

**Mary Taylor, CPA**  
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 RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2009**

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>					
<i>Passed Through Ohio Department of Education:</i>					
Nutrition Cluster:					
School Breakfast Program	10.553	\$ 131,528	\$0	\$ 131,528	\$0
National School Lunch Program	10.555	504,334	84,870	504,334	84,870
Total Nutrition Cluster		<u>635,862</u>	<u>0</u>	<u>635,862</u>	<u>0</u>
Total U.S. Department of Agriculture		<u>635,862</u>	<u>84,870</u>	<u>635,862</u>	<u>84,870</u>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>					
<i>Passed Through Ohio Department of Education:</i>					
Special Education Cluster:					
Special Education: Grants to States	84.027	1,084,897	0	1,124,892	0
Special Education: Preschool Grants	84.173	19,421	0	18,043	0
Total Special Education Cluster		<u>1,104,318</u>	<u>0</u>	<u>1,142,935</u>	<u>0</u>
Title I Grants to Local Educational Agencies	84.010	593,667	0	589,267	0
Miscellaneous - F.L.A.P.	84.293	41,953	0	43,398	0
Safe and Drug-Free Schools and Communities State Grants	84.186	15,769	0	17,167	0
Innovative Education Program Strategies	84.298	5,261	0	5,825	0
Education Technology State Grants	84.318	9,008	0	10,664	0
English Language Acquisition Grants	84.365	25,978	0	29,878	0
Improving Teacher Quality State Grants	84.367	151,819	0	155,988	0
Total U.S. Department of Education		<u>1,947,773</u>	<u>0</u>	<u>1,995,122</u>	<u>0</u>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>					
<i>Direct Program:</i>					
Miscellaneous Federal - GA Morgan Tech	20.200	29,900	0	28,765	0
Total U.S. Department of Transportation		<u>29,900</u>	<u>0</u>	<u>28,765</u>	<u>0</u>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>					
<i>Passed Through Ohio Department of Mental Retardation and Developmental Disabilities:</i>					
Medicaid Assistance Program - CAFS	93.778	230,866	0	0	0
Medicaid Assistance Program - MSP	93.778	93,909	0	93,909	0
Total U.S. Department of Health and Human Services		<u>324,775</u>	<u>0</u>	<u>93,909</u>	<u>0</u>
<b>Total Federal Awards Receipts and Expenditures</b>		<u><u>\$ 2,938,310</u></u>	<u><u>\$ 84,870</u></u>	<u><u>\$ 2,753,658</u></u>	<u><u>\$ 84,870</u></u>

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

**SHAKER HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY  
NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2009**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) summarizes activity of the District's federal award programs. The Schedule has been prepared on the cash basis of accounting.

**NOTE B - CHILD NUTRITION CLUSTER**

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

**NOTE C – FOOD DONATION PROGRAM**

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the Schedule at the fair value of the commodities received.

CFDA – Catalog of Federal Domestic Assistance



# Mary Taylor, CPA

Auditor of State

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

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

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Shaker Heights City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 23, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

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

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

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

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

We noted a certain matter that we reported to the District's management in a separate letter dated December 23, 2009.

### **Compliance and Other Matters**

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

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

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

**Mary Taylor, CPA**  
Auditor of State

December 23, 2009





# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133, AND ON THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES

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

To the Board of Education:

#### Compliance

We have audited the compliance of the Shaker Heights City School District, Cuyahoga County, Ohio, (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to each of its major federal programs for the year ended June 30, 2009. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the Shaker Heights City School District, Cuyahoga County, Ohio, complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended June 30, 2009.

#### Internal Control Over Compliance

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

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### **Internal Control Over Compliance (Continued)**

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

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

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

### **Schedule of Federal Awards Receipts and Expenditures**

We have also audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Shaker Heights City School District, Cuyahoga County, Ohio, as of and for the year ended June 30, 2009, and have issued our report thereon dated December 23, 2009. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of federal awards receipts and expenditures provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



**Mary Taylor, CPA**  
Auditor of State

December 23, 2009

**SHAKER HEIGHTS CITY SCHOOL DISTRICT  
 CUYAHOGA COUNTY  
 SCHEDULE OF FINDINGS  
 OMB CIRCULAR A -133 § .505  
 JUNE 30, 2009**

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

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Program(list):	CFDA # 84.010 – Title I CFDA # 84.367 - Improving Teacher Quality
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

**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

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

To the Board of Education:

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school.

Accordingly, we have performed the procedures enumerated below, which were agreed to by the Board, solely to assist the Board in evaluating whether the Shaker Heights City School District, Cuyahoga County, Ohio, (the District) has adopted an anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board adopted an anti-harassment policy at its meeting on November 7, 2007.
2. We read the policy, noting it included the following requirements from Ohio Rev. Code Section 3313.666(B):
  - (1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
  - (2) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Rev. Code Section 3313.666;
  - (3) A procedure for reporting prohibited incidents;
  - (4) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;

- (5) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;
- (6) A procedure for documenting any prohibited incident that is reported;
- (7) A procedure for responding to and investigating any reported incident;
- (8) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;
- (9) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States;
- (10) A requirement that the district administration semiannually provide the president of the district board a written summary of all reported incidents and post the summary on its web site, if the district has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the audit committee, the Board of Education and management and is not intended to be and should not be used by anyone other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

December 23, 2009

***COMPREHENSIVE ANNUAL FINANCIAL REPORT***

*FOR THE FISCAL YEAR ENDED JUNE 30, 2009*

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



## The Mission of the Schools

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

# Shaker



## Introductory Section

***SHAKER HEIGHTS CITY SCHOOL DISTRICT***  
***SHAKER HEIGHTS, OHIO***  
***COMPREHENSIVE ANNUAL FINANCIAL REPORT***  
***FOR THE FISCAL YEAR ENDED JUNE 30, 2009***

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, 2009*  
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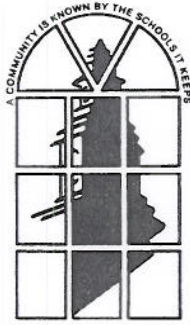
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# SHAKER HEIGHTS CITY SCHOOL DISTRICT

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

**MARK FREEMAN, Ph.D.**  
Superintendent

**BRYAN C. CHRISTMAN**  
Treasurer

December 23, 2009

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

Dear Board Members and Residents:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Shaker Heights City School District for the fiscal year ended June 30, 2009. This CAFR enables the School District to comply with the Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires school districts reporting on a GAAP basis to file an unaudited annual report with the Auditor of State within 150 days of the fiscal year end.

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

State statutes require the School District to be subjected to an annual examination by an independent auditor or the State Auditor's Office. For the fiscal year 2009, the School District was audited by the Auditor of State's Office. Their unqualified opinion is included in the financial section of this CAFR.

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

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

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



The “school” was in the Van Sweringen real estate office at Lee Road and Shaker Boulevard, and four teachers and 26 students constituted its population. The first school board looked ahead, planned well, worked hard and got off on the right foot. It had to, for along with the rapid construction of new homes came a tremendous growth in the school population. Today, there are more than 5,500 students in the Shaker schools.

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

- 1914 - Boulevard School**, at Drexmore and Southington Roads. *A new wing was added to this facility in 1990.*
- 1918 - Woodbury Elementary**, on South Woodland at Woodbury Road. *Originally used as the Senior High School until 1931, then renamed Woodbury Junior High. In 1985 it was converted to an upper elementary school that serves students in grades five and six.*
- 1922 - Malvern School**, at Malvern and Falmouth Roads. *Sold to the City of Shaker Heights, it now houses a private school.*
- 1922 - Sussex School**, on Sussex at Norwood Road. *Sold to the City of Shaker Heights, it serves as a center for several preschools and the Shaker Family Center, a non-profit organization serving families with young children. The School District’s Pre-K program for children with disabilities was relocated there in the fall of 1999, but then relocated to Onaway School in the fall of 2006.*
- 1923 - Onaway School**, at Onaway and Woodbury Roads. *A new classroom wing was added to this facility in 1990.*
- 1924 - Moreland School**, at Van Aken Boulevard (then known as Moreland Boulevard and Lee Road). *Sold to the City of Shaker Heights and serves as the community’s new main library.*
- 1927 - Fernway School**, at Fernway and Ardmore Roads.
- 1927 - Ludlow School**, at Southington and Ludlow Roads. *Now houses the Positive Education Program (PEP) operated by the county.*
- 1928 - Lomond School**, on Lomond Boulevard at Strandhill and Palmerston Roads.
- 1931 - Shaker Heights High School**, on Aldersyde Drive at Onaway Road. *A new handicapped accessible front entrance and gym/music wing was added in 1999. A two-story cafeteria addition was added in 2008.*
- 1952 - Mercer School**, on Wimbledon Road off of Green Road and Shaker Boulevard.
- 1957 - Shaker Heights Middle School**, on Shaker Boulevard and Warrensville Center Road, *formerly known as Byron Junior High.*
- 1962 - Administration Building**, on Parkland at Ashford Road.

When the Shaker schools were opened, they were organized on the 8-4 plan, with an eight-year elementary school and a four-year senior high school. As the school population grew and new buildings were constructed, the School District shifted to a 6-3-3 plan, with six-year elementary schools, a three-year junior high and a three-year high school. This plan was followed from 1931 until 1985, when Byron Junior High became Shaker Heights Middle School, housing all seventh and eighth

graders. Two years later, the elementary organization changed again to its current configuration to reflect shifts in student enrollment. Four K-6 schools were closed, and five of the remaining buildings were converted to K-4 schools, while Woodbury became an upper elementary school serving fifth and sixth graders. The High School houses all ninth through twelfth graders.

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

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

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

The Shaker Heights City School District is one of 614 school districts in the State of Ohio and one of 31 school districts in Cuyahoga County. The School District is the 59th largest in student enrollment in Ohio, with an enrollment of 5,542 students for the 2009 academic year and projected enrollment for fiscal year 2010 of 5,542 students. The School District offers general education, special education, and vocational education academic programs. The School District covers approximately 7.5 square miles, including all of the City of Shaker Heights and a portion of the City of Cleveland in the Shaker Square area, and is located approximately ten miles southeast of downtown Cleveland.

### **Organizational Structure**

Statutorily, the School District operates under the standard prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 of the Ohio Revised Code, to provide educational services prescribed by State and Federal agencies. The Board of Education is made up of five members elected at large, for overlapping four-year terms. The Board of Education elects its President and Vice President annually, and appoints two officials: the Superintendent, who serves as the Chief Executive Officer, and the Treasurer, who serves as the Chief Financial Officer.

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

### **The Reporting Entity**

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

The School District is associated with three organizations, the Ohio Schools' Council Association (OSC), the Lakeshore Northeast Ohio Computer Association (LNOCA), and the Shaker Heights Public Library. LNOCA and OSC are jointly-governed organizations whose relationships to the School District are described in Note 18 to the accompanying financial statements. The Shaker Heights Library is a related organization and is described in Note 16 to the accompanying financial statements.

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

## **Economic Condition and Outlook**

The School District serves 29,405 residents in the City of Shaker Heights, and 4,558 for the City of Cleveland. The community is primarily residential in nature with a diverse base of residents working largely in professional capacities. The School District is a mature, fully developed inner ring suburb whose economic strength is largely dependent upon the strength of the Northeast Ohio economy. According to the Ohio Department of Taxation, the average federal adjusted gross income per return for residents of the School District filing returns for calendar year 2007 was \$133,214, compared to the averages of \$68,327 for all Ohio school districts and \$58,020 for all districts in Cuyahoga County.

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

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

The Shaker Square shopping district, which lies in the Cleveland portion of the School District, was purchased and redeveloped in 2001 and 2002. The School District, in accordance with a tri-party agreement between the developer and the City of Cleveland, receives 25 percent of the increased property taxes resulting from the redevelopment for the 25-year abatement period. Thereafter, the School District will receive 100 percent of the increased property taxes. Additionally, the School District will receive 50 percent of the increased income taxes collected by the City of Cleveland during the 25-year abatement period for the redevelopment area. The 2004 sale to a new local owner has reinvigorated the enthusiasm about the Shaker Square potential and long-term prospects for success.

The area of the School District is a substantially fully-developed residential community among the 'inner ring' suburbs surrounding the City of Cleveland. The City of Shaker Heights, however, is aggressively pursuing new development, both commercial and residential. Through a process based on a collaborative effort of public and private community leaders, the City developed a Strategic Investment Plan that serves to advise the City on how to best leverage its limited assets to encourage appropriate private investment, and to ensure that Shaker Heights remains one of the premier communities in the Country.

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

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

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

Already in process is the following residential development:

- Razing of certain residential properties adjacent to the Shaker Towne Centre and the construction of a new residential project entitled Avalon Station. Phase 1(began in November 2005) of the project is to include up to 50 loft condominiums and a 90-car parking garage with a landscaped roof. When complete the project will consist of three 4-story buildings with more than 160 loft condominiums and 17 townhomes as well as ground floor retail space in two buildings.

Other development opportunities being pursued in Shaker Heights include:

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

In addition to commercial and multi-family dwelling property development, the City is also pursuing single-family residential development. In keeping with its aggressive pursuit of maintaining and enhancing the City's housing stock, in late 2006 the City enacted legislation creating five new "housing only" Community Reinvestment Areas (CRA's) with the particular objective to encourage new residential construction and significant rehabilitation. The impact of the 2008-2009 mortgage crisis development initiatives is unknown at this time.

Although the departure from the City by OfficeMax and its headquarters left a significant hole in the commercial backbone of the City, the void was short-lived. In the fall of 2006, the University Hospitals Corporation announced its purchase of the OfficeMax headquarters building and the relocation of as many as 900 full-time employees to such facility by early 2008. Such relocation (which has been completed) is subject to a temporary income tax sharing arrangement with the City of Cleveland, from which the employees relocated.

The property tax base has continued to grow as a result of appreciation of properties as well as the commercial redevelopment undertaken by the City of Shaker Heights. These local initiatives, combined with Cleveland's economic growth, provide for a stable and desirable economic condition for our School District. The favorable economic condition has resulted in School District tax levy success including:

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

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

### **Long-Term Financial Planning**

The Board of Education has adopted three specific policies that guide both the short- and long-term financial planning as well as the annual appropriation process.

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

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

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

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

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

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

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

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

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

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

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

*The District should also engage in strategic long-term financial planning and attempt to forecast the need for future educational and capital expenditures and the availability of financial resources to meet those needs. Long-term financial planning should result in the development of a strategy to meet educational. The Treasurer will prepare long-range financial and budget projections for periodic review by the Board and Superintendent.*

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

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

#### *BUDGET*

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

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

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

#### *APPROPRIATIONS*

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

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

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

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

## **2009 Major Initiatives**

### Academic Achievement

With the support of faculty, parents, and local residents, our students continued to excel in academics, the arts, athletics, and community service. Approximately 11 percent of the Class of 2008 earned honors in the National Merit and National Achievement scholarship competitions, compared with 2 percent nationally. This again places Shaker in the top ranks of Ohio schools using this nationally accepted “gold standard” of scholastic achievement. Each year since the inception of the National Merit program in 1956, Shaker has far outpaced the national average in the production of these scholars.

Approximately 25 percent of eligible students at Shaker Heights High School took one or more Advanced Placement (AP) classes again this year. By the time they graduate, more than 40 percent of Shaker students have taken at least one AP course. On the basis of their outstanding performance on Advanced Placement examinations, 151 Shaker students were named AP Scholars in fall 2009 – a new school record.

Shaker Heights students continue to be sought after by colleges. Members of the Class of 2009 were accepted into nearly 300 colleges, including some of the most selective in the nation. Approximately 75 percent of graduating seniors plan to attend a 4-year college and 11 percent plan to attend a 2-year college.

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

- Student achievement data;
- After school programming;
- Strategic planning progress;
- School climate studies;
- International Baccalaureate implementation.

### Technology

Our computer network serves students, teachers and staff in a wide variety of applications for instruction and for business applications. We have more than 25 servers and approximately 1,250 workstations in 12 buildings, running over a fiber network. Our network also supports our phone system, which provides phone access in all offices and classrooms. We continue our bond issue replacement cycle to keep our workstations as up-to-date as possible, with approximately 200 new computers added in the past year. As a part of our initiative to equip all learning spaces with mounted projectors connected to computers for projected learning, 70 classrooms were equipped this year using a combination of bond funds, Red & White funds (contributions from a black tie fundraiser), PTO funds, and private donations. Some classrooms in this project also received interactive white boards, student response systems and document cameras, based on building technology plans. These classroom elements provide a higher level of interactivity and engagement for our students.

Software supports our focus on student achievement, particularly in mathematics with the use of Pearson Successmaker in the elementary grades and Aleks and Cognitive Tutor in the upper grades. We also provide a variety of online database resources for journals, encyclopedias and other learning resources to support our curricula. All buildings also have access to Discoverystreaming, an online video database which allows teachers to choose small clips to illustrate concepts as they teach. A growing number of teachers are using the Moodle course management system, which allows teachers

to post class materials and provide students with resources such as discussion boards and other class activities online. We expect teacher use of this resource to continue to grow.

### Capital Improvements

Over the summer of 2009, care was taken to maintain and improve the School District's physical assets. At Onaway Elementary School repairs were made to the roof, masonry walls, landscaping, sidewalks and parking lot guardrails. In addition, motion lights were installed in all classrooms. At Lomond Elementary School roof and asphalt repairs were made along with renovations to restrooms. At Boulevard Elementary School a storage shed was built, room renovations made including custom cabinets, a sump pump installed in the basement and the elevator was waterproofed. At Mercer Elementary School the library was renovated, roof and maintenance done and sidewalks were replaced. In addition, new restrooms were created and playground equipment was installed for students with special needs. At Fernway Elementary School roof maintenance was done, sidewalks were replaced, office area improvements made and landscape improvements completed. Woodbury Elementary School received special attention over the summer months with major improvements being made to the main entrance, hallways and storage facilities. Upgrades were made to the swimming pool area, restrooms, railings, window wells, gutters, rose garden, lighting, sidewalks, and playground repairs were made. Bleachers, windows, doors, restroom floors, sidewalks were replaced at Shaker Heights Middle School and HVAC repairs were made. In addition, roof maintenance was completed and a Hot Shoppe was added to serve students in the cafeteria. At Shaker Heights High School improvements included upgrading the track and main hallway lighting, replacing the doors and refurbishing the floor of the south gymnasium, band room renovations, ceiling fan installation, planetarium ramp construction, and front entrance enhancements. In addition, roof maintenance was done and sidewalks were replaced. At the Administration Building windows were replaced and roof maintenance completed. Parking lot improvements were made at the School District Library Media Office. Throughout the school district painting was done and carpet repairs were completed. Finally electrical upgrades were made to support the installation of classroom ceiling projectors throughout the School District.

### Current and Future Initiatives

The School District continues to study, plan, and implement instructional initiatives aimed at improving the academic achievement of all students. Current instructional initiatives include early intervention; extended day and extended year programming for students; an intensified focus on the core subject areas of instruction; increased efforts to help students prepare for the Ohio Achievement and Graduation Tests; the refinement of team teaching approaches in grades 5-12; efforts to increase parental and community involvement; highly focused professional development activities and collaboration with the City of Shaker Heights, the Shaker Heights Public Library, the Shaker Heights Youth Center, and other local agencies concerned with the welfare of youth.

### School Improvement Plans

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

### Strategic Framework

In January 2009, the School District posted its Strategic Framework on the website to promote excellence and equity. Incorporated in the framework are concrete goals in the areas of leadership, curriculum and instruction, technology, school climate, parent involvement and community involvement. The framework will be enriched through a community engagement process using the Appreciative Inquiry process beginning in the fall of 2009. The framework reflects priorities established by the Board of Education calling for the School District to:



- Graduate students who are, at minimum, college-ready, even if they choose not to pursue postsecondary education immediately;
- Strengthen teaching and curricular coherence;
- Improve school climate;
- Maintain a stable and highly effective organization with the capacity to support changing needs;
- Keep Shaker a school district of choice in a highly competitive environment to help attract and retain residents who value high quality public education.

The plan is further informed by the School District's collaboration with Dr. Ronald Ferguson of Harvard University, a nationally recognized expert on improving student achievement; by data from tests, surveys and external sources; by curricular and instructional principles embodied by the International Baccalaureate Programme (IB); by current research on effective instructional practices and 21<sup>st</sup> century skills; by state and federal requirements; and by recommendations from the instructional staff.

### **International Baccalaureate**

After a year of careful study, the School District began pursuing adoption of the International Baccalaureate Programme at the elementary, middle and high school levels during the 2008-2009 school year. Full program implementation will make Shaker the only K-12 International Baccalaureate district in Greater Cleveland. This program is especially in demand among international families who are relocating to Cleveland to work in higher education, health care and research.

If all goes according to schedule, graduates in 2012 will be the first eligible for an International Baccalaureate diploma from Shaker Heights High School. Offered as an elective course of study at the high school level, International Baccalaureate permits students to participate in a rigorous, internationally oriented curriculum, culminating in a diploma that is recognize all over the world. Over 40 High School faculty members have undergone International Baccalaureate training and twenty-one course outlines have been submitted for review by IB examiners.

Another 150 elementary and secondary school staff members were trained on-site at the High School by IB experts in June 2009. While the International Baccalaureate Programme received the most attention initially, work has been proceeding rapidly at the elementary levels and all K-4 schools have begun incorporating elements of the program that encourage students to think globally and reflect the "learner profile" which is central to the program. Finally, work has continued at the middle grades unifying the instructional approaches in grade 5-8 with greater emphasis being placed on 21<sup>st</sup> century skills, international awareness and higher expectations for all students.

### **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, 2008. 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, 2008 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, 2009, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

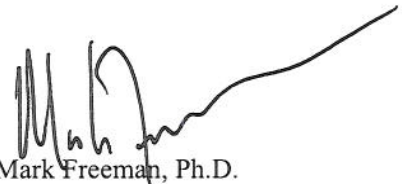
#### **Acknowledgments**

The publication of this CAFR enhances the School District's accountability to the citizens of the School District. The preparation of this report would not have been possible without the assistance and support of the staff of the Treasurer's office and numerous other School District staff members. Our appreciation is also expressed to the Auditor of State's Office for their assistance in preparing and reviewing this financial report.

Respectfully submitted,



Bryan C. Christman  
Treasurer



Mark Freeman, Ph.D.  
Superintendent

Shaker Heights City School District  
Principal Officials  
June 30, 2009

Board of Education

Mr. F. Drexel Feeling .....President  
Mr. Norman A. Bliss .....Vice-President  
Ms. Freda J. Levenson..... Member  
Mr. Peter A. Robertson.....Member  
Ms. Annette Tucker Sutherland.....Member

Administration

Mark Freeman Ph.D.....Superintendent

Bryan C. Christman.....Treasurer



# SHAKER HEIGHTS CITY SCHOOL DISTRICT

[www.shaker.org](http://www.shaker.org)

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



# ATTENDANCE ZONES

## Shaker Heights City School District



Street	School	Street	School	Street	School	Street	School	Street	School					
Aberdeen	3250-3343	Onaway	Courthland	2833-3160	Onaway	Holmwood	26650-222949	Mercer	N. Moreland	2523-2680	Boulevard	Strandhill	3573-3726	Lomond
Albion	3000-3097	Boulevard	Courthland O.	2619-2626	Boulevard	Huntington	2869-2939	Boulevard	North Park	18201-20350	Boulevard	Strathavon	3544-3728	Ferroway
Aldersyde	3112-3148	Onaway	Coventry	2555-2878	Boulevard	Ingleside	2998-3166	Onaway	Norwood	3270-3365	Ferroway*	Sudbury	3690-3741	Mercer
Almar	15520-16306	Onaway	Cranlyn	2662-2749	Mercer	Inverness	3260-3400	Ferroway*	Onaway	3450-3680	Lomond	Sulgrave	2668-2744	Mercer
Arctmore	16605-17450	Ferroway	Daleford	3255-3397	Ferroway	Kemmer	3430-3727	Lomond	Oxford	14149-16115	Onaway	Sutherland	19605-20035	Lomond
Ardoon	20417-21411	Mercer	Dorchester	3425-3727	Lomond	Kemmer	2679-2767	Mercer	Palmerston	& 3174-3209	Onaway	Sutton Place	3552-3726	Lomond
Ashby	13415-13808	Ferroway	Douglas	22029-22775	Ferroway	Kemmer	2501-2662	Boulevard	Park Drive	18801-19101	Onaway	Sutton Road	3275-3400	Onaway
Ashford	3354-3467	Ferroway	Drexmore	13300-14817	Mercer	Kemmore	2532-2585	Boulevard	Parkland	18000-18680	Ferroway*	Sydenham	20600-21375	Mercer
Ashley	3093-3121	Onaway	Drummond	2821-2951	Boulevard	Kernon	3256-3399	Ferroway*	Parnell	15601-17916	Onaway	Tollard	3524-3726	Lomond
Ashwood	2671-2755	Mercer	Dryden	2700-2730	Mercer	Keswick	16618-17124	Ferroway	Paxton	21749-22300	Mercer	Torrington	2846-3051	Onaway
Atleboro	3026-3113	Boulevard	Duffield	23349-24235	Mercer	Kingsley	2991-3082	Boulevard	Pennington	2820-2971	Boulevard	Townley	3519-3726	Lomond
Avalon	3122-14316	Onaway	East 127th	2461, 65, 69	Boulevard	Laurel	3100-3139	Onaway	Rawnsdale	3545-3750	Mercer	Traver	3571-3726	Lomond
Becket	2755-2975	Boulevard	East 135th	only	only	Laurel	2886-3200	Onaway	Riedham	3611-3726	Lomond	Traymore	2657	Boulevard
Belvoir	3021	Ferroway	East 137th	3120-3149	Onaway	Lauderdale	2680-2767	Mercer	Rife Court	3547-3728	Ferroway	University	3612-3726	Lomond
Belwyn	3259-3396	Ferroway	East 140th	3156-3228	Onaway	Lee	3256-3370	Ferroway*	Ripley	if any	Mercer	Van Aken	2800-2949	Boulevard
Boyce	3430-3727	Lomond	E. Belvoir O.	3202-3246	Onaway	Leighton	12733-14706	Boulevard	Rochester	2952-3051	Boulevard	Wadsforth	15500-17200	Ferroway
Braemar	2966-3097	Boulevard	Eaton	2670-2796	Mercer	Lindholm	3070-3175	Onaway	Rocklyn	2667-2737	Mercer	Warrensville Center Road	17401-17717	Ferroway*
Brantley	14003-14206	Onaway	Edgerton	2824-3030	Onaway	Livingfield	23149-24296	Mercer	Rollsiton	2664-2742	Mercer	Warrington	17402-17802	Lomond
Broxton	2661-3230	Mercer	Elsmere	3255-3369	Ferroway	Lomond	2812-2945	Boulevard	Rye	3608-3728	Ferroway	Warrington	even	Lomond
Bryden	17426-17720	Ferroway	Endicott	3252-3310	Onaway	Ludlow	3255-3429	Ferroway	Sedgewick	21825-22732	Mercer	Warwick	18203-18705	Ferroway
Byron	2938-2960	Mercer	Fairhill	2646-2750	Boulevard	Lyman Blvd.	3074-3328	Onaway	Shaker Blvd.	21825-22732	Mercer	Washington	18675-19901	Lomond
Calverton	3256-3365	Onaway	Fairmount	12700-13800	Boulevard	Lynfield	2665-2750	Boulevard	Shelburne	17302-20330	Lomond	Westchester	2894-3024	Onaway
Canterbury	20620-21376	Mercer	Falmouth	3538-20201	Boulevard	Lynon	3586-3734	Ferroway	Shelby	16622-17130	Ferroway	Westchester	2880-3024	Onaway
Carlton	2885-3035	Mercer	Farnsleigh	20600-24150	Mercer	Lyman Circle	2848-3003	Boulevard	Sherrbrooke	15516-16510	Mercer	Weymouth	17401-17802	Lomond
Chadbourne	2820-2979	Boulevard	Ferroway	2841-3199	Onaway	Lynton	3033-3231	Onaway	Sherrbrooke	2664-2742	Mercer	Weymouth	18028-20020	Lomond
Chagrín	23201-23451	Mercer	Ferroway	16601-17829	Ferroway	Lynton	16614-17126	Ferroway	Sherrbrooke	21825-22732	Mercer	Weymouth	even	Lomond
Chalant	20499-22926	Mercer	Ferroway	18000-18300	Ferroway	Lynton	3521-3746	Mercer	Sherrbrooke	20649-24300	Mercer	Weymouth	odd	Lomond
Chelton	15706-16106	Onaway	Ferroway	16611-16507	Onaway	Lynton	2805-3024	Boulevard	Sherrbrooke	18600-20200	Onaway	Weymouth	odd	Lomond
Chelton	2976-3317	Onaway	Ferroway	2842-3025	Boulevard	Lynton	3029-3193	Boulevard	Sherrbrooke	1-12	Onaway	Weymouth	odd	Lomond
Cheshire	2296-3317	Boulevard	Ferroway	3255-3395	Ferroway	Lynton	23130-24275	Onaway	Sherrbrooke	18200-20301	Boulevard	Weymouth	odd	Lomond
Chesterton	16112-16114	Mercer	Ferroway	3443-3726	Lomond	Lynton	3434-3725	Lomond	Sherrbrooke	20450-24139	Mercer	Weymouth	odd	Lomond
Claremont	17302-20013	Lomond	Ferroway	2849-3025	Boulevard	Lynton	18222-18520	Ferroway*	Sherrbrooke	2724-2736	Mercer	Weymouth	odd	Lomond
Clarlange O.	20825-20875	Mercer	Ferroway	2899-2951	Mercer	Lynton	3539-3725	Lomond	Sherrbrooke	17921-18329	Lomond	Weymouth	odd	Lomond
Claythorne	2517-3742	Mercer	Ferroway	2662-3190	Mercer	Lynton	19751-20101	Onaway	Sherrbrooke	3115-3330	Mercer	Weymouth	odd	Lomond
Clayton	3255-3396	Ferroway	Ferroway	3255-3399	Ferroway	Lynton	19650-20201	Onaway	Sherrbrooke	2690-2933	Boulevard	Weymouth	odd	Lomond
Colby	2531-2590	Mercer	Ferroway	3545-3726	Lomond	Lynton	3280-3365	Ferroway*	Sherrbrooke	14475 & 3022	Onaway	Weymouth	odd	Lomond
Colwyn	2680-2791	Boulevard	Ferroway	13108-13204	Onaway	Lynton	21925-22600	Mercer	Sherrbrooke	2804-3052	Boulevard	Weymouth	odd	Lomond
Corby	2896-3024	Onaway	Ferroway	2634-2695	Boulevard	Lynton	3434-3472	Ferroway	Sherrbrooke	2725-20001	Boulevard	Weymouth	odd	Lomond
Corriere	3774	Boulevard	Ferroway	4180-4187	Mercer	Lynton	3542-3753	Mercer	Sherrbrooke	13210-13804	Boulevard	Weymouth	odd	Lomond
Courland	2683-2765 &	Mercer	Ferroway	20899-20975	Mercer	Lynton	3284-3375	Mercer	Sherrbrooke	14101-17355	Boulevard	Weymouth	odd	Lomond
Courtland	20900-21520	Mercer	Ferroway	20676-20960	Mercer	Lynton	3380-3479	Onaway	Sherrbrooke	14100-17200	Onaway	Weymouth	odd	Lomond
Courland O.	3315-3400	Onaway	Ferroway	2843-2988	Boulevard	Lynton	2838-3175	Onaway	Sherrbrooke	17405-18411	Boulevard	Weymouth	odd	Lomond
Coventry	20725-21307	Mercer	Ferroway	2843-2988	Boulevard	Lynton	2888-3200	Onaway	Sherrbrooke	17414-18200	Onaway	Weymouth	odd	Lomond
Coventry	3412-3471	Mercer	Ferroway	23350-24250	Mercer	Lynton	18500-20201	Onaway	Sherrbrooke	18500-20201	Onaway	Weymouth	odd	Lomond
Coventry	3338-3397	Mercer	Ferroway	3401-3465	Mercer	Lynton	18309-18726	Lomond	Sherrbrooke	20501-24299	Mercer	Weymouth	odd	Lomond
Coventry	13507-13714	Onaway	Ferroway	23655-24270	Mercer	Lynton	16313-16501	Mercer	Sherrbrooke	23300-24100	Mercer	Weymouth	odd	Lomond
Coventry	13302-13810	Boulevard	Ferroway	3511-3742	Mercer	Lynton	3516-3727	Lomond	Sherrbrooke	3256-3364	Ferroway	Weymouth	odd	Lomond
Courland	2627-2799	Boulevard	Ferroway	16722-17010	Ferroway	Lynton	12806	Boulevard	Sherrbrooke	3510-3725	Lomond	Weymouth	odd	Lomond

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

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Shaker Heights City  
School District  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2008

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



President

Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL



This Certificate of Excellence in Financial Reporting is presented to

SHAKER HEIGHTS CITY SCHOOL DISTRICT

**For its Comprehensive Annual Financial Report (CAFR)**

For the Fiscal Year Ended June 30, 2008

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

*Angela Pitman*

President

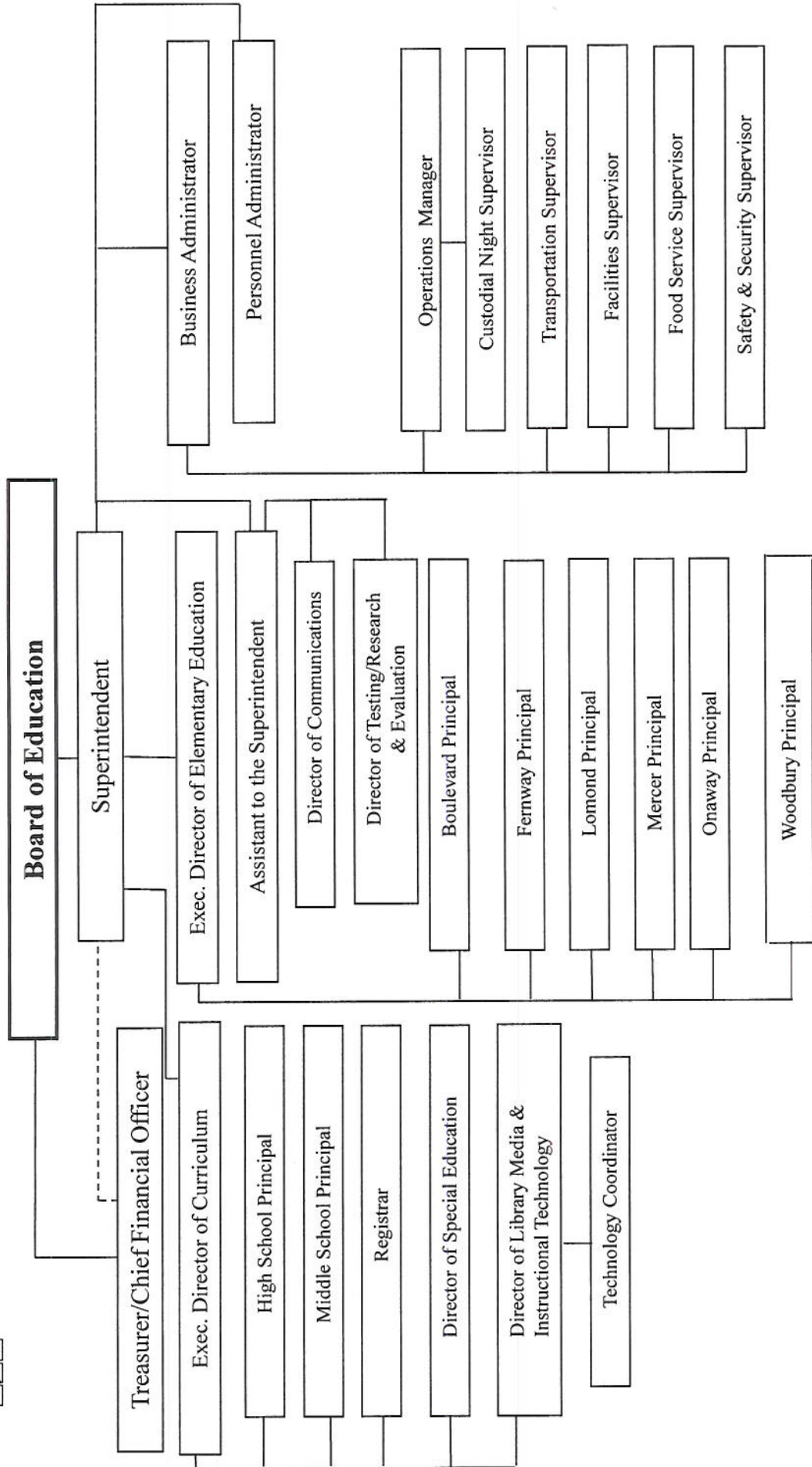
*John D. Mueser*

Executive Director



# SHAKER HEIGHTS CITY SCHOOL DISTRICT

## ORGANIZATIONAL CHART





## Financial Section

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Shaker Heights City School District, Cuyahoga County, Ohio (the District), as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Shaker Heights City School District, Cuyahoga County, Ohio, as of June 30, 2009, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2009, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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

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

**Mary Taylor, CPA**  
Auditor of State

December 23, 2009

**Shaker Heights City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2009*  
*Unaudited*

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The management's discussion and analysis of Shaker Heights City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2009. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, financial statements and the notes to those respective statements to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for fiscal year 2009 are as follows:

- Total net assets for fiscal year 2009 reflect an overall decrease of \$1.8 million which consisted of a \$2.8 million excess of revenues over expenditures less a \$4.6 million extraordinary loss resulting from a court reversal of an appealed adjudicated delinquent tangible personal property tax case.
- Total revenues for governmental activities in fiscal year 2009 represent a reduction in total revenues from the prior fiscal year due primarily to a reduction in property taxes, which was attributable to the fiscal year 2008 recording of \$7 million of delinquent tangible personal property taxes (\$4.6 million of which was subsequently recognized as an extraordinary loss in fiscal year 2009), a \$2 million reduction in actual tangible personal property tax collections due to the Ohio House Bill No. 66 phase-out of the tangible personal property tax, and other reductions due to delinquencies and accrual timing differences.
- Total expenses increased over the prior fiscal year reflecting increased costs mostly due to annual salary and related fringe benefit growth in accordance with negotiated collective bargaining agreements. Areas with budgetary growth included operation and maintenance of plant and instructional staff expenditures.
- Outstanding general obligation bonded debt decreased due to scheduled principal payments and accretion credits during the fiscal year.

**Using this Comprehensive Annual Financial Report (CAFR)**

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

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

**Shaker Heights City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2009*  
*Unaudited*

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**Reporting the School District as a Whole**

*Statement of Net Assets and the Statement of Activities*

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

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

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

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

**Reporting the School District's Most Significant Funds**

*Fund Financial Statements*

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

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

**Shaker Heights City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2009*  
*Unaudited*

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

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the School District's programs. These funds use the accrual basis of accounting.

**The School District as a Whole**

As you may recall, the Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for fiscal years 2009 and 2008.

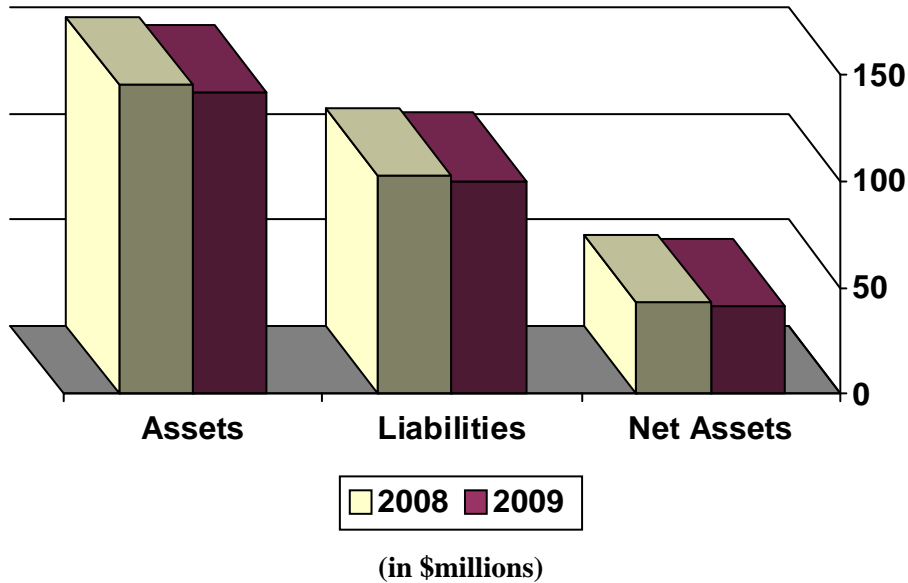
**Table 1**  
**Net Assets**  
**Governmental Activities**

	<u>2009</u>	<u>2008</u>	<u>Change</u>
<b>Assets</b>			
Current and Other Assets	\$109,255,551	\$115,045,850	(\$5,790,299)
Capital Assets, Net	32,361,940	30,695,034	1,666,906
<b>Total Assets</b>	<u>141,617,491</u>	<u>145,740,884</u>	<u>(4,123,393)</u>
<b>Liabilities</b>			
Current and Other Liabilities	63,441,254	64,781,369	(1,340,115)
Long Term Liabilities:			
Due Within One Year	3,840,936	3,259,740	581,196
Due in More than One Year	33,211,165	34,740,266	(1,529,101)
<b>Total Liabilities</b>	<u>100,493,355</u>	<u>102,781,375</u>	<u>(2,288,020)</u>
<b>Net Assets</b>			
Invested in Capital Assets			
Net of Related Debt	8,401,734	8,694,425	(292,691)
Restricted:			
Capital Projects	1,525,468	99,381	1,426,087
Debt Service	2,644,458	2,853,551	(209,093)
Set Asides	353,070	353,070	0
Other Purposes	792,242	390,160	402,082
Unrestricted	27,407,164	30,568,922	(3,161,758)
<b>Total Net Assets</b>	<u>\$41,124,136</u>	<u>\$42,959,509</u>	<u>(\$1,835,373)</u>

**Shaker Heights City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2009*  
*Unaudited*

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**Graph 1**  
**Net Assets**  
**Governmental Activities**



Total current and other assets decreased primarily due to a reduction in delinquent tax receivables from the prior fiscal year. The \$2.3 million reduction in total liabilities from the prior fiscal year is primarily attributable to scheduled principal payments of School District general obligation debt. By comparing assets and liabilities, one can see the overall position of the School District remains strong. The most significant portion of the general revenues is the local property tax. The remaining amount of revenues received was in the form of grants and entitlements not restricted to specific programs, charges for services, operating grants, interest and contributions, capital grants and contributions, investment earnings and miscellaneous revenue.

Table 2 shows the changes in net assets for fiscal years 2009 and 2008.



**Shaker Heights City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2009*  
*Unaudited*

**Table 2**  
**Changes in Net Assets**  
**Governmental Activities**

	<u>2009</u>	<u>2008</u>	<u>Change</u>
<b>Revenues</b>			
Program Revenues:			
Charges for Services and Sales	\$2,774,498	\$2,784,638	(\$10,140)
Operating Grants, Interest and Contributions	5,500,230	5,488,727	11,503
Capital Grants and Contributions	276,391	802,694	(526,303)
<i>Total Program Revenues</i>	<u>8,551,119</u>	<u>9,076,059</u>	<u>(524,940)</u>
General Revenues:			
Property Taxes	60,138,665	72,678,899	(12,540,234)
Grants and Entitlements not Restricted to Specific Programs	25,102,989	24,004,932	1,098,057
Investment Earnings	1,303,054	1,831,239	(528,185)
Miscellaneous	423,892	410,654	13,238
<i>Total General Revenues</i>	<u>86,968,600</u>	<u>98,925,724</u>	<u>(11,957,124)</u>
<b>Total Revenues</b>	<u>95,519,719</u>	<u>108,001,783</u>	<u>(12,482,064)</u>
<b>Program Expenses</b>			
Instruction:			
Regular	35,379,158	34,107,481	(1,271,677)
Special	11,824,756	11,332,475	(492,281)
Vocational	242,656	225,025	(17,631)
Support Services:			
Pupils	5,442,866	5,495,125	52,259
Instructional Staff	6,661,050	5,714,875	(946,175)
Board of Education	18,690	29,232	10,542
Administration	6,002,432	5,995,614	(6,818)
Fiscal	2,195,814	1,959,745	(236,069)
Business	931,242	995,011	63,769
Operation and Maintenance of Plant	13,059,730	12,623,322	(436,408)
Pupil Transportation	4,169,665	3,989,689	(179,976)
Central	1,444,784	1,670,621	225,837
Operation of Non-Instructional Services	1,207,237	1,140,592	(66,645)
Food Service Operations	1,726,334	1,518,386	(207,948)
Extracurricular Activities	1,170,726	1,230,898	60,172
Interest and Fiscal Charges	1,277,952	1,282,207	4,255
<b>Total Expenses</b>	<u>92,755,092</u>	<u>89,310,298</u>	<u>(3,444,794)</u>
<b>Extraordinary Item</b>			
Decrease in Delinquent Property Taxes	(4,600,000)	0	(4,600,000)
<b>Increase (Decrease) in Net Assets</b>	<u>(1,835,373)</u>	<u>18,691,485</u>	<u>(20,526,858)</u>
<i>Net Assets Beginning of Year</i>	<u>42,959,509</u>	<u>24,268,024</u>	<u>18,691,485</u>
<i>Net Assets End of Year</i>	<u>\$41,124,136</u>	<u>\$42,959,509</u>	<u>(\$1,835,373)</u>

**Shaker Heights City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2009*  
*Unaudited*

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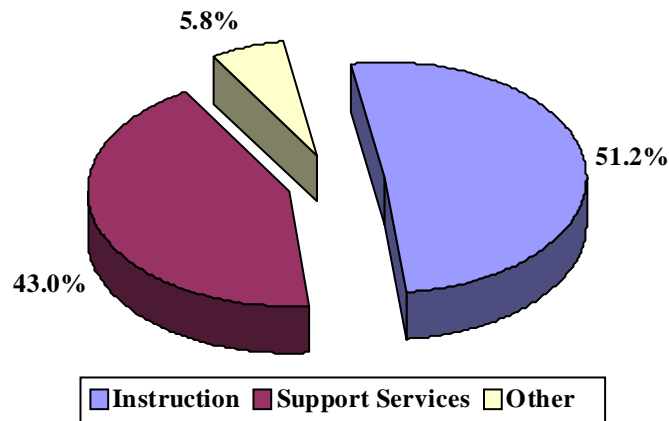
**Governmental Activities**

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

The School District prepares and closely monitors its five-year financial forecast that includes forecasted revenues and expenditures for the School District's primary general operating fund. Since 1933, the residents of the School District have only rejected three operating levies placed on the ballot, in 1934, 1983 and 1994, all of which were approved at the following election. In May of 2003, the School District successfully passed a 9.6 mill-operating levy that generates \$7.5 million in revenue per year. Collections on this new levy began the second half of fiscal year 2004 with full collection of this levy realized in fiscal year 2005. In May 2006, the School District successfully passed a 9.9 mill-operating levy that generates \$8.0 million in revenue per year. Collections on this new levy began in the second half of fiscal year 2007 with full collection of this levy realized in fiscal year 2008. The additional income from this levy is dedicated to fund the day-to-day operations of the School District (e.g., salaries, utilities, textbooks, transportation, etc.) and was originally expected to cover three years of operation. In the fall of 2008, given the uncertainty in the global financial and economic markets coupled with favorable School District budget variances, the Board of Education decided to delay the planned 2009 operating levy until 2010.

Although the School District relies heavily upon local property taxes to support its operations, the School District does actively solicit and receive grant and entitlement funds to help offset some operating costs. Property taxes accounted for 62.96 percent of total revenues for governmental activities for Shaker Heights City Schools in fiscal year 2009.

**Graph 2**  
Program Expenses



Approximately 51.2 percent of the School District's expenses are used for instructional expenses. Supporting services for pupils, staff and business operations account for an additional 43.0 percent. The remaining amount of program expenses, roughly 5.8 percent, is budgeted to facilitate other obligations of the School District including interest and fiscal charges, food service operations and extracurricular activities.

**Shaker Heights City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2009*  
*Unaudited*

The decrease in net assets was primarily due to a reduction in property tax revenue including a decrease of \$4.6 million in delinquent tangible personal property taxes recorded as an extraordinary loss in fiscal year 2009, which also contributed to the decrease in taxes receivable, total assets and property tax revenues.

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

**Table 3**  
**Governmental Activities**

<b>Programs</b>	<b>Total Cost of Services 2009</b>	<b>Total Cost of Services 2008</b>	<b>Net Cost of Services 2009</b>	<b>Net Cost of Services 2008</b>
Instruction:				
Regular	\$35,379,158	\$34,107,481	\$33,834,563	\$32,251,543
Special	11,824,756	11,332,475	10,697,215	10,289,953
Vocational	242,656	225,025	235,372	218,294
Support Services:				
Pupils	5,442,866	5,495,125	5,251,268	5,301,119
Instructional Staff	6,661,050	5,714,875	5,130,630	4,304,843
Board of Education	18,690	29,232	18,139	28,358
Administration	6,002,432	5,995,614	5,872,464	5,804,284
Fiscal	2,195,814	1,959,745	2,142,784	1,886,104
Business	931,242	995,011	914,317	968,006
Operation and Maintenance of Plant	13,059,730	12,623,322	12,318,570	11,428,181
Pupil Transportation	4,169,665	3,989,689	4,034,195	3,864,512
Central	1,444,784	1,670,621	1,392,976	1,596,796
Operation of Non-Instructional Services	1,207,237	1,140,592	(196,324)	(274,064)
Food Service Operations	1,726,334	1,518,386	239,133	198,248
Extracurricular Activities	1,170,726	1,230,898	1,040,719	1,085,855
Interest and Fiscal Charges	1,277,952	1,282,207	1,277,952	1,282,207
<b>Total Expenses</b>	<b>\$92,755,092</b>	<b>\$89,310,298</b>	<b>\$84,203,973</b>	<b>\$80,234,239</b>

The reliance upon local tax revenues for governmental activities is crucial for the School District. More than 64.8 percent of expenses are directly supported by local property taxes. Grant and entitlements not restricted to specific programs, investment earnings and miscellaneous revenues support the remaining activity costs. Program revenues account for only 9.2 percent of all governmental expenses.

**School District's Funds**

Information pertaining to the School District's major funds can be found beginning on page 18. These funds are accounted for using the modified accrual basis of accounting. The net change in fund balance for the year in the building fund was a decrease of \$2,140,230, due to the disbursement of bond proceeds issued for School District capital projects.

**Shaker Heights City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2009*  
*Unaudited*

**General Fund Budgeting Highlights**

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

The School District did not amend its general fund budget during the course of the 2009 fiscal year. The School District uses a modified site-based method of budgeting that has in place systems designed to closely control expenses, but also provides flexibility for decision-making by the site-based management.

The General Fund's final revenue budget was \$867,661 less than the original budget estimate. The final expenditure budget including other financing uses was the same as the original estimate including other financing uses.

The School District's ending unencumbered cash balance was \$6,626,825 higher than the final budgeted amount which was attributable to favorable budget variances in both revenues and expenditures.

**Capital Assets and Debt Administration**

*Capital Assets*

Table 4 shows fiscal year 2009 capital assets compared to 2008.

**Table 4**  
**Capital Assets, Net**

	<b>Governmental Activities</b>		
	<b>2009</b>	<b>2008</b>	<b>Change</b>
Land	\$943,600	\$943,600	\$0
Land Improvements	2,185,077	2,299,071	(113,994)
Buildings and Improvements	22,870,672	19,890,760	2,979,912
Equipment	3,910,490	3,342,118	568,372
Vehicles	1,255,710	1,124,264	131,446
Construction In Progress	1,196,391	3,095,221	(1,898,830)
<b>Total</b>	<b>\$32,361,940</b>	<b>\$30,695,034</b>	<b>\$1,666,906</b>

All capital assets, except land and construction in progress, are reported net of depreciation. The net increase in capital assets during the fiscal year was primarily due to the expenditure of the April 2005, April 2007, and November 2008 bond issue proceeds on School District capital projects which were partially offset by depreciation charges for the year. The increase in buildings and improvements is due to various capital projects including the completion and transfer from construction in progress of the High School large auditorium and cafeteria renovation, and Mercer window replacement. The decrease in the equipment category was mainly due to the acquisition of equipment, primarily in the technology related areas. The decrease in construction in progress is primarily attributable to the completion of several major capital projects as of June 30, 2009. For more information on capital assets refer to Note 10 of the basic financial statements.

**Shaker Heights City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2009*  
*Unaudited*

*Debt*

Table 5 below summarizes the School District' debt outstanding.

**Table 5**  
**Outstanding Debt**

	<b>Governmental Activities</b>	
	<b>2009</b>	<b>2008</b>
General Obligation Bonds:		
School Improvement 1990, 7.10%	\$880,000	\$1,275,000
School Improvement 1999, 3.95%-4.95%	290,000	570,000
School Improvement 2000		
Serial and Term 4.5%-5.375%	165,000	165,000
Capital Appreciation 5.00%-5.05%	156,703	313,211
School Improvement 2005		
Serial and Term 3%-4.5%	7,381,876	7,843,979
Capital Appreciation 3.64%-3.85%	374,762	324,556
School Improvement Refunding 2005		
Serial and Term 3%-4.5%	715,239	876,206
Capital Appreciation 3.64%-3.85%	139,302	127,153
School Improvement Bonds 2007		
Serial and Term 4%-4.125%	7,779,008	8,585,312
Capital Appreciation 24.7%	39,612	31,382
School Improvement Refunding 2007		
Serial and Term 4%-4.125%	3,698,426	3,703,514
Capital Appreciation 24.7%	16,505	13,076
School Improvement Refunding 2007		
Serial and Term 4%-4.125%	1,913,762	1,930,073
Capital Appreciation 24.7%	27,508	21,793
School Improvement Bonds 2008		
Serial and Term 4%-4.5%	4,987,967	0
Capital Appreciation 10.57%	127,067	0
Bus Acquisition Bond Anticipation Note - Long-Term	500,000	500,000
Bond Anticipation Note	0	5,000,000
Total Outstanding Debt	<b>\$29,192,737</b>	<b>\$31,280,255</b>

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

General obligation bonds for the purpose of renovating and making additions to school buildings were issued in 1990 and 1993. The 1990 bonds will be fully repaid in calendar year 2010. The 1993 issue was refunded in April 2005. The refunding bonds will be fully repaid in calendar year 2013.

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

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

On November 25, 2008, the School District issued \$4,999,999 in school improvement bonds with interest rates varying from 4.00 to 4.50 percent. The bond issue included serial and capital appreciation bonds in the amounts \$4,880,000, and \$119,999, respectively. The serial building and facilities improvement bonds will be fully repaid in calendar year 2025. The capital appreciation bonds will mature in fiscal year 2017.

The School District's overall debt margin was \$58,422,983 with an unvoted debt margin of \$931,808 at June 30, 2009. The School District's November 2008 bond rating was reaffirmed as AA+ by Standard and Poor's and Aa1 by Moody's. For more information on debt, refer to Note 17 of the basic financial statements.

### **School District Outlook**

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

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

Because of its long history of strong community support at the ballot box, coupled with the continuous City efforts targeted toward maintaining the housing stock (thereby helping to maintain and improve the City's tax base), the School District has a strong financial outlook. The Board of Education and administration closely monitor its revenues and expenditures in accordance with its financial forecast. Overall, the School District continues to perform at one of the highest levels determined by the State of Ohio, which is measured by a defined set of proficiency criteria. Our most recent State report card for fiscal year 2009 shows the School District students achieving 23 out of 30 indicators for an "effective" rating in accordance with the State-established criteria.

As the preceding information shows, the School District heavily depends on its residential property taxpayers. Our community's support continues to be unwavering as demonstrated by the most recent operating levy in May of 2006, wherein a 9.9 mill levy was passed with a 60.1 percent margin in the wake of a national, State and local economic slump. Additionally, the community approved a \$23.5 million

**Shaker Heights City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2009*  
*Unaudited*

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bond issue for purposes of School District capital needs with a 67.7 percent margin in November 2004. The continued financial support of the School District demonstrates the strong belief of parents and community members that their schools are one of the highest priorities and one of the most important public institutions in their community.

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

### **State School Funding**

#### *The DeRolph Case and The Governor's Blue Ribbon Task Force*

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

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

#### *Tax Reform-House Bill No. 66*

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

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

**Shaker Heights City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2009*  
*Unaudited*

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H.B. 66 eliminated the tangible personal property tax. The tax had previously generated about \$2 million per year for the School District. The phase-out for the tangible personal property taxpayer began with the 2006 tax collection year, in which approximately 75 percent of the traditional amount was payable, followed by 50 percent and 25 percent in tax collection years 2007 and 2008, respectively, with no tax due in tax collection year 2009.

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

*The Fiscal 2008 and 2009 Biennial State Budget*

The tax reform provisions of House Bill No. 66 were continued in the 2008-2009 State biennial budget (passed in June 2007). Additionally, the budget bill provided for the continuation of the State Foundation Formula Aid "guarantee" through the end of the biennium.

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

*The Constitutional Amendment and the Governor's Proposal*

After conducting a series of public forums in 2008 first to gather input about the desired attributes of a world class educational system, and then about financing such educational system, the Governor developed the Ohio Evidence-Based Model Education Program (OEBM), most of which was incorporated into the fiscal 2010-2011 biennial State budget, House Bill No.1. The OEBM represents a significant overhaul to the historical per pupil funding model utilized by the State, and is scheduled to be phased-out over the ensuing ten to twelve years. During the fiscal 2010-2011 biennium, the School District's State Foundation funding will continue to be under the guarantee subject to a one percent reduction during each of the two fiscal years of the biennium. The exact long-term impact to the School District with regard to any additional revenues and/or any additional expenditures provided for or required under the OEBM is unknown at this time. Consequently, all of the School District's financial abilities will be called upon to meet the challenges the future will bring. It is imperative the School District's Board and management team continue to carefully and prudently plan in order to provide the resources required to meet the future needs of its students.

**Contacting the School District's Financial Management**

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



## Basic Financial Statements

**Shaker Heights City School District**

*Statement of Net Assets*

*June 30, 2009*

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$38,280,374
Accounts Receivable	15,360
Accrued Interest Receivable	166,688
Intergovernmental Receivable	948,101
Prepaid Items	198,668
Materials and Supplies Inventory	207,578
Property Taxes Receivable	69,049,415
Deferred Charges	389,367
Nondepreciable Capital Assets	2,139,991
Depreciable Capital Assets, Net	<u>30,221,949</u>
<i>Total Assets</i>	<u>141,617,491</u>
<b>Liabilities</b>	
Accounts Payable	509,944
Accrued Wages and Benefits	8,314,114
Intergovernmental Payable	2,839,924
Deferred Revenue	51,717,801
Accrued Interest Payable	59,471
Long-Term Liabilities:	
Due Within One Year	3,840,936
Due In More Than One Year	<u>33,211,165</u>
<i>Total Liabilities</i>	<u>100,493,355</u>
<b>Net Assets</b>	
Invested in Capital Assets, Net of Related Debt	8,401,734
Restricted for:	
Capital Projects	1,525,468
Debt Service	2,644,458
Set Asides	353,070
State Grants	117,940
Federal Grants	517,341
Other Purposes	156,961
Unrestricted	<u>27,407,164</u>
<i>Total Net Assets</i>	<u><u>\$41,124,136</u></u>

See accompanying notes to the basic financial statements



**Shaker Heights City School District**

*Balance Sheet*

*Governmental Funds*

*June 30, 2009*

	<u>General</u>	<u>Building</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$27,585,286	\$5,725,293	\$2,791,725	\$36,102,304
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	353,070	0	0	353,070
Accounts Receivable	1,154	13,338	868	15,360
Accrued Interest Receivable	166,688	0	0	166,688
Intergovernmental Receivable	76,345	0	871,756	948,101
Interfund Receivable	8,601	0	0	8,601
Prepaid Items	198,668	0	0	198,668
Materials and Supplies Inventory	188,938	0	18,640	207,578
Property Taxes Receivable	65,477,942	0	3,571,473	69,049,415
<i>Total Assets</i>	<u>\$94,056,692</u>	<u>\$5,738,631</u>	<u>\$7,254,462</u>	<u>\$107,049,785</u>
 <b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$428,088	\$40,717	\$41,139	\$509,944
Accrued Wages and Benefits	7,886,213	0	427,901	8,314,114
Interfund Payable	0	0	8,601	8,601
Intergovernmental Payable	2,738,815	0	101,109	2,839,924
Deferred Revenue	56,256,760	0	3,245,661	59,502,421
<i>Total Liabilities</i>	<u>67,309,876</u>	<u>40,717</u>	<u>3,824,411</u>	<u>71,175,004</u>
 <b>Fund Balances</b>				
Reserved for Encumbrances	4,929,049	792,363	630,326	6,351,738
Reserved for Property Taxes	9,201,446	0	544,816	9,746,262
Reserved for Budget Stabilization	353,070	0	0	353,070
Unreserved, Undesignated				
Reported in:				
General Fund	12,263,251	0	0	12,263,251
Special Revenue Funds	0	0	204,836	204,836
Debt Service Fund	0	0	2,050,073	2,050,073
Capital Projects Funds	0	4,905,551	0	4,905,551
<i>Total Fund Balances</i>	<u>26,746,816</u>	<u>5,697,914</u>	<u>3,430,051</u>	<u>35,874,781</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$94,056,692</u>	<u>\$5,738,631</u>	<u>\$7,254,462</u>	<u>\$107,049,785</u>

See accompanying notes to the basic financial statements

**Shaker Heights City School District**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities*  
 June 30, 2009

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<b>Total Governmental Fund Balances</b>	<b>\$35,874,781</b>
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*Amounts reported for governmental activities in the  
 statement of net assets are different because*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	32,361,940
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Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. These deferrals are attributed to property taxes and intergovernmental receivable.

Property Taxes	7,565,146
Grants	<u>219,474</u>

Total	7,784,620
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Internal service funds are used by management to charge the costs of insurance and workers' compensation to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.

Net Assets	1,125,081
Claims Payable	<u>699,919</u>

Total	1,825,000
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Bond issuance costs will be amortized over the life of the bonds on the statement of net assets.	389,367
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In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(59,471)
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

Compensated Absences	(7,159,445)
General Obligation Bonds	(27,510,000)
Notes Payable	(500,000)
Capital Appreciation Bonds	(881,459)
Accounting Gain	219,472
Claims Payable	(699,919)
Bond Premium	<u>(520,750)</u>

Total	<u>(37,052,101)</u>
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<i>Net Assets of Governmental Activities</i>	<u><u>\$41,124,136</u></u>
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See accompanying notes to the basic financial statements

**Shaker Heights City School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2009*

	General	Building	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property Taxes	\$58,723,791	\$0	\$3,233,410	\$61,957,201
Intergovernmental	25,607,998	0	4,990,764	30,598,762
Interest	1,210,750	90,739	7,277	1,308,766
Tuition and Fees	1,426,130	0	105,109	1,531,239
Extracurricular Activities	0	0	169,428	169,428
Contributions and Donations	0	276,391	17,058	293,449
Charges for Services	106,808	0	801,272	908,080
Rentals	67,806	97,945	0	165,751
Miscellaneous	242,543	121,917	59,432	423,892
<i>Total Revenues</i>	<u>87,385,826</u>	<u>586,992</u>	<u>9,383,750</u>	<u>97,356,568</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	33,965,553	0	507,521	34,473,074
Special	11,162,090	0	563,723	11,725,813
Vocational	238,210	0	0	238,210
Support Services:				
Pupils	5,451,947	0	15,483	5,467,430
Instructional Staff	5,399,327	0	1,207,556	6,606,883
Board of Education	18,690	0	0	18,690
Administration	5,896,597	0	23,511	5,920,108
Fiscal	2,087,859	0	93,168	2,181,027
Business	893,682	0	9,574	903,256
Operation and Maintenance of Plant	12,117,306	0	7,246	12,124,552
Pupil Transportation	4,191,598	0	0	4,191,598
Central	1,338,458	0	19,075	1,357,533
Operation of Non-Instructional Services	45,608	0	1,044,421	1,090,029
Food Service Operations	0	0	1,725,336	1,725,336
Extracurricular Activities	925,734	0	231,029	1,156,763
Capital Outlay	379,811	2,710,069	373,451	3,463,331
Debt Service:				
Principal Retirement	0	0	7,185,976	7,185,976
Interest and Fiscal Charges	0	18,198	1,168,822	1,187,020
Capital Appreciation Bonds Interest	0	0	94,024	94,024
Bond Issuance Costs	0	0	107,962	107,962
<i>Total Expenditures</i>	<u>84,112,470</u>	<u>2,728,267</u>	<u>14,377,878</u>	<u>101,218,615</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>3,273,356</u>	<u>(2,141,275)</u>	<u>(4,994,128)</u>	<u>(3,862,047)</u>
<b>Other Financing Sources (Uses)</b>				
General Obligation Bonds Issued	0	1,045	4,998,954	4,999,999
General Obligation Bond Premium	0	0	107,967	107,967
General Obligation Notes Issued	0	500,000	0	500,000
Current Refunding	0	(500,000)	0	(500,000)
Transfers In	0	0	475,000	475,000
Transfers Out	(475,000)	0	0	(475,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(475,000)</u>	<u>1,045</u>	<u>5,581,921</u>	<u>5,107,966</u>
<i>Net Change in Fund Balances</i>	<u>2,798,356</u>	<u>(2,140,230)</u>	<u>587,793</u>	<u>1,245,919</u>
<i>Fund Balances Beginning of Year</i>	<u>23,948,460</u>	<u>7,838,144</u>	<u>2,842,258</u>	<u>34,628,862</u>
<i>Fund Balances End of Year</i>	<u>\$26,746,816</u>	<u>\$5,697,914</u>	<u>\$3,430,051</u>	<u>\$35,874,781</u>

See accompanying notes to the basic financial statements

**Shaker Heights City School District**  
*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2009*

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**Net Change in Fund Balances - Total Governmental Funds** \$1,245,919

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

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

Capital Outlay	3,881,604	
Depreciation	(2,214,698)	
Total		1,666,906

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

Property Taxes	(1,818,536)	
Extraordinary Item - Decrease in Delinquent Property Taxes	(4,600,000)	
Intergovernmental	(18,313)	
Total		(6,436,849)

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

Bonds Issued	(4,999,999)	
Notes Issued	(500,000)	
Premium on Bonds	(107,967)	
Total		(5,607,966)

Repayment of bond and note principal are expenditures in the governmental funds, but the repayments reduce the long-term liabilities in the statement of net assets. 7,780,000

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

Accrued Interest on Bonds	17,353	
Amortization of Bond Issuance Cost	(23,769)	
Amortization of Bond Premiums	30,926	
Amortization of Refunding	(20,153)	
Annual Accretion	(95,289)	
Total		(90,932)

Bond issuance costs are recognized as deferred charges and will be amortized over the life of the bonds on the statement of activities. 107,962

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences	(439,694)	
Claims Payable	170,000	
Total		(269,694)

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

Change in Net Assets	(60,719)	
Claims Payable	(170,000)	
Total		(230,719)

*Change in Net Assets of Governmental Activities* (\$1,835,373)

See accompanying notes to the basic financial statements

**Shaker Heights City School District**  
*Statement of Revenues, Expenditures  
and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund  
For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$55,905,295	\$55,318,842	\$59,227,800	\$3,908,958
Intergovernmental	24,171,465	23,917,905	25,607,998	1,690,093
Interest	968,284	958,127	1,025,830	67,703
Tuition and Fees	1,341,696	1,327,621	1,421,434	93,813
Charges for Services	100,816	99,759	106,808	7,049
Rentals	63,436	62,770	67,206	4,436
Miscellaneous	161,360	159,667	170,949	11,282
<i>Total Revenues</i>	<u>82,712,352</u>	<u>81,844,691</u>	<u>87,628,025</u>	<u>5,783,334</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	33,646,796	34,626,823	34,050,473	576,350
Special	14,566,520	13,105,510	13,105,510	0
Vocational	464,555	464,555	302,686	161,869
Support Services:				
Pupils	5,650,791	5,622,392	5,622,392	0
Instructional Staff	5,094,584	5,286,732	5,286,732	0
Board of Education	27,049	23,687	19,031	4,656
Administration	5,993,040	5,950,840	5,950,840	0
Fiscal	2,617,975	2,431,991	2,431,991	0
Business	988,399	1,009,852	1,009,852	0
Operation and Maintenance of Plant	13,355,630	13,760,806	13,760,806	0
Pupil Transportation	4,468,729	4,627,291	4,613,893	13,398
Central	1,798,295	1,756,886	1,697,795	59,091
Operation of Non-Instructional Services	66,425	66,425	47,542	18,883
Extracurricular Activities	990,708	985,708	976,464	9,244
Capital Outlay	487,556	497,554	497,554	0
<i>Total Expenditures</i>	<u>90,217,052</u>	<u>90,217,052</u>	<u>89,373,561</u>	<u>843,491</u>
<i>Excess of Revenues Under Expenditures</i>	(7,504,700)	(8,372,361)	(1,745,536)	6,626,825
<b>Other Financing Uses</b>				
Transfers Out	(475,000)	(475,000)	(475,000)	0
<i>Net Change in Fund Balance</i>	(7,979,700)	(8,847,361)	(2,220,536)	6,626,825
<i>Fund Balance Beginning of Year</i>	21,176,201	21,176,201	21,176,201	0
Prior Year Encumbrances Appropriated	3,540,139	3,540,139	3,540,139	0
<i>Fund Balance End of Year</i>	<u>\$16,736,640</u>	<u>\$15,868,979</u>	<u>\$22,495,804</u>	<u>\$6,626,825</u>

See accompanying notes to the basic financial statements



**Shaker Heights City School District**

*Statement of Fund Net Assets*

*Internal Service Funds*

*June 30, 2009*

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<b>Assets</b>	
<i>Current Assets</i>	
Equity in Pooled Cash and Cash Equivalents	<u>\$1,825,000</u>
<b>Liabilities</b>	
<i>Current Liabilities:</i>	
Claims Payable	265,807
<i>Long-Term Liabilities:</i>	
Claims Payable	<u>434,112</u>
<i>Total Liabilities</i>	<u>699,919</u>
<b>Net Assets</b>	
Unrestricted	<u><u>\$1,125,081</u></u>

See accompanying notes to the basic financial statements

**Shaker Heights City School District**  
*Statement of Revenues,  
Expenses and Changes in Fund Net Assets  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2009*

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<b>Operating Revenues</b>	
Charges for Services	\$9,448,635
<b>Operating Expenses</b>	
Claims	<u>9,509,354</u>
<i>Change in Net Assets</i>	(60,719)
<i>Net Assets Beginning of Year</i>	<u>1,185,800</u>
<i>Net Assets End of Year</i>	<u><u>\$1,125,081</u></u>

See accompanying notes to the basic financial statements

**Shaker Heights City School District**  
*Statement of Cash Flows*  
*Internal Service Funds*  
*For the Fiscal Year Ended June 30, 2009*

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***Increase (Decrease) in Cash and Cash Equivalents***

**Cash Flows from Operating Activities**

Cash Received from Transactions with Other Funds	\$9,448,635
Cash Payments for Claims	<u>(9,683,635)</u>

<i>Net Decrease in Cash and Cash Equivalents</i>	(235,000)
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<i>Cash and Cash Equivalents Beginning of Year</i>	<u>2,060,000</u>
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<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$1,825,000</u></u>
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***Reconciliation of Operating Loss to  
Net Cash Used for Operating Activities***

<i>Operating Loss</i>	(\$60,719)
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Decrease in Claims Payable	<u>(174,281)</u>
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<i>Net Cash Used for Operating Activities</i>	<u><u>(\$235,000)</u></u>
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See accompanying notes to the basic financial statements

**Shaker Heights City School District**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Funds*  
*June 30, 2009*

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**Assets**

Equity Pooled in Cash and Cash Equivalents	<u><u>\$330,608</u></u>
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**Liabilities**

Undistributed Monies	\$187,810
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Due to Students	<u>142,798</u>
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<i>Total Liabilities</i>	<u><u>\$330,608</u></u>
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See accompanying notes to the basic financial statements

## **Shaker Heights City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009*

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

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

The School District operates under a locally elected five-member Board form of government. Each member is elected to a four year term. The School District provides educational services as mandated by State and federal agencies. The Board of Education controls the School District's eight instructional and four support facilities staffed by 314 classified employees, 441 certified teachers and 31 tutoring personnel, and 34 administrators who provide services to 5,542 students.

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

#### ***Reporting Entity***

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

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

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

The School District is associated with a related organization and two jointly governed organizations. These organizations are the Shaker Heights Public Library, the Ohio Schools' Council Association, and the Lakeshore Northeast Ohio Computer Association. These organizations are presented in Notes 16 and 18 to the basic financial statements.

## Shaker Heights City School District

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009*

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

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

#### ***A. Basis of Presentation***

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

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

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

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

#### ***B. Fund Accounting***

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

## Shaker Heights City School District

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009*

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

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

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

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

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

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

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

### **C. Measurement Focus**

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

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

## Shaker Heights City School District

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009*

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

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

### ***D. Basis of Accounting***

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

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

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

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

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

Property taxes for which there is an enforceable legal claim as of June 30, 2009, but which were levied to finance fiscal year 2010 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.



## **Shaker Heights City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009*

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

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

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

### ***E. Budgetary Data***

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

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

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated revenues by fund. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year. Prior to fiscal year-end, the School District passed an amended appropriation measure which matched appropriations to expenditures plus encumbrances in the majority of the categories.

### ***F. Cash and Cash Equivalents***

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

During fiscal year 2009, investments were limited to federal home loan bank bonds, treasury notes, federal farm credit bank notes, federal home loan mortgage corporation bonds, and STAROhio (the State Treasury Asset Reserve of Ohio).

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2009.

## **Shaker Heights City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009*

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Investments are reported at fair value which is based on quoted market prices.

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2009 amounted to \$1,210,750, which includes \$263,746 assigned from other School District funds.

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

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

Payments made to vendors for services that will benefit periods beyond June 30, 2009, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

### ***H. Inventory***

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

### ***I. Restricted Assets***

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

### ***J. Capital Assets***

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

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The School District was able to estimate the historical cost for the initial reporting of capital assets by backtrending (i.e., estimating the current replacement cost of the capital asset to be capitalized and using an appropriate price-level index to deflate the cost of the acquisition year or estimated acquisition year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of one thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

**Shaker Heights City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009*

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

***K. Interfund Balances***

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "interfund receivables/payables". These amounts are eliminated in the governmental activities column of the statement of net assets.

***L. Compensated Absences***

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

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

***M. Bond Issuance Costs***

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

As permitted by State Statute, the School District paid bond issuance costs from the bond proceeds and therefore does not consider that portion of debt to be capital-related debt. That portion of the debt was offset against the unamortized bond issuance costs which were included in the determination of unrestricted net assets. Reporting both within the same element of net assets prevents one classification from being overstated while another is understated by the same amount.

***N. Bond Premium***

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

***O. Gain/Loss on Refunding***

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

**Shaker Heights City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009*

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***P. Accrued Liabilities and Long-Term Obligations***

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

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

***Q. Net Assets***

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

Net assets restricted for other purposes include resources restricted for local grants received from private foundations and individuals, school site sales revenue and expenditures for field trips, assemblies, and other activity costs, the operation of the Shaker Heights merchandise account and extracurricular activities.

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

***R. Fund Balance Reserves***

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

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

***S. Internal Activity***

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

## **Shaker Heights City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009*

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

### ***T. Operating Revenue and Expenses***

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

### ***U. Extraordinary and Special Items***

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. For fiscal year 2009, the extraordinary item reported on the Statement of Activities was due to delinquent property taxes being removed from the delinquencies list by the County Auditor due to pending litigation.

### ***V. Estimates***

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

## **Note 3 – Change in Accounting Principles**

For fiscal year 2009, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations", Statement No. 52, "Land and Other Real Estate Held as Investments by Endowments", Statement No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", and Statement No. 56, "Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards."

GASB Statement No. 49 addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effect of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The implementation of this Statement did not result in any change in the School District's financial statements.

## **Shaker Heights City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009*

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GASB Statement No. 52 establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments are also required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value. The implementation of this Statement did not result in any change in the School District's financial statements.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB authoritative literature. The GAAP hierarchy consists of the sources of accounting principles used in the preparation of financial statements of state and local governmental entities that are presented in conformity with GAAP, and the framework for selecting those principles. The implementation of this Statement did not result in any change in the School District's financial statements.

GASB Statement No. 56 incorporates accounting and financial reporting guidance previously only contained in the American Institute of Certified Public Accountants' and auditing literature into the GASB's accounting and financial reporting literature for state and local governments. The statement's guidance addresses related party transactions, going concern considerations, and subsequent events from the AICPA literature. The implementation of this Statement did not result in any change in the School District's financial statements.

### **Note 4 - Budgetary Basis of Accounting**

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

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

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

## Shaker Heights City School District

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009

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Net Change in Fund Balance	
GAAP Basis	\$2,798,356
Net Adjustment for Revenue Accruals	361,482
Beginning Fair Value Adjustment for Investments	(12,270)
Ending Fair Value Adjustment for Investments	(107,013)
Net Adjustment for Expenditure Accruals	83,049
Adjustment for Encumbrances	<u>(5,344,140)</u>
Budget Basis	<u><u>(\$2,220,536)</u></u>

### Note 5 - Deposits and Investments

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

**Shaker Heights City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009*

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);
7. The State Treasurer’s investment pool (STAROhio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

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

**Deposits**

**Custodial Credit Risk** Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year end, \$23,268,416 of the School District’s bank balance of \$24,302,923 was uninsured and uncollateralized. Although the securities were held by the pledging institutions’ trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

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

**Investments**

As of June 30, 2009, the School District had the following investments:

	<u>Fair Value</u>	<u>Maturity</u>
Federal Home Loan Bank Bonds	\$7,085,230	12/15/2009-3/4/2011
Treasury Notes	4,020,078	7/31/2009-9/15/2009
Federal Farm Credit Bank Notes	3,016,910	1/12/2011-3/2/2011
Federal Home Loan Mortgage Corporation Bonds	1,013,930	2/12/2010
STAROhio	16,372	58.8 Days Average
Total	<u>\$15,152,520</u>	

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

**Credit Risk** The Federal Home Loan Bank Bonds, the Federal Farm Credit Bank Notes, and the Federal Home Loan Mortgage Corporation Bonds, all carry a rating of AAA by Standard & Poor’s. STAROhio also carries a rating of AAAM by Standard & Poor’s. Ohio law requires that STAROhio maintain the



## Shaker Heights City School District

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009

highest rating provided by at least one nationally recognized standard rating service. The School District's investment policy states that preservation of principal is the primary investment objective. Additionally, the policy also delineates allowable investments by class and minimum credit quality.

**Concentration of Credit Risk** The School District places no limit on the amount it may invest in any one issuer. The following is the School District's allocation as of June 30, 2009:

Investment	Percentage of Investments
Federal Home Loan Bank Bonds	46.76%
Treasury Notes	26.53
Federal Farm Credit Bank Notes	19.91
Federal Home Loan Mortgage Corporation Bonds	6.69
STAROhio	0.11

### Note 6 - Property Taxes

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar 2009 represents collections of calendar year 2008 taxes. Real property taxes received in calendar year 2009 were levied after April 1, 2008, on the assessed value listed as of January 1, 2008, the lien date. Assessed values for real property taxes are established by State statute at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2009 represents collections of calendar year 2008 taxes. Public utility real and tangible personal property taxes received in calendar year 2009 became a lien December 31, 2007, were levied after April 1, 2008, and are collected in 2009 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax revenue received in calendar year 2009 (other than public utility property tax) represents the collection of calendar year 2009 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2009 were levied after October 1, 2008, on the value as of December 31, 2008. Amounts 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. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30; however, this year the settlement was late.

## Shaker Heights City School District

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009

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, 2009, are available to finance fiscal year 2009 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents the late personal property tax settlement, real property, public utility property, and tangible personal property taxes which were measurable as of June 30, 2009, and for which there was an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 and the late personal property tax settlement were levied to finance current fiscal year operations and are reflected as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2009, was \$9,201,446 in the general fund and \$544,816 in the bond retirement debt service fund. The amount available as an advance at June 30, 2008, was \$7,856,482 in the general fund and \$432,695 in the bond retirement debt service fund.

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

The assessed values upon which the fiscal year 2009 taxes were collected are:

	2008 Second- Half Collections		2009 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$926,108,350	98.60%	\$925,941,780	98.68%
Public Utility Property	9,871,720	1.05	10,337,780	1.10
Tangible Personal Property	3,243,846	0.35	2,081,828	0.22
Total	<u>\$939,223,916</u>	<u>100.00%</u>	<u>\$938,361,388</u>	<u>100.00%</u>
Full voted tax rate per \$1,000 of assessed valuation		\$170.30		\$170.60

### Note 7 - Receivables

Receivables at June 30, 2009, consisted of taxes, accounts (rent and student fees), accrued interest on investments, intergovernmental grants and taxes. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables except for delinquent property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

**Shaker Heights City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009*

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amount</u>
Title I Grant and Subsidies	\$486,281
Title VI-B Grant and Subsidies	253,193
Classroom Size Reduction Grant and Subsidies	95,947
Ohio School Council Refund	71,145
Drug Free Grant and Subsidies	11,549
Continuous Improvement Grant and Subsidies	9,233
Limited English Proficiency Grant and Subsidies	8,955
Worthington Schools Workshop Tuition Fees	5,200
Title V Grant and Subsidies	5,154
Preschool Disability Grant and Subsidies	1,444
<i>Total Intergovernmental Receivables</i>	<u><u>\$948,101</u></u>

**Note 8 - Set-Asides**

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year end and carried forward to be used for the same purposes in future years. In prior years, the School District was also required to set aside money for budget stabilization. At June 30, 2009, only the unspent portion of certain workers' compensation refunds continue to be set-aside.

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

	<u>Textbooks</u>	<u>Capital Improvements</u>	<u>Budget Stabilization</u>
Set-Aside Reserve Balance as of June 30, 2008	(\$4,673,885)	(\$33,008,669)	\$353,070
Current Year Set-Aside Requirement	900,423	900,423	0
Current Year Offset	0	(1,008,361)	0
Qualifying Disbursements	<u>(1,531,400)</u>	<u>(383,099)</u>	<u>0</u>
Totals	<u><u>(\$5,304,862)</u></u>	<u><u>(\$33,499,706)</u></u>	<u><u>\$353,070</u></u>
Set-Aside Balances Carried Forward to Future Fiscal Years	<u><u>(\$5,304,862)</u></u>	<u><u>(\$33,499,706)</u></u>	<u><u>\$353,070</u></u>
Set-Aside Reserve Balance as of June 30, 2009	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$353,070</u></u>

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

**Shaker Heights City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009*

**Note 9 - Contingencies**

**A. Grants**

The School District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2009.

**B. Litigation**

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

**Note 10 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2009, was as follows:

	Balance 6/30/08	Additions	Deletions	Balance 6/30/09
<b>Governmental Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$943,600	\$0	\$0	\$943,600
Construction in Progress	3,095,221	1,688,778	(3,587,608)	1,196,391
<i>Total Capital Assets, not being Depreciated</i>	<u>4,038,821</u>	<u>1,688,778</u>	<u>(3,587,608)</u>	<u>2,139,991</u>
<i>Capital Assets, being Depreciated</i>				
Land Improvements	3,416,869	23,474	0	3,440,343
Buildings and Improvements	29,596,206	3,769,873	0	33,366,079
Equipment	13,553,430	1,568,814	(230,456)	14,891,788
Vehicles	3,343,342	418,273	(218,500)	3,543,115
<i>Total Capital Assets, being Depreciated</i>	<u>49,909,847</u>	<u>5,780,434</u>	<u>(448,956)</u>	<u>55,241,325</u>
Less Accumulated Depreciation:				
Land Improvements	(1,117,798)	(137,468)	0	(1,255,266)
Buildings and Improvements	(9,705,446)	(789,961)	0	(10,495,407)
Equipment	(10,211,312)	(1,000,442)	230,456	(10,981,298)
Vehicles	(2,219,078)	(286,827)	218,500	(2,287,405)
<i>Total Accumulated Depreciation</i>	<u>(23,253,634)</u>	<u>(2,214,698) *</u>	<u>448,956</u>	<u>(25,019,376)</u>
<i>Total Capital Assets, being Depreciated, Net</i>	<u>26,656,213</u>	<u>3,565,736</u>	<u>0</u>	<u>30,221,949</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$30,695,034</u>	<u>\$5,254,514</u>	<u>(\$3,587,608)</u>	<u>\$32,361,940</u>

## Shaker Heights City School District

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009

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\* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$550,146
Special	31,264
Support Services:	
Pupils	9,166
Instructional Staff	65,299
Administration	42,704
Fiscal	5,414
Business	105,974
Operation and Maintenance of Plant	930,842
Pupil Transportation	271,981
Central	74,079
Operation of Non-Instructional Services	113,600
Extracurricular	14,229
Total Depreciation Expense	<u>\$2,214,698</u>

### Note 11 - Risk Management

#### A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2009, the School District contracted with Indiana Insurance Company for property and inland marine insurance.

General liability coverage is provided by Indiana Insurance Company with a \$1,000,000 single occurrence limit, a \$2,000,000 aggregate and no deductible. Vehicles, including school buses, are covered by Indiana Insurance Company with a \$250 deductible for comprehensive, and a \$500 deductible for collision. There is a \$1,000,000 per accident combined single limit of liability. The School District also has a \$9,000,000 umbrella policy with Indiana Insurance Company that covers both general liability and vehicle policies, and foreign travel coverage with the AIG World Source. Settled claims have not exceeded this commercial coverage in any of the past three years and there has not been a significant reduction in coverage from the prior year.

#### B. Workers' Compensation

The School District participates in the State Workers' Compensation retrospective rating and payment system. Once the School District receives notice of the 2009 claims paid by the Bureau of Workers' Compensation, the School District will reimburse the State for claims paid on the School District's behalf. The payable is reclassified from claims payable to intergovernmental payable. 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, 2009, represents an estimate of the liability for unpaid claims costs provided by Workers' Compensation. The claims liability reported in the internal service funds for the Workers' Compensation retrospective rating and payment system at June 30, 2009, was \$550,000.

**Shaker Heights City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009*

**C. Employee Health Benefits**

The School District is self-insured for prescription drug insurance. Wellpoint NextRx, the third party administrator of the program, reviewed and paid the claims for the prescription drug program. Monthly premiums for prescription drug insurance are \$267.25 for family coverage and \$100.66 for single coverage. The program utilizes a \$4 prescription deductible for generic drugs and a \$12 deductible for non-generic drugs. The School District paid \$4,353 in fees to the program administrator in fiscal year 2009. The fee is, generally, \$.20 per claim. The School District elects the contingent premium option for its dental and health insurance provided by its primary health insurance carrier Anthem Blue Cross/Blue Shield of Ohio. Under the terms of the contingent premium agreement, the School District pays 90 percent of the fully-insured premium during the contract period, but is subject to an additional payment up to 105 percent of the fully-insured premium based upon the actual experience during the contract period. The liability for claims reported in the internal service funds for the medical, dental and prescription drug insurance at June 30, 2009 is \$149,919 and is based on the July 2009 actual billing.

The claims liability reported in the internal service funds at June 30, 2009 for worker's compensation and employee medical, dental and drug coverage is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in claims activity for fiscal years 2008 and 2009 are as follows:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2008	\$812,000	\$8,713,898	\$8,651,698	\$874,200
2009	874,200	9,509,354	9,683,635	699,919

**Note 12 - Other Employee Benefits**

**A. Compensated Absences**

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

**B. Health Care Benefits**

Medical/surgical insurance is offered to employees through either Kaiser Permanente Insurance Company or Anthem Insurance Company. The Kaiser Permanente plan has \$10 office visit co-pay. Individual coverage is \$465.96 per month while family coverage for a family of two is \$931.92 and for a family of three or more is \$1,397.88. The Anthem Insurance Company plan provides medical/surgical insurance with no deductible in the network and co-pays for office visits, urgent care and emergency room services. Outside the network, the plan provides medical/surgical insurance coverage at 80 percent on the first \$2,500 of covered services and 100 percent afterwards, with a \$100 deductible for single subscribers, and

**Shaker Heights City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009*

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80 percent on the first \$5,000 of covered services and 100 percent afterwards, with a \$200 deductible for family subscribers per calendar year.

Dental insurance is offered to employees through Anthem Insurance Company with a \$50 deductible on orthodontic and restoration services. Individual coverage is \$41.04 per month and family coverage is \$117.78 per month.

***C. Life Insurance***

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

**Note 13 – Pension Plans**

***A. School Employee Retirement System***

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

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2009, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2009, 2008 and 2007 were \$1,329,463, \$1,266,412 and \$1,267,318 respectively; 41.07 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

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

Plan Description - The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 East Broad Street, Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio website at [www.strsoh.org](http://www.strsoh.org).

## **Shaker Heights City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009*

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New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For the fiscal year ended June 30, 2009, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2008, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2009, 2008, and 2007 were \$4,928,534, \$4,855,357, and \$4,749,719, respectively; 85.01 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007. Contributions to the DC and Combined Plans for fiscal year 2009 were \$88,087 made by the School District and \$179,502 made by the plan members.

### **Note 14 - Postemployment Benefits**

#### ***A. School Employee Retirement System***

Plan Description - The School District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Plan B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.



## **Shaker Heights City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009*

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Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutory required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2009, 4.16 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2009, this amount was \$35,800. During fiscal year 2009, the School District paid \$220,683 in surcharge.

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

The School District's contributions for health care for the fiscal years ended June 30, 2009, 2008, and 2007 were \$608,423, \$577,904, and \$433,422 respectively; 41.07 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B fund. For 2009, this actuarially required allocation was 0.75 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2009, 2008, and 2007 were \$109,692, \$91,248, and \$86,178 respectively; 41.07 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

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

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

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2008, STRS Ohio allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2009, 2008, and 2007 were \$379,118, \$373,489, and \$365,363 respectively; 85.01 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

## **Note 15 – Interfund Transfers and Balances**

### ***A. Transfers***

The general fund made transfers of \$475,000 to the non-major governmental funds. The transfers were made to support the activities of the funds.

**Shaker Heights City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009*

**B. Interfund Balances**

Interfund balances at June 30, 2009, consist of an interfund receivable/payable between the general fund and the nonmajor governmental funds in the amount of \$8,601. These loans were made to support programs and projects in various special revenue funds pending the receipt of grant money that will be used to repay the loans. These loans are expected to be repaid in fiscal year 2010.

**Note 16 - Related Organization**

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

**Note 17 – Long-Term Obligations**

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

<u>Debt Issue</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date to Maturity</u>
<i>General Obligation Bonds:</i>			
School Improvement - 1990	7.08%	\$5,000,000	2011
School Improvement - 1999	3.95 - 4.95%	9,500,000	2010
School Improvement - 2000	4.30 - 5.38%	3,199,993	2011
School Improvement - 2005	3.00 - 4.50%	9,999,995	2026
School Improvement Refunding - 2005	3.00 - 4.50%	1,324,999	2013
School Improvement - 2007	4.00 - 24.70%	8,498,960	2026
School Improvement Refunding - 2007	4.00 - 24.70%	3,769,983	2020
School Improvement Refunding - 2007	4.00 - 24.70%	1,931,639	2020
School Improvement - 2008	4.00 - 4.50%	4,999,999	2025
<i>Long-Term Note:</i>			
Bus Acquisition Bond Anticipation Note - 2009	1.00%	500,000	2010

**Shaker Heights City School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2009

Changes in long-term obligations of the School District during fiscal year 2009, were as follows:

	Balance Outstanding 06/30/08	Additions	Deletions	Balance Outstanding 06/30/09	Amounts Due in One Year
<b>Governmental Activities</b>					
School Improvement Bonds - 1990					
Serial Bonds	\$1,275,000	\$0	\$395,000	\$880,000	\$425,000
School Improvement Bonds - 1999					
Serial Bonds	570,000	0	280,000	290,000	290,000
School Improvement Bonds - 2000					
Serial and Term Bonds	165,000	0	0	165,000	0
Capital Appreciation Bonds	134,993	0	70,976	64,017	64,017
Accretion on Capital Appreciation Bonds	178,218	8,492	94,024	92,686	92,686
Total School Improvement Bonds - 2000	478,211	8,492	165,000	321,703	156,703
School Improvement Bonds 2005					
Serial Bonds	7,725,000	0	455,000	7,270,000	455,000
Capital Appreciation Bonds	204,995	0	0	204,995	0
Accretion on Capital Appreciation Bonds	119,561	50,206	0	169,767	0
Unamortized Premium	118,979	0	7,103	111,876	0
Total School Improvement Bonds - 2005	8,168,535	50,206	462,103	7,756,638	455,000
School Improvement Refunding Bonds 2005					
Serial Bonds	860,000	0	160,000	700,000	160,000
Capital Appreciation Bonds	94,999	0	0	94,999	0
Accretion on Capital Appreciation Bonds	32,154	12,149	0	44,303	0
Unamortized Premium	41,309	0	2,466	38,843	0
Unamortized Accounting Loss	(25,103)	0	(1,499)	(23,604)	0
Total School Improvement Refunding Bonds - 2005	1,003,359	12,149	160,967	854,541	160,000
School Improvement Bonds - 2007					
Serial Bonds	8,475,000	0	800,000	7,675,000	845,000
Capital Appreciation Bonds	23,960	0	0	23,960	0
Accretion on Capital Appreciation Bonds	7,422	8,230	0	15,652	0
Unamortized Premium	110,312	0	6,304	104,008	0
Total School Improvement Bonds - 2007	8,616,694	8,230	806,304	7,818,620	845,000
School Improvement Refunding - 2007					
Serial Bonds	3,760,000	0	10,000	3,750,000	15,000
Capital Appreciation Bonds	9,983	0	0	9,983	0
Accretion on Capital Appreciation Bonds	3,093	3,429	0	6,522	0
Unamortized Premium	85,098	0	7,400	77,698	0
Unamortized Accounting Loss	(141,584)	0	(12,312)	(129,272)	0
Total School Improvement Refunding Bonds - 2007	3,716,590	3,429	5,088	3,714,931	15,000
School Improvement Refunding - 2007					
Serial Bonds	1,915,000	0	15,000	1,900,000	15,000
Capital Appreciation Bonds	16,639	0	0	16,639	0
Accretion on Capital Appreciation Bonds	5,154	5,715	0	10,869	0
Unamortized Premium	88,011	0	7,653	80,358	0
Unamortized Accounting Loss	(72,938)	0	(6,342)	(66,596)	0
Total School Improvement Refunding Bonds - 2007	\$1,951,866	\$5,715	\$16,311	\$1,941,270	\$15,000

## Shaker Heights City School District

### *Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009*

	Balance Outstanding 06/30/08	Additions	Deletions	Balance Outstanding 06/30/09	Amounts Due in One Year
School Improvement Bonds - 2008					
Serial Bonds	\$0	\$4,880,000	\$0	\$4,880,000	\$210,000
Capital Appreciation Bonds	0	119,999	0	119,999	0
Accretion on Capital Appreciation Bonds	0	7,068	0	7,068	0
Unamortized Premium	0	107,967	0	107,967	0
<b>Total School Improvement Bonds - 2008</b>	<b>0</b>	<b>5,115,034</b>	<b>0</b>	<b>5,115,034</b>	<b>210,000</b>
<b>Total General Obligation Bonds</b>	<b>25,780,255</b>	<b>5,203,255</b>	<b>2,290,773</b>	<b>28,692,737</b>	<b>2,571,703</b>
Long-Term Notes					
Bus Acquisition Bond Anticipation					
Note - 2009	500,000	500,000	500,000	500,000	0
Bond Anticipation Note - 2008	5,000,000	0	5,000,000	0	0
<i>Total Long-Term Notes</i>	5,500,000	500,000	5,500,000	500,000	0
Compensated Absences	6,719,751	1,176,672	736,978	7,159,445	1,003,426
Claims Payable	874,200	9,509,354	9,683,635	699,919	265,807
<i>Total Governmental Activities</i>	<u>\$38,874,206</u>	<u>\$16,389,281</u>	<u>\$18,211,386</u>	<u>\$37,052,101</u>	<u>\$3,840,936</u>

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

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

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

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

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

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

**Shaker Heights City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009*

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The maturity amount of the capital appreciation bond was \$165,000. In addition, another capital appreciation bond will mature in fiscal year 2010 with a maturity amount of \$165,000. For fiscal year 2009, \$8,492 was accreted for a total bond value of \$156,703.

On April 5, 2005, the School District issued \$1,230,000 in school improvement refunding bonds and \$9,999,995 in serial and term school improvement bonds with interest rates varying from 4.3 to 5.375 percent. These bonds were issued to provide for all future debt payments on the refunded portion of the 1993 building addition bonds. The maturity amount of outstanding building addition refunding bonds at June 30, 2009 is \$700,000. The bonds will mature in 2014.

The maturity amount of outstanding serial and term school improvement bonds at June 30, 2009 is \$7,270,000. The bonds will mature in 2026.

The 2005 capital appreciation bonds will mature in fiscal year 2011. The maturity amount of the bonds is \$465,000. For fiscal year 2009, \$50,206 was accreted for a total bond value of \$374,762.

The 2005 refunding capital appreciation bonds will mature in fiscal year 2012. The maturity amount of the bonds is \$175,000. For fiscal year 2009, \$12,149 was accreted for a total bond value of \$139,302.

On April 19, 2007, the School District issued \$5,701,622 in school improvement refunding bonds and \$8,498,960 in serial and term school improvement bonds with interest rates varying from 4.0 to 24.70 percent. The school improvement refunding bonds and serial and term school improvement bonds were issued for the purpose of refunding the outstanding portion of 1999 and 2000 bonds to take advantage of lower interest rates. The serial and term school improvement bonds were issued for a twenty year period with final maturity in 2026. The school improvement refunding bonds will mature in 2020.

The 2007 capital appreciation bonds will mature in fiscal year 2016. The maturity amount of the bonds is \$180,000. For fiscal year 2009, \$8,230 was accreted for a total bond value of \$39,612.

The 2007 refunding capital appreciation bonds for the 1999 school improvement bonds will mature in fiscal year 2016. The maturity amount of the bonds is \$75,000. For fiscal year 2009, \$3,429 was accreted for a total bond value of \$16,505.

The 2007 refunding capital appreciation bonds for the 2000 school improvement bonds will mature in fiscal year 2016. The maturity amount of the bonds is \$125,000. For fiscal year 2009, \$5,715 was accreted for a total bond value of \$27,508.

On November 25, 2008, the School District issued \$4,999,999 in school improvement bonds with interest rates varying from 4.00 to 4.50 percent. These bonds were issued to defease bond anticipation notes of \$5,000,000 maturing on December 2, 2008. The bond issue included serial and capital appreciation bonds in the amounts \$4,880,000, and \$119,999, respectively. The bonds will be retired with a voted property tax levy from the debt service fund.

The serial school improvement bonds were issued for a sixteen year period with final maturity in 2025.

The capital appreciation bonds will mature in fiscal year 2017. The maturity amount of the bonds is \$305,000. For fiscal year 2009, \$7,068 was accreted for a total bond value of \$127,067.

## Shaker Heights City School District

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009

On December 2, 2008, the School District retired the \$5,000,000 general obligation bond anticipation note with the 2008 school improvement bond proceeds. The note was paid from the debt service fund. In addition, a bus acquisition bond anticipation note for \$500,000 retired during fiscal year 2009 and was rolled over into another \$500,000 bond anticipation note that will mature in fiscal year 2010.

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

The School District's overall debt margin was \$58,422,983 with an unvoted debt margin of \$931,808 at June 30, 2009. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2009 are as follows:

Fiscal Year Ending June 30,	Serial and Term Bonds		Capital Appreciation Bonds	
	Principal	Interest	Principal	Interest
2010	\$2,415,000	\$1,099,517	\$64,017	\$100,983
2011	1,680,000	1,006,182	204,995	260,005
2012	1,545,000	939,869	94,999	80,001
2013	1,780,000	869,920	0	0
2014	1,845,000	798,202	0	0
2015-2019	8,230,000	3,003,780	170,581	514,419
2020-2024	7,175,000	1,349,022	0	0
2025-2026	2,840,000	125,832	0	0
	<u>\$27,510,000</u>	<u>\$9,192,324</u>	<u>\$534,592</u>	<u>\$955,408</u>

### Note 18 - Jointly Governed Organizations

#### A. Ohio Schools' Council Association

The Ohio Schools' Council Association (Council) is a jointly governed organization among 126 school districts. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each district supports the Council by paying an annual participation fee. Each school district member's superintendent serves as a representative of the Assembly. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The Council operates under a nine-member Board of Directors (the Board). The Board is the policy making authority of the Council. The Board meets monthly September to June. The Board appoints an Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Board and Assembly and carrying out such other responsibilities as designated by the Board. In fiscal year 2009, the District paid \$3,254 to the Council. Financial information can be obtained by contacting Dr. David A. Cottrell, the Executive Director at the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

The School District participates in the natural gas purchase program. This program allows the School District to purchase natural gas at reduced. Energy USA was selected as the new natural gas supplier and program manager. There are currently 144 districts in the Program. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings in September until the credits are exhausted and districts that

**Shaker Heights City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009*

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did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

The School District also participates in the Council's electric purchase program. The Council provided 238 school districts and 11 MR/DD boards in the First Energy territory (Cleveland Electric Illuminating, Ohio Edison, Toledo Edison) the ability to purchase electricity at reduced rates. Each month, the Council invoiced participants based on estimated payments which are compared to their actual usage for the year (July to June). Refund checks were issued to districts that consumed less than their projected usage of electrical energy and districts that over-consumed are invoiced. With the end of the program on December 31, 2008, the School District purchased its electricity from the local area utility, First Energy. In late October 2009, the School District joined a new Ohio School Council consortium electricity purchase program which provides for additional discounts above what the School District would receive otherwise.

***B. Lakeshore Northeast Ohio Computer Association***

The Lakeshore Northeast Ohio Computer Association (LNOCA) is a jointly governed computer service bureau that was formed for the purpose of providing data services to the eleven member districts. Major areas of service provided by LNOCA include accounting, payroll, inventory, career guidance services, handicapped student tracking, pupil scheduling, attendance reporting and grade reporting. Each school is represented on the LNOCA Board of Directors by its superintendent. Each year, the Board of Directors elects a Chairman, a Vice Chairman and a Recording Secretary. The Treasurer of the fiscal agent is a nonvoting, ex-officio member of the Board of Directors. The Cuyahoga County Educational Service Center serves as the fiscal agent of LNOCA. Each school district supports LNOCA based upon a per pupil charge dependent upon the software packages used. In fiscal year 2009, the School District paid \$159,048 to LNOCA. Financial information can be obtained by contacting the Treasurer of the fiscal agent at 5811 West Canal Road, Valley View, Ohio 44125.

**Note 19 – Subsequent Event**

On October 6, 2009, the School District issued new bus acquisition notes in the amount of \$600,000 with a coupon interest rate of 1.00 percent and a net interest of .97 percent. The proceeds were used to acquire eight school buses in October 2009.

On October 15, 2009, the School District retired the \$500,000 bus acquisition notes.

**Combining and Individual Fund Statements and Schedules**



## Fund Descriptions – Nonmajor Governmental Funds

### *Nonmajor Special Revenue Funds*

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

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

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

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

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

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

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

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

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

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

***Poverty Based Assistance*** — This fund accounts for monies appropriated for poverty based assistance as part of the State foundation system.

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

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

(continued)

## Fund Descriptions – Nonmajor Governmental Funds (continued)

### *Nonmajor Special Revenue Funds (continued)*

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

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

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

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

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

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

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

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

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

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

(continued)

**Fund Descriptions – Nonmajor Governmental Funds (continued)**

***Nonmajor 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.

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

**Shaker Heights City School District**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*June 30, 2009*

	Nonmajor Special Revenue Funds	Nonmajor Bond Retirement Debt Service Fund	Total Nonmajor Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$732,122	\$2,059,603	\$2,791,725
Accounts Receivable	868	0	868
Intergovernmental Receivable	871,756	0	871,756
Materials and Supplies Inventory	18,640	0	18,640
Property Taxes Receivable	0	3,571,473	3,571,473
<i>Total Assets</i>	<u>\$1,623,386</u>	<u>\$5,631,076</u>	<u>\$7,254,462</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$41,139	\$0	\$41,139
Accrued Wages and Benefits	427,901	0	427,901
Interfund Payable	8,601	0	8,601
Intergovernmental Payable	101,109	0	101,109
Deferred Revenue	219,474	3,026,187	3,245,661
<i>Total Liabilities</i>	<u>798,224</u>	<u>3,026,187</u>	<u>3,824,411</u>
<b>Fund Balances</b>			
Reserved for Encumbrances	620,326	10,000	630,326
Reserved for Property Taxes	0	544,816	544,816
Unreserved, Undesignated Reported In:			
Special Revenue Funds	204,836	0	204,836
Debt Service Fund	0	2,050,073	2,050,073
<i>Total Fund Balances</i>	<u>825,162</u>	<u>2,604,889</u>	<u>3,430,051</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,623,386</u>	<u>\$5,631,076</u>	<u>\$7,254,462</u>

**Shaker Heights City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Fiscal Year Ended June 30, 2009*

	Nonmajor Special Revenue Funds	Nonmajor Bond Retirement Debt Service Fund	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Property Taxes	\$0	\$3,233,410	\$3,233,410
Intergovernmental	4,534,089	456,675	4,990,764
Interest	7,277	0	7,277
Tuition and Fees	105,109	0	105,109
Extracurricular Activities	169,428	0	169,428
Contributions and Donations	17,058	0	17,058
Charges for Services	801,272	0	801,272
Miscellaneous	59,432	0	59,432
<i>Total Revenues</i>	<u>5,693,665</u>	<u>3,690,085</u>	<u>9,383,750</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	507,521	0	507,521
Special	563,723	0	563,723
Support Services:			
Pupils	15,483	0	15,483
Instructional Staff	1,207,556	0	1,207,556
Administration	23,511	0	23,511
Fiscal	27,590	65,578	93,168
Business	9,574	0	9,574
Operation and Maintenance of Plant	7,246	0	7,246
Central	19,075	0	19,075
Operation of Non-Instructional Services	1,044,421	0	1,044,421
Food Service Operations	1,725,336	0	1,725,336
Extracurricular Activities	231,029	0	231,029
Capital Outlay	373,451	0	373,451
Debt Service:			
Principal Retirement	0	7,185,976	7,185,976
Interest and Fiscal Charges	0	1,168,822	1,168,822
Capital Appreciation Bonds Interest	0	94,024	94,024
Bond Issuance Costs	0	107,962	107,962
<i>Total Expenditures</i>	<u>5,755,516</u>	<u>8,622,362</u>	<u>14,377,878</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(61,851)</u>	<u>(4,932,277)</u>	<u>(4,994,128)</u>
<b>Other Financing Sources</b>			
General Obligation Bonds Issued	0	4,998,954	4,998,954
General Obligation Bond Premium	0	107,967	107,967
Transfers In	475,000	0	475,000
<i>Total Other Financing Sources</i>	<u>475,000</u>	<u>5,106,921</u>	<u>5,581,921</u>
<i>Net Change in Fund Balances</i>	413,149	174,644	587,793
<i>Fund Balances Beginning of Year</i>	<u>412,013</u>	<u>2,430,245</u>	<u>2,842,258</u>
<i>Fund Balances End of Year</i>	<u><u>\$825,162</u></u>	<u><u>\$2,604,889</u></u>	<u><u>\$3,430,051</u></u>

**Shaker Heights City School District**

*Combining Balance Sheet*

*Nonmajor Special Revenue Funds*

*June 30, 2009*

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	Public School Support	Shaker Merchandise	Athletic
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$134,395	\$8,158	\$31,102
Accounts Receivable	0	0	0
Intergovernmental Receivable	0	0	0
Materials and Supplies Inventory	0	0	0
<i>Total Assets</i>	<u>\$134,395</u>	<u>\$8,158</u>	<u>\$31,102</u>
 <b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$12,270	\$0	\$0
Accrued Wages and Benefits	0	0	0
Interfund Payable	0	0	0
Intergovernmental Payable	0	0	1,235
Deferred Revenue	0	0	0
<i>Total Liabilities</i>	<u>12,270</u>	<u>0</u>	<u>1,235</u>
 <b>Fund Balances</b>			
Reserved for Encumbrances	9,954	1,754	22,042
Unreserved, Undesignated (Deficit)	112,171	6,404	7,825
<i>Total Fund Balances</i>	<u>122,125</u>	<u>8,158</u>	<u>29,867</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$134,395</u>	<u>\$8,158</u>	<u>\$31,102</u>

<u>Auxiliary Services</u>	<u>Title VI-B</u>	<u>Limited English Proficiency</u>	<u>Title I</u>
\$370,664	\$1,057	\$0	\$0
0	0	0	0
0	253,193	8,955	486,281
0	0	0	0
<u>\$370,664</u>	<u>\$254,250</u>	<u>\$8,955</u>	<u>\$486,281</u>

\$14,911	\$0	\$0	\$0
97,041	136,953	4,702	81,412
0	0	3,591	4,373
15,793	0	0	0
0	0	0	199,196
<u>127,745</u>	<u>136,953</u>	<u>8,293</u>	<u>284,981</u>

230,664	12,905	0	178,609
12,255	104,392	662	22,691
<u>242,919</u>	<u>117,297</u>	<u>662</u>	<u>201,300</u>
<u>\$370,664</u>	<u>\$254,250</u>	<u>\$8,955</u>	<u>\$486,281</u>

(continued)

**Shaker Heights City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*June 30, 2009*

	Title V	Drug Free Schools	Preschool Disability	Class Size Reduction
<b>Assets</b>				
Equity in Pooled Cash and				
Cash Equivalents	\$0	\$283	\$1,377	\$459
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	5,154	11,549	1,444	95,947
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$5,154</u>	<u>\$11,832</u>	<u>\$2,821</u>	<u>\$96,406</u>
 <b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$513	\$1,982	\$0	\$9,128
Accrued Wages and Benefits	0	2,179	2,821	14,398
Interfund Payable	96	0	0	0
Intergovernmental Payable	0	0	0	0
Deferred Revenue	0	0	0	16,860
<i>Total Liabilities</i>	<u>609</u>	<u>4,161</u>	<u>2,821</u>	<u>40,386</u>
 <b>Fund Balances</b>				
Reserved for Encumbrances	4,543	7,329	0	51,203
Unreserved, Undesignated (Deficit)	2	342	0	4,817
<i>Total Fund Balances</i>	<u>4,545</u>	<u>7,671</u>	<u>0</u>	<u>56,020</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$5,154</u>	<u>\$11,832</u>	<u>\$2,821</u>	<u>\$96,406</u>



<u>Goals 2000</u>	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Local Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$0	\$154,979	\$2,111	\$27,537	\$732,122
0	868	0	0	868
9,233	0	0	0	871,756
0	18,640	0	0	18,640
<u>\$9,233</u>	<u>\$174,487</u>	<u>\$2,111</u>	<u>\$27,537</u>	<u>\$1,623,386</u>
\$816	\$1,519	\$0	\$0	\$41,139
0	88,395	0	0	427,901
541	0	0	0	8,601
0	84,081	0	0	101,109
3,418	0	0	0	219,474
<u>4,775</u>	<u>173,995</u>	<u>0</u>	<u>0</u>	<u>798,224</u>
4,093	94,153	0	3,077	620,326
365	(93,661)	2,111	24,460	204,836
<u>4,458</u>	<u>492</u>	<u>2,111</u>	<u>27,537</u>	<u>825,162</u>
<u>\$9,233</u>	<u>\$174,487</u>	<u>\$2,111</u>	<u>\$27,537</u>	<u>\$1,623,386</u>

**Shaker Heights City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2009*

	Public School Support	Shaker Merchandise	Athletic	Auxiliary Services	Management Information Systems
<b>Revenues</b>					
Intergovernmental	\$0	\$0	\$0	\$1,276,036	\$16,665
Interest	1,565	0	0	5,712	0
Tuition and Fees	47,501	0	0	0	0
Extracurricular Activities	107,354	0	62,074	0	0
Contributions and Donations	10,851	0	3,557	0	0
Charges for Services	0	0	1,230	0	0
Miscellaneous	9,927	4,548	2,069	0	0
<i>Total Revenues</i>	<u>177,198</u>	<u>4,548</u>	<u>68,930</u>	<u>1,281,748</u>	<u>16,665</u>
<b>Expenditures</b>					
Current:					
Instruction:					
Regular	133,725	0	0	0	0
Special	0	0	0	0	0
Support Services:					
Pupils	0	0	0	0	0
Instructional Staff	0	0	0	0	0
Administration	22,382	0	0	0	0
Fiscal	0	0	0	0	3,590
Business	0	9,574	0	0	0
Operation and Maintenance of Plant	0	0	7,246	0	0
Central	0	0	0	0	13,075
Operation of Non-Instructional Services	0	0	0	1,024,946	0
Food Service Operations	0	0	0	0	0
Extracurricular Activities	39,435	0	191,594	0	0
Capital Outlay	0	0	0	291,450	0
<i>Total Expenditures</i>	<u>195,542</u>	<u>9,574</u>	<u>198,840</u>	<u>1,316,396</u>	<u>16,665</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(18,344)	(5,026)	(129,910)	(34,648)	0
<b>Other Financing Sources</b>					
Transfers In	0	5,000	120,000	0	0
<i>Net Change in Fund Balances</i>	(18,344)	(26)	(9,910)	(34,648)	0
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>140,469</u>	<u>8,184</u>	<u>39,777</u>	<u>277,567</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$122,125</u></u>	<u><u>\$8,158</u></u>	<u><u>\$29,867</u></u>	<u><u>\$242,919</u></u>	<u><u>\$0</u></u>

Entry Teacher Program	Data Communication Grant	School Net Professional Development Grant	Alternative Schools	Poverty Based Assistance	Goals 2000 Pacesetter
\$11,900	\$24,000	\$2,970	\$54,727	\$123,104	\$40,252
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
11,900	24,000	2,970	54,727	123,104	40,252
0	0	0	54,727	123,104	15,253
0	0	0	0	0	0
0	0	0	0	0	0
12,102	0	2,970	0	0	24,999
1,029	0	0	0	0	0
0	24,000	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	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
13,131	24,000	2,970	54,727	123,104	40,252
(1,231)	0	0	0	0	0
0	0	0	0	0	0
(1,231)	0	0	0	0	0
1,231	0	0	0	0	0
\$0	\$0	\$0	\$0	\$0	\$0

(continued)

**Shaker Heights City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds (continued)*  
*For the Fiscal Year Ended June 30, 2009*

	Title VI-B	Limited English Proficiency	Title I	Title V	Drug Free Schools
<b>Revenues</b>					
Intergovernmental	\$1,152,306	\$34,933	\$745,979	\$10,415	\$27,318
Interest	0	0	0	0	0
Tuition and Fees	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Charges for Services	0	0	0	0	0
Miscellaneous	0	0	0	0	0
<i>Total Revenues</i>	<u>1,152,306</u>	<u>34,933</u>	<u>745,979</u>	<u>10,415</u>	<u>27,318</u>
<b>Expenditures</b>					
Current:					
Instruction:					
Regular	3,716	0	8,183	4,247	0
Special	0	26,284	506,767	0	0
Support Services:					
Pupils	0	0	0	0	15,483
Instructional Staff	993,801	0	63,968	0	0
Administration	0	100	0	0	0
Fiscal	0	0	0	0	0
Business	0	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0	0
Central	0	0	0	0	0
Operation of Non-Instructional Services	0	0	0	2,091	3,161
Food Service Operations	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0
Capital Outlay	0	0	0	0	0
<i>Total Expenditures</i>	<u>997,517</u>	<u>26,384</u>	<u>578,918</u>	<u>6,338</u>	<u>18,644</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	154,789	8,549	167,061	4,077	8,674
<b>Other Financing Sources</b>					
Transfers In	0	0	0	0	0
<i>Net Change in Fund Balances</i>	154,789	8,549	167,061	4,077	8,674
<i>Fund Balances (Deficit) Beginning of Year</i>	(37,492)	(7,887)	34,239	468	(1,003)
<i>Fund Balances End of Year</i>	<u>\$117,297</u>	<u>\$662</u>	<u>\$201,300</u>	<u>\$4,545</u>	<u>\$7,671</u>

Preschool Disability	Class Size Reduction	Goals 2000	Food Service	Uniform School Supplies	Local Grants	Total Nonmajor Special Revenue Funds
\$20,864	\$215,783	\$86,677	\$687,160	\$0	\$3,000	\$4,534,089
0	0	0	0	0	0	7,277
0	0	0	0	57,608	0	105,109
0	0	0	0	0	0	169,428
0	0	0	0	0	2,650	17,058
0	0	0	800,042	0	0	801,272
0	0	0	42,888	0	0	59,432
<u>20,864</u>	<u>215,783</u>	<u>86,677</u>	<u>1,530,090</u>	<u>57,608</u>	<u>5,650</u>	<u>5,693,665</u>
0	60,669	39,025	0	64,792	80	507,521
2,114	0	28,558	0	0	0	563,723
0	0	0	0	0	0	15,483
13,952	95,434	330	0	0	0	1,207,556
0	0	0	0	0	0	23,511
0	0	0	0	0	0	27,590
0	0	0	0	0	0	9,574
0	0	0	0	0	0	7,246
0	0	0	0	0	6,000	19,075
0	12,867	1,356	0	0	0	1,044,421
0	0	0	1,725,336	0	0	1,725,336
0	0	0	0	0	0	231,029
0	0	0	82,001	0	0	373,451
<u>16,066</u>	<u>168,970</u>	<u>69,269</u>	<u>1,807,337</u>	<u>64,792</u>	<u>6,080</u>	<u>5,755,516</u>
4,798	46,813	17,408	(277,247)	(7,184)	(430)	(61,851)
0	0	0	350,000	0	0	475,000
4,798	46,813	17,408	72,753	(7,184)	(430)	413,149
<u>(4,798)</u>	<u>9,207</u>	<u>(12,950)</u>	<u>(72,261)</u>	<u>9,295</u>	<u>27,967</u>	<u>412,013</u>
<u>\$0</u>	<u>\$56,020</u>	<u>\$4,458</u>	<u>\$492</u>	<u>\$2,111</u>	<u>\$27,537</u>	<u>\$825,162</u>

## Fund Descriptions – Internal Service Funds

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

***Self Insurance*** — This fund accounts for all health insurance payments, administrative costs, and reserves for the self-insured prescription drug coverage, and the potential obligation under the contingent premium health and dental insurance plan.

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

**Shaker Heights City School District**  
*Combining Statement of Fund Net Assets*  
*Internal Service Funds*  
*June 30, 2009*

	Self Insurance	Workers' Compensation Reserve	Totals
<b>Assets</b>			
<i>Current Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$1,275,000	\$550,000	\$1,825,000
<b>Liabilities</b>			
<i>Current Liabilities:</i>			
Claims Payable	149,919	115,888	265,807
<i>Long-Term Liabilities:</i>			
Claims Payable	0	434,112	434,112
<i>Total Liabilities</i>	149,919	550,000	699,919
<b>Net Assets</b>			
Unrestricted	\$1,125,081	\$0	\$1,125,081

**Shaker Heights City School District**  
*Combining Statement of Revenues,  
Expenses and Changes in Fund Net Assets  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2009*

	Self Insurance	Workers' Compensation Reserve	Totals
<b>Operating Revenues</b>			
Charges for Services	\$9,395,541	\$53,094	\$9,448,635
<b>Operating Expenses</b>			
Claims	9,456,260	53,094	9,509,354
<i>Change in Net Assets</i>	(60,719)	0	(60,719)
<i>Net Assets Beginning of Year</i>	1,185,800	0	1,185,800
<i>Net Assets End of Year</i>	\$1,125,081	\$0	\$1,125,081



**Shaker Heights City School District**  
*Combining Statement of Cash Flows*  
*Internal Service Funds*  
For the Fiscal Year Ended June 30, 2009

	Self Insurance	Workers' Compensation Reserve	Totals
<b><i>Increase (Decrease) in Cash and Cash Equivalents</i></b>			
<b>Cash Flows from Operating Activities</b>			
Cash Received from Transactions with Other Funds	\$9,395,541	\$53,094	\$9,448,635
Cash Payments for Claims	(9,460,541)	(223,094)	(9,683,635)
<i>Net Decrease in Cash and Cash Equivalents</i>	(65,000)	(170,000)	(235,000)
<i>Cash and Cash Equivalents Beginning of Year</i>	1,340,000	720,000	2,060,000
<i>Cash and Cash Equivalents End of Year</i>	\$1,275,000	\$550,000	\$1,825,000
<b><i>Reconciliation of Operating Loss to Net Cash Used for Operating Activities</i></b>			
<i>Operating Loss</i>	(\$60,719)	\$0	(\$60,719)
<b>Adjustments</b>			
Decrease in Claims Payable	(4,281)	(170,000)	(174,281)
<i>Net Cash Used for Operating Activities</i>	(\$65,000)	(\$170,000)	(\$235,000)

## Fund Description – Fiduciary Funds

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

### **Agency Funds**

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

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

**Shaker Heights City School District**  
*Combining Statement of Changes in Assets and Liabilities*  
*All Agency Funds*  
*For the Fiscal Year Ended June 30, 2009*

	Beginning Balance 06/30/08	Additions	Deductions	Ending Balance 06/30/09
<b>Rotary</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$194,981	\$146,991	\$154,162	\$187,810
<b>Liabilities</b>				
Undistributed Monies	\$194,981	\$146,991	\$154,162	\$187,810
<b>Student Activities</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$131,998	\$236,830	\$226,030	\$142,798
<b>Liabilities</b>				
Due to Students	\$131,998	\$236,830	\$226,030	\$142,798
<b>Total - All Agency Funds</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$329,979	\$383,821	\$380,192	\$330,608
<b>Liabilities</b>				
Undistributed Monies	\$194,981	\$146,991	\$154,162	\$187,810
Due to Students	131,998	236,830	226,030	142,798
<i>Total Liabilities</i>	\$326,979	\$383,821	\$380,192	\$330,608

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

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General*  
*For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$55,905,295	\$55,318,842	\$59,227,800	\$3,908,958
Intergovernmental	24,171,465	23,917,905	25,607,998	1,690,093
Interest	968,284	958,127	1,025,830	67,703
Tuition and Fees	1,341,696	1,327,621	1,421,434	93,813
Charges for Services	100,816	99,759	106,808	7,049
Rentals	63,436	62,770	67,206	4,436
Miscellaneous	161,360	159,667	170,949	11,282
<i>Total Revenues</i>	82,712,352	81,844,691	87,628,025	5,783,334
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	23,560,430	25,390,418	25,141,700	248,718
Fringe Benefits	8,430,812	7,874,055	7,561,862	312,193
Purchased Services	842,583	392,509	392,509	0
Materials and Supplies	790,060	946,930	946,930	0
Capital Outlay - Replacement	11,934	11,934	95	11,839
Other	10,977	10,977	7,377	3,600
Total Regular	33,646,796	34,626,823	34,050,473	576,350
Special:				
Salaries and Wages	4,979,933	4,979,933	4,979,933	0
Fringe Benefits	1,757,236	1,763,152	1,763,152	0
Purchased Services	7,735,012	6,261,098	6,261,098	0
Materials and Supplies	30,589	37,577	37,577	0
Other	63,750	63,750	63,750	0
Total Special	14,566,520	13,105,510	13,105,510	0
Vocational:				
Salaries and Wages	89,281	89,281	89,281	0
Fringe Benefits	27,381	27,381	27,381	0
Purchased Services	347,893	347,893	186,024	161,869
Total Vocational	464,555	464,555	302,686	161,869
Total Instruction	\$48,677,871	\$48,196,888	\$47,458,669	\$738,219

(continued)

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General (continued)*  
*For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support Services:				
Pupils:				
Salaries and Wages	\$3,722,595	\$3,694,042	\$3,694,042	\$0
Fringe Benefits	1,120,727	1,120,727	1,120,727	0
Purchased Services	745,976	745,976	745,976	0
Materials and Supplies	58,619	58,773	58,773	0
Capital Outlay - New	1,698	1,698	1,698	0
Other	1,176	1,176	1,176	0
Total Pupils	5,650,791	5,622,392	5,622,392	0
Instructional Staff:				
Salaries and Wages	3,086,828	3,086,828	3,086,828	0
Fringe Benefits	1,425,298	1,460,298	1,460,298	0
Purchased Services	242,083	404,978	404,978	0
Materials and Supplies	321,682	315,935	315,935	0
Other	18,693	18,693	18,693	0
Total Instructional Staff	5,094,584	5,286,732	5,286,732	0
Board of Education:				
Purchased Services	7,329	6,706	3,076	3,630
Materials and Supplies	1,321	1,321	295	1,026
Other	18,399	15,660	15,660	0
Total Board of Education	27,049	23,687	19,031	4,656
Administration:				
Salaries and Wages	3,733,891	3,733,891	3,733,891	0
Fringe Benefits	1,565,625	1,565,625	1,565,625	0
Purchased Services	444,105	436,995	436,995	0
Materials and Supplies	236,398	205,398	205,398	0
Other	13,021	8,931	8,931	0
Total Administration	5,993,040	5,950,840	5,950,840	0
Fiscal:				
Salaries and Wages	535,725	570,089	570,089	0
Fringe Benefits	474,014	287,357	287,357	0
Purchased Services	422,938	363,264	363,264	0
Materials and Supplies	153,528	17,154	17,154	0
Other	1,031,770	1,194,127	1,194,127	0
Total Fiscal	\$2,617,975	\$2,431,991	\$2,431,991	\$0

(continued)

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General (continued)*  
*For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Business:				
Salaries and Wages	\$449,349	\$449,349	\$449,349	\$0
Fringe Benefits	145,539	195,539	195,539	0
Purchased Services	214,824	196,511	196,511	0
Materials and Supplies	107,168	108,168	108,168	0
Other	71,519	60,285	60,285	0
Total Business	988,399	1,009,852	1,009,852	0
Operation and Maintenance of Plant:				
Salaries and Wages	5,239,401	5,239,401	5,239,401	0
Fringe Benefits	2,164,264	2,224,264	2,224,264	0
Purchased Services	4,634,815	4,757,788	4,757,788	0
Materials and Supplies	1,299,892	1,527,827	1,527,827	0
Other	17,258	11,526	11,526	0
Total Operation and Maintenance of Plant	13,355,630	13,760,806	13,760,806	0
Pupil Transportation:				
Salaries and Wages	1,907,675	1,907,675	1,907,675	0
Fringe Benefits	434,343	514,343	514,343	0
Purchased Services	1,855,482	1,733,405	1,733,405	0
Materials and Supplies	256,359	458,290	456,640	1,650
Capital Outlay - New	6,543	6,543	540	6,003
Other	8,327	7,035	1,290	5,745
Total Pupil Transportation	4,468,729	4,627,291	4,613,893	13,398
Central:				
Salaries and Wages	697,476	697,476	697,476	0
Fringe Benefits	334,514	338,514	316,502	22,012
Purchased Services	621,607	587,236	587,236	0
Materials and Supplies	141,378	130,340	93,261	37,079
Other	3,320	3,320	3,320	0
Total Central	1,798,295	1,756,886	1,697,795	59,091
Total Support Services	\$39,994,492	\$40,470,477	\$40,393,332	\$77,145

(continued)

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General (continued)*  
*For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	\$8,280	\$8,280	\$0	\$8,280
Fringe Benefits	2,317	2,317	0	2,317
Purchased Services	55,214	55,214	47,417	7,797
Materials and Supplies	614	614	125	489
<b>Total Operation of Non-Instructional Services</b>	<b>66,425</b>	<b>66,425</b>	<b>47,542</b>	<b>18,883</b>
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	178,030	178,030	178,030	0
Fringe Benefits	52,112	52,112	52,112	0
Purchased Services	12,067	12,067	12,067	0
Materials and Supplies	4,792	4,792	4,792	0
Capital Outlay - New	1,129	1,129	0	1,129
<b>Total Academic and Subject Oriented Activities</b>	<b>248,130</b>	<b>248,130</b>	<b>247,001</b>	<b>1,129</b>
Occupational Oriented Activities:				
Salaries and Wages	4,991	4,991	4,991	0
Fringe Benefits	2,787	2,787	1,362	1,425
<b>Total Occupational Oriented Activities</b>	<b>7,778</b>	<b>7,778</b>	<b>6,353</b>	<b>1,425</b>
Sports Oriented Activities:				
Salaries and Wages	477,767	477,767	477,767	0
Fringe Benefits	122,553	122,553	122,553	0
Purchased Services	55,181	50,181	50,181	0
Materials and Supplies	5,361	5,361	5,361	0
Capital Outlay - New	1,859	1,859	1,859	0
<b>Total Sports Oriented Activities</b>	<b>662,721</b>	<b>657,721</b>	<b>657,721</b>	<b>0</b>
School and Public Service				
Co-Curricular Activities:				
Salaries and Wages	54,206	54,206	49,896	4,310
Fringe Benefits	17,873	17,873	15,493	2,380
<b>Total School and Public Service</b>	<b>72,079</b>	<b>72,079</b>	<b>65,389</b>	<b>6,690</b>
<b>Total Extracurricular Activities</b>	<b>\$990,708</b>	<b>\$985,708</b>	<b>\$976,464</b>	<b>\$9,244</b>

(continued)



**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General (continued)*  
*For the Fiscal Year Ended June 30, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Capital Outlay:				
Capital Outlay - New	\$419,708	\$429,706	\$429,706	\$0
Capital Outlay - Replacement	67,848	67,848	67,848	0
Total Capital Outlay	<u>487,556</u>	<u>497,554</u>	<u>497,554</u>	<u>0</u>
<i>Total Expenditures</i>	<u>90,217,052</u>	<u>90,217,052</u>	<u>89,373,561</u>	<u>843,491</u>
<i>Excess of Revenues Under Expenditures</i>	(7,504,700)	(8,372,361)	(1,745,536)	6,626,825
<b>Other Financing Uses</b>				
Transfers Out	<u>(475,000)</u>	<u>(475,000)</u>	<u>(475,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(7,979,700)	(8,847,361)	(2,220,536)	6,626,825
<i>Fund Balance Beginning of Year</i>	21,176,201	21,176,201	21,176,201	0
Prior Year Encumbrances Appropriated	<u>3,540,139</u>	<u>3,540,139</u>	<u>3,540,139</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$16,736,640</u></u>	<u><u>\$15,868,979</u></u>	<u><u>\$22,495,804</u></u>	<u><u>\$6,626,825</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, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interest	\$17,900	\$17,900	\$90,739	\$72,839
Contributions and Donations	54,522	54,522	276,391	221,869
Rentals	19,727	19,727	100,000	80,273
Miscellaneous	7,851	7,851	122,618	114,767
<i>Total Revenues</i>	100,000	100,000	589,748	489,748
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	4,800	4,800	0	4,800
Materials and Supplies	523,956	18,070	4,590	13,480
Capital Outlay - New	211,755	400,105	350,077	50,028
Capital Outlay - Replacement	0	2,990	2,990	0
Total Instruction	740,511	425,965	357,657	68,308
Support Services:				
Instructional Staff:				
Capital Outlay	478,900	333,207	333,207	0
Fiscal:				
Capital Outlay	106,205	106,205	0	106,205
Business:				
Capital Outlay	105,030	105,030	61,102	43,928
Capital Outlay - Replacement	78,249	99,998	21,995	78,003
Total Business	183,279	205,028	83,097	121,931
Operation and Maintenance of Plant:				
Purchased Services	4,211,325	4,979,202	2,049,584	2,929,618
Materials and Supplies	465,585	221,585	46,759	174,826
Capital Outlay	207,170	374,781	178,409	196,372
Capital Outlay - Replacement	0	100,000	17,425	82,575
Other	24,559	24,559	0	24,559
Total Operation and Maintenance of Plant	4,908,639	5,700,127	2,292,177	3,407,950
Pupil Transportation:				
Capital Outlay	89,336	104,056	104,056	0
Capital Outlay - Replacement	760,542	911,237	909,767	1,470
Total Pupil Transportation	849,878	1,015,293	1,013,823	1,470
Total Support Services	6,526,901	7,359,860	3,722,304	3,637,556
Debt Service:				
Principal Retirement	1,000,000	500,000	500,000	0
Interest and Fiscal Charges	36,713	18,300	18,198	102
Total Debt Service	1,036,713	518,300	518,198	102
<i>Total Expenditures</i>	8,304,125	8,304,125	4,598,159	3,705,966
<i>Excess of Revenues Under Expenditures</i>	(8,204,125)	(8,204,125)	(4,008,411)	4,195,714
<b>Other Financing Sources</b>				
General Obligation Bonds Issued	0	0	1,045	1,045
General Obligation Notes Issued	0	0	500,000	500,000
<i>Total Other Financing Sources</i>	0	0	501,045	501,045
<i>Net Change in Fund Balance</i>	(8,204,125)	(8,204,125)	(3,507,366)	4,696,759
<i>Fund Balance Beginning of Year</i>	6,095,454	6,095,454	6,095,454	0
Prior Year Encumbrances Appropriated	2,304,125	2,304,125	2,304,125	0
<i>Fund Balance End of Year</i>	\$195,454	\$195,454	\$4,892,213	\$4,696,759

**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, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interest	\$1,759	\$1,760	\$1,565	(\$195)
Tuition and Fees	53,397	53,433	47,501	(5,932)
Extracurricular Activities	120,815	120,761	107,354	(13,407)
Contributions and Donations	12,199	12,208	10,851	(1,357)
Miscellaneous	11,830	11,838	10,524	(1,314)
<i>Total Revenues</i>	<u>200,000</u>	<u>200,000</u>	<u>177,795</u>	<u>(22,205)</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	98,545	113,412	105,423	7,989
Materials and Supplies	44,302	48,052	48,052	0
Capital Outlay - New	13,878	13,878	13,878	0
Other	34,704	34,704	11,549	23,155
Total Instruction	<u>191,429</u>	<u>210,046</u>	<u>178,902</u>	<u>31,144</u>
Support Services:				
Administration:				
Purchased Services	3,151	575	575	0
Materials and Supplies	11,097	11,097	11,097	0
Other	415	415	0	415
Total Support Services	<u>14,663</u>	<u>12,087</u>	<u>11,672</u>	<u>415</u>
Extracurricular Activities:				
Academic Oriented Activities:				
Purchased Services	16,926	15,395	13,215	2,180
Materials and Supplies	35,425	21,577	21,577	0
Other	1,494	1,494	1,494	0
Total Academic Oriented Activities	<u>53,845</u>	<u>38,466</u>	<u>36,286</u>	<u>2,180</u>
Co-Curricular Activities:				
Other	3,861	3,199	3,199	0
Total Extracurricular Activities	<u>57,706</u>	<u>41,665</u>	<u>39,485</u>	<u>2,180</u>
<i>Total Expenditures</i>	<u>263,798</u>	<u>263,798</u>	<u>230,059</u>	<u>33,739</u>
<i>Net Change in Fund Balance</i>	(63,798)	(63,798)	(52,264)	11,534
<i>Fund Balance Beginning of Year</i>	111,347	111,347	111,347	0
Prior Year Encumbrances Appropriated	63,798	63,798	63,798	0
<i>Fund Balance End of Year</i>	<u>\$111,347</u>	<u>\$111,347</u>	<u>\$122,881</u>	<u>\$11,534</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, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Miscellaneous	\$10,000	\$10,000	\$4,663	(\$5,337)
<b>Expenditures</b>				
Current:				
Support Services:				
Business:				
Materials and Supplies	5,641	9,578	9,578	0
Other	10,613	6,676	1,750	4,926
<i>Total Expenditures</i>	16,254	16,254	11,328	4,926
<i>Excess of Revenues Under Expenditures</i>	(6,254)	(6,254)	(6,665)	(411)
<b>Other Financing Sources</b>				
Transfers In	5,000	5,000	5,000	0
<i>Net Change in Fund Balance</i>	(1,254)	(1,254)	(1,665)	(411)
<i>Fund Balance Beginning of Year</i>	6,815	6,815	6,815	0
Prior Year Encumbrances Appropriated	1,254	1,254	1,254	0
<i>Fund Balance End of Year</i>	<u>\$6,815</u>	<u>\$6,815</u>	<u>\$6,404</u>	<u>(\$411)</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, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Extracurricular Activities	\$189,113	\$189,113	\$62,074	(\$127,039)
Contributions and Donations	10,837	10,837	3,557	(7,280)
Charges for Services	3,747	3,747	1,230	(2,517)
Miscellaneous	6,303	6,303	2,069	(4,234)
<i>Total Revenues</i>	<u>210,000</u>	<u>210,000</u>	<u>68,930</u>	<u>(141,070)</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Operation and Maintenance of Plant:				
Salaries and Wages	12,009	7,100	6,111	989
Fringe Benefits	1,300	1,300	1,127	173
<i>Total Support Services</i>	<u>13,309</u>	<u>8,400</u>	<u>7,238</u>	<u>1,162</u>
Extracurricular Activities:				
Sports Oriented Activities:				
Salaries and Wages	13,923	13,923	4,380	9,543
Fringe Benefits	3,147	3,147	2,256	891
Purchased Services	137,673	150,543	79,831	70,712
Materials and Supplies	84,717	84,717	57,379	27,338
Capital Outlay - New	57,798	49,837	44,981	4,856
Other	60,440	60,440	27,742	32,698
<i>Total Extracurricular Activities</i>	<u>357,698</u>	<u>362,607</u>	<u>216,569</u>	<u>146,038</u>
<i>Total Expenditures</i>	<u>371,007</u>	<u>371,007</u>	<u>223,807</u>	<u>147,200</u>
<i>Excess of Revenues Under Expenditures</i>	(161,007)	(161,007)	(154,877)	6,130
<b>Other Financing Sources</b>				
Transfers In	120,000	120,000	120,000	0
<i>Net Change in Fund Balance</i>	(41,007)	(41,007)	(34,877)	6,130
<i>Fund Balance Beginning of Year</i>	22,930	22,930	22,930	0
Prior Year Encumbrances Appropriated	21,007	21,007	21,007	0
<i>Fund Balance End of Year</i>	<u>\$2,930</u>	<u>\$2,930</u>	<u>\$9,060</u>	<u>\$6,130</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, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$1,393,760	\$1,393,760	\$1,276,036	(\$117,724)
Interest	6,240	6,240	5,712	(528)
<i>Total Revenues</i>	<u>1,400,000</u>	<u>1,400,000</u>	<u>1,281,748</u>	<u>(118,252)</u>
<b>Expenditures</b>				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	501,957	495,123	479,602	15,521
Fringe Benefits	181,199	220,140	149,884	70,256
Purchased Services	264,621	415,269	376,994	38,275
Materials and Supplies	170,694	124,366	123,329	1,037
Total Operation of Non-Instructional Services	1,118,471	1,254,898	1,129,809	125,089
Capital Outlay:				
Capital Outlay - New	482,701	476,858	476,858	0
<i>Total Expenditures</i>	<u>1,601,172</u>	<u>1,731,756</u>	<u>1,606,667</u>	<u>125,089</u>
<i>Net Change in Fund Balance</i>	(201,172)	(331,756)	(324,919)	6,837
<i>Fund Balance Beginning of Year</i>	248,836	248,836	248,836	0
Prior Year Encumbrances Appropriated	201,172	201,172	201,172	0
<i>Fund Balance End of Year</i>	<u>\$248,836</u>	<u>\$118,252</u>	<u>\$125,089</u>	<u>\$6,837</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, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	<u>\$20,000</u>	<u>\$20,000</u>	<u>\$16,665</u>	<u>(\$3,335)</u>
<b>Expenditures:</b>				
Current:				
Support Services:				
Fiscal:				
Purchased Services	<u>3,590</u>	<u>3,590</u>	<u>3,590</u>	<u>0</u>
Central:				
Salaries and Wages	14,410	11,075	11,075	0
Fringe Benefits	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>0</u>
Total Central	<u>16,410</u>	<u>13,075</u>	<u>13,075</u>	<u>0</u>
<i>Total Expenditures</i>	<u>20,000</u>	<u>16,665</u>	<u>16,665</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	3,335	0	(3,335)
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$3,335</u>	<u>\$0</u>	<u>(\$3,335)</u>

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Entry Teacher Program*  
*For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$15,000	\$15,000	\$11,900	(\$3,100)
<b>Expenditures:</b>				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	12,000	10,400	10,400	0
Fringe Benefits	2,000	1,500	1,500	0
Purchased Services	880	250	250	0
Total Instructional Staff	14,880	12,150	12,150	0
Administration:				
Salaries and Wages	1,029	1,029	1,029	0
<i>Total Expenditures</i>	15,909	13,179	13,179	0
<i>Net Change in Fund Balance</i>	(909)	1,821	(1,279)	(3,100)
<i>Fund Balance Beginning of Year</i>	370	370	370	0
Prior Year Encumbrances Appropriated	909	909	909	0
<i>Fund Balance End of Year</i>	\$370	\$3,100	\$0	(\$3,100)



**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, 2009*

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

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*School Net Professional Development Grant*  
*For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$5,000	\$5,000	\$2,970	(\$2,030)
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	3,000	2,970	2,970	0
<i>Net Change in Fund Balance</i>	2,000	2,030	0	(2,030)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$2,000</u>	<u>\$2,030</u>	<u>\$0</u>	<u>(\$2,030)</u>

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Alternative Schools*  
*For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$58,000	\$58,000	\$54,727	(\$3,273)
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	58,000	54,727	54,727	0
<i>Net Change in Fund Balance</i>	0	3,273	0	(3,273)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$3,273	\$0	(\$3,273)

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Poverty Based Assistance*  
*For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$130,000	\$130,000	\$123,104	(\$6,896)
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	96,000	95,391	95,391	0
Fringe Benefits	34,000	27,713	27,713	0
<i>Total Expenditures</i>	130,000	123,104	123,104	0
<i>Net Change in Fund Balance</i>	0	6,896	0	(6,896)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$6,896	\$0	(\$6,896)

**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, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$50,000	\$50,000	\$40,252	(\$9,748)
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	18,001	14,753	14,753	0
Materials and Supplies	2,000	500	500	0
Total Instruction	20,001	15,253	15,253	0
Support Services:				
Instructional Staff:				
Salaries and Wages	24,675	19,675	19,675	0
Fringe Benefits	5,324	5,324	5,324	0
Total Support Services	29,999	24,999	24,999	0
<i>Total Expenditures</i>	50,000	40,252	40,252	0
<i>Net Change in Fund Balance</i>	0	9,748	0	(9,748)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$9,748	\$0	(\$9,748)

**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, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$1,385,784	\$1,385,784	\$1,084,897	(\$300,887)
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	35,794	27,916	27,916	0
Fringe Benefits	12,740	17,017	17,017	0
Total Regular	48,534	44,933	44,933	0
Special:				
Materials and Supplies	6,365	5,893	5,893	0
Total Instruction	54,899	50,826	50,826	0
Support Services:				
Instructional Staff:				
Salaries and Wages	725,210	809,957	672,189	137,768
Fringe Benefits	432,232	517,113	413,538	103,575
Purchased Services	2,685	1,245	1,245	0
Total Support Services	1,160,127	1,328,315	1,086,972	241,343
<i>Total Expenditures</i>	1,215,026	1,379,141	1,137,798	241,343
<i>Net Change in Fund Balance</i>	170,758	6,643	(52,901)	(59,544)
<i>Fund Balance Beginning of Year</i>	26,027	26,027	26,027	0
Prior Year Encumbrances Appropriated	15,026	15,026	15,026	0
<i>Fund Balance (Deficit) End of Year</i>	\$211,811	\$47,696	(\$11,848)	(\$59,544)

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Limited English Proficiency*  
*For the Fiscal Year Ended June 30, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$35,000	\$35,000	\$25,978	(\$9,022)
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	25,483	25,485	20,569	4,916
Fringe Benefits	8,800	8,848	8,599	249
Materials and Supplies	600	610	610	0
Total Instruction	34,883	34,943	29,778	5,165
Support Services:				
Administration:				
Materials and Supplies	117	300	100	200
<i>Total Expenditures</i>	35,000	35,243	29,878	5,365
<i>Net Change in Fund Balance</i>	0	(243)	(3,900)	(3,657)
<i>Fund Balance Beginning of Year</i>	309	309	309	0
<i>Fund Balance (Deficit) End of Year</i>	\$309	\$66	(\$3,591)	(\$3,657)

**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, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	<u>\$1,097,715</u>	<u>\$1,097,715</u>	<u>\$593,667</u>	<u>(\$504,048)</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	12,175	62,542	28,396	34,146
Capital Outlay - New	<u>0</u>	<u>54,603</u>	<u>21,552</u>	<u>33,051</u>
Total Regular	<u>12,175</u>	<u>117,145</u>	<u>49,948</u>	<u>67,197</u>
Special:				
Salaries and Wages	485,000	483,554	402,143	81,411
Fringe Benefits	<u>284,381</u>	<u>143,545</u>	<u>114,973</u>	<u>28,572</u>
Total Special	<u>769,381</u>	<u>627,099</u>	<u>517,116</u>	<u>109,983</u>
Total Instruction	<u>781,556</u>	<u>744,244</u>	<u>567,064</u>	<u>177,180</u>
Support Services:				
Instructional Staff:				
Salaries and Wages	50,000	70,000	16,230	53,770
Purchased Services	35,177	246,830	183,082	63,748
Capital Outlay - New	<u>10,000</u>	<u>10,100</u>	<u>1,500</u>	<u>8,600</u>
Total Support Services	<u>95,177</u>	<u>326,930</u>	<u>200,812</u>	<u>126,118</u>
Total Expenditures	<u>876,733</u>	<u>1,071,174</u>	<u>767,876</u>	<u>303,298</u>
Net Change in Fund Balance	220,982	26,541	(174,209)	(200,750)
Fund Deficit Beginning of Year	(35,506)	(35,506)	(35,506)	0
Prior Year Encumbrances Appropriated	<u>26,733</u>	<u>26,733</u>	<u>26,733</u>	<u>0</u>
Fund Balance (Deficit) End of Year	<u>\$212,209</u>	<u>\$17,768</u>	<u>(\$182,982)</u>	<u>(\$200,750)</u>



**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title V*  
*For the Fiscal Year Ended June 30, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	<u>\$12,973</u>	<u>\$12,973</u>	<u>\$5,261</u>	<u>(\$7,712)</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	<u>8,717</u>	<u>4,247</u>	<u>4,247</u>	<u>0</u>
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	2,069	1,105	1,105	0
Materials and Supplies	<u>159</u>	<u>5,529</u>	<u>5,529</u>	<u>0</u>
Total Operation of Non-Instructional Services	<u>2,228</u>	<u>6,634</u>	<u>6,634</u>	<u>0</u>
<i>Total Expenditures</i>	<u>10,945</u>	<u>10,881</u>	<u>10,881</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	2,028	2,092	(5,620)	(7,712)
<i>Fund Deficit Beginning of Year</i>	(3,477)	(3,477)	(3,477)	0
Prior Year Encumbrances Appropriated	<u>3,945</u>	<u>3,945</u>	<u>3,945</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$2,496</u>	<u>\$2,560</u>	<u>(\$5,152)</u>	<u>(\$7,712)</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, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	<u>\$28,851</u>	<u>\$28,851</u>	<u>\$15,769</u>	<u>(\$13,082)</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Pupils:				
Salaries and Wages	19,379	14,634	12,458	2,176
Fringe Benefits	<u>4,256</u>	<u>3,874</u>	<u>3,530</u>	<u>344</u>
Total Support Services	23,635	18,508	15,988	2,520
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	<u>1,746</u>	<u>10,490</u>	<u>10,490</u>	<u>0</u>
<i>Total Expenditures</i>	<u>25,381</u>	<u>28,998</u>	<u>26,478</u>	<u>2,520</u>
<i>Net Change in Fund Balance</i>	3,470	(147)	(10,709)	(10,562)
<i>Fund Deficit Beginning of Year</i>	(3,700)	(3,700)	(3,700)	0
<i>Prior Year Encumbrances Appropriated</i>	<u>5,381</u>	<u>5,381</u>	<u>5,381</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$5,151</u></u>	<u><u>\$1,534</u></u>	<u><u>(\$9,028)</u></u>	<u><u>(\$10,562)</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, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$25,000	\$25,000	\$19,420	(\$5,580)
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	450	450	450	0
Fringe Benefits	69	74	74	0
Materials and Supplies	500	500	500	0
Capital Outlay - New	1,090	1,090	1,090	0
Total Instruction	2,109	2,114	2,114	0
Support Services:				
Instructional Staff:				
Salaries and Wages	8,891	11,850	9,028	2,822
Fringe Benefits	6,000	6,015	6,015	0
Purchased Services	1,000	886	886	0
Total Support Services	15,891	18,751	15,929	2,822
<i>Total Expenditures</i>	18,000	20,865	18,043	2,822
<i>Net Change in Fund Balance</i>	7,000	4,135	1,377	(2,758)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$7,000	\$4,135	\$1,377	(\$2,758)

**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, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$248,730	\$248,730	\$151,819	(\$96,911)
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	43,343	49,825	49,825	0
Fringe Benefits	2,271	16,112	8,522	7,590
Total Instruction	45,614	65,937	58,347	7,590
Support Services:				
Instructional Staff:				
Salaries and Wages	40,457	48,551	34,630	13,921
Fringe Benefits	10,389	12,149	8,893	3,256
Purchased Services	65,694	80,019	71,203	8,816
Materials and Supplies	2,688	11,218	8,726	2,492
Total Support Services	119,228	151,937	123,452	28,485
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	33,218	34,520	34,520	0
<i>Total Expenditures</i>	198,060	252,394	216,319	36,075
<i>Net Change in Fund Balance</i>	50,670	(3,664)	(64,500)	(60,836)
<i>Fund Deficit Beginning of Year</i>	(18,432)	(18,432)	(18,432)	0
Prior Year Encumbrances Appropriated	23,060	23,060	23,060	0
<i>Fund Balance (Deficit) End of Year</i>	\$55,298	\$964	(\$59,872)	(\$60,836)

**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, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$122,301	\$122,301	\$81,612	(\$40,689)
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	19,453	26,195	25,899	296
Materials and Supplies	16,668	13,747	12,747	1,000
Capital Outlay - New	10,244	17,206	14,752	2,454
Total Regular	46,365	57,148	53,398	3,750
Special:				
Salaries and Wages	22,791	28,558	28,558	0
Total Instruction	69,156	85,706	81,956	3,750
Support Services:				
Instructional Staff:				
Purchased Services	298	365	330	35
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	5,340	5,449	5,449	0
<i>Total Expenditures</i>	74,794	91,520	87,735	3,785
<i>Net Change in Fund Balance</i>	47,507	30,781	(6,123)	(36,904)
<i>Fund Deficit Beginning of Year</i>	(34,121)	(34,121)	(34,121)	0
<i>Prior Year Encumbrances Appropriated</i>	34,794	34,794	34,794	0
<i>Fund Balance (Deficit) End of Year</i>	\$48,180	\$31,454	(\$5,450)	(\$36,904)

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Food Service*  
*For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$571,488	\$659,410	\$653,484	(\$5,926)
Charges for Services	699,658	807,297	800,042	(7,255)
Miscellaneous	28,854	33,293	42,170	8,877
<i>Total Revenues</i>	<u>1,300,000</u>	<u>1,500,000</u>	<u>1,495,696</u>	<u>(4,304)</u>
<b>Expenditures</b>				
Current:				
Food Service Operations:				
Salaries and Wages	719,049	691,100	691,100	0
Fringe Benefits	191,289	216,289	216,289	0
Purchased Services	25,882	115,433	115,433	0
Materials and Supplies	612,702	676,100	676,100	0
Capital Outlay - Replacement	330	330	0	330
Other	54,189	54,189	54,189	0
Total Food Service Operations	<u>1,603,441</u>	<u>1,753,441</u>	<u>1,753,111</u>	<u>330</u>
Capital Outlay:				
Capital Outlay - New	101,424	101,424	101,424	0
<i>Total Expenditures</i>	<u>1,704,865</u>	<u>1,854,865</u>	<u>1,854,535</u>	<u>330</u>
<i>Excess of Revenues Under Expenditures</i>	(404,865)	(354,865)	(358,839)	(3,974)
<b>Other Financing Sources</b>				
Transfers In	350,000	350,000	350,000	0
<i>Net Change in Fund Balance</i>	(54,865)	(4,865)	(8,839)	(3,974)
<i>Fund Balance Beginning of Year</i>	61,100	61,100	61,100	0
Prior Year Encumbrances Appropriated	4,865	4,865	4,865	0
<i>Fund Balance End of Year</i>	<u>\$11,100</u>	<u>\$61,100</u>	<u>\$57,126</u>	<u>(\$3,974)</u>

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Uniform School Supplies*  
*For the Fiscal Year Ended June 30, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Tuition and Fees	\$100,000	\$100,000	\$57,608	(\$42,392)
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	70,678	70,678	64,792	5,886
<i>Net Change in Fund Balance</i>	29,322	29,322	(7,184)	(36,506)
<i>Fund Balance Beginning of Year</i>	8,617	8,617	8,617	0
Prior Year Encumbrances Appropriated	678	678	678	0
<i>Fund Balance End of Year</i>	<u>\$38,617</u>	<u>\$38,617</u>	<u>\$2,111</u>	<u>(\$36,506)</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, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$132,743	\$132,743	\$3,000	(\$129,743)
Contributions and Donations	117,257	117,257	2,650	(114,607)
<i>Total Revenues</i>	<u>250,000</u>	<u>250,000</u>	<u>5,650</u>	<u>(244,350)</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	5,804	3,517	1,000	2,517
Materials and Supplies	22,873	13,860	7,018	6,842
Total Instruction	28,677	17,377	8,018	9,359
Support Services:				
Central				
Purchased Services	34,823	21,100	6,000	15,100
<i>Total Expenditures</i>	<u>63,500</u>	<u>38,477</u>	<u>14,018</u>	<u>24,459</u>
<i>Net Change in Fund Balance</i>	186,500	211,523	(8,368)	(219,891)
<i>Fund Balance Beginning of Year</i>	29,328	29,328	29,328	0
Prior Year Encumbrances Appropriated	3,500	3,500	3,500	0
<i>Fund Balance End of Year</i>	<u>\$219,328</u>	<u>\$244,351</u>	<u>\$24,460</u>	<u>(\$219,891)</u>



**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Bond Retirement*  
*For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$3,118,020	\$3,145,140	\$3,161,977	\$16,837
Intergovernmental	450,326	454,243	456,675	2,432
<i>Total Revenues</i>	<u>3,568,346</u>	<u>3,599,383</u>	<u>3,618,652</u>	<u>19,269</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Fiscal:				
Purchased Services	5,096	22,793	22,793	0
Other	66,096	55,000	52,785	2,215
Total Support Services	<u>71,192</u>	<u>77,793</u>	<u>75,578</u>	<u>2,215</u>
Debt Service:				
Principal Retirement	7,418,432	7,450,000	7,280,000	170,000
Interest and Fiscal Charges	1,303,697	1,265,528	1,168,822	96,706
Bond Issuance Costs	107,962	107,962	107,962	0
Total Debt Service	<u>8,830,091</u>	<u>8,823,490</u>	<u>8,556,784</u>	<u>266,706</u>
<i>Total Expenditures</i>	<u>8,901,283</u>	<u>8,901,283</u>	<u>8,632,362</u>	<u>268,921</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(5,332,937)</u>	<u>(5,301,900)</u>	<u>(5,013,710)</u>	<u>288,190</u>
<b>Other Financing Sources</b>				
General Obligation Bonds Issued	4,929,460	4,972,335	4,998,954	26,619
General Obligation Bond Premium	106,467	107,393	107,967	574
<i>Total Other Financing Sources</i>	<u>5,035,927</u>	<u>5,079,728</u>	<u>5,106,921</u>	<u>27,193</u>
<i>Net Change in Fund Balance</i>	(297,010)	(222,172)	93,211	315,383
<i>Fund Balance Beginning of Year</i>	1,955,109	1,955,109	1,955,109	0
Prior Year Encumbrances Appropriated	<u>1,283</u>	<u>1,283</u>	<u>1,283</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,659,382</u></u>	<u><u>\$1,734,220</u></u>	<u><u>\$2,049,603</u></u>	<u><u>\$315,383</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, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$11,600,000	\$11,600,000	\$9,395,541	(\$2,204,459)
<b>Expenses</b>				
Claims	11,001,800	11,001,800	9,462,185	1,539,615
<i>Net Change in Fund Equity</i>	598,200	598,200	(66,644)	(664,844)
<i>Fund Equity Beginning of Year</i>	1,338,200	1,338,200	1,338,200	0
<i>Prior Year Encumbrances Appropriated</i>	1,800	1,800	1,800	0
<i>Fund Equity End of Year</i>	<u>\$1,938,200</u>	<u>\$1,938,200</u>	<u>\$1,273,356</u>	<u>(\$664,844)</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, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$300,000	\$300,000	\$53,094	(\$246,906)
<b>Expenses</b>				
Claims	300,000	300,000	223,094	76,906
<i>Net Change in Fund Equity</i>	0	0	(170,000)	(170,000)
<i>Fund Equity Beginning of Year</i>	720,000	720,000	720,000	0
<i>Fund Equity End of Year</i>	<u>\$720,000</u>	<u>\$720,000</u>	<u>\$550,000</u>	<u>(\$170,000)</u>

**Statistical Section**

# Statistical Section

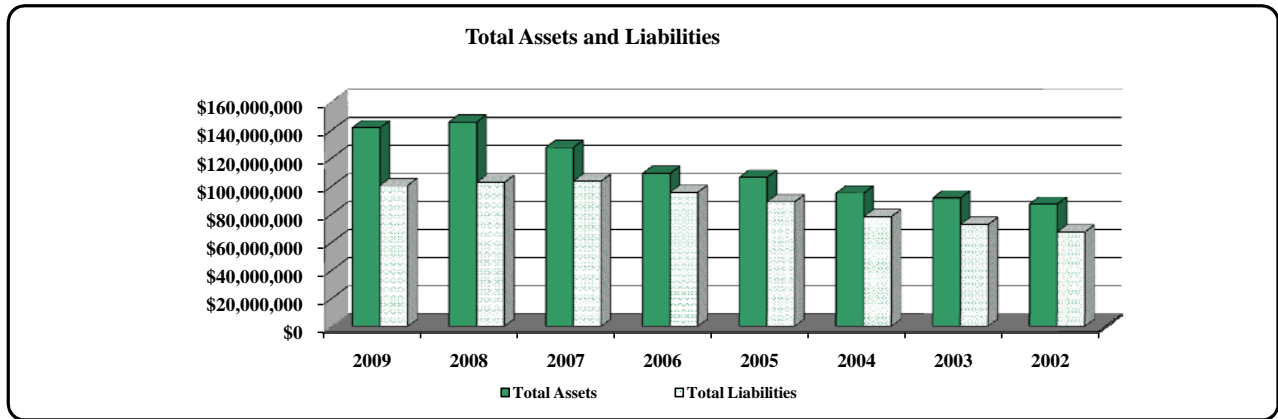
This is part of the Shaker Heights City School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School District's overall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

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	<b>S2-S9</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.	<b>S10-S23</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	<b>S24-S29</b>
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.	<b>S30-S33</b>
<b>Operating Information</b> These schedules contain service data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	<b>S34-S45</b>

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

**Shaker Heights City School District**  
*Net Assets by Component*  
*Last Eight Fiscal Years*  
*(accrual basis of accounting)*

	2009	2008	2007	2006	2005	2004	2003	2002
Invested in Capital Assets, Net of Related Debt	\$8,401,734	\$8,694,425	\$4,632,987	\$2,204,521	\$4,100,033	\$2,500,547	\$1,855,573	\$905,036
Restricted for:								
Capital Projects	1,525,468	99,381	400,300	1,655,509	678,855	1,543,825	1,901,796	3,569,042
Debt Service	2,644,458	2,853,551	2,455,559	2,263,055	1,400,799	868,760	917,851	1,487,304
Set Asides	353,070	353,070	353,070	353,070	353,070	353,070	353,070	353,070
Other Purposes	792,242	390,160	797,215	544,543	608,066	305,712	421,775	978,130
Unrestricted	27,407,164	30,568,922	15,628,893	6,438,744	10,355,170	11,215,209	5,262,682	12,662,100
<b>Total Net Assets</b>	<b>\$41,124,136</b>	<b>\$42,959,509</b>	<b>\$24,268,024</b>	<b>\$13,459,442</b>	<b>\$17,495,993</b>	<b>\$16,787,123</b>	<b>\$10,712,747</b>	<b>\$19,954,682</b>



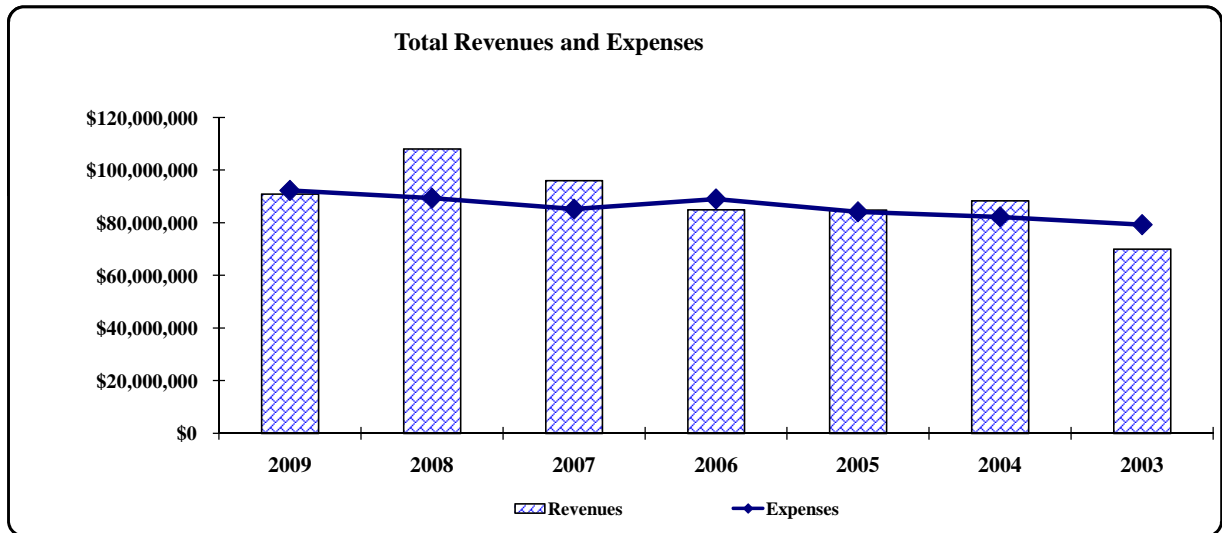
**Shaker Heights City School District**  
*Changes in Net Assets of Governmental Activities*  
*Last Seven Fiscal Years*  
*(accrual basis of accounting)*

	2009	2008	2007	2006	2005	2004	2003
<b>Expenses</b>							
<b>Instruction:</b>							
Regular	\$35,379,158	\$34,107,481	\$33,772,290	\$35,310,361	\$32,924,168	\$32,864,526	\$31,814,593
Special	11,824,756	11,332,475	10,931,104	10,607,843	10,647,502	10,008,927	9,238,257
Vocational	242,656	225,025	249,179	261,197	365,419	242,694	293,396
<b>Support Services:</b>							
Pupils	5,442,866	5,495,125	5,183,166	5,375,507	5,238,920	5,169,180	5,012,167
Instructional Staff	6,661,050	5,714,875	5,011,630	5,578,777	5,352,258	5,203,618	4,970,899
Board of Education	18,690	29,232	16,097	19,423	12,936	81,020	44,557
Administration	6,002,432	5,995,614	5,413,913	6,436,016	6,251,458	6,098,561	5,579,077
Fiscal	2,195,814	1,959,745	2,502,091	1,851,290	1,957,648	1,641,345	1,626,208
Business	931,242	995,011	831,094	923,004	899,420	636,841	667,241
Operation and Maintenance of Plant	13,059,730	12,623,322	11,044,168	11,863,117	10,369,547	10,509,814	10,329,284
Pupil Transportation	4,169,665	3,989,689	3,732,632	4,243,701	4,429,933	4,065,825	3,802,122
Central	1,444,784	1,670,621	1,665,801	1,548,776	1,537,060	1,488,606	1,655,119
Operation of Non-Instructional Services	1,207,237	1,140,592	1,374,292	1,425,671	1,057,019	1,202,617	1,317,092
Food Service Operations	1,726,334	1,518,386	1,236,661	1,311,946	1,029,189	921,209	946,834
Extracurricular Activities	1,170,726	1,230,898	1,213,896	1,241,147	1,294,801	1,332,974	1,131,817
Interest and Fiscal Charges	1,277,952	1,282,207	1,002,654	1,015,691	781,322	775,725	858,143
<b>Total Expenses</b>	<b>92,755,092</b>	<b>89,310,298</b>	<b>85,180,668</b>	<b>89,013,467</b>	<b>84,148,600</b>	<b>82,243,482</b>	<b>79,286,806</b>
<b>Program Revenues</b>							
<b>Charges for Services and Sales</b>							
<b>Instruction:</b>							
Regular	789,813	855,900	638,404	692,997	971,608	63,746	1,379,232
Special	202,415	224,936	158,673	178,796	148,714	1,211,647	0
Vocational	4,247	4,720	3,799	4,193	0	1,187	0
<b>Support Services:</b>							
Pupils	102,981	114,444	78,661	88,616	9,913	0	0
Instructional Staff	80,033	88,939	55,156	63,556	0	0	0
Board of Education	551	613	236	355	0	0	0
Administration	129,968	127,938	82,913	97,895	0	0	0
Fiscal	29,030	32,260	36,415	31,050	0	0	0
Business	16,925	18,990	11,474	15,372	19	0	0
Operation and Maintenance of Plant	300,135	258,411	160,269	275,039	146,592	150,000	0
Pupil Transportation	78,983	87,773	60,331	74,288	905	0	0
Central	29,493	32,775	24,249	24,904	0	0	0
Operation of Non-Instruction Services	98,902	103,118	100,717	893	0	0	0
Food Service Operations	800,042	710,786	738,586	750,790	793,978	701,537	679,991
Extracurricular Activities	110,980	123,035	175,780	172,196	227,586	414,131	437,824
<b>Operating Grants, Contributions and Interest</b>							
<b>Instruction:</b>							
Regular	754,782	1,000,038	860,207	901,271	528,306	657,616	629,987
Special	925,126	817,586	601,971	62,697	808,425	692,085	442,599
Vocational	3,037	2,011	0	0	0	0	0
<b>Support Services:</b>							
Pupils	88,617	79,562	26,600	36,837	24,560	0	27,904
Instructional Staff	1,450,387	1,321,093	1,418,048	1,743,256	1,438,595	1,038,916	657,499
Board of Education	0	261	0	0	0	0	0
Administration	0	63,392	2,458	15,781	0	0	0
Fiscal	24,000	41,381	30,618	3,657	5,737	21,271	0
Business	0	8,015	0	0	0	0	0
Operation and Maintenance of Plant	164,634	134,036	58,973	65,717	79,378	0	28,000
Pupil Transportation	56,487	37,404	0	0	0	0	0
Central	22,315	41,050	26,758	15,973	15,154	0	21,121
Operation of Non-Instruction Services	1,304,659	1,311,538	1,224,791	1,272,795	1,196,573	1,345,919	1,036,096
Food Service Operations	687,159	609,352	454,616	426,452	391,333	0	245,419
Extracurricular Activities	19,027	22,008	6,848	20,874	39,074	85,681	16,960
<b>Capital Grants and Contributions</b>							
<b>Instruction:</b>							
Regular	0	0	0	0	47,670	0	87,683
<b>Support Services:</b>							
Operation and Maintenance of Plant	276,391	802,694	49,102	142,150	34,282	444,511	57,890
Pupil Transportation	0	0	0	0	20,997	0	0
<b>Total Program Revenues</b>	<b>8,551,119</b>	<b>9,076,059</b>	<b>7,086,653</b>	<b>7,178,400</b>	<b>6,929,399</b>	<b>6,828,247</b>	<b>5,748,205</b>
<b>Net Expense</b>	<b>(\$84,203,973)</b>	<b>(\$80,234,239)</b>	<b>(\$78,094,015)</b>	<b>(\$81,835,067)</b>	<b>(\$77,219,201)</b>	<b>(\$75,415,235)</b>	<b>(\$73,538,601)</b>

(continued)

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

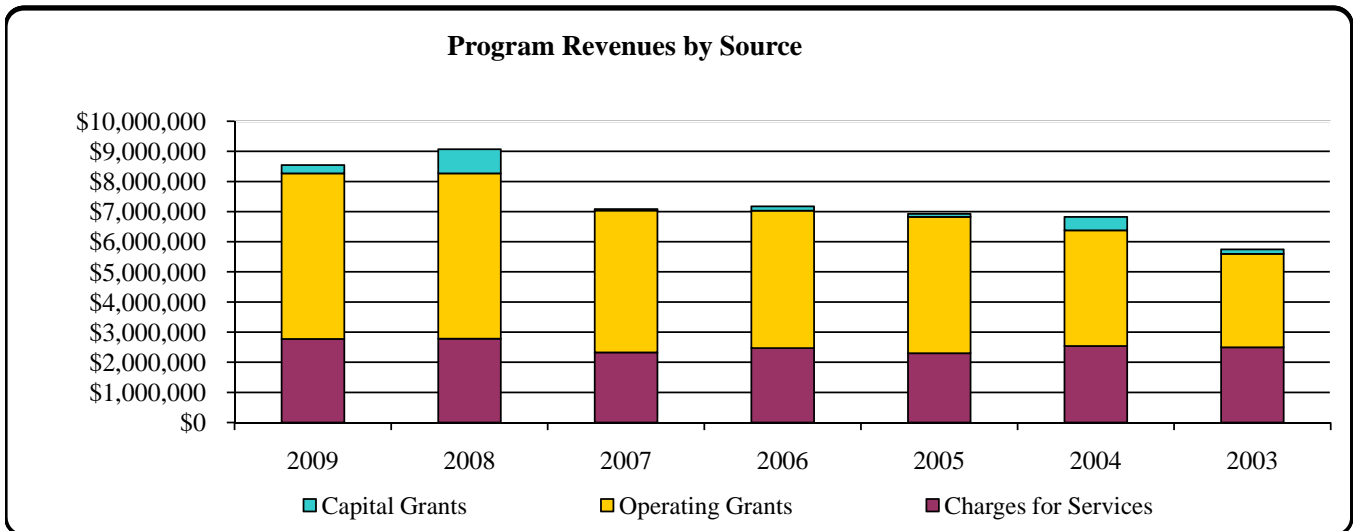
	2009	2008	2007	2006	2005	2004	2003
<b>General Revenues</b>							
Property Taxes Levied for:							
General Purposes	\$56,984,545	\$69,184,729	\$60,456,905	\$51,230,820	\$51,902,593	\$56,520,406	\$40,344,179
Debt Service	3,154,120	3,494,170	3,211,409	2,475,501	1,604,046	2,110,278	1,709,155
Capital Outlay	0	0	0	206,688	519,804	323,065	141,401
Grants and Entitlements not							
Restricted to Specific Programs	25,102,989	24,004,932	23,496,372	22,583,373	22,989,562	22,160,812	21,576,741
Contributions and Donations	0	0	0	0	1,225	0	0
Investment Earnings	1,303,054	1,831,239	1,625,920	1,147,810	622,591	169,849	388,345
Gain on Sale of Capital Assets	0	0	0	5,250	0	0	0
Miscellaneous	423,892	410,654	111,991	149,074	288,250	205,201	136,845
<b>Total General Revenues</b>	<b>86,968,600</b>	<b>98,925,724</b>	<b>88,902,597</b>	<b>77,798,516</b>	<b>77,928,071</b>	<b>81,489,611</b>	<b>64,296,666</b>
<b>Extraordinary Item</b>							
Decrease in Delinquent Property Taxes	(4,600,000)	0	0	0	0	0	0
<b>Total General Revenues and Extraordinary Item</b>	<b>82,368,600</b>	<b>98,925,724</b>	<b>88,902,597</b>	<b>77,798,516</b>	<b>77,928,071</b>	<b>81,489,611</b>	<b>64,296,666</b>
<b>Change in Net Assets</b>	<b>(\$1,835,373)</b>	<b>\$18,691,485</b>	<b>\$10,808,582</b>	<b>(\$4,036,551)</b>	<b>\$708,870</b>	<b>\$6,074,376</b>	<b>(\$9,241,935)</b>





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

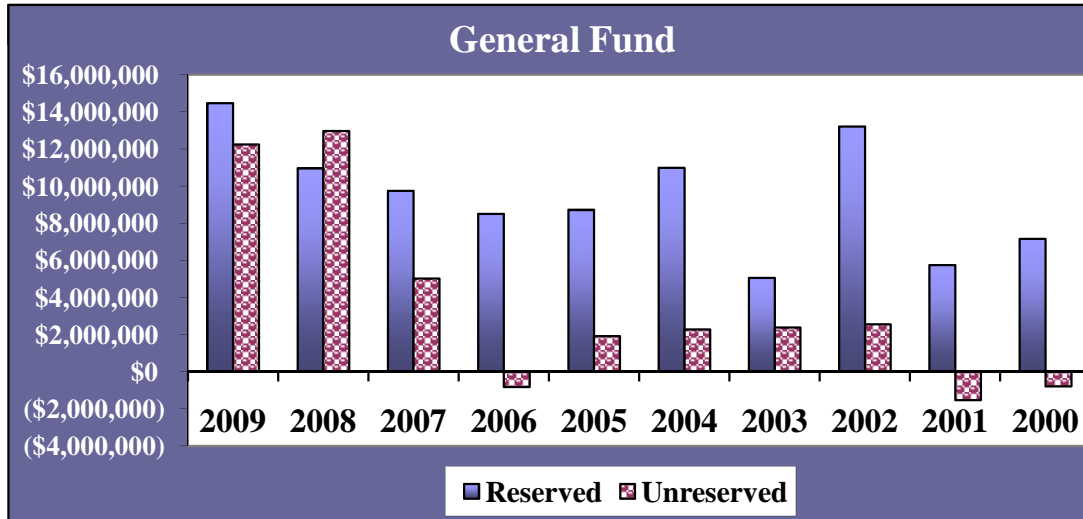
	2009	2008	2007	2006	2005	2004	2003
<b>Governmental Activities</b>							
<i>Function</i>							
Instruction:							
Regular	\$1,544,595	\$1,855,938	\$1,498,611	\$1,594,268	\$1,547,584	\$721,362	\$2,096,902
Special	1,127,541	1,042,522	760,644	241,493	957,139	1,903,732	442,599
Vocational	7,284	6,731	3,799	4,193	0	1,187	0
Support Services:							
Pupils	191,598	194,006	105,261	125,453	34,473	0	27,904
Instructional Staff	1,530,420	1,410,032	1,473,204	1,806,812	1,438,595	1,038,916	657,499
Board of Education	551	874	236	355	0	0	0
Administration	129,968	191,330	85,371	113,676	0	0	0
Fiscal	53,030	73,641	67,033	34,707	5,737	21,271	0
Business	16,925	27,005	11,474	15,372	19	0	0
Operation and Maintenance of Plant	741,160	1,195,141	268,344	482,906	260,252	594,511	85,890
Pupil Transportation	135,470	125,177	60,331	74,288	21,902	0	0
Central	51,808	73,825	51,007	40,877	15,154	0	21,121
Operation of Non-Instructional Services	1,403,561	1,414,656	1,325,508	1,273,688	1,196,573	1,345,919	1,036,096
Food Service Operations	1,487,201	1,320,138	1,193,202	1,177,242	1,185,311	701,537	925,410
Extracurricular Activities	130,007	145,043	182,628	193,070	266,660	499,812	454,784
<b>Total Program Revenues</b>	<b>\$8,551,119</b>	<b>\$9,076,059</b>	<b>\$7,086,653</b>	<b>\$7,178,400</b>	<b>\$6,929,399</b>	<b>\$6,828,247</b>	<b>\$5,748,205</b>



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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund				
Reserved	\$14,483,565	\$10,969,494	\$9,753,040	\$8,511,681
Unreserved	<u>12,263,251</u>	<u>12,978,966</u>	<u>5,023,594</u>	<u>(828,306)</u>
<i>Total General Fund</i>	<u>26,746,816</u>	<u>23,948,460</u>	<u>14,776,634</u>	<u>7,683,375</u>
All Other Governmental Funds				
Reserved	1,967,505	2,500,917	3,676,195	2,796,510
Unreserved, Undesignated, Reported in:				
Special Revenue funds	204,836	125,845	248,532	439,345
Debt Service fund	2,050,073	1,996,267	2,045,247	1,904,007
Capital Projects funds (Deficit)	<u>4,905,551</u>	<u>6,057,373</u>	<u>6,035,783</u>	<u>2,964,790</u>
<i>Total All Other Governmental Funds</i>	<u>9,127,965</u>	<u>10,680,402</u>	<u>12,005,757</u>	<u>8,104,652</u>
<i>Total Governmental Funds</i>	<u>\$35,874,781</u>	<u>\$34,628,862</u>	<u>\$26,782,391</u>	<u>\$15,788,027</u>

2005	2004	2003	2002	2001	2000
\$8,725,818	\$10,987,610	\$5,061,262	\$13,221,489	\$5,752,540	\$7,160,134
1,917,235	2,285,249	2,390,165	2,560,165	(1,532,913)	(793,986)
10,643,053	13,272,859	7,451,427	15,781,654	4,219,627	6,366,148
2,335,692	1,324,079	1,104,311	1,448,484	808,933	1,042,973
264,879	85,919	139,795	773,433	793,419	757,335
1,171,864	965,905	649,422	766,641	689,135	1,007,822
8,910,495	416,890	1,377,365	2,909,315	1,270,242	(1,517,118)
12,682,930	2,792,793	3,270,893	5,897,873	3,561,729	1,291,012
\$23,325,983	\$16,065,652	\$10,722,320	\$21,679,527	\$7,781,356	\$7,657,160



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

	2009	2008	2007	2006
<b>Revenues</b>				
Property Taxes	\$61,957,201	\$65,224,344	\$62,405,545	\$54,190,185
Intergovernmental	30,598,762	29,558,547	27,980,088	27,216,734
Interest	1,308,766	1,844,670	1,625,920	1,147,810
Tuition and Fees	1,531,239	1,661,400	1,142,301	1,275,721
Extracurricular Activities	169,428	171,779	211,365	216,236
Contributions and Donations	293,449	822,575	74,405	193,730
Charges for Services	908,080	801,769	825,197	834,854
Rentals	165,751	149,690	146,800	144,129
Miscellaneous	423,892	410,654	111,991	149,074
<i>Total Revenues</i>	<u>97,356,568</u>	<u>100,645,428</u>	<u>94,523,612</u>	<u>85,368,473</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	34,473,074	33,666,620	33,917,868	34,957,392
Special	11,725,813	11,338,941	10,986,330	10,567,581
Vocational	238,210	222,870	247,794	256,939
Support Services:				
Pupils	5,467,430	5,424,438	5,185,243	5,351,841
Instructional Staff	6,606,883	5,643,430	4,944,882	5,521,803
Board of Education	18,690	29,232	16,097	19,423
Administration	5,920,108	5,901,551	5,358,212	5,827,818
Fiscal	2,181,027	1,630,945	2,453,694	1,838,791
Business	903,256	906,739	767,079	911,179
Operation and Maintenance of Plant	12,124,552	12,186,506	10,347,581	11,247,987
Pupil Transportation	4,191,598	4,191,485	3,951,396	4,453,502
Central	1,357,533	1,620,601	1,628,239	1,485,332
Operation of Non-Instructional Services	1,090,029	1,418,516	1,174,103	1,296,494
Food Service Operations	1,725,336	1,512,621	1,234,851	1,310,623
Extracurricular Activities	1,156,763	1,217,636	1,202,682	1,230,648
Capital Outlay	3,463,331	7,388,359	5,313,843	4,503,634
Intergovernmental	0	0	0	0
Debt Service:				
Principal Retirement	7,185,976	2,300,000	2,200,000	1,724,230
Interest and Fiscal Charges	1,187,020	1,198,467	909,172	971,212
Capital Appreciation Bonds Interest	94,024	0	0	0
Bond Issuance Costs	107,962	0	188,041	0
<i>Total Expenditures</i>	<u>101,218,615</u>	<u>97,798,957</u>	<u>92,027,107</u>	<u>93,476,429</u>
<i>Excess of Revenue Over (Under) Expenditures</i>	<u>(3,862,047)</u>	<u>2,846,471</u>	<u>2,496,505</u>	<u>(8,107,956)</u>
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	0	0	0
General Obligation Bonds Issued	4,999,999	0	14,200,582	0
General Obligation Bond Premium	107,967	0	310,117	0
General Obligation Notes Issued	500,000	5,500,000	500,000	570,000
Current Refunding	(500,000)	(500,000)	(570,000)	0
Payment to Refunded Bond Escrow Agent	0	0	(5,942,840)	0
Transfers In	475,000	175,000	125,000	287,192
Transfers Out	(475,000)	(175,000)	(125,000)	(287,192)
<i>Total Other Financing Sources (Uses)</i>	<u>5,107,966</u>	<u>5,000,000</u>	<u>8,497,859</u>	<u>570,000</u>
<i>Net Change in Fund Balances</i>	<u>\$1,245,919</u>	<u>\$7,846,471</u>	<u>\$10,994,364</u>	<u>(\$7,537,956)</u>
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	8.81%	3.92%	3.80%	3.03%

2005	2004	2003	2002	2001	2000
\$53,655,836	\$58,039,121	\$41,691,916	\$57,147,630	\$44,457,641	\$43,059,631
27,269,185	25,877,126	24,778,809	24,123,265	19,683,999	17,780,064
622,591	169,849	389,026	540,061	826,019	874,274
1,061,636	1,288,125	1,284,963	1,553,543	937,117	1,089,754
225,611	254,088	279,017	218,056	269,771	226,828
104,820	594,335	74,850	17,508	18,872	14,769
865,476	747,618	784,100	33,326	36,856	7,656
146,592	156,653	148,967	143,243	47,510	50,653
288,250	300,965	136,845	2,817,053	89,695	33,457
<u>84,239,997</u>	<u>87,427,880</u>	<u>69,568,493</u>	<u>86,593,685</u>	<u>66,367,480</u>	<u>63,137,086</u>
33,016,459	31,014,952	30,619,859	28,432,858	26,620,897	26,389,292
10,740,864	9,844,459	9,153,316	8,196,710	7,750,085	6,935,324
365,264	236,759	289,951	229,153	244,799	338,095
5,335,372	5,173,505	4,817,011	4,506,569	4,097,061	4,040,878
5,503,732	5,052,264	4,845,603	4,490,022	4,477,168	4,208,828
12,969	80,848	44,557	71,907	57,321	44,778
6,409,117	6,082,455	5,537,916	5,308,385	5,188,071	4,913,663
2,009,811	1,633,900	1,624,904	1,543,580	1,389,621	1,451,946
932,775	630,972	659,032	702,495	690,732	744,450
10,247,849	9,682,083	8,779,635	8,433,018	8,034,532	7,362,419
4,372,503	3,841,783	3,659,578	3,515,732	3,264,343	3,194,117
1,538,769	1,335,852	1,533,731	1,135,390	1,295,220	1,265,433
1,144,380	1,258,577	1,310,622	112,101	1,098,390	1,219,476
1,053,939	921,209	920,416	0	0	0
1,331,621	1,330,480	1,142,053	1,056,962	1,038,751	952,482
1,575,538	2,060,855	2,044,360	1,038,371	1,622,174	4,844,554
0	0	0	1,079,261	0	0
1,205,000	1,130,000	1,885,000	1,783,306	1,683,033	775,107
760,280	773,595	859,491	958,966	1,094,517	1,046,498
0	0	0	0	0	0
154,830	0	0	0	0	0
<u>87,711,072</u>	<u>82,084,548</u>	<u>79,727,035</u>	<u>72,594,786</u>	<u>69,646,715</u>	<u>69,727,340</u>
<u>(3,471,075)</u>	<u>5,343,332</u>	<u>(10,158,542)</u>	<u>13,998,899</u>	<u>(3,279,235)</u>	<u>(6,590,254)</u>
0	0	0	0	0	350
11,324,994	0	0	0	3,199,993	0
191,387	0	0	0	0	0
570,000	0	0	0	0	0
0	0	0	0	0	0
(1,354,975)	0	0	0	0	0
281,912	252,711	246,961	250,461	643,525	342,179
<u>(281,912)</u>	<u>(252,711)</u>	<u>(246,961)</u>	<u>(250,461)</u>	<u>(648,525)</u>	<u>(398,679)</u>
<u>10,731,406</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,194,993</u>	<u>(56,150)</u>
<u>\$7,260,331</u>	<u>\$5,343,332</u>	<u>(\$10,158,542)</u>	<u>\$13,998,899</u>	<u>(\$84,242)</u>	<u>(\$6,646,404)</u>
2.28%	2.38%	3.53%	3.83%	4.08%	2.81%

## Shaker Heights City School District

### *History of School Operating Levies*

*For the Years 1933 - 2009*

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

Source: Shaker Heights City School District Records

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

Collection Year	Real Estate			Estimated Actual Value	Tangible Assessed Value
	Assessed Value				
	Residential/ Agricultural	Commercial/ Industrial/ PU	Total		
2009	\$837,960,590	\$87,981,190	\$925,941,780	\$2,645,547,943	\$2,081,828
2008	839,801,250	86,307,100	926,108,350	2,646,023,857	3,243,846
2007	843,012,950	90,658,920	933,671,870	2,667,633,914	8,670,762
2006	758,082,460	89,889,340	847,971,800	2,422,776,571	10,227,037
2005	760,446,580	92,028,820	852,475,400	2,435,644,000	10,874,112
2004	766,529,040	93,225,960	859,755,000	2,456,442,857	13,995,216
2003	665,936,590	89,502,910	755,439,500	2,158,398,571	18,235,730
2002	666,253,450	92,219,710	758,473,160	2,167,066,171	15,119,701
2001	665,664,730	87,362,310	753,027,040	2,151,505,829	13,134,797
2000	586,899,040	75,769,400	662,668,440	1,893,338,400	11,482,000

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

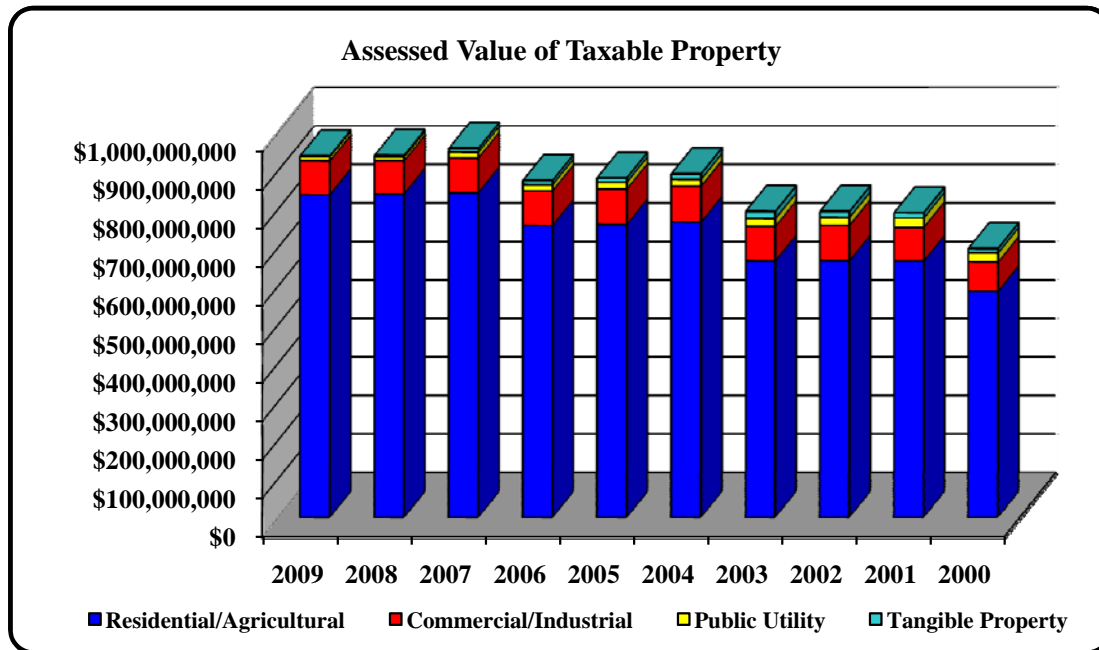
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

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

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



Personal		Public Utility Personal		Total	
Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Weighted Average Tax Rate
\$33,309,248	\$10,337,780	\$11,747,477	\$938,361,388	\$2,690,604,668	\$67.43
51,901,536	9,871,720	11,217,864	939,223,916	2,709,143,257	66.99
69,366,096	15,113,730	17,174,693	957,456,362	2,754,174,702	71.13
54,544,197	15,778,790	17,930,443	873,977,627	2,495,251,212	68.41
47,278,748	17,529,940	19,920,386	880,879,452	2,502,843,134	66.94
60,848,765	17,827,640	20,258,682	891,577,856	2,537,550,304	67.31
79,285,783	19,900,850	22,614,602	793,576,080	2,260,298,955	59.95
60,478,804	20,101,330	22,842,420	793,694,191	2,250,387,396	59.91
52,539,188	24,248,080	27,554,636	790,409,917	2,231,599,653	59.81
45,928,000	23,622,520	26,843,773	697,772,960	1,966,110,173	51.56



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

	2009	2008	2007	2006
<b>Unvoted Millage</b>				
Operating	\$4.100000	\$4.100000	\$4.100000	\$4.100000
<b>Voted Millage - by levy</b>				
All Prior to 1977 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	9.510423	9.474953	9.458097	10.483601
Commercial/Industrial	20.472975	20.074093	19.841787	20.940688
Tangible/Public Utility Personal	58.530000	58.530000	58.530000	58.530000
1977 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	2.481732	2.472480	2.468076	2.735676
Commercial/Industrial	4.522704	4.434588	4.832760	4.626036
Tangible/Public Utility Personal	12.000000	12.000000	12.000000	12.000000
1979 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	1.240866	1.236240	1.234038	1.367838
Commercial/Industrial	2.261352	2.217294	2.191638	2.313018
Tangible/Public Utility Personal	6.000000	6.000000	6.000000	6.000000
1981 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	2.055242	2.047585	2.043938	2.265556
Commercial/Industrial	2.907710	2.851063	2.818075	2.974153
Tangible/Public Utility Personal	6.500000	6.500000	6.500000	6.500000
1982 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	1.900260	1.893180	1.889814	2.094720
Commercial/Industrial	2.684106	2.631816	2.601366	2.745438
Tangible/Public Utility Personal	6.000000	6.000000	6.000000	6.000000
1983 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	3.172453	3.160634	3.155011	3.490940
Commercial/Industrial	4.530610	4.442346	4.390945	4.634133
Tangible/Public Utility Personal	8.800000	8.800000	8.800000	8.800000
1986 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	2.872770	2.862068	2.856975	3.166748
Commercial/Industrial	4.278938	4.195575	4.147028	4.376708
Tangible/Public Utility Personal	7.500000	7.500000	7.500000	7.500000
1989 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	4.745973	4.728294	4.719886	5.231642
Commercial/Industrial	6.799838	6.667361	6.590216	6.955217
Tangible/Public Utility Personal	9.800000	9.800000	9.800000	9.800000
1990 School Improvement Bonds (\$10,000,000)	0.713425	0.747118	0.779070	0.840387

2005	2004	2003	2002	2001	2000
\$4.100000	\$4.100000	\$4.100000	\$4.100000	\$4.100000	\$4.100000
10.463467	10.366424	10.366424	11.888321	11.888321	13.445043
20.105874	20.117697	20.117697	20.217432	20.217433	23.703533
58.530000	58.530000	58.530000	58.530000	58.530000	58.530000
2.730420	2.705088	2.705088	3.102240	3.100944	3.508464
4.441620	4.444236	4.444236	4.466268	4.466268	5.236392
12.000000	12.000000	12.000000	12.000000	12.000000	12.000000
1.365210	1.352544	1.352544	1.551120	1.550472	1.754232
2.220810	2.222118	2.222118	2.233134	2.233134	2.618196
6.000000	6.000000	6.000000	6.000000	6.000000	6.000000
2.261207	2.240232	2.240232	2.569138	2.568072	2.905572
2.855593	2.857270	2.857270	2.871433	2.871434	3.366558
6.500000	6.500000	6.500000	6.500000	6.500000	6.500000
2.090694	2.071302	2.071302	2.375400	2.374410	2.686458
2.635992	2.637540	2.637540	2.650614	2.650614	3.107664
6.000000	6.000000	6.000000	6.000000	6.000000	6.000000
3.490379	3.458004	3.458004	3.965694	3.964048	4.485008
4.449394	4.452008	4.452008	4.474078	4.474078	5.245548
8.800000	8.800000	8.800000	8.800000	8.800000	8.800000
3.160665	3.131348	3.131348	3.591083	3.589590	4.061333
4.202235	4.204710	4.204710	4.225552	4.225553	4.954170
7.500000	7.500000	7.500000	7.500000	7.500000	7.500000
5.221597	5.173165	5.173165	5.932675	5.930205	6.709550
6.677955	6.681885	6.681885	6.715018	6.715019	7.782899
9.800000	9.800000	9.800000	9.800000	9.800000	9.800000
0.874516	0.888694	1.020000	1.520000	1.520000	1.420000

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

	2009	2008	2007	2006
1992 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	\$5.927824	\$5.905745	\$5.895239	\$6.534444
Commercial/Industrial	7.640403	7.491561	7.404880	7.815000
Tangible/Public Utility Personal	9.800000	9.800000	9.800000	9.800000
1995 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	5.726531	5.705199	5.695055	6.312546
Commercial/Industrial	7.325478	7.182764	7.099661	7.492875
Tangible/Public Utility Personal	8.700000	8.700000	8.700000	8.700000
1996 School Improvement Bonds (\$12,700,000)	0.777312	0.808272	1.052726	1.248007
2000 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	6.649015	6.624246	6.612468	7.329434
Commercial/Industrial	8.118780	7.960616	7.868514	8.304308
Tangible/Public Utility Personal	9.400000	9.400000	9.400000	9.400000
2003 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	7.669229	7.640659	7.626701	8.454058
Commercial/Industrial	9.385517	9.202675	9.096202	9.600000
Tangible/Public Utility Personal	9.600000	9.600000	9.600000	9.600000
2004 School Improvement Bonds (\$23,500,000)	2.479263	2.114610	1.838204	1.681606
2006 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	8.980934	8.947481	8.931572	0.000000
Commercial/Industrial	9.678814	9.490259	9.380458	0.000000
Tangible/Public Utility Personal	9.900000	9.900000	9.900000	0.000000
<b>Total Voted Millage by type of property</b>				
Residential/Agricultural	\$66.903252	\$66.368764	\$66.256870	\$63.237203
Commercial/Industrial	94.577225	92.512011	91.484046	86.547574
Tangible/Public Utility Personal	166.500000	166.200000	166.200000	156.400000
<b>Total Millage by type of property</b>				
Residential/Agricultural	\$71.003252	\$70.468764	\$70.356870	\$67.337203
Commercial/Industrial	98.677225	96.612011	96.033530	90.647574
Tangible/Public Utility Personal	170.600000	170.300000	170.300000	160.500000
<b>Overlapping Rates by Taxing District</b>				
Effective Millage Rates				
Residential/Agricultural	\$9.900000	\$9.900000	\$9.900000	\$9.900000
Commercial/Industrial	9.900000	9.900000	9.900000	9.900000
Tangible/Public Utility Personal	9.900000	9.900000	9.900000	9.900000
City of Cleveland Charter & Inside Millage	12.700000	12.700000	12.700000	12.700000
Effective Millage Rates				
Residential/Agricultural	12.700000	12.700000	12.700000	12.700000
Commercial/Industrial	12.700000	12.700000	12.700000	12.700000
Tangible/Public Utility Personal	12.700000	12.700000	12.700000	12.700000

2005	2004	2003	2002	2001	2000
\$6.521900	\$6.461414	\$6.461414	\$7.410064	\$7.406987	\$8.380421
7.503468	7.507888	7.507888	7.545108	7.545108	8.846117
9.800000	9.800000	9.800000	9.800000	9.800000	9.800000
6.300427	6.241989	6.241989	7.158421	7.155445	8.095820
7.194187	7.198424	7.198424	7.234110	7.234111	8.481500
8.700000	8.700000	8.700000	8.700000	8.700000	8.700000
1.274561	1.281306	1.850000	1.850000	1.850000	1.850000
7.315362	7.247513	7.247513	8.311583	8.308134	0.000000
7.973268	7.977959	7.977959	8.017523	8.017523	0.000000
9.400000	9.400000	9.400000	9.400000	9.400000	0.000000
8.437824	8.359565	0.000000	0.000000	0.000000	0.000000
9.289114	9.294586	0.000000	0.000000	0.000000	0.000000
9.600000	9.600000	0.000000	0.000000	0.000000	0.000000
0.320923	0.000000	0.000000	0.000000	0.000000	0.000000
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
\$61.829152	\$60.978588	\$53.319023	\$61.225739	\$61.206628	\$59.301901
82.019510	81.766321	73.171735	74.020270	74.020275	76.612577
155.100000	154.800000	145.900000	146.400000	146.400000	136.900000
\$65.929152	\$65.078588	\$57.419023	\$65.325739	\$65.306628	\$63.401901
86.119510	85.866321	77.271735	78.120270	78.120275	80.712577
159.200000	158.900000	150.000000	150.500000	150.500000	141.000000
\$9.900000	\$9.900000	\$9.900000	\$9.900000	\$9.900000	\$9.900000
9.900000	9.900000	9.900000	9.900000	9.900000	9.900000
9.900000	9.900000	9.900000	9.900000	9.900000	9.900000
12.700000	12.700000	12.700000	12.700000	12.700000	12.700000
12.700000	12.700000	12.700000	12.700000	12.700000	12.700000
12.700000	12.700000	12.700000	12.700000	12.700000	12.700000
12.700000	12.700000	12.700000	12.700000	12.700000	12.700000

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

	2009	2008	2007	2006
<b>Shaker Heights Public Library Voted Millage</b>				
Effective Millage Rates				
Residential/Agricultural	\$4.000000	\$3.183608	\$3.177948	\$3.522524
Commercial/Industrial	4.000000	3.834448	3.790084	4.000000
Tangible/Public Utility Personal	4.000000	4.000000	4.000000	4.000000
<b>Cuyahoga County Voted Millage</b>				
Effective Millage Rates				
Residential/Agricultural	17.120474	15.377008	16.025850	16.019200
Commercial/Industrial	17.506531	16.833423	16.833430	17.131400
Tangible/Public Utility Personal	18.100000	18.200000	18.200000	18.300000

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

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

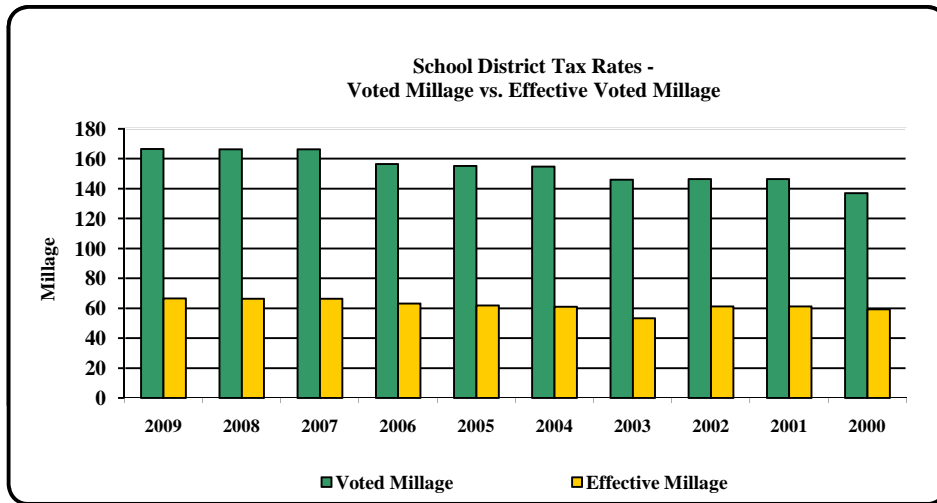
The City School District's basic property tax may be increased only by a majority vote of the City School District's residents.

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

Source: Ohio Department of Taxation

Note: Emergency and Debt Service levies are designed to raise a fixed amount of revenue each year. A rate is set each year so that when it is applied to the total assessed value, that fixed amount is generated.

2005	2004	2003	2002	2001	2000
\$3.515760	\$3.483152	\$4.000000	\$3.291228	\$3.289860	\$3.722216
3.870464	3.872744	4.000000	3.326028	3.326028	3.899540
4.000000	4.000000	4.000000	4.000000	4.000000	4.000000
15.270300	14.608900	13.736700	12.658600	12.677900	12.838100
16.502100	16.052900	14.221100	13.335800	13.254500	13.877500
18.300000	18.000000	16.200000	16.200000	16.200000	15.300000



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

Year (1)	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes (2)	Ratio of Delinquent Taxes to Total Tax Levy
2008	\$70,633,574	\$66,607,428	94.30%	\$5,596,275	\$72,203,703	102.22%	\$5,949,390	8.42%
2007	71,622,535	66,645,731	93.05	3,687,456	70,333,187	98.20	13,982,682	19.52
2006	70,402,802	59,713,108	84.81	2,763,300	62,476,408	88.74	6,529,128	9.27
2005	68,357,014	58,502,023	85.58	2,924,281	61,426,304	89.86	6,005,534	8.79
2004	69,712,232	60,204,426	86.36	2,955,133	63,159,559	90.60	6,152,166	8.83
2003	60,781,197	52,442,163	86.28	2,755,165	55,197,328	90.81	5,823,933	9.58
2002	61,031,382	53,061,790	86.94	2,696,283	55,758,073	91.36	4,853,033	7.95
2001	59,395,866	53,242,741	89.64	2,025,582	55,268,323	93.05	4,107,206	6.91
2000	51,218,889	46,518,513	90.82	2,114,816	48,633,329	94.95	3,047,657	5.95
1999	51,196,890	45,983,102	89.82	2,163,870	48,146,972	94.04	2,842,481	5.55

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

(1) Represents collection year. 2009 information cannot be presented because all collections have not yet been made.

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

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



**Shaker Heights City School District**

*Principal Taxpayers*

*Real Estate Tax*

*2009 and 2000 (1)*

Name of Taxpayer	2009	
	Assessed Valuation	Percent of Real Assessed Value
University Hospitals	\$5,522,510	0.60 %
Tower East Operating Association	4,416,510	0.48
Shaker Towne Center LLC	3,683,850	0.40
Salzberg, Deborah	2,959,460	0.32
Coral Shaker Square LLC	2,525,730	0.27
Oliver Family Limited	2,296,110	0.25
Kirt Montlack, Limited	2,120,820	0.23
Shaker Plaza LTD	1,504,760	0.16
Cleveland Skating Club	1,383,630	0.15
Gator Shaker Heights, LLC	1,299,940	0.13
<b>Total</b>	<b>\$27,713,320</b>	<b>2.99 %</b>
<b>Total Real Estate Valuation</b>	<b>\$925,941,780</b>	

Name of Taxpayer	2000	
	Assessed Valuation	Percent of Real Assessed Value
Edens and Avant Properties	\$3,272,500	0.49 %
Community Links Limited Partnership	2,975,000	0.45
WKBValue Partners, Limited Partnership	2,362,610	0.36
OfficeMax Incorporated	1,988,530	0.30
Somerset Point Limited Partnership	1,850,800	0.28
Karrington Acquisition Incorporated	1,595,300	0.24
Albert Ratner, Trustee	1,583,120	0.24
Cleveland Skating Club	1,299,550	0.20
Excel Cleveland Limited Partnership	1,153,710	0.17
University School	1,035,160	0.15
<b>Total</b>	<b>\$19,116,280</b>	<b>2.88 %</b>
<b>Total Real Estate Valuation</b>	<b>\$662,668,440</b>	

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

(1) The amounts presented represent the assessed values upon which 2009 and 2000 collections were based

**Shaker Heights City School District**

*Principal Taxpayers*

*Tangible Personal Property Tax*

*2009 and 2000 (1)*

2009		
Name of Taxpayer	Assessed Valuation	Percent of Tangible Assessed Value
Ohio Bell Telephone Company	\$1,142,090	54.86 %
Ameritech Advanced Data	81,100	3.90
New Par	69,920	3.36
Sprintcom INC	58,710	2.82
New Cingular Wireless PCS, LLC	45,620	2.19
T Mobile Central LLC	43,890	2.11
Alltell Ohio Limited	39,370	1.89
Dieca Communications INC	20,410	0.98
Cleveland Unlimited INC	16,840	0.81
Sprint Nextel Corporation	5,590	0.26
<b>Total</b>	<b>\$1,523,540</b>	<b>73.18 %</b>
<b>Total Tangible Assessed Valuation</b>	<b>\$2,081,828</b>	

2000		
Name of Taxpayer	Assessed Valuation	Percent of Tangible Assessed Value
Telerama Incorporated	\$1,171,910	10.21 %
Ganley Nissan Incorporated	512,760	4.47
OfficeMax Incorporated	500,830	4.36
Ryder Integrated Logistics Incorporated	486,110	4.23
Zalud Oldsmobile Incorporated	467,400	4.07
Heinens Incorporated	388,160	3.38
Qua Newco Incorporated	344,820	3.00
Community Dialysis Center	303,310	2.64
Rite Aid of Ohio Incorporated	253,550	2.21
Russos Incorporated	233,240	2.03
<b>Total</b>	<b>\$4,662,090</b>	<b>40.60 %</b>
<b>Total Tangible Assessed Valuation</b>	<b>\$11,482,000</b>	

Source: Office of the Auditor, Cuyahoga County, Ohio

(1) The amounts presented represent the assessed values upon which 2009 and 2000 collections were based

**Shaker Heights City School District**

*Principal Taxpayers*

*Public Utilities Tax*

*2009 and 2000 (1)*

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2009		
Name of Taxpayer	Assessed Valuation	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$8,057,560	77.94 %
The East Ohio Gas Company	1,559,630	15.09
American Transmission System	720,590	6.97
<b>Total</b>	<b>\$10,337,780</b>	<b>100.00 %</b>
<b>Total Public Utility Valuation</b>	<b>\$10,337,780</b>	

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2000		
Name of Taxpayer	Assessed Valuation	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$10,122,740	42.85 %
Ohio Bell Telephone Company	8,057,850	34.11
East Ohio Gas Company	4,421,180	18.72
<b>Total</b>	<b>\$22,601,770</b>	<b>95.68 %</b>
<b>Total Public Utility Valuation</b>	<b>\$23,622,520</b>	

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

(1) The amounts presented represent the assessed values upon which 2009 and 2000 collections were based

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

Fiscal Year	Estimated Population (1)	Estimated Actual Value	General Bonded Debt		
			General Bonded Debt	Ratio of General Bonded Debt to Estimated Actual Value	General Bonded Debt per Capita
2009	29,405	\$2,690,604,668	\$28,692,737	1.07%	\$976
2008	29,405	2,709,143,257	25,780,255	0.95	877
2007	29,405	2,754,174,702	28,008,859	1.02	953
2006	29,405	2,495,251,212	21,586,229	0.87	734
2005	29,405	2,502,843,134	22,692,846	0.91	772
2004	29,405	2,537,550,304	13,717,774	0.54	467
2003	29,405	2,260,298,955	14,031,071	0.62	477
2002	29,405	2,250,387,396	15,326,921	0.68	521
2001	29,405	2,231,599,653	17,574,060	0.79	598
2000	30,867	1,966,110,173	15,619,430	0.79	506

**Sources:**

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

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Other  
Governmental  
Activities Debt

Notes	Total Debt	Percentage of Total Debt to Personal Income (2)	Per Capita
\$500,000	\$29,192,737	2.40%	\$993
5,500,000	31,280,255	2.57	1,064
570,000	28,578,859	2.35	972
570,000	22,156,229	1.82	753
570,000	23,262,846	1.91	791
0	13,717,774	1.13	467
0	14,031,071	1.15	477
0	15,326,921	1.26	521
0	17,574,060	1.45	598
1,500,000	17,119,430	1.41	555

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

	2009	2008	2007	2006 (1)
Total Assessed Valuation	\$936,279,560	\$935,980,070	\$957,456,362	\$873,977,627
Less Railroad and Telephone Property Valuation	(2,390,110)	(3,206,440)	0	0
Less General Business Tangible Personal Valuation	(2,081,828)	(3,243,846)	(5,428,020)	0
Total Assessed Valuation used to Calculate Legal Debt Margin (1)	931,807,622	929,529,784	952,028,342	873,977,627
Debt Limit - 9% of Assessed Value (2)	83,862,686	83,657,681	85,682,551	78,657,986
Amount of Debt Outstanding				
General Obligation Bonds				
School Improvement Bonds	880,000	1,275,000	1,645,000	1,990,000
School Improvement Bonds	165,000	165,000	325,000	2,415,000
School Improvement Capital Appreciation Bonds	64,017	134,993	299,377	285,543
Energy Conservation Improvement Bonds	0	0	0	0
School Improvement Bonds	7,270,000	7,725,000	8,901,082	9,928,185
School Improvement Capital Appreciation Bonds	204,995	204,995	281,076	243,421
School Improvement Bonds	4,880,000	0	0	0
School Improvement Capital Appreciation Bonds	119,999	0	0	0
School Addition Refunding Bonds	700,000	860,000	1,042,173	1,213,140
Refunding Capital Appreciation Bonds	94,999	94,999	116,063	105,940
School Improvement Bonds	290,000	570,000	1,125,000	5,405,000
School Improvement Bonds	7,675,000	8,475,000	8,591,616	0
School Improvement Capital Appreciation Bonds	23,960	23,960	24,862	0
School Improvement Bonds	3,750,000	3,760,000	3,698,602	0
School Improvement Capital Appreciation Bonds	9,983	9,983	10,359	0
School Improvement Bonds	1,900,000	1,915,000	1,931,384	0
School Improvement Capital Appreciation Bonds	16,639	16,639	17,265	0
Bus Acquisition Bond Anticipation Note	500,000	500,000	570,000	570,000
Bond Anticipation Note	0	5,000,000	0	0
Less: Amount Available in Debt Service	(2,604,889)	(2,430,245)	(2,439,934)	(2,252,727)
Total	25,939,703	28,300,324	26,138,925	19,903,502
Exemptions:				
Energy Conservation Improvement Bonds	0	0	0	0
Bus Acquisition Bond Anticipation Note	(500,000)	(500,000)	(570,000)	(570,000)
Amount of Debt Subject to Limit	25,439,703	27,800,324	25,568,925	19,333,502
Overall Debt Margin	\$58,422,983	\$55,857,357	\$60,113,626	\$59,324,484
Legal Debt Margin as a Percentage of Debt Limit	69.67%	66.77%	70.16%	75.42%
Unvoted Legal Debt Limit - .10% of Assessed Value (1)	\$931,808	\$929,530	\$952,028	\$873,978
Amount of Debt Subject to Limit	0	0	0	0
Unvoted Debt Margin	\$931,808	\$929,530	\$952,028	\$873,978
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	100.00%	100.00%	100.00%
Additional Limit for Unvoted Energy Conservation Improvement Bonds:				
Debt Limit - 1% of Assessed Valuation	\$8,426,516	\$8,423,821	\$8,617,107	\$7,865,799
Energy Conservation Improvement Bonds	0	0	0	0
Additional Unvoted Debt Margin	\$8,426,516	\$8,423,821	\$8,617,107	\$7,865,799

**Source:** Cuyahoga County Auditor and School District Financial Records

(1) The definition of tax valuation for the purpose of calculating the debt margin was modified by HB530, effective 3/30/06, to exclude tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations.

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

2005	2004	2003	2002	2001	2000
\$880,879,452	\$891,577,856	\$793,576,080	\$793,694,191	\$790,409,917	\$697,799,960
0	0	0	0	0	0
0	0	0	0	0	0
880,879,452	891,577,856	793,576,080	793,694,191	790,409,917	697,799,960
79,279,151	80,242,007	71,421,847	71,432,477	71,136,893	62,801,996
2,315,000	2,615,000	2,895,000	3,160,000	3,405,000	3,635,000
2,560,000	2,700,000	2,835,000	2,965,000	3,065,000	0
271,709	258,544	246,017	234,099	222,758	0
159,230	304,230	444,230	579,230	709,230	834,230
9,935,288	0	0	0	0	0
210,811	0	0	0	0	0
0	1,475,000	1,625,000	2,025,000	2,415,000	2,795,000
0	0	0	0	0	0
1,249,107	0	0	0	0	0
96,701	0	0	0	0	0
5,895,000	6,365,000	6,790,000	7,745,000	8,655,000	9,500,000
0	0	0	0	0	1,500,000
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
570,000	0	0	0	0	90,000
0	0	0	0	0	0
(1,446,773)	(1,379,309)	(804,176)	(1,381,408)	(897,928)	(1,234,800)
21,816,073	12,338,465	14,031,071	15,326,921	17,574,060	17,119,430
(159,230)	0	0	0	0	0
(570,000)	0	0	0	0	(90,000)
21,086,843	12,338,465	14,031,071	15,326,921	17,574,060	17,029,430
\$58,192,308	\$67,903,542	\$57,390,776	\$56,105,556	\$53,562,833	\$45,772,566
73.40%	84.62%	80.35%	78.54%	75.30%	72.88%
\$880,879	\$891,578	\$793,576	\$793,694	\$790,410	\$697,800
(159,230)	0	0	0	0	0
\$721,649	\$891,578	\$793,576	\$793,694	\$790,410	\$697,800
81.92%	100.00%	100.00%	100.00%	100.00%	100.00%
\$7,927,915	\$8,024,201	\$7,142,185	\$7,936,942	\$7,904,099	\$6,978,000
(159,230)	(304,230)	(444,230)	(579,230)	(709,230)	(834,230)
\$7,768,685	\$7,719,971	\$6,697,955	\$7,357,712	\$7,194,869	\$6,143,770

**Shaker Heights City School District**  
*Computation of Direct and Overlapping  
 Governmental Activities Debt  
 December 31, 2008*

	Debt Attributable to Governmental Activities	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
<b>Direct Debt</b>			
Shaker Heights City School District			
General Obligation Bonds	\$28,692,737	100.00%	\$28,692,737
Notes Payable	500,000	100.00	500,000
<b>Total Direct Debt</b>	<b>29,192,737</b>	<b>100.00</b>	<b>29,192,737</b>
<b>Overlapping Debt:</b>			
Cuyahoga County			
General Obligation Bonds	173,500,000	2.98	5,170,300
Revenue Bonds	97,576,000	2.98	2,907,765
Installment Purchase	2,269,000	2.98	67,616
Loans Payable	6,551,000	2.98	195,220
City of Shaker Heights			
General Obligation Bonds	14,585,000	100.00	14,585,000
OPWC Loans	3,903,479	100.00	3,903,479
Notes Payable	8,160,000	100.00	8,160,000
City of Cleveland			
General Obligation Bonds	313,630,000	5.41	16,967,383
Urban Renewal Bonds	6,325,000	5.41	342,183
Income Tax Refunding Bonds	59,960,000	5.41	3,243,836
Non-Tax Revenue Bonds	67,617,000	5.41	
OWDA/OPWC Loans	112,275,000	5.41	6,074,078
Revenue Notes/Bonds	2,100,768,000	5.41	113,651,549
Capital Lease Obligations	8,604,000	5.41	465,476
Regional Transit Authority			
General Obligation Bonds	140,763,731	2.98	4,194,759
SIB Loan	3,575,318	2.98	106,544
Capital Lease	23,684,005	2.98	705,783
<b>Total Overlapping</b>	<b>3,143,746,533</b>		<b>180,740,971</b>
<b>Total</b>	<b>\$3,172,939,270</b>		<b>\$209,933,708</b>

Source: Office of the Auditor, Cuyahoga County, Ohio

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2008 collection year.



## Shaker Heights City School District

### *History of Bond Issues*

*For the Years 1912 - 2009*

Purpose of Issue	Election Date	Issue Date	Amount of Issue
Erecting and furnishing school house	July 2, 1912	August 12, 1912	\$60,000
Purchasing site and erecting and furnishing school house thereon	N/A	May 17, 1917	100,000
Purchasing site and erecting and furnishing school house thereon and purchased real estate for playground	N/A	November 16, 1917	250,000
Completing building and purchasing site and erecting building	January 21, 1920	November 3, 1920	250,000
Erecting two schools	November 8, 1921	March 1, 1922	600,000
Moreland School and Shaker Boulevard addition	November 4, 1924	January 1, 1925	650,000
Fernway, Ludlow and High School addition	November 3, 1925	July 1, 1926	1,165,587
High School Site and Addition to Malvern	November 2, 1926	January 1, 1927	550,000
Lomond Boulevard and Furniture	November 8, 1927	April 1, 1929	500,000
Land for Lomond Junior High	November 6, 1928	January 1, 1929	78,375
Land and Furniture	November 6, 1928	July 15, 1929	75,183
High School Building	November 6, 1928	November 1, 1930	1,040,500
Furnishings High School	Unvoted	May 1, 1931	50,000
First Library Issue	November 6, 1945	April 1, 1950	150,000
Sussex Addition	November 5, 1946	January 1, 1947	200,000
Complete Sussex and Other Improvements	November 2, 1948	December 1, 1948	300,000
Second Library Issue	November 2, 1948	February 1, 1951	200,000
School Furnishings	November 2, 1948	February 1, 1951	25,000
Mercer, Senior High Music Wings, etc.	November 6, 1951	March 1, 1951	1,750,000
New Junior High, Additions to Lomond and Senior High	November 3, 1953	October 1, 1954	4,100,000
Byron Auditorium and Woodbury Gym	November 3, 1953	October 1, 1958	2,100,000
School Improvement	November 3, 1960	October 1, 1964	1,775,000
School Improvement	May 7, 1968	March 1, 1972	4,500,000
School Improvement	June 7, 1977	September 1, 1977	4,650,000
School Improvement	May 8, 1990	August 29, 1990	5,000,000
School Improvement	May 8, 1990	April 1, 1993	5,000,000
School Improvement	November 5, 1996	March 11, 1999	9,500,000
School Improvement	November 5, 1996	September 28, 2000	3,199,993
School Improvement	November 2, 2004	April 5, 2005	9,999,995
School Improvement	November 2, 2004	April 18, 2007	8,498,960
School Improvement	November 2, 2004	November 25, 2008	4,999,999

Source: Shaker Heights City School District

N/A - Not Available

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

Year	Property Value (1) (Real Estate Only)	Financial Institution Deposits (000's) Banks	Value of Building Permits Issued (2)
2009	\$925,941,780	\$168,829,043	\$13,570,377
2008	926,108,350	159,000,767	22,193,823
2007	933,671,870	161,139,482	12,992,828
2006	847,971,800	110,547,665	23,288,638
2005	852,475,400	105,769,931	26,855,317
2004	859,755,000	97,238,973	15,419,905
2003	755,439,500	95,761,917	11,489,850
2002	758,473,160	88,346,368	20,633,259
2001	753,027,040	61,942,764	25,751,459
2000	662,668,440	57,021,360	36,382,085

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

(1) Represents assessed value.

(2) The decrease from fiscal year 2006 to fiscal year 2007 in the value of building permits was due to the fact that Sussex Courts and Shaker Towne Centre were completed in fiscal year 2006. In fiscal year 2008, the point-of-sale escrow program run by the City of Shaker Heights resulted in several millions of dollars of private investment in housing and also the Neighborhood Revitalization Department assisted 180 property owners with housing improvement projects through financial assistance and landlord programs. The decrease in the fiscal year 2009 was the result of the downturn in the economy.

**Shaker Heights City School District**

*Principal Employers*

2008 and 2005 (1)

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**2008**

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Employer	Nature of Business or Activity	Number of Employees
Shaker Heights City School District	government entity	807
City of Shaker Heights	government entity	373
University Hospitals	hospital	950
Hathaway Brown School	school	225
Laurel School	school	158
Heinens	supermarket	115
University School (Shaker campus)	school	105
Total		<u>2,733</u>
Total Employment within the School District		<u>n/a</u>

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**2005**

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

**Source:** Employer survey

(1) Information prior to 2005 is not available.

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

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## Shaker Heights City School District

### Demographic Statistics

Last Ten Years

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Year	Cuyahoga County Population	Shaker Heights City Population	Personal Income	Per Capita Personal Income	School Enrollment	Cuyahoga County Unemployment Rate
2009	1,363,888	29,405	\$1,216,014,370	\$41,354	5,542	6.8 %
2008	1,363,888	29,405	1,216,014,370	41,354	5,482	6.1
2007	1,363,888	29,405	1,216,014,370	41,354	5,577	6.3
2006	1,363,888	29,405	1,216,014,370	41,354	5,628	5.6
2005	1,363,888	29,405	1,216,014,370	41,354	5,734	5.9
2004	1,363,888	29,405	1,216,014,370	41,354	5,623	6.6
2003	1,363,888	29,405	1,216,014,370	41,354	5,608	6.7
2002	1,393,978	29,405	1,216,014,370	41,354	5,619	4.6
2001	1,393,978	29,405	1,216,014,370	41,354	5,625	4.5
2000	1,393,978	30,867	1,213,628,706	39,318	5,714	4.5

**Source:** 2000 U.S. Census Bureau

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

	2009	2008	2007	2006	2005	2004
<b>Boulevard Elementary School</b>						
Constructed in 1914						
Total Building Square Footage	48,000	48,000	48,000	48,000	48,000	48,000
Enrollment Grades K - 4	339	340	360	393	424	384
Student Capacity	544	544	544	544	544	544
Regular Instruction Classrooms	22	22	22	21	21	21
Special Instruction Classrooms	2	2	2	3	3	3
<b>Fernway Elementary School</b>						
Constructed in 1927						
Total Building Square Footage	29,925	29,925	29,925	29,925	29,925	29,925
Enrollment Grades K - 4	342	333	324	313	312	300
Student Capacity	366	366	366	366	366	366
Regular Instruction Classrooms	15	15	15	16	17	17
Special Instruction Classrooms	2	2	2	1	0	0
<b>Lomond Elementary School</b>						
Constructed in 1928						
Total Building Square Footage	65,075	65,075	65,075	65,075	65,075	65,075
Enrollment Grades K - 4	497	512	526	518	538	512
Student Capacity	620	620	620	620	620	620
Regular Instruction Classrooms	26	26	26	25	25	25
Special Instruction Classrooms	2	2	2	3	3	3
<b>Mercer Elementary School</b>						
Constructed in 1952						
Total Building Square Footage	70,640	70,640	70,640	70,640	70,640	70,640
Enrollment Grades K - 4	425	432	411	411	432	414
Student Capacity	590	590	590	590	590	590
Regular Instruction Classrooms	24	24	24	25	25	25
Special Instruction Classrooms	4	4	4	3	3	3

(continued)

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

	2009	2008	2007	2006	2005	2004
<b>Onaway Elementary School</b>						
Constructed in 1923						
Total Building Square Footage	63,700	63,700	63,700	63,700	63,700	63,700
Enrollment Grades K - 4	424	414	418	360	370	371
Student Capacity	606	606	606	606	606	606
Regular Instruction Classrooms	23	23	23	24	24	24
Special Instruction Classrooms	5	5	5	4	4	4
<b>Woodbury Elementary School</b>						
Constructed in 1918						
Total Building Square Footage	138,350	138,350	138,350	138,350	138,350	138,350
Enrollment Grades 5 - 6	843	785	816	833	834	865
Student Capacity	900	900	900	900	900	900
Regular Instruction Classrooms	42	42	42	43	43	43
Special Instruction Classrooms	7	7	7	6	6	6
<b>Shaker Heights Middle School</b>						
Constructed in 1957						
Total Building Square Footage	133,400	133,400	133,400	133,400	133,400	133,400
Enrollment - Grades 7 - 8	818	843	852	900	964	954
Student Capacity	1,000	1,000	1,000	1,000	1,000	1,000
Regular Instruction Classrooms	27	27	27	27	27	27
Special Instruction Classrooms	6	6	6	6	6	6
<b>Shaker Heights High School</b>						
Constructed in 1930						
Total Building Square Footage	314,400	314,400	304,400	304,400	304,400	304,400
Enrollment - Grades 9 - 12	1,854	1,823	1,870	1,876	1,838	1,805
Student Capacity	2,000	2,000	2,000	2,000	2,000	2,000
Regular Instruction Classrooms	52	52	52	52	52	52
Special Instruction Classrooms	8	8	8	8	8	8
<b>Sussex Pre-School (2)</b>						
Constructed in 1922						
Total Building Square Footage	0	0	0	33,000	33,000	33,000
Enrollment - Grades Pre - K	0	0	0	24	22	18
Student Capacity	0	0	0	30	30	30

(1) Information prior to 2004 not available.

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

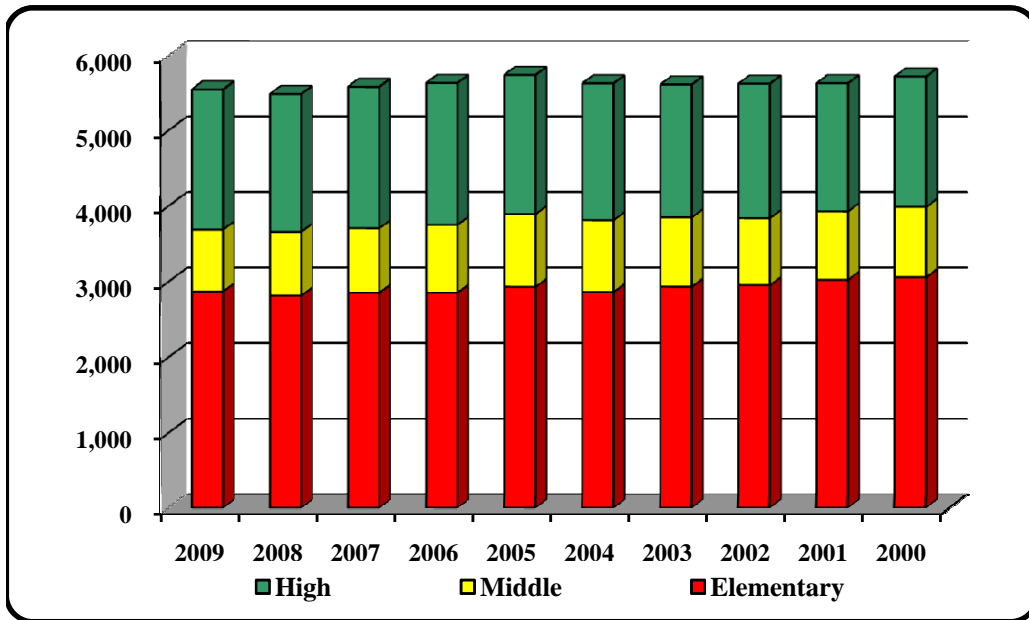
Source: School District Records

## Shaker Heights City School District

### *Enrollment Statistics*

### *Last Ten Fiscal Years*

Fiscal Year	Elementary Schools	Middle School	High School	Total
2009	2,870	818	1,854	5,542
2008	2,816	843	1,823	5,482
2007	2,855	852	1,870	5,577
2006	2,855	897	1,876	5,628
2005	2,932	962	1,840	5,734
2004	2,864	950	1,809	5,623
2003	2,934	917	1,757	5,608
2002	2,955	885	1,779	5,619
2001	3,026	904	1,695	5,625
2000	3,061	927	1,726	5,714



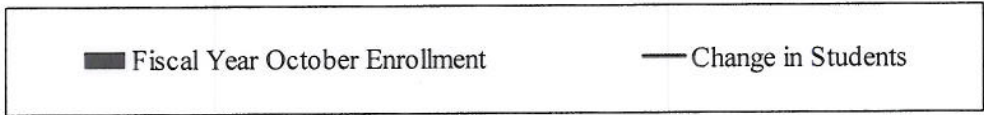
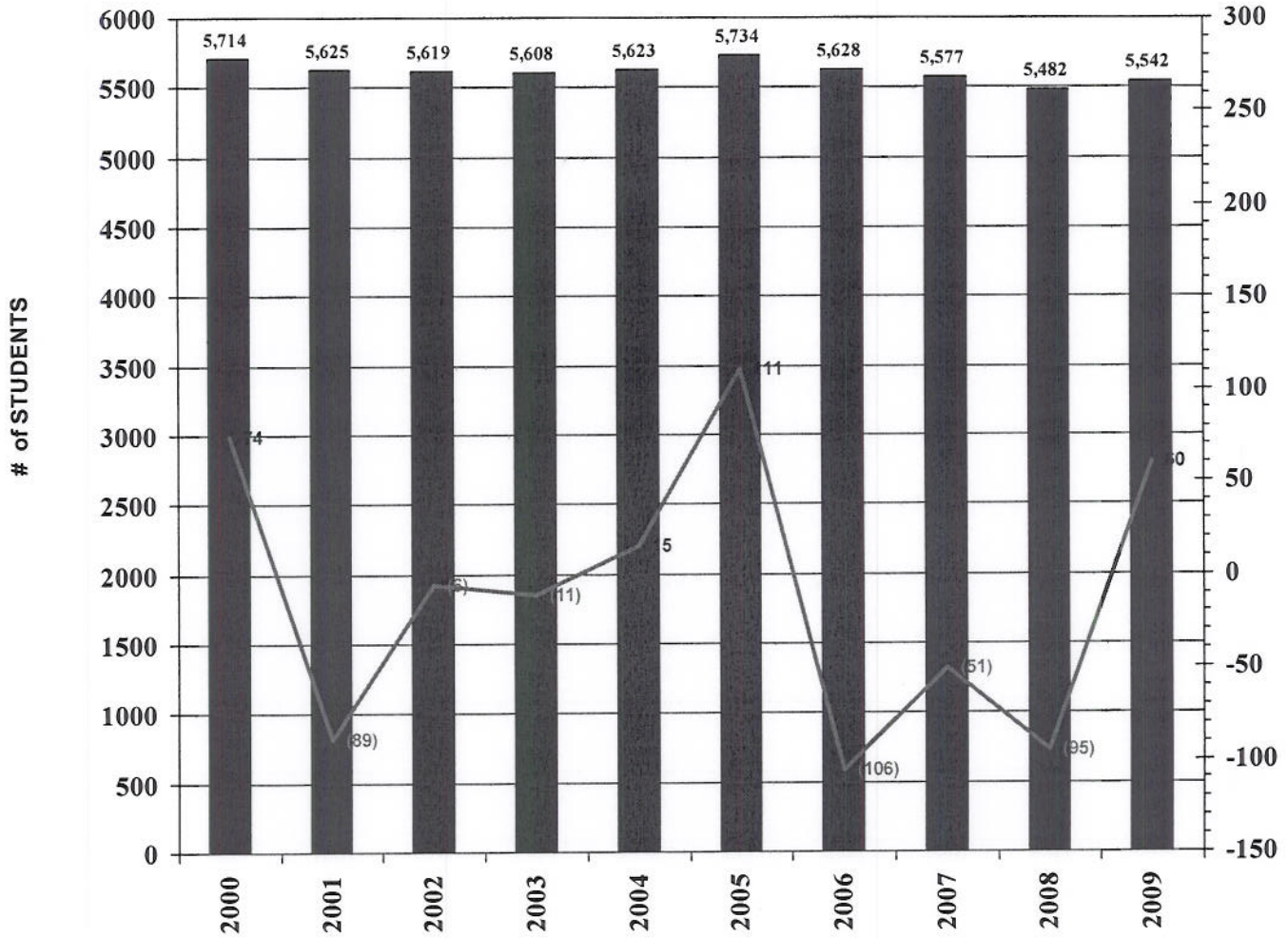
Source: School District Records



**SHAKER HEIGHTS CITY SCHOOL DISTRICT**  
**ENROLLMENT SUMMARY**  
**LAST TEN FISCAL YEARS**

OCTOBER ENROLLMENT

CHANGE IN STUDENTS



**Shaker Heights City School District**  
*Public, Private, and Total School Enrollment by School Year*  
*Fiscal Years 1979 to 2009*

Fiscal Year	Total Public Enrollment (1)	Total Private Enrollment (2)	Total Public and Private	Private as a Percent of Public and Private
2009	5,542	1,159	6,701	17.3%
2008	5,482	1,180	6,662	17.7
2007	5,577	1,174	6,751	17.4
2006	5,628	1,130	6,758	16.7
2005	5,734	1,123	6,857	16.4
2004	5,623	956	6,579	14.5
2003	5,608	897	6,505	13.8
2002	5,619	1,104	6,723	16.4
2001	5,625	1,088	6,713	16.2
2000	5,714	1,079	6,793	15.9
1999	5,640	1,017	6,657	15.3
1998	5,592	983	6,575	15.0
1997	5,634	1,071	6,705	16.0
1996	5,485	1,065	6,550	16.3
1995	5,371	964	6,335	15.2
1994	5,081	911	5,992	15.2
1993	4,959	869	5,828	14.9
1992	4,933	873	5,806	15.0
1991	4,874	846	5,720	14.8
1990	4,887	916	5,803	15.8
1989	4,830	964	5,794	16.6
1988	4,869	1,009	5,878	17.2
1987	5,013	996	6,009	16.6
1986	5,125	1,047	6,172	17.0
1985	5,187	1,160	6,347	18.3
1984	5,294	1,200	6,494	18.5
1983	5,490	1,216	6,706	18.1
1982	5,759	1,249	7,008	17.8
1981	5,951	1,236	7,187	17.2
1980	6,049	1,355	7,404	18.3
1979	6,156	1,375	7,531	18.3

Source: Shaker Heights City School District Records

- (1) Figures for fiscal year 1979 through 1982 are based on Shaker Heights City School District Racial Ethnic Reports. Figures for 1983 through 2009 are based on first full week of Shaker Heights City School District October enrollment report.
- (2) Estimated from State of Ohio District Enrollment by Nonpublic Schools Report and/or telephone and mail survey of private and parochial schools.

**Shaker Heights City School District**

*Per Pupil Cost*

*Last Ten Fiscal Years*

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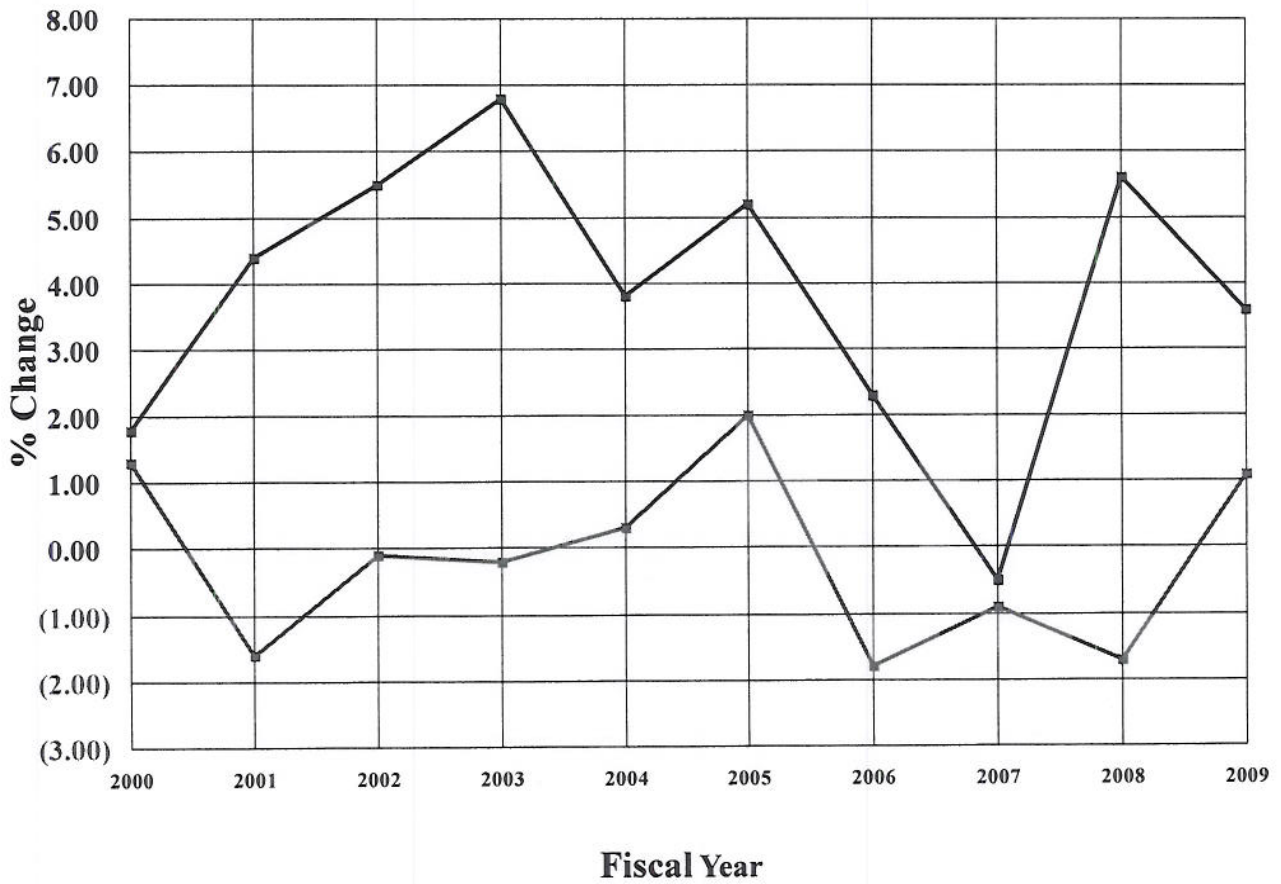
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<u>Year</u>	<u>General Fund Expenditures</u>	<u>Average Daily Student Enrollment</u>	<u>Per Pupil Cost</u>
2009	\$84,112,470	5,542	\$15,177
2008	80,555,178	5,482	14,694
2007	77,679,215	5,577	13,928
2006	78,621,894	5,628	13,970
2005	78,336,642	5,734	13,662
2004	73,034,370	5,623	12,989
2003	70,141,022	5,608	12,507
2002	65,753,511	5,619	11,702
2001	62,292,329	5,625	11,074
2000	60,517,601	5,714	10,591

Source: School District Records

# SHAKER HEIGHTS CITY SCHOOL DISTRICT

## COST PER PUPIL PERCENTAGE CHANGE LAST TEN FISCAL YEARS



— Cost Per Pupil % Change

— Enrollment % Change

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

<b>Function/Program</b>	2009	2008	2007	2006	2005	2004	2003	2002
<b>Regular Instruction</b>								
Elementary Classroom Teachers	157.5	159.4	152.0	156.0	162.1	154.2	163.3	164.7
Middle School Classroom Teachers	57.9	58.0	58.8	62.7	62.7	65.0	61.4	61.1
High School Classroom Teachers	123.4	122.3	116.5	128.4	128.4	130.1	127.2	128.1
<b>Special Instruction</b>								
Preschool Teachers	1.0	1.0	1.0	1.0	2.0	0.0	0.0	0.0
Elementary Classroom Teachers	24.5	23.2	24.1	22.0	18.0	22.0	22.0	21.0
Gifted Education Teachers	8.0	8.0	8.0	8.0	8.0	8.0	8.0	7.0
Middle School Classroom Teachers	10.5	10.1	9.6	8.2	6.2	5.0	6.0	5.0
High School Classroom Teachers	11.0	8.8	9.4	6.4	6.4	6.2	4.6	5.0
<b>Vocational Instruction</b>								
High School Classroom Teachers	1.0	1.0	1.0	1.0	1.0	0.9	0.9	1.0
<b>Pupil Support Services</b>								
Teacher Aides	79.4	71.6	66.0	61.5	58.2	62.1	58.4	53.4
Tutors	30.9	33.9	37.7	47.6	51.6	55.4	52.2	50.6
Guidance Counselors	10.1	11.0	11.0	10.0	11.0	11.0	11.0	11.0
Librarians and Library Technicians	10.4	9.4	9.0	9.0	9.4	8.5	8.5	9.0
Psychologists	9.0	8.0	8.8	6.4	6.4	6.4	6.0	6.4
Speech & Language Pathologists	6.0	6.0	6.0	6.4	6.4	6.8	6.4	6.4
Nurse	8.4	8.4	8.4	7.2	7.2	7.3	7.3	7.3
Other Professional	1.9	1.9	5.0	3.5	3.0	3.0	6.2	5.4
<b>Administrators</b>								
Elementary	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Middle School	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0
High School	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Districtwide (Certificated & Classified)	16.0	16.0	17.0	17.0	17.0	17.0	17.0	17.0
<b>Operation of Plant</b>								
Custodians	62.0	61.6	62.6	68.0	65.0	66.0	67.0	68.0
Maintenance and Groundskeeping	12.0	11.0	11.0	19.0	19.0	17.0	18.0	18.0
<b>Pupil Transportation</b>								
Bus Drivers	28.6	28.9	27.5	28.5	36.0	32.5	30.7	29.8
Mechanics	3.0	4.0	4.0	4.0	5.0	3.0	4.0	3.0
<b>Food Service Program</b>								
Elementary Cooks	10.3	12.3	9.9	8.1	4.7	3.1	3.8	3.9
Middle School Cooks	4.2	5.2	4.9	5.0	4.0	5.8	4.0	5.0
High School Cooks	7.1	4.8	4.8	6.1	4.4	4.0	4.2	5.0
<b>Other</b>								
Supervisor/Administrator classification	29.3	28.9	28.4	29.4	29.4	31.1	24.7	26.1
OAPSE	54.5	53.9	53.9	52.8	53.8	53.8	53.7	53.4
Security	19.4	17.4	* 8.0	8.0	8.0	7.0	15.1	7.8
Data Processing	4.0	3.0	4.0	5.0	5.0	5.0	6.0	6.0
<b>Total Employees</b>	<b>819.3</b>	<b>807.0</b>	<b>786.3</b>	<b>815.2</b>	<b>818.3</b>	<b>816.1</b>	<b>816.6</b>	<b>804.4</b>

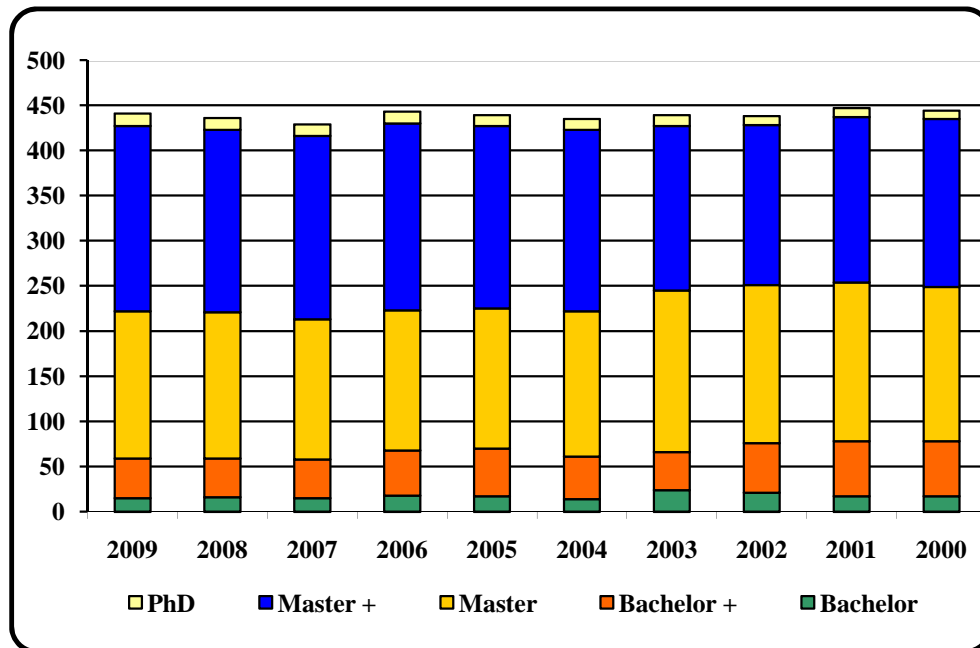
**Method:** Using 1.0 for each full-time employee and 0.1 for each part time and seasonal employee.  
The count is performed on September 1 of each year.

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

**Source:** School District Records

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

Degree	2009	2008	2007	2006
Bachelor	15	16	15	18
Bachelor +15	44	43	43	50
Master	163	162	155	155
Master +15	89	87	88	88
Master +30	44	48	48	50
Master +45	72	67	67	69
PhD	14	13	13	13
<b>Total</b>	<b>441</b>	<b>436</b>	<b>429</b>	<b>443</b>
<b>Years of Experience</b>				
0 - 5	90	86	84	109
6 - 10	92	100	96	90
11 and Over	259	250	249	243
<b>Total</b>	<b>441</b>	<b>436</b>	<b>429</b>	<b>442</b>



Source: School District Records

2005	2004	2003	2002	2001	2000
17	14	24	21	17	17
53	47	42	55	61	61
155	161	179	175	176	171
91	86	77	70	70	71
46	49	47	50	55	56
65	66	58	57	58	59
12	12	12	10	10	9
<u>439</u>	<u>435</u>	<u>439</u>	<u>438</u>	<u>447</u>	<u>444</u>
123	122	124	76	93	104
80	85	89	83	64	58
236	228	226	279	290	282
<u>439</u>	<u>435</u>	<u>439</u>	<u>438</u>	<u>447</u>	<u>444</u>

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

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Class	Percent of Four - Year	Percent of Two - Year	Total Percent
2009	73	14	87
2008	75	10	85
2007	88	2	90
2006	87	2	89
2005	88	2	90
2004	88	3	91
2003	86	2	88
2002	82	4	86
2001	82	6	88
2000	82	5	87

Source: School District Records

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



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

Class	National Merit (all students)	National Achievement (African- American students only)	National Hispanic Scholars	Percent of Shaker Seniors Honored	Percent of United States Seniors Honored
2009	33	6	2	11 %	2 %
2008	36	5	1	11	2
2007	37	5	1	11	2
2006	37	4	1	11	2
2005	34	6	2	11	2
2004	34	6	0	14	2
2003	29	7	2	10	2
2002	27	6	0	9	2
2001	42	5	0	13	2
2000	42	8	0	13	2

Source: School District Records

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Supplemental Information Section

## **Expenditure Flow Model**

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

The reporting format is now being nationally distributed by Price Waterhouse Coopers and the United States Chamber of Commerce. In 1991 the Ohio General Assembly adopted House Bill 152 which gave the State Superintendent of Public Instruction permissive authority to inspect and analyze the expenditures of each school district. The Expenditure Flow Model (EFM) was developed using Dr. Cooper's reporting format to fulfill that authority. The following pages contain the fiscal year 2009 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	1,756	\$1,814,907	\$5,619,295	\$762,622	\$3,399,916	\$14,340,211	\$25,936,951
Total High School	1,756	1,814,907	5,619,295	762,622	3,399,916	14,340,211	25,936,951
Middle School							
Shaker Heights Middle School	816	765,255	4,635,881	429,438	1,866,147	7,317,645	15,014,366
Total Middle School	816	765,255	4,635,881	429,438	1,866,147	7,317,645	15,014,366
Elementary Schools							
Boulevard Elementary School	342	291,997	1,065,916	220,189	453,588	2,576,217	4,607,907
Ferway Elementary School	338	287,256	882,338	211,096	436,811	2,251,975	4,069,476
Lomond Elementary School	497	417,593	1,222,384	304,645	703,216	3,522,357	6,170,195
Mercer Elementary School	424	303,825	1,801,452	396,753	664,540	3,095,067	6,261,637
Onaway Elementary School	378	269,458	1,019,205	420,677	793,263	2,636,913	5,139,516
Woodbury Elementary School	835	718,949	3,390,739	536,975	966,677	6,568,366	12,181,706
Total Elementary Schools	2,814	2,289,078	9,382,034	2,090,335	4,018,095	20,650,895	38,430,437
School Total	5,386	4,869,240	19,637,210	3,282,395	9,284,158	42,308,751	79,381,754
Central Office	0	5,246,996	1,700,442	480,140	414,255	0	7,841,833
Expenditure Flow Model Total	5,386	\$10,116,236	\$21,337,652	\$3,762,535	\$9,698,413	\$42,308,751	\$87,223,587
Other Debt Service							4,140,561
Tuition - Other Districts							4,591,232
Non-Public							1,368,905
Rotary							10,644,105
Fiscal Agency							(155,697)
Other Programs							65,172
Grand Total							\$107,877,865

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

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

Source: Education Management Information System

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

School	Average Daily Membership	Administration	Operations Support	Staff Support	Pupil Support	Instruction	Totals
High School							
Shaker Heights High School	1,756	\$1,034	\$3,200	\$434	\$1,936	\$8,166	\$14,770
Total High School	1,756	1,034	3,200	434	1,936	8,166	14,770
Middle School							
Shaker Heights Middle School	816	938	5,684	526	2,288	8,971	18,407
Total Middle School	816	938	5,684	526	2,288	8,971	18,407
Elementary Schools							
Boulevard Elementary School	342	854	3,117	644	1,327	7,535	13,477
Fernway Elementary School	338	852	2,616	626	1,295	6,677	12,066
Lomond Elementary School	497	841	2,461	613	1,416	7,092	12,423
Mercer Elementary School	424	716	4,244	935	1,565	7,291	14,751
Onaway Elementary School	378	712	2,693	1,111	2,096	6,967	13,579
Woodbury Elementary School	835	860	4,057	642	1,157	7,860	14,576
Total Elementary Schools	2,814	813	3,333	743	1,428	7,337	13,654
School Total	5,386	904	3,646	609	1,724	7,855	14,738
Central Office	0	974	316	89	77	0	1,456
Grand Total	5,386 **	\$1,878 **	\$3,962 **	\$698 **	\$1,801 **	\$7,855 **	\$16,194 **

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

\*\* In addition to school and central office expenditures, the Grand Total Per Pupil Amounts include 'Total Other Facilities' expenditure and Average Daily Membership figures.

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

Source: Education Management Information System

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

School	Average Daily Membership	Administration	Operations Support	Staff Support	Pupil Support	Instruction	Totals
<b>High School</b>							
Shaker Heights High School	1,756	7%	22%	3%	13%	55%	100%
Total High School	1,756	7	22	3	13	55	100
<b>Middle School</b>							
Shaker Heights Middle School	816	5	31	3	12	49	100
Total Middle School	816	5	31	3	12	49	100
<b>Elementary Schools</b>							
Boulevard Elementary School	342	6	23	5	10	56	100
Fernway Elementary School	338	7	22	5	11	55	100
Lomond Elementary School	497	7	20	5	11	57	100
Mercer Elementary School	424	5	29	6	11	49	100
Onaway Elementary School	378	5	20	8	15	51	100
Woodbury Elementary School	835	6	28	4	8	54	100
Total Elementary Schools	2,814	6	24	5	10	54	100
<b>School Total</b>							
School Total	5,386	6	25	4	12	53	100
Central Office	0	67	22	6	5	0	100
Grand Total	5,386	12%	24%	4%	11%	48%	100%

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

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

Source: Education Management Information System







Mary Taylor, CPA  
Auditor of State

SHAKER HEIGHTS CITY SCHOOL DISTRICT

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
JANUARY 14, 2010