

**SHAKER HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2002**



**JIM PETRO**  
**AUDITOR OF STATE**  

---

**STATE OF OHIO**





**Auditor of State  
Betty Montgomery**

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January 21, 2003

The attached audit was conducted and prepared for release prior to the commencement of my term of office on January 13, 2003. Thus, I am releasing this audit under the signature of my predecessor.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State



SHAKER HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY

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**SHAKER HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY  
SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2002**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program	N/A	10.550	\$0	\$35,982	\$0	\$34,451
School Breakfast Program	05PU 2001 05PU 2002	10.553	146 2,005	0 0	146 2,005	0 0
Total School Breakfast			<u>2,151</u>	<u>0</u>	<u>2,151</u>	<u>0</u>
National School Lunch Program	LLP1 2001 LLP4 2001 LLP4 2002	10.555	10,537 14,906 87,253	0 0 0	10,537 14,906 87,253	0 0 0
Total School Lunch			<u>112,696</u>	<u>0</u>	<u>112,696</u>	<u>0</u>
Special Milk Program	02PU 2001 02PU 2002	10.556	4,967 13,549	0 0	4,967 13,549	0 0
Total Special Milk Program			<u>18,516</u>	<u>0</u>	<u>18,516</u>	<u>0</u>
Total U.S. Department of Agriculture - Nutrition Cluster			<u>133,363</u>	<u>35,982</u>	<u>133,363</u>	<u>34,451</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Grants to States (IDEA Part B)	6BSF 2000 6BSF 2001	84.027	32,876 304,077	0 0	98,338 295,231	0 0
Total Title VI-B			<u>336,953</u>	<u>0</u>	<u>393,569</u>	<u>0</u>
Special Education - Preschool Grant	PGS1 2000 PGS1 2001	84.173	0 18,213	0 0	4,042 15,867	0 0
Total Special Education - Preschool Grant			<u>18,213</u>	<u>0</u>	<u>19,909</u>	<u>0</u>
Total Special Education Cluster			<u>355,166</u>	<u>0</u>	<u>413,478</u>	<u>0</u>
Grants to Local Educational Agencies (ESEA Title 1)	C1S1 2001 C1S1 2002	84.010	99,163 422,193	0 0	174,940 335,596	0 0
Total Title I			<u>521,356</u>	<u>0</u>	<u>510,536</u>	<u>0</u>
Eisenhower Professional Development	MSS1 2000 MSS1 2001 MSS1 2002 MSS4 2001	84.281	0 2,234 21,445 1,000	0 0 0 0	2,374 11,704 13,373 428	0 0 0 0
Total Eisenhower Grant			<u>24,679</u>	<u>0</u>	<u>27,879</u>	<u>0</u>
Innovative Educational Program Strategies	C2S1 2001 C2S1 2002	84.298	14,879 12,768	0 0	13,502 12,612	0 0
Total Innovative Educational Program			<u>27,647</u>	<u>0</u>	<u>26,114</u>	<u>0</u>
Drug-Free Schools Grant	DRS1 2001 DRS1 2002	84.186	12,593 23,827	0 0	28,929 21,210	0 0
Total Drug Free Schools			<u>36,420</u>	<u>0</u>	<u>50,139</u>	<u>0</u>
Goals 2000	G2SP 2001	84.276	1,980	0	1,980	0
Advance Placement Incentive Program	AVS1 2002	84.330	196	0	196	0
<i>Direct Program:</i>						
Presidential Award - National Grant	N/A	N/A	7,500	0	0	0
Class Size Reduction	CRS1 2001 CRS1 2002	84.340	27,305 53,900	0 0	68,108 39,142	0 0
Total Class Size Reduction			<u>81,205</u>	<u>0</u>	<u>107,250</u>	<u>0</u>
Total Department of Education			<u>1,056,149</u>	<u>0</u>	<u>1,137,572</u>	<u>0</u>
<b>U. S. Department of Health and Human Services</b>						
<i>Passed Through the Ohio Department of MRDD:</i>						
Title XIX - Medical Assistance Program (CAFS)	N/A	93.778	293,944	0	293,944	0
<b>Total Federal Assistance</b>			<u>\$1,483,456</u>	<u>\$35,982</u>	<u>\$1,564,879</u>	<u>\$34,451</u>

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

**SHAKER HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - FOOD DISTRIBUTION**

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

**NOTE C - NATIONAL SCHOOL LUNCH AND SPECIAL MILK PROGRAMS**

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

CFDA - Catalog of Federal Domestic Assistance





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OFFICE OF THE AUDITOR

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

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

We have audited the financial statements of the Shaker Heights City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2002, and have issued our report thereon dated December 18, 2002, wherein we noted the District restated the fund balance in the special revenue funds. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the management of the District in a separate letter dated December 18, 2002.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the District in a separate letter dated December 18, 2002.

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

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

**Jim Petro**  
Auditor of State

December 18, 2002



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

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

**Compliance**

We have audited the compliance of the Shaker Heights City School District, Cuyahoga County, Ohio, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to the major federal program for the year ended June 30, 2002. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with 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 obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respect, with the requirements referred to above that are applicable its major federal program for the year ended June 30, 2002.

**Internal Control Over Compliance**

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over federal compliance that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 18, 2002.

### **Schedule of Federal Awards Expenditures**

We have audited the general-purpose financial statements of the District as of and for the year ended June 30, 2002, and have issued our report thereon dated December 18, 2002, wherein we noted the District restated the fund balance in the special revenue funds. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying Schedule of Federal Awards Expenditures is presented for the purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

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



**Jim Petro**  
Auditor of State

December 18, 2002

**SHAKER HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY  
FOR THE YEAR ENDED JUNE 30, 2002  
SCHEDULE OF FINDINGS**

**1. SUMMARY OF AUDITOR'S RESULTS**

A-133 §.505

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

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

None.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.



***SHAKER HEIGHTS CITY SCHOOL DISTRICT***  
***SHAKER HEIGHTS, OHIO***  
***COMPREHENSIVE ANNUAL FINANCIAL REPORT***  
***FOR THE FISCAL YEAR ENDED JUNE 30, 2002***

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, 2002*  
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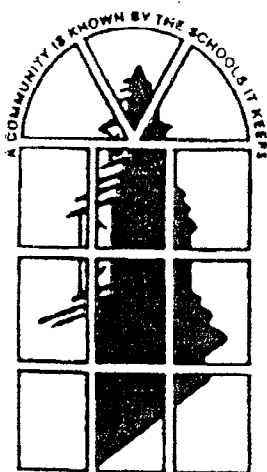
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# SHAKER HEIGHTS CITY SCHOOL DISTRICT

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

MARK FREEMAN, Ph.D.  
Superintendent

BRYAN C. CHRISTMAN  
Treasurer

December 18, 2002

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 fifth Comprehensive Annual Financial Report (CAFR). This report is the School District's official annual financial report for the fiscal year that ended June 30, 2002. 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 2002 fiscal year.

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

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

This report is presented in the following four sections:

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

**The Financial Section** begins with the Report of the Independent Accountants offered by the Auditor of State's Office and includes general purpose financial statements and notes which provide an overview of the School District's financial position and operating results as of June 30, 2002. The combining statements by fund type and other schedules provide detailed information relative to the General Purpose Financial Statements. This section contains a significant amount of detailed financial and budgetary information that will be particularly useful to the investment community.

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

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

### **The Shaker Heights City School District**

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

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

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

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

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

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

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

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

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

**1927 - Fernway School**, at Fernway and Ardmore Roads.

- 1927 - Ludlow School**, at Southington and Ludlow Roads. *Now houses the Positive Education Program (PEP) operated by the county.*
- 1928 - Lomond School**, on Lomond Boulevard at Strandhill and Palmerston Roads.
- 1931 - Shaker Heights High School**, on Aldersyde Drive at Onaway Road. *A new handicapped accessible front entrance and gym/music wing was added in 1999.*
- 1952 - Mercer School**, on Wimbledon Road off of Green Road and Shaker Boulevard.
- 1957 - Shaker Heights Middle School**, on Shaker Boulevard and Warrensville Center Road. *Formerly Byron Junior High.*
- 1962 - Administration Building**, on Parkland at Ashford Road.

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

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

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

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

The Shaker Heights City School District is one of 613 school districts in the State of Ohio and one of 31 school districts in Cuyahoga County. The School District is the 59th largest in student enrollment in Ohio, with an enrollment of 5,619 students for the 2002 academic year. The School District covers approximately 7.5 square miles, including all of the City of Shaker Heights and a portion of the City of Cleveland in the Shaker Square area, and is located approximately ten miles southeast of downtown Cleveland.

### **Organizational Structure**

Statutorily, the School District operates under the standard prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 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 two organizations, the Ohio Schools Council and the Shaker Heights Public Library. The Ohio Schools' Council is a jointly governed organization whose relationship to the School District is described in Note 18 to the accompanying financial statements. The Shaker Heights Library is a related organization and is described in Note 19 to the accompanying financial statements.

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

## **Economic Condition and Outlook**

The School District serves approximately 29,405 residents in the City of Shaker Heights, and approximately 3,000 for the City of Cleveland. The community is primarily residential in nature with a somewhat diverse base of residents working largely in professional capacities.

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

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

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

The Shaker Square shopping district, which lies in the Cleveland portion of the School District, was purchased for redevelopment in 2000. The School District, in accordance with a tri-party agreement between the developer and the City of Cleveland, will receive 25 percent of the increased property taxes resulting from the redevelopment for the 25 year abatement period. Thereafter, the School District will receive 100 percent of the increased property taxes. Additionally, the School District will receive 50 percent of the increased income taxes collected by the City of Cleveland during the 25 year abatement period for the redevelopment area.



The City's Strategic Investment Plan, which was developed with significant public input, is currently in the implementation phase. The Plan calls for major additional commercial and residential redevelopment including but not limited to the following:

Acquisition of property and the building of a new City Fire house in the Shaker Towne Center area;

Major redevelopment and expansion of commercial properties in the Shaker Towne Center complex;

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 new residential condominiums on vacant land in the Warwick Road area.

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

### **Financial Management**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### *BUDGET*

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

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

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

#### *APPROPRIATIONS*

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

The Board of Education has assigned responsibility for annual and long-term financial planning to the Superintendent and Treasurer. The policies require that the first objective of financial management planning is to provide for the education of 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 expense-growth limitations were renewed in January 2000, for fiscal years through June 30, 2004.

## **2002 Major Initiatives**

With the support of faculty, parents, and local residents, our students continued to excel in academics, the arts, athletics, and community service. Approximately 9 percent of the senior class 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 33 percent of eligible students at Shaker Heights High School took one or more Advanced Placement classes this year, compared with about 8 percent statewide. Based on their outstanding performance on the national Advanced Placement examinations, 83 Shaker students were named AP Scholars in September 2002. In May 2002, 294 sophomores, junior, and seniors took 665 AP examinations, with 88 percent earning a score of 3 or higher.

Shaker students continue to be sought after by colleges. More than 40 members of the Class of 2002 (over 12 percent) were accepted early into their first-choice colleges, including some of the most selective in the nation. About 90 percent of the graduating seniors plan to attend college after graduation.

Teams and individual students won numerous other awards in music, foreign language, the fine and performing arts, mathematics, and science. Following are just a few highlights:

- Twenty Shaker students won 28 awards at the annual Scholastic Art Competition, with the works of two artists advancing to the national competition in New York and three selected for display in Columbus.
- Forty-five vocal music and orchestra students participated in the Ohio Music Educators' Association competition, with all 45 earning marks of Superior or Excellent.
- Shaker students won 14 awards at the regional History Day competition -- the most in recent memory -- with 21 Shaker students qualifying for the state competition and eight going on to nationals in June.
- The Middle School's Math Counts team placed second in the Regional Math Counts Competition in February and went on to compete in a state tournament in Columbus in March.
- A five-member team from Shaker Heights High School finished first in the regional Federal Reserve Challenge, bringing Shaker its fourth regional title in as many years.
- More than 200 Shaker students won honors on national foreign language examinations. In Latin, perfect scores were earned by one Middle School student and one High School student.

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 helpful community service activities. The list of accomplishments goes on and on.

Helping each student reach his/her potential academically continues to be the paramount goal of the School District. Building on the adoption of the Continuous Improvement Plan and the National School Boards Association's achievement initiatives, student achievement issues remained a major focus of Board of Education meetings. Formal presentations were made at each regularly scheduled Board of Education meeting, as well as at special work sessions. Topics covered included:

- Extended Learning Opportunities
- Planetarium
- Middle School Science
- District Fact Book
- Library media programs
- Course of study in grades K-4
- Course of study in grades 5-6

Recognizing the benefits of technology in the classroom, additional investments were made to enhance Shaker-Net, the School District's computer network. The network currently consists of 25 servers and approximately 1,100 client machines on a network of 12 buildings connected via T1 leased circuits. All building wiring is complete, and the emphasis is now on deployment of applications, as well as ongoing training. Over the summer, laboratories were rewired at both the Middle School and High School. In addition, all School District machines in laboratories and libraries were reimaged to enhance reliability and security. Shaker-Net continues to grow in terms of both staff usage and educational applications.

Using capital improvement funds, the School District continued to invest in its physical plant. Several capital projects were completed during the summer of 2002 including the replacement of the fire alarm system at the Middle School, resurfacing the Lomond parking lot and paved play area, installing a new fire system pressure line at the High School and a new boiler at Onaway. Masonry and fascia repairs have enhanced the exteriors of several buildings. Student and staff safety has been enhanced with the addition of exterior stairwell railings at Boulevard and interior hallway railings at the Middle School, the installation of more secure exterior doors in several locations, and the re-rigging of the stage curtains in the High School large auditorium. Parts of all buildings have been freshened with paint and flooring treatments. Renovation of art and special needs rooms has created more efficient spaces for instruction. Other projects included furniture replacement, new student lockers and locks, and concrete sidewalk and step repairs.

In summary, the School District continued to move forward in 2001-2002, maintaining its traditional high standards and challenging curriculum, working to be even more responsive to parents and the community and implementing programs in areas of need - all while continuing to operate within the Board's limits on budgetary growth.

### **Current and Future Initiatives**

The School District continues to study, plan, and implement instructional initiatives aimed at improving the academic achievement of all students. Current instructional initiatives include early intervention, after-school tutoring and summer programming for students; an intensified focus on literacy and mathematics instruction; increased efforts to help students prepare for the Ohio Proficiency Tests; the expansion of a team teaching approach 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.

### Continuous Improvement Plan

In an ongoing effort to enhance the effectiveness and efficiency of the School District, staff members developed a Continuous Improvement Plan (CIP) for the Shaker Heights City Schools. The CIP is a document used to guide a school district in the process of achieving and measuring substantial improvement in educational performance. Input for this document came from the Board of Education, business representatives, students, parents, faculty members, and residents of the Shaker Heights community. The CIP identifies seven key areas for improvement: curriculum/instruction, academic achievement, assessment/evaluation, professional development, student services, facilities/environments, and parent/community involvement. It includes mission and vision statements for the School District along with priority areas, performance goals, strategies, individuals responsible, timelines, and funding sources. The Continuous Improvement Plan was presented to the Board of Education, posted on the School District's website and made available to interested members of the community.

### Summer Curriculum Writing and Instructional Planning

Last summer, many teachers devoted their energies to improving instruction throughout the School District. Instructional planning and curriculum writing were undertaken in the fields of mathematics, English/language arts, science, social studies, art, health, library, parent involvement, special education, senior projects, foreign language, home economics, interdisciplinary instruction, music, technology, program planning, conflict resolution, reading, marketing education, student achievement, proficiency intervention and theater. Continuing emphasis was placed on professional development, with a team of teachers meeting for a week during the summer to refine and expand materials on effective teaching practices.

The central-office and building administrators from the School District met monthly to discuss educational issues, keep informed of current national and state trends, and update professional skills. Information was presented on the history of American public education, the Ohio Department of Education's continuous improvement model, data-driven decisionmaking, staff commitment and morale building, the use of technology to enhance productivity, and on-line professional resources.

### Improving Student Achievement Grants

Two years ago the Shaker Heights City Schools received a total of \$286,500 from the Cleveland and George Gund foundations for expanded efforts to enhance overall student performance in the School District. More specifically, these funds supported the School District's professional development work with Dr. Ronald Ferguson of Harvard University. The faculty outreach efforts targeted primarily at African American students willing to take on the additional challenges of honors and advanced placement coursework, parent involvement activities designed to maximize student achievement, evening meetings featuring adult role models who have succeeded in education and careers and developing "MAC (Minority Achievement Committee) scholar" - like groups at the upper elementary and middle school levels were other areas supported by these funds.

Based on the successes of this initiative and the growing local, state and national concern about improving student achievement in elementary and secondary schools, the two foundations awarded the School District an additional \$360,000 over the 2002-2003 and 2003-2004 academic years. These funds will enable the School District to continue the activities underway and augment them by providing extended learning experiences to underachieving students, expanding technology use to help boost mathematics and reading skills, and improving study skills. Foundation assistance will also allow the School District to continue its leadership role, sharing research and best practices in greater Cleveland, statewide and nationally, through such vehicles as the internet, first-ring suburb meetings, educational workshop/conferences and the national Minority Student Achievement Network (MSAN).

## **Financial Information**

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

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

The School District utilizes a fully automated accounting system as well as an automated system of control for fixed assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensures that the financial information generated is both accurate and reliable.

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

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

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the object account level within a function and fund. All purchase order requests must be approved by the site administrator and Central Office Executive Director and be certified by the Treasurer; necessary funds are then encumbered and purchase orders released to vendors. Those requests which exceed the available appropriation are rejected until additional appropriations are secured.

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

Each administrator and school principal is furnished monthly reports showing the status of the budget accounts for which they are responsible. As an additional safeguard, all employees are covered by a blanket bond, and certain individuals in policy-making roles are covered by a separate, higher limit bond.

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

**General Governmental Functions.** The following schedule presents a summary of governmental funds' revenues for the fiscal years ended June 30, 2001 and 2002, and the amount and percentage of increases and decreases in relation to the prior year's revenues.

	2001 Amount	2002 Amount	Percent of Total	Change	Percent Change
<b>Revenues</b>					
Taxes	\$44,457,641	\$57,147,630	66.00%	\$12,689,989	28.54%
Intergovernmental	19,683,999	24,123,265	27.86	4,439,266	22.55
Interest	826,019	540,061	0.62	(285,958)	(34.62)
Tuition and Fees	937,117	1,553,543	1.79	616,426	65.78
Extracurricular Activities	269,771	218,056	0.25	(51,715)	(19.17)
Contributions and Donations	18,872	17,508	0.02	(1,364)	( 7.23)
Charges for Services	36,856	33,326	0.04	(3,530)	(9.58)
Rentals	47,510	143,243	0.17	95,733	201.50
Miscellaneous	89,695	2,817,053	3.25	2,727,358	3,040.70
<i>Total Revenues</i>	<u>\$66,367,480</u>	<u>\$86,593,685</u>	<u>100.00%</u>	<u>\$20,226,205</u>	<u>30.48%</u>

The increase in property tax revenue was primarily due to the Cuyahoga County Treasurer sending the semi-annual tax bills out earlier in the month of June than in past years resulting in more payments reaching the County Treasurer before fiscal year end. Also, fiscal year 2002 includes a full year of the additional taxes collected from the 9.4 mill continuing operating levy passed in March 2000.

The increase in intergovernmental revenues from fiscal year 2001 was primarily the result of the \$3,765,000 increase in State Foundation revenue due to the early elimination of the revenue growth cap, and the \$413,000 increase in the homestead exemption and rollback due to a full year collection of the new operating levy.

Interest income decreased from fiscal year 2001 due primarily to substantially lower interest rates during the year.

Tuition and fees increased due to an increase in both the number of students from outside the School District paying tuition and the tuition rate.

Miscellaneous revenue increased from fiscal year 2001 due to the receipt of one-time monies in fiscal 2002. The School District received \$2.7 million in proceeds resulting from liquidation of 45,243 shares of Anthem, Inc. stock as a result of the School District's primary health insurance carrier converting from a mutual to a stock corporation.

The following schedule presents a summary of governmental funds' expenditures for the fiscal years ended June 30, 2001, and 2002, and the amount and percentage for increases and decreases in relation to the prior year expenditures.

	2001 Amount	2002 Amount	Percent of Total	Change	Percent Change
<b>Expenditures</b>					
Current:					
Instruction:					
Regular	\$26,620,897	\$28,432,858	39.16%	\$1,811,961	6.81%
Special	7,750,085	8,196,710	11.29	446,625	5.76
Vocational	244,799	229,153	0.31	(15,646)	(6.39)
Support Services:					
Pupils	4,097,061	4,506,569	6.20	409,508	10.00
Instructional Staff	4,477,168	4,490,022	6.19	12,854	0.29
Board of Education	57,321	71,907	0.10	14,586	25.45
Administration	5,188,071	5,308,385	7.31	120,314	2.32
Fiscal	1,389,621	1,543,580	2.13	153,959	11.08
Business	690,732	702,495	0.97	11,763	1.70
Operation and Maintenance of Plant	8,034,532	8,433,018	11.62	398,486	4.96
Pupil Transportation	3,264,343	3,515,732	4.84	251,389	7.70
Central	1,295,220	1,135,390	1.56	(159,830)	(12.34)
Operation of Non-Instructional Services	1,098,390	112,101	0.15	(986,289)	(89.79)
Extracurricular Activities	1,038,751	1,056,962	1.46	18,211	1.75
Capital Outlay	1,622,174	1,038,371	1.43	(583,803)	(35.99)
Intergovernmental	0	1,079,261	1.49	1,079,261	N/A
Debt Service:					
Principal Retirement	1,683,033	1,783,306	2.46	100,273	5.96
Interest and Fiscal Charges	1,094,517	958,966	1.32	(135,551)	(12.38)
<i>Total Expenditures</i>	<u>\$69,646,715</u>	<u>\$72,594,786</u>	<u>100.00%</u>	<u>\$2,948,071</u>	<u>4.23%</u>

Regular and special instruction increased from fiscal year 2001 due to increases in teacher salaries and benefits.

Support service category increases were primarily due to increases in salaries and benefits, and also due to increasing State and federal mandate requirements.

Within the support service category, operation of non-instructional services decreased due to reclassification of some of these expenditures to the intergovernmental category.

Capital outlay decreased from fiscal year 2001 due to the completion of major capital projects in the prior fiscal year.

Total debt service decreased as interest payments decreased due to the lower principal balances on the School District's outstanding bonds.

**General Fund Balance.** The fund balance of the general fund increased from \$4,219,627 at June 30, 2001, to \$15,781,654 at June 30, 2002. This increase is due to the passage of a 9.4 mill continuing levy in 2000. The levy had its first full year of collections in fiscal year 2002.



**Financial Highlights - Enterprise Funds.** Food service and uniform school supplies are classified as enterprise operations since they resemble those activities found in private industry; management periodically desires to determine the amount of profit/loss resulting from operations that are significantly financed from user fees. In total, the enterprise funds had net income of \$27,330 for the fiscal year ended June 30, 2002. Retained earnings in the enterprise funds was \$70,431 at June 30, 2002.

**Financial Highlights - Internal Service Funds.** The internal service funds of the School District include a self-insurance fund and a Workers' Compensation retrospective rating plan fund. These funds account for the revenues and expenses related to the provision of prescription drug benefits and workers' compensation claims costs for the calendar years 1993, 1999, 2000, 2001, and 2002. The internal service funds had retained earnings of \$17,518 at June 30, 2002, compared with \$113,093 at June 30, 2001, reflecting a net change of (\$95,575).

### **Debt Administration**

At June 30, 2002, general obligation bonds outstanding totaled \$16,708,329. The School District's overall legal debt margin was \$56,105,556 and the unvoted debt margin was \$793,694 at June 30, 2002. The School District's "AA" rating with Standard and Poors Investment Service, Inc., was renewed in September 2000, when the School District issued the \$3.2 million final installment of its 1996 \$12.7 million bond levy.

### **Cash Management**

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

The available cash of the School District's individual funds is combined into a single cash pool and invested according to cash flow projections. The School District invests in authorized federal agency securities and STAROhio, an investment pool operated by the Ohio State Treasurer. The authorized maximum investment maturity for operating funds is five years from the date of investment. Interest earned on investments is distributed in accordance with Board of Education authorization. During fiscal year 2002, the School District earned \$540,946 in interest income. Of that amount \$501,808 was credited to the general operating fund.

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

### **Risk Management**

The School District strives to provide itself with superior risk coverage at the lowest possible cost to the taxpayers. The School District manages the prescription drug benefits for its employees on a self-insured basis. A third party administrator processes and pays the claims. Because the maximum payment per participant is limited, no individual or aggregate stop-losses are necessary. Unobligated reserves at June 30, 2002, are sufficient to meet claim obligations.

For calendar years 1993, 1999, 2000, 2001, and 2002 the School District participated in the State's workers' compensation retrospective rating and payment plan. This plan involves the payment of a minimum premium for administrative services and stop loss coverage plus the actual claims cost for injured employees. Claim obligations continue for ten years. As of June 30, 2002 the 1992 claim year is closed. During calendar years 1994 through 1998, the School District participated in the Ohio Schools' Council Workers' Compensation group rating program.

For fiscal year 2002, the School District contracted with Crum and Forster for property and inland marine insurance. The primary deductibles are \$250 for inland marine and \$1,000 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 the Great American Insurance Company with a \$1,000,000 single occurrence limit, a \$2,000,000 aggregate, and a \$1,000 deductible. Vehicles, including school buses, are covered by the Coregis Insurance Company with a \$250 deductible for comprehensive, and a \$500 deductible for collision. There is a \$10,000,000 per accident combined single limit of liability. Additionally, the School District has a \$3,000,000 umbrella policy with the Great American Insurance Company that covers both general liability and vehicle policies.

### **Pension Plans**

All School District employees are covered by either the statewide School Employees Retirement System of Ohio (SERS) or the State Teachers Retirement System (STRS). The School District's employer contributions to both systems are based on a percentage of employee salaries. State law requires the School District to pay the employer share as determined by each retirement system. A more detailed discussion of both pension plans can be found in Note 11 to the financial statements in the financial section of this report.

### **General Fixed Assets**

The general fixed assets of the Shaker Heights City School District are used to carry on the instructional and support functions of the School system and are not financial resources available for expenditure. The total general fixed assets as of June 30, 2002, was \$42,812,215. The assets are accounted for at historical cost; depreciation is not recognized on general fixed assets.

### **Independent Audit**

State statutes require the School District to undergo an annual audit by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. The Auditor of State was selected to render an opinion on the School District's financial statements as of and for the fiscal year ended June 30, 2002. 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, 2001. 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.

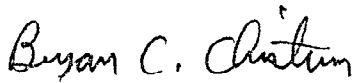
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

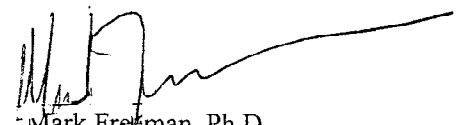
**ASBO Certificate** The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2001 to the Shaker Heights City School District. This award certifies that the Comprehensive Annual Financial Report substantially 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, 2002, 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 Fretman, Ph.D.  
Superintendent

**Shaker Heights City School District**

**Principal Officials**

**June 30, 2002**

**Board of Education**

Mrs. Nancy R. Moore .....President  
Mr. Steven S. Kaufman..... Vice-President  
Mr. F. Drexel Feeling..... Member  
Ms. Freda J. Levenson ..... Member  
Mrs. Carol J. Ribar..... Member

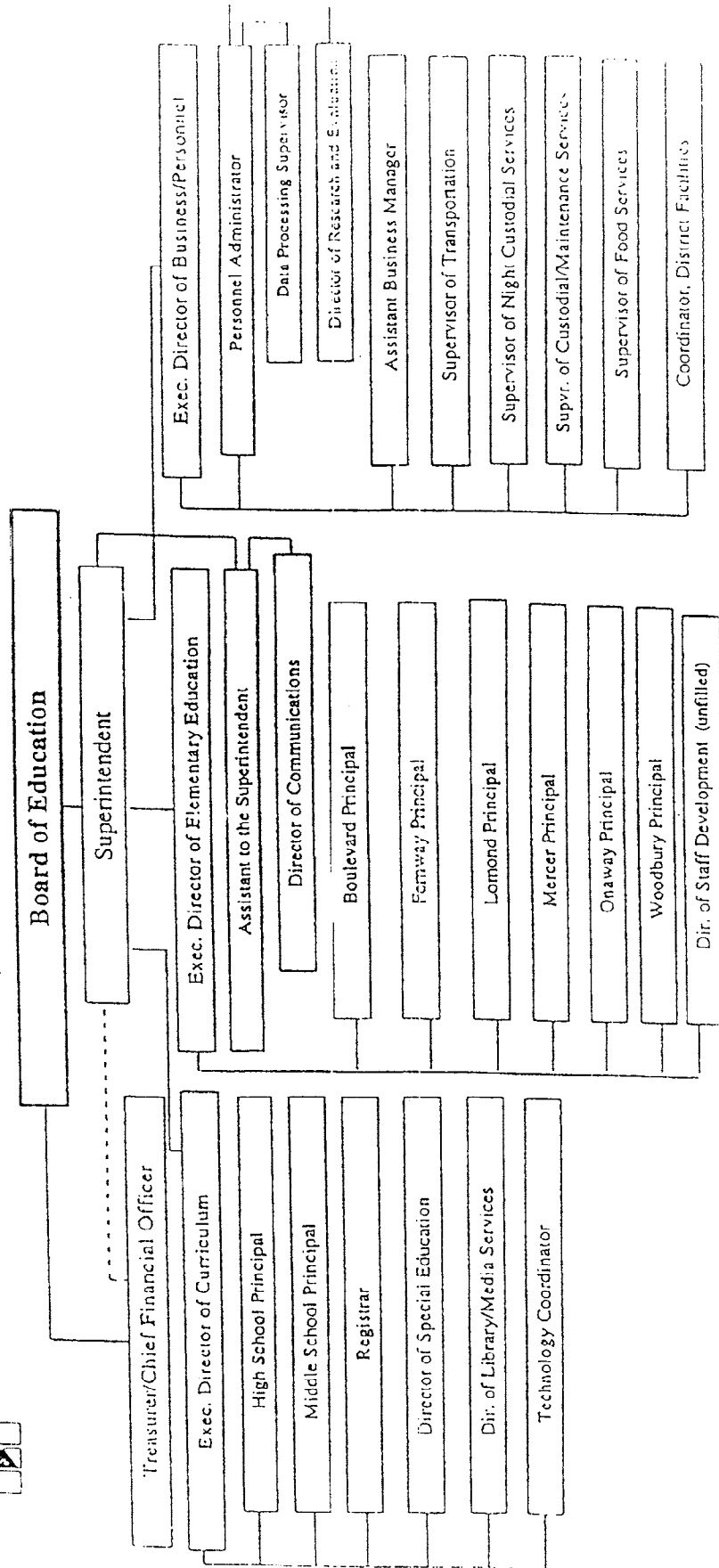
**Administration**

Mark Freeman, Ph.D..... Superintendent

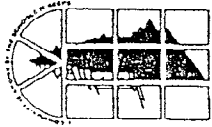
Bryan C. Christman ..... Treasurer



# SHAKER HEIGHTS CITY SCHOOL DISTRICT ORGANIZATIONAL CHART



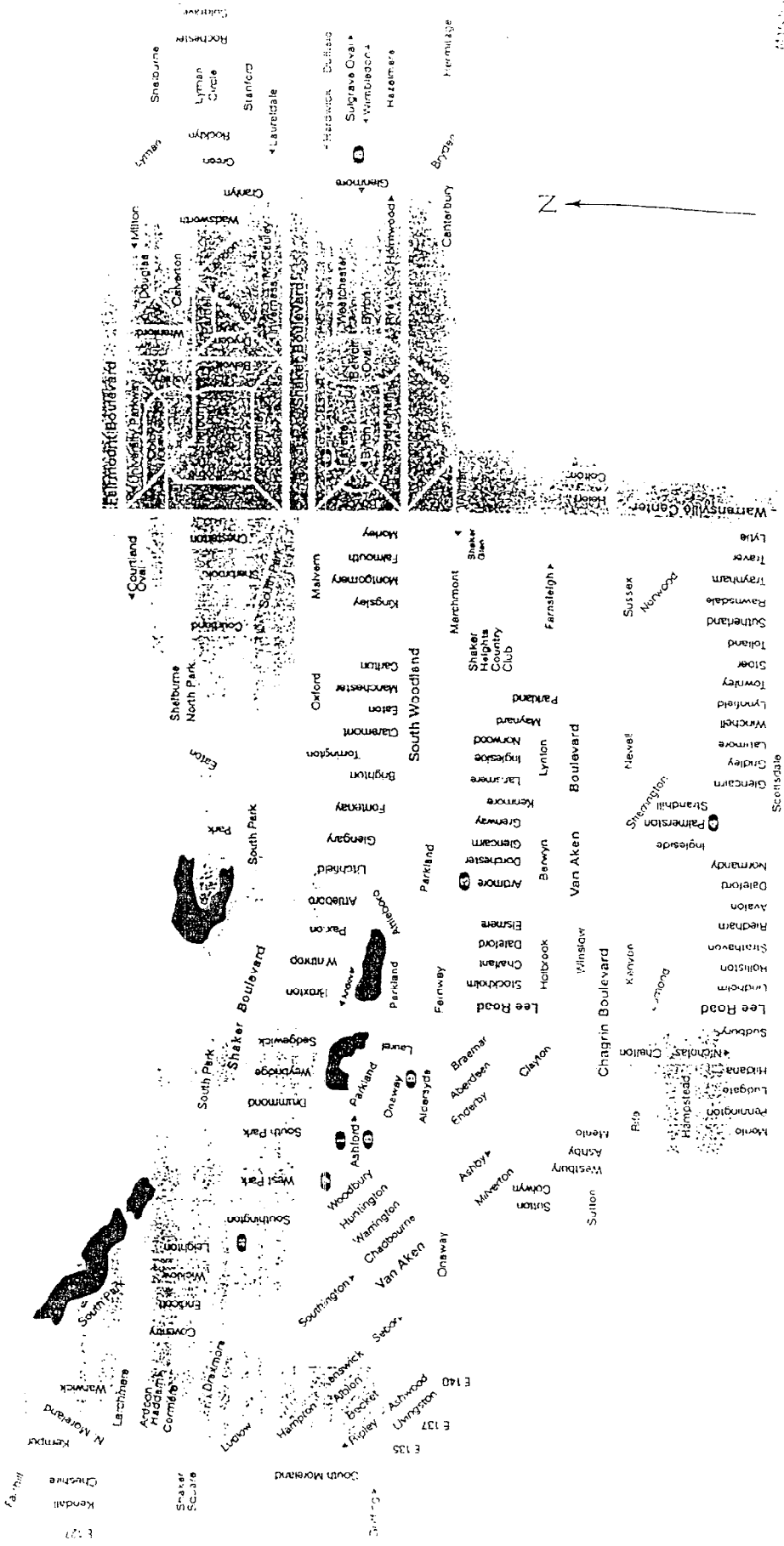
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# SHAKER HEIGHTS CITY SCHOOL DISTRICT

www.shaker.org

- 1** Shaker Heights City Schools  
15600 Parkland Drive  
Shaker Heights, OH 44120  
216 295-4000
- 2** Lomond Elementary K-4  
17917 Lomond Boulevard  
Shaker Heights, OH 44122  
216 295-4050
- 3** Woodbury Elementary 5-5  
15400 South Woodland Road  
Shaker Heights, OH 44120  
216 295-4150
- 4** Boulevard Elementary K-4  
14900 Drexmore Road  
Shaker Heights, OH 44120  
216 295-4020
- 5** Mercer Elementary K-4  
23325 Wimbleton Road  
Shaker Heights, OH 44122  
216 295-4070
- 6** Shaker Heights Middle School 7-8  
20600 Shaker Boulevard  
Shaker Heights, OH 44122  
216 295-4100
- 7** Fernway Elementary K-4  
17420 Fernway Road  
Shaker Heights, OH 44120  
216 295-4040
- 8** Onaway Elementary K-4  
3115 Woodbury Road  
Shaker Heights, OH 44120  
216 295-4080
- 9** Shaker Heights High School 9-12  
15911 Aldersyde Drive  
Shaker Heights, OH 44120  
216 295-4200





# ATTENDANCE ZONES

# Shaker Heights City School District

Street	School	Street	School	Street	School	Street	School	Street	School	Street	School	Street	School	Street	School
Aberdeen	3250-3343	Courland	2627-2799	Hildana	3511-3742	Merced	3516-3727	Normandy	3516-3727	Lomond	23300-24100	Stanford	23300-24100		
Ablion	3000-3097	Courland	2833-3160	Holbrook	16722-17010	Ferway	12806	Northwood	12806	Boulevard	3256-3364	Stockholm	3256-3364		
Aldridge	3112-3148	Courland O	2619-2626	Holmwood	26650-22949	Mercer	2523-2680	N. Moreland	2523-2680	Boulevard	3510-3725	Stoer	3510-3725		
Alder	15520-16306	Covenry	2555-2678	Huntington	2869-2939	Boulevard	18201-20350	North Park	18201-20350	Boulevard	3573-3726	Strandhill	3573-3726		
Alderson	16505-17450	Cranlyn	2662-2749	Inglestone	2998-3166	Onaway	3270-3394	Norwood	3270-3394	Ferway	3544-3728	Strathaven	3544-3728		
Alderson	20417-21411	Daleford	3255-3397	Invarness	3250-3400	Ferway	3430-3727	Onaway	14149-16115 &	Onaway	3690-3741	Sudbury	3690-3741		
Alderson	3235-3366	Dorchester	3425-3727	Kemper	2501-2662	Lomond	2679-2767	Onaway	14149-16115 &	Onaway	2688-2744	Sussex	2688-2744		
Alderson	13415-13808	Douglas	3255-3400	Kendall	2532-2585	Mercer	2690-2767	Oxford	18801-19101	Onaway	19605-20335	Sutherland	19605-20335		
Ashford	3354-3467	Drexmore	22029-22775	Kenmore	3255-3399	Boulevard	2501-2662	Palmerston	3518-3728	Onaway	3552-3726	Sutton Place	3552-3726		
Ashley	3093-3121	Drummond	13300-14817	Kenyon	2821-2951	Boulevard	2532-2585	Park Drive	2701	Lomond	3275-3400	Sutton Road	3275-3400		
Ashwood	2671-2755	Duffield	2821-2951	Keswick	16618-17124	Boulevard	3255-3399	Parkland	18000-18680	Boulevard	20500-21371	Sydenham	20500-21371		
Attleboro	3026-3113	East 127th	23349-24235	Kingsley	2991-3082	Boulevard	16618-17124	Pennington	15601-17916	Ferway	3524-3726	Tolland	3524-3726		
Avalon	3122-14316	East 135th	2461, 65, 69	Landon	3100-3139	Onaway	2991-3082	Reidham	21749-22300	Onaway	2846-3051	Torrington	2846-3051		
Avalon	2755-2975	East 140th	only	Lansmere	2886-3200	Onaway	3100-3139	Rifle Court	2820-2971	Mercer	3519-3728	Townley	3519-3728		
Becker	3150	East 140th	3120-3149	Larchmere	12725	Onaway	2886-3200	Ripley	3545-3750	Mercer	3571-3726	Traver	3571-3726		
Belvor	3259-3396	Eaton	3120-3149	Latimore	2680-2767	Mercer	2886-3200	Rockeater	2820-2971	Mercer	2657	Traymore	2657		
Berwyn	3420-3727	Eaton	3120-3149	Laurel	3256-3370	Ferway	2886-3200	Rolliston	3545-3750	Mercer	3612-3726	Traymore	3612-3726		
Boice	2566-3097	Eaton	3120-3149	Laureldale	12725	Boulevard	2886-3200	Rowsdale	3611-3726	Lomond		University	20550-20749		
Branley	3116-3166	Eaton	3120-3149	Lee	2886-3200	Onaway	2886-3200	Roxbury	3611-3726	Lomond		University	20550-20749		
Brighton	14003-14206	Eaton	3120-3149	Leighton	2665-2750	Onaway	2886-3200	Sebor	3611-3726	Lomond		University	20550-20749		
Brixton	2661-3230	Eaton	3120-3149	Litchfield	3544-3725	Onaway	2886-3200	Seogewick	3611-3726	Lomond		University	20550-20749		
Bryden	17426-17720	Eaton	3120-3149	Livingston	3670-3175	Onaway	2886-3200	Shaker Blvd.	3611-3726	Lomond		University	20550-20749		
Bryon	2938-2960	Eaton	3120-3149	Lodge	23149-24296	Onaway	2886-3200	Shaker Blvd.	3611-3726	Lomond		University	20550-20749		
Bryon	3256-3366	Eaton	3120-3149	Ludlow	2812-2945	Onaway	2886-3200	Shelley	3611-3726	Lomond		University	20550-20749		
Bryon	20620-21378	Eaton	3120-3149	Lynman Blvd.	2812-2945	Onaway	2886-3200	Sherbrooke	3611-3726	Lomond		University	20550-20749		
Bryon	2841-3008	Eaton	3120-3149	Lynton	3029-3193	Onaway	2886-3200	Sherrington	3611-3726	Lomond		University	20550-20749		
Bryon	2820-2979	Eaton	3120-3149	Lynton	2805-3024	Onaway	2886-3200	Sherston	3611-3726	Lomond		University	20550-20749		
Bryon	23201-23451	Eaton	3120-3149	Lynton	3029-3193	Onaway	2886-3200	Somersel	3611-3726	Lomond		University	20550-20749		
Bryon	20499-22926	Eaton	3120-3149	Lynton	2805-3024	Onaway	2886-3200	Southington	3611-3726	Lomond		University	20550-20749		
Calverton	21925-22700	Eaton	3120-3149	Lynton	2805-3024	Onaway	2886-3200	Southern	3611-3726	Lomond		University	20550-20749		
Canterbury	22303-22905	Eaton	3120-3149	Lynton	2805-3024	Onaway	2886-3200	Southern	3611-3726	Lomond		University	20550-20749		
Canterbury	2885-3035	Eaton	3120-3149	Lynton	2805-3024	Onaway	2886-3200	Southern	3611-3726	Lomond		University	20550-20749		
Canterbury	2795-2930	Eaton	3120-3149	Lynton	2805-3024	Onaway	2886-3200	Southern	3611-3726	Lomond		University	20550-20749		
Canterbury	2975-3317	Eaton	3120-3149	Lynton	2805-3024	Onaway	2886-3200	Southern	3611-3726	Lomond		University	20550-20749		
Canterbury	15706-16106	Eaton	3120-3149	Lynton	2805-3024	Onaway	2886-3200	Southern	3611-3726	Lomond		University	20550-20749		
Canterbury	16112-16114	Eaton	3120-3149	Lynton	2805-3024	Onaway	2886-3200	Southern	3611-3726	Lomond		University	20550-20749		
Canterbury	17302-20013	Eaton	3120-3149	Lynton	2805-3024	Onaway	2886-3200	Southern	3611-3726	Lomond		University	20550-20749		
Canterbury	20825-20875	Eaton	3120-3149	Lynton	2805-3024	Onaway	2886-3200	Southern	3611-3726	Lomond		University	20550-20749		
Canterbury	3255-3396	Eaton	3120-3149	Lynton	2805-3024	Onaway	2886-3200	Southern	3611-3726	Lomond		University	20550-20749		
Canterbury	3511-3742	Eaton	3120-3149	Lynton	2805-3024	Onaway	2886-3200	Southern	3611-3726	Lomond		University	20550-20749		
Canterbury	2531-2590	Eaton	3120-3149	Lynton	2805-3024	Onaway	2886-3200	Southern	3611-3726	Lomond		University	20550-20749		
Canterbury	2680-2791	Eaton	3120-3149	Lynton	2805-3024	Onaway	2886-3200	Southern	3611-3726	Lomond		University	20550-20749		
Canterbury	2896-3024	Eaton	3120-3149	Lynton	2805-3024	Onaway	2886-3200	Southern	3611-3726	Lomond		University	20550-20749		
Canterbury	2774	Eaton	3120-3149	Lynton	2805-3024	Onaway	2886-3200	Southern	3611-3726	Lomond		University	20550-20749		
Canterbury	2693-2765 &	Eaton	3120-3149	Lynton	2805-3024	Onaway	2886-3200	Southern	3611-3726	Lomond		University	20550-20749		
Canterbury	20900-21520	Eaton	3120-3149	Lynton	2805-3024	Onaway	2886-3200	Southern	3611-3726	Lomond		University	20550-20749		
Canterbury	3315-3400	Eaton	3120-3149	Lynton	2805-3024	Onaway	2886-3200	Southern	3611-3726	Lomond		University	20550-20749		
Canterbury	20725-21307	Eaton	3120-3149	Lynton	2805-3024	Onaway	2886-3200	Southern	3611-3726	Lomond		University	20550-20749		
Canterbury	3412-3471	Eaton	3120-3149	Lynton	2805-3024	Onaway	2886-3200	Southern	3611-3726	Lomond		University	20550-20749		
Canterbury	3338-3397	Eaton	3120-3149	Lynton	2805-3024	Onaway	2886-3200	Southern	3611-3726	Lomond		University	20550-20749		
Canterbury	13071-13714	Eaton	3120-3149	Lynton	2805-3024	Onaway	2886-3200	Southern	3611-3726	Lomond		University	20550-20749		
Canterbury	13071-13714	Eaton	3120-3149	Lynton	2805-3024	Onaway	2886-3200	Southern	3611-3726	Lomond		University	20550-20749		



# 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, 2001

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.



*Thomas A. Greer*  
President

*Jeffrey L. Esler*  
Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL



This Certificate of Excellence in Financial Reporting is presented to

**SHAKER HEIGHTS CITY SCHOOL DISTRICT**

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2001

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

*Linda White*  
President

*Don t. King*  
Executive Director



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Lausche Building  
615 Superior Avenue, NW.  
Twelfth Floor  
Cleveland, Ohio 44113-1801  
Telephone 216-787-3665  
800-626-2297  
Facsimile 216-787-3361  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

## INDEPENDENT ACCOUNTANTS' REPORT

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

We have audited the accompanying general-purpose financial statements of the Shaker Heights City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2002, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Shaker Heights City School District, Cuyahoga County, Ohio, as of June 30, 2002, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3 to the general purpose financial statements, the District restated the fund balance in the special revenue funds.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2002 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

We performed our audit to form an opinion on the general-purpose financial statements of the District, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for additional analysis and are not a required part of the general-purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects, in relation to the general-purpose financial statements taken as a whole.

We did not audit the data included in the introductory, statistical and supplemental sections of this report and therefore express no opinion thereon.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large loop at the end of the name.

**Jim Petro**  
Auditor of State

December 18, 2002

GENERAL PURPOSE  
FINANCIAL  
STATEMENTS

**Shaker Heights City School District**

*Combined Balance Sheet*

*All Fund Types and Account Groups*

*June 30, 2002*

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Assets and Other Debits</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$10,574,690	\$1,044,149	\$766,641	\$3,706,862
Receivables:				
Taxes	50,261,475	0	2,304,638	0
Accounts	1,658	0	0	0
Intergovernmental Receivable	116,050	195,309	0	0
Due from Other Funds	0	0	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	127,437	0	0	0
Prepaid Items	276,398	0	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	353,070	0	0	0
Fixed Assets (net, where applicable, of accumulated depreciation)	0	0	0	0
<b>Other Debits</b>				
Amount Available in Debt Service Fund for Retirement of General Obligation Bonds	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
<i>Total Assets and Other Debits</i>	<u>\$61,710,778</u>	<u>\$1,239,458</u>	<u>\$3,071,279</u>	<u>\$3,706,862</u>

<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>
<u>Enterprise</u>	<u>Internal Service</u>	<u>Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	
\$81,538	\$403,879	\$180,193	\$0	\$0	\$16,757,952
0	0	0	0	0	52,566,113
3,200	0	0	0	0	4,858
0	0	0	0	0	311,359
2,000	0	0	0	0	2,000
17,215	0	0	0	0	17,215
0	0	0	0	0	127,437
0	0	0	0	0	276,398
0	0	0	0	0	353,070
39,026	0	0	42,812,215	0	42,851,241
0	0	0	0	1,381,408	1,381,408
0	0	0	0	21,230,238	21,230,238
<u>\$142,979</u>	<u>\$403,879</u>	<u>\$180,193</u>	<u>\$42,812,215</u>	<u>\$22,611,646</u>	<u>\$135,879,289</u>

(continued)

**Shaker Heights City School District**  
*Combined Balance Sheet*  
*All Fund Types and Account Groups (continued)*  
*June 30, 2002*

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Liabilities, Fund Equity and Other Credits</b>				
<b>Liabilities</b>				
Accounts Payable	\$342,099	\$15,994	\$0	\$137,820
Accrued Wages and Benefits	5,186,274	198,413	0	0
Compensated Absences Payable	220,674	0	0	0
Intergovernmental Payable	1,303,417	14,872	0	0
Due to Other Funds	2,000	0	0	0
Deferred Revenue	38,874,660	62,756	1,689,871	0
Undistributed Monies	0	0	0	0
Claims Payable	0	0	0	0
Due to Students	0	0	0	0
Capital Leases Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
<i>Total Liabilities</i>	<u>45,929,124</u>	<u>292,035</u>	<u>1,689,871</u>	<u>137,820</u>
<b>Fund Equity and Other Credits</b>				
Investment in General Fixed Assets	0	0	0	0
Retained Earnings:				
Unreserved	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	1,354,167	173,990	0	659,727
Reserved for Inventory	127,437	0	0	0
Reserved for Budget Stabilization	353,070	0	0	0
Reserved for Property Taxes	11,386,815	0	614,767	0
Unreserved, Undesignated	2,560,165	773,433	766,641	2,909,315
<i>Total Fund Equity and Other Credits</i>	<u>15,781,654</u>	<u>947,423</u>	<u>1,381,408</u>	<u>3,569,042</u>
<i>Total Liabilities, Fund Equity and Other Credits</i>	<u>\$61,710,778</u>	<u>\$1,239,458</u>	<u>\$3,071,279</u>	<u>\$3,706,862</u>

See accompanying notes to the general purpose financial statements



<u>Proprietary Fund Types</u>		<u>Fiduciary</u>	<u>Account Groups</u>		<u>Totals</u> <u>(Memorandum</u> <u>Only)</u>
<u>Enterprise</u>	<u>Internal</u> <u>Service</u>	<u>Fund Type</u> <u>Agency</u>	<u>General</u> <u>Fixed</u> <u>Assets</u>	<u>General</u> <u>Long-Term</u> <u>Obligations</u>	
\$720	\$0	\$0	\$0	\$0	\$496,633
40,523	0	0	0	0	5,425,210
19,095	0	0	0	5,253,234	5,493,003
12,210	0	0	0	629,645	1,960,144
0	0	0	0	0	2,000
0	0	0	0	0	40,627,287
0	0	83,230	0	0	83,230
0	386,361	0	0	0	386,361
0	0	96,963	0	0	96,963
0	0	0	0	20,438	20,438
0	0	0	0	16,708,329	16,708,329
<u>72,548</u>	<u>386,361</u>	<u>180,193</u>	<u>0</u>	<u>22,611,646</u>	<u>71,299,598</u>
0	0	0	42,812,215	0	42,812,215
70,431	17,518	0	0	0	87,949
0	0	0	0	0	2,187,884
0	0	0	0	0	127,437
0	0	0	0	0	353,070
0	0	0	0	0	12,001,582
0	0	0	0	0	7,009,554
<u>70,431</u>	<u>17,518</u>	<u>0</u>	<u>42,812,215</u>	<u>0</u>	<u>64,579,691</u>
<u>\$142,979</u>	<u>\$403,879</u>	<u>\$180,193</u>	<u>\$42,812,215</u>	<u>\$22,611,646</u>	<u>\$135,879,289</u>

**Shaker Heights City School District**  
*Combined Statement of Revenues, Expenditures  
and Changes in Fund Balances*  
All Governmental Fund Types  
For the Fiscal Year Ended June 30, 2002

	General	Special Revenue
<b>Revenues</b>		
Taxes	\$54,293,414	\$0
Intergovernmental	21,104,292	2,705,272
Interest	501,808	5,798
Tuition and Fees	1,536,024	17,519
Extracurricular Activities	0	218,056
Contributions and Donations	0	17,508
Charges for Services	32,996	330
Rentals	43,243	0
Miscellaneous	71,750	42,052
	<u>77,583,527</u>	<u>3,006,535</u>
<i>Total Revenues</i>		
<b>Expenditures</b>		
Current:		
Instruction:		
Regular	27,981,773	451,085
Special	7,607,235	589,475
Vocational	229,153	0
Support Services:		
Pupils	4,435,831	70,738
Instructional Staff	3,913,078	576,944
Board of Education	71,907	0
Administration	5,296,284	12,101
Fiscal	1,523,559	20,021
Business	695,518	6,977
Operation and Maintenance of Plant	8,427,864	5,154
Pupil Transportation	3,515,732	0
Central	1,135,390	0
Operation of Non-Instructional Services	83,898	28,203
Extracurricular Activities	825,984	230,978
Capital Outlay	0	0
Intergovernmental	0	1,079,261
Debt Service:		
Principal Retirement	8,306	0
Interest and Fiscal Charges	1,999	0
	<u>65,753,511</u>	<u>3,070,937</u>
<i>Total Expenditures</i>		
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>11,830,016</u>	<u>(64,402)</u>
<b>Other Financing Sources (Uses)</b>		
Operating Transfers In	0	85,000
Operating Transfers Out	(250,461)	0
	<u>(250,461)</u>	<u>85,000</u>
<i>Total Other Financing Sources (Uses)</i>		
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>11,579,555</u>	<u>20,598</u>
<i>Fund Balances Beginning of Year - Restated (See Note 3)</i>	4,219,627	926,825
<i>Decrease in Reserve for Inventory</i>	<u>(17,528)</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$15,781,654</u>	<u>\$947,423</u>

See accompanying notes to the general purpose financial statements

Debt Service	Capital Projects	Totals (Memorandum Only)
\$2,736,285	\$117,931	\$57,147,630
313,701	0	24,123,265
0	32,455	540,061
0	0	1,553,543
0	0	218,056
0	0	17,508
0	0	33,326
0	100,000	143,243
0	2,703,251	2,817,053
<u>3,049,986</u>	<u>2,953,637</u>	<u>86,593,685</u>
0	0	28,432,858
0	0	8,196,710
0	0	229,153
0	0	4,506,569
0	0	4,490,022
0	0	71,907
0	0	5,308,385
0	0	1,543,580
0	0	702,495
0	0	8,433,018
0	0	3,515,732
0	0	1,135,390
0	0	112,101
0	0	1,056,962
0	1,038,371	1,038,371
0	0	1,079,261
1,775,000	0	1,783,306
956,967	0	958,966
<u>2,731,967</u>	<u>1,038,371</u>	<u>72,594,786</u>
<u>318,019</u>	<u>1,915,266</u>	<u>13,998,899</u>
165,461	0	250,461
0	0	(250,461)
<u>165,461</u>	<u>0</u>	<u>0</u>
483,480	1,915,266	13,998,899
897,928	1,653,776	7,698,156
0	0	(17,528)
<u>\$1,381,408</u>	<u>\$3,569,042</u>	<u>\$21,679,527</u>

**Shaker Heights City School District**  
*Combined Statement of Revenues, Expenditures  
and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual  
All Governmental Fund Types  
For the Fiscal Year Ended June 30, 2002*

	General Fund		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
<b>Revenues</b>			
Taxes	\$44,345,701	\$46,867,831	\$2,522,130
Intergovernmental	19,404,193	20,988,242	1,584,049
Interest	650,000	485,123	(164,877)
Tuition and Fees	970,000	1,536,062	566,062
Extracurricular Activities	0	0	0
Contributions and Donations	0	0	0
Charges for Services	30,000	32,996	2,996
Rentals	50,000	43,243	(6,757)
Miscellaneous	0	70,832	70,832
<i>Total Revenues</i>	<u>65,449,894</u>	<u>70,024,329</u>	<u>4,574,435</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	28,092,455	28,092,455	0
Special	8,824,962	8,824,962	0
Vocational	326,353	326,353	0
Support Services:			
Pupils	4,487,259	4,487,259	0
Instructional Staff	3,987,990	3,987,990	0
Board of Education	72,672	72,672	0
Administration	5,375,337	5,375,337	0
Fiscal	1,560,228	1,560,228	0
Business	718,306	718,306	0
Operation and Maintenance of Plant	8,476,614	8,476,614	0
Pupil Transportation	3,644,273	3,644,273	0
Central	1,457,698	1,457,698	0
Operation of Non-Instructional Services	82,634	82,634	0
Extracurricular Activities	861,822	861,822	0
Intergovernmental	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>67,968,603</u>	<u>67,968,603</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,518,709)</u>	<u>2,055,726</u>	<u>4,574,435</u>
<b>Other Financing Sources (Uses)</b>			
Operating Transfers In	0	0	0
Operating Transfers Out	(250,461)	(250,461)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(250,461)</u>	<u>(250,461)</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(2,769,170)</u>	<u>1,805,265</u>	<u>4,574,435</u>
<i>Fund Balances Beginning of Year</i>	<u>5,176,697</u>	<u>5,176,697</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>2,205,265</u>	<u>2,205,265</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$4,612,792</u></u>	<u><u>\$9,187,227</u></u>	<u><u>\$4,574,435</u></u>

Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$2,291,718	\$2,333,100	\$41,382
2,707,498	2,572,719	(134,779)	300,000	313,701	13,701
15,700	5,798	(9,902)	0	0	0
12,700	17,519	4,819	0	0	0
469,500	220,607	(248,893)	0	0	0
59,700	18,579	(41,121)	0	0	0
0	330	330	0	0	0
0	0	0	0	0	0
46,902	41,996	(4,906)	0	0	0
<u>3,312,000</u>	<u>2,877,548</u>	<u>(434,452)</u>	<u>2,591,718</u>	<u>2,646,801</u>	<u>55,083</u>
782,694	464,391	318,303	0	0	0
663,448	661,148	2,300	0	0	0
0	0	0	0	0	0
74,955	74,745	210	0	0	0
631,611	613,427	18,184	0	0	0
0	0	0	0	0	0
18,330	15,937	2,393	0	0	0
27,804	20,021	7,783	0	0	0
14,010	7,069	6,941	0	0	0
8,800	5,200	3,600	0	0	0
0	0	0	0	0	0
103,940	0	103,940	0	0	0
34,104	34,053	51	0	0	0
565,111	240,203	324,908	0	0	0
1,368,936	1,138,553	230,383	0	0	0
0	0	0	1,775,000	1,775,000	0
0	0	0	1,060,000	956,967	103,033
<u>4,293,743</u>	<u>3,274,747</u>	<u>1,018,996</u>	<u>2,835,000</u>	<u>2,731,967</u>	<u>103,033</u>
<u>(981,743)</u>	<u>(397,199)</u>	<u>584,544</u>	<u>(243,282)</u>	<u>(85,166)</u>	<u>158,116</u>
82,000	85,000	3,000	165,461	165,461	0
0	0	0	0	0	0
<u>82,000</u>	<u>85,000</u>	<u>3,000</u>	<u>165,461</u>	<u>165,461</u>	<u>0</u>
(899,743)	(312,199)	587,544	(77,821)	80,295	158,116
940,243	940,243	0	686,346	686,346	0
228,521	228,521	0	0	0	0
<u>\$269,021</u>	<u>\$856,565</u>	<u>\$587,544</u>	<u>\$608,525</u>	<u>\$766,641</u>	<u>\$158,116</u>

(continued)

**Shaker Heights City School District**  
*Combined Statement of Revenues, Expenditures  
and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual  
All Governmental Fund Types (continued)  
For the Fiscal Year Ended June 30, 2002*

	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Taxes	\$250,000	\$117,931	(\$132,069)
Intergovernmental	0	0	0
Interest	50,000	42,445	(7,555)
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Contributions and Donations	0	0	0
Charges for Services	0	0	0
Rentals	100,000	100,000	0
Miscellaneous	0	2,703,251	2,703,251
<i>Total Revenues</i>	<u>400,000</u>	<u>2,963,627</u>	<u>2,563,627</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	28,338	28,338	0
Special	0	0	0
Vocational	0	0	0
Support Services:			
Pupils	102,432	0	102,432
Instructional Staff	0	0	0
Board of Education	0	0	0
Administration	0	0	0
Fiscal	0	0	0
Business	0	0	0
Operation and Maintenance of Plant	1,627,754	1,563,531	64,223
Pupil Transportation	95,567	95,567	0
Central	75,600	37,100	38,500
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	0	0	0
Intergovernmental	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>1,929,691</u>	<u>1,724,536</u>	<u>205,155</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,529,691)</u>	<u>1,239,091</u>	<u>2,768,782</u>
<b>Other Financing Sources (Uses)</b>			
Operating Transfers In	0	0	0
Operating Transfers Out	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(1,529,691)</u>	<u>1,239,091</u>	<u>2,768,782</u>
<i>Fund Balances Beginning of Year</i>	1,275,702	1,275,702	0
Prior Year Encumbrances Appropriated	400,522	400,522	0
<i>Fund Balances End of Year</i>	<u>\$146,533</u>	<u>\$2,915,315</u>	<u>\$2,768,782</u>

See accompanying notes to the general purpose financial statements

Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)
\$46,887,419	\$49,318,862	\$2,431,443
22,411,691	23,874,662	1,462,971
715,700	533,366	(182,334)
982,700	1,553,581	570,881
469,500	220,607	(248,893)
59,700	18,579	(41,121)
30,000	33,326	3,326
150,000	143,243	(6,757)
46,902	2,816,079	2,769,177
<u>71,753,612</u>	<u>78,512,305</u>	<u>6,758,693</u>
28,903,487	28,585,184	318,303
9,488,410	9,486,110	2,300
326,353	326,353	0
4,664,646	4,562,004	102,642
4,619,601	4,601,417	18,184
72,672	72,672	0
5,393,667	5,391,274	2,393
1,588,032	1,580,249	7,783
732,316	725,375	6,941
10,113,168	10,045,345	67,823
3,739,840	3,739,840	0
1,637,238	1,494,798	142,440
116,738	116,687	51
1,426,933	1,102,025	324,908
1,368,936	1,138,553	230,383
1,775,000	1,775,000	0
1,060,000	956,967	103,033
<u>77,027,037</u>	<u>75,699,853</u>	<u>1,327,184</u>
<u>(5,273,425)</u>	<u>2,812,452</u>	<u>8,085,877</u>
247,461	250,461	3,000
(250,461)	(250,461)	0
<u>(3,000)</u>	<u>0</u>	<u>3,000</u>
(5,276,425)	2,812,452	8,088,877
8,078,988	8,078,988	0
2,834,308	2,834,308	0
<u>\$5,636,871</u>	<u>\$13,725,748</u>	<u>\$8,088,877</u>

**Shaker Heights City School District**  
*Combined Statement of Revenues,  
Expenses and Changes in Retained Earnings  
All Proprietary Fund Types  
For the Fiscal Year Ended June 30, 2002*

	Enterprise	Internal Service	Totals (Memorandum Only)
<b>Operating Revenues</b>			
Sales	\$800,535	\$0	\$800,535
Charges for Services	0	1,373,342	1,373,342
<i>Total Operating Revenues</i>	<u>800,535</u>	<u>1,373,342</u>	<u>2,173,877</u>
<b>Operating Expenses</b>			
Salaries and Wages	274,311	0	274,311
Fringe Benefits	117,491	0	117,491
Purchased Services	4,728	11,000	15,728
Cost of Sales	535,185	0	535,185
Claims	0	1,457,917	1,457,917
Other	13,827	0	13,827
Depreciation	2,975	0	2,975
<i>Total Operating Expenses</i>	<u>948,517</u>	<u>1,468,917</u>	<u>2,417,434</u>
<i>Operating Loss</i>	<u>(147,982)</u>	<u>(95,575)</u>	<u>(243,557)</u>
<b>Non-Operating Revenues</b>			
Donated Commodities	40,264	0	40,264
Operating Grants	134,163	0	134,163
Interest	885	0	885
<i>Total Non-Operating Revenues</i>	<u>175,312</u>	<u>0</u>	<u>175,312</u>
<i>Net Income (Loss)</i>	27,330	(95,575)	(68,245)
<i>Retained Earnings Beginning of Year</i>	<u>43,101</u>	<u>113,093</u>	<u>156,194</u>
<i>Retained Earnings End of Year</i>	<u><u>\$70,431</u></u>	<u><u>\$17,518</u></u>	<u><u>\$87,949</u></u>

See accompanying notes to the general purpose financial statements



**Shaker Heights City School District**  
*Combined Statement of Revenues, Expenses*  
*and Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*All Proprietary Fund Types*  
*For the Fiscal Year Ended June 30, 2002*

	Enterprise Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Charges for Services	\$0	\$0	\$0
Sales	918,500	798,338	(120,162)
Interest	1,000	885	(115)
Operating Grants	145,500	138,283	(7,217)
<i>Total Revenues</i>	<u>1,065,000</u>	<u>937,506</u>	<u>(127,494)</u>
<b>Expenses</b>			
Salaries and Wages	270,012	251,101	18,911
Fringe Benefits	118,518	118,518	0
Purchased Services	22,980	4,862	18,118
Materials and Supplies	568,338	543,945	24,393
Capital Outlay	2,432	2,432	0
Claims	0	0	0
Other	13,276	12,962	314
<i>Total Expenses</i>	<u>995,556</u>	<u>933,820</u>	<u>61,736</u>
<i>Excess of Revenues Over (Under) Expenses</i>	69,444	3,686	(65,758)
<i>Fund Equity Beginning of Year</i>	32,665	32,665	0
Prior Year Encumbrances Appropriated	<u>41,156</u>	<u>41,156</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$143,265</u>	<u>\$77,507</u>	<u>(\$65,758)</u>

(continued)

**Shaker Heights City School District**  
*Combined Statement of Revenues, Expenses*  
*and Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*All Proprietary Fund Types (continued)*  
*For the Fiscal Year Ended June 30, 2002*

	Internal Service Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Charges for Services	\$4,322,000	\$1,373,342	(\$2,948,658)
Sales	0	0	0
Interest	0	0	0
Operating Grants	0	0	0
	<u>4,322,000</u>	<u>1,373,342</u>	<u>(2,948,658)</u>
<b>Expenses</b>			
Salaries and Wages	0	0	0
Fringe Benefits	0	0	0
Purchased Services	11,000	11,000	0
Materials and Supplies	0	0	0
Capital Outlay	0	0	0
Claims	1,489,000	1,371,204	117,796
Other	0	0	0
	<u>1,500,000</u>	<u>1,382,204</u>	<u>117,796</u>
<i>Excess of Revenues Over (Under) Expenses</i>	2,822,000	(8,862)	(2,830,862)
<i>Fund Equity Beginning of Year</i>	412,741	412,741	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$3,234,741</u>	<u>\$403,879</u>	<u>(\$2,830,862)</u>

See accompanying notes to the general purpose financial statements

Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)
\$4,322,000	\$1,373,342	(\$2,948,658)
918,500	798,338	(120,162)
1,000	885	(115)
145,500	138,283	(7,217)
<u>5,387,000</u>	<u>2,310,848</u>	<u>(3,076,152)</u>
270,012	251,101	18,911
118,518	118,518	0
33,980	15,862	18,118
568,338	543,945	24,393
2,432	2,432	0
1,489,000	1,371,204	117,796
13,276	12,962	314
<u>2,495,556</u>	<u>2,316,024</u>	<u>179,532</u>
2,891,444	(5,176)	(2,896,620)
445,406	445,406	0
41,156	41,156	0
<u>\$3,378,006</u>	<u>\$481,386</u>	<u>(\$2,896,620)</u>

**Shaker Heights City School District**  
*Combined Statement of Cash Flows*  
*All Proprietary Fund Types*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals (Memorandum Only)</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>			
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$798,338	\$0	\$798,338
Cash Received from Quasi-External Transactions With Other Funds	0	1,373,342	1,373,342
Cash Payments to Employees for Services	(251,101)	0	(251,101)
Cash Payments for Employee Benefits	(118,518)	0	(118,518)
Cash Payments for Goods and Services	(544,951)	(11,000)	(555,951)
Cash Payments for Operating Expenses	(12,962)	0	(12,962)
Cash Payments for Claims	0	(1,371,204)	(1,371,204)
<i>Net Cash Used for Operating Activities</i>	(129,194)	(8,862)	(138,056)
<b>Cash Flows from Noncapital Financing Activities</b>			
Operating Grants Received	138,283	0	138,283
<b>Cash Flows from Capital and Related Financing Activities</b>			
Payments for Capital Acquisitions	(2,432)	0	(2,432)
<b>Cash Flows from Investing Activities:</b>			
Interest on Investments	1,060	0	1,060
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	7,717	(8,862)	(1,145)
<i>Cash and Cash Equivalents Beginning of Year</i>	73,821	412,741	486,562
<i>Cash and Cash Equivalents End of Year</i>	<u>\$81,538</u>	<u>\$403,879</u>	<u>\$485,417</u>

(continued)

**Shaker Heights City School District**  
*Combined Statement of Cash Flows*  
*All Proprietary Fund Types (continued)*  
*For the Fiscal Year Ended June 30, 2002*

	Enterprise	Internal Service	Totals (Memorandum Only)
<b>Reconciliation of Operating Loss to Net Cash Used for Operating Activities</b>			
Operating Loss	(\$147,982)	(\$95,575)	(\$243,557)
Adjustments:			
Depreciation Expense	2,975	0	2,975
Donated Commodities Received During Year	35,969	0	35,969
(Increase)/Decrease in Assets:			
Accounts Receivable	(2,022)	0	(2,022)
Intergovernmental Receivable	4,120	0	4,120
Due from Other Funds	865	0	865
Inventory Held for Resale	(6,616)	0	(6,616)
Increase/(Decrease) in Liabilities:			
Accounts Payable	(35,432)	0	(35,432)
Accrued Wages	28,915	0	28,915
Compensated Absences Payable	5,379	0	5,379
Intergovernmental Payable	(11,084)	0	(11,084)
Deferred Revenue	(4,281)	0	(4,281)
Claims Payable	0	86,713	86,713
<i>Total Adjustments</i>	18,788	86,713	105,501
<i>Net Cash Used for Operating Activities</i>	(\$129,194)	(\$8,862)	(\$138,056)

**Non-Cash Activity:**

Federal donated commodities in the amount of \$40,264 were recorded as revenue in the food service enterprise fund during the fiscal year.

See accompanying notes to the general purpose financial statements

**Shaker Heights City School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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**Note 1 - Description of the School District**

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

The School District operates under a locally-elected five-member Board form of government. Each member is elected to a four year term. The School District provides educational services as authorized by State and federal agencies. The Board of Education controls the School District's eight instructional and four support facilities. The School District's full-time staff include: 280 classified employees, 438 certificated teachers and 51 tutoring personnel, and 36 administrators who provide services to 5,619 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 comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the School District. For Shaker Heights City School District, this includes general operations, food service, preschool and student related activities of the School District.

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

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

The School District is associated with a jointly governed organization and a related organization. These organizations are the Ohio Schools' Council and the Shaker Heights Public Library. These organizations are presented in Notes 18 and 19 to the general purpose financial statements.

**Shaker Heights City School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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**Note 2 - Summary of Significant Accounting Policies**

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) Statements and interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

***A. Basis of Presentation - Fund Accounting***

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

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

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

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

***General Fund*** The general fund is the operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

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

***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).

## Shaker Heights City School District

### Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2002

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

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

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

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

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

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

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

### **B. Measurement Focus and Basis of Accounting**

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

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

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



## Shaker Heights City School District

### Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2002

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The modified accrual basis of accounting is followed for the governmental and agency funds. The full accrual basis of accounting is followed for the proprietary funds.

**Revenue Recognition** 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 year-end.

Non-exchange 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 non-exchange 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, 2002, but which were levied to finance fiscal year 2003 operations, have been recorded as deferred revenue. Grants and entitlements received before eligibility requirements are met are also recorded as deferred revenue. On the modified accrual basis, receivables that will not be collected within the available period have also been reported as deferred revenue.

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

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

### **C. Budgetary Data**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations by

## Shaker Heights City School District

### *Notes to the General Purpose Financial Statements*

*For the Fiscal Year Ended June 30, 2002*

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fund cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the object level within each function within the fund. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

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

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

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

***Appropriations*** Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is enacted by the Board of Education. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. The Board may pass supplemental fund appropriations so long as the total appropriations by fund does not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds, other than agency funds, consistent with statutory provisions.

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

***Lapsing of Appropriations*** At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation for all funds except those receiving grants. Encumbered appropriations and grant appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

## **Shaker Heights City School District**

### *Notes to the General Purpose Financial Statements*

*For the Fiscal Year Ended June 30, 2002*

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#### ***D. Cash and Investments***

To improve cash management, cash received by the School District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the balance sheet.

During fiscal year 2002, investments were limited to federal home loan bank bonds, federal national mortgage association bonds, federal home loan mortgage corporation bonds and STAROhio, the State Treasurer's Investment Pool.

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

Shaker Heights City School District has invested funds in STAROhio (the State Treasury Asset Reserve of Ohio). STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of The Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2002.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2002 amounted to \$501,808 which includes \$116,051 assigned from other School District funds.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with a maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months not purchased from the pool are reported as investments.

#### ***E. Inventory***

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as expenditure in the governmental fund types when purchased. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale and are expensed when used.

## **Shaker Heights City School District**

### *Notes to the General Purpose Financial Statements*

*For the Fiscal Year Ended June 30, 2002*

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#### ***F. 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 imposed by creditors, contributors, grantors, laws of other governments, or imposed by enabling legislation. Restricted assets in the general fund include monies required by statute to be set-aside by the School District to create a reserve for budget stabilization. See Note 22 for additional information regarding set-asides.

#### ***G. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond June 30, 2002, 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. Fixed Assets and Depreciation***

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the dates received. The School District maintains a capitalization threshold of five hundred dollars. The School District does not possess any infrastructure.

Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of general fixed assets is also not capitalized.

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

#### ***I. Interfund Assets and Liabilities***

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

#### ***J. Compensated Absences***

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

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

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be

## **Shaker Heights City School District**

### *Notes to the General Purpose Financial Statements*

*For the Fiscal Year Ended June 30, 2002*

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

#### ***K. Accrued Liabilities and Long-term Obligations***

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences, contractually required pension contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. Payments made more than sixty days after year-end are generally considered not to have been paid with current available financial resources. Bonds and capital leases are recognized as a liability in the general long-term obligations account group until due or until resources have been accumulated in the fund for payment early in the following year.

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

#### ***L. Interfund Transactions***

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

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

#### ***M. Fund Balance Reserves***

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

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

#### ***N. Estimates***

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

**Shaker Heights City School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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***O. Totals (Memorandum Only) - Columns***

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

**Note 3 – Restatement of Fund Balance**

The special revenue funds’ fund balance decreased by \$83,000, from \$1,009,825 at June 30, 2001 to \$926,825. This decrease was due to an overstatement of intergovernmental receivable.

**Note 4 - Budgetary Basis of Accounting**

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosures in the proprietary fund types (GAAP basis).
4. For proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
5. Unrecorded cash, which consists of unrecorded interest, is not reported by the School District on the budget basis operating statements, but is reported on the GAAP basis operating statements.
6. Investments are reported at cost (budget basis) rather than fair value (GAAP basis).

**Shaker Heights City School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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

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

	General	Special Revenue	Debt Service	Capital Projects
GAAP Basis	\$11,579,555	\$20,598	\$483,480	\$1,915,266
Revenue Accruals	(7,502,378)	(128,987)	(403,185)	9,729
Fair Value Adjustment for Investments	(56,821)	0	0	261
Expenditure Accruals	(531,379)	(16,226)	0	105,382
Encumbrances	(1,683,712)	(187,584)	0	(791,547)
Budget Basis	<u>\$1,805,265</u>	<u>(\$312,199)</u>	<u>\$80,295</u>	<u>\$1,239,091</u>

Net Income (Loss)/Excess of Revenues Over (Under) Expenses  
All Proprietary Fund Types

	Enterprise	Internal Service
GAAP Basis	\$27,330	(\$95,575)
Revenue Accruals	(2,183)	0
Donated Commodities	(1,531)	0
Expense Accruals	(10,492)	86,713
Capital Outlay	(2,432)	
Unrecorded Cash	(175)	0
Depreciation Expense	(2,975)	0
Encumbrances	(3,856)	0
Budget Basis	<u>\$3,686</u>	<u>(\$8,862)</u>

**Note 5 - Construction Commitments**

As of June 30, 2002, the Shaker Heights City School District had contractual purchase commitments of \$20,081 for a fire alarm system at the Middle School, \$7,479 for paving replacement at Lomond School and \$4,396 for architectural services for the Woodbury School Auditorium.

**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 treasury. Such monies must be maintained either as cash in the School District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

## **Shaker Heights City School District**

### *Notes to the General Purpose Financial Statements*

*For the Fiscal Year Ended June 30, 2002*

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

Protection of School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio); and
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the



**Shaker Heights City School District**

*Notes to the General Purpose Financial Statements*

*For the Fiscal Year Ended June 30, 2002*

expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements."

**Cash on Hand** At year end, the School District had \$705 in undeposited cash on hand which is included on the balance sheet of the School District as part of "equity in pooled cash and cash equivalents."

**A. Deposits**

At fiscal year-end, the carrying amount of the School District's deposits was \$8,844,841 and the bank balance was \$3,461,517. Of the bank balance, \$299,448 was covered by federal depository insurance and \$3,162,069 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging financial institutions trust department or agent in the School District's name and all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

**B. Investments**

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

	<u>Category 3</u>	<u>Fair Value</u>
Federal Home Loan Bank Bonds	\$1,000,000	\$1,000,000
Federan National Mortgage Association Bonds	2,989,854	2,989,854
Federal Home Loan Mortgage Corporation Bonds	3,968,218	3,968,218
STAROhio	<u>0</u>	<u>307,404</u>
	<u>\$7,958,072</u>	<u>\$8,265,476</u>

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

**Shaker Heights City School District**

*Notes to the General Purpose Financial Statements*

*For the Fiscal Year Ended June 30, 2002*

A reconciliation between the classifications of cash and cash equivalents and investments on the combined financial statements and the classification of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Cash	
	<u>Equivalents</u>	<u>Investments</u>
GASB 9	\$17,111,022	\$0
Cash on Hand	(705)	0
Investments which are part of a cash management pool:		
Federal Home Loan Bank Bonds	(1,000,000)	1,000,000
Federal National Mortgage Association Bonds	(2,989,854)	2,989,854
Federal Home Loan Mortgage Company Bonds	(3,968,218)	3,968,218
STAROhio	(307,404)	307,404
GASB 3	<u>\$8,844,841</u>	<u>\$8,265,476</u>

**Note 7 - Property Taxes**

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

Property taxes include amounts levied against all real, public utility and tangible personal property located in the School District. Property tax revenue received during calendar 2002 for real and public utility property taxes represents collections of calendar 2001 taxes. Property tax payments received during calendar 2002 for tangible personal property (other than public utility property) is for calendar 2002 taxes.

2002 real property taxes are levied after April 1, 2002, on the assessed value listed as of January 1, 2002, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value: public utility real property is assessed at thirty-five percent of true value. 2002 public utility property taxes became a lien December 31, 2001, are levied after April 1, 2002, and are collected in 2003 with real property taxes.

2002 tangible personal property taxes are levied after April 1, 2002, on the value as of December 31, 2001. Collections are made in 2002. Tangible personal property assessments are twenty-five percent of true value.

**Shaker Heights City School District**

*Notes to the General Purpose Financial Statements*

*For the Fiscal Year Ended June 30, 2002*

The assessed values upon which the fiscal year 2002 taxes were collected are:

	2001 Second- Half Collections		2002 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$753,027,040	95.27%	\$758,473,160	95.57%
Public Utility Property	24,248,080	3.07	20,101,330	2.53
Tangible Personal Property	13,134,797	1.66	15,119,701	1.90
<b>Total</b>	<b>\$790,409,917</b>	<b>100.00%</b>	<b>\$793,694,191</b>	<b>100.00%</b>
Tax rate per \$1,000 of assessed valuation		\$150.50		\$150.50

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits earlier or later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. This year, the June 2002 tangible personal property tax settlement was not received until July of 2002.

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, 2002, are available to finance fiscal year 2003 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding, the late settlement of personal property taxes and real property, personal property and public utility taxes which became measurable as of June 30, 2002 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed settlement of personal property tax and the amount available as an advance at June 30 were levied to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not levied to finance current year operations. The late settlement and the amount available as an advance are recognized as revenue.

At June 30, 2002, \$11,386,815 was available as an advance to the general fund and \$614,767 was available to the bond retirement debt service fund. At June 30, 2001, \$3,839,482 was available as an advance to the general fund and \$208,793 was available to the bond retirement debt service fund.

**Note 8 - Receivables**

Receivables at June 30, 2002, consisted of taxes, accounts (contributions, rentals, student fees and tuition), intergovernmental grants and interest. All receivables are considered collectible in full.

**Shaker Heights City School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

A summary of the principal items of intergovernmental receivables follows:

	Amounts
General Fund	\$116,050
Special Revenue Funds:	
Eisenhower	5,782
Title VI-B	126,535
Title VI	31,261
Drug Free Schools	6,018
Class Size Reduction	25,713
Total Special Revenue Funds	195,309
Grand Total	\$311,359

**Note 9 - Fixed Assets**

A summary of the changes in general fixed assets during fiscal year 2002 follows:

	Balance 6/30/2001	Additions	Deductions	Balance 6/30/2002
Land	\$2,981,664	\$48,548	\$0	\$3,030,212
Buildings	24,232,985	604,942	0	24,837,927
Furniture and Equipment	11,399,545	744,945	0	12,144,490
Vehicles	2,644,507	123,123	0	2,767,630
Construction in Progress	111,623	31,956	111,623	31,956
Total	\$41,370,324	\$1,553,514	\$111,623	\$42,812,215

A summary of the enterprise funds' fixed assets at June 30, 2002, follows:

	Enterprise
Equipment	\$133,515
Accumulated Depreciation	(94,489)
Net	\$39,026

## Shaker Heights City School District

### Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2002

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#### Note 10 - Risk Management

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. For fiscal year 2002, the School District contracted with Crum and Forster for property and inland marine insurance. The primary deductibles are \$250 for inland marine and \$1,000 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 The Great American Insurance Company with a \$1,000,000 single occurrence limit and \$2,000,000 aggregate and a \$1,000 deductible. Vehicles, including school buses, are covered by Coregis Insurance Company with a \$250 deductible for comprehensive and a \$500 deductible for collision. There is a \$10,000,000 per accident combined single limit of liability. The School District also has a \$3,000,000 umbrella policy with The Great American Insurance Company that is over both the general liability and vehicle policies. Settled claims have not exceeded this commercial coverage in any of the past three years and there has not been a significant reduction in coverage from the prior year.

The School District participates in the State Workers' Compensation retrospective rating and payment system. This plan involves the payment of a minimum premium for administrative services and stop-loss coverage plus the actual claims cost for injured employees. The balance of claims payable at June 30, 2002, represents an estimate of the liability for unpaid claims costs provided by Workers Compensation. The claims liability for the Workers' Compensation retrospective rating and payment system at June 30, 2002 was \$304,161.

The School District is self-insured for prescription drug insurance. Advance PCS Health Systems of Scottsdale, Arizona, the third party administrator of the program, reviews and pays the claims. Monthly premiums for prescription drug insurance are \$168.35 for family coverage and \$63.53 for single coverage. The program utilizes a \$2 prescription deductible for generic drugs and a \$5 prescription deductible for non-generic drugs. The School District paid \$11,000 in fees to the program administrator in fiscal year 2002. The fee is, generally, \$.60 per claim. The liability for claims for the prescription drug insurance at June 30, 2002 is \$82,200 and is based on the July 2002 actual billing.

The claims liability reported in the internal service funds at June 30, 2002 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 2001 and 2002 are as follows:

	Balance at <u>Beginning of Year</u>	Current Year <u>Claims</u>	Claim <u>Payments</u>	Balance at <u>End of Year</u>
2001	\$606,274	\$841,938	\$1,148,564	\$299,648
2002	299,648	1,457,917	1,371,204	386,361

**Shaker Heights City School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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**Note 11 - Defined Benefit Pension Plans**

***A. School Employees Retirement System***

Shaker Heights City School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension 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 State statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Plan members are required to contribute 9 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 contributions is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2002, 5.46 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2001, 4.20 percent was 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, 2002, 2001, and 2000 were \$580,548 \$453,663 and \$556,645 respectively; 55 percent has been contributed for fiscal year 2002 and 100 percent for fiscal years 2001 and 2000. \$261,272 representing the unpaid contribution for fiscal year 2002, is recorded as a liability within the respective funds and the general long-term obligations account group.

***B. State Teachers Retirement System***

The School District participates in the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides basic retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

For the fiscal year ended June 30, 2002, plan members are required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 9.5 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$2,932,560 \$2,812,452 and \$1,809,007 respectively; 87.59 percent has been contributed for fiscal year 2002 and 100 percent for the fiscal years 2001 and 2000. \$363,917 representing the unpaid contribution for fiscal year 2002, is recorded as a liability within the respective funds.

**Shaker Heights City School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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**Note 12 - Postemployment Benefits**

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

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2002, the STRS Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$1,389,107 for fiscal year 2002.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2001, (the latest information available) the balance in the Fund was \$3.256 billion. For the year ended June 30, 2001, net health care costs paid by STRS were \$300,772,000 and STRS had 102,132 eligible benefit recipients.

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2002, employer contributions to fund health care benefits were 8.54 percent of covered payroll, a decrease of 1.26 percent from fiscal year 2001. 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 2002, the minimum pay was established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2002 fiscal year equaled \$1,030,433.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2001 (the latest information available), were \$161,439,934 and the target level was \$242.2 million. At June 30, 2001, SERS had net assets available for payment of health care benefits of \$315.7 million. SERS has approximately 50,000 participants currently receiving health care benefits.

**Note 13 - Other Employee Benefits**

**A. *Compensated Absences***

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn up to twenty-four days of vacation per year, depending upon length of service. Vacation days are credited to classified employees on July first and employees can carryover

## **Shaker Heights City School District**

### *Notes to the General Purpose Financial Statements*

*For the Fiscal Year Ended June 30, 2002*

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into the next fiscal year five vacation days a year. Accumulated unused vacation time is paid to classified employees upon termination of employment, with some restrictions. Teachers do not earn vacation time. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. A percentage of unused sick time is paid at retirement. The number of unused sick days which can accumulate is unrestricted.

#### ***B. Health Care Benefits***

Medical/surgical insurance is offered to employees through either Kaiser Permanente Insurance Company or Anthem Insurance Company. The Kaiser Permanente plan has no deductible. Individual coverage is \$171.63 per month while family coverage for a family of two is \$343.26 and for a family of three or more is \$514.89. The Anthem Insurance Company provides two plans. The first plan provides medical/surgical coverage with a \$100 single deductible on the first 80 percent of covered services and 100 percent afterwards and \$200 family deductible on the first 80 percent of covered services and 100 percent afterwards per calendar year. Individual coverage is \$266.78 per month and family coverage is \$702.71. The second Anthem plan provides medical/surgical insurance with no deductible in the network and co-pays for office visits, urgent care and emergency room services. Outside the network, the deductibles and co-payments are the same as the first plan. Individual coverage is \$192.42 per month while family coverage is \$506.83.

Dental insurance is offered to employees through Anthem Insurance Company with a \$50 deductible on orthodontal and restoration services. Individual coverage is \$27.98 per month and family coverage is \$80.80 per month.

Life insurance is offered to employees through Unum Life Insurance Company of Columbus, Ohio. The Treasurer and Superintendent receive \$150,000 coverage for \$21 per month; administrators, supervisors and certified employees receive \$50,000 coverage for \$7 per month, and custodial and clerical employees receive \$30,000 for \$4.20 per month.

#### **Note 14 - Capitalized Leases - Lessee Disclosure**

Capital lease obligations recorded in the general long-term obligations account group relate to copier equipment which is leased under long-term agreements which meet the criteria for capital leases as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases." Capital lease payments have been reclassified and are reflected as debt service expenditures in the combined financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements. General fixed assets acquired by lease have been capitalized in the general fixed assets account group in the amount of \$41,777 which is equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded in the general long-term obligations account group. Principal payments in fiscal year 2002 totaled \$8,306 in the governmental funds.



**Shaker Heights City School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payment as of June 30, 2002:

Fiscal Year Ending June 30	Amount
2003	\$10,305
2004	10,305
2005	1,719
Total Minimum Lease Payments	22,329
Less: Amount Representing Interest	(1,891)
Present Value of Minimum Lease Payments	\$20,438

**Note 15 - Interfund Transactions**

At June 30, 2002, the due from other funds/due to other funds consisted of \$2000 due from the general fund to the food service fund.

**Note 16 - Long-term Obligations**

Debt Issues	Interest Rate	Original Issue	Date of Maturity
School Improvement - 1990	7.08%	\$5,000,000	December 15, 2010
Building Addition - 1993	5.034	5,000,000	June 1, 2013
Energy Conservation Improvement - 1995	5.000	1,284,230	July 12, 2005
School Improvement - 1999	5.034	9,500,000	December 1, 2019
School Improvement - 2000	5.250	3,199,993	December 1, 2019

**Shaker Heights City School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

Changes in long-term obligations of the School District during fiscal year 2002, were as follows:

	Principal Outstanding 6/30/01	Additions	Deductions	Principal Outstanding 6/30/02
General Obligation Bonds:				
School Improvement Bonds				
1990, 7.08%	\$3,405,000	\$0	\$245,000	\$3,160,000
Building Addition Bonds				
1993, 5.034%	2,415,000	0	390,000	2,025,000
Energy Conservation Improvement				
Bonds 1995, 5.00%	709,230	0	130,000	579,230
School Improvement Bonds				
1999, 5.034%	8,655,000	0	910,000	7,745,000
School Improvement Bonds 2000				
Serial and Term Bonds 4.3% - 5.375%	3,065,000	0	100,000	2,965,000
Capital Appreciation Bonds 5.00% - 5.05%	222,758	11,341	0	234,099
Total General Obligation Bonds	18,471,988	11,341	1,775,000	16,708,329
Compensated Absences	4,225,241	1,056,980	28,987	5,253,234
Pension Obligation	703,957	4,731	79,043	629,645
Capital Lease	28,744	0	8,306	20,438
Total General Long-Term Obligations	<u>\$23,429,930</u>	<u>\$1,073,052</u>	<u>\$1,891,336</u>	<u>\$22,611,646</u>

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

**School Improvement Bonds** On September 28, 2001, 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:

**Shaker Heights City School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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<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 2002, \$11,341 was accreted for a total bond value of \$234,099.

The School District's overall debt margin was \$56,105,556 with an unvoted debt margin of \$793,694 at June 30, 2002. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2002, are as follows:

Fiscal Year <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	\$1,896,918	\$826,641	\$2,723,559
2004	1,142,527	741,513	1,884,040
2005	1,218,165	678,331	1,896,496
2006	1,283,064	613,660	1,896,724
2007	1,174,537	547,695	1,722,232
2008-2012	4,984,019	1,988,546	6,972,565
2013-2017	3,045,000	896,684	3,941,684
2018-2020	2,060,000	160,739	2,220,739
Total	<u>\$16,804,230</u>	<u>\$6,453,809</u>	<u>\$23,258,039</u>

**Note 17 - Segment Information for Enterprise Funds**

The School District maintains two enterprise funds to account for the operations of food service and uniform school supplies. The table below reflects in a summarized format the more significant financial data relating to the enterprise funds of the Shaker Heights City School District as of and for the fiscal year ended June 30, 2002.

## Shaker Heights City School District

### Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2002

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	Food Service	Uniform School Supplies	Totals
Operating Revenues	\$722,908	\$77,627	\$800,535
Depreciation	2,975	0	2,975
Operating Loss	(145,567)	(2,415)	(147,982)
Donated Commodities	40,264	0	40,264
Fixed Asset Additions	2,432	0	2,432
Interest	885	0	885
Operating Grants	134,163	0	134,163
Net Income (Loss)	29,745	(2,415)	27,330
Net Working Capital	24,673	25,827	50,500
Total Assets	117,152	25,827	142,979
Total Equity	44,604	25,827	70,431
Encumbrances as of June 30, 2002	3,634	222	3,856

### Note 18 - Jointly Governed Organization

The Ohio Schools' Council Association (Council) is a jointly governed organization among ninety-one school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2002, the School District paid \$750 to the Council. Financial information can be obtained by contacting Albert G. Vasek, 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.

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.

## **Shaker Heights City School District**

### *Notes to the General Purpose Financial Statements*

*For the Fiscal Year Ended June 30, 2002*

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

#### **Note 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, Kathy Everson, 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 expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2002.

##### ***B. Litigation***

The Shaker Heights City School District is party to legal proceedings. The amount of the liability, if any, cannot be reasonably estimated at this time. In the opinion of management, any such legal proceedings will not have a material adverse effect on the overall financial position of the School District at June 30, 2002.

#### **Note 21 - State School Funding Decision**

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding decision is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient..."

**Shaker Heights City School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

**Note 22 - Set-Aside Calculations and Fund Reserves**

The Shaker Heights City School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year-end. These amounts must be 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, 2002, only the unspent portion of certain workers' compensation refunds continues to be set-aside.

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

	Textbooks	Capital Improvements	Budget Stabilization
Set-Aside Reserve Balance as of June 30, 2001	(\$116,206)	(\$2,959,075)	\$353,070
Current Year Set-Aside Requirement	713,632	713,632	0
Qualifying Offsets	0	(2,703,251)	0
Qualifying Disbursements	<u>(2,192,266)</u>	<u>(371,632)</u>	<u>0</u>
Totals	<u>(\$1,594,840)</u>	<u>(\$5,320,326)</u>	<u>\$353,070</u>
Set-Aside Balances Carried Forward to Future Fiscal Years	<u>(\$1,594,840)</u>	<u>(\$5,320,326)</u>	<u>\$353,070</u>
Set-Aside Reserve Balance as of June 30, 2002	<u>\$0</u>	<u>\$0</u>	<u>\$353,070</u>

The Shaker Heights City School District had qualifying disbursements and offsets during the fiscal year that reduced the textbooks and capital improvements set aside amounts below zero. This extra amount may be used to reduce the 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.

Combining, Individual Fund  
and Account Group  
Statements and Schedules

## **General Fund**

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



**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2002*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Taxes	\$44,345,701	\$46,867,831	\$2,522,130
Intergovernmental	19,404,193	20,988,242	1,584,049
Interest	650,000	485,123	(164,877)
Tuition and Fees	970,000	1,536,062	566,062
Charges for Services	30,000	32,996	2,996
Rentals	50,000	43,243	(6,757)
Miscellaneous	0	70,832	70,832
<i>Total Revenues</i>	<u>65,449,894</u>	<u>70,024,329</u>	<u>4,574,435</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	21,096,369	21,096,369	0
Fringe Benefits	5,770,261	5,770,261	0
Purchased Services	366,031	366,031	0
Materials and Supplies	679,829	679,829	0
Capital Outlay - New	179,691	179,691	0
Other	274	274	0
Total Regular	<u>28,092,455</u>	<u>28,092,455</u>	<u>0</u>
Special:			
Salaries and Wages	4,401,331	4,401,331	0
Fringe Benefits	1,194,210	1,194,210	0
Purchased Services	3,131,329	3,131,329	0
Materials and Supplies	79,763	79,763	0
Capital Outlay - New	18,199	18,199	0
Other	130	130	0
Total Special	<u>8,824,962</u>	<u>8,824,962</u>	<u>0</u>
Vocational:			
Salaries and Wages	108,634	108,634	0
Fringe Benefits	22,962	22,962	0
Purchased Services	194,757	194,757	0
Total Vocational	<u>326,353</u>	<u>326,353</u>	<u>0</u>
Total Instruction	<u>\$37,243,770</u>	<u>\$37,243,770</u>	<u>\$0</u>

(continued)

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2002*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Support Services:			
Pupils:			
Salaries and Wages	\$3,003,193	\$3,003,193	\$0
Fringe Benefits	751,515	751,515	0
Purchased Services	637,293	637,293	0
Materials and Supplies	80,527	80,527	0
Capital Outlay - New	12,641	12,641	0
Capital Outlay - Replacement	1,890	1,890	0
Other	200	200	0
Total Pupils	<u>4,487,259</u>	<u>4,487,259</u>	<u>0</u>
Instructional Staff:			
Salaries and Wages	2,399,569	2,399,569	0
Fringe Benefits	1,134,573	1,134,573	0
Purchased Services	234,083	234,083	0
Materials and Supplies	122,594	122,594	0
Capital Outlay - New	86,404	86,404	0
Capital Outlay - Replacement	4,667	4,667	0
Other	6,100	6,100	0
Total Instructional Staff	<u>3,987,990</u>	<u>3,987,990</u>	<u>0</u>
Board of Education:			
Purchased Services	14,016	14,016	0
Materials and Supplies	284	284	0
Other	58,372	58,372	0
Total Board of Education	<u>72,672</u>	<u>72,672</u>	<u>0</u>
Administration:			
Salaries and Wages	3,341,496	3,341,496	0
Fringe Benefits	1,180,813	1,180,813	0
Purchased Services	559,636	559,636	0
Materials and Supplies	239,969	239,969	0
Capital Outlay - New	37,437	37,437	0
Capital Outlay - Replacement	11,266	11,266	0
Other	4,720	4,720	0
Total Administration	<u>5,375,337</u>	<u>5,375,337</u>	<u>0</u>
Fiscal:			
Salaries and Wages and Wages	476,304	476,304	0
Fringe Benefits	165,731	165,731	0
Purchased Services	148,462	148,462	0
Materials and Supplies	4,789	4,789	0
Capital Outlay - New	1,713	1,713	0
Capital Outlay - Replacement	6,037	6,037	0
Other	757,192	757,192	0
Total Fiscal	<u>\$1,560,228</u>	<u>\$1,560,228</u>	<u>\$0</u>

(continued)

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2002*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Business:</b>			
Salaries and Wages	\$429,696	\$429,696	\$0
Fringe Benefits	160,222	160,222	0
Purchased Services	50,609	50,609	0
Materials and Supplies	21,468	21,468	0
Capital Outlay - New	194	194	0
Capital Outlay - Replacement	54,335	54,335	0
Other	1,782	1,782	0
<b>Total Business</b>	<b>718,306</b>	<b>718,306</b>	<b>0</b>
<b>Operation and Maintenance of Plant:</b>			
Salaries and Wages	4,396,499	4,396,499	0
Fringe Benefits	1,469,229	1,469,229	0
Purchased Services	1,857,573	1,857,573	0
Materials and Supplies	615,588	615,588	0
Capital Outlay - New	51,935	51,935	0
Capital Outlay - Replacement	79,938	79,938	0
Other	5,852	5,852	0
<b>Total Operation and Maintenance of Plant</b>	<b>8,476,614</b>	<b>8,476,614</b>	<b>0</b>
<b>Pupil Transportation:</b>			
Salaries and Wages	1,610,073	1,610,073	0
Fringe Benefits	435,232	435,232	0
Purchased Services	1,420,922	1,420,922	0
Materials and Supplies	162,398	162,398	0
Capital Outlay - New	14,112	14,112	0
Capital Outlay - Replacement	1,336	1,336	0
Other	200	200	0
<b>Total Pupil Transportation</b>	<b>3,644,273</b>	<b>3,644,273</b>	<b>0</b>
<b>Central:</b>			
Salaries and Wages	656,877	656,877	0
Fringe Benefits	283,076	283,076	0
Purchased Services	415,460	415,460	0
Materials and Supplies	89,702	89,702	0
Capital Outlay - New	7,458	7,458	0
Capital Outlay - Replacement	3,590	3,590	0
Other	1,535	1,535	0
<b>Total Central</b>	<b>1,457,698</b>	<b>1,457,698</b>	<b>0</b>
<b>Total Support Services</b>	<b>\$29,780,377</b>	<b>\$29,780,377</b>	<b>\$0</b>

(continued)

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2002*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	\$32,508	\$32,508	\$0
Fringe Benefits	16,041	16,041	0
Purchased Services	33,804	33,804	0
Materials and Supplies	281	281	0
<b>Total Operation of Non-Instructional Services</b>	<b>82,634</b>	<b>82,634</b>	<b>0</b>
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Salaries and Wages	156,715	156,715	0
Fringe Benefits	36,180	36,180	0
Purchased Services	10,262	10,262	0
Capital Outlay - New	13,015	13,015	0
<b>Total Academic and Subject Oriented Activities</b>	<b>216,172</b>	<b>216,172</b>	<b>0</b>
Occupational Oriented Activities:			
Salaries and Wages	5,813	5,813	0
Fringe Benefits	831	831	0
<b>Total Occupational Oriented Activities</b>	<b>6,644</b>	<b>6,644</b>	<b>0</b>
Sports Oriented Activities:			
Salaries and Wages	420,244	420,244	0
Fringe Benefits	75,417	75,417	0
Purchased Services	43,555	43,555	0
Materials and Supplies	32,073	32,073	0
Capital Outlay - New	2,449	2,449	0
Capital Outlay - Replacement	2,364	2,364	0
<b>Total Sports Oriented Activities</b>	<b>576,102</b>	<b>576,102</b>	<b>0</b>
School and Public Service			
Co-Curricular Activities:			
Salaries and Wages	54,680	54,680	0
Fringe Benefits	8,224	8,224	0
<b>Total School and Public Service</b>			
Co-Curricular Activities	62,904	62,904	0
<b>Total Extracurricular Activities</b>	<b>861,822</b>	<b>861,822</b>	<b>0</b>
<b>Total Expenditures</b>	<b>67,968,603</b>	<b>67,968,603</b>	<b>0</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(\$2,518,709)</b>	<b>\$2,055,726</b>	<b>\$4,574,435</b>

(continued)

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2002*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Other Financing Uses</b>			
Operating Transfers Out	(\$250,461)	(\$250,461)	\$0
<i>Excess of Revenues Over (Under)</i> <i>Expenditures and Other Financing Uses</i>	(2,769,170)	1,805,265	4,574,435
<i>Fund Balance Beginning of Year</i>	5,176,697	5,176,697	0
Prior Year Encumbrances Appropriated	2,205,265	2,205,265	0
<i>Fund Balance End of Year</i>	<u>\$4,612,792</u>	<u>\$9,187,227</u>	<u>\$4,574,435</u>

## Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

*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.

(continued)

## Special Revenue Funds (continued)

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*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.

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

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

*Title VI-B* - This fund accounts for Federal monies used to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

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

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

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

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

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

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

*Bringing American History to Life* - This fund accounts for State monies used for improving students' knowledge of American History through the use of dramatic actors.

*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.

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

**Shaker Heights City School District**

*Combining Balance Sheet*

*All Special Revenue Funds*

*June 30, 2002*

	<u>Public School Support</u>	<u>Shaker Merchandise</u>	<u>Athletic</u>	<u>Auxiliary Services</u>
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$95,473	\$5,565	\$55,128	\$290,598
Intergovernmental Receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u><u>\$95,473</u></u>	<u><u>\$5,565</u></u>	<u><u>\$55,128</u></u>	<u><u>\$290,598</u></u>
<b>Liabilities</b>				
Accounts Payable	\$0	\$0	\$0	\$9,972
Accrued Wages and Benefits	0	0	0	71,263
Intergovernmental Payable	0	0	80	4,681
Deferred Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>80</u>	<u>85,916</u>
<b>Fund Equity</b>				
Fund Balance:				
Reserved for Encumbrances	8,906	92	9,267	50,242
Unreserved, Undesignated (Deficit)	<u>86,567</u>	<u>5,473</u>	<u>45,781</u>	<u>154,440</u>
<i>Total Fund Equity (Deficit)</i>	<u>95,473</u>	<u>5,565</u>	<u>55,048</u>	<u>204,682</u>
<i>Total Liabilities and Fund Equity</i>	<u><u>\$95,473</u></u>	<u><u>\$5,565</u></u>	<u><u>\$55,128</u></u>	<u><u>\$290,598</u></u>



<u>Local Professional Development</u>	<u>Management Information Systems</u>	<u>Data Communication Grant</u>	<u>School Net Professional Development Grant</u>	<u>Ohio Reads Community Grant</u>	<u>Summer School</u>	<u>Alternative Schools</u>
\$2,006 0	\$104,126 0	\$73,696 0	\$6,067 0	\$14,297 0	\$18,083 0	\$3,525 0
<u>\$2,006</u>	<u>\$104,126</u>	<u>\$73,696</u>	<u>\$6,067</u>	<u>\$14,297</u>	<u>\$18,083</u>	<u>\$3,525</u>
\$0 60 18 0	\$0 0 0 0	\$0 0 0 0	\$0 0 0 0	\$0 2,000 42 0	\$0 0 0 0	\$0 0 0 0
<u>78</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,042</u>	<u>0</u>	<u>0</u>
2,006 (78)	0 104,126	0 73,696	0 6,067	14,297 (2,042)	0 18,083	3,525 0
<u>1,928</u>	<u>104,126</u>	<u>73,696</u>	<u>6,067</u>	<u>12,255</u>	<u>18,083</u>	<u>3,525</u>
<u>\$2,006</u>	<u>\$104,126</u>	<u>\$73,696</u>	<u>\$6,067</u>	<u>\$14,297</u>	<u>\$18,083</u>	<u>\$3,525</u>

(continued)

**Shaker Heights City School District**  
*Combining Balance Sheet*  
*All Special Revenue Funds (continued)*  
*June 30, 2002*

	<u>Goals 2000 Pacesetter</u>	<u>Eisenhower Grant</u>	<u>Title VI-B</u>	<u>Title I</u>
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$18,497	\$8,071	\$8,784	\$86,596
Intergovernmental Receivable	<u>0</u>	<u>5,782</u>	<u>126,535</u>	<u>0</u>
<i>Total Assets</i>	<u>\$18,497</u>	<u>\$13,853</u>	<u>\$135,319</u>	<u>\$86,596</u>
<b>Liabilities</b>				
Accounts Payable	\$281	\$2,341	\$0	\$0
Accrued Wages and Benefits	3,167	63,114	0	43,465
Intergovernmental Payable	220	1,354	3,042	3,143
Deferred Revenue	<u>0</u>	<u>5,782</u>	<u>0</u>	<u>0</u>
<i>Total Liabilities</i>	<u>3,668</u>	<u>72,591</u>	<u>3,042</u>	<u>46,608</u>
<b>Fund Equity</b>				
Fund Balance:				
Reserved for Encumbrances	32	0	200	62,217
Unreserved, Undesignated (Deficit)	<u>14,797</u>	<u>(58,738)</u>	<u>132,077</u>	<u>(22,229)</u>
<i>Total Fund Equity (Deficit)</i>	<u>14,829</u>	<u>(58,738)</u>	<u>132,277</u>	<u>39,988</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$18,497</u>	<u>\$13,853</u>	<u>\$135,319</u>	<u>\$86,596</u>

<u>Title VI</u>	<u>Drug Free Schools</u>	<u>Preschool Disability</u>	<u>E-Rate</u>	<u>Class Size Reduction</u>	<u>Goals 2000</u>	<u>Local Grants</u>	<u>Totals</u>
\$12,049	\$2,617	\$2,346	\$128,977	\$14,935	\$7,744	\$84,969	\$1,044,149
<u>31,261</u>	<u>6,018</u>	<u>0</u>	<u>0</u>	<u>25,713</u>	<u>0</u>	<u>0</u>	<u>195,309</u>
<u>\$43,310</u>	<u>\$8,635</u>	<u>\$2,346</u>	<u>\$128,977</u>	<u>\$40,648</u>	<u>\$7,744</u>	<u>\$84,969</u>	<u>\$1,239,458</u>
\$2,400	\$0	\$0	\$0	\$0	\$0	\$1,000	\$15,994
0	0	3,340	0	12,004	0	0	198,413
81	360	233	0	829	97	692	14,872
<u>31,261</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>25,713</u>	<u>0</u>	<u>0</u>	<u>62,756</u>
<u>33,742</u>	<u>360</u>	<u>3,573</u>	<u>0</u>	<u>38,546</u>	<u>97</u>	<u>1,692</u>	<u>292,035</u>
2,360	0	0	0	175	0	20,671	173,990
<u>7,208</u>	<u>8,275</u>	<u>(1,227)</u>	<u>128,977</u>	<u>1,927</u>	<u>7,647</u>	<u>62,606</u>	<u>773,433</u>
<u>9,568</u>	<u>8,275</u>	<u>(1,227)</u>	<u>128,977</u>	<u>2,102</u>	<u>7,647</u>	<u>83,277</u>	<u>947,423</u>
<u>\$43,310</u>	<u>\$8,635</u>	<u>\$2,346</u>	<u>\$128,977</u>	<u>\$40,648</u>	<u>\$7,744</u>	<u>\$84,969</u>	<u>\$1,239,458</u>

**Shaker Heights City School District**  
*Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
All Special Revenue Funds  
For the Fiscal Year Ended June 30, 2002*

	Public School Support	Shaker Merchandise	School Improvement Models	Athletic	Auxiliary Services
<b>Revenues</b>					
Intergovernmental	\$0	\$0	\$0	\$0	\$1,131,035
Interest	5,771	0	0	0	0
Tuition and Fees	17,519	0	0	0	0
Extracurricular Activities	97,075	0	0	120,981	0
Contributions and Donations	13,544	0	0	3,964	0
Charges for Services	0	330	0	0	0
Miscellaneous	9,848	5,046	0	0	0
<i>Total Revenues</i>	<u>143,757</u>	<u>5,376</u>	<u>0</u>	<u>124,945</u>	<u>1,131,035</u>
<b>Expenditures</b>					
Current:					
Instruction:					
Regular	126,175	0	6,173	0	0
Special	0	0	0	0	0
Support Services:					
Pupils	0	0	0	0	0
Instructional Staff	0	0	390	0	0
Administration	0	0	0	0	0
Fiscal	0	0	0	0	0
Business	0	6,977	0	0	0
Operation and Maintenance of Plant	400	0	0	4,754	0
Operation of Non-Instructional					
Services	0	0	0	0	0
Extracurricular Activities	18,982	0	0	211,996	0
Intergovernmental	0	0	0	0	1,079,261
<i>Total Expenditures</i>	<u>145,557</u>	<u>6,977</u>	<u>6,563</u>	<u>216,750</u>	<u>1,079,261</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,800)	(1,601)	(6,563)	(91,805)	51,774
<b>Other Financing Sources</b>					
Operating Transfers In	0	5,000	0	80,000	0
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	(1,800)	3,399	(6,563)	(11,805)	51,774
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>97,273</u>	<u>2,166</u>	<u>6,563</u>	<u>66,853</u>	<u>152,908</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$95,473</u></u>	<u><u>\$5,565</u></u>	<u><u>\$0</u></u>	<u><u>\$55,048</u></u>	<u><u>\$204,682</u></u>

Local Professional Development	Excellence in Education	Management Information Systems	Disadvantaged Pupil Impact Aid	Data Communication Grant	School Net Professional Development Grant	Ohio Reads Community Grant	Summer School
\$0	\$0	\$21,068	\$77,061	\$52,000	\$8,592	\$17,500	\$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	56	0	0	0	0	0	0
0	56	21,068	77,061	52,000	8,592	17,500	0
0	0	0	77,061	0	0	11,203	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
6,491	0	0	0	0	2,762	2,042	0
3,454	0	0	0	0	6,172	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
6,433	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
16,378	0	0	77,061	0	8,934	13,245	0
(16,378)	56	21,068	0	52,000	(342)	4,255	0
0	0	0	0	0	0	0	0
(16,378)	56	21,068	0	52,000	(342)	4,255	0
18,306	(56)	83,058	0	21,696	6,409	8,000	18,083
<u>\$1,928</u>	<u>\$0</u>	<u>\$104,126</u>	<u>\$0</u>	<u>\$73,696</u>	<u>\$6,067</u>	<u>\$12,255</u>	<u>\$18,083</u>

(continued)

**Shaker Heights City School District**  
*Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances*  
*All Special Revenue Funds (continued)*  
For the Fiscal Year Ended June 30, 2002

	Alternative Schools	Goals 2000 Pacesetter	Eisenhower Grant	Title VI-B	Title I	Title VI
<b>Revenues</b>						
Intergovernmental	\$72,290	\$0	\$23,679	\$463,488	\$521,356	\$27,647
Interest	0	0	0	0	0	0
Tuition and Fees	0	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0	0
Contributions and Donations	0	0	0	0	0	0
Charges for Services	0	0	0	0	0	0
Miscellaneous	0	27,102	0	0	0	0
<i>Total Revenues</i>	<u>72,290</u>	<u>27,102</u>	<u>23,679</u>	<u>463,488</u>	<u>521,356</u>	<u>27,647</u>
<b>Expenditures</b>						
Current:						
Instruction:						
Regular	67,900	6,371	0	0	0	19,310
Special	0	0	0	31,576	490,784	0
Support Services:						
Pupils	0	0	0	20,744	0	0
Instructional Staff	0	23,609	87,867	269,878	2,307	0
Administration	2,475	0	0	0	0	0
Fiscal	3,725	0	264	6,000	8,365	0
Business	0	0	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0	0	0
Operation of Non-Instructional						
Services	0	0	906	8,476	0	8,987
Extracurricular Activities	0	0	0	0	0	0
Intergovernmental	0	0	0	0	0	0
<i>Total Expenditures</i>	<u>74,100</u>	<u>29,980</u>	<u>89,037</u>	<u>336,674</u>	<u>501,456</u>	<u>28,297</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,810)	(2,878)	(65,358)	126,814	19,900	(650)
<b>Other Financing Sources</b>						
Operating Transfers In	0	0	0	0	0	0
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	(1,810)	(2,878)	(65,358)	126,814	19,900	(650)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>5,335</u>	<u>17,707</u>	<u>6,620</u>	<u>5,463</u>	<u>20,088</u>	<u>10,218</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$3,525</u></u>	<u><u>\$14,829</u></u>	<u><u>(\$58,738)</u></u>	<u><u>\$132,277</u></u>	<u><u>\$39,988</u></u>	<u><u>\$9,568</u></u>

<u>Drug Free Schools</u>	<u>Preschool Disability</u>	<u>E-Rate</u>	<u>Bringing American History to Life</u>	<u>Class Size Reduction</u>	<u>Goals 2000</u>	<u>Local Grants</u>	<u>Totals</u>
\$42,438	\$18,213	\$0	\$1,980	\$81,205	\$7,500	\$138,220	\$2,705,272
0	0	0	0	0	0	27	5,798
0	0	0	0	0	0	0	17,519
0	0	0	0	0	0	0	218,056
0	0	0	0	0	0	0	17,508
0	0	0	0	0	0	0	330
0	0	0	0	0	0	0	42,052
<u>42,438</u>	<u>18,213</u>	<u>0</u>	<u>1,980</u>	<u>81,205</u>	<u>7,500</u>	<u>138,247</u>	<u>3,006,535</u>
0	0	0	1,980	51,975	0	82,937	451,085
0	0	0	0	67,115	0	0	589,475
45,494	0	0	0	0	0	4,500	70,738
0	20,090	0	0	0	0	161,508	576,944
0	0	0	0	0	0	0	12,101
674	0	0	0	993	0	0	20,021
0	0	0	0	0	0	0	6,977
0	0	0	0	0	0	0	5,154
3,401	0	0	0	0	0	0	28,203
0	0	0	0	0	0	0	230,978
0	0	0	0	0	0	0	1,079,261
<u>49,569</u>	<u>20,090</u>	<u>0</u>	<u>1,980</u>	<u>120,083</u>	<u>0</u>	<u>248,945</u>	<u>3,070,937</u>
(7,131)	(1,877)	0	0	(38,878)	7,500	(110,698)	(64,402)
0	0	0	0	0	0	0	85,000
(7,131)	(1,877)	0	0	(38,878)	7,500	(110,698)	20,598
<u>15,406</u>	<u>650</u>	<u>128,977</u>	<u>0</u>	<u>40,980</u>	<u>147</u>	<u>193,975</u>	<u>926,825</u>
<u>\$8,275</u>	<u>(\$1,227)</u>	<u>\$128,977</u>	<u>\$0</u>	<u>\$2,102</u>	<u>\$7,647</u>	<u>\$83,277</u>	<u>\$947,423</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, 2002*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Interest	\$14,200	\$5,771	(\$8,429)
Tuition and Fees	12,700	17,519	4,819
Extracurricular Activities	231,300	97,075	(134,225)
Contributions and Donations	31,000	14,615	(16,385)
Miscellaneous	10,800	9,848	(952)
<i>Total Revenues</i>	<u>300,000</u>	<u>144,828</u>	<u>(155,172)</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Purchased Services	99,382	73,609	25,773
Materials and Supplies	64,423	38,040	26,383
Capital Outlay - New	11,540	0	11,540
Other	21,908	23,432	(1,524)
Total Instruction	<u>197,253</u>	<u>135,081</u>	<u>62,172</u>
Support Services:			
Operation of Maintenance and Plant:			
Salaries and Wages	600	400	200
Extracurricular Activities:			
Co-Curricular Activities:			
Purchased Services	65,675	764	64,911
Materials and Supplies	59,400	14,533	44,867
Other	46,810	3,685	43,125
Total Extracurricular Activities	<u>171,885</u>	<u>18,982</u>	<u>152,903</u>
<i>Total Expenditures</i>	<u>369,738</u>	<u>154,463</u>	<u>215,275</u>
<i>Excess of Revenues Under Expenditures</i>	(69,738)	(9,635)	60,103
<i>Fund Balance Beginning of Year</i>	77,808	77,808	0
<i>Prior Year Encumbrances Appropriated</i>	<u>18,394</u>	<u>18,394</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$26,464</u></u>	<u><u>\$86,567</u></u>	<u><u>\$60,103</u></u>



**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Shaker Merchandise*  
*For the Fiscal Year Ended June 30, 2002*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Revenues</b>			
Charges for Services	\$0	\$330	\$330
Miscellaneous	10,000	5,046	(4,954)
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Total Revenues</i>	10,000	5,376	(4,624)
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Expenditures</b>			
Current:			
Support Services:			
Business:			
Materials and Supplies	13,000	6,644	6,356
Other	1,010	425	585
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Expenditures</b>	14,010	7,069	6,941
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Excess of Revenues Under Expenditures</i>	(4,010)	(1,693)	2,317
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Other Financing Sources</b>			
Operating Transfers In	2,000	5,000	3,000
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	(2,010)	3,307	5,317
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Fund Balance Beginning of Year</i>	2,156	2,156	0
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Prior Year Encumbrances Appropriated</i>	10	10	0
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Fund Balance End of Year</i>	\$156	\$5,473	\$5,317
	<u>          </u>	<u>          </u>	<u>          </u>

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*School Improvement Models*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental	<u>\$30,000</u>	<u>\$0</u>	<u>(\$30,000)</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	2,242	2,242	0
Fringe Benefits	1,250	1,250	0
Materials and Supplies	<u>4,708</u>	<u>4,708</u>	<u>0</u>
Total Instruction	8,200	8,200	0
Support Services:			
Instructional Staff:			
Salaries and Wages	<u>390</u>	<u>390</u>	<u>0</u>
<i>Total Expenditures</i>	<u>8,590</u>	<u>8,590</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	21,410	(8,590)	(30,000)
<i>Fund Balance Beginning of Year</i>	3,491	3,491	0
<i>Prior Year Encumbrances Appropriated</i>	<u>5,099</u>	<u>5,099</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$30,000</u></u>	<u><u>\$0</u></u>	<u><u>(\$30,000)</u></u>

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Athletic*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental	\$7,300	\$0	(\$7,300)
Extracurricular Activities	238,200	123,532	(114,668)
Contributions and Donations	<u>24,500</u>	<u>3,964</u>	<u>(20,536)</u>
<i>Total Revenues</i>	<u>270,000</u>	<u>127,496</u>	<u>(142,504)</u>
<b>Expenditures</b>			
Current:			
Support Services:			
Operation and Maintenance of Plant:			
Salaries and Wages	<u>8,200</u>	<u>4,800</u>	<u>3,400</u>
Extracurricular Activities:			
Sports Oriented Activities:			
Salaries and Wages	17,955	5,570	12,385
Purchased Services	122,099	74,424	47,675
Materials and Supplies	141,842	90,101	51,741
Capital Outlay - New	60,952	22,343	38,609
Other	<u>50,378</u>	<u>28,783</u>	<u>21,595</u>
Total Extracurricular Activities	<u>393,226</u>	<u>221,221</u>	<u>172,005</u>
<i>Total Expenditures</i>	<u>401,426</u>	<u>226,021</u>	<u>175,405</u>
<i>Excess of Revenues Under Expenditures</i>	(131,426)	(98,525)	32,901
<b>Other Financing Sources</b>			
Operating Transfers In	<u>80,000</u>	<u>80,000</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures</i>	(51,426)	(18,525)	32,901
<i>Fund Balance Beginning of Year</i>	52,073	52,073	0
<i>Prior Year Encumbrances Appropriated</i>	<u>12,313</u>	<u>12,313</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$12,960</u></u>	<u><u>\$45,861</u></u>	<u><u>\$32,901</u></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, 2002*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental	<u>\$1,135,000</u>	<u>\$1,131,035</u>	<u>(\$3,965)</u>
<b>Expenditures</b>			
Intergovernmental:			
Salaries and Wages	519,616	429,912	89,704
Fringe Benefits	130,357	110,906	19,451
Purchased Services	433,757	379,320	54,437
Materials and Supplies	119,778	95,468	24,310
Capital Outlay - New	<u>165,428</u>	<u>122,947</u>	<u>42,481</u>
<b>Total Expenditures</b>	<u>1,368,936</u>	<u>1,138,553</u>	<u>230,383</u>
<i>Excess of Revenues Under Expenditures</i>	(233,936)	(7,518)	226,418
<i>Fund Balance Beginning of Year</i>	93,830	93,830	0
<i>Prior Year Encumbrances Appropriated</i>	<u>144,072</u>	<u>144,072</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,966</u></u>	<u><u>\$230,384</u></u>	<u><u>\$226,418</u></u>

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Local Professional Development*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Revenues</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Expenditures</b>			
Current:			
Support Services:			
Instructional Staff:			
Salaries and Wages	2,321	2,321	0
Fringe Benefits	249	249	0
Purchased Services	<u>6,253</u>	<u>6,253</u>	<u>0</u>
Total Instructional Staff	8,823	8,823	0
Administration:			
Salaries and Wages	<u>3,765</u>	<u>3,765</u>	<u>0</u>
Total Support Services	12,588	12,588	0
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	<u>6,433</u>	<u>6,433</u>	<u>0</u>
<i>Total Expenditures</i>	<u>19,021</u>	<u>19,021</u>	<u>0</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(19,021)	(19,021)	0
<i>Fund Balance Beginning of Year</i>	12,588	12,588	0
<i>Prior Year Encumbrances Appropriated</i>	<u>6,433</u>	<u>6,433</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Excellence in Education*  
*For the Fiscal Year Ended June 30, 2002*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Purchased Services	150	150	0
Materials and Supplies	<u>47</u>	<u>47</u>	<u>0</u>
Total Instruction	197	197	0
Support Services:			
Instructional Staff:			
Salaries and Wages	<u>8,839</u>	<u>8,839</u>	<u>0</u>
<i>Total Expenditures</i>	<u>9,036</u>	<u>9,036</u>	<u>0</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(9,036)	(9,036)	0
<i>Fund Balance Beginning of Year</i>	<u>9,036</u>	<u>9,036</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Management Information Systems*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental	<u>\$20,882</u>	<u>\$21,068</u>	<u>\$186</u>
<b>Expenditures:</b>			
Current:			
Support Services:			
Central:			
Salaries and Wages	26,373	0	26,373
Purchased Services	4,000	0	4,000
Capital Outlay - New	<u>73,567</u>	<u>0</u>	<u>73,567</u>
<i>Total Expenditures</i>	<u>103,940</u>	<u>0</u>	<u>103,940</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(83,058)	21,068	104,126
<i>Fund Balance Beginning of Year</i>	<u>83,058</u>	<u>83,058</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$104,126</u></u>	<u><u>\$104,126</u></u>

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Disadvantaged Pupil Impact Aid  
For the Fiscal Year Ended June 30, 2002*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental	\$77,061	\$77,061	\$0
<b>Expenditures</b>			
Current:			
Instruction:			
Regular Instruction:			
Salaries and Wages	<u>77,061</u>	<u>77,061</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>



**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, 2002*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Revenues</b>			
Intergovernmental	\$52,000	\$52,000	\$0
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Purchased Services	<u>73,696</u>	<u>0</u>	<u>73,696</u>
<i>Excess of Revenues Over</i> <i>(Under) Expenditures</i>	(21,696)	52,000	73,696
<i>Fund Balance Beginning of Year</i>	<u>21,696</u>	<u>21,696</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$73,696</u></u>	<u><u>\$73,696</u></u>

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*School Net Professional Development Grant*  
*For the Fiscal Year Ended June 30, 2002*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$5,142	\$8,592	\$3,450
<b>Expenditures</b>			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	5,379	2,762	2,617
Administration:			
Purchased Services	6,172	6,172	0
<i>Total Expenditures</i>	11,551	8,934	2,617
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(6,409)	(342)	6,067
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Prior Year Encumbrances Appropriated</i>	6,409	6,409	0
<i>Fund Balance End of Year</i>	\$0	\$6,067	\$6,067

**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, 2002*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Revenues</b>			
Intergovernmental	<u>\$25,000</u>	<u>\$17,500</u>	<u>(\$7,500)</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	6,000	6,000	0
Purchased Services	12,000	12,000	0
Materials and Supplies	<u>15,000</u>	<u>7,500</u>	<u>7,500</u>
Total Instruction	33,000	25,500	7,500
Support Services:			
Instructional Staff:			
Salaries and Wages	<u>2,000</u>	<u>2,000</u>	<u>0</u>
<i>Total Expenditures</i>	<u>35,000</u>	<u>27,500</u>	<u>7,500</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(10,000)	(10,000)	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Prior Year Encumbrances Appropriated</i>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Summer School*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	<u>18,083</u>	<u>0</u>	<u>18,083</u>
<i>Excess of Revenues</i>			
<i>  Under Expenditures</i>	(18,083)	0	18,083
<i>Fund Balance Beginning of Year</i>	<u>18,083</u>	<u>18,083</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$18,083</u></u>	<u><u>\$18,083</u></u>

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Alternative Schools*  
*For the Fiscal Year Ended June 30, 2002*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$143,813	\$72,290	(\$71,523)
<b>Expenditures</b>			
Current:			
Instruction:			
Regular Instruction:			
Salaries and Wages	10	10	0
Fringe Benefits	1,600	1,600	0
Purchased Services	66,290	66,290	0
Total Instruction	67,900	67,900	0
Support Services:			
Administration:			
Purchased Services	6,000	6,000	0
Fiscal:			
Other	3,725	3,725	0
Total Support Services	9,725	9,725	0
<i>Total Expenditures</i>	77,625	77,625	0
<i>Excess of Revenues Over</i>			
<i>(Under) Expenditures</i>	66,188	(5,335)	(71,523)
<i>Fund Balance Beginning of Year</i>	5,335	5,335	0
<i>Fund Balance End of Year</i>	\$71,523	\$0	(\$71,523)

**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, 2002*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Miscellaneous	\$26,102	\$27,102	\$1,000
<b>Expenditures</b>			
Current:			
Instruction:			
Regular Instruction:			
Salaries and Wages	4,008	875	3,133
Purchased Services	4,423	1,286	3,137
Materials and Supplies	4,408	4,390	18
Capital Outlay - New	200	120	80
Total Instruction	13,039	6,671	6,368
Support Services:			
Instructional Staff:			
Salaries and Wages	22,854	18,896	3,958
Fringe Benefits	6,075	2,000	4,075
Purchased Services	460	263	197
Materials and Supplies	3,414	2,028	1,386
Capital Outlay - New	1,200	0	1,200
Total Support Services	34,003	23,187	10,816
<i>Total Expenditures</i>	47,042	29,858	17,184
<i>Excess of Revenues Under Expenditures</i>	(20,940)	(2,756)	18,184
<i>Fund Balance Beginning of Year</i>	20,847	20,847	0
<i>Prior Year Encumbrances Appropriated</i>	93	93	0
<i>Fund Balance End of Year</i>	\$0	\$18,184	\$18,184

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Eisenhower Grant*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental	<u>\$19,299</u>	<u>\$23,679</u>	<u>\$4,380</u>
<b>Expenditures</b>			
Current:			
Support Services:			
Instructional Staff:			
Salaries and Wages	13,182	13,182	0
Fringe Benefits	3,060	3,060	0
Purchased Services	3,899	3,064	835
Materials and Supplies	5,213	5,213	0
Capital Outlay - New	<u>2,200</u>	<u>1,761</u>	<u>439</u>
Total Instructional Staff	27,554	26,280	1,274
Fiscal Services:			
Other	<u>339</u>	<u>264</u>	<u>75</u>
Total Support Services	<u>27,893</u>	<u>26,544</u>	<u>1,349</u>
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	2,000	2,000	0
Materials and Supplies	<u>1,248</u>	<u>1,247</u>	<u>1</u>
Total Operation of Non-Instructional Services	<u>3,248</u>	<u>3,247</u>	<u>1</u>
<i>Total Expenditures</i>	<u>31,141</u>	<u>29,791</u>	<u>1,350</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(11,842)	(6,112)	5,730
<i>Fund Balance Beginning of Year</i>	<u>11,842</u>	<u>11,842</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$5,730</u></u>	<u><u>\$5,730</u></u>

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title VI-B*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental	<u>\$330,669</u>	<u>\$336,953</u>	<u>\$6,284</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Special Instruction:			
Purchased Services	5,391	5,391	0
Materials and Supplies	7,787	7,787	0
Capital Outlay - New	<u>20,898</u>	<u>18,598</u>	<u>2,300</u>
Total Instruction	<u>34,076</u>	<u>31,776</u>	<u>2,300</u>
Support Services:			
Pupils:			
Salaries and Wages	25,111	25,111	0
Instructional Staff:			
Salaries and Wages	322,466	322,466	0
Fiscal:			
Other	<u>6,000</u>	<u>6,000</u>	<u>0</u>
Total Support Services	<u>353,577</u>	<u>353,577</u>	<u>0</u>
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	<u>8,476</u>	<u>8,476</u>	<u>0</u>
<i>Total Expenditures</i>	<u>396,129</u>	<u>393,829</u>	<u>2,300</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(65,460)	(56,876)	8,584
<i>Fund Balance Beginning of Year</i>	60,429	60,429	0
<i>Prior Year Encumbrances Appropriated</i>	<u>5,031</u>	<u>5,031</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$8,584</u></u>	<u><u>\$8,584</u></u>



**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title I*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental	<u>\$502,100</u>	<u>\$521,356</u>	<u>\$19,256</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Special:			
Salaries and Wages	363,240	363,240	0
Fringe Benefits	178,747	178,747	0
Purchased Services	7,000	7,000	0
Materials and Supplies	<u>13,095</u>	<u>13,095</u>	<u>0</u>
Total Instruction	<u>562,082</u>	<u>562,082</u>	<u>0</u>
Support Services:			
Instructional Staff:			
Purchased Services	2,402	2,307	95
Fiscal:			
Other	<u>13,393</u>	<u>8,365</u>	<u>5,028</u>
Total Support Services	<u>15,795</u>	<u>10,672</u>	<u>5,123</u>
<i>Total Expenditures</i>	<u>577,877</u>	<u>572,754</u>	<u>5,123</u>
<i>Excess of Revenues Under Expenditures</i>	(75,777)	(51,398)	24,379
<i>Fund Balance Beginning of Year</i>	<u>75,777</u>	<u>75,777</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$24,379</u></u>	<u><u>\$24,379</u></u>

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title VI*  
*For the Fiscal Year Ended June 30, 2002*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$21,945	\$27,647	\$5,702
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	1,925	1,875	50
Purchased Services	2,500	400	2,100
Materials and Supplies	14,789	14,635	154
Total Instruction	19,214	16,910	2,304
Support Services:			
Fiscal:			
Other	1,646	0	1,646
Operation of Non-Instructional Services:			
Community Services:			
Materials and Supplies	11,602	11,565	37
<i>Total Expenditures</i>	32,462	28,475	3,987
<i>Excess of Revenues Under Expenditures</i>	(10,517)	(828)	9,689
<i>Fund Balance Beginning of Year</i>	10,206	10,206	0
<i>Prior Year Encumbrances Appropriated</i>	311	311	0
<i>Fund Balance End of Year</i>	\$0	\$9,689	\$9,689

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Emergency Immigrant Education*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental	\$2,327	\$0	(\$2,327)
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	2,327	0	(2,327)
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,327</u></u>	<u><u>\$0</u></u>	<u><u>(\$2,327)</u></u>

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Drug Free Schools*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental	<u>\$34,645</u>	<u>\$36,420</u>	<u>\$1,775</u>
<b>Expenditures</b>			
Current:			
Support Services:			
Pupils:			
Salaries and Wages	39,168	39,168	0
Fringe Benefits	<u>5,966</u>	<u>5,966</u>	<u>0</u>
Total Pupils	45,134	45,134	0
Fiscal:			
Other	<u>1,503</u>	<u>674</u>	<u>829</u>
Total Support Services	<u>46,637</u>	<u>45,808</u>	<u>829</u>
Operation of Non-Instructional Services:			
Purchased Services	3,317	3,317	0
Materials and Supplies	47	34	13
Capital Outlay - Replacement	<u>981</u>	<u>981</u>	<u>0</u>
Total Operation of Non-Instructional Services	<u>4,345</u>	<u>4,332</u>	<u>13</u>
<i>Total Expenditures</i>	<u>50,982</u>	<u>50,140</u>	<u>842</u>
<i>Excess of Revenues Under Expenditures</i>	(16,337)	(13,720)	2,617
<i>Fund Balance Beginning of Year</i>	15,366	15,366	0
<i>Prior Year Encumbrances Appropriated</i>	<u>971</u>	<u>971</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$2,617</u></u>	<u><u>\$2,617</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, 2002*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental	<u>\$17,000</u>	<u>\$18,213</u>	<u>\$1,213</u>
<b>Expenditures</b>			
Current:			
Support Services:			
Instructional Staff:			
Salaries and Wages	20,837	19,909	928
Fiscal:			
Other	<u>205</u>	<u>0</u>	<u>205</u>
<i>Total Expenditures</i>	<u>21,042</u>	<u>19,909</u>	<u>1,133</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(4,042)	(1,696)	2,346
<i>Fund Balance Beginning of Year</i>	<u>4,042</u>	<u>4,042</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$2,346</u></u>	<u><u>\$2,346</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, 2002*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Purchased Services	128,735	0	128,735
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(128,735)	0	128,735
<i>Fund Balance Beginning of Year</i>	128,977	128,977	0
<i>Fund Balance End of Year</i>	\$242	\$128,977	\$128,735

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Bringing American History to Life*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental	<u>\$2,616</u>	<u>\$1,980</u>	<u>(\$636)</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular Instruction:			
Purchased Services	1,905	1,905	0
Materials and Supplies	<u>75</u>	<u>75</u>	<u>0</u>
<i>Total Expenditures</i>	<u>1,980</u>	<u>1,980</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	636	0	(636)
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$636</u></u>	<u><u>\$0</u></u>	<u><u>(\$636)</u></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, 2002*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental	<u>\$86,399</u>	<u>\$81,205</u>	<u>(\$5,194)</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	38,525	38,525	0
Fringe Benefits	6,033	0	6,033
Purchased Services	<u>7,801</u>	<u>617</u>	<u>7,184</u>
Total Regular	<u>52,359</u>	<u>39,142</u>	<u>13,217</u>
Special:			
Salaries and Wages	50,785	50,785	0
Fringe Benefits	14,220	14,220	0
Purchased Services	<u>2,285</u>	<u>2,285</u>	<u>0</u>
Total Special	<u>67,290</u>	<u>67,290</u>	<u>0</u>
Total Instruction	<u>119,649</u>	<u>106,432</u>	<u>13,217</u>
Support Services:			
Administration:			
Other	2,393	0	2,393
Fiscal Services:			
Other	<u>993</u>	<u>993</u>	<u>0</u>
Total Support Services	<u>3,386</u>	<u>993</u>	<u>2,393</u>
<i>Total Expenditures</i>	<u>123,035</u>	<u>107,425</u>	<u>15,610</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(36,636)	(26,220)	10,416
<i>Fund Balance Beginning of Year</i>	<u>40,980</u>	<u>40,980</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,344</u></u>	<u><u>\$14,760</u></u>	<u><u>\$10,416</u></u>



**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Goals 2000*  
*For the Fiscal Year Ended June 30, 2002*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$0	\$7,500	\$7,500
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	0	7,500	7,500
<i>Fund Balance Beginning of Year</i>	<u>244</u>	<u>244</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$244</u></u>	<u><u>\$7,744</u></u>	<u><u>\$7,500</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, 2002*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$194,300	\$138,220	(\$56,080)
Interest	1,500	27	(1,473)
Contributions and Donations	4,200	0	(4,200)
<i>Total Revenues</i>	<u>200,000</u>	<u>138,247</u>	<u>(61,753)</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	62,579	62,579	0
Fringe Benefits	13,916	13,916	0
Purchased Services	4,718	3,039	1,679
Materials and Supplies	5,441	3,267	2,174
Capital Outlay - New	4,074	2,948	1,126
Other	1,249	0	1,249
Total Instruction	<u>91,977</u>	<u>85,749</u>	<u>6,228</u>
Support Services:			
Pupils:			
Salaries and Wages	4,710	4,500	210
Instructional Staff:			
Salaries and Wages	2,160	2,160	0
Fringe Benefits	23	17	6
Purchased Services	191,732	191,732	0
Materials and Supplies	5,004	2,555	2,449
Total Instructional Staff	<u>198,919</u>	<u>196,464</u>	<u>2,455</u>
Total Support Services	<u>203,629</u>	<u>200,964</u>	<u>2,665</u>
<i>Total Expenditures</i>	<u>295,606</u>	<u>286,713</u>	<u>8,893</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(95,606)	(148,466)	(52,860)
<i>Fund Balance Beginning of Year</i>	192,379	192,379	0
<i>Prior Year Encumbrances Appropriated</i>	<u>19,385</u>	<u>19,385</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$116,158</u>	<u>\$63,298</u>	<u>(\$52,860)</u>

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balances - Budget (Non-GAAP Basis) and Actual*  
*All Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2002*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$2,707,498	\$2,572,719	(\$134,779)
Interest	15,700	5,798	(9,902)
Tuition and Fees	12,700	17,519	4,819
Extracurricular Activities	469,500	220,607	(248,893)
Contributions and Donations	59,700	18,579	(41,121)
Charges for Services	0	330	330
Miscellaneous	46,902	41,996	(4,906)
<i>Total Revenues</i>	<u>3,312,000</u>	<u>2,877,548</u>	<u>(434,452)</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	210,433	189,167	21,266
Fringe Benefits	21,549	15,516	6,033
Purchased Services	402,850	160,546	242,304
Materials and Supplies	108,891	72,662	36,229
Capital Outlay - New	15,814	3,068	12,746
Other	23,157	23,432	(275)
Total Regular	<u>782,694</u>	<u>464,391</u>	<u>318,303</u>
Special:			
Salaries and Wages	414,025	414,025	0
Fringe Benefits	192,967	192,967	0
Purchased Services	14,676	14,676	0
Materials and Supplies	20,882	20,882	0
Capital Outlay - New	20,898	18,598	2,300
Total Special	<u>663,448</u>	<u>661,148</u>	<u>2,300</u>
Total Instruction	<u>1,446,142</u>	<u>1,125,539</u>	<u>320,603</u>
Support Services:			
Pupils:			
Salaries and Wages	68,989	68,779	210
Purchased Services	5,966	5,966	0
Total Pupils	<u>74,955</u>	<u>74,745</u>	<u>210</u>
Instructional Staff:			
Salaries and Wages	396,549	390,163	6,386
Fringe Benefits	9,407	5,326	4,081
Purchased Services	208,624	206,381	2,243
Materials and Supplies	13,631	9,796	3,835
Capital Outlay - New	3,400	1,761	1,639
Total Instructional Staff	<u>\$631,611</u>	<u>\$613,427</u>	<u>\$18,184</u>

(continued)

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balances - Budget (Non-GAAP Basis) and Actual*  
*All Special Revenue Funds (continued)*  
*For the Fiscal Year Ended June 30, 2002*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Administration:</b>			
Salaries and Wages	\$3,765	\$3,765	\$0
Purchased Services	12,172	12,172	0
Other	2,393	0	2,393
<b>Total Administration</b>	<b>18,330</b>	<b>15,937</b>	<b>2,393</b>
<b>Fiscal:</b>			
Other	27,804	20,021	7,783
<b>Business:</b>			
Materials and Supplies	13,000	6,644	6,356
Other	1,010	425	585
<b>Total Business</b>	<b>14,010</b>	<b>7,069</b>	<b>6,941</b>
<b>Operation and Maintenance of Plant:</b>			
Salaries and Wages	8,800	5,200	3,600
<b>Central:</b>			
Salaries and Wages	26,373	0	26,373
Purchased Services	4,000	0	4,000
Capital Outlay - New	73,567	0	73,567
<b>Total Central</b>	<b>103,940</b>	<b>0</b>	<b>103,940</b>
<b>Total Support Services</b>	<b>879,450</b>	<b>736,399</b>	<b>143,051</b>
<b>Operation of Non-Instructional Services:</b>			
<b>Community Services:</b>			
Purchased Services	20,226	20,226	0
Materials and Supplies	12,897	12,846	51
Capital Outlay - Replacement	981	981	0
<b>Total Operation of Non-Instructional Services</b>	<b>34,104</b>	<b>34,053</b>	<b>51</b>
<b>Extracurricular Activities:</b>			
Salaries and Wages	17,955	5,570	12,385
Purchased Services	187,774	75,188	112,586
Materials and Supplies	201,242	104,634	96,608
Capital Outlay - New	60,952	22,343	38,609
Other	97,188	32,468	64,720
<b>Total Extracurricular Activities</b>	<b>565,111</b>	<b>240,203</b>	<b>324,908</b>

(continued)

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balances - Budget (Non-GAAP Basis) and Actual*  
*All Special Revenue Funds (continued)*  
*For the Fiscal Year Ended June 30, 2002*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Intergovernmental:			
Salaries and Wages	519,616	429,912	89,704
Fringe Benefits	130,357	110,906	19,451
Purchased Services	433,757	379,320	54,437
Materials and Supplies	119,778	95,468	24,310
Capital Outlay - New	165,428	122,947	42,481
Total Intergovernmental	<u>1,368,936</u>	<u>1,138,553</u>	<u>230,383</u>
<i>Total Expenditures</i>	<u>\$4,293,743</u>	<u>\$3,274,747</u>	<u>\$1,018,996</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(\$981,743)	(\$397,199)	\$584,544
<b>Other Financing Sources</b>			
Operating Transfers In	<u>82,000</u>	<u>85,000</u>	<u>3,000</u>
<i>Excess of Revenues and Other</i>			
<i>Financing Sources Under Expenditures</i>	(899,743)	(312,199)	587,544
<i>Fund Balances Beginning of Year</i>	940,243	940,243	0
<i>Prior Year Encumbrances Appropriated</i>	<u>228,521</u>	<u>228,521</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$269,021</u></u>	<u><u>\$856,565</u></u>	<u><u>\$587,544</u></u>

## **Debt Service Fund**

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

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

## Capital Projects Funds

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

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

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

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

**Shaker Heights City School District**

*Combining Balance Sheet*

*All Capital Projects Funds*

*June 30, 2002*

	<u>Capital</u>	<u>Building</u>	<u>Totals</u>
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	<u>\$831</u>	<u>\$3,706,031</u>	<u>\$3,706,862</u>
<b>Liabilities</b>			
Accounts Payable	<u>\$0</u>	<u>\$137,820</u>	<u>\$137,820</u>
<b>Fund Equity</b>			
Fund Balance:			
Reserved for Encumbrances	831	658,896	659,727
Unreserved, Undesignated	<u>0</u>	<u>2,909,315</u>	<u>2,909,315</u>
<i>Total Fund Equity</i>	<u>831</u>	<u>3,568,211</u>	<u>3,569,042</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$831</u>	<u>\$3,706,031</u>	<u>\$3,706,862</u>



**Shaker Heights City School District**  
*Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
All Capital Projects Funds  
For the Fiscal Year Ended June 30, 2002*

	<u>Capital</u>	<u>Building</u>	<u>School Net Plus</u>	<u>Totals</u>
<b>Revenues</b>				
Taxes	\$0	\$117,931	\$0	\$117,931
Interest	0	32,455	0	32,455
Rentals	0	100,000	0	100,000
Miscellaneous	0	2,703,251	0	2,703,251
<i>Total Revenues</i>	<u>0</u>	<u>2,953,637</u>	<u>0</u>	<u>2,953,637</u>
<b>Expenditures</b>				
Capital Outlay	0	1,010,033	28,338	1,038,371
<i>Excess of Revenues Over (Under) Expenditures</i>	0	1,943,604	(28,338)	1,915,266
<i>Fund Balances Beginning of Year</i>	<u>831</u>	<u>1,624,607</u>	<u>28,338</u>	<u>1,653,776</u>
<i>Fund Balances End of Year</i>	<u><u>\$831</u></u>	<u><u>\$3,568,211</u></u>	<u><u>\$0</u></u>	<u><u>\$3,569,042</u></u>

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Capital*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>			
Current:			
Support Services:			
Operation and Maintenance of Plant:			
Capital Outlay - New	<u>831</u>	<u>831</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	(831)	(831)	0
<i>Fund Balance Beginning of Year</i>	<u>831</u>	<u>831</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Building*  
*For the Fiscal Year Ended June 30, 2002*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Taxes	\$250,000	\$117,931	(\$132,069)
Interest	50,000	42,445	(7,555)
Rentals	100,000	100,000	0
Miscellaneous	0	2,703,251	2,703,251
<i>Total Revenues</i>	<u>400,000</u>	<u>2,963,627</u>	<u>2,563,627</u>
<b>Expenditures</b>			
Current:			
Support Services:			
Pupils:			
Capital Outlay	<u>102,432</u>	<u>0</u>	<u>102,432</u>
Operation and Maintenance of Plant:			
Purchased Services	1,429,932	1,366,509	63,423
Materials and Supplies	28,156	28,156	0
Capital Outlay	90,913	90,913	0
Capital Outlay - Replacement	<u>77,922</u>	<u>77,122</u>	<u>800</u>
Total Operation and Maintenance of Plant	<u>1,626,923</u>	<u>1,562,700</u>	<u>64,223</u>
Pupil Transportation:			
Capital Outlay - Replacement	<u>95,567</u>	<u>95,567</u>	<u>0</u>
Central:			
Capital Outlay - New	<u>75,600</u>	<u>37,100</u>	<u>38,500</u>
<i>Total Expenditures</i>	<u>1,900,522</u>	<u>1,695,367</u>	<u>205,155</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,500,522)	1,268,260	2,768,782
<i>Fund Balance Beginning of Year</i>	1,246,533	1,246,533	0
<i>Prior Year Encumbrances Appropriated</i>	<u>400,522</u>	<u>400,522</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$146,533</u></u>	<u><u>\$2,915,315</u></u>	<u><u>\$2,768,782</u></u>

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*School Net Plus*  
*For the Fiscal Year Ended June 30, 2002*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Capital Outlay	28,338	28,338	0
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(28,338)	(28,338)	0
<i>Fund Balance Beginning of Year</i>	28,338	28,338	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and*  
*Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual*  
*All Capital Projects Funds*  
*For the Fiscal Year Ended June 30, 2002*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Taxes	\$250,000	\$117,931	(\$132,069)
Interest	50,000	42,445	(7,555)
Rentals	100,000	100,000	0
Miscellaneous	0	2,703,251	2,703,251
<i>Total Revenues</i>	<u>400,000</u>	<u>2,963,627</u>	<u>2,563,627</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Capital Outlay	<u>28,338</u>	<u>28,338</u>	<u>0</u>
Support Services:			
Pupils:			
Capital Outlay	102,432	0	102,432
Operation and Maintenance of Plant:			
Capital Outlay	1,627,754	1,563,531	64,223
Pupil Transportation:			
Capital Outlay	95,567	95,567	0
Central:			
Capital Outlay	<u>75,600</u>	<u>37,100</u>	<u>38,500</u>
<i>Total Support Services</i>	<u>1,901,353</u>	<u>1,696,198</u>	<u>205,155</u>
<i>Total Expenditures</i>	<u>1,929,691</u>	<u>1,724,536</u>	<u>205,155</u>
<i>Excess of Revenues Over</i> <i>(Under) Expenditures</i>	(1,529,691)	1,239,091	2,768,782
<i>Fund Balances Beginning of Year</i>	1,275,702	1,275,702	0
<i>Prior Year Encumbrances Appropriated</i>	<u>400,522</u>	<u>400,522</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$146,533</u></u>	<u><u>\$2,915,315</u></u>	<u><u>\$2,768,782</u></u>

## Enterprise Funds

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

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

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

**Shaker Heights City School District**

*Combining Balance Sheet*

*All Enterprise Funds*

*June 30, 2002*

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Totals</u>
<b>Assets</b>			
<i>Current Assets</i>			
Equity in Pooled Cash and Cash Equivalents	\$56,911	\$24,627	\$81,538
Receivables:			
Accounts	2,000	1,200	3,200
Due from Other Funds	2,000	0	2,000
Inventory Held For Resale	<u>17,215</u>	<u>0</u>	<u>17,215</u>
<i>Total Current Assets</i>	78,126	25,827	103,953
 Fixed Assets (Net of Accumulated Depreciation)	 <u>39,026</u>	 <u>0</u>	 <u>39,026</u>
 <i>Total Assets</i>	 <u><u>\$117,152</u></u>	 <u><u>\$25,827</u></u>	 <u><u>\$142,979</u></u>
<b>Liabilities</b>			
<i>Current Liabilities</i>			
Accounts Payable	\$720	\$0	\$720
Accrued Wages and Benefits	40,523	0	40,523
Intergovernmental Payable	<u>12,210</u>	<u>0</u>	<u>12,210</u>
<i>Total Current Liabilities</i>	53,453	0	53,453
 <i>Non-Current Liabilities</i>			
Compensated Absences Payable	<u>19,095</u>	<u>0</u>	<u>19,095</u>
<i>Total Liabilities</i>	72,548	0	72,548
<b>Fund Equity</b>			
Retained Earnings			
Unreserved	<u>44,604</u>	<u>25,827</u>	<u>70,431</u>
 <i>Total Liabilities and Fund Equity</i>	 <u><u>\$117,152</u></u>	 <u><u>\$25,827</u></u>	 <u><u>\$142,979</u></u>

**Shaker Heights City School District**  
*Combining Statement of Revenues,  
Expenses and Changes in Retained Earnings  
All Enterprise Funds  
For the Fiscal Year Ended June 30, 2002*

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Totals</u>
<b>Operating Revenues</b>			
Sales	<u>\$722,908</u>	<u>\$77,627</u>	<u>\$800,535</u>
<b>Operating Expenses</b>			
Salaries	274,311	0	274,311
Fringe Benefits	117,491	0	117,491
Purchased Services	4,728	0	4,728
Cost of Sales	455,143	80,042	535,185
Other	13,827	0	13,827
Depreciation	<u>2,975</u>	<u>0</u>	<u>2,975</u>
<i>Total Operating Expenses</i>	<u>868,475</u>	<u>80,042</u>	<u>948,517</u>
<i>Operating Loss</i>	<u>(145,567)</u>	<u>(2,415)</u>	<u>(147,982)</u>
<b>Non-Operating Revenues</b>			
Donated Commodities	40,264	0	40,264
Operating Grants	134,163	0	134,163
Interest	<u>885</u>	<u>0</u>	<u>885</u>
<i>Total Non-Operating Revenues</i>	<u>175,312</u>	<u>0</u>	<u>175,312</u>
<i>Net Income (Loss)</i>	29,745	(2,415)	27,330
<i>Retained Earnings Beginning of Year</i>	<u>14,859</u>	<u>28,242</u>	<u>43,101</u>
<i>Retained Earnings End of Year</i>	<u><u>\$44,604</u></u>	<u><u>\$25,827</u></u>	<u><u>\$70,431</u></u>



**Shaker Heights City School District**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Food Service*  
*For the Fiscal Year Ended June 30, 2002*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Sales	\$793,500	\$720,733	(\$72,767)
Interest	1,000	885	(115)
Operating Grants	145,500	138,283	(7,217)
<i>Total Revenues</i>	<u>940,000</u>	<u>859,901</u>	<u>(80,099)</u>
<b>Expenses</b>			
Salaries and Wages:			
Food Service Operations	270,012	251,101	18,911
Fringe Benefits:			
Food Service Operations	118,518	118,518	0
Purchased Services:			
Food Service Operations	22,980	4,862	18,118
Materials and Supplies:			
Food Service Operations	463,681	463,681	0
Capital Outlay:			
Food Service Operations	2,432	2,432	0
Other:			
Food Service Operations	13,276	12,962	314
<i>Total Expenses</i>	<u>890,899</u>	<u>853,556</u>	<u>37,343</u>
<i>Excess of Revenues Over Expenses</i>	49,101	6,345	(42,756)
<i>Fund Equity Beginning of Year</i>	5,858	5,858	0
<i>Prior Year Encumbrances Appropriated</i>	<u>40,899</u>	<u>40,899</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$95,858</u></u>	<u><u>\$53,102</u></u>	<u><u>(\$42,756)</u></u>

**Shaker Heights City School District**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Uniform School Supplies*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Sales	\$125,000	\$77,605	(\$47,395)
<b>Expenses</b>			
Materials and Supplies:			
Regular Instruction	<u>104,657</u>	<u>80,264</u>	<u>24,393</u>
<i>Excess of Revenues Over (Under) Expenses</i>	20,343	(2,659)	(23,002)
<i>Fund Equity Beginning of Year</i>	26,807	26,807	0
<i>Prior Year Encumbrances Appropriated</i>	<u>257</u>	<u>257</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$47,407</u></u>	<u><u>\$24,405</u></u>	<u><u>(\$23,002)</u></u>

**Shaker Heights City School District**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*All Enterprise Funds*  
*For the Fiscal Year Ended June 30, 2002*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Sales	\$918,500	\$798,338	(\$120,162)
Interest	1,000	885	(115)
Operating Grants	145,500	138,283	(7,217)
<i>Total Revenues</i>	<u>1,065,000</u>	<u>937,506</u>	<u>(127,494)</u>
<b>Expenses</b>			
Salaries and Wages:			
Food Service Operations	270,012	251,101	18,911
Fringe Benefits:			
Food Service Operations	118,518	118,518	0
Purchased Services:			
Food Service Operations	22,980	4,862	18,118
Materials and Supplies:			
Regular Instruction	104,657	80,264	24,393
Food Service Operations	463,681	463,681	0
<i>Total Materials and Supplies</i>	<u>568,338</u>	<u>543,945</u>	<u>24,393</u>
Capital Outlay:			
Capital Outlay - New:			
Food Service Operations	2,432	2,432	0
Other:			
Food Service Operations	13,276	12,962	314
<i>Total Expenses</i>	<u>995,556</u>	<u>933,820</u>	<u>61,736</u>
<i>Excess of Revenues Over Expenses</i>	69,444	3,686	(65,758)
<i>Fund Equity Beginning of Year</i>	32,665	32,665	0
<i>Prior Year Encumbrances Appropriated</i>	41,156	41,156	0
<i>Fund Equity End of Year</i>	<u>\$143,265</u>	<u>\$77,507</u>	<u>(\$65,758)</u>

**Shaker Heights City School District**  
*Combining Statement of Cash Flows*  
*All Enterprise Funds*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Totals</u>
<i>Increase (Decrease) in Cash and Cash Equivalents</i>			
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$720,733	\$77,605	\$798,338
Cash Payments to Employees for Services	(251,101)	0	(251,101)
Cash Payments for Employee Benefits	(118,518)	0	(118,518)
Cash Payments for Goods and Services	(464,909)	(80,042)	(544,951)
Cash Payments for Other Operating Expenses	(12,962)	0	(12,962)
<i>Net Cash Used for Operating Activities</i>	(126,757)	(2,437)	(129,194)
<b>Cash Flows from Noncapital Financing Activities</b>			
Operating Grants Received	138,283	0	138,283
<b>Cash Flows from Capital and Related Financing Activities</b>			
Payments for Capital Acquisitions	(2,432)	0	(2,432)
<b>Cash Flows from Investing Activities</b>			
Interest on Investments	1,060	0	1,060
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	10,154	(2,437)	7,717
<i>Cash and Cash Equivalents Beginning of Year</i>	46,757	27,064	73,821
<i>Cash and Cash Equivalents End of Year</i>	<u>\$56,911</u>	<u>\$24,627</u>	<u>\$81,538</u>
<b>Reconciliation of Operating Loss to Net Cash Used for Operating Activities:</b>			
<i>Operating Loss</i>	(145,567)	(2,415)	(147,982)
<i>Adjustments:</i>			
Depreciation	2,975	0	2,975
Donated Commodities Received During Year	35,969	0	35,969
<i>(Increase)/Decrease in Assets:</i>			
Accounts Receivable	(2,000)	(22)	(2,022)
Intergovernmental Receivable	4,120	0	4,120
Due from Other Funds	865	0	865
Inventory Held for Resale	(6,616)	0	(6,616)
<i>Increase/(Decrease) in Liabilities:</i>			
Accounts Payable	(35,432)	0	(35,432)
Accrued Wages	28,915	0	28,915
Compensated Absences Payable	5,379	0	5,379
Intergovernmental Payable	(11,084)	0	(11,084)
Deferred Revenue	(4,281)	0	(4,281)
<i>Total Adjustments</i>	18,810	(22)	18,788
<i>Net Cash Used for Operating Activities</i>	<u>(126,757)</u>	<u>(2,437)</u>	<u>(129,194)</u>

## Internal Service Funds

---

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

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

*Workers' Compensation Reserve* - This fund accounts for all costs for workers claims for the fiscal years 1993, 1999, 2000, 2001 and 2002.

**Shaker Heights City School District**

*Combining Balance Sheet*

*All Internal Service Funds*

*June 30, 2002*

	<u>Self Insurance</u>	<u>Workers' Compensation Reserve</u>	<u>Totals</u>
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	<u>\$99,718</u>	<u>\$304,161</u>	<u>\$403,879</u>
<b>Liabilities</b>			
Claims Payable	\$82,200	\$304,161	\$386,361
<b>Fund Equity</b>			
Retained Earnings Unreserved	<u>17,518</u>	<u>0</u>	<u>17,518</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$99,718</u>	<u>\$304,161</u>	<u>\$403,879</u>

**Shaker Heights City School District**  
*Combining Statement of Revenues,  
Expenses and Changes in Retained Earnings  
All Internal Service Funds  
For the Fiscal Year Ended June 30, 2002*

	<u>Self Insurance</u>	<u>Workers' Compensation Reserve</u>	<u>Totals</u>
<b>Operating Revenues</b>			
Charges for Services	<u>\$1,323,342</u>	<u>\$50,000</u>	<u>\$1,373,342</u>
<b>Operating Expenses</b>			
Purchased Services	11,000	0	11,000
Claims	<u>1,298,397</u>	<u>159,520</u>	<u>1,457,917</u>
<i>Total Operating Expenses</i>	<u>1,309,397</u>	<u>159,520</u>	<u>1,468,917</u>
<i>Operating Income (Loss)</i>	13,945	(109,520)	(95,575)
<i>Retained Earnings Beginning of Year</i>	<u>3,573</u>	<u>109,520</u>	<u>113,093</u>
<i>Retained Earnings End of Year</i>	<u><u>\$17,518</u></u>	<u><u>\$0</u></u>	<u><u>\$17,518</u></u>

**Shaker Heights City School District**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Self Insurance*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>Revenues</b>			
Charges for Services	<u>\$4,122,000</u>	<u>\$1,323,342</u>	<u>(\$2,798,658)</u>
<b>Expenses</b>			
Purchased Services	11,000	11,000	0
Claims	<u>1,289,000</u>	<u>1,279,397</u>	<u>9,603</u>
<i>Total Expenses</i>	<u>1,300,000</u>	<u>1,290,397</u>	<u>9,603</u>
<i>Excess of Revenues Over Expenses</i>	2,822,000	32,945	(2,789,055)
<i>Fund Equity Beginning of Year</i>	<u>66,773</u>	<u>66,773</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$2,888,773</u></u>	<u><u>\$99,718</u></u>	<u><u>(\$2,789,055)</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, 2002*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Charges for Services	\$200,000	\$50,000	(\$150,000)
<b>Expenses</b>			
Claims	<u>200,000</u>	<u>91,807</u>	<u>108,193</u>
<i>Excess of Revenues Under Expenses</i>	0	(41,807)	(41,807)
<i>Fund Equity Beginning of Year</i>	<u>345,968</u>	<u>345,968</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$345,968</u></u>	<u><u>\$304,161</u></u>	<u><u>(\$41,807)</u></u>

**Shaker Heights City School District**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*All Internal Service Funds*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Charges for Services	<u>\$4,322,000</u>	<u>\$1,373,342</u>	<u>(\$2,948,658)</u>
<b>Expenses</b>			
Purchased Services	11,000	11,000	0
Claims	<u>1,489,000</u>	<u>1,371,204</u>	<u>117,796</u>
<i>Total Expenses</i>	<u>1,500,000</u>	<u>1,382,204</u>	<u>117,796</u>
<i>Excess of Revenues Over (Under) Expenses</i>	2,822,000	(8,862)	(2,830,862)
<i>Fund Equity Beginning of Year</i>	<u>412,741</u>	<u>412,741</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$3,234,741</u></u>	<u><u>\$403,879</u></u>	<u><u>(\$2,830,862)</u></u>

**Shaker Heights City School District**  
*Combining Statement of Cash Flows*  
*All Internal Service Funds*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Self Insurance</u>	<u>Workers' Compensation Reserve</u>	<u>Totals</u>
<i>Increase (Decrease) in Cash and Cash Equivalents</i>			
<b>Cash Flows from Operating Activities</b>			
Cash Received from Quasi-External Transactions with Other Funds	\$1,323,342	\$50,000	\$1,373,342
Cash Payments for Goods and Services	(11,000)	0	(11,000)
Cash Payments for Claims	<u>(1,279,397)</u>	<u>(91,807)</u>	<u>(1,371,204)</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	32,945	(41,807)	(8,862)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>66,773</u>	<u>345,968</u>	<u>412,741</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$99,718</u></u>	<u><u>\$304,161</u></u>	<u><u>\$403,879</u></u>
 <b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>			
<i>Operating Income (Loss)</i>	\$13,945	(\$109,520)	(\$95,575)
<i>Adjustments:</i>			
Increase in Claims Payable	<u>19,000</u>	<u>67,713</u>	<u>86,713</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u><u>\$32,945</u></u>	<u><u>(\$41,807)</u></u>	<u><u>(\$8,862)</u></u>

## **Fiduciary Funds**

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

### Agency Funds

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

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

**Shaker Heights City School District**  
*Combining Statement of Changes in Assets and Liabilities*  
*All Agency Funds*  
*For the Fiscal Year Ended June 30, 2002*

	Beginning Balance July 1, 2001	Additions	Reductions	Ending Balance June 30, 2002
<b>Rotary</b>				
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$72,406	\$11,055	\$231	\$83,230
<i>Liabilities</i>				
Undistributed Monies	\$72,406	\$11,055	\$231	\$83,230
<b>Student Activities</b>				
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$91,963	\$6,034	\$1,034	\$96,963
<i>Liabilities</i>				
Due to Students	\$91,963	\$6,034	\$1,034	\$96,963
<b>Total - All Agency Funds</b>				
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$164,369	\$17,089	\$1,265	\$180,193
<i>Liabilities</i>				
Undistributed Monies	\$72,406	\$11,055	\$231	\$83,230
Due to Students	91,963	6,034	1,034	96,963
<i>Total Liabilities</i>	\$164,369	\$17,089	\$1,265	\$180,193

## **General Fixed Assets Account Group**

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

**Shaker Heights City School District**

*Schedule of General Fixed Assets*

*By Function and Type*

*June 30, 2002*

	<u>Total</u>	<u>Land</u>	<u>Buildings</u>	<u>Furniture and Equipment</u>	<u>Vehicles</u>	<u>Construction In Progress</u>
Instruction:						
Regular	\$1,477,560	\$0	\$0	\$1,457,560	\$20,000	\$0
Special	164,864	0	0	164,864	0	0
Support Services:						
Pupils	8,508,159	0	300,143	8,208,016	0	0
Instructional Staff	233,844	0	0	233,844	0	0
Board of Education	4,726	0	0	4,726	0	0
Administration	255,556	0	0	230,000	25,556	0
Fiscal	17,045	0	0	17,045	0	0
Business	378,922	0	0	378,922	0	0
Operation and Maintenance of Plant	28,531,445	3,030,212	24,250,635	798,759	419,883	31,956
Pupil Transportation	2,361,850	0	0	59,659	2,302,191	0
Central	136,965	0	0	136,965	0	0
Non-Instructional Services	276,236	0	0	276,236	0	0
Extracurricular Activities	175,487	0	0	175,487	0	0
Acquisition of Site	287,149	0	287,149	0	0	0
Other Miscellaneous Uses of Funds	<u>2,407</u>	<u>0</u>	<u>0</u>	<u>2,407</u>	<u>0</u>	<u>0</u>
Total General Fixed Assets	<u>\$42,812,215</u>	<u>\$3,030,212</u>	<u>\$24,837,927</u>	<u>\$12,144,490</u>	<u>\$2,767,630</u>	<u>\$31,956</u>

**Shaker Heights City School District**  
*Schedule of Changes in General Fixed Assets*  
*By Function*  
*For the Fiscal Year Ended June 30, 2002*

Function	General Fixed Assets June 30, 2001	Additions	Deductions	General Fixed Assets June 30, 2002
Instruction:				
Regular	\$1,303,078	\$174,482	\$0	\$1,477,560
Special	132,045	32,819	0	164,864
Support Services:				
Pupils	8,500,047	8,112	0	8,508,159
Instructional Staff	154,011	79,833	0	233,844
Board of Education	4,726	0	0	4,726
Administration	222,630	32,926	0	255,556
Fiscal	15,757	1,288	0	17,045
Business	327,554	51,368	0	378,922
Operation and Maintenance of Plant	27,727,373	915,695	111,623	28,531,445
Pupil Transportation	2,252,321	109,529	0	2,361,850
Central	129,346	7,619	0	136,965
Non-Instructional Services	158,737	117,499	0	276,236
Extracurricular Activities	153,143	22,344	0	175,487
Acquisition of Site	287,149	0	0	287,149
Other Miscellaneous Uses of Funds	2,407	0	0	2,407
Total General Fixed Assets	<u>\$41,370,324</u>	<u>\$1,553,514</u>	<u>\$111,623</u>	<u>\$42,812,215</u>



**Shaker Heights City School District**

*Schedule of General Fixed Assets*

*By Source*

*June 30, 2002*

Land	\$3,030,212
Buildings	24,837,927
Furniture and Equipment	12,144,490
Vehicles	2,767,630
Construction In Progress	<u>31,956</u>
<b><i>Total General Fixed Assets</i></b>	<b><u><u>\$42,812,215</u></u></b>

***Investment in General Fixed Assets From:***

General Fund	\$26,406,798
Special Revenue Funds	539,546
Capital Projects Funds	<u>15,865,871</u>
<b><i>Total Investment in General Fixed Assets</i></b>	<b><u><u>\$42,812,215</u></u></b>

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**Shaker Heights City School District**

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

	2002	2001	2000	1999	1998	1997	1996	1995	1994 (1)	1993 (1)
Current:										
Instruction:										
Regular	\$27,981,773	\$26,250,206	\$26,092,946	\$25,120,166	\$23,624,031	\$21,745,023	\$21,406,807	\$21,548,351	\$24,429,252	\$24,434,583
Special	7,607,235	7,229,599	6,499,476	6,170,717	6,586,739	5,910,984	5,090,868	4,702,390	N/A	N/A
Vocational	229,153	244,799	338,095	265,844	319,757	280,304	239,057	202,117	N/A	N/A
Support Services:										
Pupil	4,435,831	4,035,949	4,006,461	3,557,365	3,048,106	2,747,518	2,707,445	2,763,273	2,623,437	2,514,290
Instructional Staff	3,913,078	3,875,809	3,765,886	3,276,152	2,835,348	2,595,372	2,289,529	2,764,031	2,539,738	2,523,844
Board of Education	71,907	57,321	44,778	61,146	58,518	50,216	53,576	79,054	71,233	53,077
Administration	5,296,284	5,100,343	4,839,108	4,519,966	4,307,472	3,773,142	3,731,610	3,850,398	3,264,315	3,246,068
Fiscal	1,523,559	1,368,575	1,448,829	1,278,091	1,191,687	615,198	578,563	665,011	543,320	491,012
Business	695,518	681,945	735,562	687,948	800,206	1,160,716	1,248,045	1,203,322	1,194,713	1,123,526
Operation and Maintenance of Plant	8,427,864	8,028,917	7,357,041	6,732,184	6,563,450	6,250,728	5,918,655	6,586,916	6,107,076	5,603,414
Pupil Transportation	3,515,732	3,264,343	3,194,117	2,755,507	1,877,529	1,799,479	1,800,917	1,840,296	2,226,901	1,965,009
Central	1,135,390	1,295,220	1,265,433	1,044,950	978,612	868,798	812,516	904,322	946,172	831,099
Operation of Non-Instructional Services	83,898	76,981	183,828	178,280	39,015	40,315	55,047	64,349	157,025	313,950
Extracurricular Activities	825,984	766,653	740,718	708,418	647,506	678,757	594,881	587,141	563,584	482,121
Capital Outlay	0	0	0	154,399	0	0	0	0	559,851	0
Debt Service	10,305	15,669	5,323	12,777	12,776	12,776	12,776	7,453	0	0
Other Financing Uses	250,461	321,837	398,679	2,560,744	487,031	1,342,436	105,789	127,206	197,726	144,242
<b>Total</b>	<b>\$66,003,972</b>	<b>\$62,614,166</b>	<b>\$60,916,280</b>	<b>\$59,084,654</b>	<b>\$53,377,783</b>	<b>\$49,871,762</b>	<b>\$46,646,081</b>	<b>\$47,895,630</b>	<b>\$45,424,343</b>	<b>\$43,726,235</b>

Source: School District Financial Records.

(1) For fiscal years 1993 and 1994, Instructional expenditures were not classified by function.

N/A - Not Available 1993 and 1994.

**Shaker Heights City School District**  
*General Fund*  
*Revenues by Source*  
*and Other Financing Sources*  
*Last Ten Fiscal Years*

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Taxes	\$54,293,414	\$42,151,723	\$41,099,368	\$42,563,895	\$41,195,212	\$41,269,488	\$38,561,143	\$35,766,315	\$35,122,128	\$32,222,738
Intergovernmental	21,104,292	16,505,145	14,970,356	14,459,135	12,595,654	11,130,410	10,631,049	10,244,094	9,429,995	9,074,182
Interest	501,808	734,826	819,302	810,924	896,297	680,412	397,422	235,592	249,371	311,022
Tuition and Fees	1,536,024	926,828	1,076,931	995,307	729,347	375,043	136,271	268,994	266,407	210,170
Contributions and Donations	0	0	0	0	300	0	0	0	0	0
Charges for Services	32,996	30,487	0	0	0	0	52,605	26,673	0	0
Rentals	43,243	47,510	50,653	56,880	48,292	53,174	5,891	53,708	0	0
Miscellaneous	71,750	76,101	20,093	159,202	380,356	35,540	42,036	54,620	411,273	301,080
Other Financing Sources	0	244	350	125	1,806	30	115,963	43,433	180,540	0
<b>Total</b>	<b>\$77,583,527</b>	<b>\$60,472,864</b>	<b>\$58,037,053</b>	<b>\$59,045,468</b>	<b>\$55,847,264</b>	<b>\$53,544,097</b>	<b>\$49,942,380</b>	<b>\$46,693,429</b>	<b>\$45,659,714</b>	<b>\$42,119,192</b>

Source: School District Financial Records.

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

Year (1)	Total Tax Levy	Current Collections	Percent of Current Taxes Collected	Delinquent Collections	Total Collections	Percent of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes (2)	Percent of Outstanding Delinquent Taxes to Total Tax Levy
2001	\$59,395,866	\$53,242,741	89.64%	\$2,025,582	55,268,323	93.05%	\$4,107,206	6.92%
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
1995	44,221,209	40,282,334	91.09	1,094,964	41,377,298	93.57	2,394,040	5.41
1994	44,856,857	39,999,148	89.17	1,185,547	41,184,695	91.81	3,231,136	7.20
1993	44,270,312	39,774,638	89.84	684,388	40,459,026	91.39	3,560,983	8.04
1992	37,904,368	33,927,822	89.51	664,059	34,591,881	91.26	2,874,986	7.58

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

(1) Represents collection year. 2002 information cannot be presented because all collections have not been made by June 30.

(2) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.

## Shaker Heights City School District

### *History of School Operating Levies*

*For the Years 1933 - 2000*

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

Source: Shaker Heights City School District Records

## Shaker Heights City School District

### *History of Bond Issues*

*For the Years 1912 - 2000*

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

Source: Shaker Heights City School District

N/A - Not Available

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

Collection Year	Real Property		Public Utility Property		Tangible Personal Property		Total		
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	
2002	\$758,473,160	\$2,167,066,171	\$20,101,330	\$22,842,420	\$15,119,701	\$60,478,804	\$793,694,191	\$2,250,387,395	35%
2001 (2)	753,027,040	2,151,505,829	24,248,080	27,554,636	13,134,797	52,539,188	790,409,917	2,231,599,653	35
2000	662,695,440	1,893,415,543	23,622,520	26,843,773	11,482,000	45,928,000	697,799,960	1,966,187,316	35
1999	663,126,030	1,894,645,800	26,011,210	29,558,193	11,049,610	44,198,440	700,186,850	1,968,402,433	36
1998 (3)	661,972,460	1,891,349,886	26,022,220	29,570,705	11,863,524	47,454,096	699,858,204	1,968,374,686	36
1997	617,455,480	1,764,158,514	27,287,540	31,008,568	11,624,648	46,498,592	656,367,668	1,841,665,674	36
1996	615,519,820	1,758,628,057	28,203,870	32,049,852	9,938,472	39,753,888	653,662,162	1,830,431,797	36
1995 (2)	619,478,020	1,769,937,200	29,933,520	34,015,364	8,856,428	35,425,712	658,267,968	1,839,378,276	36
1994	565,341,330	1,615,260,943	29,420,940	33,432,886	7,776,699	31,106,796	602,538,969	1,679,800,625	36
1993	569,686,740	1,627,676,400	28,745,290	32,665,102	6,568,492	26,273,968	605,000,522	1,686,615,470	36

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

- (1) This amount is calculated based on the following percentages:  
 Real estate is assessed at 35 percent of actual value.  
 Public utility property is assessed at 88 percent of actual value.  
 Personal property is assessed at 25 percent of actual value.

(2) Reappraisal of property values.

(3) Triennial update of property values.



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

Year	School Levy	Library	County Levy	City Levy	Total Levy	Debt Service			Total
						School	County	City	
						Included in Total Levy			
2002	\$150.50	\$4.00	\$16.20	\$9.90	\$180.60	\$3.37	\$0.86	\$0.00	\$4.23
2001	150.50	4.00	16.20	9.90	180.60	3.37	0.27	0.00	3.64
2000	141.00	4.00	15.30	9.90	170.20	3.27	0.27	0.00	3.54
1999	139.80	4.00	15.30	9.90	169.00	2.07	0.72	0.00	2.79
1998	139.60	4.00	16.60	9.90	170.10	1.87	0.60	0.00	2.47
1997	139.80	3.00	16.60	9.90	169.30	2.07	0.60	0.00	2.67
1996	139.70	3.00	16.80	9.90	169.40	1.97	0.90	0.00	2.87
1995	131.00	3.00	16.80	9.90	160.70	1.97	0.87	0.00	2.84
1994	131.20	3.00	16.80	9.90	160.90	2.17	0.76	0.00	2.93
1993	130.90	3.00	16.80	11.50	162.20	1.87	0.68	1.60	4.15

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

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

<u>Year</u>	<u>Net General Obligation Bonded Debt (1)</u>	<u>Assessed Value (2)</u>	<u>Population (3)</u>	<u>Ratio of Net Debt to Assessed Value</u>	<u>Net Debt Per Capita</u>
2002	\$15,326,921	\$793,694,191	29,405	2.11%	\$521
2001	17,574,060	790,409,917	29,405	2.22	598
2000	15,619,430	697,799,960	30,867	2.24	506
1999	16,829,739	700,186,850	30,867	2.40	545
1998	8,018,677	699,858,204	30,867	1.15	260
1997	9,144,582	656,367,668	30,867	1.39	296
1996	9,554,560	653,662,162	30,867	1.46	310
1995	8,976,814	658,267,968	30,867	1.36	291
1994	9,755,516	602,538,969	30,867	1.62	316
1993	10,305,339	605,000,522	30,867	1.70	334

Sources:

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

**Shaker Heights City School District**

*Computation of Legal Debt Margin*

*June 30, 2002*

Assessed Valuation	<u>\$793,694,191</u>
Overall Debt Limit - 9% of Assessed Value (1)	<u>\$71,432,477</u>
Amount of Debt Applicable to Debt Limit:	
School Improvement Bonds 1990	3,160,000
Building Addition Bonds 1993	2,025,000
Energy Conservation Improvement Bonds 1995	579,230
School Improvement Bonds 1999	7,745,000
School Improvement Bonds 2000	3,199,099
Less: Amount Available in Debt Service Fund	<u>(1,381,408)</u>
Amount of Debt Subject to the Limit	<u>15,326,921</u>
Overall Debt Margin	<u>\$56,105,556</u>
Unvoted Debt Limit - .10% of Assessed Value (1)	\$793,694
Amount of Debt Applicable	<u>0</u>
Unvoted Debt Margin	<u>\$793,694</u>
Additional Limit for Unvoted Energy Conservation Improvement Bonds:	
Debt Limit - .9% of Assessed Valuation	\$7,143,248
Energy Conservation Improvement Bonds	<u>(579,230)</u>
Additional Unvoted Debt Margin	<u>\$6,564,018</u>

Source: Cuyahoga County Auditor and School District Financial Records.

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

## Shaker Heights City School District

### *Demographic Statistics*

#### *Last Ten Years*

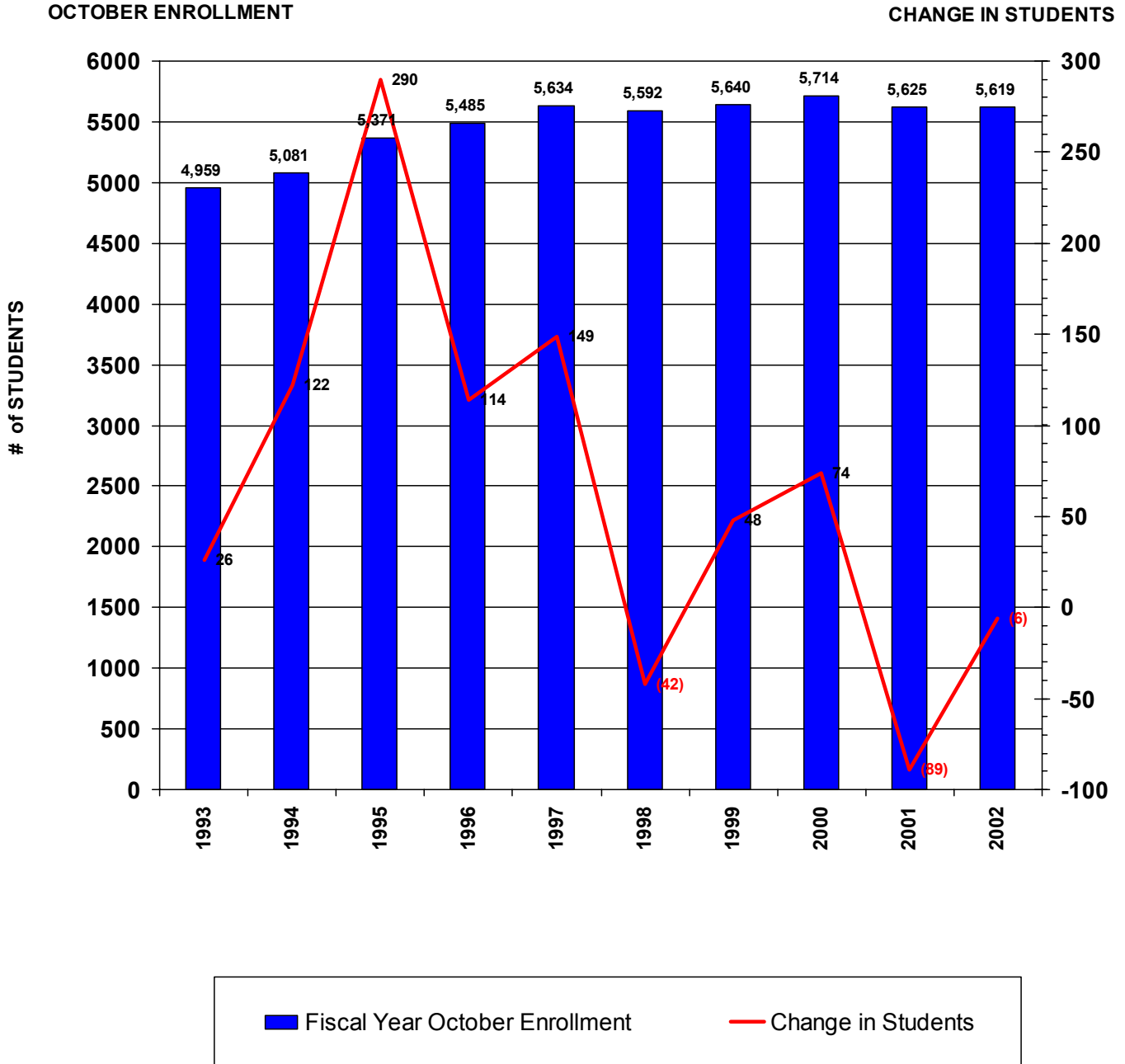
<u>Year</u>	<u>Cuyahoga County Population</u>	<u>Shaker Heights City Population</u>	<u>School Enrollment</u>	<u>Unemployment Rate (1)</u>
2002	1,393,978	29,405	5,619	4.6%
2001	1,380,421	29,405	5,625	4.5
2000	1,386,096	30,867	5,714	4.5
1999	1,386,096	30,867	5,640	4.6
1998	1,397,694	30,867	5,592	4.4
1997	1,398,169	30,867	5,634	5.8
1996	1,403,217	30,867	5,485	5.2
1995	1,403,239	30,867	5,371	4.8
1994	1,414,141	30,867	5,081	5.8
1993	1,411,209	30,867	4,959	6.8

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

(1) Represents Cuyahoga County.

# SHAKER HEIGHTS CITY SCHOOL DISTRICT

## ENROLLMENT SUMMARY LAST TEN FISCAL YEARS



**Shaker Heights City School District**

*Per Pupil Cost*

*Last Ten Fiscal Years*

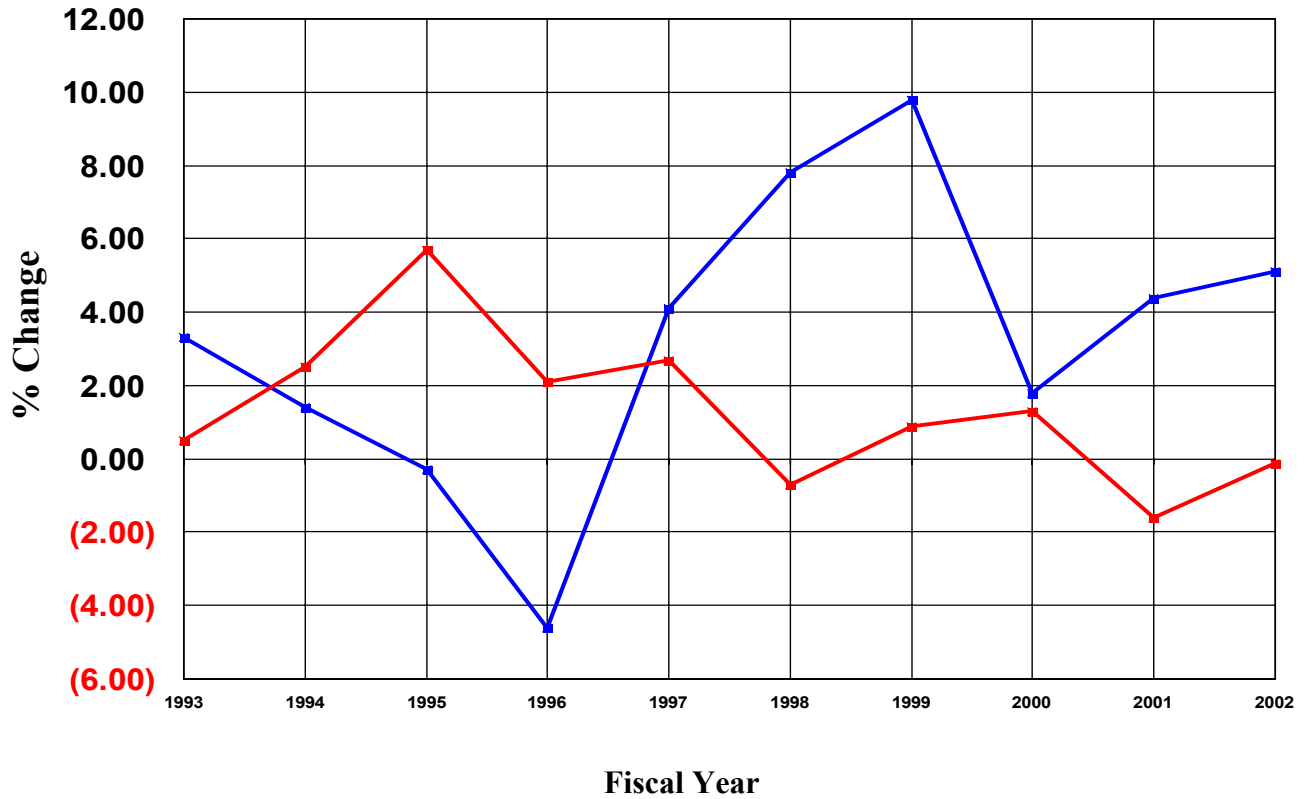
<u>Year</u>	<u>General Fund Expenditures (1)</u>	<u>Average Daily Student Enrollment</u>	<u>Per Pupil Cost</u>
2002	\$66,003,972	5,619	\$11,747
2001	62,614,166	5,625	11,131
2000	60,916,280	5,714	10,661
1999	59,084,654	5,640	10,476
1998	53,377,783	5,592	9,545
1997	49,871,762	5,634	8,852
1996	46,646,081	5,485	8,504
1995	47,895,630	5,371	8,917
1994	45,424,343	5,081	8,940
1993	43,726,235	4,959	8,818

Source: School District Financial Records.

(1) Includes Other Financing Uses.

# SHAKER HEIGHTS CITY SCHOOL DISTRICT

## COST PER PUPIL PERCENTAGE CHANGE LAST TEN FISCAL YEARS



—	Cost Per Pupil % Change
—	Enrollment % Change

**Shaker Heights City School District**  
Public, Private, and Total School Enrollment by School Year  
Fiscal Years 1979 to 2002

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	1,021	5,890	17.3
1989	4,830	966	5,796	16.7
1990	4,887	921	5,808	15.9
1991	4,874	842	5,716	14.7
1992	4,933	878	5,811	15.1
1993	4,959	867	5,826	14.9
1994	5,081	909	5,990	15.2
1995	5,371	966	6,337	15.2
1996	5,485	1,063	6,548	16.2
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	1,129	6,843	16.5
2001	5,625	1,140	6,765	16.9
2002	5,619	1,157	6,776	17.1

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 2002 are based on first full week of Shaker Heights City School District October enrollment report.
- (2) Estimated from State of Ohio Transportation Report (T-1) and/or a telephone and mail survey of private and parochial schools.



## Shaker Heights City School District

*Computation of Direct and Overlapping General Obligation Bonded Debt  
December 31, 2001*

Jurisdiction	General Obligation Bonded Debt Outstanding	Percentage Applicable to School District (1)	Amount Applicable to School District
<u>Direct:</u>			
Shaker Heights City School District	\$16,708,329	100.00%	\$16,708,329
<u>Overlapping:</u>			
Cuyahoga County	216,544,636	2.77	5,998,286
City of Shaker Heights	7,600,000	100.00	7,600,000
City of Cleveland	293,380,000	7.00	20,536,600
Regional Transit Authority	123,915,000	2.77	3,432,446
Total Overlapping	641,439,636		37,567,332
Total	\$658,147,965		\$54,275,661

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

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2001 collection year.

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

Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures (1)	Ratio of Debt Service to General Fund Expenditures (Percentage)
2002	\$1,775,000	\$956,967	\$2,731,967	\$66,003,972	4.14%
2001	1,670,000	965,840	2,635,840	62,614,166	4.21
2000	770,000	1,014,931	1,784,931	60,916,280	2.93
1999	740,000	515,887	1,255,887	59,084,654	2.13
1998	937,000	556,684	1,493,684	53,377,783	2.80
1997	835,000	601,195	1,436,195	49,871,762	2.88
1996	695,000	575,106	1,270,106	46,646,081	2.72
1995	670,000	600,532	1,270,532	47,895,630	2.65
1994	640,000	679,583	1,319,583	45,424,343	2.91
1993	470,000	573,869	1,043,869	43,726,235	2.39

Source: School District Financial Records.

(1) Includes Other Financing Uses

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

<u>Year</u>	<u>Property Value (1) (Real Estate Only)</u>	<u>Financial Institution Deposits (000's) Banks</u>	<u>Value of Building Permits Issued</u>
2002	\$758,473,160	\$88,346,368	\$20,633,259
2001	753,027,040	61,942,764	25,751,459
2000	662,695,440	57,816,942	36,382,085
1999	663,126,030	60,846,022	1,790,370
1998	661,972,460	56,770,353	4,224,290
1997	617,455,480	53,941,971 (2)	2,815,440
1996	615,519,820	27,068,211	1,605,830
1995	619,478,020	22,458,573	679,300
1994	565,341,330	20,885,453	1,918,270
1993	569,686,740	21,009,421	3,656,300

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

(1) Represents assessed value.

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

**Shaker Heights City School District**

*Principal Taxpayers*

*Real Estate Tax*

*December 31, 2001*

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total Assessed Value</u>
Shaker Towne Center LLC	\$3,675,000	0.48%
Community Links Limited Partnership	2,964,540	0.39
Tower East Operating Association	2,879,870	0.38
Somerset Point Limited Partnership	2,496,380	0.33
Officemax Incorporated	2,186,170	0.29
East End School Association	1,961,190	0.26
Karrington Acquisition Incorporated	1,917,650	0.25
Deborah Salzberg	1,876,280	0.25
Shaker Heights Country Club	1,851,290	0.24
Excel Cleveland Limited Partnership	1,697,570	0.22
Cleveland Skating Club	<u>1,344,180</u>	<u>0.18</u>
Total	<u>\$24,850,120</u>	<u>3.27%</u>
Total Real Estate Valuation	<u>\$758,473,160</u>	

Source: Cuyahoga County Auditor.

(1) Assessed values are for the 2002 collection year.

**Shaker Heights City School District**

*Principal Taxpayers*

*Tangible Personal Property Tax*

*December 31, 2001*

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total Assessed Value</u>
Officemax Incorporated	\$2,385,180	15.78%
Cablevision Incorporated	1,141,220	7.55
Ameritech New Media Incorporated	674,770	4.46
Joseph-Beth Booksellers LLC	652,510	4.32
Zalud Oldsmobile Incorporated	579,070	3.83
Rite Aid of Ohio Incorporated	556,320	3.68
Qua Newco Incorporated	511,080	3.38
Ganley Nissan Incorporated	453,440	3.00
Heinens Incorporated	298,150	1.97
Revco Discount Drug Incorporated	<u>254,470</u>	<u>1.68</u>
Total	<u><u>\$7,506,210</u></u>	<u><u>49.65%</u></u>
Total Tangible Assessed Valuation	<u><u>\$15,119,701</u></u>	

Source: Cuyahoga County Auditor.

(1) Assessed values are for the 2002 collection year.

**Shaker Heights City School District**

*Principal Taxpayers*

*Public Utilities Tax*

*December 31, 2001*

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total Assessed Value</u>
Cleveland Electric Illuminating Company	\$7,043,620	35.04%
Ohio Bell Telephone	6,472,880	32.20
Allegiance Telecom of Ohio	1,888,880	9.40
East Ohio Gas Company	<u>1,272,320</u>	<u>6.33</u>
Total	<u>\$16,677,700</u>	<u>82.97%</u>
Total Public Utility Assessed Value	<u>\$20,101,330</u>	

Source: Cuyahoga County Auditor.

(1) Assessed values are for the 2002 collection year.

**Shaker Heights City School District**

*College Admissions for All Students*

*Last Ten Years*

<u>Class</u>	<u>Percent of Four - Year</u>	<u>Percent of Two - Year</u>	<u>Total Percent</u>
1993	90	3	93
1994	89	1	90
1995	87	2	89
1996	88	2	90
1997	88	2	90
1998	84	2	86
1999	91	2	93
2000	82	5	87
2001	82	6	88
2002	82	4	86

Source: Shaker Heights City School District Records

**Shaker Heights City School District**

*National Merit and National*

*Achievement Recognition*

*Last Ten Years*

<u>Class</u>	<u>National Merit (all students)</u>	<u>National Achievement (African-American students only)</u>	<u>National Hispanic Scholars</u>	<u>Percent of Shaker Seniors Honored</u>	<u>Percent of United States Seniors Honored</u>
1993	46	12	2	19	2
1994	35	11	0	15	2
1995	33	6	0	12	2
1996	36	8	1	15	2
1997	46	11	2	17	2
1998	44	6	0	14	2
1999	35	14	2	15	2
2000	42	8	0	13	2
2001	42	5	0	13	2
2002	27	6	0	9	2

Source: Shaker Heights City School District Records



**Shaker Heights City School District**

*Teacher Education and Experience*

*June 30, 2002*

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	21	4.80%
Bachelor + 15	55	12.50
Master's Degree	175	40.00
Master's Degree +15	70	16.00
Master's Degree +30	50	11.40
Master's Degree +45	57	13.00
Ph.D.	<u>10</u>	<u>2.30</u>
Total	<u><u>438</u></u>	<u><u>100.00%</u></u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	76	17.40%
6 - 10	83	18.90
11 and Over	<u>279</u>	<u>63.70</u>
	<u><u>438</u></u>	<u><u>100.00%</u></u>

Source: School District Personnel Records.

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## Supplemental Information Section



## **Expenditure Flow Model**

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

The reporting format is now being nationally distributed by Price Waterhouse Coopers and the United States Chamber of Commerce. In 1991 the Ohio General Assembly adopted House Bill 152 which gave the State Superintendent of Public Instruction permissive authority to inspect and analyze the expenditures of each school district. The Expenditure Flow Model (EFM) was developed using Dr. Cooper's reporting format to fulfill that authority. The following pages contain the fiscal year 2001 report for our School District. The following definitions will assist in reading the report:

- |             |   |
|-------------|---|
| <b>IRN</b>  | 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.                          |
| <b>ADM</b>  | Average Daily Membership. This is the number of students enrolled in the School District.   |
| <b>EMIS</b> | 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. |
| <b>EFM</b>  | 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	1,723	\$1,751,536	\$4,324,994	\$239,657	\$3,090,997	\$11,749,878	\$21,157,062
Total High Schools	1,723	1,751,536	4,324,994	239,657	3,090,997	11,749,878	21,157,062
Adult/Continuing							
Middle School							
Shaker Heights Middle School	859	777,341	2,585,647	231,147	1,635,090	5,892,855	11,122,080
Total Middle Schools	859	777,341	2,585,647	231,147	1,635,090	5,892,855	11,122,080
Elementary Schools							
Boulevard Elementary School	388	259,108	760,607	159,862	517,738	2,299,251	3,996,566
Fernway Elementary School	326	241,087	618,314	85,069	409,528	1,834,005	3,188,003
Lomond Elementary School	502	335,555	1,085,103	142,244	597,664	2,799,351	4,959,917
Mercer Elementary School	384	275,957	881,495	244,326	545,112	2,383,448	4,330,338
Onaway Elementary School	399	270,505	796,135	251,349	557,767	2,340,191	4,215,947
Woodbury Elementary School	899	607,359	2,530,360	265,004	1,069,596	5,415,996	9,888,315
Total Elementary Schools	2,898	1,989,571	6,672,014	1,147,854	3,697,405	17,072,242	30,579,086
Community Service							
School Total	5,480	4,518,448	13,582,655	1,618,658	8,423,492	34,714,975	62,858,228
Central Office	0	3,959,445	557,244	245,142	145,294	0	4,907,125
Expenditure Flow Model Total	5,480	\$8,477,893	\$14,139,899	\$1,863,800	\$8,568,786	\$34,714,975	67,765,353
Other Debt Service							2,731,968
Tuition - Other Districts							2,529,119
Non-Public							1,115,831
Rotary							5,325,545
Other Programs							93,579
Grand Total							\$79,561,395

Average Daily Membership (ADM) Reported for District Internal Retrieval Number (IRN): 16.60\*\*\*

\*\*\* 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
<b>High School</b>							
Shaker Heights High School	1,723	\$1,017	\$2,511	\$139	\$1,794	\$6,821	\$12,282
Total High Schools	1,723	1,017	2,511	139	1,794	6,821	12,282
<b>Middle School</b>							
Shaker Heights Middle School	859	904	3,008	269	1,902	6,855	12,938
Total Middle Schools	859	904	3,008	269	1,902	6,855	12,938
<b>Elementary Schools</b>							
Boulevard Elementary School	388	668	1,962	412	1,335	5,930	10,307
Fernway Elementary School	326	740	1,898	261	1,257	5,629	9,785
Lomond Elementary School	502	668	2,161	283	1,190	5,575	9,877
Mercer Elementary School	384	718	2,293	636	1,418	6,201	11,266
Onaway Elementary School	399	678	1,996	630	1,398	5,867	10,569
Woodbury Elementary School	899	675	2,813	295	1,189	6,023	10,995
Total Elementary Schools	2,898	686	2,302	396	1,276	5,891	10,551
<b>School Total</b>	5,480	825	2,478	295	1,537	6,334	11,469
Central Office	5,480	722	102	45	27	0	896
Grand Total	5,480**	\$1,547**	\$2,580**	\$340**	\$1,564**	\$6,334**	\$12,365**

Average Daily Membership (ADM) Reported for District Internal Retrieval Number (IRN): 16.60\*\*\*

\*\* 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	1,723	8%	20%	1%	15%	56%	100%
Total High Schools	<u>1,723</u>	<u>8</u>	<u>20</u>	<u>1</u>	<u>15</u>	<u>56</u>	<u>100</u>
Middle School							
Shaker Heights Middle School	859	7	23	2	15	53	100
Total Middle Schools	<u>859</u>	<u>7</u>	<u>23</u>	<u>2</u>	<u>15</u>	<u>53</u>	<u>100</u>
Elementary Schools							
Boulevard Elementary School	388	6	19	4	13	58	100
Fermyway Elementary School	326	8	19	2	13	58	100
Lomond Elementary School	502	7	22	3	12	56	100
Mercer Elementary School	384	6	20	6	13	55	100
Onaway Elementary School	399	6	19	6	13	56	100
Woodbury Elementary School	899	6	25	3	11	55	100
Total Elementary Schools	<u>2,898</u>	<u>7</u>	<u>22</u>	<u>3</u>	<u>12</u>	<u>56</u>	<u>100</u>
School Total	5,480	7	22	3	13	55	100
Central Office	0	81	11	5	3	0	100
Grand Total	<u>5,480</u>	<u>12%</u>	<u>21%</u>	<u>3%</u>	<u>13%</u>	<u>51%</u>	<u>100%</u>

Average Daily Membership (ADM) Reported for District Internal Retrieval Number (IRN): 16.60\*\*\*

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

Source: Education Management Information System





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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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 28, 2003**