, 2006

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues				
Extracurricular Activities	\$178,400	\$178,400	\$114,472	(\$63,928)
Contributions and Donations	28,700	28,700	17,794	(10,906)
Miscellaneous	71,260	71,260	7,754	(63,506)
<i>Total Revenues</i>	<u>278,360</u>	<u>278,360</u>	<u>140,020</u>	<u>(138,340)</u>
Expenditures				
Current:				
Support Services:				
Operation and Maintenance of Plant:				
Salaries and Wages	7,900	7,900	7,663	237
Fringe Benefits	1,500	1,500	1,410	90
Total Support Services	<u>9,400</u>	<u>9,400</u>	<u>9,073</u>	<u>327</u>
Extracurricular Activities:				
Sports Oriented Activities:				
Salaries and Wages	20,684	20,684	11,173	9,511
Fringe Benefits	4,500	4,500	4,006	494
Purchased Services	193,347	193,347	74,550	118,797
Materials and Supplies	119,813	119,813	118,890	923
Capital Outlay - New	36,024	36,024	39,800	(3,776)
Other	51,781	51,781	13,660	38,121
Total Extracurricular Activities	<u>426,149</u>	<u>426,149</u>	<u>262,079</u>	<u>164,070</u>
<i>Total Expenditures</i>	<u>435,549</u>	<u>435,549</u>	<u>271,152</u>	<u>164,397</u>
<i>Excess of Revenues Under Expenditures</i>	(157,189)	(157,189)	(131,132)	26,057
Other Financing Sources				
Transfers In	171,640	171,640	120,000	(51,640)
<i>Net Change in Fund Balance</i>	14,451	14,451	(11,132)	(25,583)
<i>Fund Balance Beginning of Year</i>	29,271	29,271	29,271	0
Prior Year Encumbrances Appropriated	<u>15,549</u>	<u>15,549</u>	<u>15,549</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$59,271</u>	<u>\$59,271</u>	<u>\$33,688</u>	<u>(\$25,583)</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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$1,433,557	\$1,433,557	\$1,202,603	(\$230,954)
Interest	16,343	16,343	16,343	0
Miscellaneous	100	100	100	0
<i>Total Revenues</i>	<u>1,450,000</u>	<u>1,450,000</u>	<u>1,219,046</u>	<u>(230,954)</u>
Expenditures				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	545,585	609,596	497,516	112,080
Fringe Benefits	153,206	171,181	150,967	20,214
Purchased Services	263,199	294,079	250,766	43,313
Materials and Supplies	139,266	155,606	136,315	19,291
Capital Outlay - New	278,500	311,185	257,581	53,604
Other	100	102	100	2
<i>Total Expenditures</i>	<u>1,379,856</u>	<u>1,541,749</u>	<u>1,293,245</u>	<u>248,504</u>
<i>Net Change in Fund Balance</i>	70,144	(91,749)	(74,199)	17,550
<i>Fund Balance Beginning of Year</i>	115,720	115,720	115,720	0
Prior Year Encumbrances Appropriated	<u>207,085</u>	<u>207,085</u>	<u>207,085</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$392,949</u>	<u>\$231,056</u>	<u>\$248,606</u>	<u>\$17,550</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$25,000	\$25,000	\$19,630	(\$5,370)
Expenditures:				
Current:				
Support Services:				
Fiscal:				
Purchased Services	5,000	3,663	3,663	0
Central:				
Salaries and Wages	20,000	15,967	15,967	0
<i>Total Expenditures</i>	<u>25,000</u>	<u>19,630</u>	<u>19,630</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	5,370	0	(5,370)
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$5,370</u>	<u>\$0</u>	<u>(\$5,370)</u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Entry Teacher Program
For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$16,500	\$16,500	\$18,050	\$1,550
Expenditures:				
Current:				
Support Services:				
Pupils:				
Salaries and Wages	3,568	4,100	4,100	0
Fringe Benefits	394	410	410	0
Purchased Services	433	450	450	0
Materials and Supplies	4,377	4,552	4,552	0
Other	1,380	1,436	1,436	0
Total Pupils	10,152	10,948	10,948	0
Instructional Staff:				
Salaries and Wages	3,641	3,786	3,786	0
Fringe Benefits	582	605	605	0
Purchased Services	1,442	1,500	1,500	0
Materials and Supplies	2,989	3,108	3,108	0
Total Instructional Staff	8,654	8,999	8,999	0
Administration:				
Salaries and Wages	1,250	1,300	1,300	0
Fringe Benefits	750	390	390	0
Purchased Services	96	100	100	0
Materials and Supplies	192	200	200	0
Total Administration	2,288	1,990	1,990	0
Total Support Services	21,094	21,937	21,937	0
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	5,350	5,564	5,564	0
Materials and Supplies	419	436	436	0
Total Operation of Non-Instructional Services	5,769	6,000	6,000	0
Total Expenditures	26,863	27,937	27,937	0
Net Change in Fund Balance	(10,363)	(11,437)	(9,887)	1,550
Fund Balance Beginning of Year	1,074	1,074	1,074	0
Prior Year Encumbrances Appropriated	11,863	11,863	11,863	0
Fund Balance End of Year	\$2,574	\$1,500	\$3,050	\$1,550

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Disadvantaged Pupil Impact Aid
For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$120,000	\$0	\$0	\$0
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	120,000	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$120,000	\$0	\$0	\$0

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Data Communication Grant
For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$30,000	\$30,000	\$0	(\$30,000)
Expenditures				
Current:				
Support Services:				
Operation and Maintenance of Plant:				
Purchased Services	30,000	0	0	0
<i>Net Change in Fund Balance</i>	0	30,000	0	(30,000)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$30,000</u>	<u>\$0</u>	<u>(\$30,000)</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$5,000	\$5,000	\$3,925	(\$1,075)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	0	770	770	0
Fringe Benefits	0	135	135	0
Total Instruction	0	905	905	0
Support Services:				
Instructional Staff:				
Materials and Supplies	5,000	2,288	2,288	0
Capital Outlay - New	0	732	732	0
Total Support Services	5,000	3,020	3,020	0
<i>Total Expenditures</i>	<u>5,000</u>	<u>3,925</u>	<u>3,925</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	1,075	0	(1,075)
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$1,075</u>	<u>\$0</u>	<u>(\$1,075)</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$21,000	\$21,000	\$10,000	(\$11,000)
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	4,000	4,000	4,000	0
Purchased Services	6,000	6,000	6,000	0
<i>Total Expenditures</i>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	11,000	11,000	0	(11,000)
<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>\$11,000</u></u>	<u><u>\$11,000</u></u>	<u><u>\$0</u></u>	<u><u>(\$11,000)</u></u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Summer School
For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$100,000	\$1,000	\$710	(\$290)
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	2,711	2,711	2,711	0
Special:				
Salaries and Wages	1,000	6,047	6,047	0
Fringe Benefits	0	2,107	2,107	0
Total Special	1,000	8,154	8,154	0
Total Instruction	3,711	10,865	10,865	0
Support Services:				
Instructional Staff:				
Purchased Services	453	453	453	0
<i>Total Expenditures</i>	4,164	11,318	11,318	0
<i>Net Change in Fund Balance</i>	95,836	(10,318)	(10,608)	(290)
<i>Fund Balance Beginning of Year</i>	7,444	7,444	7,444	0
Prior Year Encumbrances Appropriated	3,164	3,164	3,164	0
<i>Fund Balance End of Year</i>	\$106,444	\$290	\$0	(\$290)

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$65,000	\$65,000	\$57,609	(\$7,391)
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	<u>58,000</u>	<u>57,609</u>	<u>57,609</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	7,000	7,391	0	(7,391)
<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>\$7,000</u></u>	<u><u>\$7,391</u></u>	<u><u>\$0</u></u>	<u><u>(\$7,391)</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, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$160,000	\$160,000	\$154,663	(\$5,337)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	160,000	154,663	154,663	0
<i>Net Change in Fund Balance</i>	0	5,337	0	(5,337)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$5,337</u>	<u>\$0</u>	<u>(\$5,337)</u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Goals 2000 Pacesetter
For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$75,000	\$75,000	\$26,009	(\$48,991)
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	3,000	2,344	0	2,344
Materials and Supplies	2,000	903	577	326
Total Instruction	5,000	3,247	577	2,670
Support Services:				
Instructional Staff:				
Salaries and Wages	17,924	21,151	21,151	0
Fringe Benefits	102	4,176	4,176	0
Purchased Services	300	300	300	0
Materials and Supplies	6,974	6,974	6,974	0
Total Instructional Staff	25,300	32,601	32,601	0
Fiscal:				
Purchased Services	26,776	0	0	0
Total Support Services	52,076	32,601	32,601	0
<i>Total Expenditures</i>	57,076	35,848	33,178	2,670
<i>Net Change in Fund Balance</i>	17,924	39,152	(7,169)	(46,321)
<i>Fund Balance Beginning of Year</i>	3,804	3,804	3,804	0
Prior Year Encumbrances Appropriated	7,076	7,076	7,076	0
<i>Fund Balance End of Year</i>	\$28,804	\$50,032	\$3,711	(\$46,321)

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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$1,400,000	\$1,610,000	\$1,307,037	(\$302,963)
Expenditures				
Current:				
Instruction:				
Special:				
Materials and Supplies	31,790	40,721	40,721	0
Capital Outlay - New	10,428	33,762	31,576	2,186
Total Instruction	42,218	74,483	72,297	2,186
Support Services:				
Pupils:				
Materials and Supplies	21,388	12,626	12,626	0
Instructional Staff:				
Salaries and Wages	816,423	944,703	784,864	159,839
Fringe Benefits	450,865	547,894	439,749	108,145
Purchased Services	441	441	441	0
Materials and Supplies	43,358	0	0	0
Total Instructional Staff	1,311,087	1,493,038	1,225,054	267,984
Fiscal:				
Other	18,696	18,696	0	18,696
Total Support Services	1,351,171	1,524,360	1,237,680	286,680
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	6,642	6,642	0	6,642
Total Expenditures	1,400,031	1,605,485	1,309,977	295,508
Net Change in Fund Balance	(31)	4,515	(2,940)	(7,455)
Fund Balance Beginning of Year	3,019	3,019	3,019	0
Prior Year Encumbrances Appropriated	31	31	31	0
Fund Balance End of Year	\$3,019	\$7,565	\$110	(\$7,455)

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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$40,000	\$40,000	\$26,533	(\$13,467)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	13,541	20,499	14,862	5,637
Fringe Benefits	2,100	6,916	6,560	356
Materials and Supplies	1,372	1,372	1,372	0
Capital Outlay - New	2,500	2,500	2,500	0
Total Instruction	19,513	31,287	25,294	5,993
Support Services:				
Instructional Staff:				
Purchased Services	88	88	88	0
Administration:				
Purchased Services	175	175	175	0
Materials and Supplies	224	75	75	0
Total Administration	399	250	250	0
Total Support Services	487	338	338	0
<i>Total Expenditures</i>	20,000	31,625	25,632	5,993
<i>Net Change in Fund Balance</i>	20,000	8,375	901	(7,474)
<i>Fund Balance Beginning of Year</i>	1,565	1,565	1,565	0
<i>Fund Balance End of Year</i>	\$21,565	\$9,940	\$2,466	(\$7,474)

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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$750,000	\$940,000	\$776,681	(\$163,319)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	329,550	462,320	361,125	101,195
Fringe Benefits	103,044	144,559	111,037	33,522
Materials and Supplies	22,785	31,966	26,857	5,109
Capital Outlay - New	3,180	4,460	4,460	0
Total Regular Instruction	458,559	643,305	503,479	139,826
Special:				
Salaries and Wages	108,948	108,948	108,948	0
Fringe Benefits	27,699	27,699	27,699	0
Materials and Supplies	2,266	5,392	5,392	0
Capital Outlay - New	24,475	24,475	24,475	0
Total Special Instruction	163,388	166,514	166,514	0
Total Instruction	621,947	809,819	669,993	139,826
Support Services:				
Instructional Staff:				
Salaries and Wages	1,373	26,572	25,637	935
Fringe Benefits	300	8,001	7,905	96
Purchased Services	28,036	58,350	53,028	5,322
Materials and Supplies	677	8,171	2,421	5,750
Total Instructional Staff	30,386	101,094	88,991	12,103
Administration:				
Purchased Services	850	850	850	0
Materials and Supplies	15,843	15,843	15,843	0
Total Administration	16,693	16,693	16,693	0
Total Support Services	47,079	117,787	105,684	12,103
Operation of Non-Instructional Services:				
Community Service Operations:				
Purchased Services	3,179	3,179	0	3,179
Materials and Supplies	3,000	3,000	0	3,000
Total Operation of Non-Instructional Services	6,179	6,179	0	6,179
Total Expenditures	675,205	933,785	775,677	158,108
Net Change in Fund Balance	74,795	6,215	1,004	(5,211)
Fund Balance Beginning of Year	1,076	1,076	1,076	0
Prior Year Encumbrances Appropriated	5,205	5,205	5,205	0
Fund Balance End of Year	\$81,076	\$12,496	\$7,285	(\$5,211)

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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$45,000	\$45,000	\$27,010	(\$17,990)
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	3,005	12,105	10,235	1,870
Support Services:				
Instructional Staff:				
Salaries and Wages	5,985	5,985	5,985	0
Fringe Benefits	1,807	1,807	1,807	0
Materials and Supplies	1,416	1,416	1,416	0
Total Instructional Staff	9,208	9,208	9,208	0
Administration:				
Materials and Supplies	118	118	118	0
Total Support Services	9,326	9,326	9,326	0
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	9,689	9,172	4,891	4,281
Materials and Supplies	307	3,415	3,415	0
Total Operation of Non-Instructional Services	9,996	12,587	8,306	4,281
<i>Total Expenditures</i>	22,327	34,018	27,867	6,151
<i>Net Change in Fund Balance</i>	22,673	10,982	(857)	(11,839)
<i>Fund Balance Beginning of Year</i>	567	567	567	0
Prior Year Encumbrances Appropriated	327	327	327	0
<i>Fund Balance End of Year</i>	\$23,567	\$11,876	\$37	(\$11,839)

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$35,000	\$40,000	\$38,942	(\$1,058)
Expenditures				
Current:				
Support Services:				
Pupils:				
Salaries and Wages	12,809	23,431	23,361	70
Fringe Benefits	5,634	5,634	5,634	0
Total Support Services	18,443	29,065	28,995	70
Operation of Non-Instructional Services:				
Community Service Operations:				
Purchased Services	11,557	11,977	9,274	2,703
<i>Total Expenditures</i>	<u>30,000</u>	<u>41,042</u>	<u>38,269</u>	<u>2,773</u>
<i>Net Change in Fund Balance</i>	5,000	(1,042)	673	1,715
<i>Fund Balance Beginning of Year</i>	<u>2,099</u>	<u>2,099</u>	<u>2,099</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$7,099</u></u>	<u><u>\$1,057</u></u>	<u><u>\$2,772</u></u>	<u><u>\$1,715</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$25,000	\$28,500	\$25,717	(\$2,783)
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	19,000	22,894	19,804	3,090
Fringe Benefits	4,000	5,502	5,502	0
<i>Total Expenditures</i>	<u>23,000</u>	<u>28,396</u>	<u>25,306</u>	<u>3,090</u>
<i>Net Change in Fund Balance</i>	2,000	104	411	307
<i>Fund Balance Beginning of Year</i>	<u>50</u>	<u>50</u>	<u>50</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,050</u></u>	<u><u>\$154</u></u>	<u><u>\$461</u></u>	<u><u>\$307</u></u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
E-Rate
For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$70,000	\$70,000	\$65,717	(\$4,283)
Expenditures				
Current:				
Support Services:				
Operation and Maintenance of Plant:				
Purchased Services	70,000	65,717	65,717	0
<i>Net Change in Fund Balance</i>	0	4,283	0	(4,283)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$4,283</u>	<u>\$0</u>	<u>(\$4,283)</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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$180,000	\$230,000	\$127,497	(\$102,503)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	80,521	80,520	33,718	46,802
Fringe Benefits	23,797	23,797	9,093	14,704
Total Instruction	104,318	104,317	42,811	61,506
Support Services:				
Instructional Staff:				
Salaries and Wages	25,124	41,794	30,756	11,038
Fringe Benefits	12,000	12,574	11,802	772
Purchased Services	3,991	29,428	24,053	5,375
Materials and Supplies	1,000	9,625	312	9,313
Capital Outlay - New	2,500	2,500	2,500	0
Total Instructional Staff	44,615	95,921	69,423	26,498
Administration:				
Purchased Services	1,000	1,000	719	281
Fiscal Services:				
Other	2,874	2,874	0	2,874
Total Support Services	48,489	99,795	70,142	29,653
Operation of Non-Instructional Services:				
Community Service Operations:				
Purchased Services	17,183	27,490	22,659	4,831
<i>Total Expenditures</i>	169,990	231,602	135,612	95,990
<i>Net Change in Fund Balance</i>	10,010	(1,602)	(8,115)	(6,513)
<i>Fund Balance Beginning of Year</i>	3,125	3,125	3,125	0
Prior Year Encumbrances Appropriated	4,990	4,990	4,990	0
<i>Fund Balance End of Year</i>	\$18,125	\$6,513	\$0	(\$6,513)

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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$35,000	\$45,000	\$27,360	(\$17,640)
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	7,000	7,366	3,369	3,997
Materials and Supplies	1,454	1,454	0	1,454
Capital Outlay - New	1,000	11,480	2,851	8,629
Total Instruction	9,454	20,300	6,220	14,080
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	8,089	9,926	7,543	2,383
Other	4,457	15,000	12,000	3,000
Total Operation of Non-Instructional Services	12,546	24,926	19,543	5,383
<i>Total Expenditures</i>	22,000	45,226	25,763	19,463
<i>Net Change in Fund Balance</i>	13,000	(226)	1,597	1,823
<i>Fund Balance Beginning of Year</i>	369	369	369	0
<i>Fund Balance End of Year</i>	\$13,369	\$143	\$1,966	\$1,823

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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$320,000	\$320,000	\$396,127	\$76,127
Interest	3,000	3,000	4,214	1,214
Charges for Services	902,000	902,000	750,790	(151,210)
Miscellaneous	25,000	25,000	26,512	1,512
<i>Total Revenues</i>	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,177,643</u>	<u>(72,357)</u>
Expenditures				
Current:				
Support Services:				
Pupils				
Fringe Benefits	2,824	2,824	2,824	0
Business				
Purchased Services	425	425	425	0
<i>Total Support Services</i>	<u>3,249</u>	<u>3,249</u>	<u>3,249</u>	<u>0</u>
Operation of Non-Instructional Services:				
Food Service Operations:				
Salaries and Wages	552,600	552,600	440,050	112,550
Fringe Benefits	148,909	148,909	148,909	0
Purchased Services	18,935	18,935	11,084	7,851
Materials and Supplies	540,395	540,395	512,144	28,251
Capital Outlay - New	18,012	18,012	18,012	0
Other	45,931	45,931	45,076	855
<i>Total Expenditures</i>	<u>1,328,031</u>	<u>1,328,031</u>	<u>1,178,524</u>	<u>149,507</u>
<i>Net Change in Fund Balance</i>	(78,031)	(78,031)	(881)	77,150
<i>Fund Balance Beginning of Year</i>	55,725	55,725	55,725	0
Prior Year Encumbrances Appropriated	28,031	28,031	28,031	0
<i>Fund Balance End of Year</i>	<u>\$5,725</u>	<u>\$5,725</u>	<u>\$82,875</u>	<u>\$77,150</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, 2006

	<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	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$52,628</u>	<u>(\$47,372)</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	91,836	91,836	57,295	34,541
Other	<u>300</u>	<u>300</u>	<u>199</u>	<u>101</u>
Total Instruction	92,136	92,136	57,494	34,642
Support Services:				
Administration:				
Materials and Supplies	<u>4,700</u>	<u>4,700</u>	<u>4,563</u>	<u>137</u>
<i>Total Expenditures</i>	<u>96,836</u>	<u>96,836</u>	<u>62,057</u>	<u>34,779</u>
<i>Net Change in Fund Balance</i>	3,164	3,164	(9,429)	(12,593)
<i>Fund Balance Beginning of Year</i>	26,280	26,280	26,280	0
Prior Year Encumbrances Appropriated	<u>836</u>	<u>836</u>	<u>836</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$30,280</u></u>	<u><u>\$30,280</u></u>	<u><u>\$17,687</u></u>	<u><u>(\$12,593)</u></u>

Shaker Heights City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Local Grants
For the Fiscal Year Ended June 30, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$82,056	\$246,168	\$186,943	(\$59,225)
Contributions and Donations	10,241	30,722	23,331	(7,391)
Miscellaneous	7,703	23,110	17,550	(5,560)
<i>Total Revenues</i>	<u>100,000</u>	<u>300,000</u>	<u>227,824</u>	<u>(72,176)</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	47,902	103,033	89,507	13,526
Fringe Benefits	10,614	22,830	21,218	1,612
Purchased Services	1,462	3,144	440	2,704
Materials and Supplies	6,214	13,365	12,541	824
Capital Outlay - New	3,291	7,079	5,953	1,126
Other	465	1,000	0	1,000
<i>Total Instruction</i>	<u>69,948</u>	<u>150,451</u>	<u>129,659</u>	<u>20,792</u>
Support Services:				
Pupils:				
Purchased Services	1,041	2,239	0	2,239
Materials and Supplies	1,269	2,729	0	2,729
<i>Total Pupils</i>	<u>2,310</u>	<u>4,968</u>	<u>0</u>	<u>4,968</u>
Instructional Staff:				
Purchased Services	44,516	95,748	90,891	4,857
Materials and Supplies	2,329	5,010	4,973	37
Capital Outlay - New	7,782	16,739	16,739	0
<i>Total Instructional Staff</i>	<u>54,627</u>	<u>117,497</u>	<u>112,603</u>	<u>4,894</u>
Administration:				
Capital Outlay - New	1,046	2,250	2,250	0
Fiscal:				
Capital Outlay - New	1,162	2,500	0	2,500
Central				
Purchased Services	1,395	3,000	3,000	0
<i>Total Support Services</i>	<u>60,540</u>	<u>130,215</u>	<u>117,853</u>	<u>12,362</u>
<i>Total Expenditures</i>	<u>130,488</u>	<u>280,666</u>	<u>247,512</u>	<u>33,154</u>
<i>Net Change in Fund Balance</i>	(30,488)	19,334	(19,688)	(39,022)
<i>Fund Balance Beginning of Year</i>	38,854	38,854	38,854	0
Prior Year Encumbrances Appropriated	20,488	20,488	20,488	0
<i>Fund Balance End of Year</i>	<u>\$28,854</u>	<u>\$78,676</u>	<u>\$39,654</u>	<u>(\$39,022)</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, 2006

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$2,360,895	\$2,351,140	\$2,409,062	\$57,922
Intergovernmental	317,896	316,669	304,909	(11,760)
<i>Total Revenues</i>	<u>2,678,791</u>	<u>2,667,809</u>	<u>2,713,971</u>	<u>46,162</u>
Expenditures				
Current:				
Support Services:				
Fiscal:				
Purchased Services	10,000	10,000	3,823	6,177
Other	40,000	40,000	37,095	2,905
Total Support Services	<u>50,000</u>	<u>50,000</u>	<u>40,918</u>	<u>9,082</u>
Debt Service:				
Principal Retirement	1,829,230	1,829,230	1,154,230	675,000
Interest and Fiscal Charges	1,020,770	1,020,770	956,884	63,886
Total Debt Service	<u>2,850,000</u>	<u>2,850,000</u>	<u>2,111,114</u>	<u>738,886</u>
<i>Total Expenditures</i>	<u>2,900,000</u>	<u>2,900,000</u>	<u>2,152,032</u>	<u>747,968</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(221,209)	(232,191)	561,939	794,130
Other Financing Sources				
Transfers In	167,192	167,192	167,192	0
<i>Net Change in Fund Balance</i>	(54,017)	(64,999)	729,131	794,130
<i>Fund Balance Beginning of Year</i>	1,167,074	1,167,074	1,167,074	0
<i>Fund Balance End of Year</i>	<u>\$1,113,057</u>	<u>\$1,102,075</u>	<u>\$1,896,205</u>	<u>\$794,130</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, 2006

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

Shaker Heights City School District
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Self Insurance
For the Fiscal Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	<u>\$8,900,000</u>	<u>\$8,900,000</u>	<u>\$8,517,593</u>	<u>(\$382,407)</u>
Expenses				
Purchased Services	24,216	24,216	24,216	0
Claims	<u>9,750,784</u>	<u>9,750,784</u>	<u>8,978,778</u>	<u>772,006</u>
<i>Total Expenses</i>	<u>9,775,000</u>	<u>9,775,000</u>	<u>9,002,994</u>	<u>772,006</u>
<i>Net Change in Fund Equity</i>	(875,000)	(875,000)	(485,401)	389,599
<i>Fund Equity Beginning of Year</i>	<u>916,401</u>	<u>916,401</u>	<u>916,401</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$41,401</u></u>	<u><u>\$41,401</u></u>	<u><u>\$431,000</u></u>	<u><u>\$389,599</u></u>

Shaker Heights City School District
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Workers' Compensation Reserve
For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$400,000	\$400,000	\$271,841	(\$128,159)
Expenses				
Claims	300,000	300,000	114,241	185,759
<i>Net Change in Fund Equity</i>	100,000	100,000	157,600	57,600
<i>Fund Equity Beginning of Year</i>	292,400	292,400	292,400	0
<i>Fund Equity End of Year</i>	<u>\$392,400</u>	<u>\$392,400</u>	<u>\$450,000</u>	<u>\$57,600</u>

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Statistical Section

Statistical Section

This 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.	S-2 - S-9
Revenue Capacity These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.	S-10 - S-23
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.	S-24 - S-27
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.	S-28 - S-30
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.	S-31 - S-42

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. The School District began preparing financial statements in accordance with GAAP in 1998; schedules presenting modified accrual information begin in that fiscal year.

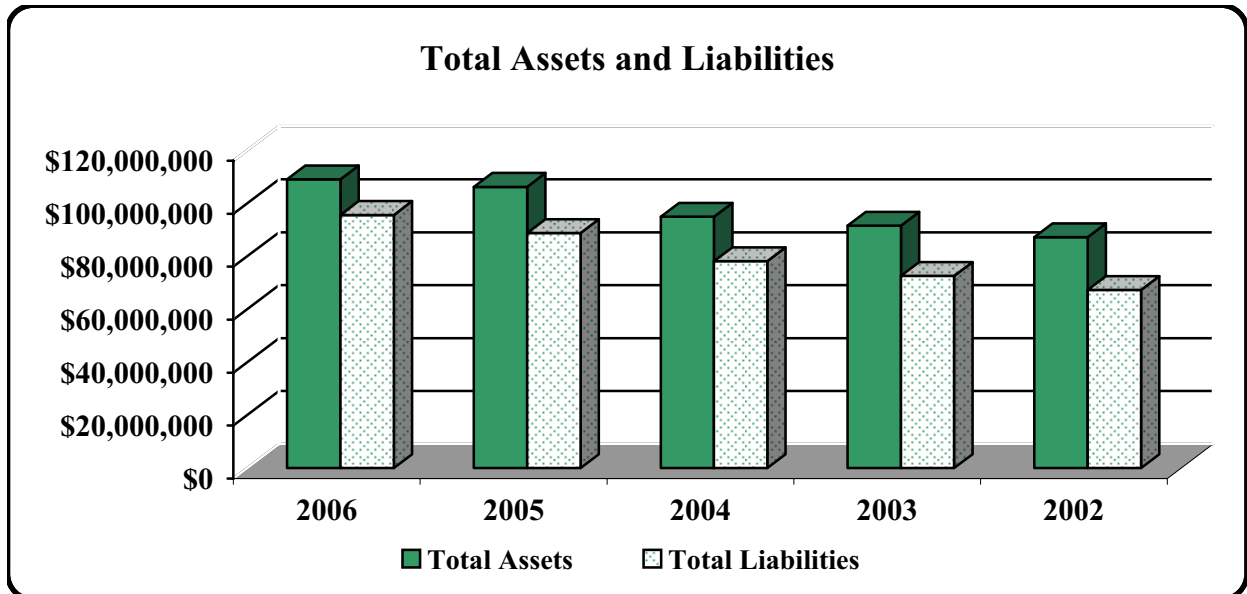
Shaker Heights City School District

Net Assets by Component

Last Five Fiscal Years

(accrual basis of accounting)

	2006	2005	2004	2003	2002
Invested in Capital Assets, Net of Related Debt	\$2,250,762	\$4,100,033	\$2,500,547	\$1,855,573	\$905,036
Restricted for:					
Capital Projects	1,655,509	678,855	1,543,825	1,901,796	3,569,042
Debt Service	2,216,814	1,400,799	868,760	917,851	1,487,304
Set Asides	353,070	353,070	353,070	353,070	353,070
Other Purposes	544,543	608,066	305,712	421,775	978,130
Unrestricted	6,438,744	10,355,170	11,215,209	5,262,682	12,662,100
Total Net Assets	\$13,459,442	\$17,495,993	\$16,787,123	\$10,712,747	\$19,954,682



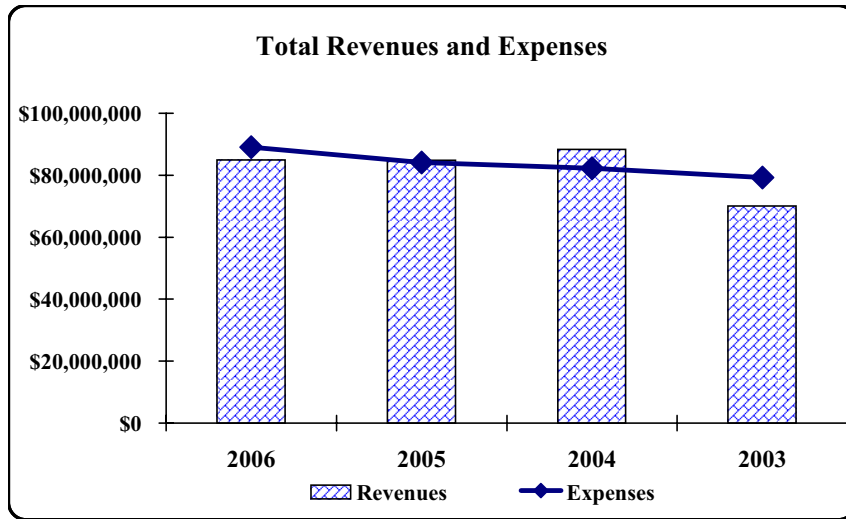
Shaker Heights City School District
Changes in Net Assets of Governmental Activities
Last Four Fiscal Years
(accrual basis of accounting)

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

(continued)

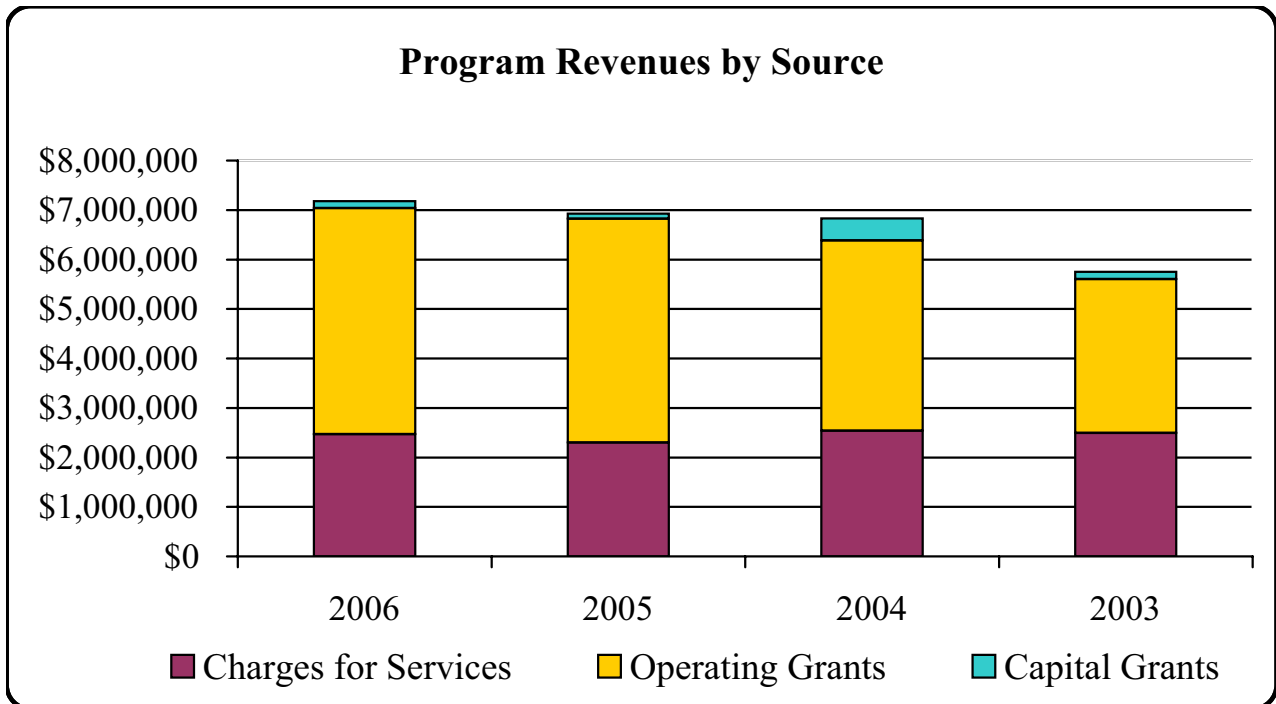
Shaker Heights City School District
Changes in Net Assets of Governmental Activities (continued)
Last Four Fiscal Years
(accrual basis of accounting)

	2006	2005	2004	2003
<i>General Revenues</i>				
Property Taxes Levied for:				
General Purposes	\$51,230,820	\$51,902,593	\$56,520,406	\$40,344,179
Debt Service	2,475,501	1,604,046	2,110,278	1,709,155
Capital Outlay	206,688	519,804	323,065	141,401
Grants and Entitlements not				
Restricted to Specific Programs	22,583,373	22,989,562	22,160,812	21,576,741
Payment in Lieu of Taxes	0	0	0	0
Contributions and Donations	0	1,225	0	0
Investment Earnings	1,147,810	622,591	169,849	388,345
Gain on Sale of Capital Assets	5,250	0	0	0
Miscellaneous	149,074	288,250	205,201	136,845
<i>Total General Revenues</i>	<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>(\$4,036,551)</u>	<u>\$708,870</u>	<u>\$6,074,376</u>	<u>(\$9,241,935)</u>



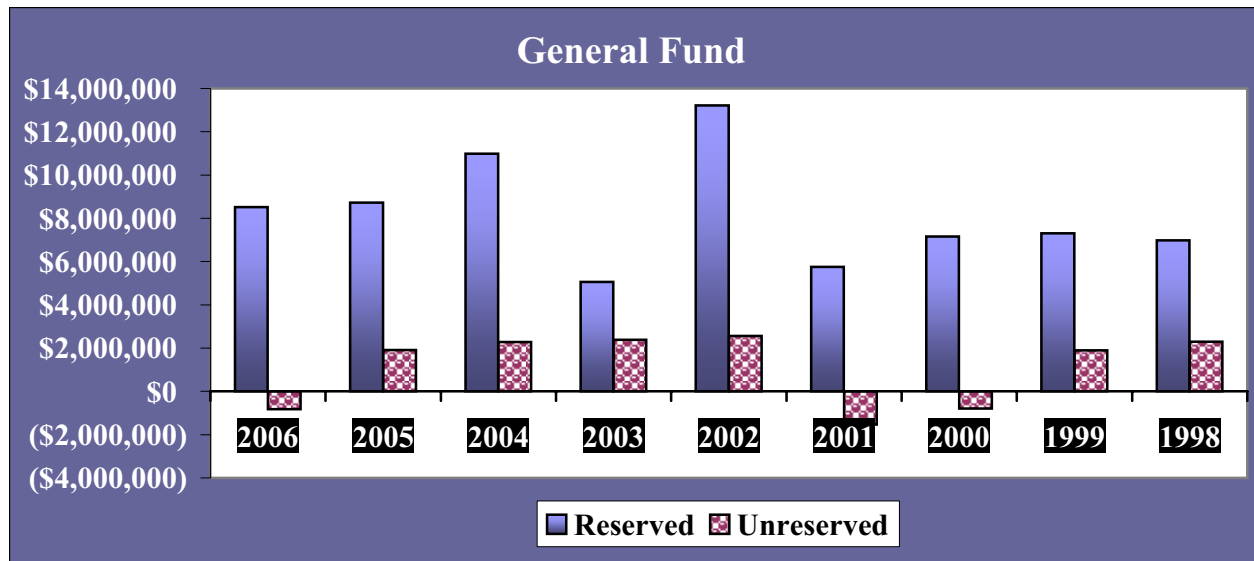
Shaker Heights City School District
Program Revenues by Function
Last Four Fiscal Years
(accrual basis of accounting)

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



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

	2006	2005	2004	2003
General Fund				
Reserved	\$8,511,681	\$8,725,818	\$10,987,610	\$5,061,262
Unreserved	(828,306)	1,917,235	2,285,249	2,390,165
<i>Total General Fund</i>	<u>7,683,375</u>	<u>10,643,053</u>	<u>13,272,859</u>	<u>7,451,427</u>
All Other Governmental Funds				
Reserved	2,796,510	2,335,692	1,324,079	1,104,311
Unreserved, Undesignated, Reported in:				
Special Revenue funds	439,345	264,879	85,919	139,795
Debt Service funds	1,904,007	1,171,864	965,905	649,422
Capital Projects funds (Deficit)	2,964,790	8,910,495	416,890	1,377,365
<i>Total All Other Governmental Funds</i>	<u>8,104,652</u>	<u>12,682,930</u>	<u>2,792,793</u>	<u>3,270,893</u>
<i>Total Governmental Funds</i>	<u><u>\$15,788,027</u></u>	<u><u>\$23,325,983</u></u>	<u><u>\$16,065,652</u></u>	<u><u>\$10,722,320</u></u>



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

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

	2006	2005	2004	2003
Revenues				
Property Taxes	\$54,190,185	\$53,655,836	\$58,039,121	\$41,691,916
Intergovernmental	27,216,734	27,269,185	25,877,126	24,778,809
Interest	1,147,810	622,591	169,849	389,026
Tuition and Fees	1,275,721	1,061,636	1,288,125	1,284,963
Extracurricular Activities	216,236	225,611	254,088	279,017
Contributions and Donations	193,730	104,820	594,335	74,850
Charges for Services	834,854	865,476	747,618	784,100
Rentals	144,129	146,592	156,653	148,967
Miscellaneous	149,074	288,250	300,965	136,845
<i>Total Revenues</i>	<u>85,368,473</u>	<u>84,239,997</u>	<u>87,427,880</u>	<u>69,568,493</u>
Expenditures				
Current:				
Instruction:				
Regular	34,759,097	33,016,459	31,014,952	30,619,859
Special	10,567,581	10,740,864	9,844,459	9,153,316
Vocational	256,939	365,264	236,759	289,951
Support Services:				
Pupils	5,351,841	5,335,372	5,173,505	4,817,011
Instructional Staff	5,516,764	5,503,732	5,052,264	4,845,603
Board of Education	19,423	12,969	80,848	44,557
Administration	5,827,818	6,409,117	6,082,455	5,537,916
Fiscal	1,803,586	2,009,811	1,633,900	1,624,904
Business	895,650	932,775	630,972	659,032
Operation and Maintenance of Plant	10,070,753	10,247,849	9,682,083	8,779,635
Pupil Transportation	4,185,681	4,372,503	3,841,783	3,659,578
Central	1,485,332	1,538,769	1,335,852	1,533,731
Operation of Non-Instructional Services	1,284,594	1,144,380	1,258,577	1,310,622
Food Service Operations	1,310,623	1,053,939	921,209	920,416
Extracurricular Activities	1,230,648	1,331,621	1,330,480	1,142,053
Capital Outlay	6,214,657	1,575,538	2,060,855	2,044,360
Intergovernmental	0	0	0	0
Debt Service:				
Principal Retirement	1,154,230	1,205,000	1,130,000	1,885,000
Interest and Fiscal Charges	971,212	760,280	773,595	859,491
Bond Issuance Costs	0	154,830	0	0
<i>Total Expenditures</i>	<u>92,906,429</u>	<u>87,711,072</u>	<u>82,084,548</u>	<u>79,727,035</u>
<i>Excess of Revenue Over (Under) Expenditures</i>	<u>(7,537,956)</u>	<u>(3,471,075)</u>	<u>5,343,332</u>	<u>(10,158,542)</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
General Obligation Bonds Issued	0	11,324,994	0	0
Bond Premium	0	191,387	0	0
Notes Issued	570,000	570,000	0	0
Current Refunding	(570,000)	0	0	0
Payment to Refunded Bond Escrow Agent	0	(1,354,975)	0	0
Transfers In	287,192	281,912	252,711	246,961
Transfers Out	(287,192)	(281,912)	(252,711)	(246,961)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>10,731,406</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(\$7,537,956)</u>	<u>\$7,260,331</u>	<u>\$5,343,332</u>	<u>(\$10,158,542)</u>
<i>Debt Service as a Percentage of</i>				
<i>Noncapital Expenditures</i>	2.41%	2.28%	2.38%	3.53%

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

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

Shaker Heights City School District

History of School Operating Levies

For the Years 1933 - 2006

Date	Number of Mills		Number of Years	Votes For	Votes Against	% For	Total Votes Cast	Difference
11/33	3.0		1934	2,975	2,176	57.80%	5,151	799
11/34	5.0		1935	3,358	3,633	48.00	6,991	(275)
03/35	3.0		1935	1,791	1,042	63.20	2,833	749
11/35	4.0		1936	4,616	1,852	71.40	6,468	2,764
11/36	5.0		1937-39	5,479	5,323	50.70	10,802	156
11/38	5.0		1940-43	5,459	2,303	70.30	7,762	3,156
11/42	5.0		1944-47	5,763	2,309	71.40	8,072	3,454
11/44	.05		1945	11,668	3,350	77.70	15,018	8,318
11/45	1.0		1946-47	4,736	1,196	79.80	5,932	3,540
11/46	6.0	renewal	1948-51	11,445	2,000	85.10	13,445	9,445
11/47	3.0		1948-51	7,739	2,076	78.80	9,815	5,663
11/50	10.0	renewal	1952-55	12,633	3,589	77.90	16,222	9,044
11/52	2.0		1953-55	15,874	4,145	79.30	20,019	11,729
11/54	12.0		1956-59	8,659	7,365	54.00	16,024	1,294
	9.8	renewal						
	2.2	additional						
11/57	5.3		1958-59	8,365	4,480	65.10	12,845	3,885
11/58	17.2	renewal	1960-64	13,802	4,346	76.10	18,148	9,456
11/59	3.0		1960-64	7,996	6,040	57.00	14,036	1,956
11/62	3.43		1963-64	12,845	5,616	69.60	18,461	7,229
05/64	23.63	renewal	1965-69	9,692	1,872	83.80	11,564	7,820
05/65	3.8	additional	1966-69	7,970	2,293	77.70	10,263	5,677
05/67	3.9	additional	1968-69	7,740	2,552	75.20	10,292	5,188
05/69	39.23		Continuing	3,831	2,366	61.80	6,197	1,465
	31.33	renewal						
	7.9	additional						
05/71	8.9	additional	Continuing	6,016	4,270	58.50	10,286	1,746
05/74	4.9	additional	Continuing	5,814	2,524	69.70	8,338	3,290
06/76	5.5	additional	Continuing	6,230	3,266	65.60	9,496	2,964
06/77	12.0	additional	Continuing	4,644	2,683	63.40	7,327	1,961
06/79	6.0	additional	Continuing	3,433	1,795	65.70	5,228	1,638
06/81	6.5	additional	Continuing	3,805	2,398	61.30	6,203	1,407
06/82	6.0	additional	Continuing	7,190	5,127	58.40	12,317	2,063
06/83	8.8	additional	Continuing	4,301	4,572	48.50	8,873	(271)
08/83	8.8	additional	Continuing	5,373	4,546	54.20	9,919	827
11/86	7.5	additional	Continuing	6,950	6,908	50.15	13,858	42
05/89	9.8	additional	Continuing	3,613	3,145	53.50	6,758	468
05/92	9.8	additional	Continuing	6,554	5,106	56.20	11,660	1,448
11/94	8.7	additional	Continuing	6,733	7,160	48.46	13,893	(427)
02/95	8.7	additional	Continuing	5,464	2,641	67.40	8,105	2,823
03/00	9.4	additional	Continuing	6,280	4,216	59.83	10,496	2,064
05/03	9.6	additional	Continuing	5,657	2,987	65.44	8,644	2,670
05/06	9.9	additional	Continuing	5,579	3,697	60.14	9,276	1,882

Source: Shaker Heights City School District Records

Shaker Heights City School District

History of Bond Issues

For the Years 1912 - 2006

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

Source: Shaker Heights City School District

N/A - Not Available

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

Collection Year	Real Estate			Estimated Actual Value	Tangible Assessed Value
	Assessed Value				
	Residential/ Agricultural	Commercial/ Industrial/ PU	Total		
2006	\$758,082,460	\$89,889,340	\$847,971,800	\$2,422,776,571	\$10,227,037
2005	760,446,580	92,028,820	852,475,400	2,435,644,000	10,874,112
2004	766,529,040	93,225,960	859,755,000	2,456,442,857	13,995,216
2003	665,936,590	89,502,910	755,439,500	2,158,398,571	18,235,730
2002	666,253,450	92,219,710	758,473,160	2,167,066,171	15,119,701
2001	665,664,730	87,362,310	753,027,040	2,151,505,829	13,134,797
2000	586,899,040	75,769,400	662,668,440	1,893,338,400	11,482,000
1999	586,802,970	76,323,060	663,126,030	1,894,645,800	11,049,610
1998	587,283,980	74,688,480	661,972,460	1,891,349,886	11,863,524
1997	545,033,370	72,422,110	617,455,480	1,764,158,514	11,624,648

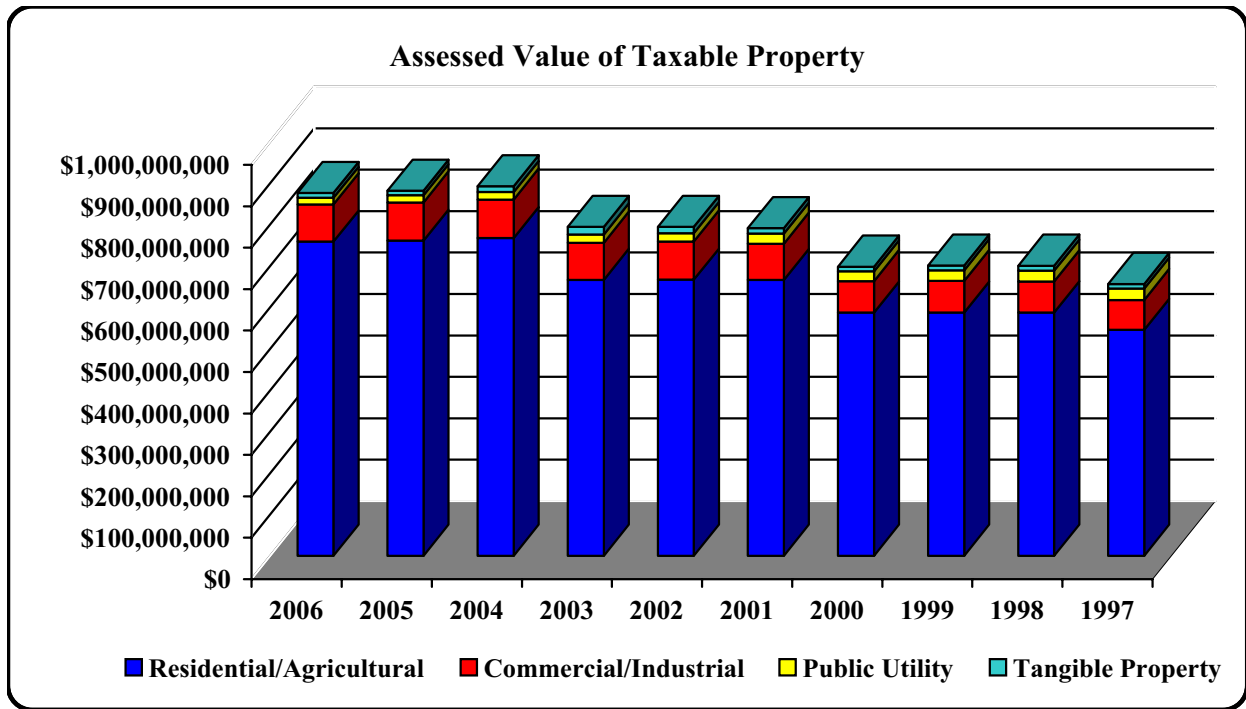
Source: Office of the County Auditor, Cuyahoga County, Ohio

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
\$44,465,378	\$15,778,790	\$17,930,443	\$873,977,627	\$2,485,172,393	\$64.64
47,278,748	17,529,940	19,920,386	880,879,452	2,502,843,134	64.48
60,848,765	17,827,640	20,258,682	891,577,856	2,537,550,304	65.11
79,285,783	19,900,850	22,614,602	793,576,080	2,260,298,956	57.37
60,478,804	20,101,330	22,842,420	793,694,191	2,250,387,396	56.87
52,539,188	24,248,080	27,554,636	790,409,917	2,231,599,653	56.78
45,928,000	23,622,520	26,843,773	697,772,960	1,966,110,173	48.97
44,198,440	26,011,210	29,558,193	700,186,850	1,968,402,433	49.26
47,454,096	26,022,220	29,570,705	699,858,204	1,968,374,686	49.23
46,498,592	27,287,540	31,008,568	656,367,668	1,841,665,674	49.35



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

	1997	1998	1999	2000
Unvoted Millage				
Operating	\$4.100000	\$4.100000	\$4.100000	\$4.100000
Voted Millage - by levy				
All Prior to 1977 Operating - continuing	58.530000	58.530000	58.530000	58.530000
Effective Millage Rates				
Residential/Agricultural	14.448365	13.419583	13.434215	13.445043
Commercial/Industrial	24.314123	23.576411	23.642784	23.703533
Tangible/Public Utility Personal	58.530000	58.530000	58.530000	58.530000
1977 Operating - continuing	12.000000	12.000000	12.000000	12.000000
Effective Millage Rates				
Residential/Agricultural	3.770280	3.501816	3.505632	3.508464
Commercial/Industrial	5.371284	5.208324	5.222976	5.236392
Tangible/Public Utility Personal	12.000000	12.000000	12.000000	12.000000
1979 Operating - continuing	6.000000	6.000000	6.000000	6.000000
Effective Millage Rates				
Residential/Agricultural	1.885140	1.750908	1.752816	1.754232
Commercial/Industrial	2.685642	2.604162	2.611488	2.618196
Tangible/Public Utility Personal	6.000000	6.000000	6.000000	6.000000
1981 Operating - continuing	6.500000	6.500000	6.500000	6.500000
Effective Millage Rates				
Residential/Agricultural	3.122405	2.900073	2.903232	2.905572
Commercial/Industrial	3.453281	3.348508	3.357933	3.366558
Tangible/Public Utility Personal	6.500000	6.500000	6.500000	6.500000
1982 Operating - continuing	6.000000	6.000000	6.000000	6.000000
Effective Millage Rates				
Residential/Agricultural	2.886936	2.681370	2.684292	2.686458
Commercial/Industrial	3.187716	3.091002	3.099702	3.107664
Tangible/Public Utility Personal	6.000000	6.000000	6.000000	6.000000
1983 Operating - continuing	8.800000	8.800000	8.800000	8.800000
Effective Millage Rates				
Residential/Agricultural	4.819716	4.476525	4.481400	4.485008
Commercial/Industrial	5.380681	5.217432	5.232110	5.245548
Tangible/Public Utility Personal	8.800000	8.800000	8.800000	8.800000
1986 Operating - continuing	7.500000	7.500000	7.500000	7.500000
Effective Millage Rates				
Residential/Agricultural	4.364415	4.053645	4.051313	4.061333
Commercial/Industrial	5.081798	4.927613	4.941480	4.954170
Tangible/Public Utility Personal	7.500000	7.500000	7.500000	7.500000
1989 Operating - continuing	9.800000	9.800000	9.800000	9.800000
Effective Millage Rates				
Residential/Agricultural	7.210262	6.696850	6.704151	6.709550
Commercial/Industrial	8.075719	7.830700	7.852730	7.872899
Tangible/Public Utility Personal	9.800000	9.800000	9.800000	9.800000
1990 School Improvement Bonds (\$10,000,000)	1.470000	1.470000	1.470000	1.420000

2001	2002	2003	2004	2005	2006
\$4.100000	\$4.100000	\$4.100000	\$4.100000	\$4.100000	\$4.100000
58.530000	58.530000	58.530000	58.530000	58.530000	58.530000
11.883346	11.888321	11.904592	10.366424	10.463467	10.483601
20.217433	20.217432	20.778735	20.117697	20.105874	20.940688
58.530000	58.530000	58.530000	58.530000	58.530000	58.530000
12.000000	12.000000	12.000000	12.000000	12.000000	12.000000
3.100944	3.102240	3.106476	2.705088	2.730420	2.735676
4.466268	4.466268	4.590264	4.444236	4.441620	4.626036
12.000000	12.000000	12.000000	12.000000	12.000000	12.000000
6.000000	6.000000	6.000000	6.000000	6.000000	6.000000
1.550472	1.551120	1.553238	1.352544	1.365210	1.367838
2.233134	2.233134	2.295132	2.222118	2.220810	2.313018
6.000000	6.000000	6.000000	6.000000	6.000000	6.000000
6.500000	6.500000	6.500000	6.500000	6.500000	6.500000
2.568072	2.569138	2.572648	2.240232	2.261207	2.265556
2.871434	2.871433	2.951156	2.857270	2.855593	2.974153
6.500000	6.500000	6.500000	6.500000	6.500000	6.500000
6.000000	6.000000	6.000000	6.000000	6.000000	6.000000
2.374410	2.375400	2.378646	2.071302	2.090694	2.094720
2.650614	2.650614	2.724204	2.637540	2.635992	2.745438
6.000000	6.000000	6.000000	6.000000	6.000000	6.000000
8.800000	8.800000	8.800000	8.800000	8.800000	8.800000
3.964048	3.965694	3.971114	3.458004	3.490379	3.497094
4.474078	4.474078	4.598290	4.452008	4.449394	4.634133
8.800000	8.800000	8.800000	8.800000	8.800000	8.800000
7.500000	7.500000	7.500000	7.500000	7.500000	7.500000
3.589590	3.591083	3.595988	3.131348	3.160665	3.166748
4.225553	4.225552	4.342867	4.204710	4.202235	4.376708
7.500000	7.500000	7.500000	7.500000	7.500000	7.500000
9.800000	9.800000	9.800000	9.800000	9.800000	9.800000
5.930205	5.932675	5.940780	5.173165	5.221597	5.231642
6.715019	6.715018	6.901444	6.681885	6.677955	6.955217
9.800000	9.800000	9.800000	9.800000	9.800000	9.800000
1.520000	1.520000	1.020000	1.020000	1.020000	1.020000

(continued)

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

	1997	1998	1999	2000
1992 Operating - continuing	9.800000	9.800000	9.800000	9.800000
Effective Millage Rates				
Residential/Agricultural	9.005837	8.364565	8.373679	8.380421
Commercial/Industrial	9.074006	8.798695	8.823450	8.846117
Tangible/Public Utility Personal	9.800000	9.800000	9.800000	9.800000
1995 Operating - continuing	8.700000	8.700000	8.700000	8.700000
Effective Millage Rates				
Residential/Agricultural	8.700000	8.080499	8.089304	8.095820
Commercial/Industrial	8.700000	8.436033	8.459767	8.481500
Tangible/Public Utility Personal	8.700000	8.700000	8.700000	8.700000
1996 School Improvement Bonds (\$12,700,000)	0.600000	0.600000	0.600000	1.850000
2000 Operating - continuing	0.000000	0.000000	0.000000	0.000000
Effective Millage Rates				
Residential/Agricultural	0.000000	0.000000	0.000000	0.000000
Commercial/Industrial	0.000000	0.000000	0.000000	0.000000
Tangible/Public Utility Personal	0.000000	0.000000	0.000000	0.000000
2003 Operating - continuing	0.000000	0.000000	0.000000	0.000000
Effective Millage Rates				
Residential/Agricultural	0.000000	0.000000	0.000000	0.000000
Commercial/Industrial	0.000000	0.000000	0.000000	0.000000
Tangible/Public Utility Personal	0.000000	0.000000	0.000000	0.000000
2004 School Improvement Bonds (\$23,500,000)	0.000000	0.000000	0.000000	0.000000
Total Voted Millage	135.700000	135.700000	135.700000	136.900000
Total Millage	139.800000	139.800000	139.800000	141.000000
Total Effective Voted Millage by type of property				
Residential/Agricultural	60.213356	55.925834	55.980034	56.031901
Commercial/Industrial	75.324250	73.038880	73.244420	73.432577
Tangible/Public Utility Personal	133.630000	133.630000	133.630000	133.630000
Overlapping Rates by Taxing District				
City of Shaker Heights Charter & Inside Millage	9.900000	9.900000	9.900000	9.900000
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

2001	2002	2003	2004	2005	2006
9.800000	9.800000	9.800000	9.800000	9.800000	9.800000
7.406987	7.410064	7.420188	6.461414	6.521900	6.534444
7.545108	7.545108	7.754583	7.507888	7.503468	7.815000
9.800000	9.800000	9.800000	9.800000	9.800000	9.800000
8.700000	8.700000	8.700000	8.700000	8.700000	8.700000
7.155446	7.158421	7.168200	6.241989	6.300427	6.312546
7.234111	7.234110	7.434950	7.198424	7.194187	7.492875
8.700000	8.700000	8.700000	8.700000	8.700000	8.700000
1.850000	1.850000	1.850000	1.150000	1.150000	1.150000
9.400000	9.400000	9.400000	9.400000	9.400000	9.400000
8.308134	8.311583	8.322929	7.247513	7.315362	7.329434
8.017523	8.017523	8.240105	7.977959	7.973268	8.304308
9.400000	9.400000	9.400000	9.400000	9.400000	9.400000
0.000000	0.000000	0.000000	9.600000	9.600000	9.600000
0.000000	0.000000	0.000000	8.359565	8.437824	8.454058
0.000000	0.000000	0.000000	9.294586	9.289114	9.600000
0.000000	0.000000	0.000000	9.600000	9.600000	9.600000
0.000000	0.000000	0.000000	0.000000	0.300000	1.600000
146.400000	146.400000	145.900000	154.800000	155.100000	156.400000
150.500000	150.500000	150.000000	158.900000	159.200000	160.500000
57.831654	57.855739	57.934799	58.808588	59.359152	59.473357
70.650275	70.650270	72.611730	79.596321	79.549510	82.777574
143.030000	143.030000	143.030000	152.630000	152.630000	152.630000
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	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

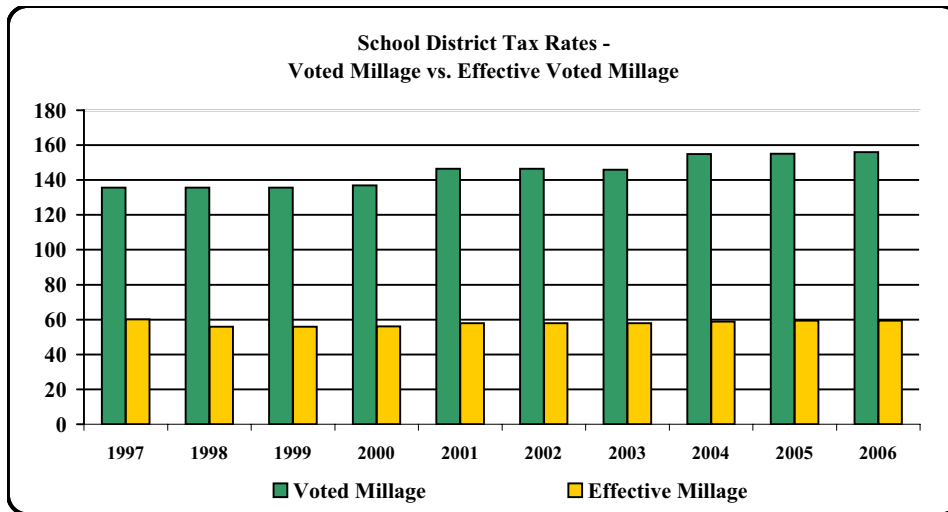
(continued)

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

	1997	1998	1999	2000
Shaker Heights Public Library Voted Millage	3.000000	4.000000	4.000000	4.000000
Effective Millage Rates				
Residential/Agricultural	2.756988	3.715172	3.719220	3.722216
Commercial/Industrial	2.777757	3.878636	3.889548	3.899540
Tangible/Public Utility Personal	3.000000	4.000000	4.000000	4.000000
Cuyahoga County Voted Millage	16.600000	16.600000	15.300000	15.300000
Effective Millage Rates				
Residential/Agricultural	N/A	N/A	12.852500	12.838100
Commercial/Industrial	N/A	N/A	13.914800	13.877500
Tangible/Public Utility Personal	16.600000	16.600000	15.300000	15.300000

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented on S10 and S11 generated the property tax revenue received in that year.

2001	2002	2003	2004	2005	2006
4.000000	4.000000	4.000000	4.000000	4.000000	4.000000
3.289860	3.291228	4.000000	3.483152	3.515760	3.522524
3.326028	3.326028	4.000000	3.872744	3.870464	4.000000
4.000000	4.000000	4.000000	4.000000	4.000000	4.000000
16.200000	16.200000	16.200000	18.000000	18.300000	18.300000
12.677900	12.658600	13.736700	14.608900	15.270300	16.019200
13.254500	13.335800	14.221100	16.052900	16.502100	17.131400
16.200000	16.200000	16.200000	18.000000	18.300000	18.300000



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
2005	\$68,357,014	\$58,502,023	85.58%	\$2,924,281	\$61,426,304	89.86%	\$6,005,534	8.79%
2004	69,712,232	60,204,426	86.36	2,955,133	63,159,559	90.60	6,152,166	8.83
2003	60,781,197	52,442,163	86.28	2,755,165	55,197,328	90.81	5,823,933	9.58
2002	61,031,382	53,061,790	86.94	2,696,283	55,758,073	91.36	4,853,033	7.95
2001	59,395,866	53,242,741	89.64	2,025,582	55,268,323	93.05	4,107,206	6.91
2000	51,218,889	46,518,513	90.82	2,114,816	48,633,329	94.95	3,047,657	5.95
1999	51,196,890	45,983,102	89.82	2,163,870	48,146,972	94.04	2,842,481	5.55
1998	50,424,327	45,702,584	90.64	1,452,484	47,155,068	93.52	3,043,317	6.04
1997	50,453,727	46,020,347	91.21	1,292,784	47,313,131	93.78	2,659,658	5.27
1996	49,997,697	46,268,767	92.54	1,143,568	47,412,335	94.83	2,472,180	4.94

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. 2006 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.

Shaker Heights City School District

Principal Taxpayers

Real Estate Tax

2005 and 1997 (1)

Name of Taxpayer	2005	
	Assessed Valuation	Percent of Real Assessed Value
Tower East Operating Association	\$3,781,820	0.44%
Shaker Towne Center LLC	2,653,140	0.31%
Coral Shaker Square LLC	2,025,630	0.24%
Salzburg, Deborah	1,333,890	0.16%
Oliver Family LTD	1,901,100	0.22%
Kirt Montlack, LTD	1,811,440	0.21%
Shaker Heights Country Club	1,713,040	0.20%
University Hospitals	1,507,450	0.18%
Livingston Park Apartments	1,379,110	0.16%
Hoban, Edw F Bis of Cleveland	1,274,110	0.15%
Total	\$19,380,730	2.27%
Total Real Estate Valuation	\$852,475,400	
Name of Taxpayer	1997 (2)	
	Assessed Valuation	Percent of Real Assessed Value
Shaker Towne Centre Limited	\$3,272,500	0.53%
Community Links Limited Partnership	2,975,000	0.48%
Ohio Teachers Retirement	2,867,240	0.46%
OfficeMax Incorporated	1,988,460	0.32%
Somerset Point Limited Partnership	1,850,800	0.30%
Karrington Acquisition Incorporated	1,595,300	0.26%
Albert Ratner, Trustee	1,583,120	0.26%
Cleveland Skating Club	1,299,550	0.21%
Excel Cleveland Limited Partnership	1,183,000	0.19%
Cleveland I Limited Partnership	1,153,710	0.19%
Total	\$19,768,680	3.20%
Total Real Estate Valuation	\$617,455,480	

Source: Office of the Auditor, Cuyahoga County, Ohio

(1) The amounts presented the assessed values upon which 2005 and 1997 collections were based.

(2) Information prior to 1997 is not available.

Shaker Heights City School District

Principal Taxpayers

Tangible Personal Property Tax

2005 and 1997 (1)

Name of Taxpayer	2005	
	Assessed Valuation	Percent of Tangible Assessed Value
OfficeMax, Incorporated	\$1,853,410	17.04%
Hertz Equipment Rental Corporation	946,920	8.71%
Walgreen Company	596,290	5.48%
Qua Newco, Incorporated	446,770	4.11%
Adelphia of the Midwest, Incorporated	438,190	4.03%
Nephrology Association	338,800	3.12%
Heinens, Incorporated	332,760	3.06%
Ganley Nissan, Incorporated	265,910	2.45%
Revco Discount Drug	166,950	1.54%
Wide Open West Cleveland, LLC	166,250	1.53%
Total	\$5,552,250	51.06%
Total Tangible Assessed Valuation	\$10,874,112	

Name of Taxpayer	1997 (2)	
	Assessed Valuation	Percent of Tangible Assessed Value
Ryder Integrated Logistics Incorporated	\$1,322,360	11.38%
OfficeMax Incorporated	1,278,560	11.00%
Telerama Incorporated	976,480	8.40%
Ganley Nissan Incorporated	675,800	5.81%
Zalud Oldsmobile Incorporated	433,470	3.73%
Heinens Incorporated	387,670	3.33%
Qua Newco Incorporated	325,000	2.80%
Connell Limited Partnership	265,020	2.28%
Russos Incorporated	198,220	1.71%
Rite Aid of Ohio Incorporated	195,050	1.68%
Total	\$6,057,630	52.11%
Total Tangible Assessed Valuation	\$11,624,648	

Source: Office of the Auditor, Cuyahoga County, Ohio

(1) The amounts presented represent the assessed values upon which 2005 and 1997 collections were based.

(2) Information prior to 1997 is not available.

Shaker Heights City School District

Principal Taxpayers

Public Utilities Tax

2005 and 1997 (1)

2005		
Name of Taxpayer	Assessed Valuation	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$7,394,020	42.18%
Ohio Bell Telephone Company	4,405,000	25.13%
The East Ohio Gas Company	1,595,420	9.10%
American Transmission System	695,860	3.97%
Total	\$14,090,300	80.38%
Total Public Utility Valuation	\$17,529,940	

1997 (2)		
Name of Taxpayer	Assessed Valuation	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$11,464,900	42.02%
Ohio Bell Telephone Company	9,877,680	36.20%
East Ohio Gas Company	4,421,690	16.20%
Northern Ohio Cellular	210,760	0.77%
Total	\$25,975,030	95.19%
Total Public Utility Valuation	\$27,287,540	

Source: Office of the Auditor, Cuyahoga County, Ohio

(1) The amounts presented represents the assessed values upon which 2005 and 1997 collections were based.

(2) Information prior to 1997 is not available.

Shaker Heights City School District

Computation of Direct and Overlapping

Governmental Activities Debt

June 30, 2006

	<u>Debt Attributable to Governmental Activities</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount of Direct and Overlapping Debt</u>
Direct:			
Shaker Heights City School District			
General Obligation Bonds	\$21,586,229	100.00%	\$21,586,229
Notes Payable	<u>570,000</u>	100.00	<u>570,000</u>
Total Direct	<u>22,156,229</u>	100.00	<u>22,156,229</u>
Overlapping:			
Cuyahoga County			
General Obligation Bonds	224,406,000	2.94	6,597,536
Revenue Bonds	109,950,000	2.94	3,232,530
Capital Lease Obligations	8,387,000	2.94	246,578
Loans Payable	2,776,000	2.94	81,614
City of Shaker Heights			
General Obligation Bonds	7,225,000	100.00	7,225,000
City of Cleveland			
General Obligation Bonds	353,325,000	6.00	21,199,500
Urban Renewal Bonds	7,555,000	6.00	453,300
Income Tax Refunding Bonds	62,400,000	6.00	3,744,000
Non-Tax Revenue Bonds	70,085,000	6.00	4,205,100
Certificates of Participation - Stadium	146,225,000	6.00	8,773,500
Capital Lease Obligations	18,083,000	6.00	1,084,980
Gateway Note Payable	2,750,000	6.00	165,000
Regional Transit Authority			
General Obligation Bonds	<u>139,790,000</u>	2.94	<u>4,109,826</u>
Total Overlapping	<u>1,152,957,000</u>		<u>61,118,465</u>
Total	<u>\$1,175,113,229</u>		<u>\$83,274,694</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 2005 collection year.

Shaker Heights City School District
Ratio of Debt to Assessed Value and Debt per Capita
Last Ten Fiscal Years

Fiscal Year	Estimated Population (1)	Estimated Actual Value (2)	Debt Attributable to Governmental Activities (3)			Ratio of Bonded Debt to Estimated Actual Value	Bonded Debt per Capita	
			Bonded Debt	Notes	Capital Leases			Total
2006	29,405	\$873,977,627	\$21,586,229	\$570,000	\$0	\$22,156,229	2.47%	\$734
2005	29,405	880,879,452	22,692,846	570,000	0	23,262,846	2.58	772
2004	29,405	891,577,856	13,717,774	0	0	13,717,774	1.54	467
2003	29,405	793,576,080	14,031,071	0	0	14,031,071	1.77	477
2002	29,405	793,694,191	15,326,921	0	0	15,326,921	1.93	521
2001	29,405	790,409,917	17,574,060	0	0	17,574,060	2.22	598
2000	30,867	697,772,960	15,619,430	1,500,000	0	17,119,430	2.24	506
1999	30,867	700,186,850	17,824,230	0	5,107	17,829,337	2.55	577
1998	30,867	699,858,204	8,864,230	0	16,012	8,880,242	1.27	287
1997	30,867	656,367,668	9,144,582	0	26,917	9,171,499	1.39	296

Sources:

- (1) U.S. Census of Population, 2000 and 1990 Federal Census
- (2) Cuyahoga County Auditor
- (3) School District Financial Records

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

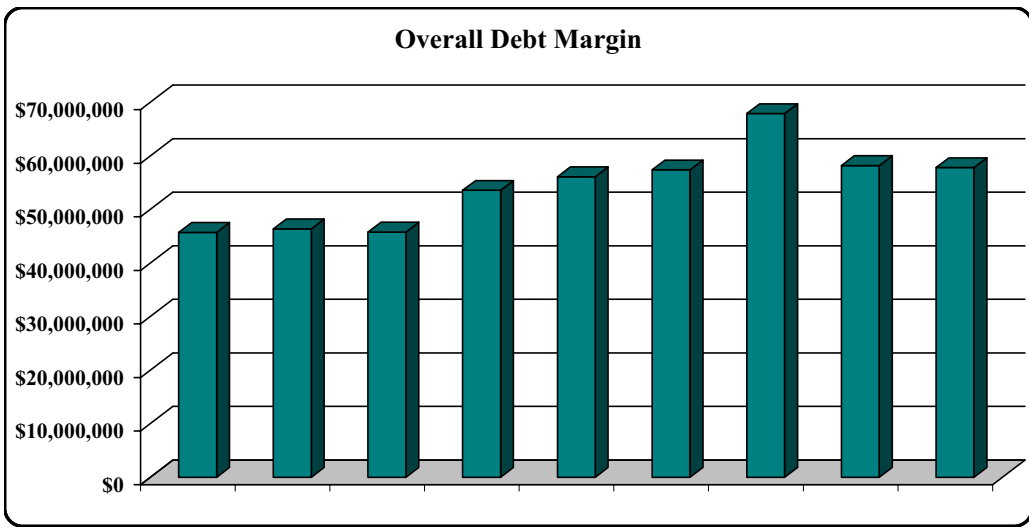
	2006	2005	2004
Assessed Valuation (1)	\$857,196,420	\$880,879,452	\$891,577,856
Debt Limit - 9% of Assessed Value (2)	\$77,147,678	\$79,279,151	\$80,242,007
Amount of Debt Outstanding			
General Obligation Bonds			
School Improvement Bonds	1,990,000	2,315,000	2,615,000
School Improvement Bonds	2,415,000	2,560,000	2,700,000
School Improvement Capital Appreciation Bonds	285,543	271,709	258,544
Energy Conservation Improvement Bonds	0	159,230	304,230
School Improvement Bonds	9,928,185	9,935,288	0
School Improvement Capital Appreciation Bonds	243,421	210,811	0
Building Addition Bonds	0	0	1,475,000
Building Addition Refunding Bonds	1,213,140	1,249,107	0
Refunding Capital Appreciation Bonds	105,940	96,701	0
School Improvement Bonds	5,405,000	5,895,000	6,365,000
Bond Anticipation Note	0	0	0
Bus Acquisition Bond Anticipation Note	570,000	570,000	0
Less: Amount Available in Debt Service	(2,252,727)	(1,446,773)	(1,379,309)
Total	19,903,502	21,816,073	12,338,465
Exemptions:			
Energy Conservation Improvement Bonds	0	(159,230)	0
Bus Acquisition Bond Anticipation Note	(570,000)	(570,000)	0
Amount of Debt Subject to Limit	19,333,502	21,086,843	12,338,465
Overall Debt Margin	\$57,814,176	\$58,192,308	\$67,903,542
Legal Debt Margin as a Percentage of Debt Limit	74.94%	73.40%	84.62%
Unvoted Legal Debt Limit -			
.10% of Assessed Value (1)	\$857,196	\$880,879	\$891,578
Amount of Debt Subject to Limit	0	(159,230)	0
Unvoted Debt Margin	\$857,196	\$721,649	\$891,578
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	81.92%	100.00%
Additional Limit for Unvoted Energy Conservation Improvement Bonds:			
Debt Limit - 1% of Assessed Valuation	\$7,714,768	\$7,927,915	\$8,024,201
Energy Conservation Improvement Bonds	0	(159,230)	(304,230)
Additional Unvoted Debt Margin	\$7,714,768	\$7,768,685	\$7,719,971

Source: Cuyahoga County Auditor and School District Financial Records

(1) For fiscal year 2006, HB530 changed the assessed valuation utilized in the legal debt margin calculation to exclude tangible personal property as well as railroad and telephone tangible property.

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

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



Shaker Heights City School District

Demographic Statistics

Last Ten Years

Year	Cuyahoga County Population	Shaker Heights City Population	Personal Income	Per Capita Personal Income	School Enrollment	Cuyahoga County Unemployment Rate
2006	1,363,888	29,405	\$1,156,145,790	\$39,318	5,628	5.6%
2005	1,363,888	29,405	1,156,145,790	39,318	5,734	5.9
2004	1,363,888	29,405	1,156,145,790	39,318	5,623	6.6
2003	1,363,888	29,405	1,156,145,790	39,318	5,608	6.7
2002	1,393,978	29,405	1,156,145,790	39,318	5,619	4.6
2001	1,393,978	29,405	1,156,145,790	39,318	5,625	4.5
2000	1,393,978	30,867	1,213,628,706	39,318	5,714	4.5
1999	1,412,140	30,867	1,213,628,706	39,318	5,640	4.6
1998	1,412,140	30,867	1,213,628,706	39,318	5,592	4.4
1997	1,412,140	30,867	1,213,628,706	39,318	5,634	5.8

Source 2000 U.S. Census Bureau

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

Year	Property Value (1) (Real Estate Only)	Financial Institution Deposits (000's) Banks	Value of Building Permits Issued
2006	\$847,971,800	\$110,547,665	\$21,469,647
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
1998	661,972,460	53,941,971	4,224,290
1997	617,455,480	27,068,211	2,815,440

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

(1) Represents assessed value.

Shaker Heights City School District

Principal Employers

2005 (1)

2005

Employer	City	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 - Information not available.

Shaker Heights City School District

*Building Statistics
Last Three Fiscal Years*

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

(continued)

Shaker Heights City School District

Building Statistics (continued)

Last Three Fiscal Years

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Onaway Elementary School			
Constructed in 1923			
Total Building Square Footage	63,700	63,700	63,700
Enrollment Grades K - 4	360	370	371
Student Capacity	606	606	606
Regular Instruction Classrooms	24	24	24
Special Instruction Classrooms	4	4	4
Woodbury Elementary School			
Constructed in 1918			
Total Building Square Footage	138,350	138,350	138,350
Enrollment Grades 5 - 6	833	834	865
Student Capacity	900	900	900
Regular Instruction Classrooms	43	43	43
Special Instruction Classrooms	6	6	6
Shaker Heights Middle School			
Constructed in 1957			
Total Building Square Footage	133,400	133,400	133,400
Enrollment - Grades 7 - 8	900	964	954
Student Capacity	1,000	1,000	1,000
Regular Instruction Classrooms	33	33	33
Shaker Heights High School			
Constructed in 1931			
Total Building Square Footage	304,400	304,400	304,400
Enrollment - Grades 9 - 12	1,876	1,838	1,805
Student Capacity	2,000	2,000	2,000
Regular Instruction Classrooms	60	60	60
Sussex Pre-School			
Constructed in 1922			
Total Building Square Footage	33,000	33,000	33,000
Enrollment - Grades Pre - K	24	22	18
Student Capacity	30	30	30

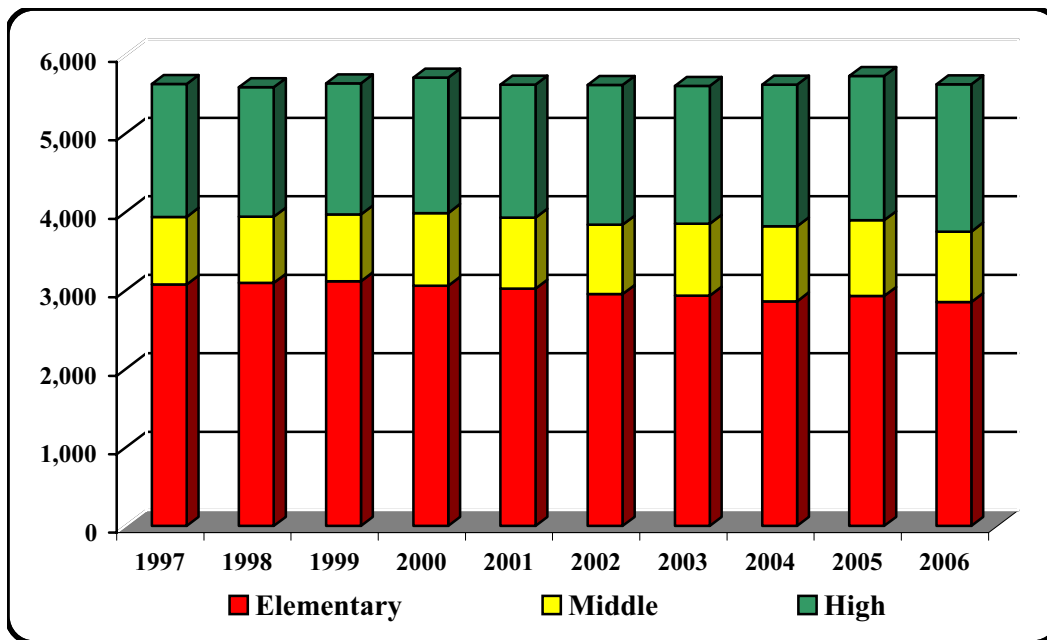
Note - District leases only one classroom from Shaker Family Center

Shaker Heights City School District

Enrollment Statistics

Last Ten Fiscal Years

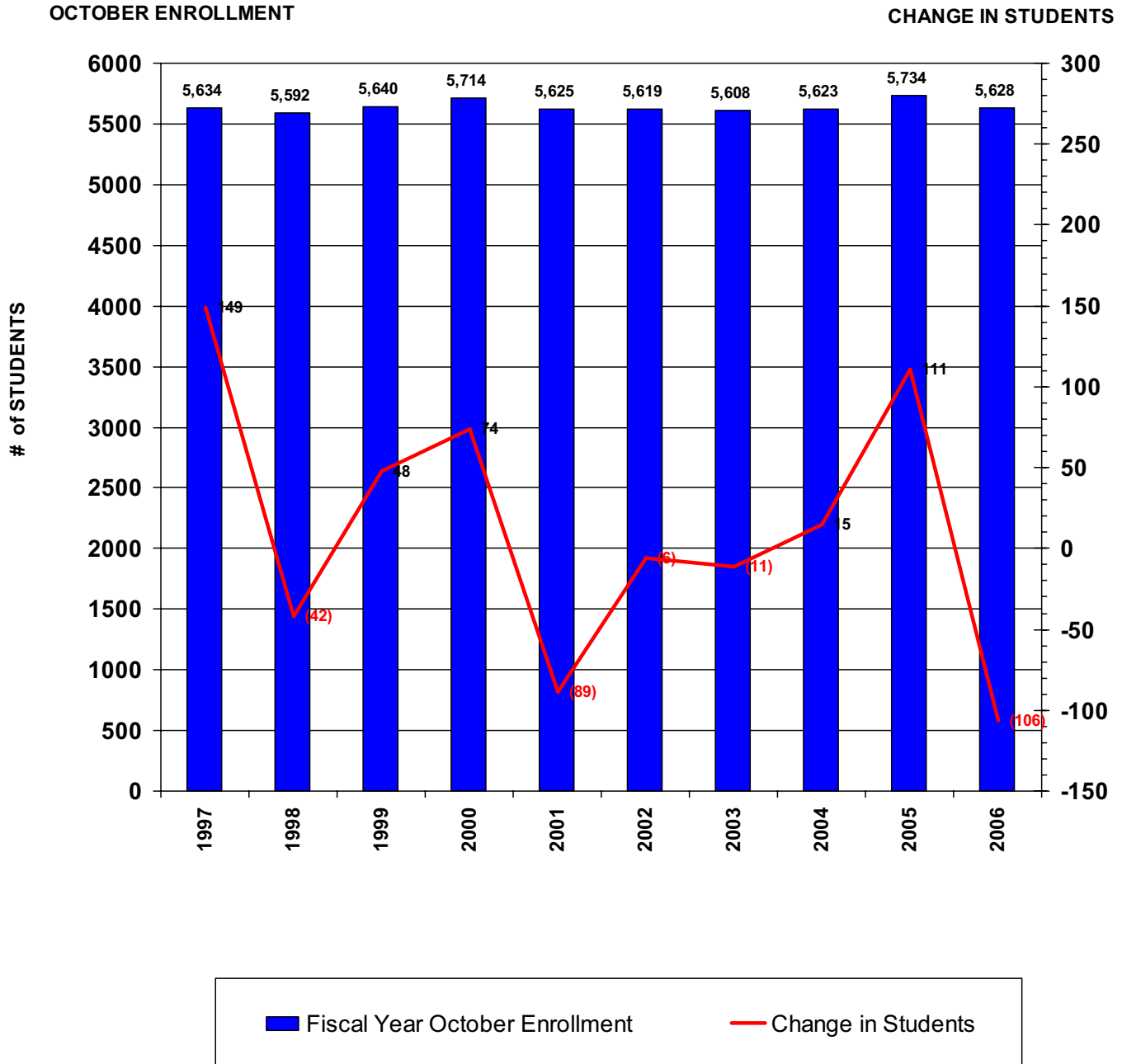
Fiscal Year	Elementary Schools	Middle School	High School	Total
1997	3,077	862	1,695	5,634
1998	3,098	843	1,651	5,592
1999	3,119	851	1,670	5,640
2000	3,061	927	1,726	5,714
2001	3,026	904	1,695	5,625
2002	2,955	885	1,779	5,619
2003	2,934	917	1,757	5,608
2004	2,864	954	1,805	5,623
2005	2,932	964	1,838	5,734
2006	2,852	900	1,876	5,628



Source: Shaker Heights City School Records

SHAKER HEIGHTS CITY SCHOOL DISTRICT

ENROLLMENT SUMMARY LAST TEN FISCAL YEARS



Shaker Heights City School District
Public, Private, and Total School Enrollment by School Year
Fiscal Years 1979 to 2006

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

Source: Shaker Heights City School District Records

- (1) Figures for fiscal year 1979 through 1982 are based on Shaker Heights City School District Racial Ethnic Reports. Figures for 1983 through 2005 are based on first full week of Shaker Heights City School District October enrollment report.
- (2) Estimated from State of Ohio Transportation Report (T-1) and/or a telephone and mail survey of private and parochial schools.

Shaker Heights City School District

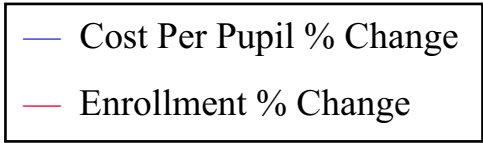
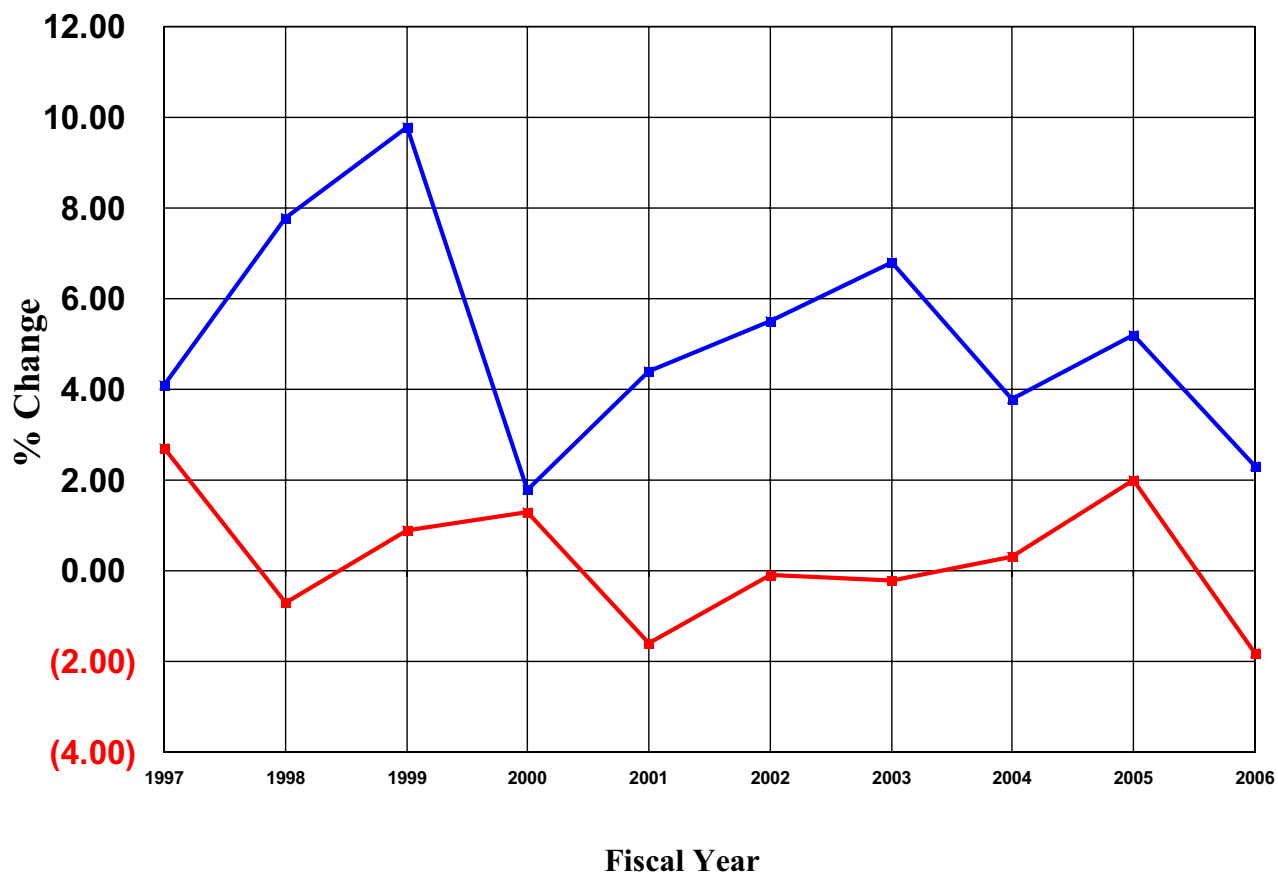
Per Pupil Cost

Last Ten Fiscal Years

<u>Year</u>	<u>General Fund Expenditures</u>	<u>Average Daily Student Enrollment</u>	<u>Per Pupil Cost</u>
2006	\$78,621,894	5,628	\$13,970
2005	78,336,642	5,734	13,662
2004	73,034,370	5,623	12,989
2003	70,141,022	5,608	12,507
2002	65,753,511	5,619	11,702
2001	62,292,329	5,625	11,074
2000	60,517,601	5,714	10,591
1999	56,523,910	5,640	10,022
1998	52,890,752	5,592	9,458
1997	48,529,326	5,634	8,614

SHAKER HEIGHTS CITY SCHOOL DISTRICT

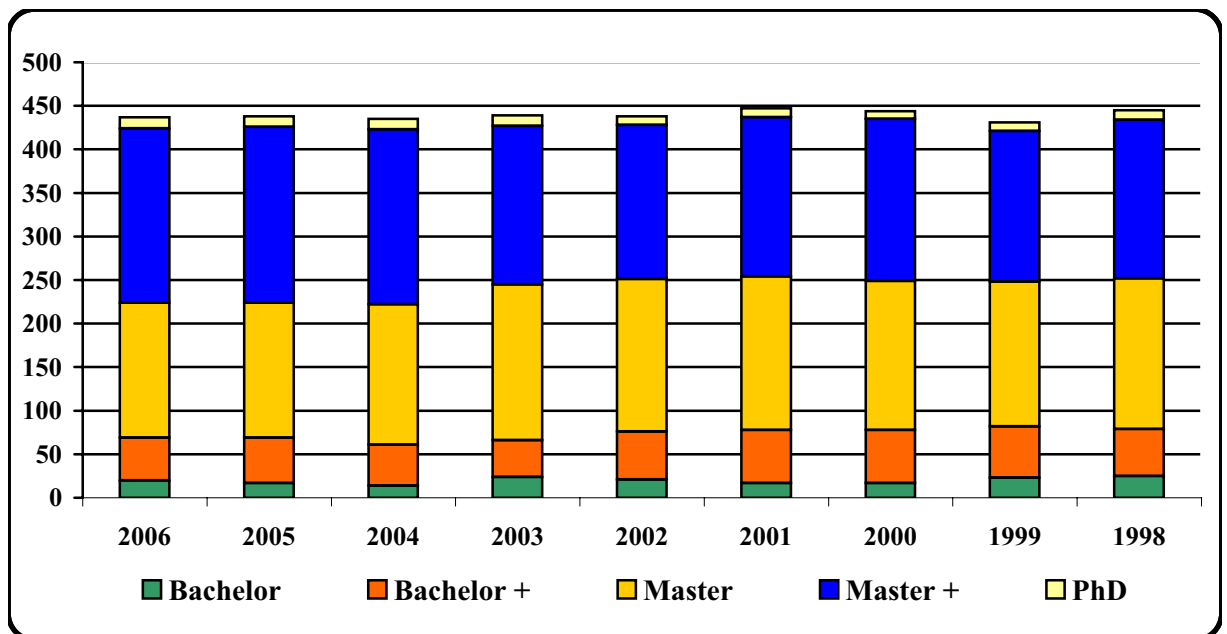
COST PER PUPIL PERCENTAGE CHANGE LAST TEN FISCAL YEARS



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

Degree	2006	2005	2004	2003
Bachelor	20	17	14	24
Bachelor +15	49	52	47	42
Master	155	155	161	179
Master +15	90	91	86	77
Master +30	48	46	49	47
Master +45	62	65	66	58
PhD	12	12	12	12
Total	436	438	435	439

Years of Experience	2006	2005	2004	2003
0 - 5	110	122	122	124
6 - 10	90	80	85	89
11 and Over	236	236	228	226
Total	436	438	435	439



2002	2001	2000	1999	1998
21	17	17	23	25
55	61	61	59	54
175	176	171	166	173
70	70	71	76	84
50	55	56	45	47
57	58	59	52	51
10	10	9	10	11
438	447	444	431	445
76	93	104	83	96
83	64	58	51	46
279	290	282	297	303
438	447	444	431	445

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

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

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

Information prior to 2002 is not available.

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

Class	Percent of Four - Year	Percent of Two - Year	Total Percent
2006	87	2	89
2005	88	2	90
2004	88	3	91
2003	86	2	88
2002	82	4	86
2001	82	6	88
2000	82	5	87
1999	91	2	93
1998	84	2	86
1997	88	2	90

Source: Shaker Heights City School District Records

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

Class	National Merit (all students)	National Achievement (African-American students only)	National Hispanic Scholars	Percent of Shaker Seniors Honored	Percent of United States Seniors Honored
2006	37	4	1	11%	2%
2005	34	6	2	11	2
2004	34	6	0	14	2
2003	29	7	2	10	2
2002	27	6	0	9	2
2001	42	5	0	13	2
2000	42	8	0	13	2
1999	35	14	2	15	2
1998	44	6	0	14	2
1997	46	11	2	17	2

Source: Shaker Heights City School District Records

Supplemental Section

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Expenditure Flow Model

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

The reporting format is now being nationally distributed by Price Waterhouse Coopers and the United States Chamber of Commerce. In 1991 the Ohio General Assembly adopted House Bill 152 which gave the State Superintendent of Public Instruction permissive authority to inspect and analyze the expenditures of each school district. The Expenditure Flow Model (EFM) was developed using Dr. Cooper's reporting format to fulfill that authority. The following pages contain the fiscal year 2006 report for our School District. The following definitions will assist in reading the report:

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

Shaker Heights City School District

*Expenditure Flow Model
Building Expenditures Report*

School	Year-End ADM	Administration	Operations Support	Staff Support	Pupil Support	Instruction	Totals
High School							
Shaker Heights High School	1,805	\$1,863,364	\$4,140,304	\$405,118	\$3,102,236	\$13,733,548	\$23,244,570
Total High School	1,805	1,863,364	4,140,304	405,118	3,102,236	13,733,548	23,244,570
Middle School							
Shaker Heights Middle School	895	928,854	3,902,659	385,321	1,797,101	7,256,014	14,269,949
Total Middle School	895	928,854	3,902,659	385,321	1,797,101	7,256,014	14,269,949
Elementary Schools							
Boulevard Elementary School	379	298,627	1,802,650	219,924	581,334	2,579,300	5,481,835
Ferryway Elementary School	309	244,392	1,217,239	157,332	405,218	2,233,527	4,257,708
Lomond Elementary School	533	405,171	1,962,027	119,570	545,358	3,388,342	6,420,468
Mercer Elementary School	416	356,163	1,500,697	262,164	655,102	2,946,641	5,720,767
Onaway Elementary School	361	190,540	1,374,891	273,746	653,929	2,501,732	4,994,838
Sussex Elementary School	13	573	466,003	65,592	107,382	160,224	799,774
Woodbury Elementary School	834	708,205	3,388,463	258,662	1,039,589	6,287,535	11,682,454
Total Elementary Schools	2,845	2,203,671	11,711,970	1,356,990	3,987,912	20,097,301	39,357,844
School Total	5,545	4,995,889	19,754,933	2,147,429	8,887,249	41,086,863	76,872,363
Central Office	0	4,658,185	1,402,992	410,235	409,747	0	6,881,159
Expenditure Flow Model Total	5,545	\$9,654,074	\$21,157,925	\$2,557,664	\$9,296,996	\$41,086,863	\$83,753,522
Other Debt Service							2,886,361
Tuition - Other Districts							3,895,637
Non-Public							1,274,041
Rotary							9,959,350
Fiscal Agency							(37,560)
Other Programs							58,451
Grand Total							\$101,789,802

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

School	Average Daily Membership	Administration	Operations Support	Staff Support	Pupil Support	Instruction	Totals
High School							
Shaker Heights High School	1,805	\$1,032	\$2,294	\$224	\$1,719	\$7,608	\$12,877
Total High School	1,805	1,032	2,294	224	1,719	7,608	12,877
Middle School							
Shaker Heights Middle School	895	1,038	4,361	430	2,008	8,107	15,944
Total Middle School	895	1,038	4,361	430	2,008	8,107	15,944
Elementary Schools							
Boulevard Elementary School	379	787	4,751	580	1,532	6,798	14,448
Ferway Elementary School	309	790	3,934	508	1,309	7,218	13,759
Lomond Elementary School	533	761	3,684	225	1,024	6,362	12,056
Mercer Elementary School	416	857	3,611	631	1,576	7,091	13,766
Onaway Elementary School	361	528	3,814	759	1,814	6,939	13,854
Sussex Elementary School	13	43	34,959	4,921	8,056	12,020	59,999
Woodbury Elementary School	834	849	4,061	310	1,246	7,535	14,001
Total Elementary Schools	2,845	774	4,116	477	1,402	7,063	141,883
School Total	5,545	901	3,562	387	1,603	7,409	13,862
Central Office	0	840	253	74	74	0	1,241
Grand Total	5,545 **	\$1,741 **	\$3,815 **	\$461 **	\$1,677 **	\$7,409 **	\$15,103 **

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*

School	Average Daily Membership	Administration	Operations Support	Staff Support	Pupil Support	Instruction	Totals
High School							
Shaker Heights High School	1,805	8%	18%	2%	13%	59%	100%
Total High School	<u>1,805</u>	<u>8</u>	<u>18</u>	<u>2</u>	<u>13</u>	<u>59</u>	<u>100</u>
Middle School							
Shaker Heights Middle School	895	7	26	3	13	51	100
Total Middle School	<u>895</u>	<u>7</u>	<u>26</u>	<u>3</u>	<u>13</u>	<u>51</u>	<u>100</u>
Elementary Schools							
Boulevard Elementary School	379	5	33	4	11	47	100
Fernway Elementary School	309	6	28	4	10	52	100
Lomond Elementary School	533	6	31	2	8	53	100
Mercer Elementary School	416	6	26	5	11	52	100
Onaway Elementary School	361	4	28	5	13	50	100
Sussex Elementary School	13	0	59	8	13	20	100
Woodbury Elementary School	834	6	29	2	9	54	100
Total Elementary Schools	<u>2,845</u>	<u>6</u>	<u>29</u>	<u>3</u>	<u>10</u>	<u>52</u>	<u>100</u>
School Total	<u>5,545</u>	<u>7</u>	<u>26</u>	<u>3</u>	<u>12</u>	<u>52</u>	<u>100</u>
Central Office	0	68	20	6	6	0	100
Grand Total	<u>5,545</u>	<u>12%</u>	<u>25%</u>	<u>3%</u>	<u>11%</u>	<u>49%</u>	<u>100%</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



**Auditor of State
Betty Montgomery**

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800-282-0370

Facsimile 614-466-4490

SHAKER HEIGHTS CITY SCHOOL DISTRICT

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 16, 2007**