

Shaker Heights City School District

Cuyahoga County, Ohio

* * * *

Audit Report Letters

June 30, 2011



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Shaker Heights City School District, Cuyahoga County, prepared by Rea & Associates, Inc., for the audit period July 1, 2010 through June 30, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Shaker Heights City School District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

March 20, 2012

This page intentionally left blank.

SHAKER HEIGHTS CITY SCHOOL DISTRICT

TABLE OF CONTENTS

	PAGE
Independent Auditor’s Report on Internal Control over Financial Reporting And on Compliance and Other Matters Based on Audit of Financial Statements Performed in Accordance With Government Auditing Standards.....	1
Independent Auditor’s Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	3
Schedule of Expenditures of Federal Awards – Cash Basis	5
Notes to the Schedule of Expenditures of Federal Awards – Cash Basis	7
Schedule of Findings and Questioned Costs	8
Independent Accountant’s Report on Applying Agreed-Upon Procedures.....	9

This page intentionally left blank.

December 29, 2011

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

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Shaker Heights City School District (the School District) as of and for the year ended June 30, 2011, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 29, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

Management of the School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the School District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Shaker Heights City School District
Report on Internal Control over Financial Reporting
And on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance
With *Government Auditing Standards*
December 29, 2011
Page 2

Compliance and Other Matters

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

We noted certain matters that we reported to management of the School District in a separate letter dated December 29, 2011.

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

Rea & Associates, Inc.

December 29, 2011

To the Board of Education
Shaker Heights City School District
15600 Parkland Drive
Shaker Heights, Ohio 44120

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Compliance

We have audited the compliance of the Shaker Heights City School District (the School District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying *Schedule of Findings and Questioned Costs*. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

In our opinion, the School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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 Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District as of and for the year ended June 30, 2011, and have issued our report thereon dated December 29, 2011. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Rea & Associates, Inc.

SHAKER HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
Schedule of Expenditures of Federal Awards - Cash Basis
For the Fiscal Year Ended June 30, 2011

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	CFDA Number	Grant Number	Federal Receipts	Federal Disbursements
<u>U.S. DEPARTMENT OF EDUCATION</u>				
<i>Passed through Ohio Department of Education</i>				
Title I Cluster:				
Title I Grants to Local Education Agencies	84.010	2010	\$ 212,601	\$ 243,161
	84.010	2011	439,456	476,376
ARRA-Title I	84.389	2010	56,047	43,310
	84.389	2011	198,831	200,881
Total Title I Cluster			906,935	963,728
Special Education Cluster:				
Special Education Grants to States	84.027	2010	138,480	202,969
	84.027	2011	819,344	760,515
ARRA-Special Education Grants to States	84.391	2010	112,174	143,392
	84.391	2011	451,060	501,342
Total Special Education Grants to States			1,521,058	1,608,218
Special Education Preschool Grants	84.173	2010	0	228
	84.173	2011	18,466	18,466
ARRA-Special Education Preschool Grants	84.392	2010	5,374	10,000
	84.392	2011	3,626	0
Total Special Education Preschool Grants			27,466	28,694
Total Special Education Cluster			1,548,524	1,636,912
Safe and Drug-Free Schools - State Grants	84.186	2010	26	0
Education Technology State Grants	84.318	2010	6,178	6,435
	84.318	2011	2,672	2,494
			8,850	8,929
Improving Teacher Quality State Grant	84.367	2010	38,196	26,760
	84.367	2011	138,404	138,963
			176,600	165,723
LEP, Title III	84.365	2010	6,434	7,751
	84.365	2011	37,346	36,517
Immigrant, Title III	84.365	2011	7,611	7,611
			51,391	51,879
Title I, School Improvement Sub G	84.377	2010	60,000	45,000
ARRA - McKinney-Vento Homeless Assistance Program	84.387	2010	762	616
	84.387	2011	423	1,880
			1,185	2,496
ARRA-State Fiscal Stabilization Fund	84.394	2011	1,137,158	1,137,158
TOTAL U.S. Department of Education			3,890,669	4,011,825

(Continued)

SHAKER HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
Schedule of Expenditures of Federal Awards - Cash Basis
For the Fiscal Year Ended June 30, 2011
(continued)

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	CFDA Number	Grant Number	Federal Receipts	Federal Disbursements
<u>U. S. DEPARTMENT OF AGRICULTURE</u>				
<i>Passed through Ohio Department of Education:</i>				
Child Nutrition Cluster:				
Non-Cash Assistance (Food Distribution):				
National School Lunch Program (B)	10.555	2011	\$ 38,479	\$ 38,479
Cash Assistance:				
School Breakfast Program (A)	10.553	2011	173,148	173,148
National School Lunch Program (A)	10.555	2011	706,619	706,619
<i>Cash Assistance Subtotal</i>			<u>879,767</u>	<u>879,767</u>
Total Child Nutrition Cluster			<u>918,246</u>	<u>918,246</u>
TOTAL U.S. Department of Agriculture			<u>918,246</u>	<u>918,246</u>
Total Federal Financial Assistance			<u>\$ 4,808,915</u>	<u>\$ 4,930,071</u>

**SHAKER HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

*Notes to the Schedule of Expenditures of Federal Awards – Cash Basis
For The Fiscal Year Ended June 30, 2011*

Note A - Child Nutrition Cluster

Federal money commingled with state subsidy reimbursements. It is assumed federal moneys are expended first.

Note B – Food Donation Program

Program regulations do not require the School District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance and related expenditures are reported in this schedule at the value of the commodities received as assessed by the U.S. Department of Agriculture (entitlement value).

Note C - Transfers

The School District generally must spend Federal assistance within 15 months of receipt (funds must be obligated by June 30 and spent by September 30). However, with Ohio Department of Education's (ODE) approval, a School District can transfer unspent Federal assistance to the succeeding year, thus allowing the School District a total of 27 months to spend the assistance. During fiscal year 2011, the ODE authorized the following transfers:

CFDA	Program Title	Program	Transfer Out	Transfer In
Number		Year		
84.318	Title II-D - Education Technology	2010	\$ 769	
84.318	Title II-D - Education Technology	2011		\$ 769
84.365	LEP, Title III	2010	1,057	
84.365	LEP, Title III	2011		1,057
84.367	Title II-A - Improving Teacher Quality	2010	4,416	
84.367	Title II-A - Improving Teacher Quality	2011		4,416
84.389	ARRA - Title I	2010	11,433	
84.389	ARRA - Title I	2011		11,433
84.391	ARRA - Special Education Grants to States	2010	27,002	
84.391	ARRA - Special Education Grants to States	2011		27,002

**SHAKER HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

*Schedule of Findings and Questioned Costs
OMB Circular A-133, Section .505
June 30, 2011*

1. SUMMARY OF AUDITOR'S RESULTS

(d) (1) (i)	Type of Financial Statement Opinion	Unqualified
(d) (1) (ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (ii)	Were there any other internal control deficiencies reported at the financial statement level (GAGAS)?	No
(d) (1) (iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d) (1) (iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d) (1) (iv)	Were there any internal control deficiencies reported for major programs which were not considered to be material?	No
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unqualified
(d) (1) (vi)	Are there any reportable findings under Section .510(a) of Circular A-133?	No
(d) (1) (vii)	Major Programs (list): Child Nutrition Cluster Grants to Local Educational Agencies (Title I Cluster) Special Education Cluster ARRA - State Fiscal Stabilization Fund	CFDA # 10.553, 10.555 84.010, 84.389 84.027, 84.391, 84.173,84.392 84.394
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: All others
(d) (1) (ix)	Low Risk Auditee?	Yes

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

None noted.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None noted.

December 29, 2011

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

Independent Accountant's Report on Applying Agreed-Upon Procedure

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

We noted the Board amended its anti-harassment policy at its meeting on November 16, 2010 to include violence within a dating relationship within its definition of harassment, intimidation or bullying.

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 Board and is not intended to be and should not be used by anyone other than these specified parties.

Rea & Associates, Inc.

This page intentionally left blank.

**SHAKER HEIGHTS
CITY SCHOOL DISTRICT**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Issued By:
Treasurer's Office
Bryan C. Christman, Treasurer
Shaker Heights City School District
15600 Parkland Drive
Shaker Heights, Ohio 44120-2599
(216) 295-4000



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, 2011

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, 2011
Table of Contents

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

Statement of Cash Flows – Internal Service Funds	25
Statement of Fiduciary Assets and Liabilities – Agency Funds	26
Notes to the Basic Financial Statements	27
Combining Statements and Individual Fund Schedules:	
Combining Statements – Nonmajor Governmental Funds:	
Description of Funds.....	57
Combining Balance Sheet – Nonmajor Governmental Funds.....	59
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	60
Combining Balance Sheet – Nonmajor Special Revenue Funds	61
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	64
Combining Statements – Internal Service Funds:	
Description of Funds.....	68
Combining Statement of Fund Net Assets – Internal Service Funds.....	69
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Internal Service Funds	70
Combining Statement of Cash Flows – Internal Service Funds	71
Combining Statement – Fiduciary Funds:	
Description of Funds.....	72
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	73
Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balance/Fund Equity – Budget (Non-GAAP Basis) and Actual:	
Major Funds:	
General	75
Building.....	80
Nonmajor Funds:	
Athletic	82
Auxiliary Services	83
Management Information Systems.....	84
Data Communication Grant.....	85
Alternative Schools	86
Goals 2000 Pacesetter	87
Race to the Top.....	88
Title VI-B	89

Federal Stimulus.....	90
Title II-D	91
Limited English Proficiency.....	92
Title I.....	93
Drug Free Schools.....	94
Preschool Disability	95
Class Size Reduction.....	96
Miscellaneous Federal Grants	97
Food Service.....	98
Local Grants	99
Public School Support.....	100
Shaker Merchandise	102
Uniform School Supplies	103
Bond Retirement.....	104
Self Insurance	105
Workers' Compensation Reserve.....	106

III. Statistical Section

Statistical Section	S1
Net Assets by Component – Last Ten Fiscal Years	S2
Changes in Net Assets of Governmental Activities – Last Nine Fiscal Years.....	S4
Program Revenues by Function – Last Nine Fiscal Years	S8
Fund Balances, Governmental Funds – Last Ten Fiscal Years	S10
Changes in Fund Balances – Last Ten Fiscal Years.....	S12
History of School Operating Levies – For the Years 1933 - 2011	S14
Assessed and Estimated Actual Value of Taxable Property – Last Ten Years	S16
Property Tax Rates - Direct and Overlapping Governments (per \$1,000 of assessed value) – Last Ten Years	S18
Property Tax Levies and Collections – Last Ten Years	S24
Principal Taxpayers, Real Estate Tax – 2011 and 2002.....	S25
Principal Taxpayers, Tangible Personal Property Tax – 2011 and 2002.....	S26
Principal Taxpayers, Public Utilities Tax – 2011 and 2002.....	S27
Ratio of Bonded Debt to Personal Income and Debt per Capita – Last Ten Fiscal Years	S28
Computation of Legal Debt Margin – Last Ten Fiscal Years	S30
Computation of Direct and Overlapping Governmental Activities Debt – December 31, 2010.....	S32

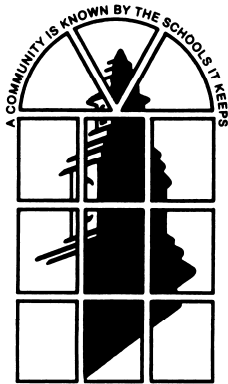
History of Bond Issues – For the Years 1912 - 2011	S33
Property Value, Financial Institution Deposits, and Value of Building Permits Issued - Last Ten Years	S34
Principal Employers – 2010 and 2005.....	S35
Demographic Statistics – Last Ten Years	S37
Building Statistics by Function/Program – Last Eight Fiscal Years	S38
Enrollment Statistics – Last Ten Fiscal Years.....	S42
Enrollment Summary – Last Ten Fiscal Years.....	S43
Public, Private and Total School Enrollment by School Year – Fiscal Years 1979 to 2011.....	S44
Per Pupil Cost – Last Ten Fiscal Years.....	S45
Cost Per Pupil Percentage Change – Last Ten Fiscal Years.....	S46
School District Employees by Function/Program – Last Ten Fiscal Years	S48
Full-Time Equivalent Certified School District Employees by Education – Last Ten Fiscal Years.....	S50
College Admissions for All Students – Last Ten School Years.....	S52
National Merit and National Achievement Recognition – Last Ten School Years.....	S53

IV. Supplemental Information Section

Expenditure Flow Model:

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

(This page intentionally left blank)



SHAKER HEIGHTS CITY SCHOOL DISTRICT

BOARD OF EDUCATION
15600 Parkland Drive
Shaker Heights, Ohio 44120
(216) 295-1400

Mark Freeman
Superintendent of Schools

Bryan C. Christman
Treasurer

December 29, 2011

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, 2011. 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.

Ohio law requires independent audits to be performed on all financial operations of the School District either by the Auditor of State or an independent public accounting firm, if permitted by the Auditor of State. Rea and Associates rendered an opinion on the School District's financial statements as of June 30, 2011, and the Independent Auditors' Report on the basic financial statements is included in the financial section of this report.

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

The Shaker Heights City School District

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

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

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

- 1914 - Boulevard School**, at Drexmore and Southington Roads. *A new wing was added to this facility in 1990.*
- 1918 - Woodbury Elementary**, on South Woodland at Woodbury Road. *Originally used as the Senior High School until 1931, then renamed Woodbury Junior High. In 1985 it was converted to an upper elementary school that serves students in grades five and six.*
- 1922 - Malvern School**, at Malvern and Falmouth Roads. *Sold to the City of Shaker Heights, it now houses a private school.*
- 1922 - Sussex School**, on Sussex at Norwood Road. *Sold to the City of Shaker Heights, it serves as a center for several preschools and the Shaker Family Center, a non-profit organization serving families with young children. The School District’s Pre-K program for children with disabilities was relocated there in the fall of 1999, but then relocated to Onaway School in the fall of 2006.*
- 1923 - Onaway School**, at Onaway and Woodbury Roads. *A new classroom wing was added to this facility in 1990.*
- 1924 - Moreland School**, at Van Aken Boulevard (then known as Moreland Boulevard and Lee Road). *Sold to the City of Shaker Heights and serves as the community’s new main library.*
- 1927 - Fernway School**, at Fernway and Ardmore Roads.
- 1927 - Ludlow School**, at Southington and Ludlow Roads. *Now houses the Positive Education Program (PEP) operated by Cuyahoga 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 612 school districts in the State of Ohio and one of 31 school districts in Cuyahoga County. The School District is the 56th largest in student enrollment in Ohio, with an enrollment of 5,490 students for the 2011 academic year and projected enrollment for fiscal year 2012 of 5,500 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 22 to the accompanying financial statements. The Shaker Heights Library is a related organization and is described in Note 21 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 28,448 residents in the City of Shaker Heights, and 3,911 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 2009 was \$105,648, compared to the averages of \$58,564 for all Ohio school districts and \$52,424 for all school 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 currently in-process redeveloped area known as the "Flats", the Rock & Roll Hall of Fame and Museum, the Great Lakes Science Museum, Quicken Loans Arena (home of the NBA Cleveland Cavaliers), Progressive Field (home of the MLB Cleveland Indians) and Cleveland Browns Stadium (home of the NFL Cleveland Browns).

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 recently-rebuilt 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. Although, the 2004 sale to a new local owner reinvigorated the enthusiasm about the Shaker Square potential and long-term prospects for success, the recession has impacted commercial retail operations.

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 historical Strategic Investment Plan has resulted in numerous projects.

- 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 facade 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;
- Development of 16 new residential condominiums entitled South Park Row on vacant land in the Warwick Road area;
- Construction of a new stand-alone retail bank branch building at Shaker Towne Centre; and
- 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. Unfortunately, the recession has stalled development beyond Phase 1 at this time.

The City is continuing to implement redevelopment projects pursuant to its Strategic Investment Plan, including the following:

- Adopting the Intermodal Transit Center Program Plan in June 2010, the goals of which include improving transportation access and circulation in the Warrensville/Van Aken commercial district; supporting and enhancing the City's economic development and smart growth and sustainability goals; and improving RTA's transit infrastructure to attract new ridership.
- Redeveloping the retail property located on the south side of Chagrin Boulevard in the Shaker Towne Centre shopping district.
- Reconstructing Lee Road, a major north-south thoroughfare, from border to border, including replacing five sewer lines.
- Replacing a mechanical traffic signalization system with a computer-coordinated system.
- Developing in conjunction with the Greater Cleveland Regional Transit Authority the transit oriented development plan for the rapid transit station at Van Aken and Lee.

Additionally, the City in 2010 engaged a private firm to analyze and prepare strategic recommendations to be incorporated into a new Economic Development Strategy for the City, the purpose of which was to find ways to expand the City's tax base, property and income, and expand development efforts that would accomplish that goal. In November 2010, the City adopted an Economic Development Plan that incorporated a framework of action that is designed to produce positive financial results while being judicious in the use of limited City resources. It proposes a variety of action items and policy interventions that are designed to enhance the City's level of office-oriented and business activities. The plan envisions both a strategic and tactical response that includes:

- financial incentives to commercial property owners;
- financial incentives to businesses seeking to expand or locate in Shaker Heights;
- investments in upgrading programs and operations that address Shaker businesses and commercial properties; and
- an aggressive marketing, branding, and business recruitment effort.

This strategy has identified key segments of the Cleveland metropolitan business community that can and will be targeted in this effort, as well as key commercial districts in Shaker Heights that will be targeted for investment and reinvestment. When Shaker Heights becomes successful in growing these

segments – ambulatory health care and social services, design, government and legal services, and information services – it will strengthen its fiscal base and set the stage for long-term economic health.

The recommendations of the plan significantly increase the City’s ability to diversify its tax base and generate the level of density required to support the types of amenities – restaurants and retail – that the community desires.

An update to the Economic Development Plan was presented to City Council on April 11, 2011, at which time City Council approved two financial incentive programs to spur economic development in Shaker Heights:

- Forgivable Loan Program – Targeted to established, growing businesses that are ready to move into office space in Shaker Heights, this program offers a forgivable loan to make tenant improvements and purchase equipment based on the amount of income/payroll taxes the City will collect over a three to five year period.
- Shaker SEEDs Microfinance Revolving Loan Program – The goal of the program is to strengthen the City’s commercial districts and offer residents and businesses the amenities they demand by making available financing tools for new retail and restaurant creation and existing business expansions.

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 recession and mortgage crisis and subsequent anemic recovery on these development initiatives is still unknown at this time.

Although the 2006 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 administrative and corporate office employees to such facility. Such relocation (which was completed in 2008) 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;
- A 60 percent voter approval of a continuing 9.9 mill operating levy in May 2006; and
- A 58 percent voter approval of a continuing 9.9 mill operating levy in May 2010.

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 (as amended) 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 prudent 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 District's fiscal plan.

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 assure levels of funding that provide high quality education for the District's students.

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

To provide timely and appropriate information to all staff with fiscal management responsibilities; and

To assure effective procedures for accounting, reporting, business, purchasing and delivery, payroll, payment of vendors and contractors and all other areas of fiscal management.

Policy DBD, titled *LONG-TERM 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 and should be a year-round process involving broad participation by the Board of Education, administrators, teachers, and other personnel throughout the District.

The District should also engage in strategic long-term financial planning and attempt to forecast the need for future educational and capital expenditures and the availability of financial resources to meet those needs. Long-term financial planning should result in the development of a strategy to meet educational needs.

An integral part of the long-term planning process will include the periodic preparation of a five-year financial forecast in accordance with State requirements. The Superintendent and Treasurer will work in close cooperation with the Board of Education in developing the significant assumptions utilized in the forecast, and will be responsible for preparing the five-year forecast for the Board's approval.

Policy DB, titled *ANNUAL BUDGET AND APPROPRIATION MEASURES*, 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 precursor to the preparation of the operating budget is the tax budget. The purpose of the annual tax budget is to enable the county budget commission to establish tax rates and serve as the basis for certification of revenue to the District.

The annual tax budget is regulated and controlled by State law and requirements of the County Budget Commission.

The Superintendent and the Treasurer will be responsible for the preparation of both the annual operating and tax budgets and presentation to the 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 will approve appropriations for the District at the Fund level.

BUDGET MODIFICATION

The Treasurer routinely provides more detailed budget and expenditure information to the Board. Appropriations approved by the Board at the Fund level may receive a line item increase as long as there is a corresponding decrease. Any increase in the amount of the appropriation measure or transfer of funds permitted by law from major fund to major fund requires Board approval and may require approval from the Court of Common Pleas.

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.

2011 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 10 percent of the Class of 2011 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.

More than one third of eligible students at Shaker Heights High School took one or more Advanced Placement (AP) classes again this year. On the basis of their outstanding performance on Advanced Placement examinations, 159 Shaker students were named AP Scholars in 2011.

Shaker Heights students continue to be sought after by colleges. Members of the Class of 2011 were accepted into more than 335 colleges, including some of the most selective in the nation. Approximately 78 percent of graduating seniors plan to attend a 4-year college and 14 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 Building 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 meetings covering the following topics:

- Student achievement data;
- Strategic planning progress;
- International Baccalaureate;
- Teacher Observation and Evaluation; and
- Mandarin Chinese Program.

Technology

Our computer network serves students, teachers, and staff in a wide variety of applications for instruction and business. We have more than 26 servers and approximately 1,500 workstations in 12 buildings, running over a fiber network. Our network also supports a variety of enterprise systems such as our phone system, transportation tracking, time cards, security systems, and other business products. Existing bond issue funds have enabled us to keep our workstations as up-to-date as possible, with approximately 200 replacement computers added in the past year. We completed the multi-year projected learning initiative during the 2010-2011 school year. This has provided mounted multimedia projectors linked to sound systems and computer workstations in classroom spaces, using a combination of bond funds and grant monies. Based on building technology plans, some classrooms in this project also received interactive white boards, student response systems, and document cameras. Much of the funding for these tools was from Red & White and PTO funds. All of these classroom tools provide engaging tools for learning by incorporating visual materials and web information.

Software supports our focus on student achievement, particularly in mathematics with the use of Pearson Successmaker in grades K-8 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 and BrainPop, online video databases which allow 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

Repairs and preventive maintenance continued throughout the School District with interior and exterior painting; carpet and tile replacement; sidewalk and asphalt repairs; some roof restorations; masonry tuck pointing; painting; floor refinishing and/or carpeting; preventive maintenance upgrades to electrical, HVAC, mechanical, and plumbing systems; installation of electrical outlets for projectors and smart boards; and seal coating of the parking lots throughout the School District. At the Middle School, new roofing was installed as well as installation of lighting for the pool and extensive window repair and renovation work on the OT room. A new Freshman Boys Football locker-room was created at the High School, and a new Girls Lacrosse/Field Hockey locker-room was added at Woodbury. Masonry work was performed at Lomond, Onaway, and Shaker Heights Middle School, and on the chimneys at Mercer.

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.

Building Improvement Plans

The Shaker Heights City School District maintains an ongoing commitment to the philosophy of continuous improvement. All school principals revise their building 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.

2011-2013 Strategic Plan

On April 12, 2011, the Board of Education approved a two-year Strategic Plan. The plan is the work of a broad-based committee of Board members, residents, and educators. The document is based on considerable public input and a thorough review of existing data and plans.

The plan is organized around three major focus areas:

Student Experience

- Build relationships among faculty, staff, students, and their families that foster the belief within students that they can achieve excellence and advocate for their own success.
- Provide a safe learning community that is welcoming, inclusive, respectful, and engaging, which embraces diversity and fosters enriched learning experiences for all.
- Ensure that the School District offers academic, enrichment, and co-curricular activities that are diverse, relevant, and accessible to all students.

Curriculum, Instruction, and Assessment

- Provide ongoing support for collegial collaboration and consistent use of best research-based teaching practices.
- Develop a globally competitive curriculum and employ best research-based practices for instruction and assessment that reflect high expectations for all students.

- Employ an integrated set of instructional strategies and learning opportunities to remove race, socioeconomic status, and disability as predictors of achievement.

Collaboration, Communication, and Involvement

- Engage all parents as active partners in student success.
- Engage the Shaker community as partners in student success.
- Build community confidence and pride in our schools through effective communication.

Each of the focus areas has associated performance objectives and detailed work plans. Supporting all of the goals are "integrated themes": technology, organizational efficiency, professional development, and data management. Progress toward goals will be audited annually.

The plan may be read in full at www.shaker.org/strategicplan.

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 School 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.

During the 2010-2011 school year, Onaway and Fernway submitted their applications for candidacy. Boulevard, Lomond, and Mercer worked to finalize the requirements for authorization. At the beginning of the 2010-2011 school year, the International Baccalaureate Diploma Programme was authorized and began with the Junior Class. Offered as an elective course of study at the high school level, the International Baccalaureate Diploma Programme permits students to participate in a rigorous, internationally oriented curriculum, culminating in a diploma that is recognized all over the world. Students in the Class of 2012 will be the first Shaker graduates eligible for an International Baccalaureate diploma from Shaker Heights High School. Twenty-three course outlines have been submitted to and approved by IB examiners for the Diploma Programme. Approximately 355 elementary and secondary school staff members have received IB training.

While the Diploma Programme received the most attention initially, work has been proceeding rapidly at the other school levels to encourage students to think globally, internalize the "learner profile" which is central to the program, and benefit fully from thematic units of instruction developed by the staff. Work has continued at the middle grades unifying the instructional approaches in grades 5-10 with greater emphasis being placed on 21st century skills, international awareness, and higher expectations for all students. School staff members at grades 5-10 are working together to prepare for authorization of the International Baccalaureate Middle Years Programme within the next few years

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, 2010. 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, 2010 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. We believe that the Comprehensive Annual Financial Report for the current year ended June 30, 2011, which will be submitted to ASBO for review, continues to 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 Local Government Services Section of 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, 2011

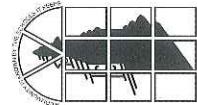
Board of Education

Mr. Norman A. Bliss.....President
Ms. Annette Tucker Sutherland.....Vice-President
Ms. Freda J. Levenson..... Member
Mrs. Jennifer P. Mearns.....Member
Mr. Peter A. Robertson.....Member

Administration

Mark Freeman Ph.D.....Superintendent

Bryan C. Christman.....Treasurer



SHAKER HEIGHTS CITY SCHOOL DISTRICT

www.shaker.org

1 Shaker Heights City Schools
15600 Parkland Drive
Shaker Heights, OH 44120
216 295-1400

2 Boulevard Elementary K-4
14900 Drexmore Road
Shaker Heights, OH 44120
216 295-4020

3 Fernway Elementary K-4
17420 Fernway Road
Shaker Heights, OH 44120
216 295-4040

4 Lomond Elementary K-4
17917 Lomond Boulevard
Shaker Heights, OH 44122
216 295-4050

5 Mercer Elementary K-4
23325 Wimbleton Road
Shaker Heights, OH 44122
216 295-4070

6 Onaway Elementary K-4
3115 Woodbury Road
Shaker Heights, OH 44120
216 295-4080

7 Woodbury Elementary 5-6
15400 South Woodland Road
Shaker Heights, OH 44120
216 295-4150

8 Shaker Heights Middle School 7-8
20600 Shaker Boulevard
Shaker Heights, OH 44122
216 295-4100

9 Shaker Heights High School 9-12
15911 Aldersyde Drive
Shaker Heights, OH 44120
216 295-4200



ATTENDANCE ZONES

Shaker Heights City School District



Street	School	Street	School	Street	School	Street	School	Street	School
Aberdeen	3250-3343 Onaway	Courtland	2833-3160 Onaway	Holmwood	26650-22949 Mercer	N. Moreland	2523-2680 Boulevard	Strandhill	3573-3726 Lomond
Albion	3000-3097 Boulevard	Courtland O.	2619-2626 Boulevard	Huntington	2869-2939 Boulevard	North Park	18201-20350 Boulevard	Strathavon	3544-3728 Ferryway
Aldersyde	3112-3148 Onaway	Coventry	2555-2878 Boulevard	Inverness	2998-3166 Onaway	Norwood	3270-3365 Ferryway*	Sudbury	3690-3741 Mercer
Almar	15520-16306 Onaway	Cranlyn	2662-2749 Mercer	Ingleside	3260-3400 Ferryway*	Onaway	3450-3680 Lomond	Sulgrave	2868-2744 Mercer
Aldersyde	16605-17450 Ferryway	Daleford	3255-3397 Ferryway	Inverness	2679-2767 Mercer	Onaway	14149-16115 Onaway	Sussex	19605-20035 Lomond
Almrose	20417-21411 Mercer	Dorchester	3425-3727 Lomond	Kemper	2501-2862 Boulevard	Oxford	& 3174-3209 Onaway	Sutherland	3552-3726 Lomond
Ardoon	3256-3366 Ferryway	Dorchester	3255-3400 Ferryway	Kemmer	2532-2585 Boulevard	Palmerston	3518-3726 Lomond	Sutton Place	3275-3400 Onaway
Ardoon	13415-13808 Boulevard	Dorchester	22029-22775 Mercer	Kendall	2532-2585 Boulevard	Park Drive	2701 Boulevard	Sutton Road	3275-3400 Onaway
Ashby	3354-3467 Ferryway	Drexmore	13300-14817 Boulevard	Kenmore	3256-3399 Ferryway*	Parkland	18000-18680 Ferryway*	Sydenham	20600-21375 Mercer
Ashford	3093-3121 Onaway	Drummond	2821-2951 Boulevard	Kenmore	16618-17124 Ferryway	Parkland	15601-17916 Onaway	Tolland	3524-3726 Lomond
Ashley	2671-2755 Mercer	Dryden	2700-2730 Mercer	Keswick	2991-3082 Boulevard	Parnell	21749-22300 Mercer	Torrington	2846-3051 Onaway
Ashwood	3026-3113 Boulevard	Duffield	23349-24235 Mercer	Kingsley	3100-3139 Onaway	Paxton	2820-2971 Mercer	Townley	3519-3726 Lomond
Atteboro	3122-14316 Onaway	East 127th	2461, 65, 69 Boulevard	Lansmere	2896-3200 Onaway	Pennington	3545-3750 Mercer	Traylor	3571-3726 Lomond
Avalon	2755-2975 Boulevard	East 135th	3120-3149 Onaway	Lansmere	2680-2767 Mercer	Ramsdale	3611-3726 Lomond	Traynham	2657 Boulevard
Avalon	3021 Ferryway	East 137th	3156-3228 Onaway	Larchmere	3256-3370 Boulevard	Riedham	3547-3728 Ferryway	University	20550-20749 Mercer
Becket	3259-3396 Ferryway	East 140th	3202-3246 Onaway	Lathmore	12725, 12733-14706 Boulevard	Rifle Court	if any Mercer	Van Aken	2650 Mercer
Becket	3430-3727 Lomond	E. Belvoir O.	2960-3020 Mercer	Laurel	3544-3725 Lomond	Ripley	2952-3051 Boulevard	Van Aken	2800-2949 Boulevard
Belvoir	3116-3166 Onaway	Eaton	2670-2796 Boulevard	Laureldale	3070-3175 Onaway	Rochester	2667-2737 Mercer	Wadsworth	15500-17200 Ferryway
Belvoir	14003-14206 Onaway	Edgerton	2824-3030 Onaway	Lee	23149-24296 Mercer	Rocklyn	2664-2742 Mercer	Wadsworth	17401-17717 Ferryway*
Belwyn	2661-3230 Mercer	Elsmere	3255-3369 Ferryway	Lee odd	2812-2945 Boulevard	Rolliston	3608-3728 Ferryway	Wadsworth	17402-17802 Lomond
Belwyn	17426-17720 Ferryway	Endicott	3252-3310 Onaway	Lee even	3255-3429 Ferryway	Rye	21825-22732 Mercer	Wadsworth	18028-20020 Lomond
Boyce	2938-2960 Mercer	Endicott	2646-2750 Boulevard	Leighton	3074-3328 Onaway	Scottsdale	17302-20330 Lomond	Wadsworth	18205-18705 Ferryway
Braemar	3256-3365 Onaway	Fairhill	12700-13800 Boulevard	Litchfield	2665-2750 Boulevard	Sebor	16622-17130 Ferryway	Wadsworth	18675-19901 Lomond
Branley	20620-21376 Mercer	Fairmount	3538-20201 Boulevard	Litchfield	3586-3734 Ferryway	Sedgewick	2330-2957 Boulevard	Wadsworth	2894-3341 Onaway
Brighton	2841-3008 Boulevard	Falmouth	20600-24150 Mercer	Ludlow	2848-3003 Boulevard	Shaker Blvd.	13400-18450 Boulevard	Warransville Center Road	2880-3024 Onaway
Brixton	2820-2979 Boulevard	Falmouth	2841-3199 Onaway	Ludlow	17300-20149 Lomond	Shaker Blvd. odd	18501-19713 Boulevard	Warrington	2871-3755 Mercer
Bryden	23201-23451 Mercer	Famsleigh	20770-20975 Mercer	Ludlow	16614-17126 Ferryway	Shaker Blvd. even	20649-24300 Mercer	Warrington	2671-3750 Lomond
Byron	20499-22926 Mercer	Farmway	16601-17829 Ferryway	Lynman Blvd.	3029-3193 Onaway	Shaker Glen	18600-20200 Onaway	Warrington	2883-2929 Boulevard
Calverton	21925-22700 Mercer	Fontenay	18000-18300 Ferryway	Lynman Blvd.	3029-3193 Onaway	Shelburne	1-12 Onaway	Warwick	2890-3323 Onaway
Canterbury	22303-22905 Mercer	Fontenay	15611-16507 Onaway	Lynn Circle	2-56 Mercer	Shelburne	18200-20301 Boulevard	Washington	2520-2593 Boulevard
Carlton	2885-3035 Onaway	Glencairn	2842-3025 Boulevard	Lynn Circle	2-56 Mercer	Shelley	20450-24139 Mercer	Washington	14504-14505 Mercer
Chadbourne	2796-2930 Boulevard	Glencairn	3255-3395 Ferryway	Lynnfield	3434-3725 Lomond	Shelley	2724-2736 Mercer	Westbury	3370-3458 Ferryway
Chadbourne	2976-3317 Onaway	Glenary	3443-3726 Lomond	Lynnton	18222-18520 Ferryway*	Sherrinoke	2711-2781 Boulevard	Westchester	21811-22725 Mercer
Chagrin	15706-16106 Onaway	Glenmore	2899-2951 Mercer	Lytle	3539-3725 Lomond	Sherrington	17921-18329 Lomond	Westchester	2935-3025 Mercer
Chalfant	16112-16114 Mercer	Green	2662-3190 Mercer	Malvern	19751-20101 Onaway	S. Somerset	3115-3330 Mercer	West Park O.	2616-2956 Boulevard
Chalfant	3255-3396 Ferryway	Grenway	3255-3369 Ferryway	Manchester	2839-3031 Onaway	South Park	2690-2933 Boulevard	West Park O.	2616-2956 Boulevard
Chelton	3517-3742 Mercer	Grenway	3255-3369 Ferryway	Marchmont	19650-20201 Onaway	S. Woodland	13210-13804 Boulevard	West Park O.	2616-2956 Boulevard
Cheshire	2531-2550 Boulevard	Griffing	3545-3726 Lomond	Maynard	3280-3365 Ferryway*	South Park	14475 & 3022 Onaway	West Park O.	2616-2956 Boulevard
Cheshire	2680-2791 Boulevard	Griffing	13108-13204 Onaway	McCauley	21925-22600 Mercer	S. Moreland	2804-3052 Boulevard	West Park O.	2616-2956 Boulevard
Claremont	2896-3024 Onaway	Haddam	2634-2695 Boulevard	Menlo	3434-3472 Ferryway	South Park	2725-20001 Boulevard	West Park O.	2616-2956 Boulevard
Claridge O.	3774 Boulevard	Hadleigh	4180-4187 Mercer	Menlo	3542-3753 Mercer	South Park	13210-13804 Boulevard	West Park O.	2616-2956 Boulevard
Claythorne	2683-2765 & 20900-21520 Mercer	Halborth	20899-20975 Mercer	Milverton	3284-3375 Onaway	S. Woodland	14101-17355 Boulevard	West Park O.	2616-2956 Boulevard
Clayton	3315-3400 Onaway	Halborth	20676-20960 Mercer	Montgomery	3398-3479 Ferryway	South Park	14101-17355 Boulevard	West Park O.	2616-2956 Boulevard
Colby	20725-21307 Mercer	Halworth	2843-2988 Mercer	Morley	2838-3175 Onaway	South Park	14101-17355 Boulevard	West Park O.	2616-2956 Boulevard
Colton	3412-3471 Mercer	Hampton	23326-23399 Mercer	Montgomery	2838-3175 Onaway	South Park	14101-17355 Boulevard	West Park O.	2616-2956 Boulevard
Colwyn	3338-3397 Onaway	Hazlewick	23350-24250 Mercer	Morley	2838-3200 Onaway	South Park	14101-17355 Boulevard	West Park O.	2616-2956 Boulevard
Corby	13507-13714 Boulevard	Hazelmere	3401-3465 Mercer	Newell	18309-18726 Lomond	Stanford	23300-24100 Mercer	West Park O.	2616-2956 Boulevard
Corriere	13302-13810 Boulevard	Helen	3401-3465 Mercer	Nicholas	16313-16501 Mercer	Stockholm	3256-3364 Ferryway	West Park O.	2616-2956 Boulevard
Courtland	2627-2799 Boulevard	Hermitage	23655-24270 Mercer	Normandy	3516-3727 Lomond	Stoer	3510-3725 Lomond	West Park O.	2616-2956 Boulevard
Courtland	2627-2799 Boulevard	Hildana	3511-3742 Mercer	Northwood	12806 Boulevard	Stoer	3510-3725 Lomond	West Park O.	2616-2956 Boulevard

*The District will provide transportation for residents of the area bounded by Kemmore, 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, 2010

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.



Linda C. Danison

President

Jeffrey R. Emer

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

SHAKER HEIGHTS CITY SCHOOL DISTRICT
For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2010

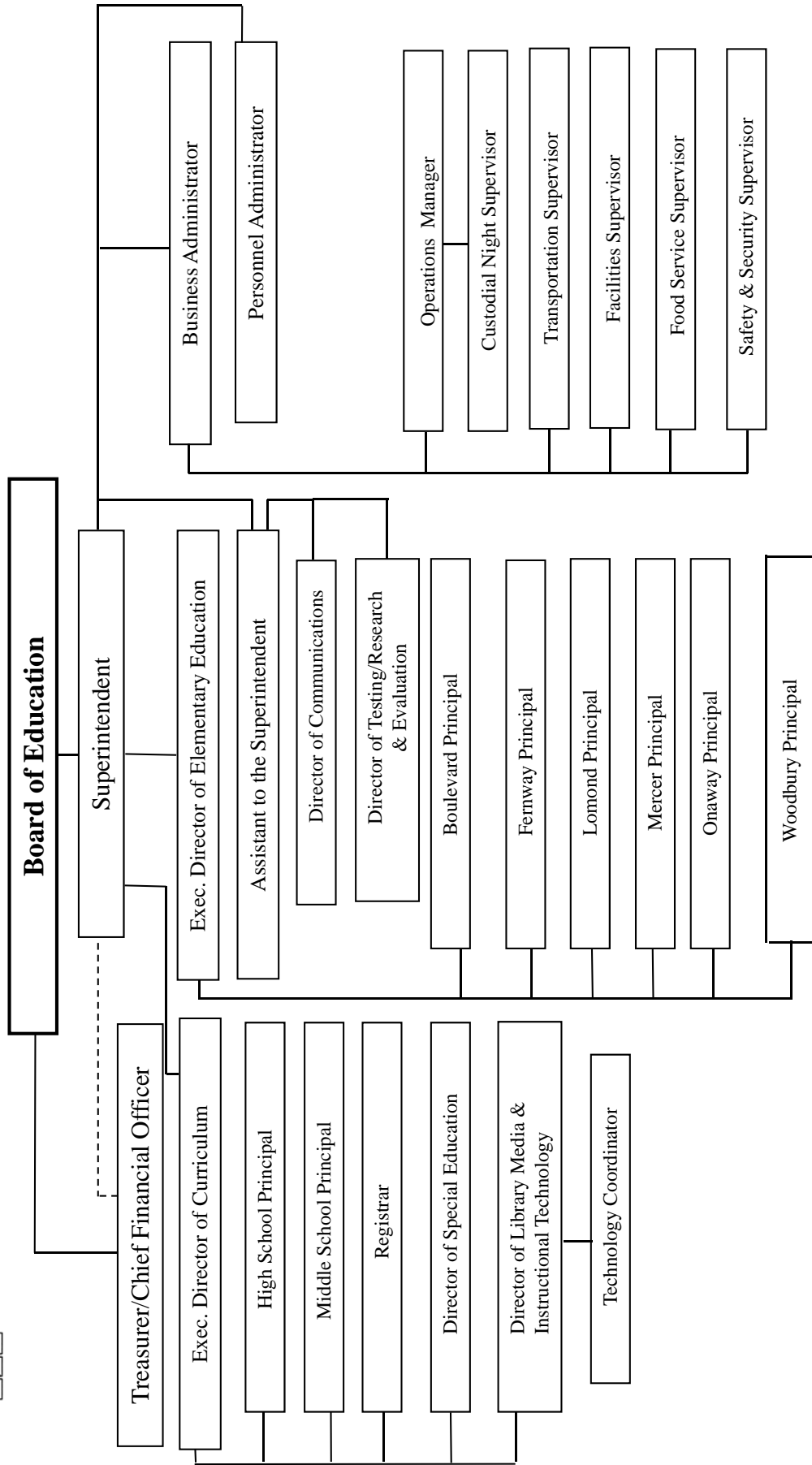
Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director



SHAKER HEIGHTS CITY SCHOOL DISTRICT ORGANIZATIONAL CHART



Financial Section

December 29, 2011

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

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Shaker Heights City School District (the School District), as of and for the year ended June 30, 2011, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 School District, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, and the respective 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 29, 2011 on our consideration of the School 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 14 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual nonmajor fund statements and other schedules, listed in the table of contents as supplementary information, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material aspects, in relation to the basic financial statements taken as a whole.

The accompanying introductory, statistical, and supplemental information sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Hea & Associates, Inc.

Shaker Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited

The management's discussion and analysis of Shaker Heights City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2011. 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 2011 are as follows:

- Total net assets for fiscal year 2011 reflect an overall increase resulting from a decrease in expenditures due to a reduction in teaching staff as well as diligent oversight of the School District's expenses.
- Total revenues for governmental activities in fiscal year 2011 saw an increase as the School District began collection of the May 2010 levy.
- Outstanding general obligation bonded debt decreased due to scheduled principal payments and accretion credits during the fiscal year.
- During fiscal year 2011, the School District implemented Governmental Accounting Standard Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" which recognizes constraints imposed upon the use of resources in governmental funds and categorizes the constraints into five classifications.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

The analysis of the School District as a whole begins on page 5. While this document contains all of the funds used by the School District to provide programs and activities, the view of the School District as a whole considers all financial transactions and asks the question, "Are we in a better financial position this year than last?" and "Why" or "Why not". The *Statement of Net Assets* and the *Statement of Activities* provide the basis for answering these questions. These statements include all assets and liabilities using

Shaker Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited

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.

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, health and dental coverage plans, and the State's retrospective rating workers' compensation plan, and are reported separately as the School District's proprietary funds.

Shaker Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited

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

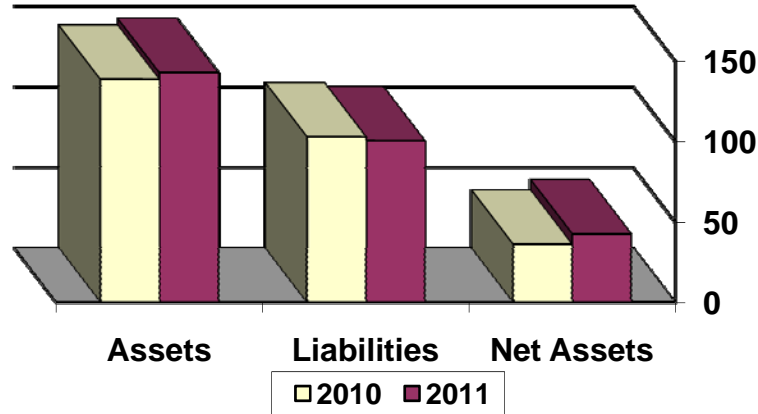
As you may recall, the Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for fiscal years 2011 and 2010.

Table 1
Net Assets
Governmental Activities

	2011	2010	Change
Assets			
Current and Other Assets	\$109,498,397	\$105,549,151	\$3,949,246
Capital Assets, Net	32,746,496	32,599,118	147,378
Total Assets	142,244,893	138,148,269	4,096,624
Liabilities			
Current and Other Liabilities	67,283,048	67,052,690	230,358
Long Term Liabilities:			
Due Within One Year	3,759,720	4,661,691	(901,971)
Due in More than One Year	28,928,843	30,679,905	(1,751,062)
Total Liabilities	99,971,611	102,394,286	(2,422,675)
Net Assets			
Invested in Capital Assets			
Net of Related Debt	11,398,071	10,070,839	1,327,232
Restricted:			
Capital Projects	1,098,470	1,531,066	(432,596)
Debt Service	2,354,956	2,359,850	(4,894)
Set Asides	353,070	353,070	0
Other Purposes	871,703	830,467	41,236
Unrestricted	26,197,012	20,608,691	5,588,321
Total Net Assets	\$42,273,282	\$35,753,983	\$6,519,299

Shaker Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited

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



Total assets increased while total liabilities decreased for fiscal year 2011. As a result, net assets increased 18 percent from \$35,753,983 to \$42,273,282. The increase in current and other assets is primarily due to an increase in the property taxes receivable. This is a result of the passing of the May 2010 tax levy. Collections began in the second half of fiscal year 2011 with full collections in fiscal year 2012 and beyond. Net capital assets also saw an increase as a result of completed projects offset by another year of depreciation. The decrease in total liabilities from the prior fiscal year is due to scheduled principal payments of School District general obligation debt as well as a decrease in accrued wages and benefits due to a decrease in teaching staff. Also, the School District began self insuring their medical and dental insurance beginning in February 2010.

The most significant portion of the general revenues is the local property tax. The remaining amount of revenues received included 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 2011 and 2010.

Shaker Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited

Table 2
Changes in Net Assets
Governmental Activities

	<u>2011</u>	<u>2010*</u>	<u>Change</u>
Revenues			
Program Revenues:			
Charges for Services and Sales	\$2,537,770	\$2,562,863	(\$25,093)
Operating Grants, Interest and Contributions	6,175,339	6,425,871	(250,532)
Capital Grants and Contributions	79,489	242,179	(162,690)
<i>Total Program Revenues</i>	<u>8,792,598</u>	<u>9,230,913</u>	<u>(438,315)</u>
General Revenues:			
Property Taxes	66,659,137	59,711,138	6,947,999
Grants and Entitlements not Restricted to Specific Programs	25,301,197	25,155,226	145,971
Investment Earnings	291,878	532,965	(241,087)
Unrestricted Contributions and Donations	1,090	0	1,090
Gain on Sale of Capital Assets	18,750	21,600	(2,850)
Miscellaneous	388,268	332,234	56,034
<i>Total General Revenues</i>	<u>92,660,320</u>	<u>85,753,163</u>	<u>6,907,157</u>
Total Revenues	<u>101,452,918</u>	<u>94,984,076</u>	<u>6,468,842</u>
Program Expenses			
Instruction:			
Regular	35,281,264	37,085,280	1,804,016
Special	11,964,327	13,428,305	1,463,978
Vocational	228,758	139,800	(88,958)
Student Intervention Services	67,198	19,489	(47,709)
Support Services:			
Pupils	5,552,562	6,109,276	556,714
Instructional Staff	7,168,686	7,847,850	679,164
Board of Education	17,368	22,044	4,676
Administration	6,106,215	6,143,839	37,624
Fiscal	2,086,303	1,815,190	(271,113)
Business	952,606	933,149	(19,457)
Operation and Maintenance of Plant	13,466,665	14,220,532	753,867
Pupil Transportation	4,602,302	4,795,694	193,392
Central	1,917,495	1,990,523	73,028
Operation of Non-Instructional Services	1,220,198	1,327,646	107,448
Food Service Operations	1,945,696	1,951,783	6,087
Extracurricular Activities	1,249,690	1,296,624	46,934
Interest and Fiscal Charges	1,106,286	1,227,205	120,919
Total Expenses	<u>94,933,619</u>	<u>100,354,229</u>	<u>5,420,610</u>
<i>Change in Net Assets</i>	6,519,299	(5,370,153)	11,889,452
<i>Net Assets Beginning of Year</i>	<u>35,753,983</u>	<u>41,124,136</u>	<u>(5,370,153)</u>
<i>Net Assets End of Year</i>	<u>\$42,273,282</u>	<u>\$35,753,983</u>	<u>\$6,519,299</u>

*Includes immaterial amounts reclassified for comparison purposes.

Shaker Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited

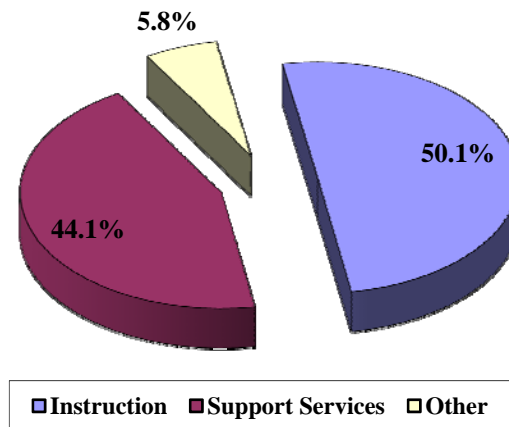
Governmental Activities

Ohio House Bill 920 effectively freezes tax revenue to a specific dollar amount at the time 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 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 levy began in the second half of fiscal year 2007 with full collection of this levy realized in fiscal year 2008. This additional income was originally expected to cover three years of operations. 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 May 2010, when a 9.9 mill continuing operating levy was approved. Collections on this levy began in the second half of fiscal year 2011 with full collection to be realized in fiscal year 2012. All of the revenue from these levies is dedicated to fund the day-to-day operations of the School District (e.g., salaries, utilities, textbooks, transportation, etc.).

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 nearly 66 percent of total revenues for governmental activities for Shaker Heights City Schools in fiscal year 2011.

Graph 2
Program Expenses



Just over one-half of the School District's expenses are spent on direct instructional expenses. Supporting services for pupils, staff, administration and business operations, account for just over 44 percent. The remaining amount of program expenses are 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, 2011
Unaudited

The increase in net assets was primarily due to an increase in property taxes received during the year. In addition, the School District was able to decrease expenditures by reducing 14 teaching positions as well as actively controlling expenses through the year. As a result, revenues exceeded expenditures by \$6,519,299 in fiscal year 2011.

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

Table 3
Governmental Activities

Programs	Total Cost of Services 2011	Total Cost of Services 2010	Net Cost of Services 2011	Net Cost* of Services 2010
Instruction:				
Regular	\$35,281,264	\$37,085,280	\$33,063,061	\$34,993,356
Special	11,964,327	13,428,305	10,987,219	12,202,954
Vocational	228,758	139,800	225,287	137,699
Student Intervention Services	67,198	19,489	(95,017)	(11,598)
Support Services:				
Pupils	5,552,562	6,109,276	5,416,381	5,974,571
Instructional Staff	7,168,686	7,847,850	5,338,974	5,931,590
Board of Education	17,368	22,044	17,368	21,708
Administration	6,106,215	6,143,839	6,106,215	6,050,808
Fiscal	2,086,303	1,815,190	2,086,303	1,772,750
Business	952,606	933,149	952,606	916,345
Operation and Maintenance of Plant	13,466,665	14,220,532	13,101,730	13,883,074
Pupil Transportation	4,602,302	4,795,694	4,534,766	4,559,100
Central	1,917,495	1,990,523	1,883,603	1,949,111
Operation of Non-Instructional Services	1,220,198	1,327,646	30,398	32,657
Food Service Operations	1,945,696	1,951,783	278,929	385,017
Extracurricular Activities	1,249,690	1,296,624	1,106,912	1,096,969
Interest and Fiscal Charges	1,106,286	1,227,205	1,106,286	1,227,205
Total Expenses	\$94,933,619	\$100,354,229	\$86,141,021	\$91,123,316

*Includes immaterial amounts reclassified for comparison purposes.

The reliance upon local tax revenues for governmental activities is crucial for the School District. Over 90 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 about 9 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 building fund had a decrease in fund balance for the year due to the expenditure of bond proceeds issued for School District capital projects. The general fund increase in fund balance is due to the School District collecting property taxes from the May 2010 levy. The School District also decreased the cost of instructional and support services with a reduction of staff by 14 teachers and 3 teacher aides.

Shaker Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
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 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 the same as 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 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 2011 capital assets compared to 2010.

Table 4
Capital Assets, Net

	Governmental Activities		Change
	2011	2010	
Land	\$943,600	\$943,600	\$0
Construction in Progress	815,775	34,315	781,460
Land Improvements	2,079,038	1,940,563	138,475
Building Improvements	22,812,572	23,127,272	(314,700)
Equipment	4,827,605	5,010,164	(182,559)
Vehicles	1,267,906	1,543,204	(275,298)
	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$32,746,496</u>	<u>\$32,599,118</u>	<u>\$147,378</u>

All capital assets, except land and construction in progress, are reported net of depreciation. The slight 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. These major additions were offset by depreciation charges for the year. Construction in progress at the end of the year represents renovations to the second floor of the library and work started on the Middle School pool roof. For more information on capital assets refer to Note 12 of the basic financial statements.

Shaker Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited

Debt

Table 5 below summarizes the School District's debt outstanding.

Table 5
Outstanding Debt

	Governmental Activities	
	2011	2010
General Obligation Bonds:		
School Improvement 1990	\$0	\$455,000
School Improvement 2000	0	165,000
School Improvement 2005	6,912,669	7,352,505
School Improvement Refunding 2005	540,496	706,882
School Improvement Bonds 2007	6,669,514	6,977,705
School Improvement Refunding 2007	3,399,547	3,709,171
School Improvement Refunding 2007	1,924,968	1,932,173
School Improvement Bonds 2008	4,694,604	4,914,287
Bus Acquisition Bond Anticipation Note - Short-Term	600,000	0
Bus Acquisition Bond Anticipation Note - Long-Term	0	600,000
Total Outstanding Debt	<u>\$24,741,798</u>	<u>\$26,812,723</u>

General obligation bonds for the purpose of renovating and making additions to school buildings were issued in 1990 and 1993. The 1990 bonds were fully repaid in fiscal year 2011. The 1993 issue was refunded in April 2005. The refunding bonds will be fully repaid in fiscal year 2014.

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.

On October 6, 2009, the School District issued \$600,000 of unvoted bond anticipation notes for the purpose of acquiring eight school buses in 2009. On October 5, 2010, the School District issued \$600,000 of unvoted bond anticipation notes for the purpose of repaying the one-year maturing Series 2009 notes. The Series 2010 notes matured on October 4, 2011, at which time the notes were retired.

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 fiscal year 2026. The capital appreciation bonds will mature in fiscal year 2018.

The School District's overall debt margin was \$56,760,567 with an unvoted debt margin of \$868,570 at June 30, 2011. The School District's bond rating was reaffirmed as AA+ by Standard and Poor's and Aa1 by Moody's at the most recent bond issuance date of November 25, 2008. For more information on debt, refer to Note 20 of the basic financial statements.

Shaker Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited

School District Outlook

The School District has continued to maintain the highest standards of service to its 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 2011 shows the School District students achieving 22 out of 26 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 2010, wherein a 9.9 mill levy was passed with a 58.3 percent margin in the wake of a national, State and local economic recession. Additionally, the community approved a \$23.5 million bond issue for purposes of School District capital needs with a 67.7 percent margin in November 2004. The continued financial support of the School District demonstrates the strong belief of parents and community members that their schools are one of the highest priorities and one of the most important public institutions in their community.

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

Shaker Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited

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.

Past DeRolph, the State continued to struggle with the development of a constitutional school funding system primarily through the work of the then 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 were 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, provided for a "guarantee", or a floor (the fiscal 2005 State Formula Aid amount) below which school districts' funding would not fall during that biennium. Absent the continuation of that biennial "guarantee", the School District would lose approximately \$2 million per year.

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 were to be phased-out over the ensuing seven years.

Shaker Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited

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 which was 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 Fiscal 2010 and 2011 Biennial State Budget and the OEBM

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, Governor Strickland developed and proposed 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 represented a significant overhaul to the historical per pupil funding model utilized by the State, and was scheduled to be phased-in over the ensuing ten to twelve years. The State of Ohio utilized approximately \$8 billion of the Federal Stimulus package (American Recovery and Reinvestment Act, aka ARRA) to fill its budgetary hole for the 2010-2011 biennium, under which the School District's State Foundation funding continued to be subject to the guarantee with a one percent reduction during each of the two fiscal years of the biennium.

The Fiscal 2012 and 2013 Biennial State Budget

In November 2010, Governor Strickland lost his bid for re-election. Facing an \$8 billion budget deficit for the fiscal 2012 and 2013 biennial budget, Governor Kasich and the General Assembly repealed the OEBM, reinstated a modified per pupil funding model, and implemented substantial budget reductions including not replacing the State Foundation payments that were funded utilizing ARRA funds during fiscal years 2010 and 2011, and accelerating the phase-out of the public utility and the tangible personal property tax reimbursement payments. As a result, the School District will lose revenue totaling \$21 million over the next seven years, including \$8 million over the 2012 and 2013 biennium.

The long-term impact of the outcome of these and other issues on the School District 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. 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, 2011

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$33,825,283
Accounts Receivable	36,489
Accrued Interest Receivable	57,868
Intergovernmental Receivable	1,459,478
Prepaid Items	148,282
Inventory Held for Resale	9,484
Materials and Supplies Inventory	239,514
Property Taxes Receivable	73,380,167
Deferred Charges	341,832
Nondepreciable Capital Assets	1,759,375
Depreciable Capital Assets, Net	<u>30,987,121</u>
<i>Total Assets</i>	<u>142,244,893</u>
Liabilities	
Accounts Payable	850,763
Contracts Payable	172,790
Accrued Wages and Benefits	8,558,406
Intergovernmental Payable	2,846,064
Matured Compensated Absences Payable	652,076
Deferred Revenue	53,558,224
Accrued Interest Payable	44,725
Notes Payable	600,000
Long-Term Liabilities:	
Due Within One Year	3,759,720
Due In More Than One Year	<u>28,928,843</u>
<i>Total Liabilities</i>	<u>99,971,611</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	11,398,071
Restricted for:	
Capital Projects	1,098,470
Debt Service	2,354,956
Set Asides	353,070
State Grants	54,653
Federal Grants	738,776
Other Purposes	78,274
Unrestricted	<u>26,197,012</u>
<i>Total Net Assets</i>	<u><u>\$42,273,282</u></u>

See accompanying notes to the basic financial statements

Shaker Heights City School District

Statement of Activities

For the Fiscal Year Ended June 30, 2011

	Program Revenues				Net (Expense)
					Revenue and Changes
					in Net Assets
	Expenses	Charges for Services and Sales	Operating Grants, Interest and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction:					
Regular	\$35,281,264	\$754,595	\$1,463,608	\$0	(\$33,063,061)
Special	11,964,327	171,178	805,930	0	(10,987,219)
Vocational	228,758	3,471	0	0	(225,287)
Student Intervention Services	67,198	0	162,215	0	95,017
Support Services:					
Pupils	5,552,562	85,442	50,739	0	(5,416,381)
Instructional Staff	7,168,686	88,670	1,741,042	0	(5,338,974)
Board of Education	17,368	0	0	0	(17,368)
Administration	6,106,215	0	0	0	(6,106,215)
Fiscal	2,086,303	0	0	0	(2,086,303)
Business	952,606	0	0	0	(952,606)
Operation and Maintenance of Plant	13,466,665	285,446	0	79,489	(13,101,730)
Pupil Transportation	4,602,302	67,464	72	0	(4,534,766)
Central	1,917,495	28,892	5,000	0	(1,883,603)
Operation of Non-Instructional Services	1,220,198	797	1,189,003	0	(30,398)
Food Service Operations	1,945,696	912,327	754,440	0	(278,929)
Extracurricular Activities	1,249,690	139,488	3,290	0	(1,106,912)
Interest and Fiscal Charges	1,106,286	0	0	0	(1,106,286)
Totals	\$94,933,619	\$2,537,770	\$6,175,339	\$79,489	(86,141,021)

General Revenues

Property Taxes Levied for:

 General Purposes 63,904,018

 Debt Service 2,755,119

Grants and Entitlements not Restricted to Specific Programs 25,301,197

Investment Earnings 291,878

Unrestricted Contributions and Donations 1,090

Gain on Sale of Capital Assets 18,750

Miscellaneous 388,268

Total General Revenues 92,660,320

Change in Net Assets 6,519,299

Net Assets Beginning of Year 35,753,983

Net Assets End of Year \$42,273,282

See accompanying notes to the basic financial statements

Shaker Heights City School District

Balance Sheet

Governmental Funds

June 30, 2011

	<u>General</u>	<u>Building</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$23,290,717	\$3,829,157	\$2,523,339	\$29,643,213
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	353,070	0	0	353,070
Accounts Receivable	26,821	9,668	0	36,489
Accrued Interest Receivable	57,868	0	0	57,868
Intergovernmental Receivable	125,982	0	1,333,496	1,459,478
Interfund Receivable	39,784	0	0	39,784
Prepaid Items	148,282	0	0	148,282
Inventory Held for Resale	0	0	9,484	9,484
Materials and Supplies Inventory	234,085	0	5,429	239,514
Property Taxes Receivable	70,430,706	0	2,949,461	73,380,167
<i>Total Assets</i>	<u>\$94,707,315</u>	<u>\$3,838,825</u>	<u>\$6,821,209</u>	<u>\$105,367,349</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$370,204	\$0	\$366,859	\$737,063
Contracts Payable	9,950	162,840	0	172,790
Accrued Wages and Benefits	8,150,844	0	407,562	8,558,406
Interfund Payable	0	0	39,784	39,784
Intergovernmental Payable	2,659,209	0	186,855	2,846,064
Matured Compensated Absences Payable	643,760	0	8,316	652,076
Deferred Revenue	60,859,641	0	3,316,423	64,176,064
Accrued Interest Payable	0	4,500	0	4,500
Notes Payable	0	600,000	0	600,000
<i>Total Liabilities</i>	<u>72,693,608</u>	<u>767,340</u>	<u>4,325,799</u>	<u>77,786,747</u>
 Fund Balances				
Nonspendable	382,367	0	14,913	397,280
Restricted	353,070	3,071,485	2,540,214	5,964,769
Assigned	4,455,388	0	0	4,455,388
Unassigned (Deficit)	16,822,882	0	(59,717)	16,763,165
<i>Total Fund Balances</i>	<u>22,013,707</u>	<u>3,071,485</u>	<u>2,495,410</u>	<u>27,580,602</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$94,707,315</u>	<u>\$3,838,825</u>	<u>\$6,821,209</u>	<u>\$105,367,349</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, 2011*

Total Governmental Fund Balances	\$27,580,602
---	---------------------

*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.	32,746,496
---	------------

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	\$9,831,382
Intergovernmental	<u>786,458</u>

Total	10,617,840
-------	------------

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	1,820,000
Claims Payable	<u>1,895,300</u>

Total	3,715,300
-------	-----------

Bond issuance costs will be amortized over the life of the bonds on the statement of net assets.	341,832
--	---------

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(40,225)
--	----------

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

Compensated Absences	(6,651,465)
General Obligation Bonds	(24,141,798)
Claims Payable	<u>(1,895,300)</u>

Total	<u>(32,688,563)</u>
-------	---------------------

<i>Net Assets of Governmental Activities</i>	<u><u>\$42,273,282</u></u>
--	----------------------------

See accompanying notes to the basic financial statements

Shaker Heights City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2011

	General	Building	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$61,836,239	\$0	\$2,747,046	\$64,583,285
Intergovernmental	24,887,592	0	6,335,442	31,223,034
Interest	287,179	4,699	613	292,491
Tuition and Fees	1,280,795	0	0	1,280,795
Extracurricular Activities	91,281	0	96,107	187,388
Contributions and Donations	15,224	79,489	49,774	144,487
Charges for Services	63,447	0	912,327	975,774
Rentals	43,813	50,000	0	93,813
Miscellaneous	247,618	94,384	46,266	388,268
<i>Total Revenues</i>	<u>88,753,188</u>	<u>228,572</u>	<u>10,187,575</u>	<u>99,169,335</u>
Expenditures				
Current:				
Instruction:				
Regular	34,468,562	0	1,506,296	35,974,858
Special	11,367,212	0	871,634	12,238,846
Vocational	256,888	0	0	256,888
Student Intervention Services	0	0	135,860	135,860
Support Services:				
Pupils	5,636,954	0	25,756	5,662,710
Instructional Staff	5,929,018	0	1,496,275	7,425,293
Board of Education	17,368	0	0	17,368
Administration	6,095,570	0	0	6,095,570
Fiscal	1,999,588	0	76,949	2,076,537
Business	892,163	0	0	892,163
Operation and Maintenance of Plant	12,624,889	0	28,626	12,653,515
Pupil Transportation	4,366,501	0	0	4,366,501
Central	1,894,198	0	15,190	1,909,388
Operation of Non-Instructional Services	42,180	0	1,232,499	1,274,679
Food Service Operations	0	0	1,970,089	1,970,089
Extracurricular Activities	1,042,574	0	221,184	1,263,758
Capital Outlay	0	1,329,425	0	1,329,425
Debt Service:				
Principal Retirement	0	600,000	1,884,995	2,484,995
Capital Appreciation Bonds Interest	0	0	260,005	260,005
Interest and Fiscal Charges	0	10,483	1,006,182	1,016,665
<i>Total Expenditures</i>	<u>86,633,665</u>	<u>1,939,908</u>	<u>10,731,540</u>	<u>99,305,113</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,119,523</u>	<u>(1,711,336)</u>	<u>(543,965)</u>	<u>(135,778)</u>
Other Financing Sources (Uses)				
Transfers In	0	0	400,000	400,000
Transfers Out	(400,000)	0	0	(400,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(400,000)</u>	<u>0</u>	<u>400,000</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	1,719,523	(1,711,336)	(143,965)	(135,778)
<i>Fund Balances Beginning of Year</i> <i>Restated (See Note 3)</i>	<u>20,294,184</u>	<u>4,782,821</u>	<u>2,639,375</u>	<u>27,716,380</u>
<i>Fund Balances End of Year</i>	<u>\$22,013,707</u>	<u>\$3,071,485</u>	<u>\$2,495,410</u>	<u>\$27,580,602</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, 2011*

Net Change in Fund Balances - Total Governmental Funds (\$135,778)

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 outlay exceeded depreciation in the current period.

Capital Outlay	\$2,180,653	
Depreciation	<u>(1,995,074)</u>	
 Total		 185,579

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (38,201)

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

Property Taxes	2,075,852	
Intergovernmental	<u>188,981</u>	
 Total		 2,264,833

Repayment of bond and note principal are expenditures in the governmental funds, but the repayments reduce the long-term liabilities in the statement of net assets. 2,745,000

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	8,222	
Amortization of Bond Issuance Costs	(23,768)	
Amortization of Bond Premiums	35,891	
Amortization of Refunding	(20,152)	
Annual Accretion	<u>(89,814)</u>	
 Total		 (89,621)

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	38,308	
Claims Payable	<u>(56,200)</u>	
 Total		 (17,892)

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	1,549,179	
Claims Payable	<u>56,200</u>	
 Total		 <u>1,605,379</u>

Change in Net Assets of Governmental Activities \$6,519,299

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, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$66,429,517	\$66,429,517	\$60,393,502	(\$6,036,015)
Intergovernmental	15,216,852	15,216,852	24,860,277	9,643,425
Interest	587,890	587,890	300,592	(287,298)
Tuition and Fees	781,277	781,277	1,170,950	389,673
Contributions and Donations	0	0	1,090	1,090
Charges for Services	82,336	82,336	63,447	(18,889)
Rentals	37,659	37,659	43,813	6,154
Miscellaneous	296,764	296,764	230,129	(66,635)
<i>Total Revenues</i>	<u>83,432,295</u>	<u>83,432,295</u>	<u>87,063,800</u>	<u>3,631,505</u>
Expenditures				
Current:				
Instruction:				
Regular	37,316,261	37,316,261	34,691,106	2,625,155
Special	13,387,673	13,387,673	13,387,673	0
Vocational	277,580	277,580	277,580	0
Support Services:				
Pupils	5,840,659	5,840,659	5,840,659	0
Instructional Staff	6,213,415	6,213,415	6,213,415	0
Board of Education	19,628	19,628	19,628	0
Administration	6,166,444	6,166,444	6,166,444	0
Fiscal	2,576,987	2,576,987	2,369,329	207,658
Business	1,053,054	1,053,054	958,054	95,000
Operation and Maintenance of Plant	14,515,490	14,515,490	13,911,968	603,522
Pupil Transportation	4,744,016	4,744,016	4,744,016	0
Central	2,039,938	2,039,938	2,039,938	0
Operation of Non-Instructional Services	42,011	42,011	42,011	0
Extracurricular Activities	1,047,222	1,047,222	1,047,222	0
<i>Total Expenditures</i>	<u>95,240,378</u>	<u>95,240,378</u>	<u>91,709,043</u>	<u>3,531,335</u>
<i>Excess of Revenues Under Expenditures</i>	(11,808,083)	(11,808,083)	(4,645,243)	7,162,840
Other Financing Uses				
Transfers Out	(400,000)	(400,000)	(400,000)	0
<i>Net Change in Fund Balance</i>	(12,208,083)	(12,208,083)	(5,045,243)	7,162,840
<i>Fund Balance Beginning of Year</i>	19,325,532	19,325,532	19,325,532	0
Prior Year Encumbrances Appropriated	4,530,178	4,530,178	4,530,178	0
<i>Fund Balance End of Year</i>	<u>\$11,647,627</u>	<u>\$11,647,627</u>	<u>\$18,810,467</u>	<u>\$7,162,840</u>

See accompanying notes to the basic financial statements

Shaker Heights City School District

Statement of Fund Net Assets

Internal Service Funds

June 30, 2011

Assets	
<i>Current Assets</i>	
Equity in Pooled Cash and Cash Equivalents	<u>\$3,829,000</u>
Liabilities	
<i>Current Liabilities</i>	
Accounts Payable	113,700
Claims Payable	<u>1,507,316</u>
Total Current Liabilities	1,621,016
<i>Long-Term Liabilities</i>	
Claims Payable	<u>387,984</u>
<i>Total Liabilities</i>	<u>2,009,000</u>
Net Assets	
Unrestricted	<u><u>\$1,820,000</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, 2011*

Operating Revenues	
Charges for Services	<u>\$11,726,520</u>
Operating Expenses	
Purchased Services:	
Kaiser Health Insurance Premium	731,710
Life Insurance Premium	53,365
Claims Processing	887,473
Claims	8,514,030
Change in Workers' Compensation Estimate	<u>(9,237)</u>
<i>Total Operating Expenses</i>	<u>10,177,341</u>
<i>Change in Net Assets</i>	1,549,179
<i>Net Assets Beginning of Year</i>	<u>270,821</u>
<i>Net Assets End of Year</i>	<u><u>\$1,820,000</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, 2011

Increase (Decrease) in Cash and Cash Equivalents

Cash Flows from Operating Activities

Cash Received from Interfund Services Provided	\$11,726,520
Cash Payments for Claims	(8,448,593)
Cash Payments for Services	(2,773,927)
	(2,773,927)

<i>Net Increase in Cash and Cash Equivalents</i>	504,000
--	---------

<i>Cash and Cash Equivalents Beginning of Year</i>	3,325,000
	3,325,000

<i>Cash and Cash Equivalents End of Year</i>	\$3,829,000
	\$3,829,000

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

<i>Operating Income</i>	\$1,549,179
	\$1,549,179

Adjustments

Increase (Decrease) in Liabilities:

Accounts Payable	(1,101,379)
Claims Payable	56,200
	56,200

<i>Total Adjustments</i>	(1,045,179)
	(1,045,179)

<i>Net Cash Provided by Operating Activities</i>	\$504,000
	\$504,000

See accompanying notes to the basic financial statements

Shaker Heights City School District
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2011

Assets	
Equity Pooled in Cash and Cash Equivalents	<u>\$323,620</u>
Liabilities	
Undistributed Monies	\$194,794
Due to Students	<u>128,826</u>
<i>Total Liabilities</i>	<u>\$323,620</u>

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, 2011*

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 297 classified employees, 428 certified teachers and 33 tutoring personnel, and 32 administrators who provide services to 5,490 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 21 and 22 to the basic financial statements.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

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.

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 funds are 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.

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, 2011*

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 and report all financial resources except those required to be accounted for and reported 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 restricted 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, committed or assigned 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.

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, 2011

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 these funds 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 funds activities.

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 8). 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, 2011, but which were levied to finance fiscal year 2012 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, 2011*

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.

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.

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 2011, investments were limited to STAR Ohio (the State Treasury Asset Reserve of Ohio), commercial paper, federal farm credit bank notes and federal home loan bank notes.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio 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 STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2011.

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

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

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 2011 amounted to \$287,179, which includes \$56,631 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.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2011, 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.

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.

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 for budget stabilization. See Note 10 for additional information regarding set asides.

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, 2011

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

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.

Compensated Absences

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

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

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

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “matured compensated absences payable” in the funds from which the employees who have resigned or retired will be paid.

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.

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.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

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.

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.

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 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.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the School is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies and authorized purchase commitments by the School District Board of Education.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The School District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

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.

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.

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.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

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. Neither type of transaction occurred in fiscal year 2011.

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 – Changes in Accounting Principles and Restatement of Fund Balance

Changes in Accounting Principles

For fiscal year 2011, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions” and Statement No. 59, “Financial Instruments Omnibus”.

GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that compromise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement resulted in the reclassification of certain funds and restatement of the School District’s financial statements.

GASB Statement No. 59 addresses significant practice issues that have arisen when accounting for financial instruments by updating and improving existing standards regarding financial reporting of certain financial instruments and external investment pools. The implementation of this statement did not result in any change in the School District’s financial statements.

Restatement of Prior Year’s Fund Balance

The implementation of GASB Statement No. 54 had the following effect on fund balances of the major and nonmajor funds as they were previously reported.

	<u>General</u>	<u>Building</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balance at June 30, 2010	\$20,189,847	\$4,782,821	\$2,743,712	\$27,716,380
Change in Fund Structure	<u>104,337</u>	<u>0</u>	<u>(104,337)</u>	<u>0</u>
Adjusted Fund Balance at June 30, 2010	<u>\$20,294,184</u>	<u>\$4,782,821</u>	<u>\$2,639,375</u>	<u>\$27,716,380</u>

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

Note 4 - Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	Building	Nonmajor Governmental Funds	Total
<i>Nonspendable</i>				
Prepays	\$148,282	\$0	\$0	\$148,282
Inventory	234,085	0	14,913	248,998
<i>Total Nonspendable</i>	382,367	0	14,913	397,280
<i>Restricted for</i>				
Athletics	0	0	13,493	13,493
Non-Public Schools	0	0	134,370	134,370
Student Intervention	0	0	6,451	6,451
Math Enrichment	0	0	64,603	64,603
Technology Improvements	0	0	178	178
Delinquent Youth	0	0	456	456
Special Instruction	0	0	50,857	50,857
Debt Service Payments	0	0	2,269,806	2,269,806
Capital Improvements	0	3,071,485	0	3,071,485
Budget Stabilization	353,070	0	0	353,070
<i>Total Restricted</i>	353,070	3,071,485	2,540,214	5,964,769
<i>Assigned to</i>				
Instructional Services	105,715		0	105,715
Other Purposes	4,349,673	0	0	4,349,673
<i>Total Assigned</i>	4,455,388	0	0	4,455,388
<i>Unassigned (Deficit)</i>	16,822,882	0	(59,717)	16,763,165
<i>Total Fund Balances</i>	\$22,013,707	\$3,071,485	\$2,495,410	\$27,580,602

Note 5 – Fund Deficits

Fund balances at June 30, 2011, included the following individual fund deficits:

Special Revenue Funds:

Goals 2000 Pacesetter	\$5,215
Limited English Proficiency	2,089
Title I	19,505
Class Size Reduction	5,275
Food Service	27,633

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

The special revenue funds have deficits caused by the recognition of expenditures on a modified accrual basis of accounting which are substantially greater than the expenditures recognized on a cash basis. The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur.

Note 6 - 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 restricted, committed or assigned fund balance (GAAP basis).
4. Investments are reported at cost (budget basis) rather than fair value (GAAP basis).
5. Budgetary revenues and expenditures of the public school support, shaker merchandise and uniform school supplies funds are reclassified to the general fund for GAAP Reporting.

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

Net Change in Fund Balance	
GAAP Basis	\$1,719,523
Net Adjustment for Revenue Accruals	(1,441,928)
Beginning Fair Value Adjustment for Investments	24,841
Ending Fair Value Adjustment for Investments	(38,057)
Net Adjustment for Expenditure Accruals	(594,406)
Excess of revenues and other financing sources over (under) expenditures and other financing uses:	
Public School Support	(4,532)
Shaker Merchandise	4,053
Uniform School Supplies	13,888
Adjustment for Encumbrances	<u>(4,728,625)</u>
Budget Basis	<u><u>(\$5,045,243)</u></u>

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

Note 7 - 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 monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);
7. The State Treasurer's investment pool (STAR Ohio); 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.

Shaker Heights City School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

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, \$2,750,000 of the School District's bank balance of \$20,061,134 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, 2011, the School District had the following investments:

	Fair Value	Maturity	Standard & Poor's Rating	Percentage of Total Investments
STAR Ohio	\$16,409	Average 58.3 Days	N/A	N/A
Commercial Paper	2,999,149	Less than one year	N/A	19.85%
Federal Farm Credit Bank Notes	4,017,390	Less than two years	AAA	26.59%
Federal Home Loan Bank Notes	8,076,640	Less than two years	AAA	53.45%
Total	<u>\$15,109,588</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 Standard & Poor's ratings of the School District's investments are listed in the table above. STAR Ohio also carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the 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.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

Note 8 - Property Taxes

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar year 2011 represents collections of calendar year 2010 taxes. Real property taxes received in calendar year 2011 were levied after April 1, 2010, on the assessed value listed as of January 1, 2010, the lien date. Assessed values for real property taxes are established by State law at 35 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 year 2011 represents collections of calendar year 2010 taxes. Public utility real and tangible personal property taxes received in calendar year 2011 became a lien December 31, 2009, were levied after April 1, 2010 and are collected in calendar year 2011 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar year 2010 (other than public utility property tax) represents the collection of 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing and equipment, furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009, on the value as of December 31, 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The School District receives property taxes from Cuyahoga County. The County Fiscal Officer 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, 2011, are available to finance fiscal year 2011 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which were measurable as of June 30, 2011 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 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The 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, 2011, was \$9,571,065 in the general fund and \$419,496 in the bond retirement debt service fund. The amount available as an advance at June 30, 2010, was \$8,123,904 in the general fund and \$447,107 in the bond retirement debt service fund.

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

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

The assessed values upon which the fiscal year 2011 taxes were collected are:

	2010 Second- Half Collections		2011 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$861,787,630	98.56%	\$857,299,180	98.61%
Public Utility Property	11,018,560	1.26	11,271,270	1.30
Tangible Personal Property	1,533,160	0.18	756,680	0.09
Total	\$874,339,350	100.00%	\$869,327,130	100.00%
Full voted tax rate per \$1,000 of assessed valuation		\$170.60		\$180.13

On May 4, 2010, the residents of the School District approved a 9.9 mill continuing operating levy designated for current operating expenses. Tax revenue from this levy was received beginning in fiscal year 2011 with full collection to be realized in fiscal year 2012.

Note 9 - Receivables

Receivables at June 30, 2011, consisted of taxes, accounts (rent and student fees), accrued interest on investments and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables except for delinquent property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	Amount
Title VI-B Grants	\$959,737
Title I Grants	286,974
Refund from School Employees Retirement System	94,570
Preschool Disability Grants	32,631
Food Service Subsidies	23,233
Refund from Medicaid	22,784
Class Size Reduction Grants	12,231
City of Warrensville	8,687
Race to the Top Grants	6,451
Limited English Proficiency Grants	6,283
State of Ohio Fuel Refund	4,531
City of Shaker Heights	910
Alternative Education Grants	456
<i>Total Intergovernmental Receivables</i>	\$1,459,478

Shaker Heights City School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 10 - 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, 2011, only the unspent portion of certain workers' compensation refunds continues to be set-aside.

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

	Textbooks	Capital Improvements	Budget Stabilization
Set-Aside Reserve Balance as of June 30, 2010	(\$5,364,335)	(\$33,535,863)	\$353,070
Current Year Set-Aside Requirement	815,065	815,065	0
Current Year Offset	0	(786,030)	0
Qualifying Disbursements	(1,004,746)	(582,184)	0
Totals	<u>(\$5,554,016)</u>	<u>(\$34,089,012)</u>	<u>\$353,070</u>
Set-Aside Balances Carried Forward to Future Fiscal Years	<u>\$0</u>	<u>(\$34,089,012)</u>	<u>\$353,070</u>
Set-Aside Reserve Balance as of June 30, 2011	<u>\$0</u>	<u>\$0</u>	<u>\$353,070</u>

The School District had qualifying disbursements during the fiscal year that reduced the textbook and capital improvements set-aside amounts below zero. Effective July 1, 2011, the textbook set aside is no longer required and has been removed from existing law. This negative balance is therefore not presented as being carried forward to the future fiscal year. For capital improvements, this amount may be used to reduce the set-aside requirements in future years. The total reserve balance for the three set-asides at the end of the fiscal year was \$353,070.

Note 11 - Contingencies

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, 2011.

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.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

Note 12 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	Balance 6/30/10	Additions	Deletions	Balance 6/30/11
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$943,600	\$0	\$0	\$943,600
Construction in Progress	34,315	1,034,860	(253,400)	815,775
<i>Total Capital Assets, not being Depreciated</i>	<u>977,915</u>	<u>1,034,860</u>	<u>(253,400)</u>	<u>1,759,375</u>
<i>Capital Assets, being Depreciated</i>				
Land Improvements	3,443,643	265,085	0	3,708,728
Buildings and Improvements	34,632,030	354,342	0	34,986,372
Equipment	16,007,410	703,240	(107,507)	16,603,143
Vehicles	3,820,982	76,526	(19,581)	3,877,927
<i>Total Capital Assets, being Depreciated</i>	<u>57,904,065</u>	<u>1,399,193</u>	<u>(127,088)</u>	<u>59,176,170</u>
Less Accumulated Depreciation:				
Land Improvements	(1,503,080)	(126,610)	0	(1,629,690)
Buildings and Improvements	(11,504,758)	(669,042)	0	(12,173,800)
Equipment	(10,997,246)	(864,731)	86,439	(11,775,538)
Vehicles	(2,277,778)	(334,691)	2,448	(2,610,021)
<i>Total Accumulated Depreciation</i>	<u>(26,282,862)</u>	<u>(1,995,074)</u>	<u>88,887</u>	<u>(28,189,049)</u>
<i>Total Capital Assets, being Depreciated, Net</i>	<u>31,621,203</u>	<u>(595,881)</u>	<u>(38,201)</u>	<u>30,987,121</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$32,599,118</u>	<u>\$438,979</u>	<u>(\$291,601)</u>	<u>\$32,746,496</u>

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$161,331
Special	6,972
Student Intervention Services	9,302
Support Services:	
Pupils	791
Instructional Staff	156,170
Administration	15,708
Fiscal	7,549
Business	68,399
Operation and Maintenance of Plant	1,166,484
Pupil Transportation	258,196
Central	5,716
Operation of Non-Instructional Services	116,688
Food Service Operations	18,126
Extracurricular	3,642
Total Depreciation Expense	<u>\$1,995,074</u>

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

Note 13 - Risk Management

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 2011, 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 \$10,000,000 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.

Workers' Compensation

The School District participates in the State Workers' Compensation retrospective rating and payment system. Once the School District receives notice of the 2011 claims paid by the Bureau of Workers' Compensation, the School District will reimburse the State for claims paid on the School District's behalf. 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, 2011, 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, 2011, was \$600,000. Changes in claims activity for fiscal years 2010 and 2011 are as follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Change in Workers' Compensation Estimate	Balance at End of Year
2010	\$550,000	\$200,000	\$258,269	\$108,269	\$600,000
2011	600,000	175,000	165,763	(9,237)	600,000

Employee Health Benefits

The School District is self-insured for prescription drug, medical and dental insurance. Express Scripts, the third party administrator of the program, processes the claims for the School District's prescription drug program. Monthly funding rates for prescription drug insurance are \$340.06 for family coverage and \$128.08 for single coverage. The program utilizes a \$4 prescription deductible for generic drugs and a \$12 deductible for non-generic drugs.

Anthem Blue Cross/Blue Shield, the third party administrator, processes the claims for the School District's medical and dental program. Monthly funding rates for medical insurance are \$1,368.36 for family coverage and \$520.28 for single coverage. Monthly funding rates for dental insurance are \$108.82 for family coverage and \$37.92 for single coverage. The School District has stop loss coverage that begins at \$150,000 per family per year and a calculated aggregate maximum stop loss coverage for the 2011 plan year (January through December) that begins at \$9,129,756.

Shaker Heights City School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

The claims liability of \$1,295,300 reported in the self insurance fund at June 30, 2011 for employee medical, dental and drug coverage was estimated by an independent health actuary and 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 2010 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>
2010	\$149,919	\$5,312,730	\$4,223,549	\$1,239,100
2011	1,239,100	8,339,030	8,282,830	1,295,300

Note 14 - Other Employee Benefits

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.

Health Care Benefits

Medical health insurance is offered to employees through Kaiser Permanente Insurance Company. The plan has a \$10 office visit co-pay. Kaiser health individual coverage is \$512.84 per month while family coverage for a family of two is \$1,025.68 and for a family of three or more is \$1,538.52.

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 15 – Pension Plans

School Employees Retirement System

Plan Description – The School District participates in the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2011, the allocation to pension and death benefits was 11.81 percent. The remaining 2.19 percent of the 14 percent employer contribution rate is allocated to the Medicare B and Health Care funds. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2011, 2010, and 2009 were \$1,791,274, \$1,835,592 and \$1,329,463, respectively. For fiscal year 2011, 92.07 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

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 system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that can be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at www.strsoh.org.

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary multiplied by 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 DB Plan and the DC 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 payment or converted to a lifetime monthly annuity at age 50. Benefits are established by Ohio Revised Code Chapter 3307.

A DB or Combined Plan member with five or more years of 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 - Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon the recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. For the fiscal year ended June 30, 2011, plan members were required to contribute 10 percent of their annual covered salary. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

The School District's required contributions to STRS Ohio for the DB Plan and for the defined benefit portion of the Combined Plan were \$4,878,369 and \$128,233 for the fiscal year ended June 30, 2011, \$5,129,640 and \$122,009 for the fiscal year ended June 30, 2010, and \$4,928,534 and \$87,149 for the fiscal year ended June 30, 2009. For fiscal year 2011, 82.89 percent has been contributed for the DB plan and the Combined Plan, with the balance being reported as an intergovernmental payable. The full amount has contributed for 2010 and 2009.

Contributions made to STRS Ohio for the DC Plan and for fiscal year 2011 were \$150,228 made by the School District and \$107,306 made by the plan members. In addition, member contributions of \$91,595 were made for fiscal year 2011 for the defined contribution portion of the Combined Plan.

Note 16 - Postemployment Benefits

School Employees Retirement System

Plan Description – The School District participates in two cost-sharing multiple-employer defined benefit other postemployment 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 Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligation to contribute are established by SERS based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily 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 105(e). For fiscal year 2011, 1.43 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 fiscal year 2011, this amount was \$35,800. During fiscal year 2011, the School District paid \$285,835 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, 2011, 2010, and 2009 were \$217,631, \$186,308, and \$608,423 respectively. For fiscal year 2011, 92.07 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal year 2010 and 2009.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2011, this actuarially required allocation was 0.76 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2011, 2010, and 2009 were \$115,664, \$116,061, and \$109,692 respectively. For fiscal year 2011, 92.07 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2010 and 2009.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

State Teachers Retirement System

Plan Description – The School District participates in 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. Ohio law authorizes STRS to offer this plan. 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 can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 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 Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2011, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to post-employment health care. The School District’s contributions for health care for the fiscal years ended June 30, 2011, 2010, and 2009 were \$396,679, \$394,588, and \$379,118 respectively. For fiscal year 2011, 82.89 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal year 2010 and 2009.

Note 17 – Contractual Commitments

As a result of project that was in progress at June 30, 2011, the School District had the following outstanding contractual commitments at fiscal year-end:

<u>Project</u>	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Amount Outstanding</u>
Middle School Pool Roof Project	\$317,000	\$162,840	\$154,160
Library Renovation Project	586,500	539,753	46,747
Total	<u>\$903,500</u>	<u>\$702,593</u>	<u>\$200,907</u>

Note 18 – Interfund Transfers and Balances

Transfers

The general fund made transfers of \$400,000 to nonmajor other governmental funds. The transfers were made to support the activities of the funds.

Interfund Balances

Interfund balances at June 30, 2011, consist of an interfund receivable/payable between the general fund and the nonmajor governmental funds in the amount of \$39,784. These loans were made to support programs and projects in the title I special revenue fund pending the receipt of grant money that will be used to repay the loan. These loans are expected to be repaid in fiscal year 2012.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

Note 19 – Fund Obligations

The School District’s note activity, including amounts outstanding and interest rates, are as follows:

	<u>Outstanding June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Outstanding June 30, 2011</u>
1.00% 2011 Bus Acquisition Note - Maturing October 4, 2011	\$0	\$600,000	\$0	\$600,000

On October 5, 2010, the School District issued a bus acquisition bond anticipation note for \$600,000 for the purpose of acquiring school buses. The notes will mature on October 4, 2011.

Note 20 – 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>Fiscal Year of Maturity</u>
<i>General Obligation Bonds:</i>			
School Improvement - 1990	7.08%	\$5,000,000	2011
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	2014
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 - 2010	1.00%	600,000	2011

Changes in long-term obligations of the School District during fiscal year 2011 were as follows:

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

	Balance Outstanding 06/30/10	Additions	Deletions	Balance Outstanding 06/30/11	Amounts Due in One Year
Governmental Activities					
School Improvement Bonds - 1990					
Serial Bonds	\$455,000	\$0	\$455,000	\$0	\$0
School Improvement Bonds - 2000					
Serial Bonds	165,000	0	165,000	0	0
School Improvement Bonds 2005					
Serial Bonds	6,815,000	0	0	6,815,000	455,000
Capital Appreciation Bonds	204,995	0	204,995	0	0
Accretion on Capital Appreciation Bonds	227,738	32,267	260,005	0	0
Unamortized Premium	104,772	0	7,103	97,669	0
Total School Improvement Bonds - 2005	<u>7,352,505</u>	<u>32,267</u>	<u>472,103</u>	<u>6,912,669</u>	<u>455,000</u>
School Improvement Refunding Bonds 2005					
Serial Bonds	540,000	0	180,000	360,000	0
Capital Appreciation Bonds	94,999	0	0	94,999	94,999
Accretion on Capital Appreciation Bonds	57,613	14,582	0	72,195	72,195
Unamortized Premium	36,376	0	2,466	33,910	0
Unamortized Accounting Loss	(22,106)	0	(1,498)	(20,608)	0
Total School Improvement Refunding Bonds - 2005	<u>706,882</u>	<u>14,582</u>	<u>180,968</u>	<u>540,496</u>	<u>167,194</u>
School Improvement Bonds - 2007					
Serial Bonds	6,830,000	0	315,000	6,515,000	330,000
Capital Appreciation Bonds	23,960	0	0	23,960	0
Accretion on Capital Appreciation Bonds	26,040	13,112	0	39,152	0
Unamortized Premium	97,705	0	6,303	91,402	0
Total School Improvement Bonds - 2007	<u>6,977,705</u>	<u>13,112</u>	<u>321,303</u>	<u>6,669,514</u>	<u>330,000</u>
School Improvement Refunding - 2007					
Serial Bonds	3,735,000	0	320,000	3,415,000	330,000
Capital Appreciation Bonds	9,983	0	0	9,983	0
Accretion on Capital Appreciation Bonds	10,850	5,464	0	16,314	0
Unamortized Premium	70,299	0	7,400	62,899	0
Unamortized Accounting Loss	(116,961)	0	(12,312)	(104,649)	0
Total School Improvement Refunding Bonds - 2007	<u>3,709,171</u>	<u>5,464</u>	<u>315,088</u>	<u>3,399,547</u>	<u>330,000</u>
School Improvement Refunding - 2007					
Serial Bonds	1,885,000	0	15,000	1,870,000	190,000
Capital Appreciation Bonds	16,639	0	0	16,639	0
Accretion on Capital Appreciation Bonds	18,083	9,106	0	27,189	0
Unamortized Premium	72,704	0	7,653	65,051	0
Unamortized Accounting Loss	(60,253)	0	(6,342)	(53,911)	0
Total School Improvement Refunding Bonds - 2007	<u>\$1,932,173</u>	<u>\$9,106</u>	<u>\$16,311</u>	<u>\$1,924,968</u>	<u>\$190,000</u>

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

	Balance Outstanding 06/30/10	Additions	Deletions	Balance Outstanding 06/30/11	Amounts Due in One Year
School Improvement Bonds - 2008					
Serial Bonds	\$4,670,000	\$0	\$230,000	\$4,440,000	\$240,000
Capital Appreciation Bonds	119,999	0	0	119,999	0
Accretion on Capital Appreciation Bonds	20,856	15,283	0	36,139	0
Unamortized Premium	103,432	0	4,966	98,466	0
Total School Improvement Bonds - 2008	<u>4,914,287</u>	<u>15,283</u>	<u>234,966</u>	<u>4,694,604</u>	<u>240,000</u>
Total General Obligation Bonds	<u>26,212,723</u>	<u>89,814</u>	<u>2,160,739</u>	<u>24,141,798</u>	<u>1,712,194</u>
<i>Other Long-term Obligations</i>					
Bus Acquisition Bond Anticipation					
Note - 2010	600,000	0	600,000	0	0
Compensated Absences	6,689,773	389,802	428,110	6,651,465	540,210
Claims Payable	1,839,100	8,504,793	8,448,593	1,895,300	1,507,316
Total Governmental Activities	<u>\$35,341,596</u>	<u>\$8,984,409</u>	<u>\$11,637,442</u>	<u>\$32,688,563</u>	<u>\$3,759,720</u>

In fiscal year 1990, Shaker Heights City School District issued \$5,000,000 in general obligation serial bonds for the purpose of renovating and making additions to school buildings. The serial bonds were retired with a voted property tax levy from the debt service fund in fiscal year 2011.

On September 28, 2000, the 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. On April 18, 2007, the full amount of the term bonds and a portion of the serial bonds were retired by the School District through an advance refunding. Serial bonds were retired with a voted property tax levy from the debt service fund in fiscal year 2011.

On April 5, 2005, the School District issued \$9,999,995 in general obligation bonds for various school facility improvements. The general obligation bonds included serial and capital appreciation bonds in the amount of \$9,795,000 and \$204,995, respectively. The bonds were issued for a ten year period with a final maturity at December 15, 2025. Serial bonds remained outstanding at June 30, 2011. These bonds will be retired with a voted property tax levy from the debt service fund.

During fiscal year 2011, the capital appreciation bonds matured and were retired with an original principal amount of \$204,995 and an accreted interest amount of \$260,005 (for a total of \$465,000). The accretion recorded for 2011 was \$32,267.

On April 5, 2005, the School District issued \$1,324,999 in general obligation bonds to refund the 1993 building addition bonds. The general obligation bonds included serial and capital appreciation bonds in the amount of \$1,230,000 and \$94,999, respectively. The bonds were issued for a twenty-two year period with a final maturity at December 15, 2013. The bonds will be retired from the debt service fund.

The serial and capital appreciation remained outstanding at June 30, 2011. The capital appreciation bonds were originally sold at a discount of \$80,001, which is being accreted annually until the point of maturity of the capital appreciation bonds, which is 2012.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

The maturity amount of the outstanding capital appreciation bonds at June 30, 2011 is \$175,000. The accretion recorded for 2011 was \$14,582, for a total outstanding bond liability of \$167,194 at June 30, 2011.

On April 18, 2007, the School District issued \$8,498,960 in general obligation bonds for various school facility improvements. The general obligation bonds included serial and capital appreciation bonds in the amounts of \$8,475,000 and \$23,960, respectively. The bonds were issued for a twenty year period with a final maturity at December 15, 2025. The bonds will be retired from the debt service fund.

The serial and capital appreciation remained outstanding at June 30, 2011. The capital appreciation bonds were originally sold at a discount of \$156,040, which is being accreted annually until the point of maturity of the capital appreciation bonds, which is 2016.

The maturity amount of the outstanding capital appreciation bonds at June 30, 2011 is \$180,000. The accretion recorded for 2011 was \$13,112, for a total outstanding bond liability of \$63,112 at June 30, 2011.

On April 18, 2007 issued \$3,769,983 in general obligation bonds to refund a portion of the 1999 school improvement bonds. The general obligation bonds included serial and capital appreciation bonds in the amount of \$3,760,000 and \$9,983, respectively. The bonds were issued for a fourteen year period with a final maturity at December 15, 2019.

The serial and capital appreciation remained outstanding at June 30, 2011. The capital appreciation bonds were originally sold at a discount of \$65,017, which is being accreted annually until the point of maturity of the capital appreciation bonds, which is 2016.

The maturity amount of the outstanding capital appreciation bonds at June 30, 2011 is \$75,000. The accretion recorded for 2011 was \$5,464, for a total outstanding bond liability of \$26,297 at June 30, 2011.

On April 18, 2007 issued \$1,931,639 in general obligation bonds to refund a portion of the 2000 school improvement bonds. The general obligation bonds included serial and capital appreciation bonds in the amount of \$1,915,000 and \$16,639, respectively. The bonds were issued for a fourteen year period with a final maturity at December 15, 2019.

The serial and capital appreciation remained outstanding at June 30, 2011. The capital appreciation bonds were originally sold at a discount of \$108,361, which is being accreted annually until the point of maturity of the capital appreciation bonds, which is 2016.

The maturity amount of the outstanding capital appreciation bonds at June 30, 2011 is \$125,000. The accretion recorded for 2011 was \$9,106, for a total outstanding bond liability of \$43,828 at June 30, 2011.

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 with serial portion maturing in fiscal year 2025.

The serial and capital appreciation remained outstanding at June 30, 2011. The capital appreciation bonds were originally sold at a discount of \$185,001, which is being accreted annually until the point of maturity of the capital appreciation bonds, which is 2018.

Shaker Heights City School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

The maturity amount of the outstanding capital appreciation bonds at June 30, 2011 is \$305,000. The accretion recorded for 2011 was \$15,283, for a total outstanding bond liability of \$156,138 at June 30, 2011.

The bus acquisition bond anticipation note for \$600,000 was retired during fiscal year 2011.

Compensated absences will be paid from the general, food service, auxiliary services, goals 2000 pacesetter, title VI-B, title I, preschool disability and class size reduction funds.

The School District's overall debt margin was \$56,760,567 with an unvoted debt margin of \$868,570 at June 30, 2011. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2011 are as follows:

Fiscal Year Ending June 30,	Serial Bonds		Capital Appreciation Bonds	
	Principal	Interest	Principal	Interest
2012	\$1,545,000	\$935,071	\$94,999	\$80,001
2013	1,780,000	869,921	0	0
2014	1,845,000	798,203	0	0
2015	1,690,000	727,503	0	0
2016	1,355,000	666,602	50,582	329,418
2017-2021	8,380,000	2,322,024	119,999	185,001
2022-2026	6,820,000	762,503	0	0
	<u>\$23,415,000</u>	<u>\$7,081,827</u>	<u>\$265,580</u>	<u>\$594,420</u>

Note 21 - 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 22 - Jointly Governed Organizations

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

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

meets monthly from September through 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 2011, the School District paid \$1,587 to the Council. Financial information can be obtained by contacting Dr. David A. Cottrell, the Executive Director of the Ohio Schools' Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

The School District participates in the natural gas purchase program. This program allows the School District to purchase natural gas at reduced rates. Compass Energy is the supplier and program manager for the period from October 1, 2010 through March 31, 2013. There are currently 146 participants in the Program. The participants make monthly payments based on estimated usage. Each August, 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 beginning in August until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the August monthly estimated billing.

The School District also participates in the Council's electricity group purchase program. The Council's last program, which began in September 2009 and ran through May 2011, provided as much as 25 percent in generation cost savings to 250 school districts in the First Energy territory. The Council's current program, Power 4 Schools, provides for a fixed per kilowatt-hour for electricity generation until May 2014, converting to a new fixed price or percent off the Price to Compare (PTC), whichever provides the greatest savings until December 2019.

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 2011, the School District paid \$195,228 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 23 - Subsequent Event

On October 4, 2011, the School District fully retired a \$600,000 bus acquisition note issued for the purpose of acquiring school buses.

Combining and Individual Fund Statements and Schedules

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

Special Revenue Funds are used to account for and report the the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Following is a description of the School District’s nonmajor special revenue funds:

Athletic — This fund accounts for and reports receipts and other revenues from student activity programs which have student participation in the activity but do not have students involved in the management of the program restricted for the costs (except supplemental coaching contracts) of the School Districts’ student activity programs.

Auxiliary Services — This fund accounts for and reports restricted State monies used to provide services and materials to pupils attending non-public schools within the School District.

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

Data Communication Grant — This fund accounts for and reports restricted State monies to provided for wiring to all classrooms in the State and to provide a computer workstation and related technology for every classroom in Ohio’s low-wealth school districts.

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

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

Race to the Top — This fund accounts for and reports restricted Federal monies used for education innovation and reform, achieving significant improvement in student outcomes, including making substantial gains in student achievement, closing achievement gaps, improving high school graduation rates, and ensuring student preparation for success in college and careers.

Title VI-B — This fund accounts for and reports restricted 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.

Federal Stimulus — This fund accounts for and reports restricted Federal grant monies from the American Recovery and Reinvestment Act in State Fiscal Stabilization Funds (SFSF) to help stabilize state and local budgets in order to minimize and avoid reductions in education and other essential services.

Title II-D — This fund accounts for and reports restricted Federal grant monies used for technology.

Limited English Proficiency — This fund accounts for and reports restricted 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 and reports restricted Federal monies used to assist the School District in meeting the special needs of educationally deprived children.

(continued)

Fund Descriptions – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

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

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

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

Miscellaneous Federal Grants— This fund accounts for and reports restricted Federal monies received for various purposes including improved student achievement and teacher development.

Food Service — This fund accounts for and reports the charges and services and operating grants restricted to the food service operations of the School District.

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

Public School Support — This fund accounts for and reports school site sales revenue and expenditures assigned for field trips, assemblies, and other activity costs. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

Shaker Merchandise — This fund accounts for and reports funds received from the sale of merchandise to students, faculty, staff and the community which is assigned to purchase additional merchandise. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

Uniform School Supplies — This fund accounts for and reports the purchase and sale of school supplies assigned for school purposes or activities connected with the school. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

Nonmajor Debt Service Fund

The Debt Service fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest.

Bond Retirement — This fund is used to account for and report the accumulation of property tax revenues restricted for the retirement of principal and interest on outstanding general obligation bonds.

Shaker Heights City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011

	Nonmajor Special Revenue Funds	Nonmajor Bond Retirement Debt Service Fund	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$673,029	\$1,850,310	\$2,523,339
Intergovernmental Receivable	1,333,496	0	1,333,496
Inventory Held for Resale	9,484	0	9,484
Materials and Supplies Inventory	5,429	0	5,429
Property Taxes Receivable	0	2,949,461	2,949,461
<i>Total Assets</i>	<u>\$2,021,438</u>	<u>\$4,799,771</u>	<u>\$6,821,209</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$366,859	\$0	\$366,859
Accrued Wages and Benefits	407,562	0	407,562
Interfund Payable	39,784	0	39,784
Intergovernmental Payable	186,855	0	186,855
Matured Compensated Absences Payable	8,316	0	8,316
Deferred Revenue	786,458	2,529,965	3,316,423
<i>Total Liabilities</i>	<u>1,795,834</u>	<u>2,529,965</u>	<u>4,325,799</u>
Fund Balances			
Nonspendable	14,913	0	14,913
Restricted	270,408	2,269,806	2,540,214
Unassigned (Deficit)	(59,717)	0	(59,717)
<i>Total Fund Balances</i>	<u>225,604</u>	<u>2,269,806</u>	<u>2,495,410</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,021,438</u>	<u>\$4,799,771</u>	<u>\$6,821,209</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, 2011

	Nonmajor Special Revenue Funds	Nonmajor Bond Retirement Debt Service Fund	Total Nonmajor Governmental Funds
Revenues			
Property Taxes	\$0	\$2,747,046	\$2,747,046
Intergovernmental	5,912,122	423,320	6,335,442
Interest	613	0	613
Extracurricular Activities	96,107	0	96,107
Contributions and Donations	49,774	0	49,774
Charges for Services	912,327	0	912,327
Miscellaneous	46,262	4	46,266
<i>Total Revenues</i>	<u>7,017,205</u>	<u>3,170,370</u>	<u>10,187,575</u>
Expenditures			
Current:			
Instruction:			
Regular	1,506,296	0	1,506,296
Special	871,634	0	871,634
Student Intervention Services	135,860	0	135,860
Support Services:			
Pupils	25,756	0	25,756
Instructional Staff	1,496,275	0	1,496,275
Fiscal	18,200	58,749	76,949
Operation and Maintenance of Plant	28,626	0	28,626
Central	15,190	0	15,190
Operation of Non-Instructional Services	1,232,499	0	1,232,499
Food Service Operations	1,970,089	0	1,970,089
Extracurricular Activities	221,184	0	221,184
Debt Service:			
Principal Retirement	0	1,884,995	1,884,995
Capital Appreciation Bonds Interest	0	260,005	260,005
Interest and Fiscal Charges	0	1,006,182	1,006,182
<i>Total Expenditures</i>	<u>7,521,609</u>	<u>3,209,931</u>	<u>10,731,540</u>
<i>Excess of Revenues Under Expenditures</i>	(504,404)	(39,561)	(543,965)
Other Financing Sources			
Transfers In	400,000	0	400,000
<i>Net Change in Fund Balances</i>	(104,404)	(39,561)	(143,965)
<i>Fund Balances Beginning of Year</i>	<u>330,008</u>	<u>2,309,367</u>	<u>2,639,375</u>
<i>Fund Balances End of Year</i>	<u><u>\$225,604</u></u>	<u><u>\$2,269,806</u></u>	<u><u>\$2,495,410</u></u>

Shaker Heights City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2011

	Athletic	Auxiliary Services	Alternative Schools	Goals 2000 Pacesetter
Assets				
Equity in Pooled Cash and Cash Equivalents	\$15,979	\$358,517	\$0	\$1,032
Intergovernmental Receivable	83	57	456	132
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$16,062</u>	<u>\$358,574</u>	<u>\$456</u>	<u>\$1,164</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$1,601	\$93,345	\$0	\$0
Accrued Wages and Benefits	0	105,407	0	4,367
Interfund Payable	0	0	0	0
Intergovernmental Payable	968	17,136	0	2,012
Matured Compensated Absences Payable	0	8,316	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>2,569</u>	<u>224,204</u>	<u>0</u>	<u>6,379</u>
 Fund Balances				
Nonspendable	0	0	0	0
Restricted	13,493	134,370	456	0
Unassigned (Deficit)	0	0	0	(5,215)
<i>Total Fund Balances (Deficit)</i>	<u>13,493</u>	<u>134,370</u>	<u>456</u>	<u>(5,215)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$16,062</u>	<u>\$358,574</u>	<u>\$456</u>	<u>\$1,164</u>

(continued)

Shaker Heights City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2011

	Race to the Top	Title VI-B	Title II-D	Limited English Proficiency
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$0	\$9,331	\$178	\$829
Intergovernmental Receivable	6,451	963,202	0	6,283
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$6,451</u>	<u>\$972,533</u>	<u>\$178</u>	<u>\$7,112</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$50,903	\$0	\$0
Accrued Wages and Benefits	0	176,110	0	8,256
Interfund Payable	0	0	0	0
Intergovernmental Payable	0	86,528	0	945
Matured Compensated Absences Payable	0	0	0	0
Deferred Revenue	0	610,917	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>924,458</u>	<u>0</u>	<u>9,201</u>
 Fund Balances				
Nonspendable	0	0	0	0
Restricted	6,451	48,075	178	0
Unassigned (Deficit)	0	0	0	(2,089)
<i>Total Fund Balances (Deficit)</i>	<u>6,451</u>	<u>48,075</u>	<u>178</u>	<u>(2,089)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$6,451</u>	<u>\$972,533</u>	<u>\$178</u>	<u>\$7,112</u>

<u>Title I</u>	<u>Preschool Disability</u>	<u>Class Size Reduction</u>	<u>Food Service</u>	<u>Local Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$0	\$3,625	\$4	\$215,069	\$68,465	\$673,029
287,257	32,680	12,244	24,651	0	1,333,496
0	0	0	9,484	0	9,484
0	0	0	5,429	0	5,429
<u>\$287,257</u>	<u>\$36,305</u>	<u>\$12,248</u>	<u>\$254,633</u>	<u>\$68,465</u>	<u>\$2,021,438</u>
\$15,425	\$0	\$0	\$201,752	\$3,833	\$366,859
89,640	0	15,096	8,686	0	407,562
39,784	0	0	0	0	39,784
19,003	892	2,427	56,915	29	186,855
0	0	0	0	0	8,316
142,910	32,631	0	0	0	786,458
<u>306,762</u>	<u>33,523</u>	<u>17,523</u>	<u>267,353</u>	<u>3,862</u>	<u>1,795,834</u>
0	0	0	14,913	0	14,913
0	2,782	0	0	64,603	270,408
<u>(19,505)</u>	<u>0</u>	<u>(5,275)</u>	<u>(27,633)</u>	<u>0</u>	<u>(59,717)</u>
<u>(19,505)</u>	<u>2,782</u>	<u>(5,275)</u>	<u>(12,720)</u>	<u>64,603</u>	<u>225,604</u>
<u>\$287,257</u>	<u>\$36,305</u>	<u>\$12,248</u>	<u>\$254,633</u>	<u>\$68,465</u>	<u>\$2,021,438</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, 2011

	Athletic	Auxiliary Services	Management Information Systems	Data Communication Grant
Revenues				
Intergovernmental	\$0	\$1,176,793	\$5,000	\$18,200
Interest	0	447	0	0
Extracurricular Activities	96,107	0	0	0
Contributions and Donations	1,300	0	0	0
Charges for Services	0	0	0	0
Miscellaneous	1,236	0	0	0
<i>Total Revenues</i>	<u>98,643</u>	<u>1,177,240</u>	<u>5,000</u>	<u>18,200</u>
Expenditures				
Current:				
Instruction:				
Regular	0	0	0	0
Special	0	0	0	0
Student Intervention Services	0	0	0	0
Support Services:				
Pupils	0	0	0	0
Instructional Staff	0	0	0	0
Fiscal	0	0	0	18,200
Operation and Maintenance of Plant	12,468	0	0	0
Central	0	0	4,937	0
Operation of Non-Instructional Services	0	1,219,179	0	0
Food Service Operations	0	0	0	0
Extracurricular Activities	220,184	0	0	0
<i>Total Expenditures</i>	<u>232,652</u>	<u>1,219,179</u>	<u>4,937</u>	<u>18,200</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(134,009)	(41,939)	63	0
Other Financing Sources				
Transfers In	150,000	0	0	0
<i>Net Change in Fund Balances</i>	15,991	(41,939)	63	0
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(2,498)</u>	<u>176,309</u>	<u>(63)</u>	<u>0</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$13,493</u>	<u>\$134,370</u>	<u>\$0</u>	<u>\$0</u>

Alternative Schools	Goals 2000 Pacesetter	Race to the Top	Title VI-B	Federal Stimulus	Title II-D
\$39,288	\$25,000	\$6,451	\$1,607,319	\$1,095,688	\$7,777
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
<u>39,288</u>	<u>25,000</u>	<u>6,451</u>	<u>1,607,319</u>	<u>1,095,688</u>	<u>7,777</u>
38,832	0	0	5,000	1,095,688	434
0	0	0	226,096	0	0
0	0	0	135,860	0	0
0	0	0	23,363	0	0
0	28,869	0	1,195,894	0	1,803
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	1,766	0	908
0	0	0	0	0	0
0	0	0	0	0	0
<u>38,832</u>	<u>28,869</u>	<u>0</u>	<u>1,587,979</u>	<u>1,095,688</u>	<u>3,145</u>
456	(3,869)	6,451	19,340	0	4,632
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
456	(3,869)	6,451	19,340	0	4,632
<u>0</u>	<u>(1,346)</u>	<u>0</u>	<u>28,735</u>	<u>0</u>	<u>(4,454)</u>
<u>\$456</u>	<u>(\$5,215)</u>	<u>\$6,451</u>	<u>\$48,075</u>	<u>\$0</u>	<u>\$178</u>

(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, 2011

	Limited English Proficiency	Title I	Drug Free Schools	Preschool Disability
Revenues				
Intergovernmental	\$50,183	\$933,775	\$687	\$27,466
Interest	0	0	0	0
Extracurricular Activities	0	0	0	0
Contributions and Donations	0	0	0	0
Charges for Services	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>50,183</u>	<u>933,775</u>	<u>687</u>	<u>27,466</u>
Expenditures				
Current:				
Instruction:				
Regular	0	270,913	0	6,034
Special	55,881	589,657	0	0
Student Intervention Services	0	0	0	0
Support Services:				
Pupils	0	0	0	0
Instructional Staff	2,856	142,238	0	15,519
Fiscal	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0
Food Service Operations	0	0	0	0
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>58,737</u>	<u>1,002,808</u>	<u>0</u>	<u>21,553</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(8,554)	(69,033)	687	5,913
Other Financing Sources				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	(8,554)	(69,033)	687	5,913
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>6,465</u>	<u>49,528</u>	<u>(687)</u>	<u>(3,131)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>(\$2,089)</u></u>	<u><u>(\$19,505)</u></u>	<u><u>\$0</u></u>	<u><u>\$2,782</u></u>

<u>Class Size Reduction</u>	<u>Food Service</u>	<u>Local Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$146,221	\$754,274	\$18,000	\$5,912,122
0	166	0	613
0	0	0	96,107
0	0	48,474	49,774
0	912,327	0	912,327
0	45,026	0	46,262
<u>146,221</u>	<u>1,711,793</u>	<u>66,474</u>	<u>7,017,205</u>
83,955	0	5,440	1,506,296
0	0	0	871,634
0	0	0	135,860
0	2,393	0	25,756
67,718	0	41,378	1,496,275
0	0	0	18,200
0	16,158	0	28,626
0	0	10,253	15,190
10,646	0	0	1,232,499
0	1,970,089	0	1,970,089
0	0	1,000	221,184
<u>162,319</u>	<u>1,988,640</u>	<u>58,071</u>	<u>7,521,609</u>
(16,098)	(276,847)	8,403	(504,404)
0	250,000	0	400,000
(16,098)	(26,847)	8,403	(104,404)
<u>10,823</u>	<u>14,127</u>	<u>56,200</u>	<u>330,008</u>
<u>(\$5,275)</u>	<u>(\$12,720)</u>	<u>\$64,603</u>	<u>\$225,604</u>

Fund Descriptions – Internal Service Funds

Internal Service Funds are used to 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.

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, 2011

	Self Insurance	Workers' Compensation Reserve	Totals
Assets			
<i>Current Assets</i>			
Equity in Pooled Cash and Cash Equivalents	\$3,229,000	\$600,000	\$3,829,000
Liabilities			
<i>Current Liabilities</i>			
Accounts Payable	113,700	0	113,700
Claims Payable	1,295,300	212,016	1,507,316
<i>Total Current Liabilities</i>	1,409,000	212,016	1,621,016
<i>Long-Term Liabilities</i>			
Claims Payable	0	387,984	387,984
<i>Total Liabilities</i>	1,409,000	600,000	2,009,000
Net Assets			
Unrestricted	\$1,820,000	\$0	\$1,820,000

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, 2011*

	Self Insurance	Workers' Compensation Reserve	Totals
Operating Revenues			
Charges for Services	\$11,560,757	\$165,763	\$11,726,520
Operating Expenses			
Purchased Services:			
Kaiser Health Insurance Premium	731,710	0	731,710
Life Insurance Premium	53,365	0	53,365
Claims Processing	887,473	0	887,473
Claims	8,339,030	175,000	8,514,030
Change in Workers' Compensation Estimate	0	(9,237)	(9,237)
<i>Total Operating Expenses</i>	10,011,578	165,763	10,177,341
<i>Change in Net Assets</i>	1,549,179	0	1,549,179
<i>Net Assets Beginning of Year</i>	270,821	0	270,821
<i>Net Assets End of Year</i>	\$1,820,000	\$0	\$1,820,000

Shaker Heights City School District
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2011

	Self Insurance	Workers' Compensation Reserve	Totals
<i>Increase (Decrease) in Cash and Cash Equivalents</i>			
Cash Flows from Operating Activities			
Cash Received from Interfund Services Provided	\$11,560,757	\$165,763	\$11,726,520
Cash Payments for Claims	(8,282,830)	(165,763)	(8,448,593)
Cash Payments for Services	(2,773,927)	0	(2,773,927)
<i>Net Increase in Cash and Cash Equivalents</i>	504,000	0	504,000
<i>Cash and Cash Equivalents Beginning of Year</i>	2,725,000	600,000	3,325,000
<i>Cash and Cash Equivalents End of Year</i>	\$3,229,000	\$600,000	\$3,829,000
<i>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</i>			
<i>Operating Income</i>	\$1,549,179	\$0	\$1,549,179
Adjustments			
Increase (Decrease) in Liabilities:			
Accounts Payable	(1,101,379)	0	(1,101,379)
Claims Payable	56,200	0	56,200
<i>Total Adjustments</i>	(1,045,179)	0	(1,045,179)
<i>Net Cash Provided by Operating Activities</i>	\$504,000	\$0	\$504,000

Fund Description – Fiduciary Funds

Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/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, 2011

	Beginning Balance 06/30/10	Additions	Deductions	Ending Balance 06/30/11
Rotary				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$192,112	\$167,316	\$164,634	\$194,794
Liabilities				
Undistributed Monies	\$192,112	\$167,316	\$164,634	\$194,794
Student Activities				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$130,465	\$211,857	\$213,496	\$128,826
Liabilities				
Due to Students	\$130,465	\$211,857	\$213,496	\$128,826
Total - All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$322,577	\$379,173	\$378,130	\$323,620
Liabilities				
Undistributed Monies	\$192,112	\$167,316	\$164,634	\$194,794
Due to Students	130,465	211,857	213,496	128,826
<i>Total Liabilities</i>	\$322,577	\$379,173	\$378,130	\$323,620

**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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$66,429,517	\$66,429,517	\$60,393,502	(\$6,036,015)
Intergovernmental	15,216,852	15,216,852	24,860,277	9,643,425
Interest	587,890	587,890	300,592	(287,298)
Tuition and Fees	781,277	781,277	1,170,950	389,673
Contributions and Donations	0	0	1,090	1,090
Charges for Services	82,336	82,336	63,447	(18,889)
Rentals	37,659	37,659	43,813	6,154
Miscellaneous	296,764	296,764	230,129	(66,635)
<i>Total Revenues</i>	83,432,295	83,432,295	87,063,800	3,631,505
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	25,408,464	25,408,464	24,648,637	759,827
Fringe Benefits	8,904,543	8,904,543	8,574,474	330,069
Purchased Services	1,964,518	1,964,518	472,566	1,491,952
Materials and Supplies	895,655	895,655	852,348	43,307
Capital Outlay - New	128,419	128,419	128,419	0
Capital Outlay - Replacement	1,397	1,397	1,397	0
Other	13,265	13,265	13,265	0
<i>Total Regular</i>	37,316,261	37,316,261	34,691,106	2,625,155
Special:				
Salaries and Wages	4,989,961	4,989,961	4,989,961	0
Fringe Benefits	1,871,683	1,871,683	1,871,683	0
Purchased Services	6,493,515	6,493,515	6,493,515	0
Materials and Supplies	26,525	26,525	26,525	0
Capital Outlay - New	5,889	5,889	5,889	0
Other	100	100	100	0
<i>Total Special</i>	13,387,673	13,387,673	13,387,673	0
Vocational:				
Salaries and Wages	82,102	82,102	82,102	0
Fringe Benefits	20,695	20,695	20,695	0
Purchased Services	174,783	174,783	174,783	0
<i>Total Vocational</i>	277,580	277,580	277,580	0
<i>Total Instruction</i>	\$50,981,514	\$50,981,514	\$48,356,359	\$2,625,155

(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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support Services:				
Pupils:				
Salaries and Wages	\$3,768,195	\$3,768,195	\$3,768,195	\$0
Fringe Benefits	1,271,006	1,271,006	1,271,006	0
Purchased Services	760,509	760,509	760,509	0
Materials and Supplies	38,936	38,936	38,936	0
Capital Outlay - New	705	705	705	0
Other	1,308	1,308	1,308	0
Total Pupils	5,840,659	5,840,659	5,840,659	0
Instructional Staff:				
Salaries and Wages	3,323,766	3,323,766	3,323,766	0
Fringe Benefits	1,666,017	1,666,017	1,666,017	0
Purchased Services	562,196	562,196	562,196	0
Materials and Supplies	257,731	257,731	257,731	0
Capital Outlay - New	249,845	249,845	249,845	0
Capital Outlay - Replacement	108,591	108,591	108,591	0
Other	45,269	45,269	45,269	0
Total Instructional Staff	6,213,415	6,213,415	6,213,415	0
Board of Education:				
Purchased Services	3,110	3,110	3,110	0
Materials and Supplies	150	150	150	0
Other	16,368	16,368	16,368	0
Total Board of Education	19,628	19,628	19,628	0
Administration:				
Salaries and Wages	3,762,082	3,762,082	3,762,082	0
Fringe Benefits	1,787,230	1,787,230	1,787,230	0
Purchased Services	406,469	406,469	406,469	0
Materials and Supplies	157,886	157,886	157,886	0
Capital Outlay - New	1,491	1,491	1,491	0
Capital Outlay - Replacement	889	889	889	0
Other	50,397	50,397	50,397	0
Total Administration	\$6,166,444	\$6,166,444	\$6,166,444	\$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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fiscal:				
Salaries and Wages	\$555,824	\$555,824	\$555,824	\$0
Fringe Benefits	532,058	532,058	324,400	207,658
Purchased Services	421,011	421,011	421,011	0
Materials and Supplies	13,405	13,405	13,405	0
Capital Outlay - New	2,304	2,304	2,304	0
Other	1,052,385	1,052,385	1,052,385	0
Total Fiscal	2,576,987	2,576,987	2,369,329	207,658
Business:				
Salaries and Wages	411,631	411,631	411,631	0
Fringe Benefits	213,569	213,569	213,569	0
Purchased Services	239,561	239,561	239,561	0
Materials and Supplies	120,271	120,271	25,271	95,000
Capital Outlay - New	3,485	3,485	3,485	0
Capital Outlay - Replacement	113	113	113	0
Other	64,424	64,424	64,424	0
Total Business	1,053,054	1,053,054	958,054	95,000
Operation and Maintenance of Plant:				
Salaries and Wages	5,519,659	5,519,659	5,375,819	143,840
Fringe Benefits	2,861,080	2,861,080	2,861,080	0
Purchased Services	4,115,081	4,115,081	4,115,081	0
Materials and Supplies	1,875,636	1,875,636	1,415,954	459,682
Capital Outlay - New	112,784	112,784	112,784	0
Capital Outlay - Replacement	14,854	14,854	14,854	0
Other	16,396	16,396	16,396	0
Total Operation and Maintenance of Plant	14,515,490	14,515,490	13,911,968	603,522
Pupil Transportation:				
Salaries and Wages	1,858,098	1,858,098	1,858,098	0
Fringe Benefits	610,733	610,733	610,733	0
Purchased Services	1,805,133	1,805,133	1,805,133	0
Materials and Supplies	461,526	461,526	461,526	0
Capital Outlay - New	7,790	7,790	7,790	0
Capital Outlay - Replacement	411	411	411	0
Other	325	325	325	0
Total Pupil Transportation	\$4,744,016	\$4,744,016	\$4,744,016	\$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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Central:				
Salaries and Wages	\$725,404	\$725,404	\$725,404	\$0
Fringe Benefits	361,689	361,689	361,689	0
Purchased Services	847,753	847,753	847,753	0
Materials and Supplies	98,770	98,770	98,770	0
Capital Outlay - New	5,517	5,517	5,517	0
Other	805	805	805	0
Total Central	2,039,938	2,039,938	2,039,938	0
Total Support Services	43,169,631	43,169,631	42,263,451	906,180
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	42,011	42,011	42,011	0
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	196,000	196,000	196,000	0
Fringe Benefits	68,006	68,006	68,006	0
Purchased Services	12,304	12,304	12,304	0
Materials and Supplies	7,710	7,710	7,710	0
Total Academic and Subject Oriented Activities	284,020	284,020	284,020	0
Occupational Oriented Activities:				
Salaries and Wages	2,705	2,705	2,705	0
Fringe Benefits	1,023	1,023	1,023	0
Total Occupational Oriented Activities	3,728	3,728	3,728	0
Sports Oriented Activities:				
Salaries and Wages	510,707	510,707	510,707	0
Fringe Benefits	140,622	140,622	140,622	0
Purchased Services	48,099	48,099	48,099	0
Capital Outlay - New	607	607	607	0
Total Sports Oriented Activities	\$700,035	\$700,035	\$700,035	\$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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
School and Public Service				
Co-Curricular Activities:				
Salaries and Wages	\$43,898	\$43,898	\$43,898	\$0
Fringe Benefits	15,541	15,541	15,541	0
Total School and Public Service				
Co-Curricular Activities	59,439	59,439	59,439	0
Total Extracurricular Activities	1,047,222	1,047,222	1,047,222	0
<i>Total Expenditures</i>	95,240,378	95,240,378	91,709,043	3,531,335
<i>Excess of Revenues Under Expenditures</i>	(11,808,083)	(11,808,083)	(4,645,243)	7,162,840
Other Financing Uses				
Transfers Out	(400,000)	(400,000)	(400,000)	0
<i>Net Change in Fund Balance</i>	(12,208,083)	(12,208,083)	(5,045,243)	7,162,840
<i>Fund Balance Beginning of Year</i>	19,325,532	19,325,532	19,325,532	0
Prior Year Encumbrances Appropriated	4,530,178	4,530,178	4,530,178	0
<i>Fund Balance End of Year</i>	<u>\$11,647,627</u>	<u>\$11,647,627</u>	<u>\$18,810,467</u>	<u>\$7,162,840</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$10,000	\$4,699	\$4,699	\$0
Contributions and Donations	190,000	79,489	79,489	0
Rentals	100,000	231,096	50,000	(181,096)
Miscellaneous	100,000	84,716	84,716	0
<i>Total Revenues</i>	<u>400,000</u>	<u>400,000</u>	<u>218,904</u>	<u>(181,096)</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Capital Outlay - New	984,709	984,709	83,039	901,670
Capital Outlay - Replacement	13,350	13,350	13,350	0
Total Instruction	<u>998,059</u>	<u>998,059</u>	<u>96,389</u>	<u>901,670</u>
Support Services:				
Instructional Staff:				
Capital Outlay	10,375	10,375	10,375	0
Business:				
Capital Outlay	35,104	35,104	35,104	0
Operation and Maintenance of Plant:				
Purchased Services	1,028,982	1,028,982	1,028,982	0
Materials and Supplies	7,820	7,820	7,820	0
Capital Outlay	62,488	62,488	62,488	0
Total Operation and Maintenance of Plant	<u>1,099,290</u>	<u>1,099,290</u>	<u>1,099,290</u>	<u>0</u>
Pupil Transportation:				
Capital Outlay - Replacement	316,868	316,868	316,868	0
Total Support Services	<u>1,461,637</u>	<u>1,461,637</u>	<u>1,461,637</u>	<u>0</u>
Operation of Non-Instructional Services:				
Community Services:				
Capital Outlay	11,745	11,745	11,745	0
Capital Outlay:				
Purchased Services	12,538	12,538	12,538	0
Capital Outlay	626,834	626,834	626,834	0
Total Capital Outlay	<u>\$639,372</u>	<u>\$639,372</u>	<u>\$639,372</u>	<u>\$0</u>

(continued)

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
Building (continued)
For the Fiscal Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Debt Service:				
Principal Retirement	\$600,000	\$600,000	\$600,000	\$0
Interest and Fiscal Charges	5,983	5,983	5,983	0
Total Debt Service	<u>605,983</u>	<u>605,983</u>	<u>605,983</u>	<u>0</u>
<i>Total Expenditures</i>	<u>3,716,796</u>	<u>3,716,796</u>	<u>2,815,126</u>	<u>901,670</u>
<i>Excess of Revenues Under Expenditures</i>	(3,316,796)	(3,316,796)	(2,596,222)	720,574
Other Financing Sources				
General Obligation Notes Issued	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(2,716,796)	(2,716,796)	(1,996,222)	720,574
<i>Fund Balance Beginning of Year</i>	4,323,370	4,323,370	4,323,370	0
Prior Year Encumbrances Appropriated	<u>716,796</u>	<u>716,796</u>	<u>716,796</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,323,370</u></u>	<u><u>\$2,323,370</u></u>	<u><u>\$3,043,944</u></u>	<u><u>\$720,574</u></u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Athletic
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Extracurricular Activities	\$93,746	\$96,107	\$96,107	\$0
Contributions and Donations	20,000	1,300	1,300	0
Miscellaneous	116,254	102,593	1,236	(101,357)
<i>Total Revenues</i>	<u>230,000</u>	<u>200,000</u>	<u>98,643</u>	<u>(101,357)</u>
Expenditures				
Current:				
Support Services:				
Business:				
Purchased Services	40,000	108,918	0	108,918
Operation and Maintenance of Plant:				
Salaries and Wages	8,777	10,328	10,328	0
Fringe Benefits	1,618	2,313	2,313	0
Total Operation and Maintenance of Plant:	<u>10,395</u>	<u>12,641</u>	<u>12,641</u>	<u>0</u>
Total Support Services	<u>50,395</u>	<u>121,559</u>	<u>12,641</u>	<u>108,918</u>
Extracurricular Activities:				
Sports Oriented Activities:				
Salaries and Wages	6,284	3,257	3,257	0
Fringe Benefits	3,239	1,726	1,726	0
Purchased Services	108,658	61,821	61,820	1
Materials and Supplies	84,130	93,283	93,283	0
Capital Outlay - New	64,384	45,796	45,796	0
Other	43,133	32,781	32,781	0
Total Extracurricular Activities	<u>309,828</u>	<u>238,664</u>	<u>238,663</u>	<u>1</u>
<i>Total Expenditures</i>	<u>360,223</u>	<u>360,223</u>	<u>251,304</u>	<u>108,919</u>
<i>Excess of Revenues Under Expenditures</i>	(130,223)	(160,223)	(152,661)	7,562
Other Financing Sources				
Transfers In	120,000	150,000	150,000	0
<i>Net Change in Fund Balance</i>	(10,223)	(10,223)	(2,661)	7,562
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	10,223	10,223	10,223	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$7,562</u>	<u>\$7,562</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$1,199,575	\$1,287,947	\$1,287,894	(\$53)
Interest	425	447	447	0
<i>Total Revenues</i>	<u>1,200,000</u>	<u>1,288,394</u>	<u>1,288,341</u>	<u>(53)</u>
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	746,660	656,338	529,772	126,566
Fringe Benefits	113,405	183,463	183,463	0
Purchased Services	290,602	415,925	415,860	65
Materials and Supplies	87,263	69,628	66,232	3,396
Capital Outlay - New	149,773	238,544	238,544	0
<i>Total Expenditures</i>	<u>1,387,703</u>	<u>1,563,898</u>	<u>1,433,871</u>	<u>130,027</u>
<i>Net Change in Fund Balance</i>	(187,703)	(275,504)	(145,530)	129,974
<i>Fund Balance Beginning of Year</i>	174,016	174,016	174,016	0
Prior Year Encumbrances Appropriated	<u>101,488</u>	<u>101,488</u>	<u>101,488</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$87,801</u></u>	<u><u>\$0</u></u>	<u><u>\$129,974</u></u>	<u><u>\$129,974</u></u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Management Information Systems
For the Fiscal Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$20,000	\$20,000	\$5,000	(\$15,000)
Expenditures:				
Current:				
Support Services:				
Central:				
Salaries and Wages	11,435	11,435	1,435	10,000
Fringe Benefits	3,565	3,565	3,565	0
<i>Total Expenditures</i>	<u>15,000</u>	<u>15,000</u>	<u>5,000</u>	<u>10,000</u>
<i>Net Change in Fund Balance</i>	5,000	5,000	0	(5,000)
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$5,000</u></u>	<u><u>\$5,000</u></u>	<u><u>\$0</u></u>	<u><u>(\$5,000)</u></u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Data Communication Grant
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$16,000	\$18,200	\$18,200	\$0
Expenditures				
Current:				
Support Services:				
Fiscal:				
Purchased Services	16,000	18,200	18,200	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
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Alternative Schools
For the Fiscal Year Ended June 30, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$40,000	\$40,000	\$38,832	(\$1,168)
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	<u>35,076</u>	<u>39,288</u>	<u>39,288</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	4,924	712	(456)	(1,168)
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$4,924</u></u>	<u><u>\$712</u></u>	<u><u>(\$456)</u></u>	<u><u>(\$1,168)</u></u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Goals 2000 Pacesetter
For the Fiscal Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$50,000	\$50,000	\$25,000	(\$25,000)
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	20,650	20,650	19,618	1,032
Fringe Benefits	4,350	4,350	4,350	0
<i>Total Expenditures</i>	<u>25,000</u>	<u>25,000</u>	<u>23,968</u>	<u>1,032</u>
<i>Net Change in Fund Balance</i>	25,000	25,000	1,032	(23,968)
<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>\$25,000</u>	<u>\$25,000</u>	<u>\$1,032</u>	<u>(\$23,968)</u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Race to the Top
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$100,059	\$100,059	\$0	(\$100,059)
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	24,873	24,873	0	24,873
Fringe Benefits	13,513	13,513	0	13,513
Purchased Services	20,228	20,228	0	20,228
Materials and Supplies	12,405	12,405	0	12,405
Total Instructional Staff	71,019	71,019	0	71,019
Administration:				
Salaries and Wages	22,543	22,543	0	22,543
Fringe Benefits	6,312	6,312	0	6,312
Total Administration	28,855	28,855	0	28,855
<i>Total Expenditures</i>	99,874	99,874	0	99,874
<i>Net Change in Fund Balance</i>	185	185	0	(185)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$185	\$185	\$0	(\$185)

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, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$2,474,051	\$2,484,918	\$1,521,058	(\$963,860)
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	207,355	207,355	178,300	29,055
Fringe Benefits	96,840	96,840	94,633	2,207
Materials and Supplies	64,500	64,500	64,500	0
Total Special	368,695	368,695	337,433	31,262
Student Intervention Services:				
Materials and Supplies	162,761	162,761	55,903	106,858
Capital Outlay - New	244,350	244,350	95,990	148,360
Total Student Intervention Services	407,111	407,111	151,893	255,218
Total Instruction	775,806	775,806	489,326	286,480
Support Services:				
Pupils:				
Purchased Services	3,753	3,753	3,753	0
Instructional Staff:				
Salaries and Wages	751,779	1,261,641	686,200	575,441
Fringe Benefits	404,835	481,019	471,227	9,792
Purchased Services	52,500	52,500	40,985	11,515
Total Instructional Staff	1,209,114	1,795,160	1,198,412	596,748
Total Support Services	1,212,867	1,798,913	1,202,165	596,748
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	1,420	26	26	0
Materials and Supplies	1,757	1,757	1,740	17
Total Operation of Non-Instructional Services	3,177	1,783	1,766	17
Total Expenditures	1,991,850	2,576,502	1,693,257	883,245
Net Change in Fund Balance	482,201	(91,584)	(172,199)	(80,615)
Fund Balance Beginning of Year	10,600	10,600	10,600	0
Prior Year Encumbrances Appropriated	85,106	85,106	85,106	0
Fund Balance (Deficit) End of Year	\$577,907	\$4,122	(\$76,493)	(\$80,615)

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Federal Stimulus
For the Fiscal Year Ended June 30, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	<u>\$990,000</u>	<u>\$1,200,000</u>	<u>\$1,095,688</u>	<u>(\$104,312)</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	779,090	989,090	884,778	104,312
Fringe Benefits	<u>210,910</u>	<u>210,910</u>	<u>210,910</u>	<u>0</u>
<i>Total Expenditures</i>	<u>990,000</u>	<u>1,200,000</u>	<u>1,095,688</u>	<u>104,312</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title II-D
For the Fiscal Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$9,947	\$9,947	\$8,850	(\$1,097)
Expenditures				
Current:				
Instruction:				
Regular:				
Capital Outlay - New	6,218	6,218	6,218	0
Support Services:				
Instructional Staff:				
Purchased Services	1,029	1,803	1,803	0
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	1,466	1,466	761	705
Materials and Supplies	202	202	202	0
Total Operation of Non-Instructional Services	1,668	1,668	963	705
<i>Total Expenditures</i>	8,915	9,689	8,984	705
<i>Net Change in Fund Balance</i>	1,032	258	(134)	(392)
<i>Fund Deficit Beginning of Year</i>	(6,173)	(6,173)	(6,173)	0
Prior Year Encumbrances Appropriated	6,430	6,430	6,430	0
<i>Fund Balance End of Year</i>	\$1,289	\$515	\$123	(\$392)

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$40,418	\$57,770	\$51,391	(\$6,379)
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	24,115	42,549	38,492	4,057
Fringe Benefits	13,457	10,857	10,857	0
Materials and Supplies	250	3,055	0	3,055
Total Instruction	37,822	56,461	49,349	7,112
Support Services:				
Instructional Staff:				
Fringe Benefits	0	2,000	2,000	0
Purchased Services	530	530	530	0
Total Support Services	530	2,530	2,530	0
<i>Total Expenditures</i>	38,352	58,991	51,879	7,112
<i>Net Change in Fund Balance</i>	2,066	(1,221)	(488)	733
<i>Fund Balance Beginning of Year</i>	1,317	1,317	1,317	0
<i>Fund Balance End of Year</i>	\$3,383	\$96	\$829	\$733

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, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$1,385,072	\$1,390,758	\$968,120	(\$422,638)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	0	27,103	27,103	0
Fringe Benefits	12,972	12,972	10,583	2,389
Purchased Services	175,148	203,917	203,917	0
Materials and Supplies	122,293	114,530	114,508	22
Capital Outlay - New	34,976	128,709	128,709	0
Total Regular	345,389	487,231	484,820	2,411
Special:				
Salaries and Wages	339,605	486,622	433,195	53,427
Fringe Benefits	105,760	143,778	143,778	0
Total Special	445,365	630,400	576,973	53,427
Total Instruction	790,754	1,117,631	1,061,793	55,838
Support Services:				
Instructional Staff:				
Salaries and Wages	36,546	36,546	23,794	12,752
Fringe Benefits	7,637	7,637	7,637	0
Purchased Services	177,286	187,119	107,677	79,442
Materials and Supplies	8,700	8,700	8,700	0
Total Support Services	230,169	240,002	147,808	92,194
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	10,878	10,878	10,878	0
<i>Total Expenditures</i>	1,031,801	1,368,511	1,220,479	148,032
<i>Net Change in Fund Balance</i>	353,271	22,247	(252,359)	(274,606)
<i>Fund Deficit Beginning of Year</i>	(89,840)	(89,840)	(89,840)	0
Prior Year Encumbrances Appropriated	92,517	92,517	92,517	0
<i>Fund Balance (Deficit) End of Year</i>	\$355,948	\$24,924	(\$249,682)	(\$274,606)

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, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$26	\$26	\$26	\$0
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	26	26	26	0
<i>Fund Deficit Beginning of Year</i>	<u>(26)</u>	<u>(26)</u>	<u>(26)</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Preschool Disability
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$60,003	\$60,131	\$27,466	(\$32,665)
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	18,757	18,757	8,661	10,096
Capital Outlay - New	22,924	27,500	14,609	12,891
Total Instruction	41,681	46,257	23,270	22,987
Support Services:				
Instructional Staff:				
Salaries and Wages	6,655	13,794	13,794	0
Fringe Benefits	3,258	4,900	4,900	0
Total Support Services	9,913	18,694	18,694	0
<i>Total Expenditures</i>	51,594	64,951	41,964	22,987
<i>Net Change in Fund Balance</i>	8,409	(4,820)	(14,498)	(9,678)
<i>Fund Deficit Beginning of Year</i>	(5,147)	(5,147)	(5,147)	0
Prior Year Encumbrances Appropriated	10,000	10,000	10,000	0
<i>Fund Balance (Deficit) End of Year</i>	\$13,262	\$33	(\$9,645)	(\$9,678)

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$212,612	\$212,612	\$176,602	(\$36,010)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	55,216	58,507	58,507	0
Fringe Benefits	23,998	23,998	23,998	0
Total Instruction	79,214	82,505	82,505	0
Support Services:				
Instructional Staff:				
Salaries and Wages	7,462	8,212	8,212	0
Fringe Benefits	4,714	4,714	4,712	2
Purchased Services	71,808	72,185	72,185	0
Total Support Services	83,984	85,111	85,109	2
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	15,154	28,803	10,646	18,157
<i>Total Expenditures</i>	178,352	196,419	178,260	18,159
<i>Net Change in Fund Balance</i>	34,260	16,193	(1,658)	(17,851)
<i>Fund Deficit Beginning of Year</i>	(24,650)	(24,650)	(24,650)	0
Prior Year Encumbrances Appropriated	13,214	13,214	13,214	0
<i>Fund Balance (Deficit) End of Year</i>	\$22,824	\$4,757	(\$13,094)	(\$17,851)

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous Federal Grants
For the Fiscal Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$30,000	\$30,000	\$0	(\$30,000)
Expenditures				
Current:				
Support Services:				
Pupil Transportation:				
Capital Outlay - New	<u>30,000</u>	<u>30,000</u>	<u>0</u>	<u>30,000</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Food Service
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$754,000	\$793,172	\$793,172	\$0
Interest	1,000	166	166	0
Charges for Services	960,000	1,161,136	912,327	(248,809)
Miscellaneous	60,000	45,526	45,026	(500)
<i>Total Revenues</i>	<u>1,775,000</u>	<u>2,000,000</u>	<u>1,750,691</u>	<u>(249,309)</u>
Expenditures				
Current:				
Support Services:				
Pupils:				
Salaries and Wages	205,685	207,495	1,923	205,572
Fringe Benefits	26	435	435	0
Total Pupils	205,711	207,930	2,358	205,572
Operation and Maintenance of Plant:				
Purchased Services	934	16,158	16,158	0
Total Support Services	<u>206,645</u>	<u>224,088</u>	<u>18,516</u>	<u>205,572</u>
Food Service Operations:				
Salaries and Wages	656,086	192,869	192,869	0
Fringe Benefits	212,575	83,345	83,345	0
Purchased Services	283,013	1,749,889	1,749,889	0
Materials and Supplies	687,743	12,166	12,166	0
Capital Outlay - New	14,941	167,508	167,508	0
Capital Outlay - Replacement	14,822	0	0	0
Other	65,392	11,352	11,352	0
Total Food Service Operations	<u>1,934,572</u>	<u>2,217,129</u>	<u>2,217,129</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,141,217</u>	<u>2,441,217</u>	<u>2,235,645</u>	<u>205,572</u>
<i>Excess of Revenues Under Expenditures</i>	(366,217)	(441,217)	(484,954)	(43,737)
Other Financing Sources				
Transfers In	175,000	250,000	250,000	0
<i>Net Change in Fund Balance</i>	(191,217)	(191,217)	(234,954)	(43,737)
<i>Fund Balance Beginning of Year</i>	122,566	122,566	122,566	0
Prior Year Encumbrances Appropriated	71,217	71,217	71,217	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$2,566</u>	<u>\$2,566</u>	<u>(\$41,171)</u>	<u>(\$43,737)</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, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$18,000	\$18,000	\$18,000	\$0
Contributions and Donations	57,000	57,000	48,474	(8,526)
<i>Total Revenues</i>	<u>75,000</u>	<u>75,000</u>	<u>66,474</u>	<u>(8,526)</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	2,192	7,006	5,440	1,566
Capital Outlay - New	15,197	15,197	0	15,197
Total Instruction	<u>17,389</u>	<u>22,203</u>	<u>5,440</u>	<u>16,763</u>
Support Services:				
Instructional Staff:				
Salaries and Wages	0	1,434	1,434	0
Fringe Benefits	0	273	273	0
Purchased Services	68,910	92,479	39,642	52,837
Total Instructional Staff	<u>68,910</u>	<u>94,186</u>	<u>41,349</u>	<u>52,837</u>
Central:				
Purchased Services	6,700	6,700	6,700	0
Materials and Supplies	7,000	7,000	3,553	3,447
Total Central	<u>13,700</u>	<u>13,700</u>	<u>10,253</u>	<u>3,447</u>
Total Support Services	<u>82,610</u>	<u>107,886</u>	<u>51,602</u>	<u>56,284</u>
Extracurricular Activities:				
Academic Oriented Activities:				
Materials and Supplies	0	1,000	1,000	0
<i>Total Expenditures</i>	<u>99,999</u>	<u>131,089</u>	<u>58,042</u>	<u>73,047</u>
<i>Net Change in Fund Balance</i>	(24,999)	(56,089)	8,432	64,521
<i>Fund Balance Beginning of Year</i>	<u>56,200</u>	<u>56,200</u>	<u>56,200</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$31,201</u>	<u>\$111</u>	<u>\$64,632</u>	<u>\$64,521</u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support
For the Fiscal Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Interest	\$78	\$78	\$78	\$0
Tuition and Fees	40,574	40,574	40,574	0
Extracurricular Activities	130,297	130,297	91,279	(39,018)
Contributions and Donations	14,134	14,134	14,134	0
Charges for Services	0	0	51	51
Miscellaneous	14,917	14,917	14,867	(50)
<i>Total Revenues</i>	<u>200,000</u>	<u>200,000</u>	<u>160,983</u>	<u>(39,017)</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Fringe Benefits	307	307	307	0
Purchased Services	107,774	107,774	65,427	42,347
Materials and Supplies	38,450	38,450	38,450	0
Other	6,885	6,885	6,885	0
Total Instruction	<u>153,416</u>	<u>153,416</u>	<u>111,069</u>	<u>42,347</u>
Support Services:				
Administration:				
Purchased Services	415	415	415	0
Materials and Supplies	12,489	12,489	12,489	0
Total Administration	<u>12,904</u>	<u>12,904</u>	<u>12,904</u>	<u>0</u>
Fiscal:				
Materials and Supplies	41,814	41,814	0	41,814
Pupil Transportation:				
Purchased Services	1,073	1,073	1,073	0
Total Support Services	<u>55,791</u>	<u>55,791</u>	<u>13,977</u>	<u>41,814</u>
Operation of Non-Instructional Services:				
Community Services:				
Other	\$169	\$169	\$169	\$0

(continued)

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support (continued)
For the Fiscal Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Purchased Services	\$17,404	\$17,404	\$17,404	\$0
Materials and Supplies	9,803	9,803	8,069	1,734
Other	2,763	2,763	2,763	0
Total Academic and Subject Oriented Activities	<u>29,970</u>	<u>29,970</u>	<u>28,236</u>	<u>1,734</u>
School and Public Service				
Co-Curricular Activities:				
Other	3,000	3,000	3,000	0
Total Extracurricular Activities	<u>32,970</u>	<u>32,970</u>	<u>31,236</u>	<u>1,734</u>
<i>Total Expenditures</i>	<u>242,346</u>	<u>242,346</u>	<u>156,451</u>	<u>85,895</u>
<i>Net Change in Fund Balance</i>	(42,346)	(42,346)	4,532	46,878
<i>Fund Balance Beginning of Year</i>	80,193	80,193	80,193	0
Prior Year Encumbrances Appropriated	<u>2,346</u>	<u>2,346</u>	<u>2,346</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$40,193</u></u>	<u><u>\$40,193</u></u>	<u><u>\$87,071</u></u>	<u><u>\$46,878</u></u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
Shaker Merchandise
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$15,000	\$15,000	\$6,248	(\$8,752)
Expenditures				
Current:				
Support Services:				
Business:				
Materials and Supplies	21,451	21,451	10,301	11,150
Other	500	500	0	500
<i>Total Expenditures</i>	21,951	21,951	10,301	11,650
<i>Excess of Revenues Under Expenditures</i>	(6,951)	(6,951)	(4,053)	2,898
Other Financing Sources				
Transfers In	5,000	5,000	5,000	0
<i>Net Change in Fund Balance</i>	(1,951)	(1,951)	947	2,898
<i>Fund Balance Beginning of Year</i>	1,931	1,931	1,931	0
Prior Year Encumbrances Appropriated	1,951	1,951	1,951	0
<i>Fund Balance (Deficit) End of Year</i>	\$1,931	\$1,931	\$4,829	\$2,898

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, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Tuition and Fees	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$67,013</u>	<u>(\$32,987)</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	80,901	80,901	80,901	0
Support Services:				
Fiscal:				
Materials and Supplies	<u>19,099</u>	<u>19,099</u>	<u>0</u>	<u>19,099</u>
<i>Total Expenditures</i>	<u>100,000</u>	<u>100,000</u>	<u>80,901</u>	<u>19,099</u>
<i>Net Change in Fund Balance</i>	0	0	(13,888)	(13,888)
<i>Fund Balance Beginning of Year</i>	<u>18,633</u>	<u>18,633</u>	<u>18,633</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$18,633</u></u>	<u><u>\$18,633</u></u>	<u><u>\$4,745</u></u>	<u><u>(\$13,888)</u></u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
Bond Retirement
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$2,697,425	\$2,697,425	\$2,774,762	\$77,337
Intergovernmental	405,000	405,000	423,320	18,320
Miscellaneous	99,575	99,575	4	(99,571)
<i>Total Revenues</i>	<u>3,202,000</u>	<u>3,202,000</u>	<u>3,198,086</u>	<u>(3,914)</u>
Expenditures				
Current:				
Support Services:				
Fiscal:				
Purchased Services	16,756	16,756	16,756	0
Other	50,249	50,249	50,249	0
Total Support Services	<u>67,005</u>	<u>67,005</u>	<u>67,005</u>	<u>0</u>
Debt Service:				
Principal Retirement	1,932,933	1,932,933	1,884,995	47,938
Capital Appreciation Bonds Interest	260,005	260,005	260,005	0
Interest and Fiscal Charges	1,006,182	1,006,182	1,006,182	0
Total Debt Service	<u>3,199,120</u>	<u>3,199,120</u>	<u>3,151,182</u>	<u>47,938</u>
<i>Total Expenditures</i>	<u>3,266,125</u>	<u>3,266,125</u>	<u>3,218,187</u>	<u>47,938</u>
<i>Net Change in Fund Balance</i>	(64,125)	(64,125)	(20,101)	44,024
<i>Fund Balance Beginning of Year</i>	1,846,030	1,846,030	1,846,030	0
Prior Year Encumbrances Appropriated	16,125	16,125	16,125	0
<i>Fund Balance End of Year</i>	<u>\$1,798,030</u>	<u>\$1,798,030</u>	<u>\$1,842,054</u>	<u>\$44,024</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$10,500,000	\$10,500,000	\$11,560,757	\$1,060,757
Expenses				
Purchased Services	3,000,000	3,000,000	2,773,927	226,073
Claims	8,000,000	8,300,000	8,282,830	17,170
<i>Total Expenses</i>	11,000,000	11,300,000	11,056,757	243,243
<i>Net Change in Fund Equity</i>	(500,000)	(800,000)	504,000	1,304,000
<i>Fund Equity Beginning of Year</i>	2,725,000	2,725,000	2,725,000	0
<i>Fund Equity End of Year</i>	\$2,225,000	\$1,925,000	\$3,229,000	\$1,304,000

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$300,000	\$300,000	\$165,763	(\$134,237)
Expenses				
Claims	325,000	325,000	165,763	159,237
<i>Net Change in Fund Equity</i>	(25,000)	(25,000)	0	25,000
<i>Fund Equity Beginning of Year</i>	600,000	600,000	600,000	0
<i>Fund Equity End of Year</i>	<u>\$575,000</u>	<u>\$575,000</u>	<u>\$600,000</u>	<u>\$25,000</u>

Statistical Section

This page intentionally left blank.

Statistical Section

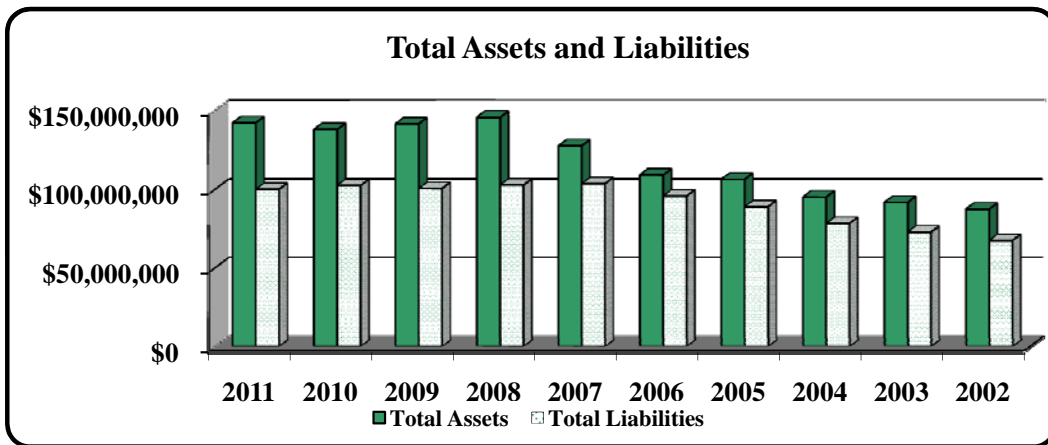
This is part of the Shaker Heights City School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School District's overall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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	S2-S13
Revenue Capacity These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.	S14-S27
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	S28-S33
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.	S34-S37
Operating Information These schedules contain service data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	S38-S53

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 Ten Fiscal Years
(accrual basis of accounting)

	2011	2010	2009	2008
Invested in Capital Assets, Net of Related Debt	\$11,398,071	\$10,070,839	\$8,401,734	\$8,694,425
Restricted for:				
Capital Projects	1,098,470	1,531,066	1,525,468	99,381
Debt Service	2,354,956	2,359,850	2,644,458	2,853,551
Set Asides	353,070	353,070	353,070	353,070
Other Purposes	871,703	830,467	792,242	390,160
Unrestricted	26,197,012	20,608,691	27,407,164	30,568,922
Total Net Assets	\$42,273,282	\$35,753,983	\$41,124,136	\$42,959,509



2007	2006	2005	2004	2003	2002
\$4,632,987	\$2,204,521	\$4,100,033	\$2,500,547	\$1,855,573	\$905,036
400,300	1,655,509	678,855	1,543,825	1,901,796	3,569,042
2,455,559	2,263,055	1,400,799	868,760	917,851	1,487,304
353,070	353,070	353,070	353,070	353,070	353,070
797,215	544,543	608,066	305,712	421,775	978,130
15,628,893	6,438,744	10,355,170	11,215,209	5,262,682	12,662,100
<u>\$24,268,024</u>	<u>\$13,459,442</u>	<u>\$17,495,993</u>	<u>\$16,787,123</u>	<u>\$10,712,747</u>	<u>\$19,954,682</u>

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

	2011	2010*	2009	2008	2007
Expenses					
Instruction:					
Regular	\$35,281,264	\$37,085,280	\$35,379,158	\$34,107,481	\$33,772,290
Special	11,964,327	13,428,305	11,824,756	11,332,475	10,931,104
Vocational	228,758	139,800	242,656	225,025	249,179
Student Intervention Services	67,198	19,489	0	0	0
Support Services:					
Pupils	5,552,562	6,109,276	5,442,866	5,495,125	5,183,166
Instructional Staff	7,168,686	7,847,850	6,661,050	5,714,875	5,011,630
Board of Education	17,368	22,044	18,690	29,232	16,097
Administration	6,106,215	6,143,839	6,002,432	5,995,614	5,413,913
Fiscal	2,086,303	1,815,190	2,195,814	1,959,745	2,502,091
Business	952,606	933,149	931,242	995,011	831,094
Operation and Maintenance of Plant	13,466,665	14,220,532	13,059,730	12,623,322	11,044,168
Pupil Transportation	4,602,302	4,795,694	4,169,665	3,989,689	3,732,632
Central	1,917,495	1,990,523	1,444,784	1,670,621	1,665,801
Operation of Non-Instructional Services	1,220,198	1,327,646	1,207,237	1,140,592	1,374,292
Food Service Operations	1,945,696	1,951,783	1,726,334	1,518,386	1,236,661
Extracurricular Activities	1,249,690	1,296,624	1,170,726	1,230,898	1,213,896
Interest and Fiscal Charges	1,106,286	1,227,205	1,277,952	1,282,207	1,002,654
Total Expenses	94,933,619	100,354,229	92,755,092	89,310,298	85,180,668
Program Revenues					
Charges for Services and Sales					
Instruction:					
Regular	754,595	1,559,258	789,813	855,900	638,404
Special	171,178	187,379	202,415	224,936	158,673
Vocational	3,471	2,101	4,247	4,720	3,799
Support Services:					
Pupils	85,442	91,479	102,981	114,444	78,661
Instructional Staff	88,670	91,968	80,033	88,939	55,156
Board of Education	0	336	551	613	236
Administration	0	93,031	129,968	127,938	82,913
Fiscal	0	26,440	29,030	32,260	36,415
Business	0	12,975	16,925	18,990	11,474
Operation and Maintenance of Plant	285,446	303,580	300,135	258,411	160,269
Pupil Transportation	67,464	66,566	78,983	87,773	60,331
Central	28,892	30,003	29,493	32,775	24,249
Operation of Non-Instruction Services	797	755	98,902	103,118	100,717
Food Service Operations	912,327	815,170	800,042	710,786	738,586
Extracurricular Activities	139,488	196,635	110,980	123,035	175,780
Operating Grants and Contributions					
Instruction:					
Regular	1,463,608	502,626	754,782	1,000,038	860,207
Special	805,930	1,037,972	925,126	817,586	601,971
Vocational	0	0	3,037	2,011	0
Student Intervention Services	162,215	31,087	0	0	0
Support Services:					
Pupils	50,739	43,226	88,617	79,562	26,600
Instructional Staff	1,741,042	1,774,381	1,450,387	1,321,093	1,418,048
Board of Education	0	0	0	261	0
Administration	0	0	0	63,392	2,458
Fiscal	0	16,000	24,000	41,381	30,618
Business	0	0	0	8,015	0
Operation and Maintenance of Plant	0	0	164,634	134,036	58,973
Pupil Transportation	72	45,507	56,487	37,404	0
Central	5,000	11,409	22,315	41,050	26,758
Operation of Non-Instruction Services	1,189,003	1,294,234	1,304,659	1,311,538	1,224,791
Food Service Operations	754,440	751,596	687,159	609,352	454,616
Extracurricular Activities	3,290	3,020	19,027	22,008	6,848
Capital Grants and Contributions					
Instruction:					
Regular	0	30,040	0	0	0
Support Services:					
Instructional Staff	0	49,911	0	0	0
Business	0	3,829	0	0	0
Operation and Maintenance of Plant	79,489	33,878	276,391	802,694	49,102
Pupil Transportation	0	124,521	0	0	0
Total Program Revenues	8,792,598	9,230,913	8,551,119	9,076,059	7,086,653
Net Expense	(\$86,141,021)	(\$91,123,316)	(\$84,203,973)	(\$80,234,239)	(\$78,094,015)

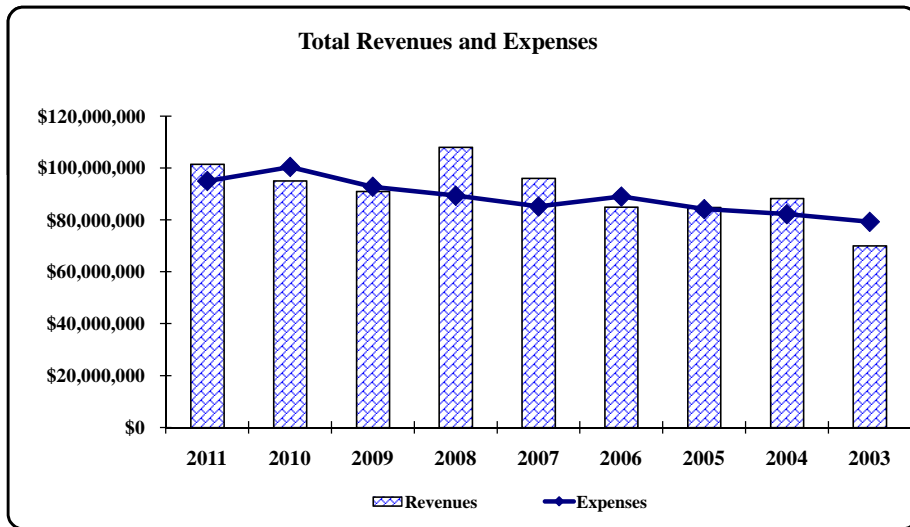
2006	2005	2004	2003
\$35,310,361	\$32,924,168	\$32,864,526	\$31,814,593
10,607,843	10,647,502	10,008,927	9,238,257
261,197	365,419	242,694	293,396
0	0	0	0
5,375,507	5,238,920	5,169,180	5,012,167
5,578,777	5,352,258	5,203,618	4,970,899
19,423	12,936	81,020	44,557
6,436,016	6,251,458	6,098,561	5,579,077
1,851,290	1,957,648	1,641,345	1,626,208
923,004	899,420	636,841	667,241
11,863,117	10,369,547	10,509,814	10,329,284
4,243,701	4,429,933	4,065,825	3,802,122
1,548,776	1,537,060	1,488,606	1,655,119
1,425,671	1,057,019	1,202,617	1,317,092
1,311,946	1,029,189	921,209	946,834
1,241,147	1,294,801	1,332,974	1,131,817
1,015,691	781,322	775,725	858,143
89,013,467	84,148,600	82,243,482	79,286,806
692,997	971,608	63,746	1,379,232
178,796	148,714	1,211,647	0
4,193	0	1,187	0
88,616	9,913	0	0
63,556	0	0	0
355	0	0	0
97,895	0	0	0
31,050	0	0	0
15,372	19	0	0
275,039	146,592	150,000	0
74,288	905	0	0
24,904	0	0	0
893	0	0	0
750,790	793,978	701,537	679,991
172,196	227,586	414,131	437,824
901,271	528,306	657,616	629,987
62,697	808,425	692,085	442,599
0	0	0	0
0	0	0	0
36,837	24,560	0	27,904
1,743,256	1,438,595	1,038,916	657,499
0	0	0	0
15,781	0	0	0
3,657	5,737	21,271	0
0	0	0	0
65,717	79,378	0	28,000
0	0	0	0
15,973	15,154	0	21,121
1,272,795	1,196,573	1,345,919	1,036,096
426,452	391,333	0	245,419
20,874	39,074	85,681	16,960
0	47,670	0	87,683
0	0	0	0
0	0	0	0
142,150	34,282	444,511	57,890
0	20,997	0	0
7,178,400	6,929,399	6,828,247	5,748,205
(\$81,835,067)	(\$77,219,201)	(\$75,415,235)	(\$73,538,601)

(continued)

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

	2011	2010*	2009	2008	2007
General Revenues					
Property Taxes Levied for:					
General Purposes	\$63,904,018	\$56,751,088	\$56,984,545	\$69,184,729	\$60,456,905
Debt Service	2,755,119	2,960,050	3,154,120	3,494,170	3,211,409
Capital Outlay	0	0	0	0	0
Grants and Entitlements not					
Restricted to Specific Programs	25,301,197	25,155,226	25,102,989	24,004,932	23,496,372
Investment Earnings	291,878	532,965	1,303,054	1,831,239	1,625,920
Unrestricted Contributions and Donations	1,090	0	0	0	0
Gain on Sale of Capital Assets	18,750	21,600	0	0	0
Miscellaneous	388,268	332,234	423,892	410,654	111,991
<i>Total General Revenues</i>	<u>92,660,320</u>	<u>85,753,163</u>	<u>86,968,600</u>	<u>98,925,724</u>	<u>88,902,597</u>
Extraordinary Item					
Decrease in Delinquent Property Taxes	0	0	(4,600,000)	0	0
<i>Total General Revenues and Extraordinary Item</i>	<u>92,660,320</u>	<u>85,753,163</u>	<u>82,368,600</u>	<u>98,925,724</u>	<u>88,902,597</u>
<i>Change in Net Assets</i>	<u>\$6,519,299</u>	<u>(\$5,370,153)</u>	<u>(\$1,835,373)</u>	<u>\$18,691,485</u>	<u>\$10,808,582</u>

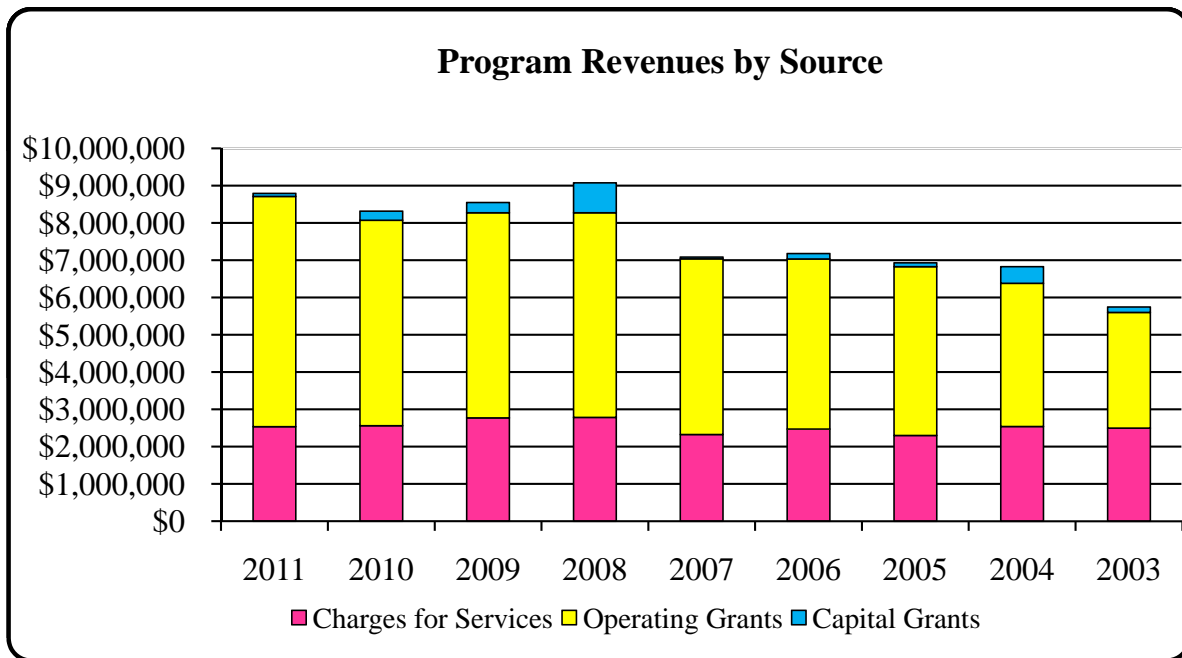
*Includes immaterial amounts reclassified for comparison purposes.



2006	2005	2004	2003
\$51,230,820	\$51,902,593	\$56,520,406	\$40,344,179
2,475,501	1,604,046	2,110,278	1,709,155
206,688	519,804	323,065	141,401
22,583,373	22,989,562	22,160,812	21,576,741
1,147,810	622,591	169,849	388,345
0	1,225	0	0
5,250	0	0	0
149,074	288,250	205,201	136,845
77,798,516	77,928,071	81,489,611	64,296,666
0	0	0	0
77,798,516	77,928,071	81,489,611	64,296,666
(\$4,036,551)	\$708,870	\$6,074,376	(\$9,241,935)

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

	2011	2010	2009	2008
Governmental Activities				
<i>Function</i>				
Instruction:				
Regular	\$2,218,203	\$1,177,111	\$1,544,595	\$1,855,938
Special	977,108	1,225,351	1,127,541	1,042,522
Vocational	3,471	2,101	7,284	6,731
Student Intervention Services	162,215	31,087	0	0
Support Services:				
Pupils	136,181	134,705	191,598	194,006
Instructional Staff	1,829,712	1,916,260	1,530,420	1,410,032
Board of Education	0	336	551	874
Administration	0	93,031	129,968	191,330
Fiscal	0	42,440	53,030	73,641
Business	0	16,804	16,925	27,005
Operation and Maintenance of Plant	364,935	337,458	741,160	1,195,141
Pupil Transportation	67,536	236,594	135,470	125,177
Central	33,892	41,412	51,808	73,825
Operation of Non-Instructional Services	1,189,800	1,294,989	1,403,561	1,414,656
Food Service Operations	1,666,767	1,566,766	1,487,201	1,320,138
Extracurricular Activities	142,778	199,655	130,007	145,043
Total Program Revenues	\$8,792,598	\$8,316,100	\$8,551,119	\$9,076,059



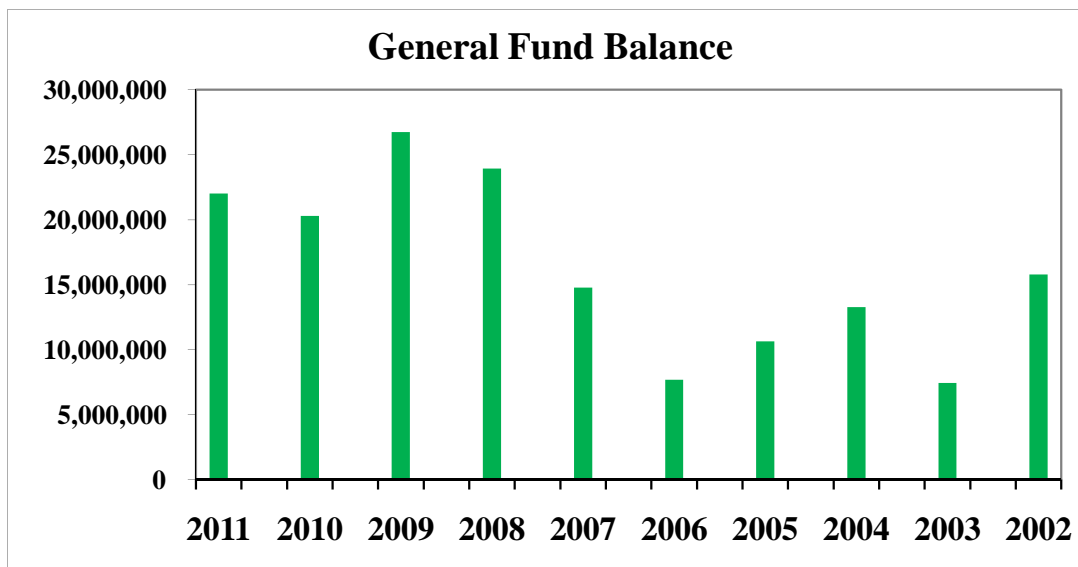
2007	2006	2005	2004	2003
\$1,498,611	\$1,594,268	\$1,547,584	\$721,362	\$2,096,902
760,644	241,493	957,139	1,903,732	442,599
3,799	4,193	0	1,187	0
0	0	0	0	0
105,261	125,453	34,473	0	27,904
1,473,204	1,806,812	1,438,595	1,038,916	657,499
236	355	0	0	0
85,371	113,676	0	0	0
67,033	34,707	5,737	21,271	0
11,474	15,372	19	0	0
268,344	482,906	260,252	594,511	85,890
60,331	74,288	21,902	0	0
51,007	40,877	15,154	0	21,121
1,325,508	1,273,688	1,196,573	1,345,919	1,036,096
1,193,202	1,177,242	1,185,311	701,537	925,410
182,628	193,070	266,660	499,812	454,784
<u>\$7,086,653</u>	<u>\$7,178,400</u>	<u>\$6,929,399</u>	<u>\$6,828,247</u>	<u>\$5,748,205</u>

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

	2011	2010	2009	2008
General Fund				
Nonspendable	382,367	\$231,117	n/a	n/a
Restricted	353,070	353,070	n/a	n/a
Assigned	4,455,388	3,988,294	n/a	n/a
Unassigned	16,822,882	15,721,703	n/a	n/a
Reserved	n/a	n/a	14,483,565	10,969,494
Unreserved	n/a	n/a	12,263,251	12,978,966
Total General Fund	22,013,707	20,294,184	26,746,816	23,948,460
All Other Governmental Funds				
Nonspendable	14,913	26,884	n/a	n/a
Restricted	5,611,699	7,407,491	n/a	n/a
Unassigned	(59,717)	(12,179)	n/a	n/a
Reserved	n/a	n/a	1,967,505	2,500,917
Unreserved, Undesignated, Reported in:				
Special Revenue funds	n/a	n/a	204,836	125,845
Debt Service fund	n/a	n/a	2,050,073	1,996,267
Capital Projects funds	n/a	n/a	4,905,551	6,057,373
Total All Other Governmental Funds	5,566,895	7,422,196	9,127,965	10,680,402
Total Governmental Funds	27,580,602	\$27,716,380	\$35,874,781	\$34,628,862

Note: The School District Implemented GASB 54 during 2011.

n/a - Information not available



2007	2006	2005	2004	2003	2002
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
9,753,040	8,511,681	8,725,818	10,987,610	5,061,262	13,221,489
5,023,594	(828,306)	1,917,235	2,285,249	2,390,165	2,560,165
14,776,634	7,683,375	10,643,053	13,272,859	7,451,427	15,781,654
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
3,676,195	2,796,510	2,335,692	1,324,079	1,104,311	1,448,484
248,532	439,345	264,879	85,919	139,795	773,433
2,045,247	1,904,007	1,171,864	965,905	649,422	766,641
6,035,783	2,964,790	8,910,495	416,890	1,377,365	2,909,315
12,005,757	8,104,652	12,682,930	2,792,793	3,270,893	5,897,873
\$26,782,391	\$15,788,027	\$23,325,983	\$16,065,652	\$10,722,320	\$21,679,527

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

	2011	2010	2009	2008
Revenues				
Property Taxes	\$64,583,285	\$59,520,754	\$61,957,201	\$65,224,344
Intergovernmental	31,223,034	31,186,078	30,598,762	29,558,547
Interest	292,491	533,281	1,308,766	1,844,670
Tuition and Fees	1,280,795	1,309,955	1,531,239	1,661,400
Extracurricular Activities	187,388	180,539	169,428	171,779
Contributions and Donations	144,487	258,879	293,449	822,575
Charges for Services	975,774	919,843	908,080	801,769
Rentals	93,813	152,526	165,751	149,690
Miscellaneous	388,268	332,234	423,892	410,654
<i>Total Revenues</i>	<u>99,169,335</u>	<u>94,394,089</u>	<u>97,356,568</u>	<u>100,645,428</u>
Expenditures				
Current:				
Instruction:				
Regular	35,974,858	36,986,263	34,473,074	33,666,620
Special	12,238,846	13,431,681	11,725,813	11,338,941
Vocational	256,888	148,774	238,210	222,870
Student Intervention Services	135,860	27,498	0	0
Support Services:				
Pupils	5,662,710	6,022,897	5,467,430	5,424,438
Instructional Staff	7,425,293	7,658,963	6,606,883	5,643,430
Board of Education	17,368	22,044	18,690	29,232
Administration	6,095,570	6,176,169	5,920,108	5,901,551
Fiscal	2,076,537	1,798,079	2,181,027	1,630,945
Business	892,163	866,581	903,256	906,739
Operation and Maintenance of Plant	12,653,515	13,334,421	12,124,552	12,186,506
Pupil Transportation	4,366,501	4,405,761	4,191,598	4,191,485
Central	1,909,388	1,975,604	1,357,533	1,620,601
Operation of Non-Instructional Services	1,274,679	1,422,655	1,090,029	1,418,516
Food Service Operations	1,970,089	1,952,226	1,725,336	1,512,621
Extracurricular Activities	1,263,758	1,294,898	1,156,763	1,217,636
Capital Outlay	1,329,425	1,455,100	3,463,331	7,388,359
Intergovernmental	0	0	0	0
Debt Service:				
Principal Retirement	2,484,995	2,979,017	7,185,976	2,300,000
Capital Appreciation Bonds Interest	260,005	100,983	94,024	0
Interest and Fiscal Charges	1,016,665	1,114,476	1,187,020	1,198,467
Bond Issuance Costs	0	0	107,962	0
<i>Total Expenditures</i>	<u>99,305,113</u>	<u>103,174,090</u>	<u>101,218,615</u>	<u>97,798,957</u>
<i>Excess of Revenue Over (Under) Expenditures</i>	<u>(135,778)</u>	<u>(8,780,001)</u>	<u>(3,862,047)</u>	<u>2,846,471</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	0	21,600	0	0
General Obligation Bonds Issued	0	0	4,999,999	0
General Obligation Bond Premium	0	0	107,967	0
General Obligation Notes Issued	0	600,000	0	5,000,000
Refunding Notes Issued	0	0	500,000	500,000
Current Refunding	0	0	(500,000)	(500,000)
Payment to Refunded Bond Escrow Agent	0	0	0	0
Transfers In	400,000	475,000	475,000	175,000
Transfers Out	(400,000)	(475,000)	(475,000)	(175,000)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>621,600</u>	<u>5,107,966</u>	<u>5,000,000</u>
<i>Net Change in Fund Balances</i>	<u>(\$135,778)</u>	<u>(\$8,158,401)</u>	<u>\$1,245,919</u>	<u>\$7,846,471</u>
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	3.87%	4.15%	8.81%	3.92%

2007	2006	2005	2004	2003	2002
\$62,405,545	\$54,190,185	\$53,655,836	\$58,039,121	\$41,691,916	\$57,147,630
27,980,088	27,216,734	27,269,185	25,877,126	24,778,809	24,123,265
1,625,920	1,147,810	622,591	169,849	389,026	540,061
1,142,301	1,275,721	1,061,636	1,288,125	1,284,963	1,553,543
211,365	216,236	225,611	254,088	279,017	218,056
74,405	193,730	104,820	594,335	74,850	17,508
825,197	834,854	865,476	747,618	784,100	33,326
146,800	144,129	146,592	156,653	148,967	143,243
111,991	149,074	288,250	300,965	136,845	2,817,053
<u>94,523,612</u>	<u>85,368,473</u>	<u>84,239,997</u>	<u>87,427,880</u>	<u>69,568,493</u>	<u>86,593,685</u>
33,917,868	34,957,392	33,016,459	31,014,952	30,619,859	28,432,858
10,986,330	10,567,581	10,740,864	9,844,459	9,153,316	8,196,710
247,794	256,939	365,264	236,759	289,951	229,153
0	0	0	0	0	0
5,185,243	5,351,841	5,335,372	5,173,505	4,817,011	4,506,569
4,944,882	5,521,803	5,503,732	5,052,264	4,845,603	4,490,022
16,097	19,423	12,969	80,848	44,557	71,907
5,358,212	5,827,818	6,409,117	6,082,455	5,537,916	5,308,385
2,453,694	1,838,791	2,009,811	1,633,900	1,624,904	1,543,580
767,079	911,179	932,775	630,972	659,032	702,495
10,347,581	11,247,987	10,247,849	9,682,083	8,779,635	8,433,018
3,951,396	4,453,502	4,372,503	3,841,783	3,659,578	3,515,732
1,628,239	1,485,332	1,538,769	1,335,852	1,533,731	1,135,390
1,174,103	1,296,494	1,144,380	1,258,577	1,310,622	112,101
1,234,851	1,310,623	1,053,939	921,209	920,416	0
1,202,682	1,230,648	1,331,621	1,330,480	1,142,053	1,056,962
5,313,843	4,503,634	1,575,538	2,060,855	2,044,360	1,038,371
0	0	0	0	0	1,079,261
2,200,000	1,154,230	1,205,000	1,130,000	1,885,000	1,783,306
0	0	0	0	0	0
909,172	971,212	760,280	773,595	859,491	958,966
188,041	0	154,830	0	0	0
<u>92,027,107</u>	<u>92,906,429</u>	<u>87,711,072</u>	<u>82,084,548</u>	<u>79,727,035</u>	<u>72,594,786</u>
<u>2,496,505</u>	<u>(7,537,956)</u>	<u>(3,471,075)</u>	<u>5,343,332</u>	<u>(10,158,542)</u>	<u>13,998,899</u>
0	0	0	0	0	0
14,200,582	0	11,324,994	0	0	0
310,117	0	191,387	0	0	0
0	0	570,000	0	0	0
500,000	570,000	0	0	0	0
(570,000)	(570,000)	0	0	0	0
(5,942,840)	0	(1,354,975)	0	0	0
125,000	287,192	281,912	252,711	246,961	250,461
(125,000)	(287,192)	(281,912)	(252,711)	(246,961)	(250,461)
<u>8,497,859</u>	<u>0</u>	<u>10,731,406</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$10,994,364</u>	<u>(\$7,537,956)</u>	<u>\$7,260,331</u>	<u>\$5,343,332</u>	<u>(\$10,158,542)</u>	<u>\$13,998,899</u>
3.80%	2.40%	2.28%	2.38%	3.53%	3.83%

Shaker Heights City School District

History of School Operating Levies

For the Years 1933 - 2011

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
05/10	9.9	additional	Continuing	5,244	3,749	58.31	8,993	1,495

Source: Shaker Heights City School District Records

(This page intentionally left blank)

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		
2011	\$775,613,180	\$81,686,000	\$857,299,180	\$2,449,426,229	\$756,680
2010	776,507,350	85,280,280	861,787,630	2,462,250,371	1,533,160
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

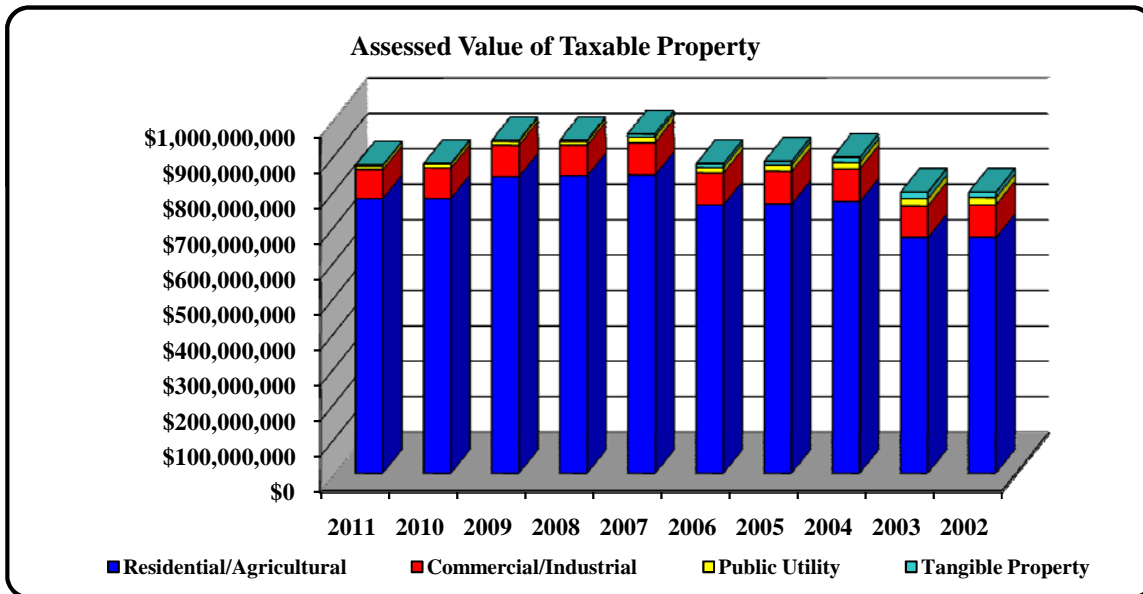
Source: Office of the County Fiscal Officer, Cuyahoga County, Ohio

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. 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 was phased out beginning in 2006. Both types of general business tangible personal property were assessed at 12.5 for 2007, 6.25 percent for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax is 2010).

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, 2.5 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	Full Tax Rate Per \$1,000 of Assessed Valuation	Weighted Average Tax Rate
\$12,106,880	\$11,271,270	\$12,808,261	\$869,327,130	\$2,474,341,370	\$180.13	\$89.61
24,530,560	11,018,560	12,521,091	874,339,350	2,499,302,022	170.60	79.86
33,309,248	10,337,780	11,747,477	938,361,388	2,690,604,668	170.60	74.92
51,901,536	9,871,720	11,217,864	939,223,916	2,709,143,257	170.30	74.27
69,366,096	15,113,730	17,174,693	957,456,362	2,754,174,702	170.30	75.27
54,544,197	15,778,790	17,930,443	873,977,627	2,495,251,212	160.50	72.51
47,278,748	17,529,940	19,920,386	880,879,452	2,502,843,134	159.20	71.05
60,848,765	17,827,640	20,258,682	891,577,856	2,537,550,304	158.90	71.46
79,285,783	19,900,850	22,614,602	793,576,080	2,260,298,955	150.00	57.75
60,478,804	20,101,330	22,842,420	793,694,191	2,250,387,396	150.50	63.61



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

	2011	2010	2009	2008
Unvoted Millage				
Operating	\$4.100000	\$4.100000	\$4.100000	\$4.100000
Voted Millage - by levy				
All Prior to 1977 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	10.296773	10.281400	9.510423	9.474953
Commercial/Industrial	21.735116	20.939300	20.472975	20.074093
Tangible/Public Utility Personal	58.530000	58.530000	58.530000	58.530000
1977 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	2.686908	2.682900	2.481732	2.472480
Commercial/Industrial	4.801536	4.625700	4.522704	4.434588
Tangible/Public Utility Personal	12.000000	12.000000	12.000000	12.000000
1979 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	1.343454	1.341500	1.240866	1.236240
Commercial/Industrial	2.400768	2.312900	2.261352	2.217294
Tangible/Public Utility Personal	6.000000	6.000000	6.000000	6.000000
1981 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	2.225165	2.221800	2.055242	2.047585
Commercial/Industrial	3.086967	2.973900	2.907710	2.851063
Tangible/Public Utility Personal	6.500000	6.500000	6.500000	6.500000
1982 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	2.057370	2.054300	1.900260	1.893180
Commercial/Industrial	2.849580	2.745300	2.684106	2.631816
Tangible/Public Utility Personal	6.000000	6.000000	6.000000	6.000000
1983 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	3.434737	3.429600	3.172453	3.160634
Commercial/Industrial	4.809922	4.633800	4.530610	4.442346
Tangible/Public Utility Personal	8.800000	8.800000	8.800000	8.800000
1986 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	3.110280	3.105600	2.872770	2.862068
Commercial/Industrial	4.542728	4.376400	4.278938	4.195575
Tangible/Public Utility Personal	7.500000	7.500000	7.500000	7.500000
1989 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	5.138346	5.130700	4.745973	4.728294
Commercial/Industrial	7.219043	6.954700	6.799838	6.667361
Tangible/Public Utility Personal	9.800000	9.800000	9.800000	9.800000
1990 School Improvement Bonds (\$10,000,000)	0.253336	0.855177	0.713425	0.747118

2007	2006	2005	2004	2003	2002
\$4.100000	\$4.100000	\$4.100000	\$4.100000	\$4.100000	\$4.100000
9.458097	10.483601	10.463467	10.366424	10.483601	11.888321
19.841787	20.940688	20.105874	20.117697	20.940688	20.217432
58.530000	58.530000	58.530000	58.530000	58.530000	58.530000
2.468076	2.735676	2.730420	2.705088	2.735676	3.102240
4.383276	4.626036	4.441620	4.444236	4.626036	4.466268
12.000000	12.000000	12.000000	12.000000	12.000000	12.000000
1.234038	1.367838	1.365210	1.352544	1.367838	1.551120
2.191638	2.313018	2.220810	2.222118	2.313018	2.233134
6.000000	6.000000	6.000000	6.000000	6.000000	6.000000
2.043938	2.265556	2.261207	2.240232	2.265556	2.569138
2.818075	2.974153	2.855593	2.857270	2.974153	2.871433
6.500000	6.500000	6.500000	6.500000	6.500000	6.500000
1.889814	2.094720	2.090694	2.071302	2.094720	2.375400
2.601366	2.745438	2.635992	2.637540	2.745438	2.650614
6.000000	6.000000	6.000000	6.000000	6.000000	6.000000
3.155011	3.497094	3.490379	3.458004	3.497094	3.965694
4.390945	4.634133	4.449394	4.452008	4.634133	4.474078
8.800000	8.800000	8.800000	8.800000	8.800000	8.800000
2.856975	3.166748	3.160665	3.131348	3.166748	3.591083
4.147028	4.376708	4.202235	4.204710	4.376708	4.225552
7.500000	7.500000	7.500000	7.500000	7.500000	7.500000
4.719886	5.231642	5.221597	5.173165	5.231642	5.932675
6.590216	6.955217	6.677955	6.681885	6.955217	6.715018
9.800000	9.800000	9.800000	9.800000	9.800000	9.800000
0.779070	0.840387	0.874516	0.888694	1.020000	1.520000

(continued)

Shaker Heights City School District

Property Tax Rates - Direct and Overlapping Governments (continued)

(per \$1,000 of assessed value)

Last Ten Years

	2011	2010	2009	2008
1992 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	\$6.417902	\$6.408300	\$5.927824	\$5.905745
Commercial/Industrial	8.111431	7.814500	7.640403	7.491561
Tangible/Public Utility Personal	9.800000	9.800000	9.800000	9.800000
1995 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	6.199968	6.190700	5.726531	5.705199
Commercial/Industrial	7.777087	7.492400	7.325478	7.182764
Tangible/Public Utility Personal	8.700000	8.700000	8.700000	8.700000
1996 School Improvement Bonds (\$12,700,000)	0.982822	0.913267	0.777312	0.808272
2000 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	7.198717	7.188000	6.649015	6.624246
Commercial/Industrial	8.619292	8.303700	8.118780	7.960616
Tangible/Public Utility Personal	9.400000	9.400000	9.400000	9.400000
2003 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	8.303280	8.290900	7.669229	7.640659
Commercial/Industrial	9.600000	9.599300	9.385517	9.202675
Tangible/Public Utility Personal	9.600000	9.600000	9.600000	9.600000
2004 School Improvement Bonds (\$23,500,000)	2.363842	2.201556	2.479263	2.114610
2006 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	9.723424	9.708900	8.980934	8.947481
Commercial/Industrial	9.900000	9.899300	9.678814	9.490259
Tangible/Public Utility Personal	9.900000	9.900000	9.900000	9.900000
2010 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	9.900000	0.000000	0.000000	0.000000
Commercial/Industrial	9.900000	0.000000	0.000000	0.000000
Tangible/Public Utility Personal	9.900000	0.000000	0.000000	0.000000
Total Voted Millage by type of property				
Residential/Agricultural	\$81.636324	\$72.004600	\$66.903252	\$66.368764
Commercial/Industrial	108.953470	96.641200	94.577225	92.512011
Tangible/Public Utility Personal	176.030000	166.500000	166.500000	166.200000
Total Millage by type of property				
Residential/Agricultural	\$85.736324	\$76.104600	\$71.003252	\$70.468764
Commercial/Industrial	113.053470	100.741200	98.677225	96.612011
Tangible/Public Utility Personal	180.130000	170.600000	170.600000	170.300000
Total Weighted Average Tax Rate	\$89.610000	\$79.860000	\$74.920000	\$74.270000

2007	2006	2005	2004	2003	2002
\$5.895239	\$6.534444	\$6.521900	\$6.461414	\$6.534444	\$7.410064
7.404880	7.815000	7.503468	7.507888	7.815000	7.545108
9.800000	9.800000	9.800000	9.800000	9.800000	9.800000
5.695055	6.312546	6.300427	6.241989	6.312546	7.158421
7.099661	7.492875	7.194187	7.198424	7.492875	7.234110
8.700000	8.700000	8.700000	8.700000	8.700000	8.700000
1.052726	1.248007	1.274561	1.281306	1.850000	1.850000
6.612468	7.329434	7.315362	7.247513	7.329434	8.311583
7.868514	8.304308	7.973268	7.977959	8.304308	8.017523
9.400000	9.400000	9.400000	9.400000	9.400000	9.400000
7.626701	8.454058	8.437824	8.359565	0.000000	0.000000
9.096202	9.600000	9.289114	9.294586	0.000000	0.000000
9.600000	9.600000	9.600000	9.600000	0.000000	0.000000
1.838204	1.681606	0.320923	0.000000	0.000000	0.000000
8.931572	0.000000	0.000000	0.000000	0.000000	0.000000
9.380458	0.000000	0.000000	0.000000	0.000000	0.000000
9.900000	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
\$66.256870	\$63.243357	\$61.829152	\$60.978588	\$53.889299	\$61.225739
91.484046	86.547574	82.019510	81.766321	76.047574	74.020270
166.200000	156.400000	155.100000	154.800000	145.900000	146.400000
\$70.356870	\$67.343357	\$65.929152	\$65.078588	\$57.989299	\$65.325739
95.584046	90.647574	86.119510	85.866321	80.147574	78.120270
170.300000	160.500000	159.200000	158.900000	150.000000	150.500000
\$75.270000	\$72.510000	\$71.050000	\$71.460000	\$57.750000	\$63.610000

(continued)

Shaker Heights City School District

Property Tax Rates - Direct and Overlapping Governments (continued)

(per \$1,000 of assessed value)

Last Ten Years

	2011	2010	2009	2008
Overlapping Rates by Taxing District				
City of Shaker Heights Charter & Inside Millage	\$9.900000	\$9.900000	\$9.900000	\$9.900000
City of Cleveland Charter & Inside Millage	12.700000	12.700000	12.700000	12.700000
Shaker Heights Public Library Voted Millage				
Effective Millage Rates				
Residential/Agricultural	4.000000	4.000000	4.000000	3.183608
Commercial/Industrial	4.000000	4.000000	4.000000	3.834448
Tangible/Public Utility Personal	4.000000	4.000000	4.000000	4.000000
Cuyahoga County Voted Millage				
Effective Millage Rates				
Residential/Agricultural	13.186600	13.178900	16.150600	14.355800
Commercial/Industrial	12.841200	12.845700	15.489300	15.121000
Tangible/Public Utility Personal	13.320000	13.320000	16.250000	16.350000
Cleveland Metro Parks				
Effective Millage Rates				
Residential/Agricultural	1.810600	1.806800	1.669800	1.672000
Commercial/Industrial	1.724300	1.724900	1.717100	1.712500
Tangible/Public Utility Personal	1.850000	1.850000	1.850000	1.850000

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented on S16 and S17 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.

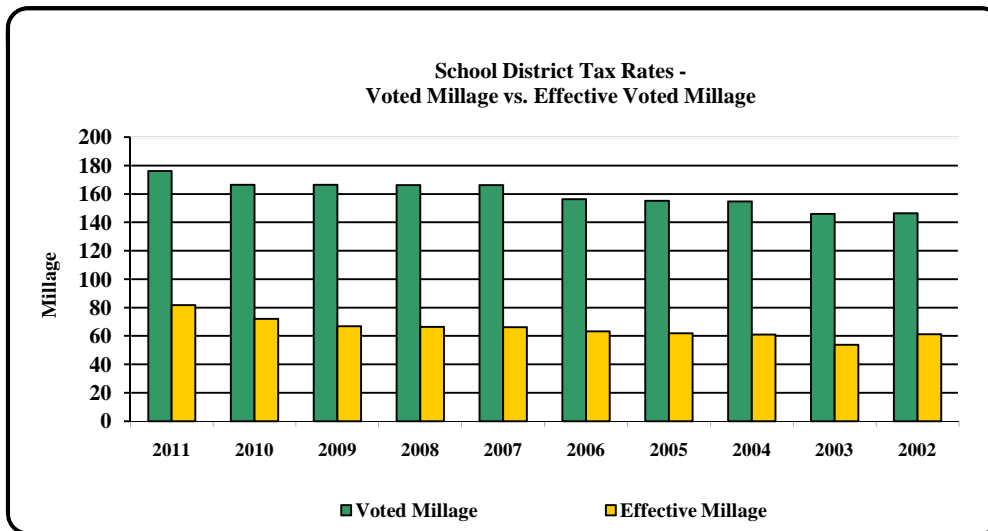
The City School District's basic property tax may be increased only by a majority vote of the City School District's residents.

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.

2007	2006	2005	2004	2003	2002
\$9.900000	\$9.900000	\$9.900000	\$9.900000	\$9.900000	\$9.900000
12.700000	12.700000	12.700000	12.700000	12.700000	12.700000
3.177948	3.522524	3.515760	3.483152	4.000000	3.291228
3.790084	4.000000	3.870464	3.872744	4.000000	3.326028
4.000000	4.000000	4.000000	4.000000	4.000000	4.000000
14.351600	14.172700	13.424600	13.442800	12.460900	11.381500
15.171600	15.281400	14.662400	14.736300	12.876400	12.002300
16.350000	16.450000	16.450000	16.450000	14.650000	14.650000
1.671500	1.846500	1.845700	1.166100	1.275800	1.277100
1.718700	1.850000	1.839700	1.316600	1.344700	1.333500
1.850000	1.850000	1.850000	1.550000	1.550000	1.550000



Shaker Heights City School District

Property Tax Levies and Collections

Last Ten Years

Year (1)	Current 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 Current Tax Levy (4)	Outstanding Delinquent Taxes (2)	Ratio of Delinquent Taxes to Current Tax Levy
2010	\$70,060,762	\$65,437,178	93.40	\$3,141,184	\$68,578,362	97.88	\$9,976,749	14.24
2009	70,182,682	65,751,724	93.69	3,168,086	68,919,810	98.20	8,703,272	12.40
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

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

- (1) Represents collection year. 2011 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.
- (4) The County was able to collect on prior year delinquencies.

Shaker Heights City School District

Principal Taxpayers

Real Estate Tax

2011 and 2002 (1)

2011		
Name of Taxpayer	Assessed Valuation	Percent of Real Assessed Value
EIG Shaker Towne Center LLC	\$4,369,870	0.51 %
University Hospitals	3,185,810	0.37
Kirt Montlack, LTD	2,867,910	0.33
Coral Shaker Square LLC	2,525,730	0.30
Oliver Family Limited	2,296,110	0.27
Tower East Operating Association	2,275,000	0.27
The Residences at Avalon Station	1,816,010	0.21
Shaker Plaza LTD	1,504,760	0.18
Salzberg, Deborah	1,400,000	0.16
Cleveland Skating Club	1,383,630	0.16
Total	\$23,624,830	2.76 %
Total Real Estate Valuation	\$857,299,180	
2002		
Name of Taxpayer	Assessed Valuation	Percent of Real Assessed Value
Edens and Avant Properties	\$3,675,000	0.49 %
Community Links Limited Partnership	2,964,540	0.39
Tower East Operating Association	2,879,870	0.38
Somerset Point Limited Partnership	2,496,380	0.33
OfficeMax Incorporated	2,186,170	0.29
East End School Association	1,961,190	0.26
Karrington Acquisition Incorporated	1,917,650	0.25
Deborah Salzberg, Trustee	1,876,280	0.25
Shaker Heights Country Club	1,851,290	0.24
Excel Cleveland Limited Partnership	1,697,570	0.22
Total	\$23,505,940	3.10 %
Total Real Estate Valuation	\$758,473,160	

Source: Office of the Fiscal Officer, Cuyahoga County, Ohio

(1) The amounts presented represent the assessed values upon which 2011 and 2002 collections were based.

Shaker Heights City School District

Principal Taxpayers

Tangible Personal Property Tax

2010 and 2002 (1)

Name of Taxpayer	2010	
	Assessed Valuation	Percent of Tangible Assessed Value
Ohio Bell Telephone Company	\$591,310	38.57 %
Ameritech Advanced Data	37,840	2.47
New Par	32,340	2.11
T Mobile Central LLC	25,150	1.64
New Cingular Wireless PCS, LLC	23,610	1.54
Sprintcom Inc	8,570	0.56
Cleveland Unlimited INC	7,010	0.46
Sprint Nextel Corporation	2,790	0.18
LDMI Telecommunications Inc	2,550	0.16
Alltell Ohio Limited	2,090	0.14
Total	\$733,260	47.83 %
Total Tangible Assessed Valuation	\$1,533,160	

Name of Taxpayer	2002	
	Assessed Valuation	Percent of Tangible Assessed Value
OfficeMax Incorporated	\$2,385,180	15.78 %
Cablevision Incorporated	1,141,220	7.55
Ameritech New Media Incorporated	674,770	4.46
Joseph-Beth Booksellers LLC	652,510	4.32
Zalud Oldsmobile Incorporated	579,070	3.83
Rite Aid of Ohio Incorporated	556,320	3.68
Qua Newco Incorporated	511,080	3.38
Ganley Nissan Incorporated	453,440	3.00
Heinens Incorporated	298,150	1.97
Revco Discount Drug	254,470	1.68
Total	\$7,506,210	49.65 %
Total Tangible Assessed Valuation	\$15,119,701	

Source: Office of the Fiscal Officer, Cuyahoga County, Ohio

(1) The amounts presented represent the assessed values upon which 2010 and 2002 collections were based. 2010 was the last collection year for Tangible Personal Property under delayed telecommunications business property phaseout.

Shaker Heights City School District

Principal Taxpayers

Public Utilities Tax

2011 and 2002 (1)

2011		
Name of Taxpayer	Assessed Valuation	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$9,228,060	81.87 %
The East Ohio Gas Company	1,773,500	15.73
Total	\$11,001,560	97.60 %
Total Public Utility Valuation	\$11,271,270	
2002		
Name of Taxpayer	Assessed Valuation	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$7,043,620	35.04 %
Ohio Bell Telephone Company	6,472,880	32.20
Allegiance Telecom of Ohio	1,888,880	9.40
East Ohio Gas Company	1,272,320	6.33
Total	\$16,677,700	82.97 %
Total Public Utility Valuation	\$20,101,330	

Source: Office of the Fiscal Officer, Cuyahoga County, Ohio

(1) The amounts presented represent the assessed values upon which 2011 and 2002 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	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
2011	28,448	\$2,474,341,370	\$24,141,798	0.98%	\$849
2010	29,405	2,499,302,022	26,212,723	1.05	891
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

Sources:

- (1) U.S. Census of Population
 Year 2011 The 2010 Federal Census
 Years 2001 - 2010 The 2000 Federal Census
- (2) The personal income can be found on S37.

Other
Governmental
Activities Debt

Notes	Total Debt	Percentage of Total Debt to Personal Income (2)	Per Capita
\$0	\$24,141,798	1.78%	\$849
600,000	26,812,723	2.20	912
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

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

	2011	2010	2009	2008
Total Assessed Valuation	\$869,327,130	\$874,339,350	\$938,361,388	\$939,223,916
Less Railroad and Telephone Property Valuation	0	0	(2,390,110)	(3,206,440)
Less General Business Tangible Personal Valuation	(756,680)	(1,533,160)	(2,081,828)	(3,243,846)
Total Assessed Valuation used to Calculate Legal Debt Margin (1)	<u>\$868,570,450</u>	<u>\$872,806,190</u>	<u>\$933,889,450</u>	<u>\$932,773,630</u>
Debt Limit - 9% of Assessed Value (2)	<u>\$78,171,341</u>	<u>\$78,552,557</u>	<u>\$84,050,051</u>	<u>\$83,949,627</u>
Amount of Debt Outstanding				
General Obligation Bonds	23,680,580	25,565,575	28,044,592	25,230,569
Energy Conservation Improvement Bonds	0	0	0	0
Bus Acquisition Bond Anticipation Note	600,000	600,000	500,000	500,000
Bond Anticipation Note	0	0	0	5,000,000
Less: Amount Available in Debt Service	(2,269,806)	(2,309,367)	(2,604,889)	(2,430,245)
Total	<u>22,010,774</u>	<u>23,856,208</u>	<u>25,939,703</u>	<u>28,300,324</u>
Exemptions:				
Energy Conservation Improvement Bonds	0	0	0	0
Bus Acquisition Bond Anticipation Note	(600,000)	(600,000)	(500,000)	(500,000)
Amount of Debt Subject to Limit	<u>21,410,774</u>	<u>23,256,208</u>	<u>25,439,703</u>	<u>27,800,324</u>
Overall Debt Margin	<u>\$56,760,567</u>	<u>\$55,296,349</u>	<u>\$58,610,348</u>	<u>\$56,149,303</u>
Legal Debt Margin as a Percentage of Debt Limit	72.61%	70.39%	69.73%	66.88%
Unvoted Legal Debt Limit - .10% of Assessed Value (1)	\$868,570	\$872,806	\$933,889	\$932,774
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Debt Margin	<u>\$868,570</u>	<u>\$872,806</u>	<u>\$933,889</u>	<u>\$932,774</u>
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	\$8,693,271	\$8,743,394	\$9,383,614	\$9,392,239
Energy Conservation Improvement Bonds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Additional Unvoted Debt Margin	<u>\$8,693,271</u>	<u>\$8,743,394</u>	<u>\$9,383,614</u>	<u>\$9,392,239</u>

Source: Cuyahoga County Fiscal Officer 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.

2007	2006 (1)	2005	2004	2003	2002
\$957,456,362	\$873,977,627	\$880,879,452	\$891,577,856	\$793,576,080	\$793,694,191
0	0	0	0	0	0
(5,428,020)	0	0	0	0	0
<u>\$952,028,342</u>	<u>\$873,977,627</u>	<u>\$880,879,452</u>	<u>\$891,577,856</u>	<u>\$793,576,080</u>	<u>\$793,694,191</u>
<u>\$85,682,551</u>	<u>\$78,657,986</u>	<u>\$79,279,151</u>	<u>\$80,242,007</u>	<u>\$71,421,847</u>	<u>\$71,432,477</u>
28,008,859	21,586,229	22,533,616	13,413,544	14,391,017	16,129,099
0	0	159,230	304,230	444,230	579,230
570,000	570,000	570,000	0	0	0
0	0	0	0	0	0
(2,439,934)	(2,252,727)	(1,446,773)	(1,379,309)	(804,176)	(1,381,408)
26,138,925	19,903,502	21,816,073	12,338,465	14,031,071	15,326,921
0	0	(159,230)	0	0	0
(570,000)	(570,000)	(570,000)	0	0	0
<u>25,568,925</u>	<u>19,333,502</u>	<u>21,086,843</u>	<u>12,338,465</u>	<u>14,031,071</u>	<u>15,326,921</u>
<u>\$60,113,626</u>	<u>\$59,324,484</u>	<u>\$58,192,308</u>	<u>\$67,903,542</u>	<u>\$57,390,776</u>	<u>\$56,105,556</u>
70.16%	75.42%	73.40%	84.62%	80.35%	78.54%
\$952,028	\$873,978	\$880,879	\$891,578	\$793,576	\$793,694
0	0	(159,230)	0	0	0
<u>\$952,028</u>	<u>\$873,978</u>	<u>\$721,649</u>	<u>\$891,578</u>	<u>\$793,576</u>	<u>\$793,694</u>
100.00%	100.00%	81.92%	100.00%	100.00%	100.00%
\$9,574,564	\$8,739,776	\$8,808,795	\$8,915,779	\$7,935,761	\$7,936,942
0	0	(159,230)	(304,230)	(444,230)	(579,230)
<u>\$9,574,564</u>	<u>\$8,739,776</u>	<u>\$8,649,565</u>	<u>\$8,611,549</u>	<u>\$7,491,531</u>	<u>\$7,357,712</u>

Shaker Heights City School District
Computation of Direct and Overlapping
Governmental Activities Debt
December 31, 2010

	Debt Attributable to Governmental Activities	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Direct Debt			
Shaker Heights City School District			
General Obligation Bonds	\$24,141,798	100.00%	\$24,141,798
Notes Payable	600,000	100.00	600,000
Total Direct Debt	24,741,798	100.00	24,741,798
Overlapping Debt:			
Cuyahoga County			
General Obligation Bonds	319,446,948	2.98	9,519,519
Capital Leases	20,883,000	2.98	622,313
Loans Payable	11,468,000	2.98	341,746
City of Shaker Heights			
General Obligation Bonds	18,518,474	100.00	18,518,474
OPWC Loans	5,619,327	100.00	5,619,327
Notes Payable	3,125,000	100.00	3,125,000
City of Cleveland			
General Obligation Bonds	297,115,000	5.41	16,073,922
Urban Renewal Bonds	5,365,000	5.41	290,247
Income Tax Refunding Bonds	55,785,000	5.41	3,017,969
Lien Income Tax Bonds	83,025,000	5.41	4,491,653
Non-Tax Revenue Bonds	61,795,000	5.41	3,343,110
Certificates of Participation	135,537,000	5.41	7,332,552
Capital Lease Obligations	8,937,000	5.41	483,492
Notes Payable	1,500,000	5.41	81,150
Regional Transit Authority			
General Obligation Bonds	152,760,000	2.98	4,552,248
SIB Loan	2,459,509	2.98	73,293
Capital Lease	20,869,675	2.98	621,916
Total Overlapping	1,204,208,933		78,107,931
Total	\$1,228,950,731		\$102,849,729

Source: Office of the Fiscal Officer, 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 2010 collection year.

Shaker Heights City School District

History of Bond Issues

For the Years 1912 - 2011

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) (3)
2011	\$857,299,180	\$57,887,646	\$18,513,543
2010	861,787,630	65,192,480	12,832,253
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

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 decreases in the fiscal years 2009 and 2010 were the result of the downturn in the economy.
- (3) Fiscal Year 2011 data represents Value of Building Permits issued 7/1/10 to 6/30/11.

Shaker Heights City School District

Principal Employers

2010 and 2005 (1)

2010			
<u>Employer</u>	<u>Nature of Business or Activity</u>	<u>Number of FTE's</u>	<u>Number of W-2's</u>
Shaker Heights City School District	government entity	837	1,451
University Hospitals	hospital administration	835	1,150
City of Shaker Heights	government entity	345	724
Hathaway Brown School	school	208	425
Laurel School	school	155	261
University School (Shaker campus)	school	104	223
Center for Dialysis Care	health care	89	170
Heinens	supermarket	56	196
Total		<u>2,629</u>	<u>4,600</u>
Total Employment within the School District		<u>n/a</u>	<u>n/a</u>

2005			
<u>Employer</u>	<u>Nature of Business or Activity</u>	<u>Number of FTE's</u>	<u>Number of W-2's</u>
Shaker Heights City School District	government entity	818	n/a
City of Shaker Heights	government entity	450	n/a
Hathaway Brown School	school	200	n/a
Laurel School	school	150	n/a
University School (Shaker campus)	school	98	n/a
Heinens	supermarket	92	n/a
Total		<u>1,808</u>	<u>n/a</u>
Total Employment within the School District		<u>n/a</u>	<u>n/a</u>

Source: Employer survey

n/a - Information not available

(This page intentionally left blank)

Shaker Heights City School District

Demographic Statistics

Last Ten Years

Year	Cuyahoga County Population	Shaker Heights City Population	Personal Income	Per Capita Personal Income	School Enrollment	Cuyahoga County Unemployment Rate
2011	1,280,122	28,448	\$1,359,359,232	\$47,784	5,490	8.6 %
2010	1,363,888	29,405	1,216,014,370	41,354	5,484	9.7
2009	1,363,888	29,405	1,216,014,370	41,354	5,542	10.2
2008	1,363,888	29,405	1,216,014,370	41,354	5,482	7.4
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	9.6
2005	1,363,888	29,405	1,216,014,370	41,354	5,734	6.6
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

Sources: U.S. Census of Population
 Year 2011 The 2010 Federal Census
 Years 2002 - 2010 The 2000 Federal Census

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

	2011	2010	2009	2008	2007
Boulevard Elementary School					
Constructed in 1914					
Total Building Square Footage	48,000	48,000	48,000	48,000	48,000
Enrollment Grades K - 4	358	352	339	340	360
Student Capacity	544	544	544	544	544
Regular Instruction Classrooms	22	22	22	22	22
Special Instruction Classrooms	2	2	2	2	2
Fernway Elementary School					
Constructed in 1927					
Total Building Square Footage	29,925	29,925	29,925	29,925	29,925
Enrollment Grades K - 4	357	357	342	333	324
Student Capacity	366	366	366	366	366
Regular Instruction Classrooms	15	15	15	15	15
Special Instruction Classrooms	2	2	2	2	2
Lomond Elementary School					
Constructed in 1928					
Total Building Square Footage	65,075	65,075	65,075	65,075	65,075
Enrollment Grades K - 4	473	502	497	512	526
Student Capacity	620	620	620	620	620
Regular Instruction Classrooms	26	26	26	26	26
Special Instruction Classrooms	2	2	2	2	2
Mercer Elementary School					
Constructed in 1952					
Total Building Square Footage	70,640	70,640	70,640	70,640	70,640
Enrollment Grades K - 4	411	424	425	432	411
Student Capacity	590	590	590	590	590
Regular Instruction Classrooms	24	24	24	24	24
Special Instruction Classrooms	4	4	4	4	4
Onaway Elementary School					
Constructed in 1923					
Total Building Square Footage	63,700	63,700	63,700	63,700	63,700
Enrollment Grades K - 4	411	427	424	414	418
Student Capacity	606	606	606	606	606
Regular Instruction Classrooms	23	23	23	23	23
Special Instruction Classrooms	5	5	5	5	5
Woodbury Elementary School					
Constructed in 1918					
Total Building Square Footage	138,350	138,350	138,350	138,350	138,350
Enrollment Grades 5 - 6	855	827	843	785	816
Student Capacity	900	900	900	900	900
Regular Instruction Classrooms	41	41	42	42	42
Special Instruction Classrooms	8	8	7	7	7

2006	2005	2004
48,000	48,000	48,000
393	424	384
544	544	544
21	21	21
3	3	3
29,925	29,925	29,925
313	312	300
366	366	366
16	17	17
1	0	0
65,075	65,075	65,075
518	538	512
620	620	620
25	25	25
3	3	3
70,640	70,640	70,640
411	432	414
590	590	590
25	25	25
3	3	3
63,700	63,700	63,700
360	370	371
606	606	606
24	24	24
4	4	4
138,350	138,350	138,350
833	834	865
900	900	900
43	43	43
6	6	6

(continued)

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

	2011	2010	2009	2008	2007
Shaker Heights Middle School					
Constructed in 1957					
Total Building Square Footage	133,400	133,400	133,400	133,400	133,400
Enrollment - Grades 7 - 8	873	823	818	843	852
Student Capacity	1,000	1,000	1,000	1,000	1,000
Regular Instruction Classrooms	26	26	27	27	27
Special Instruction Classrooms	7	7	6	6	6
Shaker Heights High School					
Constructed in 1930					
Total Building Square Footage	314,400	314,400	314,400	314,400	304,400
Enrollment - Grades 9 - 12	1,752	1,772	1,854	1,823	1,870
Student Capacity	2,000	2,000	2,000	2,000	2,000
Regular Instruction Classrooms	52	52	52	52	52
Special Instruction Classrooms	8	8	8	8	8
Sussex Pre-School (2)					
Constructed in 1922					
Total Building Square Footage	0	0	0	0	0
Enrollment - Grades Pre - K	0	0	0	0	0
Student Capacity	0	0	0	0	0

(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

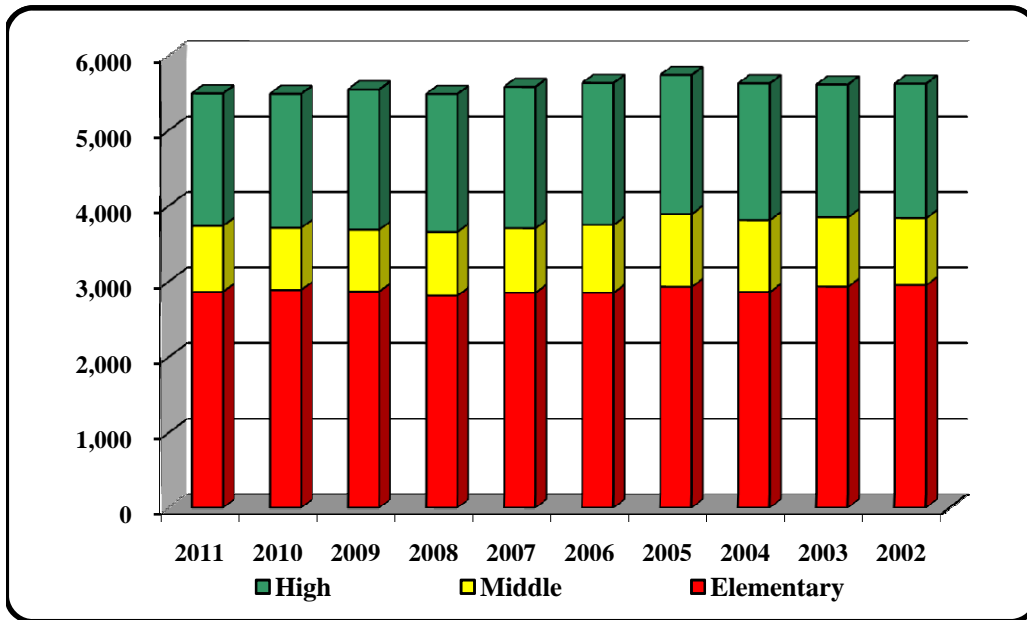
2006	2005	2004
133,400	133,400	133,400
900	964	954
1,000	1,000	1,000
27	27	27
6	6	6
304,400	304,400	304,400
1,876	1,838	1,805
2,000	2,000	2,000
52	52	52
8	8	8
33,000	33,000	33,000
24	22	18
30	30	30

Shaker Heights City School District

Enrollment Statistics

Last Ten Fiscal Years

Fiscal Year	Elementary Schools	Middle School	High School	Total
2011	2,865	873	1,752	5,490
2010	2,889	823	1,772	5,484
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



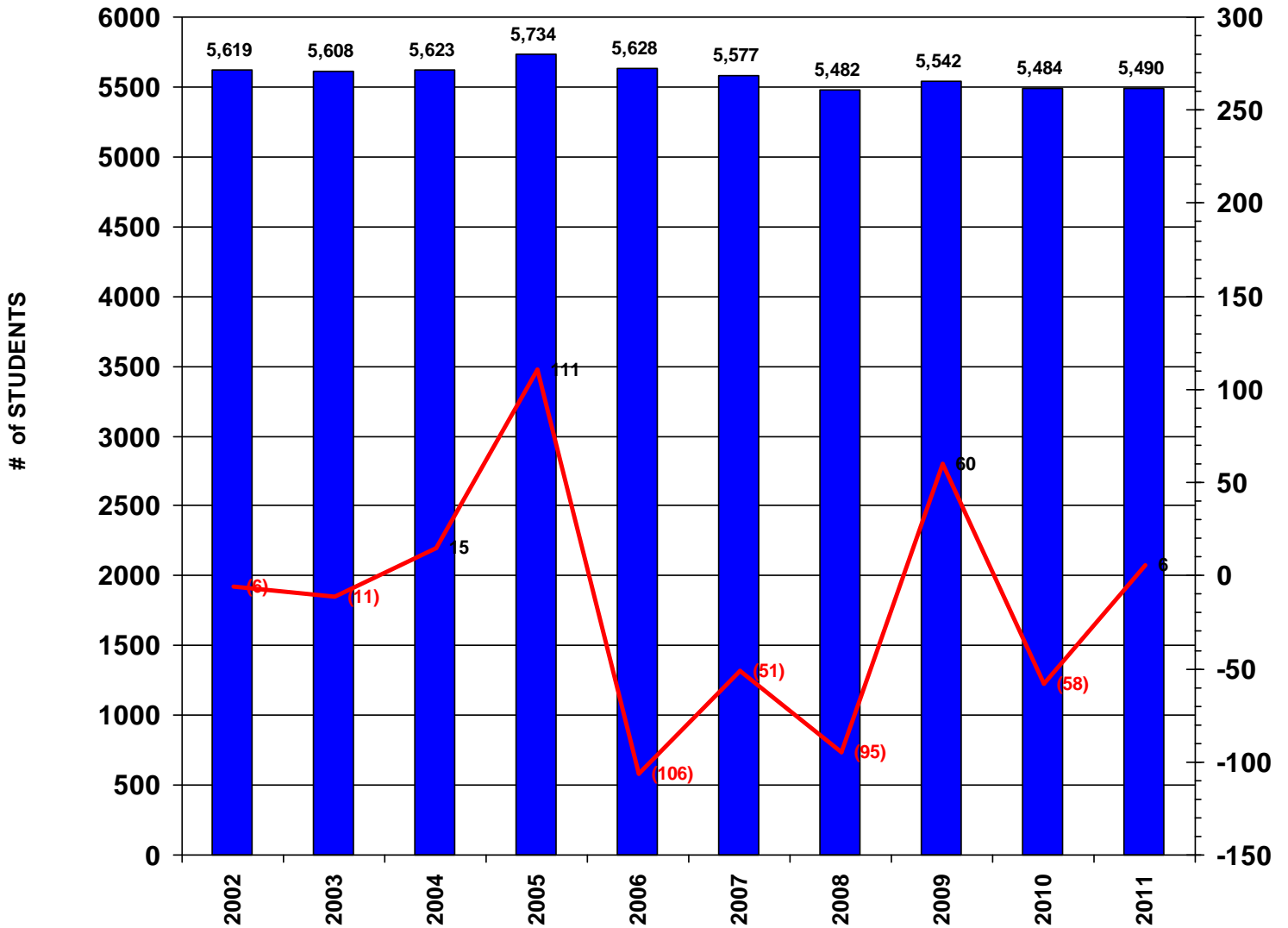
Source: School District Records

SHAKER HEIGHTS CITY SCHOOL DISTRICT

ENROLLMENT SUMMARY LAST TEN FISCAL YEARS

OCTOBER ENROLLMENT

CHANGE IN STUDENTS



■ Fiscal Year October Enrollment

— Change in Students

Shaker Heights City School District
Public, Private, and Total School Enrollment by School Year
Fiscal Years 1979 to 2011

Fiscal Year	Total Public Enrollment (1)	Total Private Enrollment (2)	Total Public and Private	Private as a Percent of Public and Private
2011	5,490	989	6,479	15.3%
2010	5,484	1,100	6,584	16.7
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 2011 are based on first full week of Shaker Heights City School District October enrollment report.
- (2) Estimated from State of Ohio District Enrollment by Nonpublic Schools Report and/or telephone and mail survey of private and parochial schools.

Shaker Heights City School District

Per Pupil Cost

Last Ten Fiscal Years

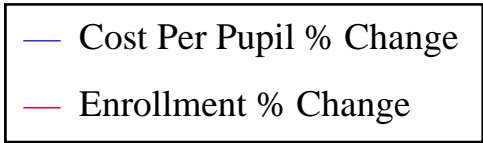
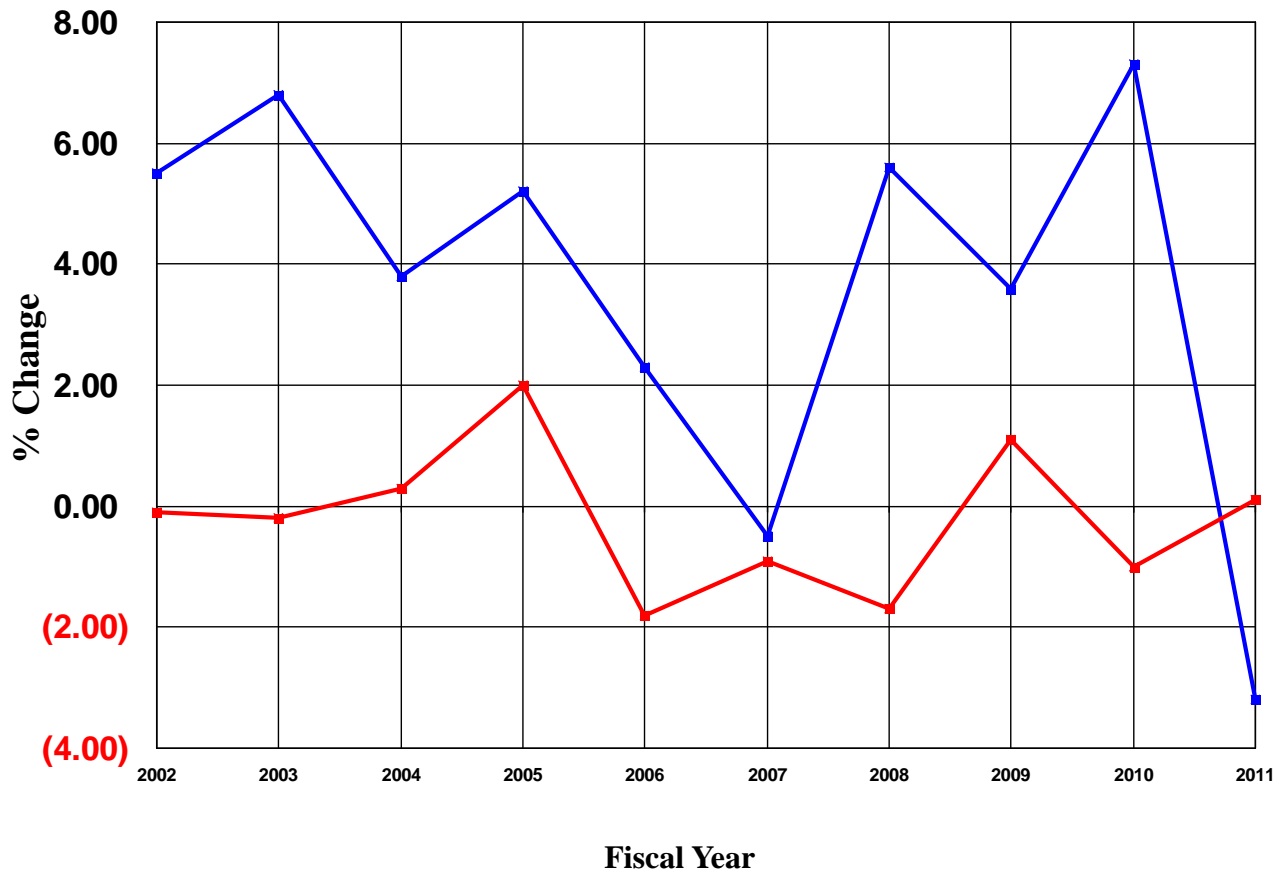
<u>Year</u>	<u>General Fund Expenditures</u>	<u>Average Daily Student Enrollment</u>	<u>Per Pupil Cost</u>
2011	\$86,633,665	5,490	\$15,780
2010	89,355,922	5,484	16,294
2009	84,112,470	5,542	15,177
2008	80,555,178	5,482	14,694
2007	77,679,215	5,577	13,928
2006	78,621,894	5,628	13,970
2005	78,336,642	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

Source: School District Records

SHAKER HEIGHTS CITY SCHOOL DISTRICT

COST PER PUPIL PERCENTAGE CHANGE

LAST TEN FISCAL YEARS



(This page intentionally left blank)

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

Function/Program	2011	2010	2009	2008	2007	2006
Regular Instruction						
Elementary Classroom Teachers	158.1	158.4	158.0	159.4	152.0	156.0
Middle School Classroom Teachers	60.5	61.4	61.1	58.0	58.8	62.7
High School Classroom Teachers	114.5	124.3	124.4	122.3	116.5	128.4
Special Instruction						
Preschool Teachers	3.0	3.0	3.0	3.0	3.0	2.0
Elementary Classroom Teachers	21.2	21.5	22.0	21.2	22.2	21.0
Gifted Education Teachers	8.0	8.0	8.0	8.0	8.0	8.0
Middle School Classroom Teachers	6.7	6.6	7.3	10.1	9.6	8.2
High School Classroom Teachers	9.8	9.4	9.0	8.8	9.4	6.4
Special Ed Teachers - Stimulus	1.7	1.7	0.0	0.0	0.0	0.0
Vocational Instruction						
High School Classroom Teachers	0.0	1.0	1.0	1.0	1.0	1.0
Pupil Support Services						
Teacher Aides	83.8	86.9	79.4	71.6	66.0	61.5
Tutors	25.9	30.5	30.9	33.9	37.7	47.6
Tutors - Stimulus	6.9	6.1	0.0	0.0	0.0	0.0
Guidance Counselors	10.8	10.5	10.5	11.0	11.0	10.0
Librarians and Library Technicians	8.0	9.4	10.4	9.4	9.0	9.0
Psychologists	8.8	8.8	9.0	8.0	8.8	6.4
Psychologists - Stimulus	1.0	1.0	0.0	0.0	0.0	0.0
Speech & Language Pathologists	5.0	6.0	6.0	6.0	6.0	6.4
Speech & Language Pathologists - Stimulus	0.6	0.6	0.0	0.0	0.0	0.0
Nurse	8.4	8.4	8.4	8.4	8.4	7.2
Other Professional	1.8	1.8	1.4	1.4	5.0	3.5
Administrators						
Elementary	9.0	9.0	9.0	9.0	9.0	9.0
Middle School	3.0	3.0	3.0	3.0	3.0	4.0
High School	5.0	5.0	5.0	6.0	6.0	6.0
Districtwide (Certificated & Classified)	15.0	15.0	15.0	15.0	16.0	16.0
Operation of Plant						
Custodians	58.0	59.0	59.0	58.6	59.6	68.0
Maintenance and Groundskeeping	14.0	15.0	15.0	14.0	14.0	19.0
Pupil Transportation						
Bus Drivers	28.3	28.9	28.6	28.9	27.5	28.5
Mechanics	3.0	3.0	3.0	4.0	4.0	4.0
Food Service Program (1)						
Elementary Cooks	0.0	12.3	10.3	12.3	9.9	8.1
Middle School Cooks	0.0	4.9	4.2	5.2	4.9	5.0
High School Cooks	0.0	6.7	7.1	4.8	4.8	6.1
Other						
Supervisor/Administrator classification	32.0	33.0	32.4	30.4	29.4	30.4
OAPSE	53.8	53.1	54.5	53.9	53.9	52.9
Security	20.4	19.6	19.4	17.4	* 8.0	8.0
Data Processing	4.0	4.0	4.0	3.0	4.0	5.0
Total Employees	790.0	836.8	819.3	807.0	786.4	815.3

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.

(1) Effective July 1, 2010, the School District outsourced their Food Service Department.

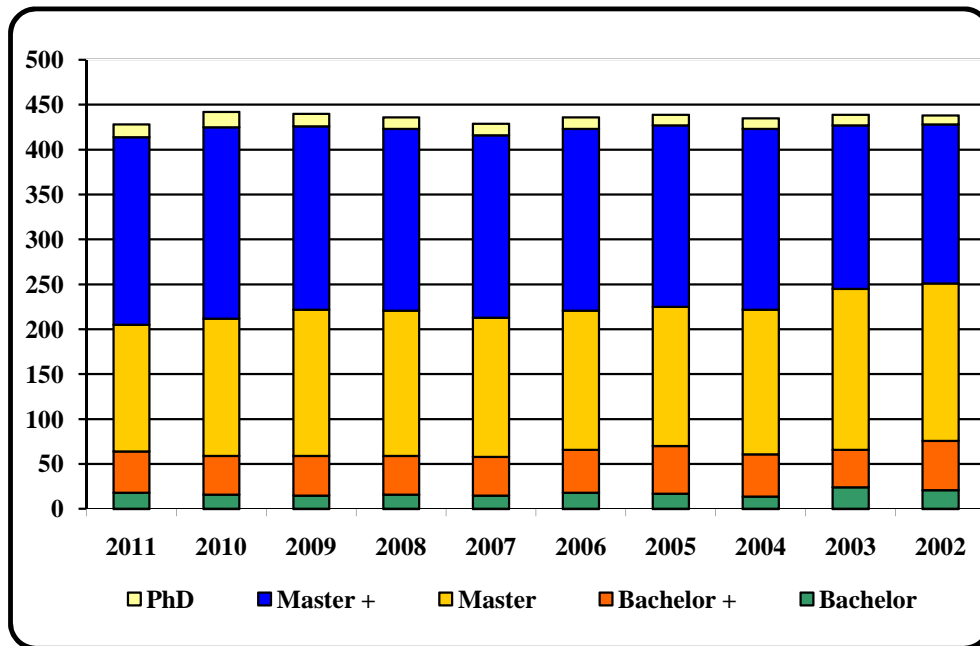
* Increase due to reclassification of employee status effective in Fiscal 2008

2005	2004	2003	2002
162.1	154.2	163.3	164.7
62.7	65.0	61.4	61.1
128.4	130.1	127.2	128.1
2.0	0.0	0.0	0.0
18.0	22.0	22.0	21.0
8.0	8.0	8.0	7.0
6.2	5.0	6.0	5.0
6.4	6.2	4.6	5.0
0.0	0.0	0.0	0.0
1.0	0.9	0.9	1.0
58.2	62.1	58.4	53.4
51.6	55.4	52.2	50.6
0.0	0.0	0.0	0.0
11.0	11.0	11.0	11.0
9.4	8.5	8.5	9.0
6.4	6.4	6.0	6.4
0.0	0.0	0.0	0.0
6.4	6.8	6.4	6.4
0.0	0.0	0.0	0.0
7.2	7.3	7.3	7.3
3.0	3.0	6.2	5.4
9.0	9.0	9.0	9.0
4.0	4.0	4.0	4.0
6.0	6.0	6.0	6.0
16.0	16.0	16.0	17.0
65.0	66.0	67.0	68.0
19.0	17.0	18.0	18.0
36.0	32.5	30.7	29.8
5.0	3.0	4.0	3.0
4.7	3.1	3.8	3.9
4.0	5.8	4.0	5.0
4.4	4.0	4.2	5.0
30.4	32.1	25.7	26.1
53.8	53.8	53.8	53.4
8.0	7.0	15.1	7.8
5.0	5.0	6.0	6.0
818.3	816.1	816.7	804.4

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

Degree	2011	2010	2009	2008
Bachelor	18	16	15	16
Bachelor +15	46	43	44	43
Master	141	153	163	162
Master +15	98	95	89	87
Master +30	36	40	43	48
Master +45	75	78	72	67
PhD	14	17	14	13
Total	428	442	440	436

Years of Experience	2011	2010	2009	2008
0 - 5	54	100	90	86
6 - 10	75	94	92	100
11 and Over	299	248	258	250
Total	428	442	440	436



Source: School District Records

2007	2006	2005	2004	2003	2002
15	18	17	14	24	21
43	48	53	47	42	55
155	155	155	161	179	175
88	88	91	86	77	70
48	48	46	49	47	50
67	66	65	66	58	57
13	13	12	12	12	10
<u>429</u>	<u>436</u>	<u>439</u>	<u>435</u>	<u>439</u>	<u>438</u>
84	106	123	122	124	76
96	90	80	85	89	83
<u>249</u>	<u>240</u>	<u>236</u>	<u>228</u>	<u>226</u>	<u>279</u>
<u>429</u>	<u>436</u>	<u>439</u>	<u>435</u>	<u>439</u>	<u>438</u>

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

Class	Percent of Four - Year	Percent of Two - Year	Total Percent
2011	78	14	92
2010	65	15	87
2009	73	14	85
2008	75	10	90
2007	88	2	89
2006	87	2	90
2005	88	2	91
2004	88	3	88
2003	86	2	86
2002	82	4	88

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
2011	24	4	2	8 %	2 %
2010	36	6	0	11	2
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

Source: School District Records

(This page intentionally left blank)

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 2011 report for our School District. The following definitions will assist in reading the report:

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

Shaker Heights City School District
Expenditure Flow Model
Building Expenditures Report

School	Year-End ADM (1)	Administration	Operations Support	Staff Support	Pupil Support	Instruction	Totals
High School							
Shaker Heights High School	1,692	\$1,800,075	\$5,733,615	\$761,127	\$3,656,235	\$14,617,040	\$26,568,092
Total High School	1,692	1,800,075	5,733,615	761,127	3,656,235	14,617,040	26,568,092
Middle School							
Shaker Heights Middle School	867	711,054	3,359,850	458,864	2,021,657	7,570,759	14,122,184
Total Middle School	867	711,054	3,359,850	458,864	2,021,657	7,570,759	14,122,184
Elementary Schools							
Boulevard Elementary School	360	316,709	927,188	294,999	442,727	2,719,061	4,700,684
Ferway Elementary School	357	306,968	503,663	339,407	427,042	2,765,301	4,342,381
Lomond Elementary School	481	437,605	1,057,961	375,086	796,447	3,713,676	6,380,775
Mercer Elementary School	407	348,818	1,199,558	456,989	598,475	3,670,898	6,274,738
Onaway Elementary School	378	301,562	1,012,440	437,338	822,679	3,027,367	5,601,386
Woodbury Elementary School	845	722,503	2,887,523	623,104	1,158,719	7,211,120	12,602,969
Total Elementary Schools	2,828	2,434,165	7,588,333	2,526,923	4,246,089	23,107,423	39,902,933
School Total	5,387	4,945,294	16,681,798	3,746,914	9,925,981	45,295,222	80,593,209
Central Office	0	5,696,997	2,954,174	470,904	565,895	0	9,687,970
Expenditure Flow Model Total	5,387	\$10,642,291	\$19,635,972	\$4,217,818	\$10,489,876	\$45,295,222	\$90,281,179
Other Debt Service							3,815,915
Tuition - Other Districts							4,877,937
Non-Public							1,654,185
Buildings and Land							560,775
Rotary							12,132,176
Fiscal Agency							(290,285)
Other Programs							58,773
Grand Total							\$113,090,655

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.

(1) Year-End Average Daily Membership (ADM) reported by District is calculated from the first full week of October 2010 count as required by the Ohio Department of Education.

Source: Education Management Information System

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

School	Average Daily Membership (1)	Administration	Operations Support	Staff Support	Pupil Support	Instruction	Totals
High School							
Shaker Heights High School	1,692	\$1,064	\$3,389	\$450	\$2,161	\$8,639	\$15,703
Total High School	1,692	1,064	3,389	450	2,161	8,639	15,703
Middle School							
Shaker Heights Middle School	867	820	3,875	529	2,332	8,732	16,288
Total Middle School	867	820	3,875	529	2,332	8,732	16,288
Elementary Schools							
Boulevard Elementary School	360	880	2,576	819	1,230	7,553	13,058
Ferway Elementary School	357	860	1,411	951	1,196	7,746	12,164
Lomond Elementary School	481	910	2,200	780	1,656	7,721	13,267
Mercer Elementary School	407	857	2,947	1,123	1,470	9,019	15,416
Onaway Elementary School	378	798	2,678	1,157	2,176	8,009	14,818
Woodbury Elementary School	845	855	3,417	737	1,371	8,534	14,914
Total Elementary Schools	2,828	5,160	15,229	5,567	9,099	48,582	83,637
School Total	5,387	7,044	22,493	6,546	13,592	65,953	115,628
Central Office	0	1,057	548	87	105	0	1,797
Grand Total	5,387 **	\$8,101 **	\$23,041 **	\$6,633 **	\$13,697 **	\$65,953 **	\$117,425 **

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.

(1) Average Daily Membership (ADM) reported by District is calculated from the first full week of October 2010 count as required by the Ohio Department of Education.

Source: Education Management Information System

Shaker Heights City School District

Expenditure Flow Model

Percentage of School Cost Report

School	Average Daily Membership (1)	Administration	Operations Support	Staff Support	Pupil Support	Instruction	Totals
High School							
Shaker Heights High School	1,692	7%	22%	3%	14%	55%	100%
Total High School	<u>1,692</u>	<u>7</u>	<u>22</u>	<u>3</u>	<u>14</u>	<u>55</u>	<u>100</u>
Middle School							
Shaker Heights Middle School	867	5	24	3	14	54	100
Total Middle School	<u>867</u>	<u>5</u>	<u>24</u>	<u>3</u>	<u>14</u>	<u>54</u>	<u>100</u>
Elementary Schools							
Boulevard Elementary School	360	7	20	6	9	58	100
Fernway Elementary School	357	7	12	8	10	64	100
Lomond Elementary School	481	7	17	6	12	58	100
Mercer Elementary School	407	6	19	7	10	59	100
Onaway Elementary School	378	5	18	8	15	54	100
Woodbury Elementary School	845	6	23	5	9	57	100
Total Elementary Schools	<u>2,828</u>	<u>6</u>	<u>19</u>	<u>6</u>	<u>11</u>	<u>58</u>	<u>100</u>
School Total							
School Total	5,387	6	21	5	12	56	100
Central Office	0	59	30	5	6	0	100
Grand Total	<u>5,387</u>	<u>12%</u>	<u>22%</u>	<u>5%</u>	<u>12%</u>	<u>50%</u>	<u>100%</u>

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

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

(1) Average Daily Membership (ADM) reported by District is calculated from the first full week of October 2010 count as required by the Ohio Department of Education.

Source: Education Management Information System

This page intentionally left blank.



Dave Yost • 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
APRIL 3, 2012