

**SHAKER HEIGHTS
CITY SCHOOL DISTRICT**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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



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, 2009 through June 30, 2010. 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.

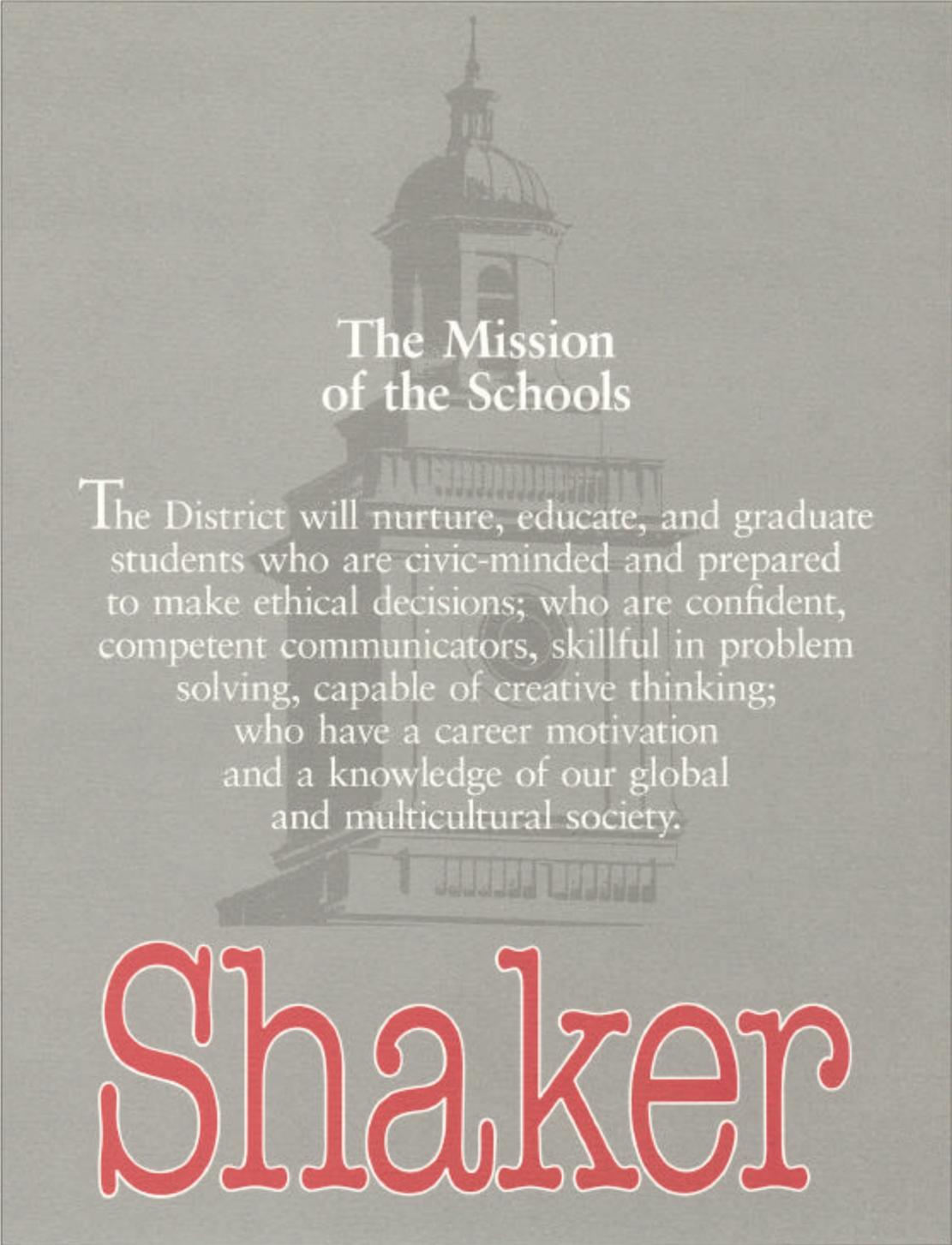
Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Shaker Heights City School District is responsible for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

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

Dave Yost
Auditor of State

March 7, 2011

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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, 2010

Issued By:
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Bryan C. Christman
Treasurer

Shaker Heights City School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2010
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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, 2010

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, 2010. This CAFR enables the School District to comply with the Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires school districts reporting on a GAAP basis to file an unaudited annual report with the Auditor of State within 150 days of the fiscal year end.

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

State statutes require the School District to be subjected to an annual examination by an independent auditor or the State Auditor's Office. For the fiscal year 2010, the School District was audited by the independent auditing firm, Rea and Associates. Their unqualified opinion is included in the financial section of this CAFR.

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.

MEMBERS OF THE BOARD

NORMAN A. BLISS FRED A. J. LEVENSON JENNIFER P. MEARNES PETER A. ROBERTSON ANNETTE TUCKER SUTHERLAND

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

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

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

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

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

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

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

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

The Shaker Heights City School District is one of 615 school districts in the State of Ohio and one of 31 school districts in Cuyahoga County. The School District is the 59th largest in student enrollment in Ohio, with an enrollment of 5,484 students for the 2010 academic year and projected enrollment for fiscal year 2011 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 19 to the accompanying financial statements. The Shaker Heights Library is a related organization and is described in Note 18 to the accompanying financial statements.

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

Economic Condition and Outlook

The School District serves 29,405 residents in the City of Shaker Heights, and 4,558 for the City of Cleveland. The community is primarily residential in nature with a diverse base of residents working largely in professional capacities. The School District is a mature, fully developed inner ring suburb whose economic strength is largely dependent upon the strength of the Northeast Ohio economy. According to the Ohio Department of Taxation, the average federal adjusted gross income per return for residents of the School District filing returns for calendar year 2008 was \$116,937, compared to the averages of \$61,453 for all Ohio school districts and \$54,616 for all districts in Cuyahoga County.

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

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 on these development initiatives is still unknown at this time.

Although the departure from the City by OfficeMax and its headquarters left a significant hole in the commercial backbone of the City, the void was short-lived. In the fall of 2006, the University Hospitals Corporation announced its purchase of the OfficeMax headquarters building and the relocation of as many as 900 full-time 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.

2010 Major Initiatives

Academic Achievement

With the support of faculty, parents, and local residents, our students continued to excel in academics, the arts, athletics, and community service. Approximately 11 percent of the Class of 2010 earned honors in the National Merit and National Achievement scholarship competitions, compared with 2 percent nationally. This again places Shaker in the top ranks of Ohio schools using this nationally accepted "gold standard" of scholastic achievement. Each year since the inception of the National Merit program in 1956, Shaker has far outpaced the national average in the production of these scholars.

Approximately 25 percent of eligible students at Shaker Heights High School took one or more Advanced Placement (AP) classes again this year. By the time they graduate, more than 40 percent of Shaker students have taken at least one AP course. On the basis of their outstanding performance on Advanced Placement examinations, 142 Shaker students were named AP Scholars in fall 2010.

Shaker Heights students continue to be sought after by colleges. Members of the Class of 2010 were accepted into more than 225 colleges, including some of the most selective in the nation. Approximately 65 percent of graduating seniors plan to attend a 4-year college and 15 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;
- Early childhood education;
- Strategic planning progress;

- Minority achievement (student presentation);
- Guidance counseling and college admissions.

Technology

Our computer network serves students, teachers and staff in a wide variety of applications for instruction and for business applications. We have more than 26 servers and approximately 1,500 workstations in 12 buildings, running over a fiber network. Our network also supports our phone system, which provides phone access in all offices and classrooms. Existing bond issue funds enable us to keep our workstations as up-to-date as possible, with approximately 200 new computers added in the past year. We continue to mount projectors in classrooms as part of a district-wide initiative using a combination of bond funds, Red & White funds, and PTO funds. Some classrooms in this project also received interactive white boards, student response systems and document cameras, based on building technology plans. These classroom elements provide a higher level of interactivity and engagement for our students.

Software supports our focus on student achievement, particularly in mathematics with the use of Pearson Successmaker in the elementary grades and Aleks and Cognitive Tutor in the upper grades. We also provide a variety of online database resources for journals, encyclopedias and other learning resources to support our curricula. All buildings also have access to Discoverystreaming 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

Throughout the 2009-2010 school year, care was taken to maintain and improve the School District's physical assets. At Onaway Elementary School, enhancements were made to lower level classrooms, additional ceiling fans were installed, fences and gates were repaired and a new gas line was installed. At Mercer Elementary School roof renovations were completed, air-conditioning improvements were made to the computer room, kindergarten shelving was relocated and the parking lot and playground were repaved. At Woodbury Elementary School, a swimming pool boiler was replaced and a space was converted to a security office. Elevator safety upgrades were made at both Woodbury and the High School. At the Middle School woodwork and interior doors were refinished and metal frames around the interior doors and windows were painted. The chimney at the library media/data processing center was rebuilt. Marble window sills were repaired at the Middle School and High School. A learning garden was added to the High School courtyard as part of a faculty and student initiative. Major roof renovations were also done at the High School. Finally, seal coating and sidewalk replacement was completed throughout the School District.

Current and Future Initiatives

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

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 District and building-level instructional priorities and needs based upon frequent data review.

Strategic Framework

In January 2009, the School District posted its Strategic Framework on the website to promote excellence and equity. Incorporated in the framework are concrete goals in the areas of leadership, curriculum and instruction, technology, school climate, parent involvement and community involvement. The framework was enriched through a community engagement process using the Appreciative Inquiry process, conducted by Drs. Ronald Frey, Case Western Reserve University and Charleyse Pratt, Cleveland State University, during the fall and winter of the 2009-10 school year. The framework reflects priorities established by the Board of Education calling for the School District to:

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

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

International Baccalaureate

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

If all remains on schedule, graduates in 2012 will be the first eligible for an International Baccalaureate diploma from Shaker Heights High School. Offered as an elective course of study at the high school level, International Baccalaureate permits students to participate in a rigorous, internationally oriented curriculum, culminating in a diploma that is recognized all over the world. More than 45 High School faculty members have undergone International Baccalaureate training and twenty-three course outlines have been submitted to and approved by IB examiners.

Approximately 250 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 elementary level and all K-4 schools have begun encouraging 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. Finally, 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.

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, 2009. 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, 2009 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, 2010, 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, 2010

Board of Education

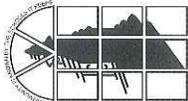
Mr. Norman A. Bliss.....President
Ms. Annette Tucker Sutherland.....Vice-President
Ms. Freda J. Levenson..... Member
Mrs. Jennifer P. Mearns.....Member
Mr. Peter A. Robertson.....Member

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** Lomond Elementary K-4
17917 Lomond Boulevard
Shaker Heights, OH 44122
216 295-4050
- 3** Mercer Elementary K-4
23325 Wimbledon Road
Shaker Heights, OH 44122
216 295-4070
- 4** Onaway Elementary K-4
3115 Woodbury Road
Shaker Heights, OH 44120
216 295-4080
- 5** Shaker Heights City Schools
15600 Parkland Drive
Shaker Heights, OH 44120
216 295-1400
- 6** Boulevard Elementary K-4
14900 Drexmore Road
Shaker Heights, OH 44120
216 295-4020
- 7** Woodbury Elementary 5-6
15400 South Woodland Road
Shaker Heights, OH 44120
216 295-4150
- 8** Shaker Heights Middle School 7-8
20600 Shaker Boulevard
Shaker Heights, OH 44122
216 295-4100
- 9** Shaker Heights High School 9-12
15911 Aldersyde Drive
Shaker Heights, OH 44120
216 295-4200



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Shaker Heights
City School District
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

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



President

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

SHAKER HEIGHTS CITY SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2009

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

Erin Green

President

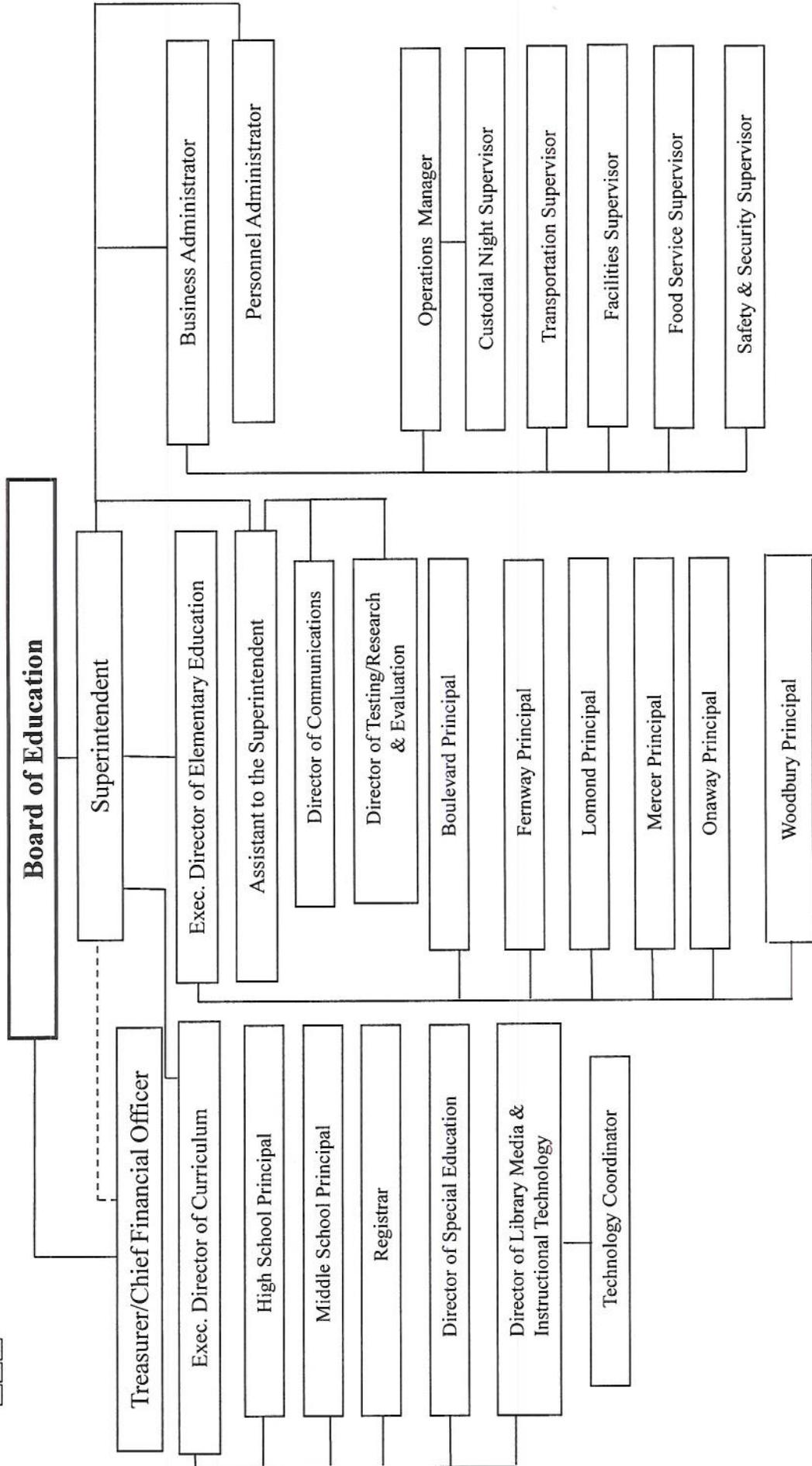
John D. Mueser

Executive Director



SHAKER HEIGHTS CITY SCHOOL DISTRICT

ORGANIZATIONAL CHART



Financial Section



Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

Focused on Your Future.

December 29, 2010

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, 2010, 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, 2010, 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, 2010, 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 are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. 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 and statistical 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.

Rea & Associates, Inc.

Shaker Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
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, 2010. 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 2010 are as follows:

- Total net assets for fiscal year 2010 reflect an overall decrease resulting from an increase in instructional activities as well as support services due to salary and fringe benefit increases.
- Total revenues for governmental activities in fiscal year 2010 were approximately the same as the prior fiscal year.
- Total expenses increased over the prior fiscal year reflecting increased costs mostly due to annual salary and related fringe benefit growth in accordance with negotiated collective bargaining agreements. Areas with budgetary growth included regular and special instruction, instructional staff support services and operation and maintenance of plant.
- Outstanding general obligation bonded debt decreased due to scheduled principal payments and accretion credits during the fiscal year.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

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

Shaker Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

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 coverage, the obligation under its contingent premium health and dental insurance plans, both of which were converted February 1, 2010 to self insurance, 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
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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

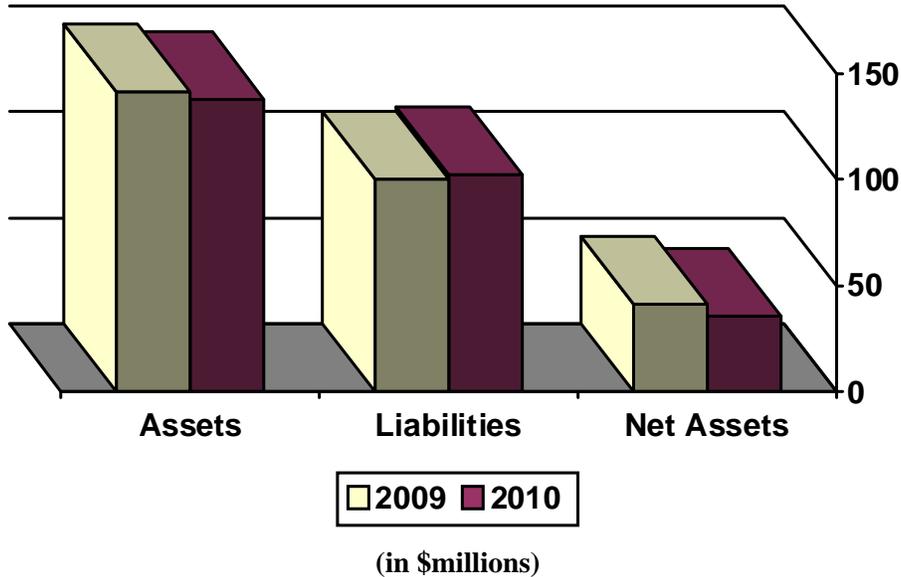
As you may recall, the Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for fiscal years 2010 and 2009.

Table 1
Net Assets
Governmental Activities

	<u>2010</u>	<u>2009</u>	<u>Change</u>
Assets			
Current and Other Assets	\$105,549,151	\$109,255,551	(\$3,706,400)
Capital Assets, Net	32,599,118	32,361,940	237,178
Total Assets	<u>138,148,269</u>	<u>141,617,491</u>	<u>(3,469,222)</u>
Liabilities			
Current and Other Liabilities	67,052,690	63,441,254	3,611,436
Long Term Liabilities:			
Due Within One Year	4,661,691	3,840,936	820,755
Due in More than One Year	30,679,905	33,211,165	(2,531,260)
Total Liabilities	<u>102,394,286</u>	<u>100,493,355</u>	<u>1,900,931</u>
Net Assets			
Invested in Capital Assets			
Net of Related Debt	10,070,839	8,401,734	1,669,105
Restricted:			
Capital Projects	1,531,066	1,525,468	5,598
Debt Service	2,359,850	2,644,458	(284,608)
Set Asides	353,070	353,070	0
Other Purposes	830,467	792,242	38,225
Unrestricted	20,608,691	27,407,164	(6,798,473)
Total Net Assets	<u>\$35,753,983</u>	<u>\$41,124,136</u>	<u>(\$5,370,153)</u>

Shaker Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

Graph 1
Net Assets
Governmental Activities



Total current and other assets decreased primarily due to a reduction in cash and cash equivalents from the prior fiscal year. A net increase in total liabilities from the prior fiscal year is due to increase in current payables (including a significant contingent health insurance premium), partially offset by scheduled principal payments of School District general obligation debt. Even with the decline in net assets from the prior fiscal year, by comparing assets and liabilities, one can see the overall position of the School District remains strong. The most significant portion of the general revenues is the local property tax. The remaining amount of revenues received 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 2010 and 2009.

Shaker Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

Table 2
Changes in Net Assets
Governmental Activities

	<u>2010</u>	<u>2009</u>	<u>Change</u>
Revenues			
Program Revenues:			
Charges for Services and Sales	\$2,562,863	\$2,774,498	(\$211,635)
Operating Grants, Interest and Contributions	5,511,058	5,500,230	10,828
Capital Grants and Contributions	242,179	276,391	(34,212)
<i>Total Program Revenues</i>	<u>8,316,100</u>	<u>8,551,119</u>	<u>(235,019)</u>
General Revenues:			
Property Taxes	59,711,138	60,138,665	(427,527)
Grants and Entitlements not Restricted to Specific Programs	26,070,039	25,102,989	967,050
Investment Earnings	532,965	1,303,054	(770,089)
Gain on Sale of Capital Assets	21,600	0	21,600
Miscellaneous	332,234	423,892	(91,658)
<i>Total General Revenues</i>	<u>86,667,976</u>	<u>86,968,600</u>	<u>(300,624)</u>
Total Revenues	<u>94,984,076</u>	<u>95,519,719</u>	<u>(535,643)</u>
Program Expenses			
Instruction:			
Regular	37,085,280	35,379,158	(1,706,122)
Special	13,428,305	11,824,756	(1,603,549)
Vocational	139,800	242,656	102,856
Student Intervention Services	19,489	0	(19,489)
Support Services:			
Pupils	6,109,276	5,442,866	(666,410)
Instructional Staff	7,847,850	6,661,050	(1,186,800)
Board of Education	22,044	18,690	(3,354)
Administration	6,143,839	6,002,432	(141,407)
Fiscal	1,815,190	2,195,814	380,624
Business	933,149	931,242	(1,907)
Operation and Maintenance of Plant	14,220,532	13,059,730	(1,160,802)
Pupil Transportation	4,795,694	4,169,665	(626,029)
Central	1,990,523	1,444,784	(545,739)
Operation of Non-Instructional Services	1,327,646	1,207,237	(120,409)
Food Service Operations	1,951,783	1,726,334	(225,449)
Extracurricular Activities	1,296,624	1,170,726	(125,898)
Interest and Fiscal Charges	1,227,205	1,277,952	50,747
Total Expenses	<u>100,354,229</u>	<u>92,755,092</u>	<u>(7,599,137)</u>
Extraordinary Item			
Decrease in Delinquent Property Taxes	0	(4,600,000)	4,600,000
Decrease in Net Assets	<u>(5,370,153)</u>	<u>(1,835,373)</u>	<u>(3,534,780)</u>
<i>Net Assets Beginning of Year</i>	<u>41,124,136</u>	<u>42,959,509</u>	<u>(1,835,373)</u>
<i>Net Assets End of Year</i>	<u>\$35,753,983</u>	<u>\$41,124,136</u>	<u>(\$5,370,153)</u>

Shaker Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

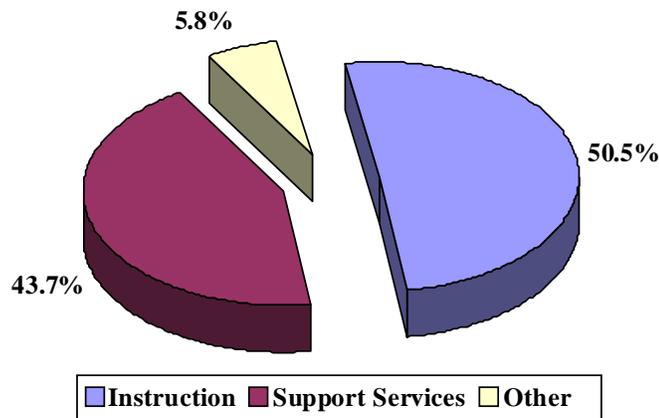
Governmental Activities

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 latest levy will begin 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 63 percent of total revenues for governmental activities for Shaker Heights City Schools in fiscal year 2010.

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 nearly 44 percent. The remaining amount of program expenses, is budgeted to facilitate other obligations of the School District including interest and fiscal charges, food service operations and extracurricular activities.

Shaker Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

The decrease in net assets was primarily due to a reduction in cash attributable to an increase in expenses from negotiated salary and step increases resulting in an excess of expenditures over revenues in fiscal year 2010.

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 2010	Total Cost of Services 2009	Net Cost of Services 2010	Net Cost of Services 2009
Instruction:				
Regular	\$37,085,280	\$35,379,158	\$35,908,169	\$33,834,563
Special	13,428,305	11,824,756	12,202,954	10,697,215
Vocational	139,800	242,656	137,699	235,372
Student Intervention Services	19,489	0	(11,598)	0
Support Services:				
Pupils	6,109,276	5,442,866	5,974,571	5,251,268
Instructional Staff	7,847,850	6,661,050	5,931,590	5,130,630
Board of Education	22,044	18,690	21,708	18,139
Administration	6,143,839	6,002,432	6,050,808	5,872,464
Fiscal	1,815,190	2,195,814	1,772,750	2,142,784
Business	933,149	931,242	916,345	914,317
Operation and Maintenance of Plant	14,220,532	13,059,730	13,883,074	12,318,570
Pupil Transportation	4,795,694	4,169,665	4,559,100	4,034,195
Central	1,990,523	1,444,784	1,949,111	1,392,976
Operation of Non-Instructional Services	1,327,646	1,207,237	32,657	(196,324)
Food Service Operations	1,951,783	1,726,334	385,017	239,133
Extracurricular Activities	1,296,624	1,170,726	1,096,969	1,040,719
Interest and Fiscal Charges	1,227,205	1,277,952	1,227,205	1,277,952
Total Expenses	\$100,354,229	\$92,755,092	\$92,038,129	\$84,203,973

The reliance upon local tax revenues for governmental activities is crucial for the School District. Nearly 60 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 8 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 decrease in fund balance is due to the School District receiving less property tax and intergovernmental revenues and spending more in expenditures from negotiated increases to contractual obligations.

Shaker Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
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 amended its general fund budget during the course of the 2010 fiscal year. The School District uses a modified site-based method of budgeting that has in place systems designed to closely control expenses, but also provides flexibility for decision-making by the site-based management.

The general fund's final revenue budget was nearly \$2 million less than the original budget estimate. The change was attributed to decreases in estimates for all revenues. 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 2010 capital assets compared to 2009.

Table 4
Capital Assets, Net

	Governmental Activities		
	2010	2009	Change
Land	\$943,600	\$943,600	\$0
Construction In Progress	34,315	1,196,391	(1,162,076)
Land Improvements	1,940,563	2,185,077	(244,514)
Buildings and Improvements	23,127,272	22,870,672	256,600
Equipment	5,010,164	3,910,490	1,099,674
Vehicles	1,543,204	1,255,710	287,494
Total	<u>\$32,599,118</u>	<u>\$32,361,940</u>	<u>\$237,178</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 which were mostly offset by depreciation charges for the year. The increase in equipment is due to the purchase of various instructional items such as computers, projectors, cameras and smart boards as well as the purchase of custodial operation and maintenance equipment. The decrease in construction in progress is primarily attributable to the completion of several major capital projects as of June 30, 2010. For more information on capital assets refer to Note 11 of the basic financial statements.

Shaker Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

Debt

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

Table 5
Outstanding Debt

	Governmental Activities	
	2010	2009
General Obligation Bonds:		
School Improvement 1990	\$455,000	\$880,000
School Improvement 1999	0	290,000
School Improvement 2000	165,000	321,703
School Improvement 2005	7,352,505	7,756,638
School Improvement Refunding 2005	706,882	854,541
School Improvement Bonds 2007	6,977,705	7,818,620
School Improvement Refunding 2007	3,709,171	3,714,931
School Improvement Refunding 2007	1,932,173	1,941,270
School Improvement Bonds 2008	4,914,287	5,115,034
Bus Acquisition Bond Anticipation Note - Long-Term	600,000	500,000
Total Outstanding Debt	\$26,812,723	\$29,192,737

In an election held on November 5, 1996 the electors of the School District approved the issuing of \$12.7 million of bonds for the purpose of improving school buildings and renovating, remodeling, adding to, furnishing, equipping and otherwise improving school facilities and their sites. The bonds were issued in 1999 and 2000. A portion of these bonds were refunded in April 2007. The bonds will be fully repaid in fiscal year 2011.

General obligation bonds for the purpose of renovating and making additions to school buildings were issued in 1990 and 1993. The 1990 bonds will be fully repaid in 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.

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 \$55,296,349 with an unvoted debt margin of \$872,806 at June 30, 2010. 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 17 of the basic financial statements.

Shaker Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

School District Outlook

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

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

Because of its long history of strong community support at the ballot box, coupled with the continuous City efforts targeted toward maintaining the housing stock (thereby helping to maintain and improve the City's tax base), the School District has a strong financial outlook. The Board of Education and administration closely monitor its revenues and expenditures in accordance with its financial forecast. Overall, the School District continues to perform at one of the highest levels determined by the State of Ohio, which is measured by a defined set of proficiency criteria. Our most recent State report card for fiscal year 2010 shows the School District students achieving 21 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, and will continue to work diligently to carefully monitor expenses, staying within the School District's five-year financial plan. State law retards the growth of income generated by local levies rendering revenue relatively constant. This lack of revenue growth, however, forces the School District to come back to the voters from time to time and ask for additional financial support.

Shaker Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
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 are being phased-out over the ensuing seven years.

Shaker Heights City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
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 (passed in June 2007). Additionally, the budget bill provided for the continuation of the State Foundation Formula Aid “guarantee” through the end of the biennium.

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

The Constitutional Amendment and the Governor's Proposal

After conducting a series of public forums in 2008 first to gather input about the desired attributes of a world class educational system, and then about financing such educational system, 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 represents a significant overhaul to the historical per pupil funding model utilized by the State, and is 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 has continued to be under the guarantee subject to a one percent reduction during each of the two fiscal years of the biennium. In November 2010, Governor Strickland lost his bid for re-election. Governor-Elect Kasich has publicly stated that he intends to repeal the OEBM and reinstate a modified per pupil funding model. Regardless of the outcome of the currently unfunded OEBM, the State is facing an \$8 billion budget deficit for the 2012-2013 biennium which begins July 1, 2011. The newly elected leaders of the Ohio House have indicated public education would be the subject of budget reductions in the new biennium due to the minimalistic economic recovery in Ohio and the upcoming budget hole created by the non-recurring ARRA funds. 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, 2010

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$34,736,758
Accounts Receivable	10,675
Accrued Interest Receivable	84,575
Intergovernmental Receivable	1,333,135
Prepaid Items	17,205
Inventory Held for Resale	20,423
Materials and Supplies Inventory	237,578
Property Taxes Receivable	68,743,202
Deferred Charges	365,600
Nondepreciable Capital Assets	977,915
Depreciable Capital Assets, Net	<u>31,621,203</u>
<i>Total Assets</i>	<u>138,148,269</u>
Liabilities	
Accounts Payable	1,866,012
Contracts Payable	332,179
Accrued Wages and Benefits	8,807,407
Intergovernmental Payable	2,996,204
Matured Compensated Absences Payable	590,309
Deferred Revenue	52,412,132
Accrued Interest Payable	48,447
Long-Term Liabilities:	
Due Within One Year	4,661,691
Due In More Than One Year	<u>30,679,905</u>
<i>Total Liabilities</i>	<u>102,394,286</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	10,070,839
Restricted for:	
Capital Projects	1,531,066
Debt Service	2,359,850
Set Asides	353,070
State Grants	88,990
Federal Grants	597,089
Other Purposes	144,388
Unrestricted	<u>20,608,691</u>
<i>Total Net Assets</i>	<u><u>\$35,753,983</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, 2010

	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	\$37,085,280	\$644,445	\$502,626	\$30,040	(\$35,908,169)
Special	13,428,305	187,379	1,037,972	0	(12,202,954)
Vocational	139,800	2,101	0	0	(137,699)
Student Intervention Services	19,489	0	31,087	0	11,598
Support Services:					
Pupils	6,109,276	91,479	43,226	0	(5,974,571)
Instructional Staff	7,847,850	91,968	1,774,381	49,911	(5,931,590)
Board of Education	22,044	336	0	0	(21,708)
Administration	6,143,839	93,031	0	0	(6,050,808)
Fiscal	1,815,190	26,440	16,000	0	(1,772,750)
Business	933,149	12,975	0	3,829	(916,345)
Operation and Maintenance of Plant	14,220,532	303,580	0	33,878	(13,883,074)
Pupil Transportation	4,795,694	66,566	45,507	124,521	(4,559,100)
Central	1,990,523	30,003	11,409	0	(1,949,111)
Operation of Non-Instructional Services	1,327,646	755	1,294,234	0	(32,657)
Food Service Operations	1,951,783	815,170	751,596	0	(385,017)
Extracurricular Activities	1,296,624	196,635	3,020	0	(1,096,969)
Interest and Fiscal Charges	1,227,205	0	0	0	(1,227,205)
Totals	\$100,354,229	\$2,562,863	\$5,511,058	\$242,179	(92,038,129)

General Revenues

Property Taxes Levied for:

General Purposes	56,751,088
Debt Service	2,960,050
Grants and Entitlements not Restricted to Specific Programs	26,070,039
Investment Earnings	532,965
Gain on Sale of Capital Assets	21,600
Miscellaneous	332,234

Total General Revenues 86,667,976

Change in Net Assets (5,370,153)

Net Assets Beginning of Year 41,124,136

Net Assets End of Year \$35,753,983

See accompanying notes to the basic financial statements

Shaker Heights City School District

Balance Sheet

Governmental Funds

June 30, 2010

	<u>General</u>	<u>Building</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$23,516,019	\$5,040,166	\$2,502,503	\$31,058,688
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	353,070	0	0	353,070
Accounts Receivable	10,675	0	0	10,675
Accrued Interest Receivable	84,575	0	0	84,575
Intergovernmental Receivable	36,876	0	1,296,259	1,333,135
Interfund Receivable	11,462	0	0	11,462
Prepaid Items	17,205	0	0	17,205
Inventory Held for Resale	0	0	20,423	20,423
Materials and Supplies Inventory	231,117	0	6,461	237,578
Property Taxes Receivable	65,637,352	0	3,105,850	68,743,202
<i>Total Assets</i>	<u>\$89,898,351</u>	<u>\$5,040,166</u>	<u>\$6,931,496</u>	<u>\$101,870,013</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$472,835	\$3,240	\$174,858	\$650,933
Contracts Payable	57,514	254,105	20,560	332,179
Accrued Wages and Benefits	8,320,226	0	487,181	8,807,407
Interfund Payable	0	0	11,462	11,462
Intergovernmental Payable	2,786,776	0	209,428	2,996,204
Matured Compensated Absences Payable	552,414	0	37,895	590,309
Deferred Revenue	57,518,739	0	3,246,400	60,765,139
<i>Total Liabilities</i>	<u>69,708,504</u>	<u>257,345</u>	<u>4,187,784</u>	<u>74,153,633</u>
 Fund Balances				
Reserved for Encumbrances	3,883,957	459,452	226,393	4,569,802
Reserved for Property Taxes	8,123,904	0	447,107	8,571,011
Reserved for Budget Stabilization	353,070	0	0	353,070
Unreserved, Undesignated				
Reported in:				
General Fund	7,828,916	0	0	7,828,916
Special Revenue Funds	0	0	224,077	224,077
Debt Service Fund	0	0	1,846,135	1,846,135
Capital Projects Funds	0	4,323,369	0	4,323,369
<i>Total Fund Balances</i>	<u>20,189,847</u>	<u>4,782,821</u>	<u>2,743,712</u>	<u>27,716,380</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$89,898,351</u>	<u>\$5,040,166</u>	<u>\$6,931,496</u>	<u>\$101,870,013</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, 2010

Total Governmental Fund Balances	\$27,716,380
 <i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	32,599,118
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. These deferrals are attributed to property taxes and intergovernmental receivable.	
Property Taxes	7,755,530
Intergovernmental	<u>597,477</u>
Total	8,353,007
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	270,821
Claims Payable	<u>1,839,100</u>
Total	2,109,921
Bond issuance costs will be amortized over the life of the bonds on the statement of net assets.	365,600
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(48,447)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences	(6,689,773)
General Obligation Bonds	(25,095,000)
Capital Appreciation Bonds	(831,755)
Notes Payable	(600,000)
Claims Payable	(1,839,100)
Accounting Loss	199,320
Bond Premium	<u>(485,288)</u>
Total	<u>(35,341,596)</u>
<i>Net Assets of Governmental Activities</i>	<u><u>\$35,753,983</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, 2010

	General	Building	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$56,542,652	\$0	\$2,978,102	\$59,520,754
Intergovernmental	24,685,415	0	6,500,663	31,186,078
Interest	524,915	7,940	426	533,281
Tuition and Fees	1,198,827	0	111,128	1,309,955
Extracurricular Activities	0	0	180,539	180,539
Contributions and Donations	195	242,179	16,505	258,879
Charges for Services	103,773	0	816,070	919,843
Rentals	52,526	100,000	0	152,526
Miscellaneous	165,650	83,246	83,338	332,234
<i>Total Revenues</i>	<u>83,273,953</u>	<u>433,365</u>	<u>10,686,771</u>	<u>94,394,089</u>
Expenditures				
Current:				
Instruction:				
Regular	35,342,125	0	1,644,138	36,986,263
Special	12,416,850	0	1,014,831	13,431,681
Vocational	148,774	0	0	148,774
Student Intervention Services	0	0	27,498	27,498
Support Services:				
Pupils	5,977,461	0	45,436	6,022,897
Instructional Staff	6,006,383	0	1,652,580	7,658,963
Board of Education	22,044	0	0	22,044
Administration	6,171,374	0	4,795	6,176,169
Fiscal	1,727,877	0	70,202	1,798,079
Business	849,645	0	16,936	866,581
Operation and Maintenance of Plant	13,325,863	0	8,558	13,334,421
Pupil Transportation	4,356,262	0	49,499	4,405,761
Central	1,963,753	0	11,851	1,975,604
Operation of Non-Instructional Services	49,537	0	1,373,118	1,422,655
Food Service Operations	0	0	1,952,226	1,952,226
Extracurricular Activities	997,974	0	296,924	1,294,898
Capital Outlay	0	1,455,100	0	1,455,100
Debt Service:				
Principal Retirement	0	500,000	2,580,000	3,080,000
Interest and Fiscal Charges	0	14,958	1,099,518	1,114,476
<i>Total Expenditures</i>	<u>89,355,922</u>	<u>1,970,058</u>	<u>11,848,110</u>	<u>103,174,090</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(6,081,969)</u>	<u>(1,536,693)</u>	<u>(1,161,339)</u>	<u>(8,780,001)</u>
Other Financing Sources (Uses)				
Proceeds from the Sale of Capital Assets	0	21,600	0	21,600
General Obligation Notes Issued	0	600,000	0	600,000
Transfers In	0	0	475,000	475,000
Transfers Out	(475,000)	0	0	(475,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(475,000)</u>	<u>621,600</u>	<u>475,000</u>	<u>621,600</u>
<i>Net Change in Fund Balances</i>	<u>(6,556,969)</u>	<u>(915,093)</u>	<u>(686,339)</u>	<u>(8,158,401)</u>
<i>Fund Balances Beginning of Year</i>	<u>26,746,816</u>	<u>5,697,914</u>	<u>3,430,051</u>	<u>35,874,781</u>
<i>Fund Balances End of Year</i>	<u>\$20,189,847</u>	<u>\$4,782,821</u>	<u>\$2,743,712</u>	<u>\$27,716,380</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, 2010*

Net Change in Fund Balances - Total Governmental Funds (\$8,158,401)

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	2,059,554	
Depreciation	<u>(1,806,911)</u>	
 Total		 252,643

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. (15,465)

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

Property Taxes	190,384	
Intergovernmental	<u>378,003</u>	
 Total		 568,387

Other financing sources, such as proceeds of notes, in the government funds that increase long-term liabilities such as notes issued in the statement of net assets are not reported as revenues in the statement of activities. (600,000)

Repayment of bond and note principal are expenditures in the governmental funds, but the repayments reduce the long-term liabilities in the statement of net assets. 3,080,000

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	11,024	
Amortization of Bond Issuance Costs	(23,767)	
Amortization of Bond Premiums	35,462	
Amortization of Refunding	(20,152)	
Annual Accretion	<u>(115,296)</u>	
 Total		 (112,729)

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	469,672	
Claims Payable	<u>(1,139,181)</u>	
 Total		 (669,509)

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	(854,260)	
Claims Payable	<u>1,139,181</u>	
 Total		 <u>284,921</u>

Change in Net Assets of Governmental Activities (\$5,370,153)

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, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$57,150,791	\$56,253,997	\$57,635,506	\$1,381,509
Intergovernmental	24,397,987	24,071,784	24,685,415	613,631
Interest	1,000,000	672,680	689,200	16,520
Tuition and Fees	1,422,000	1,165,311	1,193,929	28,618
Contributions and Donations	0	0	195	195
Charges for Services	110,000	101,286	103,773	2,487
Rentals	69,000	52,043	53,126	1,083
Miscellaneous	327,000	204,101	209,611	5,510
<i>Total Revenues</i>	<u>84,476,778</u>	<u>82,521,202</u>	<u>84,570,755</u>	<u>2,049,553</u>
Expenditures				
Current:				
Instruction:				
Regular	37,067,224	35,939,999	34,926,153	1,013,846
Special	13,191,134	13,339,945	13,339,945	0
Vocational	158,354	148,138	148,138	0
Support Services:				
Pupils	6,172,433	5,847,186	5,847,184	2
Instructional Staff	6,368,905	6,220,130	6,210,353	9,777
Board of Education	23,561	24,304	24,304	0
Administration	6,511,358	6,265,799	6,265,446	353
Fiscal	1,866,261	2,639,745	2,049,309	590,436
Business	933,106	1,064,067	1,063,722	345
Operation and Maintenance of Plant	14,340,065	14,742,430	14,742,423	7
Pupil Transportation	4,565,790	4,953,409	4,953,408	1
Central	1,895,010	1,989,626	1,989,626	0
Operation of Non-Instructional Services	52,945	52,492	49,537	2,955
Extracurricular Activities	1,056,743	1,000,619	1,000,619	0
<i>Total Expenditures</i>	<u>94,202,889</u>	<u>94,227,889</u>	<u>92,610,167</u>	<u>1,617,722</u>
<i>Excess of Revenues Under Expenditures</i>	(9,726,111)	(11,706,687)	(8,039,412)	3,667,275
Other Financing Uses				
Transfers Out	(500,000)	(475,000)	(475,000)	0
<i>Net Change in Fund Balance</i>	(10,226,111)	(12,181,687)	(8,514,412)	3,667,275
<i>Fund Balance Beginning of Year</i>	22,495,804	22,495,804	22,495,804	0
Prior Year Encumbrances Appropriated	5,344,140	5,344,140	5,344,140	0
<i>Fund Balance End of Year</i>	<u>\$17,613,833</u>	<u>\$15,658,257</u>	<u>\$19,325,532</u>	<u>\$3,667,275</u>

See accompanying notes to the basic financial statements

Shaker Heights City School District

Statement of Fund Net Assets

Internal Service Funds

June 30, 2010

Assets	
<i>Current Assets</i>	
Equity in Pooled Cash and Cash Equivalents	<u>\$3,325,000</u>
Liabilities	
<i>Current Liabilities:</i>	
Accounts Payable	\$1,215,079
Claims Payable	<u>1,520,848</u>
Total Current Liabilities	2,735,927
<i>Long-Term Liabilities:</i>	
Claims Payable	<u>318,252</u>
<i>Total Liabilities</i>	<u>3,054,179</u>
Net Assets	
Unrestricted	<u><u>\$270,821</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, 2010*

Operating Revenues	
Charges for Services	<u>\$11,061,683</u>
Operating Expenses	
Purchased Services:	
Kaiser Health Insurance Premium	791,862
Life Insurance Premium	55,264
Contingent Medical and Dental Premium	4,963,651
Claims Processing	484,167
Claims	5,512,730
Change in Workers' Compensation Estimate	<u>108,269</u>
<i>Total Operating Expenses</i>	<u>11,915,943</u>
<i>Change in Net Assets</i>	(854,260)
<i>Net Assets Beginning of Year</i>	<u>1,125,081</u>
<i>Net Assets End of Year</i>	<u><u>\$270,821</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, 2010

Increase (Decrease) in Cash and Cash Equivalents

Cash Flows from Operating Activities

Cash Received from Transactions with Other Funds	\$11,061,683
Cash Payments for Claims	(4,481,818)
Cash Payments for Other Operating Expenses	(5,079,865)

Net Increase in Cash and Cash Equivalents 1,500,000

Cash and Cash Equivalents Beginning of Year 1,825,000

Cash and Cash Equivalents End of Year \$3,325,000

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

Operating Loss (854,260)

Adjustments

Increase in Liabilities:

Accounts Payable	1,215,079
Claims Payable	1,139,181

Total Adjustments 2,354,260

Net Cash Provided by Operating Activities \$1,500,000

See accompanying notes to the basic financial statements

Shaker Heights City School District
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2010

Assets	
Equity Pooled in Cash and Cash Equivalents	<u><u>\$322,577</u></u>
Liabilities	
Undistributed Monies	\$192,112
Due to Students	<u>130,465</u>
<i>Total Liabilities</i>	<u><u>\$322,577</u></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, 2010*

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 326 classified employees, 442 certified teachers and 37 tutoring personnel, and 32 administrators who provide services to 5,484 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 18 and 19 to the basic financial statements.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

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 fund is eliminated to avoid "doubling up" revenues and expenses. The statements usually distinguish between those activities of the School District that are governmental and those that are considered business-type. The School District, however, has no business-type activities.

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

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

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, 2010*

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

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

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

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

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

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

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

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, 2010

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

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

Basis of Accounting

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

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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

Property taxes for which there is an enforceable legal claim as of June 30, 2010, but which were levied to finance fiscal year 2011 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, 2010*

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. Prior to fiscal year-end, the School District passed an amended appropriation measure which matched appropriations to expenditures plus encumbrances in the majority of the categories.

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 2010, investments were limited to STAR Ohio (the State Treasury Asset Reserve of Ohio), federal farm credit bank notes and federal home loan bank bonds.

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, 2010.

Shaker Heights City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

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

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2010 amounted to \$524,915, which includes \$119,687 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, 2010, 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 to create a reserve for budget stabilization. See Note 9 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, 2010

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.

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, 2010*

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 either through enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

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

Fund Balance Reserves

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

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

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

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.

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 2010.

Estimates

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

Note 3 – Change in Accounting Principles

For fiscal year 2010, the School District has implemented Governmental Accounting Standard Board (GASB) Statement No. 51, "Accounting and Reporting for Intangible Assets", Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments", Statement No. 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans", and Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies".

GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets to reduce inconsistencies thereby enhancing the comparability of accounting and financial reporting of such assets among state and local governments. The implementation of this statement did not result in any change to the School District's financial statements.

Shaker Heights City School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

GASB Statement No. 53 enhances the usefulness and comparability of derivative instrument information reported by state and local governments. This Statement provides a comprehensive framework for the measurement, recognition, and disclosure of derivative instrument transactions. The implementation of this statement did not result in any change to the School District's financial statements.

GASB Statement No. 57 addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). The requirements in this Statement will allow more agent employers to use the alternative measurement method to produce actuarially based information for purposes of financial reporting and clarify that OPEB measures reported by agent multiple-employer OPEB plans and their participating employers should be determined at the same minimum frequency and as of a common date to improve the consistency of reporting with regard to funded status and funding progress information. The implementation of this statement did not result in any change in the School District's financial statements.

GASB Statement No. 58 provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The requirements in this Statement will provide more consistent recognition, measurement, display, and disclosure guidance for governments that file for Chapter 9 bankruptcy. The implementation of this statement did not result in any change in the School District's financial statements.

Note 4 – Fund Deficits

Fund balances at June 30, 2010, included the following individual fund deficits:

Special Revenue Funds:

Athletic	\$2,498
Management Information Systems	63
Goals 2000 Pacesetter	1,346
Title II-D	4,454
Drug Free Schools	687
Preschool Disability	3,131

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 5 - Budgetary Basis of Accounting

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

Shaker Heights City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

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

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

Net Change in Fund Balance	
GAAP Basis	(\$6,556,969)
Net Adjustment for Revenue Accruals	1,214,630
Beginning Fair Value Adjustment for Investments	107,013
Ending Fair Value Adjustment for Investments	(24,841)
Net Adjustment for Expenditure Accruals	1,275,933
Adjustment for Encumbrances	<u>(4,530,178)</u>
Budget Basis	<u><u>(\$8,514,412)</u></u>

Note 6 - Deposits and Investments

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

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.

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, \$5,579,209 of the School District's bank balance of \$16,111,756 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, 2010, the School District had the following investments:

Shaker Heights City School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

	Fair Value	Maturity	Standard & Poor's Rating	Percentage of Total Investments
STAR Ohio	\$16,391	Average 56.0 Days	N/A	N/A
Federal Farm Credit Bank Notes	3,008,910	Less than one year	AAA	17.60%
Federal Farm Credit Bank Notes	2,001,000	Less than two years	AAA	11.70%
Federal Home Loan Bank Bonds	8,068,141	Less than one year	AAA	47.18%
Federal Home Loan Bank Bonds	2,001,600	Less than two years	AAA	11.70%
Federal Home Loan Bank Bonds	2,003,960	Less than three years	AAA	11.72%
Total	<u>\$17,100,002</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.

Note 7 - Property Taxes

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar 2010 represents collections of calendar year 2009 taxes. Real property taxes received in calendar year 2010 were levied after April 1, 2009, on the assessed value listed as of January 1, 2009, 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 2010 represents collections of calendar year 2009 taxes. Public utility real and tangible personal property taxes received in calendar year 2010 became a lien December 31, 2008, were levied after April 1, 2009 and are collected in 2010 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.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

Tangible personal property tax revenue received during calendar 2010 (other than public utility property tax) represents the collection of 2010 taxes levied against local and inter-exchange telephone companies. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009, on the value as of December 31, 2009.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the School District due to the phasing out of the tax. In calendar years 2006 – 2010, the School District will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

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; however this year the settlement was late.

The School District receives property taxes from Cuyahoga County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2010, are available to finance fiscal year 2010 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, 2010 and for which there was an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, 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, 2010, was \$8,123,904 in the general fund and \$447,107 in the bond retirement debt service fund. The amount available as an advance at June 30, 2009, was \$9,201,446 in the general fund and \$544,816 in the bond retirement debt service fund.

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

The assessed values upon which the fiscal year 2010 taxes were collected are:

	2009 Second- Half Collections		2010 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$925,941,780	98.68%	\$861,787,630	98.56%
Public Utility Property	10,337,780	1.10	11,018,560	1.26
Tangible Personal Property	2,081,828	0.22	1,533,160	0.18
Total	\$938,361,388	100.00%	\$874,339,350	100.00%
Full voted tax rate per \$1,000 of assessed valuation		\$170.60		\$170.60

Shaker Heights City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

Note 8 - Receivables

Receivables at June 30, 2010, 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	\$574,051
Title I Grants	427,376
Auxiliary Services Grants	111,101
Food Service Subsidies	105,226
Class Size Reduction Grants	42,612
Cleveland Heights City School District	27,161
Preschool Disability Grants	18,502
Limited English Proficiency Grants	10,418
Refund from SERS	9,715
Title II-D Grants	6,947
Drug Free Schools Grants	26
<i>Total Intergovernmental Receivables</i>	<u><u>\$1,333,135</u></u>

Note 9 - Set-Asides

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year end and carried forward to be used for the same purposes in future years. In prior years, the School District was also required to set aside money for budget stabilization. At June 30, 2010, 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.

Shaker Heights City School District

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For the Fiscal Year Ended June 30, 2010*

	<u>Textbooks</u>	<u>Capital Improvements</u>	<u>Budget Stabilization</u>
Set-Aside Reserve Balance as of June 30, 2009	(\$5,304,862)	(\$33,499,706)	\$353,070
Current Year Set-Aside Requirement	935,414	935,414	0
Current Year Offset	0	(406,036)	0
Qualifying Disbursements	(994,887)	(565,535)	0
Totals	<u>(\$5,364,335)</u>	<u>(\$33,535,863)</u>	<u>\$353,070</u>
Set-Aside Balances Carried Forward to Future Fiscal Years	<u>(\$5,364,335)</u>	<u>(\$33,535,863)</u>	<u>\$353,070</u>
Set-Aside Reserve Balance as of June 30, 2010	<u>\$0</u>	<u>\$0</u>	<u>\$353,070</u>

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

Note 10 - Contingencies

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, 2010.

Litigation

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

Note 11 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2010, was as follows:

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

	Balance 6/30/09	Additions	Deletions	Balance 6/30/10
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$943,600	\$0	\$0	\$943,600
Construction in Progress	1,196,391	34,315	(1,196,391)	34,315
<i>Total Capital Assets, not being Depreciated</i>	<u>2,139,991</u>	<u>34,315</u>	<u>(1,196,391)</u>	<u>977,915</u>
<i>Capital Assets, being Depreciated</i>				
Land Improvements	3,440,343	3,300	0	3,443,643
Buildings and Improvements	33,366,079	1,265,951	0	34,632,030
Equipment	14,891,788	1,318,512	(202,890)	16,007,410
Vehicles	3,543,115	633,867	(356,000)	3,820,982
<i>Total Capital Assets, being Depreciated</i>	<u>55,241,325</u>	<u>3,221,630</u>	<u>(558,890)</u>	<u>57,904,065</u>
Less Accumulated Depreciation:				
Land Improvements	(1,255,266)	(247,814)	0	(1,503,080)
Buildings and Improvements	(10,495,407)	(1,009,351)	0	(11,504,758)
Equipment	(10,981,298)	(203,373)	187,425	(10,997,246)
Vehicles	(2,287,405)	(346,373)	356,000	(2,277,778)
<i>Total Accumulated Depreciation</i>	<u>(25,019,376)</u>	<u>(1,806,911) *</u>	<u>543,425</u>	<u>(26,282,862)</u>
<i>Total Capital Assets, being Depreciated, Net</i>	<u>30,221,949</u>	<u>1,414,719</u>	<u>(15,465)</u>	<u>31,621,203</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$32,361,940</u>	<u>\$1,449,034</u>	<u>(\$1,211,856)</u>	<u>\$32,599,118</u>

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$191,006
Special	6,976
Student Intervention Services	960
Support Services:	
Pupils	1,678
Instructional Staff	144,348
Administration	16,225
Fiscal	7,310
Business	61,484
Operation and Maintenance of Plant	940,611
Pupil Transportation	297,978
Central	6,528
Operation of Non-Instructional Services	10,762
Food Service Operations	117,914
Extracurricular	3,131
Total Depreciation Expense	<u>\$1,806,911</u>

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

Note 12 - 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 2010, the School District contracted with Indiana Insurance Company for property and inland marine insurance.

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

Workers' Compensation

The School District participates in the State Workers' Compensation retrospective rating and payment system. Once the School District receives notice of the 2010 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, 2010, 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, 2010, was \$600,000. Changes in claims activity for fiscal years 2009 and 2010 are as follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Change in Workers' Compensation Estimate	Balance at End of Year
2009	\$720,000	\$53,094	\$223,094	\$0	\$550,000
2010	550,000	200,000	258,269	108,269	600,000

Employee Health Benefits

The School District is self-insured for prescription drug insurance. Express Scripts, the third party administrator of the program, processes the claims for the School District's prescription drug program. Monthly premiums for prescription drug insurance are \$284.09 for family coverage and \$107.00 for single coverage. The program utilizes a \$4 prescription deductible for generic drugs and a \$12 deductible for non-generic drugs.

Through January 2010, the School District elected the contingent premium option for its dental and health insurance provided by its primary health insurance carrier Anthem Blue Cross/Blue Shield of Ohio. Under the terms of the contingent premium agreement, the School District pays 90 percent of the fully-insured premium during the contract period, but is subject to an additional payment up to 105 percent of the fully-insured premium based upon the actual experience during the contract period.

Shaker Heights City School District

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Beginning in February 2010, the School District is self-insured for Anthem medical and dental insurance. Anthem Blue Cross/Blue Shield, the third party administrator, processes the claims for the School District's medical and dental program. Monthly premiums for medical insurance are \$1,184.73 for family coverage and \$450.46 for single coverage. Monthly premiums for dental insurance are \$117.78 for family coverage and \$41.04 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 2010 plan year (February through December) that begins at \$7,009,344.

The claims liability of \$1,239,100 reported in the self insurance fund at June 30, 2010 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 2009 and 2010 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>
2009	\$154,200	\$1,705,713	\$1,709,994	\$149,919
2010	149,919	5,312,730	4,223,549	1,239,100

Note 13 - 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 either Kaiser Permanente Insurance Company or Anthem Insurance Company. Both the Kaiser Permanente and Anthem plans have \$10 office visit co-pays. Kaiser health individual coverage is \$510.59 per month while family coverage for a family of two is \$1,021.18 and for a family of three or more is \$1,531.77. The Anthem Insurance Company plan provides medical/surgical insurance with no deductible in the network and co-pays for office visits, urgent care and emergency room services. Outside the network, the plan provides medical health insurance coverage at 80 percent on the first \$2,500 of covered services and 100 percent afterwards, with a \$100 deductible for single subscribers, and 80 percent on the first \$5,000 of covered services and 100 percent afterwards, with a \$200 deductible for family subscribers per calendar year.

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

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

Life Insurance

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

Note 14 – Pension Plans

School Employees Retirement System

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2010, 12.78 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District’s required contributions for pension obligations to SERS for the fiscal years ended June 30, 2010, 2009 and 2008 were \$1,835,592, \$1,329,463 and \$1,266,412, respectively; 98.03 percent has been contributed for fiscal year 2010 and 100 percent has been contributed for fiscal year 2009 and 2008.

State Teachers Retirement System

Plan Description – The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 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 times a percentage that varies based on years of service, or an allowance based on member’s lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and

Shaker Heights City School District

*Notes to the Basic Financial Statements
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the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years 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 - For the fiscal year ended June 30, 2010, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2009, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2010, 2009 and 2008 were \$5,129,640, \$4,928,534 and \$4,855,357, respectively; 83.55 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008. Contributions to the DC and Combined Plans for fiscal year 2010 were \$256,193 made by the School District and \$182,995 made by the plan members.

Note 15 - Postemployment Benefits

School Employees Retirement System

Plan Description – The School District participates in two cost-sharing multiple employer defined benefit OPEB plans administrated 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 obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 Broad St., Suite 100, Columbus, Ohio 43215-3746.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for 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 401h. For 2010, 1.22 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 2010, this amount was \$35,800. During fiscal year 2010, the School District paid \$229,260 in surcharge.

Shaker Heights City School District

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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, 2010, 2009 and 2008 were \$186,308, \$608,423 and \$577,904, respectively; 98.03 percent has been contributed for fiscal years 2010 and 100 percent for fiscal years 2009 and 2008.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2010, 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, 2010, 2009 and 2008, were \$116,061, \$109,692 and \$91,248 respectively; 98.03 percent has been contribution for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

State Teachers Retirement System

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

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2010, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2010, 2009 and 2008 were \$394,588, \$379,118 and \$373,489 respectively; 83.55 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

Note 16 – Interfund Transfers and Balances

Transfers

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

Interfund Balances

Interfund balances at June 30, 2010, consist of an interfund receivable/payable between the general fund and the nonmajor governmental funds in the amount of \$11,462. These loans were made to support programs and projects in various special revenue funds pending the receipt of grant money that will be used to repay the loans. These loans are expected to be repaid in fiscal year 2011.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

Note 17 – Long-Term Obligations

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

Debt Issue	Interest Rate	Original Issue Amount	Fiscal Year of Maturity
<i>General Obligation Bonds:</i>			
School Improvement - 1990	7.08%	\$5,000,000	2011
School Improvement - 1999	3.95 - 4.95%	9,500,000	2010
School Improvement - 2000	4.30 - 5.38%	3,199,993	2011
School Improvement - 2005	3.00 - 4.50%	9,999,995	2026
School Improvement Refunding - 2005	3.00 - 4.50%	1,324,999	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 - 2009	1.00%	500,000	2010
Bus Acquisition Bond Anticipation Note - 2010	1.00%	600,000	2011

Changes in long-term obligations of the School District during fiscal year 2010 were as follows:

	Balance Outstanding 06/30/09	Additions	Deletions	Balance Outstanding 06/30/10	Amounts Due in One Year
Governmental Activities					
School Improvement Bonds - 1990					
Serial Bonds	\$880,000	\$0	\$425,000	\$455,000	\$455,000
School Improvement Bonds - 1999					
Serial Bonds	290,000	0	290,000	0	0
School Improvement Bonds - 2000					
Serial Bonds	165,000	0	0	165,000	165,000
Capital Appreciation Bonds	64,017	0	64,017	0	0
Accretion on Capital Appreciation Bonds	92,686	8,297	100,983	0	0
Total School Improvement Bonds - 2000	321,703	8,297	165,000	165,000	165,000
School Improvement Bonds 2005					
Serial Bonds	7,270,000	0	455,000	6,815,000	0
Capital Appreciation Bonds	204,995	0	0	204,995	204,995
Accretion on Capital Appreciation Bonds	169,767	57,971	0	227,738	227,738
Unamortized Premium	111,876	0	7,104	104,772	0
Total School Improvement Bonds - 2005	7,756,638	57,971	462,104	7,352,505	432,733
School Improvement Refunding Bonds 2005					
Serial Bonds	700,000	0	160,000	540,000	180,000
Capital Appreciation Bonds	94,999	0	0	94,999	0
Accretion on Capital Appreciation Bonds	44,303	13,310	0	57,613	0
Unamortized Premium	38,843	0	2,467	36,376	0
Unamortized Accounting Loss	(23,604)	0	(1,498)	(22,106)	0
Total School Improvement Refunding Bonds - 2005	784,541	13,310	160,969	706,882	180,000
Total School Improvement Refunding Bonds - 2005	\$854,541	\$13,310	\$160,969	\$706,882	\$180,000

Shaker Heights City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

	Balance Outstanding 06/30/09	Additions	Deletions	Balance Outstanding 06/30/10	Amounts Due in One Year
Governmental Activities (continued)					
School Improvement Bonds - 2007					
Serial Bonds	\$7,675,000	\$0	\$845,000	\$6,830,000	\$315,000
Capital Appreciation Bonds	23,960	0	0	23,960	0
Accretion on Capital Appreciation Bonds	15,652	10,388	0	26,040	0
Unamortized Premium	104,008	0	6,303	97,705	0
Total School Improvement Bonds - 2007	7,818,620	10,388	851,303	6,977,705	315,000
School Improvement Refunding - 2007					
Serial Bonds	3,750,000	0	15,000	3,735,000	320,000
Capital Appreciation Bonds	9,983	0	0	9,983	0
Accretion on Capital Appreciation Bonds	6,522	4,328	0	10,850	0
Unamortized Premium	77,698	0	7,399	70,299	0
Unamortized Accounting Loss	(129,272)	0	(12,311)	(116,961)	0
Total School Improvement Refunding Bonds - 2007	3,714,931	4,328	10,088	3,709,171	320,000
School Improvement Refunding - 2007					
Serial Bonds	1,900,000	0	15,000	1,885,000	15,000
Capital Appreciation Bonds	16,639	0	0	16,639	0
Accretion on Capital Appreciation Bonds	10,869	7,214	0	18,083	0
Unamortized Premium	80,358	0	7,654	72,704	0
Unamortized Accounting Loss	(66,596)	0	(6,343)	(60,253)	0
Total School Improvement Refunding Bonds - 2007	\$1,941,270	\$7,214	\$16,311	\$1,932,173	\$15,000
School Improvement Bonds - 2008					
Serial Bonds	4,880,000	0	210,000	4,670,000	230,000
Capital Appreciation Bonds	119,999	0	0	119,999	0
Accretion on Capital Appreciation Bonds	7,068	13,788	0	20,856	0
Unamortized Premium	107,967	0	4,535	103,432	0
Total School Improvement Bonds - 2008	5,115,034	13,788	214,535	4,914,287	230,000
Total General Obligation Bonds	28,692,737	115,296	2,595,310	26,212,723	2,112,733
Long-Term Notes:					
Bus Acquisition Bond Anticipation					
Note - 2009	500,000	0	500,000	0	0
Bus Acquisition Bond Anticipation					
Note - 2010	0	600,000	0	600,000	600,000
<i>Total Long-Term Notes</i>	500,000	600,000	500,000	600,000	600,000
Compensated Absences	7,159,445	158,638	628,310	6,689,773	428,110
Claims Payable	699,919	5,620,999	4,481,818	1,839,100	1,520,848
Total Governmental Activities	\$37,052,101	\$6,494,933	\$8,205,438	\$35,341,596	\$4,661,691

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

On September 28, 2000, Shaker Heights City School District issued \$3,199,993 in voted general obligation bonds for the purpose of renovating and making addition to school buildings, and related site development. The bond issue included serial, term and capital appreciation bonds in the amounts

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

\$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 remained outstanding at June 30, 2010. These bonds will be retired with a voted property tax levy from the debt service fund.

During fiscal year 2010, the capital appreciation bonds matured and were retired with an original principal amount of \$64,017 and an accreted interest amount of \$100,983 (for a total of \$165,000). The accretion recorded for 2010 was \$8,297.

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. The bonds will be retired from the debt service fund.

The serial and capital appreciation remained outstanding at June 30, 2010. The capital appreciation bonds were originally sold at a discount of \$260,005, which is being accreted annually until the point of maturity of the capital appreciation bonds, which is 2011.

The maturity amount of the outstanding capital appreciation bonds at June 30, 2010 is \$465,000. The accretion recorded for 2010 was \$57,971, for a total outstanding bond liability of \$432,733 at June 30, 2010.

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 serial and capital appreciation remained outstanding at June 30, 2010. 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.

The maturity amount of the outstanding capital appreciation bonds at June 30, 2010 is \$175,000. The accretion recorded for 2010 was \$13,310, for a total outstanding bond liability of \$152,612 at June 30, 2010.

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, 2010. 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, 2010 is \$180,000. The accretion recorded for 2010 was \$10,388, for a total outstanding bond liability of \$50,000 at June 30, 2010.

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

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, 2010. 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, 2010 is \$75,000. The accretion recorded for 2010 was \$4,328, for a total outstanding bond liability of \$20,833 at June 30, 2010.

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, 2010. 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, 2010 is \$125,000. The accretion recorded for 2010 was \$7,214, for a total outstanding bond liability of \$34,722 at June 30, 2010.

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, 2010. 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.

The maturity amount of the outstanding capital appreciation bonds at June 30, 2010 is \$305,000. The accretion recorded for 2010 was \$13,788, for a total outstanding bond liability of \$140,855 at June 30, 2010.

The bus acquisition bond anticipation note for \$500,000 was retired during fiscal year 2010.

On October 6, 2009, the School District issued a bus acquisition bond anticipation note for \$600,000 that was used to acquire eight school buses. The notes will mature on October 5, 2010.

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 \$55,296,349 with an unvoted debt margin of \$872,806 at June 30, 2010. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2010 are as follows:

Shaker Heights City School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Fiscal Year Ending June 30,	Serial Bonds		Capital Appreciation Bonds	
	Principal	Interest	Principal	Interest
2011	\$1,680,000	\$1,006,182	\$204,995	\$260,005
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
2016-2020	8,475,000	2,665,917	170,581	514,419
2021-2025	6,640,000	1,053,537	0	0
2026	1,440,000	31,675	0	0
	<u>\$25,095,000</u>	<u>\$8,088,009</u>	<u>\$470,575</u>	<u>\$854,425</u>

Note 18 - 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 19 - 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 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 2010, the School District paid \$2,553 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. Energy USA served as the natural gas supplier and program manager from October 1, 2008 to September 30, 2010. Compass Energy has been selected as the new supplier and program manager for the period from October 1, 2010 through March 31, 2013. There are currently 143 participants in the Program. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the

Shaker Heights City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

The School District also participates in the Council’s current electricity group purchase program. The Council’s current program, which began in September 2009 and runs through May 2011, provides as much as 25 percent in savings to 244 school districts in the First Energy territory.

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 2010, the School District paid \$179,511 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 20 – Subsequent Event

On October 5, 2010, the School District refinanced the October 2009 bus acquisition notes in the amount of \$600,000 for \$600,000 with a coupon interest rate of 1.00 percent and a net interest 0.83 percent. The proceeds were used to retire the October 2009 notes of \$600,000.

Note 21 – Contractual Commitments

As a result of project that was in progress at June 30, 2010, the 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>
Paving project for Woodbury and Mercer	\$247,030	\$48,438	\$198,592
High School Roof Replacement	294,892	136,776	158,116
Total	<u>\$541,922</u>	<u>\$185,214</u>	<u>\$356,708</u>

Combining and Individual Fund Statements and Schedules

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

(continued)

Fund Descriptions – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

Federal Stimulus — This fund accounts for 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 restricted Federal grant monies used for technology.

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

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

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

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

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

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

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

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

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

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

(continued)

Fund Descriptions – Nonmajor Governmental Funds (continued)

Nonmajor Debt Service Fund

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

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

Shaker Heights City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010

	Nonmajor Special Revenue Funds	Nonmajor Bond Retirement Debt Service Fund	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$640,348	\$1,862,155	\$2,502,503
Intergovernmental Receivable	1,296,259	0	1,296,259
Inventory Held for Resale	20,423	0	20,423
Materials and Supplies Inventory	6,461	0	6,461
Property Taxes Receivable	0	3,105,850	3,105,850
<i>Total Assets</i>	<u>\$1,963,491</u>	<u>\$4,968,005</u>	<u>\$6,931,496</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$174,858	\$0	\$174,858
Contracts Payable	20,560	0	20,560
Accrued Wages and Benefits	487,181	0	487,181
Interfund Payable	11,462	0	11,462
Intergovernmental Payable	209,428	0	209,428
Matured Compensated Absences Payable	37,895	0	37,895
Deferred Revenue	587,762	2,658,638	3,246,400
<i>Total Liabilities</i>	<u>1,529,146</u>	<u>2,658,638</u>	<u>4,187,784</u>
Fund Balances			
Reserved for Encumbrances	210,268	16,125	226,393
Reserved for Property Taxes	0	447,107	447,107
Unreserved, Undesignated			
Reported In:			
Special Revenue Funds	224,077	0	224,077
Debt Service Fund	0	1,846,135	1,846,135
<i>Total Fund Balances</i>	<u>434,345</u>	<u>2,309,367</u>	<u>2,743,712</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,963,491</u>	<u>\$4,968,005</u>	<u>\$6,931,496</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, 2010

	Nonmajor Special Revenue Funds	Nonmajor Bond Retirement Debt Service Fund	Total Nonmajor Governmental Funds
Revenues			
Property Taxes	\$0	\$2,978,102	\$2,978,102
Intergovernmental	6,040,567	460,096	6,500,663
Interest	426	0	426
Tuition and Fees	111,128	0	111,128
Extracurricular Activities	180,539	0	180,539
Contributions and Donations	16,505	0	16,505
Charges for Services	816,070	0	816,070
Miscellaneous	83,338	0	83,338
<i>Total Revenues</i>	<u>7,248,573</u>	<u>3,438,198</u>	<u>10,686,771</u>
Expenditures			
Current:			
Instruction:			
Regular	1,644,138	0	1,644,138
Special	1,014,831	0	1,014,831
Student Intervention Services	27,498	0	27,498
Support Services:			
Pupils	45,436	0	45,436
Instructional Staff	1,652,580	0	1,652,580
Administration	4,795	0	4,795
Fiscal	16,000	54,202	70,202
Business	16,936	0	16,936
Operation and Maintenance of Plant	8,558	0	8,558
Pupil Transportation	49,499	0	49,499
Central	11,851	0	11,851
Operation of Non-Instructional Services	1,373,118	0	1,373,118
Food Service Operations	1,952,226	0	1,952,226
Extracurricular Activities	296,924	0	296,924
Debt Service:			
Principal Retirement	0	2,580,000	2,580,000
Interest and Fiscal Charges	0	1,099,518	1,099,518
<i>Total Expenditures</i>	<u>8,114,390</u>	<u>3,733,720</u>	<u>11,848,110</u>
<i>Excess of Revenues Under Expenditures</i>	(865,817)	(295,522)	(1,161,339)
Other Financing Sources			
Transfers In	475,000	0	475,000
<i>Net Change in Fund Balances</i>	(390,817)	(295,522)	(686,339)
<i>Fund Balances Beginning of Year</i>	<u>825,162</u>	<u>2,604,889</u>	<u>3,430,051</u>
<i>Fund Balances End of Year</i>	<u><u>\$434,345</u></u>	<u><u>\$2,309,367</u></u>	<u><u>\$2,743,712</u></u>

Shaker Heights City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2010

	Public School Support	Shaker Merchandise	Athletic	Auxiliary Services
Assets				
Equity in Pooled Cash and Cash Equivalents	\$82,539	\$3,882	\$10,223	\$275,504
Intergovernmental Receivable	0	0	0	111,101
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$82,539</u>	<u>\$3,882</u>	<u>\$10,223</u>	<u>\$386,605</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$717	\$0	\$11,500	\$36,343
Contracts Payable	0	0	0	20,560
Accrued Wages and Benefits	0	0	0	102,254
Interfund Payable	0	0	0	0
Intergovernmental Payable	0	0	1,221	16,733
Matured Compensated Absences Payable	0	0	0	34,406
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>717</u>	<u>0</u>	<u>12,721</u>	<u>210,296</u>
 Fund Balances				
Reserved for Encumbrances	2,346	1,951	0	53,785
Unreserved, Undesignated (Deficit)	79,476	1,931	(2,498)	122,524
<i>Total Fund Balances (Deficit)</i>	<u>81,822</u>	<u>3,882</u>	<u>(2,498)</u>	<u>176,309</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$82,539</u>	<u>\$3,882</u>	<u>\$10,223</u>	<u>\$386,605</u>

Management Information Systems	Goals 2000 Pacesetter	Title VI-B	Title II-D	Limited English Proficiency
\$0	\$0	\$95,706	\$257	\$1,317
0	0	574,051	6,947	10,418
0	0	0	0	0
0	0	0	0	0
<u>\$0</u>	<u>\$0</u>	<u>\$669,757</u>	<u>\$7,204</u>	<u>\$11,735</u>
\$0	\$0	\$72,308	\$5,784	\$0
0		0	0	0
0	0	179,407	0	1,480
0	0	0	0	0
63	1,346	74,326	0	863
0	0	3,489	0	0
0	0	311,492	5,874	2,927
<u>63</u>	<u>1,346</u>	<u>641,022</u>	<u>11,658</u>	<u>5,270</u>
0		12,798	646	0
<u>(63)</u>	<u>(1,346)</u>	<u>15,937</u>	<u>(5,100)</u>	<u>6,465</u>
<u>(63)</u>	<u>(1,346)</u>	<u>28,735</u>	<u>(4,454)</u>	<u>6,465</u>
<u>\$0</u>	<u>\$0</u>	<u>\$669,757</u>	<u>\$7,204</u>	<u>\$11,735</u>

(continued)

Shaker Heights City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2010

	Title I	Drug Free Schools	Preschool Disability	Class Size Reduction
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,677	\$0	\$4,853	\$0
Intergovernmental Receivable	427,376	26	18,502	42,612
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$430,053</u>	<u>\$26</u>	<u>\$23,355</u>	<u>\$42,612</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$22,809	\$0	\$3,966	\$4,031
Contracts Payable	0	0	0	0
Accrued Wages and Benefits	88,593	0	2,870	13,762
Interfund Payable	0	26	0	11,436
Intergovernmental Payable	20,156	687	1,148	2,560
Matured Compensated Absences Payable	0	0	0	0
Deferred Revenue	248,967	0	18,502	0
<i>Total Liabilities</i>	<u>380,525</u>	<u>713</u>	<u>26,486</u>	<u>31,789</u>
 Fund Balances				
Reserved for Encumbrances	69,708	0	6,034	9,183
Unreserved, Undesignated (Deficit)	(20,180)	(687)	(9,165)	1,640
<i>Total Fund Balances (Deficit)</i>	<u>49,528</u>	<u>(687)</u>	<u>(3,131)</u>	<u>10,823</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$430,053</u>	<u>\$26</u>	<u>\$23,355</u>	<u>\$42,612</u>

Food Service	Uniform School Supplies	Local Grants	Total Nonmajor Special Revenue Funds
\$88,557	\$18,633	\$56,200	\$640,348
105,226	0	0	1,296,259
20,423	0	0	20,423
6,461	0	0	6,461
<u>\$220,667</u>	<u>\$18,633</u>	<u>\$56,200</u>	<u>\$1,963,491</u>
\$17,400	\$0	\$0	\$174,858
0	0	0	20,560
98,815	0	0	487,181
0	0	0	11,462
90,325	0	0	209,428
0	0	0	37,895
0	0	0	587,762
<u>206,540</u>	<u>0</u>	<u>0</u>	<u>1,529,146</u>
53,817	0	0	210,268
<u>(39,690)</u>	<u>18,633</u>	<u>56,200</u>	<u>224,077</u>
<u>14,127</u>	<u>18,633</u>	<u>56,200</u>	<u>434,345</u>
<u>\$220,667</u>	<u>\$18,633</u>	<u>\$56,200</u>	<u>\$1,963,491</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, 2010

	Public School Support	Shaker Merchandise	Athletic	Auxiliary Services	Management Information Systems
Revenues					
Intergovernmental	\$0	\$0	\$0	\$1,277,979	\$10,229
Interest	110	0	0	281	0
Tuition and Fees	48,538	0	0	0	0
Extracurricular Activities	99,539	0	81,000	0	0
Contributions and Donations	12,735	0	3,020	0	0
Charges for Services	0	0	900	0	0
Miscellaneous	14,717	7,660	1,398	0	0
<i>Total Revenues</i>	<u>175,639</u>	<u>7,660</u>	<u>86,318</u>	<u>1,278,260</u>	<u>10,229</u>
Expenditures					
Current:					
Instruction:					
Regular	144,348	0	0	0	0
Special	0	0	0	0	0
Student Intervention Services	0	0	0	0	0
Support Services:					
Pupils	0	0	0	0	0
Instructional Staff	0	0	0	0	0
Administration	4,795	0	0	0	0
Fiscal	0	0	0	0	0
Business	0	16,936	0	0	0
Operation and Maintenance of Plant	0	0	8,558	0	0
Pupil Transportation	0	0	0	0	0
Central	0	0	0	0	10,292
Operation of Non-Instructional Services	0	0	0	1,344,870	0
Food Service Operations	0	0	0	0	0
Extracurricular Activities	66,799	0	230,125	0	0
<i>Total Expenditures</i>	<u>215,942</u>	<u>16,936</u>	<u>238,683</u>	<u>1,344,870</u>	<u>10,292</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(40,303)	(9,276)	(152,365)	(66,610)	(63)
Other Financing Sources					
Transfers In	0	5,000	120,000	0	0
<i>Net Change in Fund Balances</i>	(40,303)	(4,276)	(32,365)	(66,610)	(63)
<i>Fund Balances Beginning of Year</i>	<u>122,125</u>	<u>8,158</u>	<u>29,867</u>	<u>242,919</u>	<u>0</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$81,822</u></u>	<u><u>\$3,882</u></u>	<u><u>(\$2,498)</u></u>	<u><u>\$176,309</u></u>	<u><u>(\$63)</u></u>

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, 2010

	Title II-D	Limited English Proficiency	Title I	Title V	Drug Free Schools
Revenues					
Intergovernmental	\$4,850	\$43,841	\$975,205	\$0	\$19,523
Interest	0	0	0	0	0
Tuition and Fees	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Charges for Services	0	0	0	0	0
Miscellaneous	0	0	0	0	0
<i>Total Revenues</i>	<u>4,850</u>	<u>43,841</u>	<u>975,205</u>	<u>0</u>	<u>19,523</u>
Expenditures					
Current:					
Instruction:					
Regular	5,784	9,638	342,261	0	0
Special	0	28,400	506,741	0	0
Student Intervention Services	0	0	0	0	0
Support Services:					
Pupils	0	0	0	0	24,470
Instructional Staff	2,640	0	269,975	0	0
Administration	0	0	0	0	0
Fiscal	0	0	0	0	0
Business	0	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0	0
Pupil Transportation	0	0	0	0	0
Central	0	0	0	0	0
Operation of Non-Instructional Services	880	0	8,000	4,545	3,411
Food Service Operations	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0
<i>Total Expenditures</i>	<u>9,304</u>	<u>38,038</u>	<u>1,126,977</u>	<u>4,545</u>	<u>27,881</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(4,454)	5,803	(151,772)	(4,545)	(8,358)
Other Financing Sources					
Transfers In	0	0	0	0	0
<i>Net Change in Fund Balances</i>	(4,454)	5,803	(151,772)	(4,545)	(8,358)
<i>Fund Balances Beginning of Year</i>	<u>0</u>	<u>662</u>	<u>201,300</u>	<u>4,545</u>	<u>7,671</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$4,454)</u>	<u>\$6,465</u>	<u>\$49,528</u>	<u>\$0</u>	<u>(\$687)</u>

Preschool Disability	Class Size Reduction	Goals 2000	Food Service	Uniform School Supplies	Local Grants	Total Nonmajor Special Revenue Funds
\$22,173	\$181,895	\$48,925	\$751,561	\$0	\$114,921	\$6,040,567
0	0	0	35	0	0	426
0	0	0	0	62,590	0	111,128
0	0	0	0	0	0	180,539
0	0	0	0	0	750	16,505
0	0	0	815,170	0	0	816,070
0	0	0	49,095	10,468	0	83,338
<u>22,173</u>	<u>181,895</u>	<u>48,925</u>	<u>1,615,861</u>	<u>73,058</u>	<u>115,671</u>	<u>7,248,573</u>
3,966	83,946	1,747	0	56,536	42,640	1,644,138
0	0	0	0	0	0	1,014,831
0	0	0	0	0	0	27,498
0	0	0	0	0	0	45,436
21,338	130,175	2,137	0	0	44,368	1,652,580
0	0	0	0	0	0	4,795
0	0	0	0	0	0	16,000
0	0	0	0	0	0	16,936
0	0	0	0	0	0	8,558
0	0	49,499	0	0	0	49,499
0	1,559	0	0	0	0	11,851
0	11,412	0	0	0	0	1,373,118
0	0	0	1,952,226	0	0	1,952,226
0	0	0	0	0	0	296,924
<u>25,304</u>	<u>227,092</u>	<u>53,383</u>	<u>1,952,226</u>	<u>56,536</u>	<u>87,008</u>	<u>8,114,390</u>
(3,131)	(45,197)	(4,458)	(336,365)	16,522	28,663	(865,817)
0	0	0	350,000	0	0	475,000
(3,131)	(45,197)	(4,458)	13,635	16,522	28,663	(390,817)
0	56,020	4,458	492	2,111	27,537	825,162
<u>(\$3,131)</u>	<u>\$10,823</u>	<u>\$0</u>	<u>\$14,127</u>	<u>\$18,633</u>	<u>\$56,200</u>	<u>\$434,345</u>

Fund Descriptions – Internal Service Funds

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

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

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

Shaker Heights City School District
Combining Statement of Fund Net Assets
Internal Service Funds
June 30, 2010

	Self Insurance	Workers' Compensation Reserve	Totals
Assets			
<i>Current Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$2,725,000	\$600,000	\$3,325,000
Liabilities			
<i>Current Liabilities:</i>			
Accounts Payable	1,215,079	0	1,215,079
Claims Payable	1,239,100	281,748	1,520,848
Total Current Liabilities	2,454,179	281,748	2,735,927
<i>Long-Term Liabilities:</i>			
Claims Payable	0	318,252	318,252
Total Liabilities	2,454,179	600,000	3,054,179
Net Assets			
Unrestricted	\$270,821	\$0	\$270,821

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, 2010*

	Self Insurance	Workers' Compensation Reserve	Totals
Operating Revenues			
Charges for Services	\$10,753,414	\$308,269	\$11,061,683
Operating Expenses			
Purchased Services:			
Kaiser Health Insurance Premium	791,862	0	791,862
Life Insurance Premium	55,264	0	55,264
Contingent Medical and Dental Premium	4,963,651	0	4,963,651
Claims Processing	484,167	0	484,167
Claims	5,312,730	200,000	5,512,730
Change in Workers' Compensation Estimate	0	108,269	108,269
<i>Total Operating Expenses</i>	11,607,674	308,269	11,915,943
<i>Change in Net Assets</i>	(854,260)	0	(854,260)
<i>Net Assets Beginning of Year</i>	1,125,081	0	1,125,081
<i>Net Assets End of Year</i>	\$270,821	\$0	\$270,821

Shaker Heights City School District
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2010

	Self Insurance	Workers' Compensation Reserve	Totals
<i>Increase (Decrease) in Cash and Cash Equivalents</i>			
Cash Flows from Operating Activities			
Cash Received from Transactions with Other Funds	\$10,753,414	\$308,269	\$11,061,683
Cash Payments for Claims	(4,223,549)	(258,269)	(4,481,818)
Cash Payments for Other Operating Expenses	(5,079,865)	0	(5,079,865)
<i>Net Increase in Cash and Cash Equivalents</i>	1,450,000	50,000	1,500,000
<i>Cash and Cash Equivalents Beginning of Year</i>	1,275,000	550,000	1,825,000
<i>Cash and Cash Equivalents End of Year</i>	\$2,725,000	\$600,000	\$3,325,000
<i>Reconciliation of Operating Loss to Net Cash Provided by Operating Activities</i>			
<i>Operating Loss</i>	(\$854,260)	\$0	(\$854,260)
Adjustments			
Increase in Liabilities:			
Accounts Payable	1,215,079	0	1,215,079
Claims Payable	1,089,181	50,000	1,139,181
<i>Total Adjustments</i>	2,304,260	50,000	2,354,260
<i>Net Cash Provided by Operating Activities</i>	\$1,450,000	\$50,000	\$1,500,000

Fund Description – Fiduciary Funds

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

Agency Funds

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

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

Shaker Heights City School District
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended June 30, 2010

	Beginning Balance 06/30/09	Additions	Deductions	Ending Balance 06/30/10
Rotary				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$187,810	\$152,677	\$148,375	\$192,112
Liabilities				
Undistributed Monies	\$187,810	\$152,677	\$148,375	\$192,112
Student Activities				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$142,798	\$200,378	\$212,711	\$130,465
Liabilities				
Due to Students	\$142,798	\$200,378	\$212,711	\$130,465
Total - All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$330,608	\$353,055	\$361,086	\$322,577
Liabilities				
Undistributed Monies	\$187,810	\$152,677	\$148,375	\$192,112
Due to Students	142,798	200,378	212,711	130,465
<i>Total Liabilities</i>	\$330,608	\$353,055	\$361,086	\$322,577

**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 Fund
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$57,150,791	\$56,253,997	\$57,635,506	\$1,381,509
Intergovernmental	24,397,987	24,071,784	24,685,415	613,631
Interest	1,000,000	672,680	689,200	16,520
Tuition and Fees	1,422,000	1,165,311	1,193,929	28,618
Contributions and Donations	0	0	195	195
Charges for Services	110,000	101,286	103,773	2,487
Rentals	69,000	52,043	53,126	1,083
Miscellaneous	327,000	204,101	209,611	5,510
<i>Total Revenues</i>	84,476,778	82,521,202	84,570,755	2,049,553
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	26,859,536	26,336,408	25,323,502	1,012,906
Fringe Benefits	8,648,761	8,289,318	8,288,565	753
Purchased Services	347,972	433,356	433,170	186
Materials and Supplies	1,086,061	765,179	765,178	1
Capital Outlay - New	122,875	93,465	93,465	0
Capital Outlay - Replacement	0	7,169	7,169	0
Other	2,019	15,104	15,104	0
Total Regular	37,067,224	35,939,999	34,926,153	1,013,846
Special:				
Salaries and Wages	5,281,594	5,270,173	5,270,173	0
Fringe Benefits	1,690,219	1,815,911	1,815,911	0
Purchased Services	6,117,995	6,175,965	6,175,965	0
Materials and Supplies	49,272	59,758	59,758	0
Capital Outlay - New	52,054	17,793	17,793	0
Capital Outlay - Replacement	0	345	345	0
Total Special	13,191,134	13,339,945	13,339,945	0
Vocational:				
Salaries and Wages	83,119	91,544	91,544	0
Fringe Benefits	32,591	29,510	29,510	0
Purchased Services	42,644	27,084	27,084	0
Total Vocational	158,354	148,138	148,138	0
Total Instruction	\$50,416,712	\$49,428,082	\$48,414,236	\$1,013,846

(continued)

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support Services:				
Pupils:				
Salaries and Wages	\$4,008,855	\$3,848,197	\$3,848,197	\$0
Fringe Benefits	1,290,144	1,222,809	1,222,809	0
Purchased Services	804,840	712,634	712,633	1
Materials and Supplies	67,036	63,100	63,099	1
Other	1,558	446	446	0
Total Pupils	6,172,433	5,847,186	5,847,184	2
Instructional Staff:				
Salaries and Wages	3,516,481	3,259,861	3,259,861	0
Fringe Benefits	2,101,578	1,793,943	1,793,943	0
Purchased Services	492,081	646,590	640,172	6,418
Materials and Supplies	208,877	250,030	246,671	3,359
Capital Outlay - New	34,806	247,645	247,645	0
Capital Outlay - Replacement	10,598	15,277	15,277	0
Other	4,484	6,784	6,784	0
Total Instructional Staff	6,368,905	6,220,130	6,210,353	9,777
Board of Education:				
Purchased Services	4,587	8,608	8,608	0
Materials and Supplies	440	110	110	0
Other	18,534	15,586	15,586	0
Total Board of Education	23,561	24,304	24,304	0
Administration:				
Salaries and Wages	3,893,385	3,804,142	3,804,142	0
Fringe Benefits	1,928,081	1,784,018	1,784,018	0
Purchased Services	445,808	431,761	431,408	353
Materials and Supplies	157,375	215,051	215,051	0
Capital Outlay - New	32,455	17,854	17,854	0
Capital Outlay - Replacement	42,532	4,113	4,113	0
Other	11,722	8,860	8,860	0
Total Administration	6,511,358	6,265,799	6,265,446	353
Fiscal:				
Salaries and Wages	508,294	597,528	597,528	0
Fringe Benefits	438,504	531,429	391,919	139,510
Purchased Services	239,561	428,150	428,098	52
Materials and Supplies	0	9,499	9,499	0
Other	679,902	1,073,139	622,265	450,874
Total Fiscal	\$1,866,261	\$2,639,745	\$2,049,309	\$590,436

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Business:				
Salaries and Wages	\$392,534	\$422,021	\$422,021	\$0
Fringe Benefits	141,305	197,853	197,853	0
Purchased Services	199,643	208,499	208,154	345
Materials and Supplies	113,039	178,946	178,946	0
Capital Outlay - Replacement	3,347	2,196	2,196	0
Other	83,238	54,552	54,552	0
Total Business	933,106	1,064,067	1,063,722	345
Operation and Maintenance of Plant:				
Salaries and Wages	5,778,604	5,456,591	5,456,591	0
Fringe Benefits	2,331,765	2,858,715	2,858,714	1
Purchased Services	4,410,660	4,772,134	4,772,130	4
Materials and Supplies	1,517,580	1,440,568	1,440,566	2
Capital Outlay - New	249,971	171,069	171,069	0
Capital Outlay - Replacement	37,175	35,397	35,397	0
Other	14,310	7,956	7,956	0
Total Operation and Maintenance of Plant	14,340,065	14,742,430	14,742,423	7
Pupil Transportation:				
Salaries and Wages	923,447	1,814,270	1,814,270	0
Fringe Benefits	561,771	659,188	659,187	1
Purchased Services	2,476,019	1,851,170	1,851,170	0
Materials and Supplies	603,527	625,324	625,324	0
Capital Outlay - New	852	3,357	3,357	0
Capital Outlay - Replacement	174	100	100	0
Total Pupil Transportation	4,565,790	4,953,409	4,953,408	1
Central:				
Salaries and Wages	534,158	689,560	689,560	0
Fringe Benefits	471,820	319,599	319,599	0
Purchased Services	762,452	882,317	882,317	0
Materials and Supplies	123,597	96,578	96,578	0
Capital Outlay - New	2,453	1,127	1,127	0
Other	530	445	445	0
Total Central	1,895,010	1,989,626	1,989,626	0
Total Support Services	\$42,676,489	\$43,746,696	\$43,145,775	\$600,921

(continued)

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	\$52,945	\$52,064	\$49,109	\$2,955
Materials and Supplies	0	428	428	0
Total Operation of Non-Instructional Services	52,945	52,492	49,537	2,955
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	195,763	192,832	192,832	0
Fringe Benefits	75,064	54,366	54,366	0
Purchased Services	17,991	12,484	12,484	0
Materials and Supplies	0	10,544	10,544	0
Total Academic and Subject Oriented Activities	288,818	270,226	270,226	0
Occupational Oriented Activities:				
Salaries and Wages	5,020	5,138	5,138	0
Fringe Benefits	2,030	1,458	1,458	0
Total Occupational Oriented Activities	7,050	6,596	6,596	0
Sports Oriented Activities:				
Salaries and Wages	526,120	510,124	510,124	0
Fringe Benefits	134,901	125,773	125,773	0
Purchased Services	29,838	23,548	23,548	0
Materials and Supplies	5,361	308	308	0
Capital Outlay - New	2,330	323	323	0
Other	0	5,407	5,407	0
Total Sports Oriented Activities	698,550	665,483	665,483	0
School and Public Service				
Co-Curricular Activities:				
Salaries and Wages	48,453	44,375	44,375	0
Fringe Benefits	13,872	13,939	13,939	0
Total School and Public Service	62,325	58,314	58,314	0
Co-Curricular Activities	62,325	58,314	58,314	0
Total Extracurricular Activities	1,056,743	1,000,619	1,000,619	0
Total Expenditures	\$94,202,889	\$94,227,889	\$92,610,167	\$1,617,722

(continued)

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<i>Excess of Revenues Under Expenditures</i>	(\$9,726,111)	(\$11,706,687)	(\$8,039,412)	\$3,667,275
Other Financing Uses				
Transfers Out	<u>(500,000)</u>	<u>(475,000)</u>	<u>(475,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(10,226,111)	(12,181,687)	(8,514,412)	3,667,275
<i>Fund Balance Beginning of Year</i>	22,495,804	22,495,804	22,495,804	0
Prior Year Encumbrances Appropriated	<u>5,344,140</u>	<u>5,344,140</u>	<u>5,344,140</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$17,613,833</u>	<u>\$15,658,257</u>	<u>\$19,325,532</u>	<u>\$3,667,275</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$70,000	\$70,000	\$7,940	(\$62,060)
Contributions and Donations	0	0	242,179	242,179
Rentals	100,000	100,000	100,000	0
Miscellaneous	30,000	30,000	96,584	66,584
<i>Total Revenues</i>	<u>200,000</u>	<u>200,000</u>	<u>446,703</u>	<u>246,703</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	1,376	1,376	0	1,376
Capital Outlay - New	120,363	161,429	161,429	0
Capital Outlay - Replacement	897	897	0	897
Total Instruction	<u>122,636</u>	<u>163,702</u>	<u>161,429</u>	<u>2,273</u>
Support Services:				
Instructional Staff:				
Materials and Supplies	0	1,500	1,500	0
Capital Outlay	181,214	268,420	268,420	0
Total Instructional Staff	<u>181,214</u>	<u>269,920</u>	<u>269,920</u>	<u>0</u>
Business:				
Capital Outlay	18,331	19,582	19,582	0
Capital Outlay - Replacement	6,599	6,599	0	6,599
Total Business	<u>24,930</u>	<u>26,181</u>	<u>19,582</u>	<u>6,599</u>
Operation and Maintenance of Plant:				
Purchased Services	4,139,081	4,008,058	780,642	3,227,416
Materials and Supplies	26,569	26,569	21,708	4,861
Capital Outlay	74,376	74,376	65,201	9,175
Capital Outlay - Replacement	5,228	5,228	0	5,228
Total Operation and Maintenance of Plant	<u>4,245,254</u>	<u>4,114,231</u>	<u>867,551</u>	<u>3,246,680</u>
Pupil Transportation:				
Capital Outlay	43,981	43,981	6,168	37,813
Capital Outlay - Replacement	700,107	700,107	630,618	69,489
Total Pupil Transportation	<u>744,088</u>	<u>744,088</u>	<u>636,786</u>	<u>107,302</u>
Total Support Services	<u>5,195,486</u>	<u>5,154,420</u>	<u>1,793,839</u>	<u>3,360,581</u>
Debt Service:				
Principal Retirement	500,000	500,000	500,000	0
Interest and Fiscal Charges	14,958	14,958	14,958	0
Total Debt Service	<u>514,958</u>	<u>514,958</u>	<u>514,958</u>	<u>0</u>
<i>Total Expenditures</i>	<u>5,833,080</u>	<u>5,833,080</u>	<u>2,470,226</u>	<u>3,362,854</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(5,633,080)</u>	<u>(5,633,080)</u>	<u>(2,023,523)</u>	<u>3,609,557</u>
Other Financing Sources				
General Obligation Notes Issued	500,000	500,000	600,000	100,000
Proceeds from Sale of Capital Assets	0	0	21,600	21,600
<i>Total Other Financing Sources</i>	<u>500,000</u>	<u>500,000</u>	<u>621,600</u>	<u>121,600</u>
<i>Net Change in Fund Balance</i>	<u>(5,133,080)</u>	<u>(5,133,080)</u>	<u>(1,401,923)</u>	<u>3,731,157</u>
<i>Fund Balance Beginning of Year</i>	4,892,213	4,892,213	4,892,213	0
Prior Year Encumbrances Appropriated	833,080	833,080	833,080	0
<i>Fund Balance End of Year</i>	<u>\$592,213</u>	<u>\$592,213</u>	<u>\$4,323,370</u>	<u>\$3,731,157</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$7,000	\$7,000	\$110	(\$6,890)
Tuition and Fees	46,000	46,000	48,538	2,538
Extracurricular Activities	125,000	125,000	99,539	(25,461)
Contributions and Donations	10,000	10,000	12,735	2,735
Miscellaneous	12,000	12,000	14,717	2,717
<i>Total Revenues</i>	<u>200,000</u>	<u>200,000</u>	<u>175,639</u>	<u>(24,361)</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Fringe Benefits	1,343	1,343	1,342	1
Purchased Services	84,425	84,425	84,425	0
Materials and Supplies	52,045	52,045	52,045	0
Capital Outlay - New	2,474	2,474	802	1,672
Other	7,084	7,084	7,084	0
Total Instruction	<u>147,371</u>	<u>147,371</u>	<u>145,698</u>	<u>1,673</u>
Support Services:				
Administration:				
Purchased Services	2,600	2,600	2,600	0
Materials and Supplies	12,905	12,905	12,905	0
Total Support Services	<u>15,505</u>	<u>15,505</u>	<u>15,505</u>	<u>0</u>
Extracurricular Activities:				
Academic Oriented Activities:				
Purchased Services	36,074	36,074	36,074	0
Materials and Supplies	24,947	24,947	24,947	0
Other	4,617	4,617	4,617	0
Total Academic Oriented Activities	<u>65,638</u>	<u>65,638</u>	<u>65,638</u>	<u>0</u>
Co-Curricular Activities:				
Other	3,000	3,000	3,000	0
Total Extracurricular Activities	<u>68,638</u>	<u>68,638</u>	<u>68,638</u>	<u>0</u>
<i>Total Expenditures</i>	<u>231,514</u>	<u>231,514</u>	<u>229,841</u>	<u>1,673</u>
<i>Net Change in Fund Balance</i>	(31,514)	(31,514)	(54,202)	(22,688)
<i>Fund Balance Beginning of Year</i>	122,881	122,881	122,881	0
Prior Year Encumbrances Appropriated	11,514	11,514	11,514	0
<i>Fund Balance End of Year</i>	<u>\$102,881</u>	<u>\$102,881</u>	<u>\$80,193</u>	<u>(\$22,688)</u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Shaker Merchandise
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	\$10,000	\$10,000	\$7,660	(\$2,340)
Expenditures				
Current:				
Support Services:				
Business:				
Materials and Supplies	14,504	19,504	18,387	1,117
Other	2,250	2,250	500	1,750
<i>Total Expenditures</i>	<u>16,754</u>	<u>21,754</u>	<u>18,887</u>	<u>2,867</u>
<i>Excess of Revenues Under Expenditures</i>	(6,754)	(11,754)	(11,227)	527
Other Financing Sources				
Transfers In	5,000	5,000	5,000	0
<i>Net Change in Fund Balance</i>	(1,754)	(6,754)	(6,227)	527
<i>Fund Balance Beginning of Year</i>	6,404	6,404	6,404	0
Prior Year Encumbrances Appropriated	1,754	1,754	1,754	0
<i>Fund Balance End of Year</i>	<u>\$6,404</u>	<u>\$1,404</u>	<u>\$1,931</u>	<u>\$527</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Extracurricular Activities	\$87,000	\$87,000	\$81,000	(\$6,000)
Contributions and Donations	20,000	20,000	3,020	(16,980)
Charges for Services	0	0	900	900
Miscellaneous	123,000	123,000	1,398	(121,602)
<i>Total Revenues</i>	<u>230,000</u>	<u>230,000</u>	<u>86,318</u>	<u>(143,682)</u>
Expenditures				
Current:				
Support Services:				
Operation and Maintenance of Plant:				
Salaries and Wages	9,899	9,899	7,171	2,728
Fringe Benefits	1,826	1,826	1,322	504
Total Support Services	<u>11,725</u>	<u>11,725</u>	<u>8,493</u>	<u>3,232</u>
Extracurricular Activities:				
Sports Oriented Activities:				
Salaries and Wages	7,097	7,097	3,400	3,697
Fringe Benefits	3,661	3,661	1,670	1,991
Purchased Services	131,559	131,559	61,701	69,858
Materials and Supplies	96,493	96,493	83,623	12,870
Capital Outlay - New	72,693	72,693	41,120	31,573
Other	48,814	48,814	37,413	11,401
Total Extracurricular Activities	<u>360,317</u>	<u>360,317</u>	<u>228,927</u>	<u>131,390</u>
<i>Total Expenditures</i>	<u>372,042</u>	<u>372,042</u>	<u>237,420</u>	<u>134,622</u>
<i>Excess of Revenues Under Expenditures</i>	(142,042)	(142,042)	(151,102)	(9,060)
Other Financing Sources				
Transfers In	120,000	120,000	120,000	0
<i>Net Change in Fund Balance</i>	(22,042)	(22,042)	(31,102)	(9,060)
<i>Fund Balance Beginning of Year</i>	9,060	9,060	9,060	0
Prior Year Encumbrances Appropriated	<u>22,042</u>	<u>22,042</u>	<u>22,042</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$9,060</u>	<u>\$9,060</u>	<u>\$0</u>	<u>(\$9,060)</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$1,349,675	\$1,349,675	\$1,166,878	(\$182,797)
Interest	325	325	281	(44)
<i>Total Revenues</i>	<u>1,350,000</u>	<u>1,350,000</u>	<u>1,167,159</u>	<u>(182,841)</u>
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	562,782	598,695	496,135	102,560
Fringe Benefits	194,405	206,811	159,036	47,775
Purchased Services	364,653	387,923	376,463	11,460
Materials and Supplies	55,495	87,704	87,704	0
Capital Outlay - New	268,240	256,690	244,469	12,221
<i>Total Expenditures</i>	<u>1,445,575</u>	<u>1,537,823</u>	<u>1,363,807</u>	<u>174,016</u>
<i>Net Change in Fund Balance</i>	(95,575)	(187,823)	(196,648)	(8,825)
<i>Fund Balance Beginning of Year</i>	125,089	125,089	125,089	0
Prior Year Encumbrances Appropriated	<u>245,575</u>	<u>245,575</u>	<u>245,575</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$275,089</u></u>	<u><u>\$182,841</u></u>	<u><u>\$174,016</u></u>	<u><u>(\$8,825)</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	<u>\$20,000</u>	<u>\$20,000</u>	<u>\$10,229</u>	<u>(\$9,771)</u>
Expenditures:				
Current:				
Support Services:				
Central:				
Salaries and Wages	9,932	6,631	6,631	0
Fringe Benefits	<u>10,068</u>	<u>3,598</u>	<u>3,598</u>	<u>0</u>
<i>Total Expenditures</i>	<u>20,000</u>	<u>10,229</u>	<u>10,229</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	9,771	0	(9,771)
<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>\$9,771</u>	<u>\$0</u>	<u>(\$9,771)</u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Entry Teacher Program
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$24,000	\$24,000	\$0	(\$24,000)
Expenditures:				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	12,000	0	0	0
Fringe Benefits	2,000	0	0	0
Total Instructional Staff	14,000	0	0	0
Administration:				
Salaries and Wages	1,000	0	0	0
<i>Total Expenditures</i>	15,000	0	0	0
<i>Net Change in Fund Balance</i>	9,000	24,000	0	(24,000)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$9,000	\$24,000	\$0	(\$24,000)

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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$24,000	\$16,000	\$16,000	\$0
Expenditures				
Current:				
Support Services:				
Fiscal Services:				
Purchased Services	16,000	16,000	16,000	0
<i>Net Change in Fund Balance</i>	8,000	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$8,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
School Net Professional Development Grant
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$3,000	\$3,000	\$2,291	(\$709)
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	3,000	2,291	2,291	0
<i>Net Change in Fund Balance</i>	0	709	0	(709)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$709</u>	<u>\$0</u>	<u>(\$709)</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$56,000	\$39,459	\$38,459	(\$1,000)
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	45,000	38,459	38,459	0
<i>Net Change in Fund Balance</i>	11,000	1,000	0	(1,000)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$11,000	\$1,000	\$0	(\$1,000)

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Poverty Based Assistance
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$125,000	\$0	\$0	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	94,000	0	0	0
Fringe Benefits	31,000	0	0	0
<i>Total Expenditures</i>	125,000	0	0	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>	\$0	\$0	\$0	\$0

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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$50,000	\$50,000	\$25,000	(\$25,000)
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	41,300	20,649	20,649	0
Fringe Benefits	8,700	4,351	4,351	0
<i>Total Expenditures</i>	50,000	25,000	25,000	0
<i>Net Change in Fund Balance</i>	0	25,000	0	(25,000)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$25,000	\$0	(\$25,000)

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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$2,200,000	\$2,200,000	\$1,583,536	(\$616,464)
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	262,500	262,500	183,360	79,140
Fringe Benefits	94,500	94,500	83,856	10,644
Materials and Supplies	98,059	82,909	82,280	629
Total Special	455,059	439,909	349,496	90,413
Student Intervention Services:				
Materials and Supplies	0	15,150	15,150	0
Capital Outlay - New	85,000	85,000	85,000	0
Total Student Intervention Services	85,000	100,150	100,150	0
Total Instruction	540,059	540,059	449,646	90,413
Support Services:				
Pupils:				
Purchased Services	32,000	32,000	32,000	0
Instructional Staff:				
Salaries and Wages	834,259	980,089	641,760	338,329
Fringe Benefits	514,349	604,258	449,167	155,091
Total Instructional Staff	1,348,608	1,584,347	1,090,927	493,420
Total Support Services	1,380,608	1,616,347	1,122,927	493,420
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	2,238	2,238	1,420	818
<i>Total Expenditures</i>	1,922,905	2,158,644	1,573,993	584,651
<i>Net Change in Fund Balance</i>	277,095	41,356	9,543	(31,813)
<i>Fund Deficit Beginning of Year</i>	(11,848)	(11,848)	(11,848)	0
Prior Year Encumbrances Appropriated	12,905	12,905	12,905	0
<i>Fund Balance End of Year</i>	\$278,152	\$42,413	\$10,600	(\$31,813)

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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$440,000	\$975,000	\$914,813	(\$60,187)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	346,699	720,830	720,830	0
Fringe Benefits	93,301	193,983	193,983	0
<i>Total Expenditures</i>	<u>440,000</u>	<u>914,813</u>	<u>914,813</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	60,187	0	(60,187)
<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>\$60,187</u>	<u>\$0</u>	<u>(\$60,187)</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$7,000	\$10,725	\$3,777	(\$6,948)
Expenditures				
Current:				
Instruction:				
Regular:				
Capital Outlay - New	4,000	6,218	6,218	0
Support Services:				
Instructional Staff:				
Purchased Services	2,000	2,640	2,640	0
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	1,000	1,664	890	774
Materials and Supplies	0	202	202	0
Total Operation of Non-Instructional Services	1,000	1,866	1,092	774
<i>Total Expenditures</i>	7,000	10,724	9,950	774
<i>Net Change in Fund Balance</i>	0	1	(6,173)	(6,174)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$0</u>	<u>\$1</u>	<u>(\$6,173)</u>	<u>(\$6,174)</u>

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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$55,000	\$56,000	\$45,305	(\$10,695)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	7,500	8,250	8,250	0
Fringe Benefits	1,813	1,063	1,063	0
Materials and Supplies	56	56	56	0
Total Regular	9,369	9,369	9,369	0
Special:				
Salaries and Wages	29,526	26,512	23,765	2,747
Fringe Benefits	3,905	7,263	7,263	0
Materials and Supplies	0	6,789	0	6,789
Total Special	33,431	40,564	31,028	9,536
Total Instruction	42,800	49,933	40,397	9,536
Support Services:				
Instructional Staff:				
Fringe Benefits	2,000	2,000	0	2,000
Administration:				
Purchased Services	200	200	0	200
Total Support Services	2,200	2,200	0	2,200
<i>Total Expenditures</i>	45,000	52,133	40,397	11,736
<i>Net Change in Fund Balance</i>	10,000	3,867	4,908	1,041
<i>Fund Deficit Beginning of Year</i>	(3,591)	(3,591)	(3,591)	0
<i>Fund Balance End of Year</i>	\$6,409	\$276	\$1,317	\$1,041

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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$1,505,000	\$1,565,000	\$1,083,881	(\$481,119)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	28,919	58,807	58,807	0
Fringe Benefits	7,230	20,751	20,751	0
Purchased Services	68,167	93,250	93,250	0
Materials and Supplies	76,329	111,960	111,960	0
Capital Outlay - New	85,904	103,966	103,966	0
Total Regular	266,549	388,734	388,734	0
Special:				
Salaries and Wages	385,437	466,480	357,953	108,527
Fringe Benefits	151,334	183,154	147,153	36,001
Total Special	536,771	649,634	505,106	144,528
Total Instruction	803,320	1,038,368	893,840	144,528
Support Services:				
Instructional Staff:				
Salaries and Wages	82,609	91,171	49,435	41,736
Fringe Benefits	25,459	23,811	13,970	9,841
Purchased Services	254,200	317,317	187,831	129,486
Capital Outlay - New	13,445	16,272	16,272	0
Total Support Services	375,713	448,571	267,508	181,063
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	6,610	8,000	8,000	0
Materials and Supplies	7,966	9,640	0	9,640
Total Operation of Non-Instructional Services	14,576	17,640	8,000	9,640
Total Expenditures	1,193,609	1,504,579	1,169,348	335,231
Net Change in Fund Balance	311,391	60,421	(85,467)	(145,888)
Fund Deficit Beginning of Year	(182,982)	(182,982)	(182,982)	0
Prior Year Encumbrances Appropriated	178,609	178,609	178,609	0
Fund Balance (Deficit) End of Year	\$307,018	\$56,048	(\$89,840)	(\$145,888)

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title V
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$15,000	\$15,000	\$5,154	(\$9,846)
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	5,056	5,058	5,058	0
<i>Net Change in Fund Balance</i>	9,944	9,942	96	(9,846)
<i>Fund Deficit Beginning of Year</i>	(5,152)	(5,152)	(5,152)	0
Prior Year Encumbrances Appropriated	5,056	5,056	5,056	0
<i>Fund Balance End of Year</i>	<u>\$9,848</u>	<u>\$9,846</u>	<u>\$0</u>	<u>(\$9,846)</u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Free Schools
For the Fiscal Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	<u>\$35,000</u>	<u>\$35,000</u>	<u>\$31,046</u>	<u>(\$3,954)</u>
Expenditures				
Current:				
Support Services:				
Pupils:				
Salaries and Wages	20,254	20,254	20,254	0
Fringe Benefits	<u>5,708</u>	<u>5,708</u>	<u>5,708</u>	<u>0</u>
Total Support Services	25,962	25,962	25,962	0
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	<u>3,349</u>	<u>5,393</u>	<u>5,393</u>	<u>0</u>
<i>Total Expenditures</i>	<u>29,311</u>	<u>31,355</u>	<u>31,355</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	5,689	3,645	(309)	(3,954)
<i>Fund Deficit Beginning of Year</i>	(9,028)	(9,028)	(9,028)	0
<i>Prior Year Encumbrances Appropriated</i>	<u>9,311</u>	<u>9,311</u>	<u>9,311</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$5,972</u></u>	<u><u>\$3,928</u></u>	<u><u>(\$26)</u></u>	<u><u>(\$3,954)</u></u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Preschool Disability
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$50,000	\$50,000	\$23,617	(\$26,383)
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	12,632	13,129	0	13,129
Capital Outlay - New	10,000	10,000	10,000	0
Total Instruction	22,632	23,129	10,000	13,129
Support Services:				
Instructional Staff:				
Salaries and Wages	14,368	13,768	13,541	227
Fringe Benefits	6,000	6,600	6,600	0
Total Support Services	20,368	20,368	20,141	227
<i>Total Expenditures</i>	43,000	43,497	30,141	13,356
<i>Net Change in Fund Balance</i>	7,000	6,503	(6,524)	(13,027)
<i>Fund Balance Beginning of Year</i>	1,377	1,377	1,377	0
<i>Fund Balance (Deficit) End of Year</i>	\$8,377	\$7,880	(\$5,147)	(\$13,027)

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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$270,000	\$270,000	\$218,370	(\$51,630)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	68,685	68,685	65,092	3,593
Fringe Benefits	16,446	16,446	14,435	2,011
Total Instruction	85,131	85,131	79,527	5,604
Support Services:				
Instructional Staff:				
Salaries and Wages	20,100	20,100	20,045	55
Fringe Benefits	5,141	5,141	5,139	2
Purchased Services	74,075	100,140	98,392	1,748
Materials and Supplies	16,600	16,600	14,462	2,138
Total Instructional Staff	115,916	141,981	138,038	3,943
Administration:				
Purchased Services	0	2,093	2,093	0
Central:				
Purchased Services	0	2,953	2,953	0
Total Support Services	115,916	147,027	143,084	3,943
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	29,284	29,284	20,868	8,416
<i>Total Expenditures</i>	230,331	261,442	243,479	17,963
<i>Net Change in Fund Balance</i>	39,669	8,558	(25,109)	(33,667)
<i>Fund Deficit Beginning of Year</i>	(59,872)	(59,872)	(59,872)	0
Prior Year Encumbrances Appropriated	60,331	60,331	60,331	0
<i>Fund Balance (Deficit) End of Year</i>	\$40,128	\$9,017	(\$24,650)	(\$33,667)

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Goals 2000
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$55,000	\$75,000	\$54,740	(\$20,260)
Expenditures				
Current:				
Instruction:				
Regular:				
Capital Outlay - New	1,747	1,747	1,747	0
Support Services:				
Instructional Staff:				
Purchased Services	2,137	2,137	2,137	0
Pupil Transportation:				
Capital Outlay - New	40,209	49,499	49,499	0
Total Support Services	42,346	51,636	51,636	0
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	816	816	816	0
<i>Total Expenditures</i>	44,909	54,199	54,199	0
<i>Net Change in Fund Balance</i>	10,091	20,801	541	(20,260)
<i>Fund Deficit Beginning of Year</i>	(5,450)	(5,450)	(5,450)	0
<i>Prior Year Encumbrances Appropriated</i>	4,909	4,909	4,909	0
<i>Fund Balance End of Year</i>	\$9,550	\$20,260	\$0	(\$20,260)

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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$674,000	\$674,000	\$709,547	\$35,547
Interest	1,000	1,000	35	(965)
Charges for Services	825,000	825,000	815,170	(9,830)
Miscellaneous	50,000	50,000	49,963	(37)
<i>Total Revenues</i>	<u>1,550,000</u>	<u>1,550,000</u>	<u>1,574,715</u>	<u>24,715</u>
Expenditures				
Current:				
Food Service Operations:				
Salaries and Wages	767,119	767,119	694,980	72,139
Fringe Benefits	240,083	240,083	223,901	16,182
Purchased Services	130,539	206,744	206,744	0
Materials and Supplies	740,001	740,045	740,045	0
Capital Outlay - New	110,443	9,098	6,694	2,404
Capital Outlay - Replacement	0	15,974	15,974	0
Other	59,668	68,790	68,790	0
<i>Total Expenditures</i>	<u>2,047,853</u>	<u>2,047,853</u>	<u>1,957,128</u>	<u>90,725</u>
<i>Excess of Revenues Under Expenditures</i>	(497,853)	(497,853)	(382,413)	115,440
Other Financing Sources				
Transfers In	350,000	350,000	350,000	0
<i>Net Change in Fund Balance</i>	(147,853)	(147,853)	(32,413)	115,440
<i>Fund Balance Beginning of Year</i>	57,126	57,126	57,126	0
Prior Year Encumbrances Appropriated	97,853	97,853	97,853	0
<i>Fund Balance End of Year</i>	<u>\$7,126</u>	<u>\$7,126</u>	<u>\$122,566</u>	<u>\$115,440</u>

Shaker Heights City School District
Schedule of Revenues, Expenditures and Changes
Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
Uniform School Supplies
For the Fiscal Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Tuition and Fees	\$100,000	\$100,000	\$62,590	(\$37,410)
Miscellaneous	0	0	10,468	10,468
<i>Total Revenues</i>	100,000	100,000	73,058	(26,942)
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	95,000	95,000	56,536	38,464
<i>Net Change in Fund Balance</i>	5,000	5,000	16,522	11,522
<i>Fund Balance Beginning of Year</i>	2,111	2,111	2,111	0
<i>Fund Balance End of Year</i>	<u>\$7,111</u>	<u>\$7,111</u>	<u>\$18,633</u>	<u>\$11,522</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$124,250	\$124,250	\$114,921	(\$9,329)
Contributions and Donations	750	750	750	0
<i>Total Revenues</i>	<u>125,000</u>	<u>125,000</u>	<u>115,671</u>	<u>(9,329)</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	16,896	30,179	632	29,547
Materials and Supplies	14,491	38,596	37,055	1,541
Capital Outlay - New	1,690	4,953	4,953	0
Total Instruction	33,077	73,728	42,640	31,088
Support Services:				
Instructional Staff:				
Purchased Services	30,000	44,368	44,368	0
<i>Total Expenditures</i>	<u>63,077</u>	<u>118,096</u>	<u>87,008</u>	<u>31,088</u>
<i>Net Change in Fund Balance</i>	61,923	6,904	28,663	21,759
<i>Fund Balance Beginning of Year</i>	24,460	24,460	24,460	0
Prior Year Encumbrances Appropriated	3,077	3,077	3,077	0
<i>Fund Balance End of Year</i>	<u>\$89,460</u>	<u>\$34,441</u>	<u>\$56,200</u>	<u>\$21,759</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, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$3,099,338	\$2,975,109	\$3,076,176	\$101,067
Intergovernmental	449,160	444,980	460,096	15,116
<i>Total Revenues</i>	<u>3,548,498</u>	<u>3,420,089</u>	<u>3,536,272</u>	<u>116,183</u>
Expenditures				
Current:				
Support Services:				
Fiscal:				
Purchased Services	20,000	20,000	20,000	0
Other	60,482	60,482	50,327	10,155
Total Support Services	<u>80,482</u>	<u>80,482</u>	<u>70,327</u>	<u>10,155</u>
Debt Service:				
Principal Retirement	2,580,000	2,580,000	2,580,000	0
Interest and Fiscal Charges	1,099,518	1,099,518	1,099,518	0
Total Debt Service	<u>3,679,518</u>	<u>3,679,518</u>	<u>3,679,518</u>	<u>0</u>
<i>Total Expenditures</i>	<u>3,760,000</u>	<u>3,760,000</u>	<u>3,749,845</u>	<u>10,155</u>
<i>Net Change in Fund Balance</i>	(211,502)	(339,911)	(213,573)	126,338
<i>Fund Balance Beginning of Year</i>	2,049,603	2,049,603	2,049,603	0
Prior Year Encumbrances Appropriated	10,000	10,000	10,000	0
<i>Fund Balance End of Year</i>	<u><u>\$1,848,101</u></u>	<u><u>\$1,719,692</u></u>	<u><u>\$1,846,030</u></u>	<u><u>\$126,338</u></u>

Shaker Heights City School District
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Self Insurance
For the Fiscal Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Charges for Services	<u>\$10,500,000</u>	<u>\$10,500,000</u>	<u>\$10,753,414</u>	<u>\$253,414</u>
Expenses				
Purchased Services	6,778,095	6,778,095	5,079,865	1,698,230
Claims	<u>4,223,549</u>	<u>4,223,549</u>	<u>4,223,549</u>	<u>0</u>
<i>Total Expenses</i>	<u>11,001,644</u>	<u>11,001,644</u>	<u>9,303,414</u>	<u>1,698,230</u>
<i>Net Change in Fund Equity</i>	(501,644)	(501,644)	1,450,000	1,951,644
<i>Fund Equity Beginning of Year</i>	1,273,356	1,273,356	1,273,356	0
<i>Prior Year Encumbrances Appropriated</i>	<u>1,644</u>	<u>1,644</u>	<u>1,644</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$773,356</u></u>	<u><u>\$773,356</u></u>	<u><u>\$2,725,000</u></u>	<u><u>\$1,951,644</u></u>

Shaker Heights City School District
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Workers' Compensation Reserve
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$300,000	\$300,000	\$308,269	\$8,269
Expenses				
Claims	300,000	300,000	258,269	41,731
<i>Net Change in Fund Equity</i>	0	0	50,000	50,000
<i>Fund Equity Beginning of Year</i>	550,000	550,000	550,000	0
<i>Fund Equity End of Year</i>	<u>550,000</u>	<u>550,000</u>	<u>600,000</u>	<u>50,000</u>

Statistical Section

Statistical Section

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

<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-S51

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.

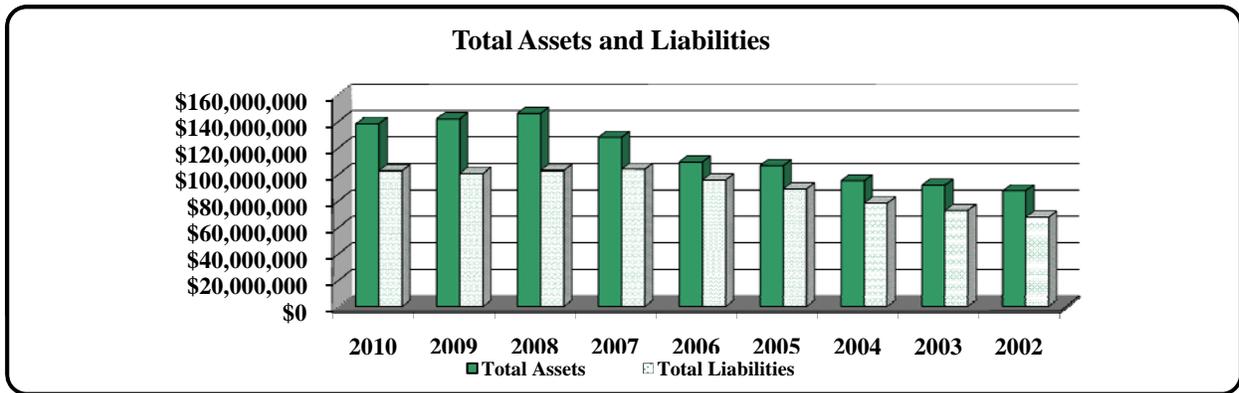
Shaker Heights City School District

Net Assets by Component

Last Nine Fiscal Years

(accrual basis of accounting)

	2010	2009	2008	2007	2006	2005
Invested in Capital Assets, Net of Related Debt	\$10,070,839	\$8,401,734	\$8,694,425	\$4,632,987	\$2,204,521	\$4,100,033
Restricted for:						
Capital Projects	1,531,066	1,525,468	99,381	400,300	1,655,509	678,855
Debt Service	2,359,850	2,644,458	2,853,551	2,455,559	2,263,055	1,400,799
Set Asides	353,070	353,070	353,070	353,070	353,070	353,070
Other Purposes	830,467	792,242	390,160	797,215	544,543	608,066
Unrestricted	20,608,691	27,407,164	30,568,922	15,628,893	6,438,744	10,355,170
Total Net Assets	\$35,753,983	\$41,124,136	\$42,959,509	\$24,268,024	\$13,459,442	\$17,495,993



2004	2003	2002
\$2,500,547	\$1,855,573	\$905,036
1,543,825	1,901,796	3,569,042
868,760	917,851	1,487,304
353,070	353,070	353,070
305,712	421,775	978,130
11,215,209	5,262,682	12,662,100
<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 Eight Fiscal Years
(accrual basis of accounting)

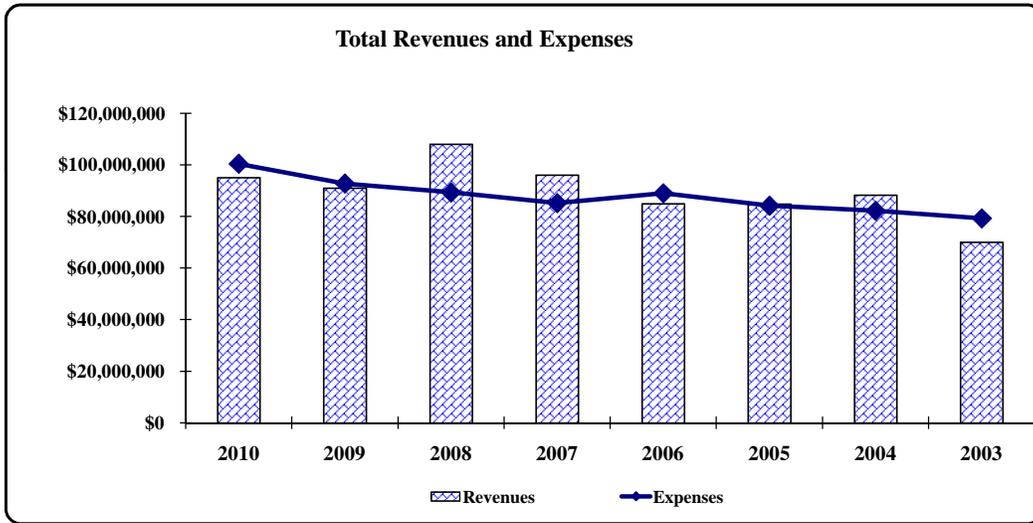
	2010	2009	2008	2007	2006	2005
Expenses						
Instruction:						
Regular	\$37,085,280	\$35,379,158	\$34,107,481	\$33,772,290	\$35,310,361	\$32,924,168
Special	13,428,305	11,824,756	11,332,475	10,931,104	10,607,843	10,647,502
Vocational	139,800	242,656	225,025	249,179	261,197	365,419
Student Intervention Services	19,489	0	0	0	0	0
Support Services:						
Pupils	6,109,276	5,442,866	5,495,125	5,183,166	5,375,507	5,238,920
Instructional Staff	7,847,850	6,661,050	5,714,875	5,011,630	5,578,777	5,352,258
Board of Education	22,044	18,690	29,232	16,097	19,423	12,936
Administration	6,143,839	6,002,432	5,995,614	5,413,913	6,436,016	6,251,458
Fiscal	1,815,190	2,195,814	1,959,745	2,502,091	1,851,290	1,957,648
Business	933,149	931,242	995,011	831,094	923,004	899,420
Operation and Maintenance of Plant	14,220,532	13,059,730	12,623,322	11,044,168	11,863,117	10,369,547
Pupil Transportation	4,795,694	4,169,665	3,989,689	3,732,632	4,243,701	4,429,933
Central	1,990,523	1,444,784	1,670,621	1,665,801	1,548,776	1,537,060
Operation of Non-Instructional Services	1,327,646	1,207,237	1,140,592	1,374,292	1,425,671	1,057,019
Food Service Operations	1,951,783	1,726,334	1,518,386	1,236,661	1,311,946	1,029,189
Extracurricular Activities	1,296,624	1,170,726	1,230,898	1,213,896	1,241,147	1,294,801
Interest and Fiscal Charges	1,227,205	1,277,952	1,282,207	1,002,654	1,015,691	781,322
Total Expenses	100,354,229	92,755,092	89,310,298	85,180,668	89,013,467	84,148,600
Program Revenues						
Charges for Services and Sales						
Instruction:						
Regular	644,445	789,813	855,900	638,404	692,997	971,608
Special	187,379	202,415	224,936	158,673	178,796	148,714
Vocational	2,101	4,247	4,720	3,799	4,193	0
Support Services:						
Pupils	91,479	102,981	114,444	78,661	88,616	9,913
Instructional Staff	91,968	80,033	88,939	55,156	63,556	0
Board of Education	336	551	613	236	355	0
Administration	93,031	129,968	127,938	82,913	97,895	0
Fiscal	26,440	29,030	32,260	36,415	31,050	0
Business	12,975	16,925	18,990	11,474	15,372	19
Operation and Maintenance of Plant	303,580	300,135	258,411	160,269	275,039	146,592
Pupil Transportation	66,566	78,983	87,773	60,331	74,288	905
Central	30,003	29,493	32,775	24,249	24,904	0
Operation of Non-Instruction Services	755	98,902	103,118	100,717	893	0
Food Service Operations	815,170	800,042	710,786	738,586	750,790	793,978
Extracurricular Activities	196,635	110,980	123,035	175,780	172,196	227,586
Operating Grants and Contributions						
Instruction:						
Regular	502,626	754,782	1,000,038	860,207	901,271	528,306
Special	1,037,972	925,126	817,586	601,971	62,697	808,425
Vocational	0	3,037	2,011	0	0	0
Student Intervention Services	31,087	0	0	0	0	0
Support Services:						
Pupils	43,226	88,617	79,562	26,600	36,837	24,560
Instructional Staff	1,774,381	1,450,387	1,321,093	1,418,048	1,743,256	1,438,595
Board of Education	0	0	261	0	0	0
Administration	0	0	63,392	2,458	15,781	0
Fiscal	16,000	24,000	41,381	30,618	3,657	5,737
Business	0	0	8,015	0	0	0
Operation and Maintenance of Plant	0	164,634	134,036	58,973	65,717	79,378
Pupil Transportation	45,507	56,487	37,404	0	0	0
Central	11,409	22,315	41,050	26,758	15,973	15,154
Operation of Non-Instruction Services	1,294,234	1,304,659	1,311,538	1,224,791	1,272,795	1,196,573
Food Service Operations	751,596	687,159	609,352	454,616	426,452	391,333
Extracurricular Activities	3,020	19,027	22,008	6,848	20,874	39,074
Capital Grants and Contributions						
Instruction:						
Regular	30,040	0	0	0	0	47,670
Support Services:						
Instructional Staff	49,911	0	0	0	0	0
Business	3,829	0	0	0	0	0
Operation and Maintenance of Plant	33,878	276,391	802,694	49,102	142,150	34,282
Pupil Transportation	124,521	0	0	0	0	20,997
Total Program Revenues	8,316,100	8,551,119	9,076,059	7,086,653	7,178,400	6,929,399
Net Expense	(\$92,038,129)	(\$84,203,973)	(\$80,234,239)	(\$78,094,015)	(\$81,835,067)	(\$77,219,201)

2004	2003
\$32,864,526	\$31,814,593
10,008,927	9,238,257
242,694	293,396
0	0
5,169,180	5,012,167
5,203,618	4,970,899
81,020	44,557
6,098,561	5,579,077
1,641,345	1,626,208
636,841	667,241
10,509,814	10,329,284
4,065,825	3,802,122
1,488,606	1,655,119
1,202,617	1,317,092
921,209	946,834
1,332,974	1,131,817
775,725	858,143
82,243,482	79,286,806
63,746	1,379,232
1,211,647	0
1,187	0
0	0
0	0
0	0
0	0
0	0
0	0
150,000	0
0	0
0	0
0	0
701,537	679,991
414,131	437,824
657,616	629,987
692,085	442,599
0	0
0	0
0	27,904
1,038,916	657,499
0	0
0	0
21,271	0
0	0
0	28,000
0	0
0	21,121
1,345,919	1,036,096
0	245,419
85,681	16,960
0	87,683
0	0
0	0
444,511	57,890
0	0
6,828,247	5,748,205
(\$75,415,235)	(\$73,538,601)

(continued)

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

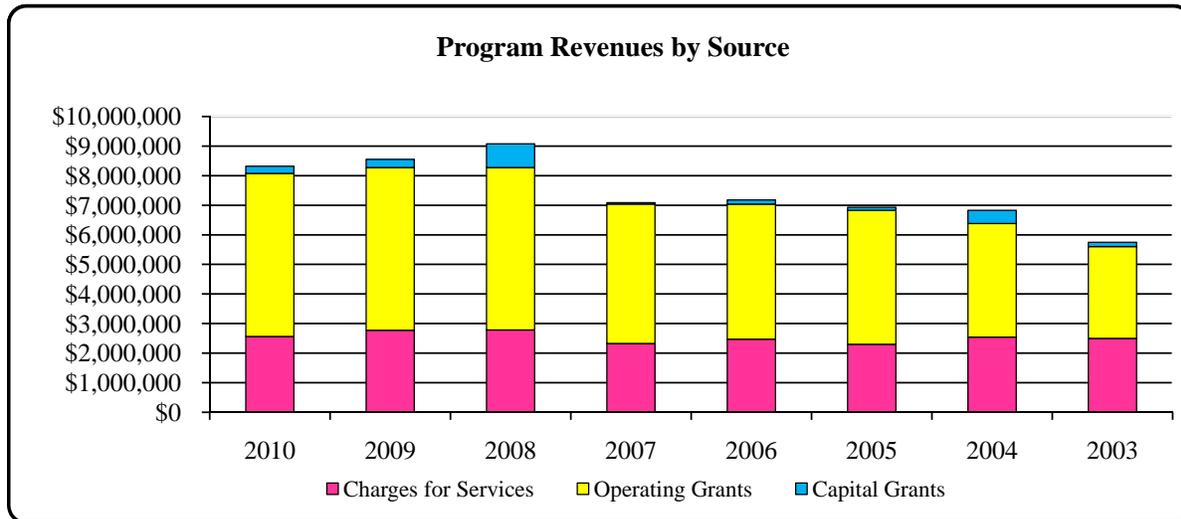
	2010	2009	2008	2007	2006	2005
General Revenues						
Property Taxes Levied for:						
General Purposes	\$56,751,088	\$56,984,545	\$69,184,729	\$60,456,905	\$51,230,820	\$51,902,593
Debt Service	2,960,050	3,154,120	3,494,170	3,211,409	2,475,501	1,604,046
Capital Outlay	0	0	0	0	206,688	519,804
Grants and Entitlements not						
Restricted to Specific Programs	26,070,039	25,102,989	24,004,932	23,496,372	22,583,373	22,989,562
Contributions and Donations	0	0	0	0	0	1,225
Investment Earnings	532,965	1,303,054	1,831,239	1,625,920	1,147,810	622,591
Gain on Sale of Capital Assets	21,600	0	0	0	5,250	0
Miscellaneous	332,234	423,892	410,654	111,991	149,074	288,250
<i>Total General Revenues</i>	<u>86,667,976</u>	<u>86,968,600</u>	<u>98,925,724</u>	<u>88,902,597</u>	<u>77,798,516</u>	<u>77,928,071</u>
Extraordinary Item						
Decrease in Delinquent Property Taxes	0	(4,600,000)	0	0	0	0
<i>Total General Revenues and Extraordinary Item</i>	<u>86,667,976</u>	<u>82,368,600</u>	<u>98,925,724</u>	<u>88,902,597</u>	<u>77,798,516</u>	<u>77,928,071</u>
<i>Change in Net Assets</i>	<u>(\$5,370,153)</u>	<u>(\$1,835,373)</u>	<u>\$18,691,485</u>	<u>\$10,808,582</u>	<u>(\$4,036,551)</u>	<u>\$708,870</u>



<u>2004</u>	<u>2003</u>
\$56,520,406	\$40,344,179
2,110,278	1,709,155
323,065	141,401
22,160,812	21,576,741
0	0
169,849	388,345
0	0
<u>205,201</u>	<u>136,845</u>
81,489,611	64,296,666
<u>0</u>	<u>0</u>
<u>81,489,611</u>	<u>64,296,666</u>
<u>\$6,074,376</u>	<u>(\$9,241,935)</u>

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

	2010	2009	2008	2007	2006	2005
Governmental Activities						
<i>Function</i>						
Instruction:						
Regular	\$1,177,111	\$1,544,595	\$1,855,938	\$1,498,611	\$1,594,268	\$1,547,584
Special	1,225,351	1,127,541	1,042,522	760,644	241,493	957,139
Vocational	2,101	7,284	6,731	3,799	4,193	0
Student Intervention Services	31,087	0	0	0	0	0
Support Services:						
Pupils	134,705	191,598	194,006	105,261	125,453	34,473
Instructional Staff	1,916,260	1,530,420	1,410,032	1,473,204	1,806,812	1,438,595
Board of Education	336	551	874	236	355	0
Administration	93,031	129,968	191,330	85,371	113,676	0
Fiscal	42,440	53,030	73,641	67,033	34,707	5,737
Business	16,804	16,925	27,005	11,474	15,372	19
Operation and Maintenance of Plant	337,458	741,160	1,195,141	268,344	482,906	260,252
Pupil Transportation	236,594	135,470	125,177	60,331	74,288	21,902
Central	41,412	51,808	73,825	51,007	40,877	15,154
Operation of Non-Instructional Services	1,294,989	1,403,561	1,414,656	1,325,508	1,273,688	1,196,573
Food Service Operations	1,566,766	1,487,201	1,320,138	1,193,202	1,177,242	1,185,311
Extracurricular Activities	199,655	130,007	145,043	182,628	193,070	266,660
Total Program Revenues	\$8,316,100	\$8,551,119	\$9,076,059	\$7,086,653	\$7,178,400	\$6,929,399

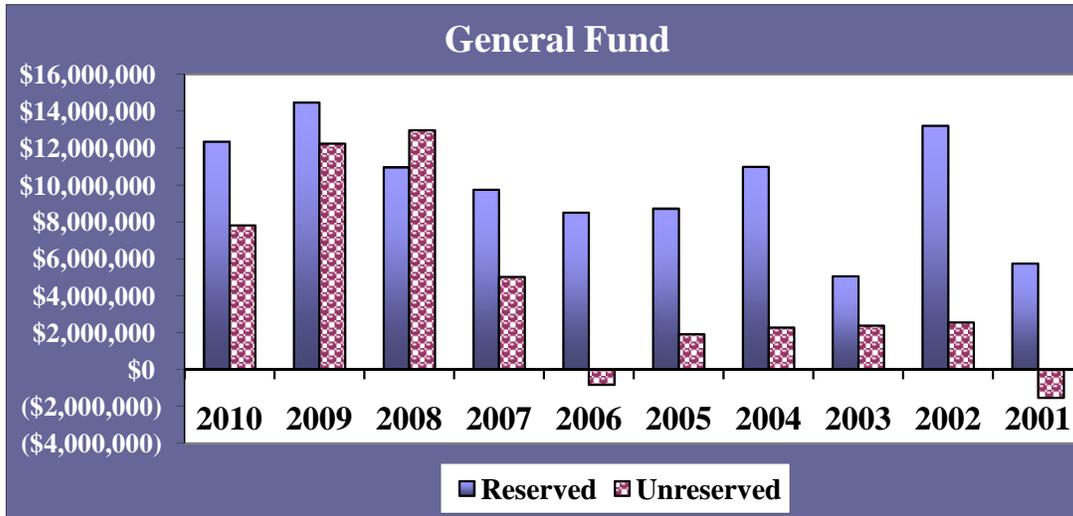


2004	2003
\$721,362	\$2,096,902
1,903,732	442,599
1,187	0
0	0
0	27,904
1,038,916	657,499
0	0
0	0
21,271	0
0	0
594,511	85,890
0	0
0	21,121
1,345,919	1,036,096
701,537	925,410
499,812	454,784
<u>\$6,828,247</u>	<u>\$5,748,205</u>

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

	2010	2009	2008	2007
General Fund				
Reserved	\$12,360,931	\$14,483,565	\$10,969,494	\$9,753,040
Unreserved	7,828,916	12,263,251	12,978,966	5,023,594
<i>Total General Fund</i>	<u>20,189,847</u>	<u>26,746,816</u>	<u>23,948,460</u>	<u>14,776,634</u>
All Other Governmental Funds				
Reserved	1,132,952	1,967,505	2,500,917	3,676,195
Unreserved, Undesignated, Reported in:				
Special Revenue funds	224,077	204,836	125,845	248,532
Debt Service fund	1,846,135	2,050,073	1,996,267	2,045,247
Capital Projects funds	4,323,369	4,905,551	6,057,373	6,035,783
<i>Total All Other Governmental Funds</i>	<u>7,526,533</u>	<u>9,127,965</u>	<u>10,680,402</u>	<u>12,005,757</u>
<i>Total Governmental Funds</i>	<u>\$27,716,380</u>	<u>\$35,874,781</u>	<u>\$34,628,862</u>	<u>\$26,782,391</u>

2006	2005	2004	2003	2002	2001
\$8,511,681	\$8,725,818	\$10,987,610	\$5,061,262	\$13,221,489	\$5,752,540
(828,306)	1,917,235	2,285,249	2,390,165	2,560,165	(1,532,913)
7,683,375	10,643,053	13,272,859	7,451,427	15,781,654	4,219,627
2,796,510	2,335,692	1,324,079	1,104,311	1,448,484	808,933
439,345	264,879	85,919	139,795	773,433	793,419
1,904,007	1,171,864	965,905	649,422	766,641	689,135
2,964,790	8,910,495	416,890	1,377,365	2,909,315	1,270,242
8,104,652	12,682,930	2,792,793	3,270,893	5,897,873	3,561,729
\$15,788,027	\$23,325,983	\$16,065,652	\$10,722,320	\$21,679,527	\$7,781,356



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

	2010	2009	2008	2007
Revenues				
Property Taxes	\$59,520,754	\$61,957,201	\$65,224,344	\$62,405,545
Intergovernmental	31,186,078	30,598,762	29,558,547	27,980,088
Interest	533,281	1,308,766	1,844,670	1,625,920
Tuition and Fees	1,309,955	1,531,239	1,661,400	1,142,301
Extracurricular Activities	180,539	169,428	171,779	211,365
Contributions and Donations	258,879	293,449	822,575	74,405
Charges for Services	919,843	908,080	801,769	825,197
Rentals	152,526	165,751	149,690	146,800
Miscellaneous	332,234	423,892	410,654	111,991
<i>Total Revenues</i>	<u>94,394,089</u>	<u>97,356,568</u>	<u>100,645,428</u>	<u>94,523,612</u>
Expenditures				
Current:				
Instruction:				
Regular	36,986,263	34,473,074	33,666,620	33,917,868
Special	13,431,681	11,725,813	11,338,941	10,986,330
Vocational	148,774	238,210	222,870	247,794
Student Intervention Services	27,498	0	0	0
Support Services:				
Pupils	6,022,897	5,467,430	5,424,438	5,185,243
Instructional Staff	7,658,963	6,606,883	5,643,430	4,944,882
Board of Education	22,044	18,690	29,232	16,097
Administration	6,176,169	5,920,108	5,901,551	5,358,212
Fiscal	1,798,079	2,181,027	1,630,945	2,453,694
Business	866,581	903,256	906,739	767,079
Operation and Maintenance of Plant	13,334,421	12,124,552	12,186,506	10,347,581
Pupil Transportation	4,405,761	4,191,598	4,191,485	3,951,396
Central	1,975,604	1,357,533	1,620,601	1,628,239
Operation of Non-Instructional Services	1,422,655	1,090,029	1,418,516	1,174,103
Food Service Operations	1,952,226	1,725,336	1,512,621	1,234,851
Extracurricular Activities	1,294,898	1,156,763	1,217,636	1,202,682
Capital Outlay	1,455,100	3,463,331	7,388,359	5,313,843
Intergovernmental	0	0	0	0
Debt Service:				
Principal Retirement	3,080,000	7,280,000	2,300,000	2,200,000
Interest and Fiscal Charges	1,114,476	1,187,020	1,198,467	909,172
Bond Issuance Costs	0	107,962	0	188,041
<i>Total Expenditures</i>	<u>103,174,090</u>	<u>101,218,615</u>	<u>97,798,957</u>	<u>92,027,107</u>
<i>Excess of Revenue Over (Under) Expenditures</i>	<u>(8,780,001)</u>	<u>(3,862,047)</u>	<u>2,846,471</u>	<u>2,496,505</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	21,600	0	0	0
General Obligation Bonds Issued	0	4,999,999	0	14,200,582
General Obligation Bond Premium	0	107,967	0	310,117
General Obligation Notes Issued	600,000	0	5,000,000	0
Refunding Notes Issued	0	500,000	500,000	500,000
Current Refunding	0	(500,000)	(500,000)	(570,000)
Payment to Refunded Bond Escrow Agent	0	0	0	(5,942,840)
Transfers In	475,000	475,000	175,000	125,000
Transfers Out	(475,000)	(475,000)	(175,000)	(125,000)
<i>Total Other Financing Sources (Uses)</i>	<u>621,600</u>	<u>5,107,966</u>	<u>5,000,000</u>	<u>8,497,859</u>
<i>Net Change in Fund Balances</i>	<u><u>(\$8,158,401)</u></u>	<u><u>\$1,245,919</u></u>	<u><u>\$7,846,471</u></u>	<u><u>\$10,994,364</u></u>
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	4.15%	8.81%	3.92%	3.80%

2006	2005	2004	2003	2002	2001
\$54,190,185	\$53,655,836	\$58,039,121	\$41,691,916	\$57,147,630	\$44,457,641
27,216,734	27,269,185	25,877,126	24,778,809	24,123,265	19,683,999
1,147,810	622,591	169,849	389,026	540,061	826,019
1,275,721	1,061,636	1,288,125	1,284,963	1,553,543	937,117
216,236	225,611	254,088	279,017	218,056	269,771
193,730	104,820	594,335	74,850	17,508	18,872
834,854	865,476	747,618	784,100	33,326	36,856
144,129	146,592	156,653	148,967	143,243	47,510
149,074	288,250	300,965	136,845	2,817,053	89,695
85,368,473	84,239,997	87,427,880	69,568,493	86,593,685	66,367,480
34,957,392	33,016,459	31,014,952	30,619,859	28,432,858	26,620,897
10,567,581	10,740,864	9,844,459	9,153,316	8,196,710	7,750,085
256,939	365,264	236,759	289,951	229,153	244,799
0	0	0	0	0	0
5,351,841	5,335,372	5,173,505	4,817,011	4,506,569	4,097,061
5,521,803	5,503,732	5,052,264	4,845,603	4,490,022	4,477,168
19,423	12,969	80,848	44,557	71,907	57,321
5,827,818	6,409,117	6,082,455	5,537,916	5,308,385	5,188,071
1,838,791	2,009,811	1,633,900	1,624,904	1,543,580	1,389,621
911,179	932,775	630,972	659,032	702,495	690,732
11,247,987	10,247,849	9,682,083	8,779,635	8,433,018	8,034,532
4,453,502	4,372,503	3,841,783	3,659,578	3,515,732	3,264,343
1,485,332	1,538,769	1,335,852	1,533,731	1,135,390	1,295,220
1,296,494	1,144,380	1,258,577	1,310,622	112,101	1,098,390
1,310,623	1,053,939	921,209	920,416	0	0
1,230,648	1,331,621	1,330,480	1,142,053	1,056,962	1,038,751
4,503,634	1,575,538	2,060,855	2,044,360	1,038,371	1,622,174
0	0	0	0	1,079,261	0
1,154,230	1,205,000	1,130,000	1,885,000	1,783,306	1,683,033
971,212	760,280	773,595	859,491	958,966	1,094,517
0	154,830	0	0	0	0
92,906,429	87,711,072	82,084,548	79,727,035	72,594,786	69,646,715
(7,537,956)	(3,471,075)	5,343,332	(10,158,542)	13,998,899	(3,279,235)
0	0	0	0	0	0
0	11,324,994	0	0	0	3,199,993
0	191,387	0	0	0	0
0	570,000	0	0	0	0
570,000	0	0	0	0	0
(570,000)	0	0	0	0	0
0	(1,354,975)	0	0	0	0
287,192	281,912	252,711	246,961	250,461	643,525
(287,192)	(281,912)	(252,711)	(246,961)	(250,461)	(648,525)
0	10,731,406	0	0	0	3,194,993
(\$7,537,956)	\$7,260,331	\$5,343,332	(\$10,158,542)	\$13,998,899	(\$84,242)
2.40%	2.28%	2.38%	3.53%	3.83%	4.08%

Shaker Heights City School District

History of School Operating Levies

For the Years 1933 - 2010

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

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

Collection Year	Real Estate			Estimated Actual Value	Tangible Assessed Value
	Assessed Value				
	Residential/ Agricultural	Commercial/ Industrial/ PU	Total		
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
2001	665,664,730	87,362,310	753,027,040	2,151,505,829	13,134,797

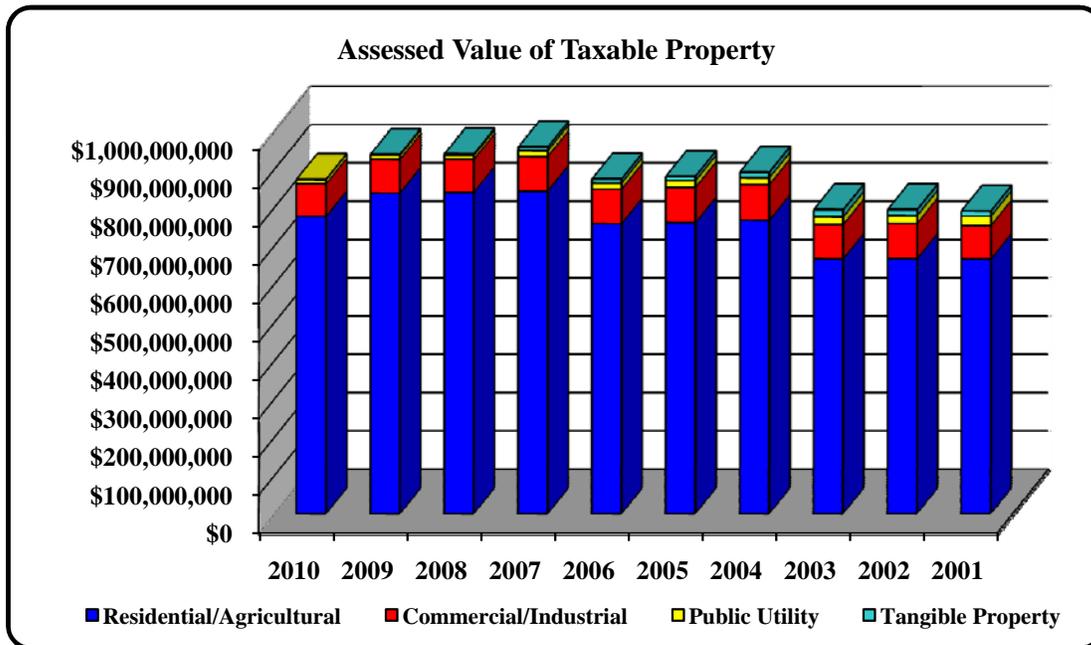
Source: Office of the County Auditor, Cuyahoga County, Ohio

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. 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 1/2 percent and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10 percent rollback for commercial/industrial property has been eliminated.

Personal		Public Utility Personal		Total	
Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Weighted Average Tax Rate
\$24,530,560	\$11,018,560	\$12,521,091	\$874,339,350	\$2,499,302,022	\$79.86
33,309,248	10,337,780	11,747,477	938,361,388	2,690,604,668	74.92
51,901,536	9,871,720	11,217,864	939,223,916	2,709,143,257	74.27
69,366,096	15,113,730	17,174,693	957,456,362	2,754,174,702	75.27
54,544,197	15,778,790	17,930,443	873,977,627	2,495,251,212	72.51
47,278,748	17,529,940	19,920,386	880,879,452	2,502,843,134	71.05
60,848,765	17,827,640	20,258,682	891,577,856	2,537,550,304	71.46
79,285,783	19,900,850	22,614,602	793,576,080	2,260,298,955	57.75
60,478,804	20,101,330	22,842,420	793,694,191	2,250,387,396	63.61
52,539,188	24,248,080	27,554,636	790,409,917	2,231,599,653	63.49



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

	2010	2009	2008	2007
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	10.281400	9.510423	9.474953	9.458097
Commercial/Industrial	20.939300	20.472975	20.074093	19.841787
Tangible/Public Utility Personal	58.530000	58.530000	58.530000	58.530000
1977 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	2.682900	2.481732	2.472480	2.468076
Commercial/Industrial	4.625700	4.522704	4.434588	4.832760
Tangible/Public Utility Personal	12.000000	12.000000	12.000000	12.000000
1979 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	1.341500	1.240866	1.236240	1.234038
Commercial/Industrial	2.312900	2.261352	2.217294	2.191638
Tangible/Public Utility Personal	6.000000	6.000000	6.000000	6.000000
1981 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	2.221800	2.055242	2.047585	2.043938
Commercial/Industrial	2.973900	2.907710	2.851063	2.818075
Tangible/Public Utility Personal	6.500000	6.500000	6.500000	6.500000
1982 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	2.054300	1.900260	1.893180	1.889814
Commercial/Industrial	2.745300	2.684106	2.631816	2.601366
Tangible/Public Utility Personal	6.000000	6.000000	6.000000	6.000000
1983 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	3.429600	3.172453	3.160634	3.155011
Commercial/Industrial	4.633800	4.530610	4.442346	4.390945
Tangible/Public Utility Personal	8.800000	8.800000	8.800000	8.800000
1986 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	3.105600	2.872770	2.862068	2.856975
Commercial/Industrial	4.376400	4.278938	4.195575	4.147028
Tangible/Public Utility Personal	7.500000	7.500000	7.500000	7.500000
1989 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	5.130700	4.745973	4.728294	4.719886
Commercial/Industrial	6.954700	6.799838	6.667361	6.590216
Tangible/Public Utility Personal	9.800000	9.800000	9.800000	9.800000
1990 School Improvement Bonds (\$10,000,000)	1.020000	0.713425	0.747118	0.779070

2006	2005	2004	2003	2002	2001
\$4.100000	\$4.100000	\$4.100000	\$4.100000	\$4.100000	\$4.100000
10.483601	10.463467	10.366424	10.463467	11.888321	11.888321
20.940688	20.105874	20.117697	20.105874	20.217432	20.217433
58.530000	58.530000	58.530000	58.530000	58.530000	58.530000
2.735676	2.730420	2.705088	2.730420	3.102240	3.100944
4.626036	4.441620	4.444236	4.441620	4.466268	4.466268
12.000000	12.000000	12.000000	12.000000	12.000000	12.000000
1.367838	1.365210	1.352544	1.365210	1.551120	1.550472
2.313018	2.220810	2.222118	2.220810	2.233134	2.233134
6.000000	6.000000	6.000000	6.000000	6.000000	6.000000
2.265556	2.261207	2.240232	2.261207	2.569138	2.568072
2.974153	2.855593	2.857270	2.855593	2.871433	2.871434
6.500000	6.500000	6.500000	6.500000	6.500000	6.500000
2.094720	2.090694	2.071302	2.090694	2.375400	2.374410
2.745438	2.635992	2.637540	2.635992	2.650614	2.650614
6.000000	6.000000	6.000000	6.000000	6.000000	6.000000
3.490940	3.490379	3.458004	3.490379	3.965694	3.964048
4.634133	4.449394	4.452008	4.449394	4.474078	4.474078
8.800000	8.800000	8.800000	8.800000	8.800000	8.800000
3.166748	3.160665	3.131348	3.160665	3.591083	3.589590
4.376708	4.202235	4.204710	4.202235	4.225552	4.225553
7.500000	7.500000	7.500000	7.500000	7.500000	7.500000
5.231642	5.221597	5.173165	5.221597	5.932675	5.930205
6.955217	6.677955	6.681885	6.677955	6.715018	6.715019
9.800000	9.800000	9.800000	9.800000	9.800000	9.800000
0.840387	0.874516	0.888694	1.020000	1.520000	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

	2010	2009	2008	2007
1992 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	\$6.408300	\$5.927824	\$5.905745	\$5.895239
Commercial/Industrial	7.814500	7.640403	7.491561	7.404880
Tangible/Public Utility Personal	9.800000	9.800000	9.800000	9.800000
1995 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	6.190700	5.726531	5.705199	5.695055
Commercial/Industrial	7.492400	7.325478	7.182764	7.099661
Tangible/Public Utility Personal	8.700000	8.700000	8.700000	8.700000
1996 School Improvement Bonds (\$12,700,000)	1.050000	0.777312	0.808272	1.052726
2000 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	7.188000	6.649015	6.624246	6.612468
Commercial/Industrial	8.303700	8.118780	7.960616	7.868514
Tangible/Public Utility Personal	9.400000	9.400000	9.400000	9.400000
2003 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	8.290900	7.669229	7.640659	7.626701
Commercial/Industrial	9.599300	9.385517	9.202675	9.096202
Tangible/Public Utility Personal	9.600000	9.600000	9.600000	9.600000
2004 School Improvement Bonds (\$23,500,000)	1.900000	2.479263	2.114610	1.838204
2006 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	9.708900	8.980934	8.947481	8.931572
Commercial/Industrial	9.899300	9.678814	9.490259	9.380458
Tangible/Public Utility Personal	9.900000	9.900000	9.900000	9.900000
Total Voted Millage by type of property				
Residential/Agricultural	\$72.004600	\$66.903252	\$66.368764	\$66.256870
Commercial/Industrial	96.641200	94.577225	92.512011	91.484046
Tangible/Public Utility Personal	166.500000	166.500000	166.200000	166.200000
Total Millage by type of property				
Residential/Agricultural	\$76.104600	\$71.003252	\$70.468764	\$70.356870
Commercial/Industrial	100.741200	98.677225	96.612011	96.033530
Tangible/Public Utility Personal	170.600000	170.600000	170.300000	170.300000
Overlapping Rates by Taxing District				
City of Shaker Heights Charter & Inside Millage	\$9.900000	\$9.900000	\$9.900000	\$9.900000
Effective Millage Rates				
Residential/Agricultural	9.900000	9.900000	9.900000	9.900000
Commercial/Industrial	9.900000	9.900000	9.900000	9.900000
Tangible/Public Utility Personal	9.900000	9.900000	9.900000	9.900000
City of Cleveland Charter & Inside Millage	12.700000	12.700000	12.700000	12.700000
Effective Millage Rates				
Residential/Agricultural	12.700000	12.700000	12.700000	12.700000
Commercial/Industrial	12.700000	12.700000	12.700000	12.700000
Tangible/Public Utility Personal	12.700000	12.700000	12.700000	12.700000

2006	2005	2004	2003	2002	2001
\$6.534444	\$6.521900	\$6.461414	\$6.521900	\$7.410064	\$7.406987
7.815000	7.503468	7.507888	7.503468	7.545108	7.545108
9.800000	9.800000	9.800000	9.800000	9.800000	9.800000
6.312546	6.300427	6.241989	6.300427	7.158421	7.155445
7.492875	7.194187	7.198424	7.194187	7.234110	7.234111
8.700000	8.700000	8.700000	8.700000	8.700000	8.700000
1.248007	1.274561	1.281306	1.850000	1.850000	1.850000
7.329434	7.315362	7.247513	7.315362	8.311583	8.308134
8.304308	7.973268	7.977959	7.973268	8.017523	8.017523
9.400000	9.400000	9.400000	9.400000	9.400000	9.400000
8.454058	8.437824	8.359565	0.000000	0.000000	0.000000
9.600000	9.289114	9.294586	0.000000	0.000000	0.000000
9.600000	9.600000	9.600000	0.000000	0.000000	0.000000
1.681606	0.320923	0.000000	0.000000	0.000000	0.000000
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
\$63.237203	\$61.829152	\$60.978588	\$53.791328	\$61.225739	\$61.206628
86.547574	82.019510	81.766321	73.130396	74.020270	74.020275
156.400000	155.100000	154.800000	145.900000	146.400000	146.400000
\$67.337203	\$65.929152	\$65.078588	\$57.891328	\$65.325739	\$65.306628
90.647574	86.119510	85.866321	77.230396	78.120270	78.120275
160.500000	159.200000	158.900000	150.000000	150.500000	150.500000
\$9.900000	\$9.900000	\$9.900000	\$9.900000	\$9.900000	\$9.900000
9.900000	9.900000	9.900000	9.900000	9.900000	9.900000
9.900000	9.900000	9.900000	9.900000	9.900000	9.900000
9.900000	9.900000	9.900000	9.900000	9.900000	9.900000
12.700000	12.700000	12.700000	12.700000	12.700000	12.700000
12.700000	12.700000	12.700000	12.700000	12.700000	12.700000
12.700000	12.700000	12.700000	12.700000	12.700000	12.700000
12.700000	12.700000	12.700000	12.700000	12.700000	12.700000

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

	2010	2009	2008	2007
Shaker Heights Public Library Voted Millage				
Effective Millage Rates				
Residential/Agricultural	\$4.000000	\$4.000000	\$3.183608	\$3.177948
Commercial/Industrial	4.000000	4.000000	3.834448	3.790084
Tangible/Public Utility Personal	4.000000	4.000000	4.000000	4.000000
Cuyahoga County Voted Millage				
Effective Millage Rates				
Residential/Agricultural	17.685700	17.120474	15.377008	16.025850
Commercial/Industrial	17.257600	17.506531	16.833423	16.833430
Tangible/Public Utility Personal	18.100000	18.100000	18.200000	18.200000

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.

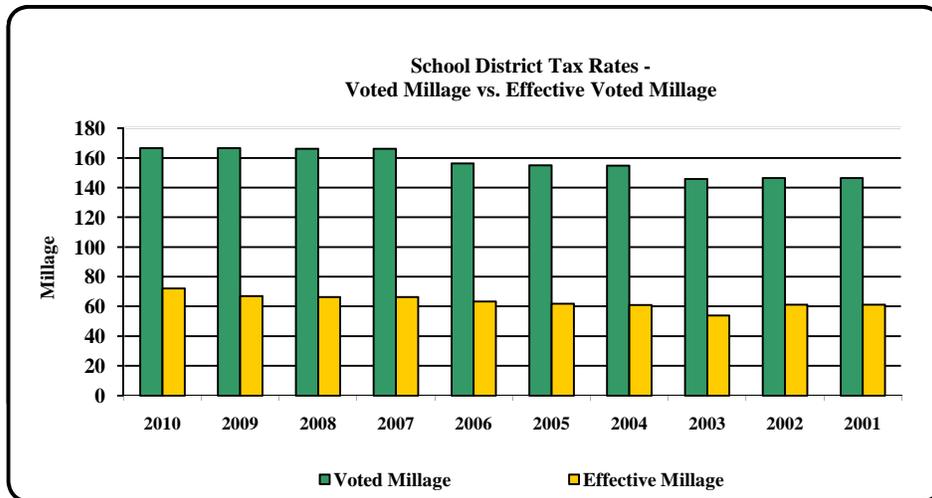
The City School District's basic property tax may be increased only by a majority vote of the City School District's residents.

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.

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



Shaker Heights City School District

Property Tax Levies and Collections

Last Ten Years

Year (1)	Current Tax		Percent of Current Tax Collections to		Total Tax Collections	Percent of Total Tax Collections to		Outstanding Delinquent Taxes (2)	Ratio of Delinquent Taxes to Current Tax Levy
	Levy	Collections	Current Tax Levy	Delinquent Tax Collections (3)		Current Tax Levy	Delinquent Taxes (2)		
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	
2000	51,218,889	46,518,513	90.82	2,114,816	48,633,329	94.95	3,047,657	5.95	

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

(1) Represents collection year. 2010 information cannot be presented because all collections have not yet been made.

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

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

Shaker Heights City School District

Principal Taxpayers

Real Estate Tax

2010 and 2001 (1)

Name of Taxpayer	2010	
	Assessed Valuation	Percent of Real Assessed Value
EIG Shaker Towne Center LLC	\$4,369,870	0.51 %
Tower East Operating Association	4,195,710	0.49
University Hospitals	3,185,810	0.37
Salzberg, Deborah	2,959,460	0.34
Kirt Montlack, LTD	2,867,910	0.33
Coral Shaker Square LLC	2,525,730	0.29
Oliver Family Limited	2,296,110	0.26
Shaker Plaza LTD	1,504,760	0.18
Heartpoint Dev. Co. LLC	1,418,560	0.17
Cleveland Skating Club	1,383,630	0.16
Total	\$26,707,550	3.10 %
Total Real Estate Valuation	\$861,787,630	
Name of Taxpayer	2001	
	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
Karrington Acquisition Incorporated	1,917,650	0.26
Deborah Salzberg, Trustee	1,876,280	0.25
Shaker Heights Country Club	1,851,290	0.25
Excel Cleveland Limited Partnership	1,720,110	0.23
Cleveland Electric Illuminating	1,460,410	0.19
Total	\$23,027,700	3.06 %
Total Real Estate Valuation	\$753,027,040	

Source: Office of the Auditor, Cuyahoga County, Ohio

(1) The amounts presented represent the assessed values upon which 2010 and 2001 collections were based.

Shaker Heights City School District

Principal Taxpayers

Tangible Personal Property Tax

2010 and 2001 (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	2001	
	Assessed Valuation	Percent of Tangible Assessed Value
OfficeMax Incorporated	\$1,310,000	9.98 %
Telerama Incorporated	1,095,450	8.34
Ameritech New Media Incorporated	665,770	5.07
Zalud Oldsmobile Incorporated	554,410	4.22
Qua Newco Incorporated	526,720	4.01
Ganley Nissan Incorporated	471,750	3.59
Home Depot USA Incorporated	435,190	3.31
Heinens Incorporated	312,890	2.38
Revco Discount Drug	238,500	1.82
Walgreen Company	225,150	1.71
Total	\$5,835,830	44.43 %
Total Tangible Assessed Valuation	\$13,134,797	

Source: Office of the Auditor, Cuyahoga County, Ohio

(1) The amounts presented represent the assessed values upon which 2010 and 2001 collections were based.

Shaker Heights City School District

Principal Taxpayers

Public Utilities Tax

2010 and 2001 (1)

2010		
Name of Taxpayer	Assessed Valuation	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$8,672,550	78.71 %
The East Ohio Gas Company	1,614,430	14.65
American Transmission System	731,580	6.64
Total	\$11,018,560	100.00 %
Total Public Utility Valuation	\$11,018,560	

2001		
Name of Taxpayer	Assessed Valuation	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$9,435,160	38.91 %
Ohio Bell Telephone Company	6,517,030	26.88
East Ohio Gas Company	4,478,500	18.47
Total	\$20,430,690	84.26 %
Total Public Utility Valuation	\$24,248,080	

Source: Office of the Auditor, Cuyahoga County, Ohio

(1) The amounts presented represent the assessed values upon which 2010 and 2001 collections were based.

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

Fiscal Year	Estimated Population (1)	Estimated Actual Value	General Bonded Debt		
			General Bonded Debt	Ratio of General Bonded Debt to Estimated Actual Value	General Bonded Debt per Capita
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
2001	29,405	2,231,599,653	17,574,060	0.79	598

Sources:

- (1) U.S. Census of Population, 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
\$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
0	17,574,060	1.45	598

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

	2010	2009	2008	2007
Total Assessed Valuation	\$874,339,350	\$938,361,388	\$939,223,916	\$957,456,362
Less Railroad and Telephone Property Valuation	0	(2,390,110)	(3,206,440)	0
Less General Business Tangible Personal Valuation	(1,533,160)	(2,081,828)	(3,243,846)	(5,428,020)
Total Assessed Valuation used to Calculate Legal Debt Margin (1)	872,806,190	933,889,450	932,773,630	952,028,342
Debt Limit - 9% of Assessed Value (2)	78,552,557	84,050,051	83,949,627	85,682,551
Amount of Debt Outstanding				
General Obligation Bonds	25,565,575	28,044,592	25,230,569	28,008,859
Energy Conservation Improvement Bonds	0	0	0	0
Bus Acquisition Bond Anticipation Note	600,000	500,000	500,000	570,000
Bond Anticipation Note	0	0	5,000,000	0
Less: Amount Available in Debt Service	(2,309,367)	(2,604,889)	(2,430,245)	(2,439,934)
Total	23,856,208	25,939,703	28,300,324	26,138,925
Exemptions:				
Energy Conservation Improvement Bonds	0	0	0	0
Bus Acquisition Bond Anticipation Note	(600,000)	(500,000)	(500,000)	(570,000)
Amount of Debt Subject to Limit	23,256,208	25,439,703	27,800,324	25,568,925
Overall Debt Margin	\$55,296,349	\$58,610,348	\$56,149,303	\$60,113,626
Legal Debt Margin as a Percentage of Debt Limit	70.39%	69.73%	66.88%	70.16%
Unvoted Legal Debt Limit - .10% of Assessed Value (1)	\$872,806	\$933,889	\$932,774	\$952,028
Amount of Debt Subject to Limit	0	0	0	0
Unvoted Debt Margin	\$872,806	\$933,889	\$932,774	\$952,028
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	\$8,743,394	\$9,383,614	\$9,392,239	\$9,574,564
Energy Conservation Improvement Bonds	0	0	0	0
Additional Unvoted Debt Margin	\$8,743,394	\$9,383,614	\$9,392,239	\$9,574,564

Source: Cuyahoga County Auditor and School District Financial Records

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

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

2006 (1)	2005	2004	2003	2002	2001
\$873,977,627	\$880,879,452	\$891,577,856	\$793,576,080	\$793,694,191	\$790,409,917
0	0	0	0	0	0
0	0	0	0	0	0
873,977,627	880,879,452	891,577,856	793,576,080	793,694,191	790,409,917
78,657,986	79,279,151	80,242,007	71,421,847	71,432,477	71,136,893
21,586,229	22,533,616	13,413,544	14,391,017	16,129,099	17,762,758
0	159,230	304,230	444,230	579,230	709,230
570,000	570,000	0	0	0	0
0	0	0	0	0	0
(2,252,727)	(1,446,773)	(1,379,309)	(804,176)	(1,381,408)	(897,928)
19,903,502	21,816,073	12,338,465	14,031,071	15,326,921	17,574,060
0	(159,230)	0	0	0	0
(570,000)	(570,000)	0	0	0	0
19,333,502	21,086,843	12,338,465	14,031,071	15,326,921	17,574,060
\$59,324,484	\$58,192,308	\$67,903,542	\$57,390,776	\$56,105,556	\$53,562,833
75.42%	73.40%	84.62%	80.35%	78.54%	75.30%
\$873,978	\$880,879	\$891,578	\$793,576	\$793,694	\$790,410
0	(159,230)	0	0	0	0
\$873,978	\$721,649	\$891,578	\$793,576	\$793,694	\$790,410
100.00%	81.92%	100.00%	100.00%	100.00%	100.00%
\$8,739,776	\$8,808,795	\$8,915,779	\$7,935,761	\$7,936,942	\$7,904,099
0	(159,230)	(304,230)	(444,230)	(579,230)	(709,230)
\$8,739,776	\$8,649,565	\$8,611,549	\$7,491,531	\$7,357,712	\$7,194,869

Shaker Heights City School District
*Computation of Direct and Overlapping
 Governmental Activities Debt
 December 31, 2009*

	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	\$26,212,723	100.00%	\$26,212,723
Notes Payable	600,000	100.00	600,000
Total Direct Debt	26,812,723	100.00	26,812,723
Overlapping Debt:			
Cuyahoga County			
General Obligation Bonds	26,519,000	2.98	790,266
Capital Leases	24,219,000	2.98	721,726
Loans Payable	4,703,000	2.98	140,149
City of Shaker Heights			
General Obligation Bonds	19,071,497	100.00	19,071,497
OPWC Loans	5,675,050	100.00	5,675,050
Notes Payable	1,615,000	100.00	1,615,000
City of Cleveland			
General Obligation Bonds	326,230,000	5.41	17,649,043
Urban Renewal Bonds	5,860,000	5.41	317,026
Income Tax Refunding Bonds	58,460,000	5.41	3,162,686
Lien Income Tax Bonds	57,630,000	5.41	3,117,783
Non-Tax Revenue Bonds	64,956,000	5.41	3,514,120
Certificates of Participation	119,016,000	5.41	6,438,766
Capital Lease Obligations	5,320,000	5.41	287,812
Notes Payable	1,750,000	5.41	94,675
Regional Transit Authority			
General Obligation Bonds	163,025,000	2.98	4,858,145
SIB Loan	3,040,281	2.98	90,600
Capital Lease	22,308,138	2.98	664,783
Total Overlapping	909,397,966		68,209,127
Total	\$936,210,689		\$95,021,850

Source: Office of the Auditor, Cuyahoga County, Ohio

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2009 collection year.

Shaker Heights City School District

History of Bond Issues

For the Years 1912 - 2010

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)
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
2001	753,027,040	61,942,764	25,751,459

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.

Shaker Heights City School District

Principal Employers

2009 and 2005 (1)

2009

Employer	Nature of Business or Activity	Number of Employees
University Hospitals	hospital	950
Shaker Heights City School District	government entity	819
City of Shaker Heights	government entity	352
Hathaway Brown School	school	223
Laurel School	school	158
University School (Shaker campus)	school	105
Center for Dialysis Care	health care	89
Heinens	supermarket	72
Total		<u>2,768</u>
Total Employment within the School District		<u>n/a</u>

2005

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

Source: Employer survey

(1) Information prior to 2005 is not available.

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

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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
2010	1,363,888	29,405	\$1,216,014,370	\$41,354	5,484	9.4 %
2009	1,363,888	29,405	1,216,014,370	41,354	5,542	6.8
2008	1,363,888	29,405	1,216,014,370	41,354	5,482	5.7
2007	1,363,888	29,405	1,216,014,370	41,354	5,577	5.5
2006	1,363,888	29,405	1,216,014,370	41,354	5,628	5.6
2005	1,363,888	29,405	1,216,014,370	41,354	5,734	5.9
2004	1,363,888	29,405	1,216,014,370	41,354	5,623	6.6
2003	1,363,888	29,405	1,216,014,370	41,354	5,608	6.7
2002	1,393,978	29,405	1,216,014,370	41,354	5,619	4.6
2001	1,393,978	29,405	1,216,014,370	41,354	5,625	4.5

Source: 2000 U.S. Census Bureau

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

	2010	2009	2008	2007	2006	2005	2004
Boulevard Elementary School							
Constructed in 1914							
Total Building Square Footage	48,000	48,000	48,000	48,000	48,000	48,000	48,000
Enrollment Grades K - 4	352	339	340	360	393	424	384
Student Capacity	544	544	544	544	544	544	544
Regular Instruction Classrooms	22	22	22	22	21	21	21
Special Instruction Classrooms	2	2	2	2	3	3	3
Fernway Elementary School							
Constructed in 1927							
Total Building Square Footage	29,925	29,925	29,925	29,925	29,925	29,925	29,925
Enrollment Grades K - 4	357	342	333	324	313	312	300
Student Capacity	366	366	366	366	366	366	366
Regular Instruction Classrooms	15	15	15	15	16	17	17
Special Instruction Classrooms	2	2	2	2	1	0	0
Lomond Elementary School							
Constructed in 1928							
Total Building Square Footage	65,075	65,075	65,075	65,075	65,075	65,075	65,075
Enrollment Grades K - 4	502	497	512	526	518	538	512
Student Capacity	620	620	620	620	620	620	620
Regular Instruction Classrooms	26	26	26	26	25	25	25
Special Instruction Classrooms	2	2	2	2	3	3	3
Mercer Elementary School							
Constructed in 1952							
Total Building Square Footage	70,640	70,640	70,640	70,640	70,640	70,640	70,640
Enrollment Grades K - 4	424	425	432	411	411	432	414
Student Capacity	590	590	590	590	590	590	590
Regular Instruction Classrooms	24	24	24	24	25	25	25
Special Instruction Classrooms	4	4	4	4	3	3	3

(continued)

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

	2010	2009	2008	2007	2006	2005	2004
Onaway Elementary School							
Constructed in 1923							
Total Building Square Footage	63,700	63,700	63,700	63,700	63,700	63,700	63,700
Enrollment Grades K - 4	427	424	414	418	360	370	371
Student Capacity	606	606	606	606	606	606	606
Regular Instruction Classrooms	23	23	23	23	24	24	24
Special Instruction Classrooms	5	5	5	5	4	4	4
Woodbury Elementary School							
Constructed in 1918							
Total Building Square Footage	138,350	138,350	138,350	138,350	138,350	138,350	138,350
Enrollment Grades 5 - 6	827	843	785	816	833	834	865
Student Capacity	900	900	900	900	900	900	900
Regular Instruction Classrooms	41	42	42	42	43	43	43
Special Instruction Classrooms	8	7	7	7	6	6	6
Shaker Heights Middle School							
Constructed in 1957							
Total Building Square Footage	133,400	133,400	133,400	133,400	133,400	133,400	133,400
Enrollment - Grades 7 - 8	823	818	843	852	900	964	954
Student Capacity	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Regular Instruction Classrooms	26	27	27	27	27	27	27
Special Instruction Classrooms	7	6	6	6	6	6	6
Shaker Heights High School							
Constructed in 1930							
Total Building Square Footage	314,400	314,400	314,400	304,400	304,400	304,400	304,400
Enrollment - Grades 9 - 12	1,772	1,854	1,823	1,870	1,876	1,838	1,805
Student Capacity	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Regular Instruction Classrooms	52	52	52	52	52	52	52
Special Instruction Classrooms	8	8	8	8	8	8	8
Sussex Pre-School (2)							
Constructed in 1922							
Total Building Square Footage	0	0	0	0	33,000	33,000	33,000
Enrollment - Grades Pre - K	0	0	0	0	24	22	18
Student Capacity	0	0	0	0	30	30	30

(1) Information prior to 2004 not available.

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

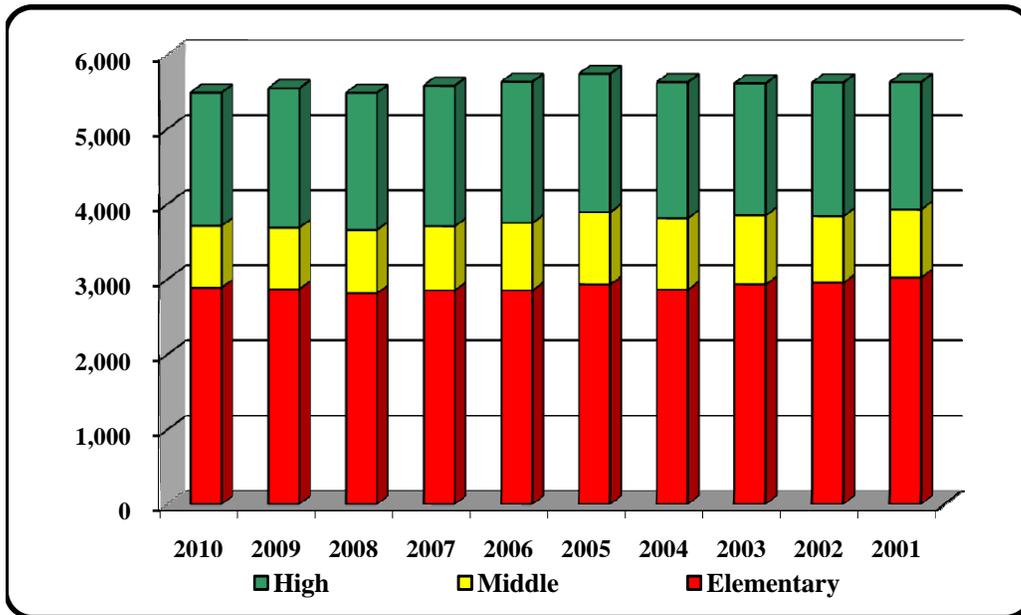
Source: School District Records

Shaker Heights City School District

Enrollment Statistics

Last Ten Fiscal Years

Fiscal Year	Elementary Schools	Middle School	High School	Total
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
2001	3,026	904	1,695	5,625

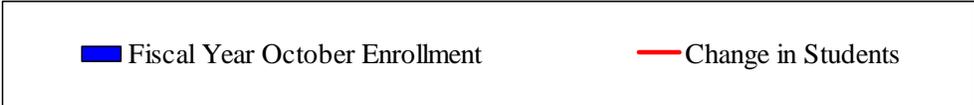
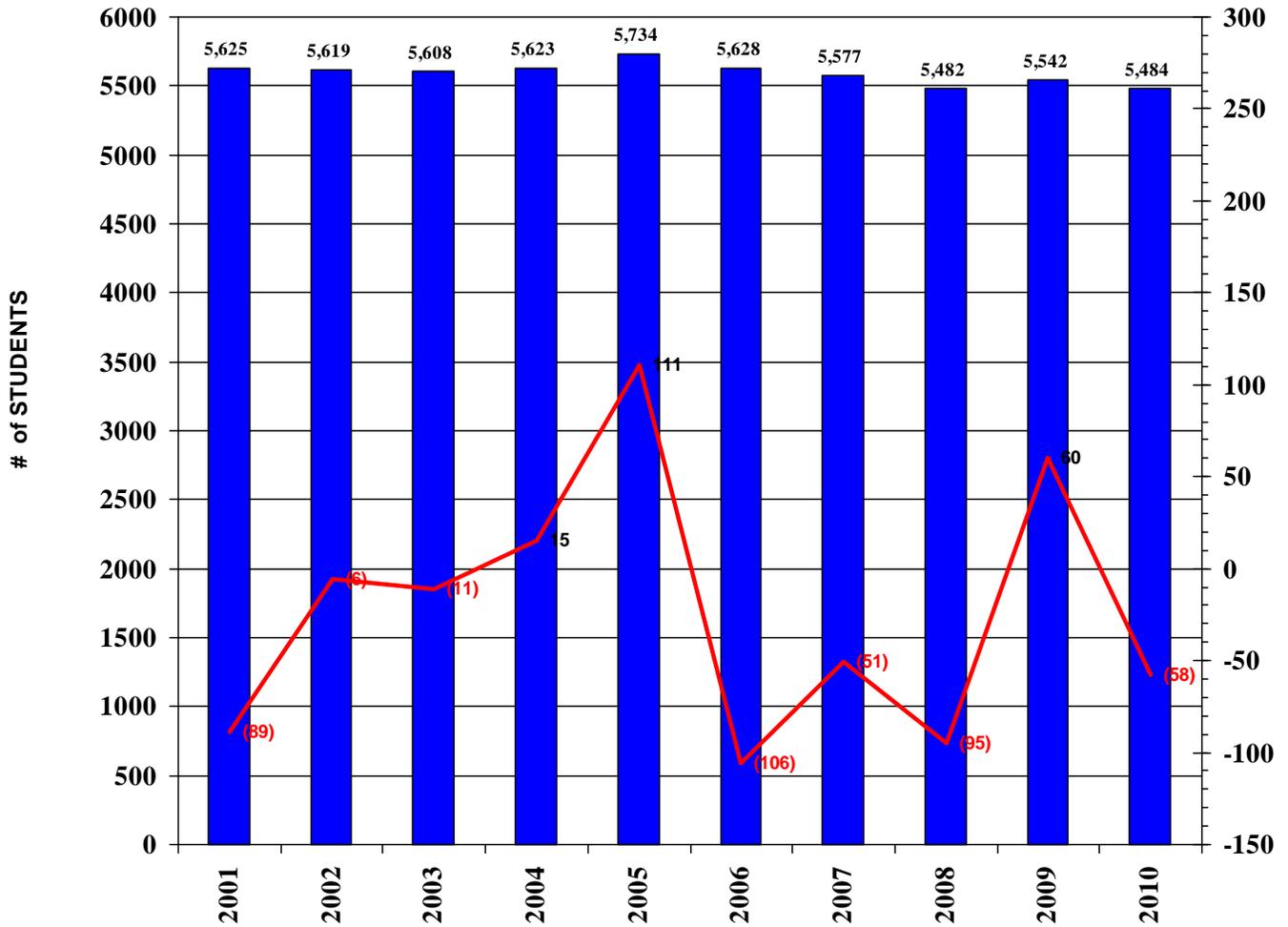


Source: School District Records

SHAKER HEIGHTS CITY SCHOOL DISTRICT
ENROLLMENT SUMMARY
LAST TEN FISCAL YEARS

OCTOBER ENROLLMENT

CHANGE IN STUDENTS



Shaker Heights City School District
Public, Private, and Total School Enrollment by School Year
Fiscal Years 1979 to 2010

Fiscal Year	Total Public Enrollment (1)	Total Private Enrollment (2)	Total Public and Private	Private as a Percent of Public and Private
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 2010 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

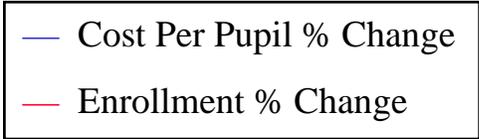
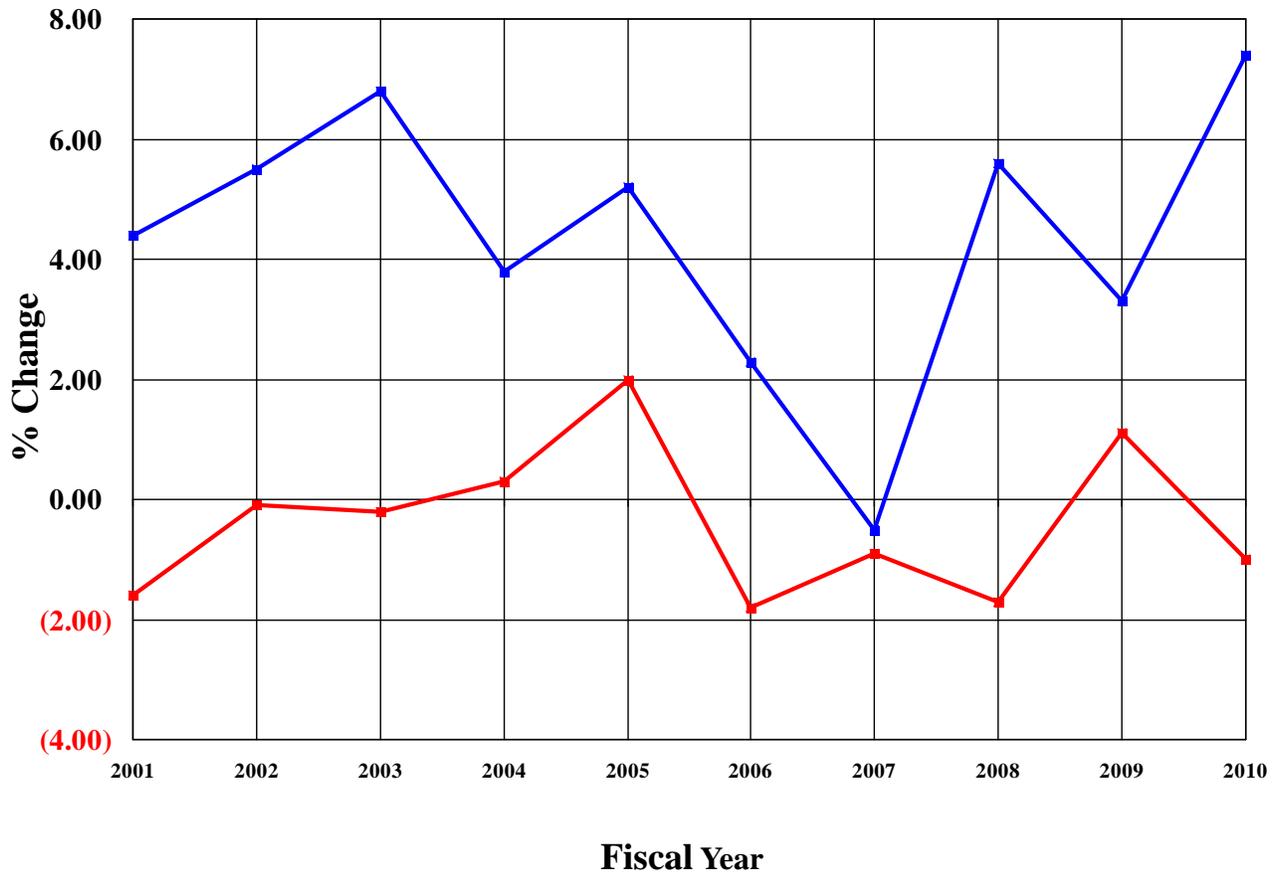
Per Pupil Cost

Last Ten Fiscal Years

<u>Year</u>	<u>General Fund Expenditures</u>	<u>Average Daily Student Enrollment</u>	<u>Per Pupil Cost</u>
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
2001	62,292,329	5,625	11,074

Source: School District Records

**SHAKER HEIGHTS CITY SCHOOL DISTRICT
COST PER PUPIL PERCENTAGE CHANGE
LAST TEN FISCAL YEARS**



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

Function/Program	2010	2009	2008	2007	2006	2005
Regular Instruction						
Elementary Classroom Teachers	158.4	158.0	159.4	152.0	156.0	162.1
Middle School Classroom Teachers	61.4	61.1	58.0	58.8	62.7	62.7
High School Classroom Teachers	124.3	124.4	122.3	116.5	128.4	128.4
Special Instruction						
Preschool Teachers	3.0	3.0	3.0	3.0	2.0	2.0
Elementary Classroom Teachers	21.5	22.0	21.2	22.2	21.0	18.0
Gifted Education Teachers	8.0	8.0	8.0	8.0	8.0	8.0
Middle School Classroom Teachers	6.6	7.3	10.1	9.6	8.2	6.2
High School Classroom Teachers	9.4	9.0	8.8	9.4	6.4	6.4
Special Ed Teachers - Stimulus	1.7	0.0	0.0	0.0	0.0	0.0
Vocational Instruction						
High School Classroom Teachers	1.0	1.0	1.0	1.0	1.0	1.0
Pupil Support Services						
Teacher Aides	86.9	79.4	71.6	66.0	61.5	58.2
Tutors	30.5	30.9	33.9	37.7	47.6	51.6
Tutors - Stimulus	6.1	0.0	0.0	0.0	0.0	0.0
Guidance Counselors	10.5	10.5	11.0	11.0	10.0	11.0
Librarians and Library Technicians	9.4	10.4	9.4	9.0	9.0	9.4
Psychologists	8.8	9.0	8.0	8.8	6.4	6.4
Psychologists - Stimulus	1.0	0.0	0.0	0.0	0.0	0.0
Speech & Language Pathologists	6.0	6.0	6.0	6.0	6.4	6.4
Speech & Language Pathologists - Stimulus	0.6	0.0	0.0	0.0	0.0	0.0
Nurse	8.4	8.4	8.4	8.4	7.2	7.2
Other Professional	1.8	1.4	1.4	5.0	3.5	3.0
Administrators						
Elementary	9.0	9.0	9.0	9.0	9.0	9.0
Middle School	3.0	3.0	3.0	3.0	4.0	4.0
High School	5.0	5.0	6.0	6.0	6.0	6.0
Districtwide (Certificated & Classified)	15.0	15.0	15.0	16.0	16.0	16.0
Operation of Plant						
Custodians	59.0	59.0	58.6	59.6	68.0	65.0
Maintenance and Groundskeeping	15.0	15.0	14.0	14.0	19.0	19.0
Pupil Transportation						
Bus Drivers	28.9	28.6	28.9	27.5	28.5	36.0
Mechanics	3.0	3.0	4.0	4.0	4.0	5.0
Food Service Program						
Elementary Cooks	12.3	10.3	12.3	9.9	8.1	4.7
Middle School Cooks	4.9	4.2	5.2	4.9	5.0	4.0
High School Cooks	6.7	7.1	4.8	4.8	6.1	4.4
Other						
Supervisor/Administrator classification	33.0	32.4	30.4	29.4	30.4	30.4
OAPSE	53.1	54.5	53.9	53.9	52.9	53.8
Security	19.6	19.4	17.4	8.0	8.0	8.0
Data Processing	4.0	4.0	3.0	4.0	5.0	5.0
Total Employees	<u>836.8</u>	<u>819.3</u>	<u>807.0</u>	<u>786.4</u>	<u>815.3</u>	<u>818.3</u>

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

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

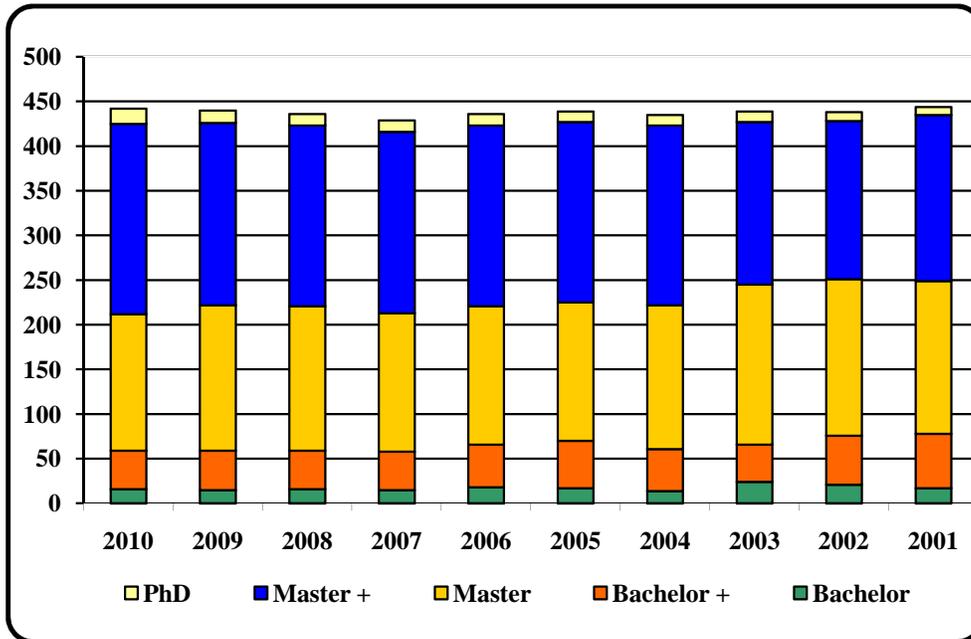
(1) Information prior to 2002 is not available.

Source: School District Records

2004	2003	2002
154.2	163.3	164.7
65.0	61.4	61.1
130.1	127.2	128.1
0.0	0.0	0.0
22.0	22.0	21.0
8.0	8.0	7.0
5.0	6.0	5.0
6.2	4.6	5.0
0.0	0.0	0.0
0.9	0.9	1.0
62.1	58.4	53.4
55.4	52.2	50.6
0.0	0.0	0.0
11.0	11.0	11.0
8.5	8.5	9.0
6.4	6.0	6.4
0.0	0.0	0.0
6.8	6.4	6.4
0.0	0.0	0.0
7.3	7.3	7.3
3.0	6.2	5.4
9.0	9.0	9.0
4.0	4.0	4.0
6.0	6.0	6.0
16.0	16.0	17.0
66.0	67.0	68.0
17.0	18.0	18.0
32.5	30.7	29.8
3.0	4.0	3.0
3.1	3.8	3.9
5.8	4.0	5.0
4.0	4.2	5.0
32.1	25.7	26.1
53.8	53.8	53.4
7.0	15.1	7.8
5.0	6.0	6.0
<u>816.1</u>	<u>816.7</u>	<u>804.4</u>

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

Degree	2010	2009	2008	2007
Bachelor	16	15	16	15
Bachelor +15	43	44	43	43
Master	153	163	162	155
Master +15	95	89	87	88
Master +30	40	43	48	48
Master +45	78	72	67	67
PhD	17	14	13	13
Total	442	440	436	429
Years of Experience				
0 - 5	100	90	86	84
6 - 10	94	92	100	96
11 and Over	248	258	250	249
Total	442	440	436	429



Source: School District Records

2006	2005	2004	2003	2002	2001
18	17	14	24	21	17
48	53	47	42	55	61
155	155	161	179	175	171
88	91	86	77	70	71
48	46	49	47	50	56
66	65	66	58	57	59
13	12	12	12	10	9
<u>436</u>	<u>439</u>	<u>435</u>	<u>439</u>	<u>438</u>	<u>444</u>
106	123	122	124	76	104
90	80	85	89	83	58
<u>240</u>	<u>236</u>	<u>228</u>	<u>226</u>	<u>279</u>	<u>282</u>
<u>436</u>	<u>439</u>	<u>435</u>	<u>439</u>	<u>438</u>	<u>444</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
2010	65	15	80
2009	73	14	87
2008	75	10	85
2007	88	2	90
2006	87	2	89
2005	88	2	90
2004	88	3	91
2003	86	2	88
2002	82	4	86
2001	82	6	88

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
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
2001	42	5	0	13	2

Source: School District Records

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Supplemental Information Section

Expenditure Flow Model

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

The reporting format is now being nationally distributed by Price Waterhouse Coopers and the United States Chamber of Commerce. In 1991 the Ohio General Assembly adopted House Bill 152 which gave the State Superintendent of Public Instruction permissive authority to inspect and analyze the expenditures of each school district. The Expenditure Flow Model (EFM) was developed using Dr. Cooper's reporting format to fulfill that authority. The following pages contain the fiscal year 2009 report for our School District. The following definitions will assist in reading the report:

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

Shaker Heights City School District
Expenditure Flow Model
Building Expenditures Report

School	Year-End ADM	Administration	Operations Support	Staff Support	Pupil Support	Instruction	Totals
High School							
Shaker Heights High School	1,707	\$1,789,419	\$5,735,930	\$891,511	\$3,685,417	\$14,882,743	\$26,985,020
Total High School	1,707	1,789,419	5,735,930	891,511	3,685,417	14,882,743	26,985,020
Middle School							
Shaker Heights Middle School	820	794,225	4,184,893	498,802	2,023,063	7,624,144	15,125,127
Total Middle School	820	794,225	4,184,893	498,802	2,023,063	7,624,144	15,125,127
Elementary Schools							
Boulevard Elementary School	356	301,237	1,098,622	331,770	477,551	2,782,999	4,992,179
Fernway Elementary School	357	302,638	627,117	322,688	465,956	2,625,257	4,343,656
Lomond Elementary School	505	413,127	1,267,987	414,818	829,244	3,772,188	6,697,364
Mercer Elementary School	420	337,623	1,441,774	430,871	637,695	3,556,201	6,404,164
Onaway Elementary School	387	288,518	1,074,366	537,960	819,507	2,997,852	5,718,203
Woodbury Elementary School	832	719,387	3,682,898	596,234	1,067,176	7,220,033	13,285,728
Total Elementary Schools	2,857	2,362,530	9,192,764	2,634,341	4,297,129	22,954,530	41,441,294
School Total	5,384	4,946,174	19,113,587	4,024,654	10,005,609	45,461,417	83,551,441
Central Office	0	5,589,854	1,767,679	490,282	439,402	0	8,287,217
Expenditure Flow Model Total	5,384	\$10,536,028	\$20,881,266	\$4,514,936	\$10,445,011	\$45,461,417	\$91,838,658
Other Debt Service							4,248,679
Tuition - Other Districts							5,062,230
Non-Public							1,298,305
Rotary							10,528,846
Fiscal Agency							(465,651)
Other Programs							67,901
Grand Total							\$112,578,968

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

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

Source: Education Management Information System

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

School	Average Daily Membership	Administration	Operations Support	Staff Support	Pupil Support	Instruction	Totals
High School							
Shaker Heights High School	1,707	\$1,048	\$3,360	\$522	\$2,159	\$8,719	\$15,808
Total High School	1,707	1,048	3,360	522	2,159	8,719	15,808
Middle School							
Shaker Heights Middle School	820	968	5,101	608	2,466	9,293	18,435
Total Middle School	820	968	5,101	608	2,466	9,293	18,435
Elementary Schools							
Boulevard Elementary School	356	846	3,086	932	1,341	7,816	14,021
Fernway Elementary School	357	848	1,757	904	1,305	7,355	12,170
Lomond Elementary School	505	818	2,512	822	1,643	7,472	13,266
Mercer Elementary School	420	805	3,437	1,027	1,520	8,477	15,266
Onaway Elementary School	387	746	2,779	1,392	2,120	7,755	14,793
Woodbury Elementary School	832	865	4,428	717	1,283	8,680	15,972
Total Elementary Schools	2,857	827	3,218	922	1,504	8,035	14,507
School Total	5,384	919	3,550	748	1,858	8,444	15,518
Central Office	0	1,038	328	91	82	0	1,539
Grand Total	5,384 **	\$1,957 **	\$3,878 **	\$839 **	\$1,940 **	\$8,444 **	\$17,057 **

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

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

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

Source: Education Management Information System

Shaker Heights City School District

*Expenditure Flow Model
Percentage of School Cost Report*

School	Average Daily Membership	Administration	Operations Support	Staff Support	Pupil Support	Instruction	Totals
High School							
Shaker Heights High School	1,707	7%	21%	3%	14%	55%	100%
Total High School	<u>1,707</u>	<u>7</u>	<u>21</u>	<u>3</u>	<u>14</u>	<u>55</u>	<u>100</u>
Middle School							
Shaker Heights Middle School	820	5	28	3	13	50	100
Total Middle School	<u>820</u>	<u>5</u>	<u>28</u>	<u>3</u>	<u>13</u>	<u>50</u>	<u>100</u>
Elementary Schools							
Boulevard Elementary School	356	6	22	7	10	56	100
Fernway Elementary School	357	7	14	7	11	60	100
Lomond Elementary School	505	6	19	6	12	56	100
Mercer Elementary School	420	5	23	7	10	56	100
Onaway Elementary School	387	5	19	9	14	52	100
Woodbury Elementary School	832	5	28	4	8	54	100
Total Elementary Schools	<u>2,857</u>	<u>6</u>	<u>22</u>	<u>6</u>	<u>10</u>	<u>55</u>	<u>100</u>
School Total							
School Total	5,384	6	23	5	12	54	100
Central Office	0	67	21	6	5	0	100
Grand Total	<u>5,384</u>	<u>11%</u>	<u>23%</u>	<u>5%</u>	<u>11%</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.

Source: Education Management Information System

Shaker Heights City School District

* * * *

Audit Report Letters

June 30, 2010

SHAKER HEIGHTS CITY SCHOOL DISTRICT

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Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

Focused on Your Future.

December 29, 2010

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, 2010, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 29, 2010. 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

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, 2010
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, 2010.

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.

Hea & Associates, Inc.



Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

Focused on Your Future.

December 29, 2010

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, 2010. 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 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, 2010.

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, 2010, and have issued our report thereon dated December 29, 2010. 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.

Kea & Associates, Inc.

SHAKER HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
Schedule of Expenditures of Federal Awards - Cash Basis
For the Fiscal Year Ended June 30, 2010

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	2009	\$ 345,591	\$ 341,217
	84.010	2010	593,651	563,091
ARRA-Title I	84.389	2010	144,086	156,822
Total Title I Cluster			<u>1,083,328</u>	<u>1,061,130</u>
Special Education Cluster:				
Special Education Grants to States	84.027	2009	227,870	228,927
	84.027	2010	926,487	861,999
ARRA-Special Education Grants to States	84.391	2010	429,179	397,961
Total Special Education Grants to States			<u>1,583,536</u>	<u>1,488,887</u>
Special Education Preschool Grants	84.173	2009	1,444	2,821
	84.173	2010	17,548	17,320
ARRA-Special Education Preschool Grants	84.392	2010	4,626	0
Total Special Education Preschool Grants			<u>23,618</u>	<u>20,141</u>
Total Special Education Cluster			<u>1,607,154</u>	<u>1,509,028</u>
Safe and Drug-Free Schools - State Grants	84.186	2009	4,687	4,969
	84.186	2010	26,359	26,385
			<u>31,046</u>	<u>31,354</u>
Innovative Education Program Strategies	84.298	2009	5,154	5,058
Education Technology State Grants	84.318	2009	5,239	4,699
	84.318	2010	3,777	3,520
			<u>9,016</u>	<u>8,219</u>
Improving Teacher Quality State Grant	84.367	2009	60,412	60,872
	84.367	2010	157,958	169,393
			<u>218,370</u>	<u>230,265</u>
LEP, Title III	84.365	2009	8,955	5,364
	84.365	2010	27,037	25,720
Immigrant, Title III	84.365	2010	9,313	9,313
			<u>45,305</u>	<u>40,397</u>
Title I, School Improvement Sub G	84.377	2010	0	15,000
ARRA - McKinney-Vento Homeless Assistance Program	84.387	2010	554	700
ARRA-State Fiscal Stabilization Fund	84.394	2010	938,201	938,201
TOTAL U.S. Department of Education			<u>3,938,128</u>	<u>3,839,352</u> (Continued)

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

SHAKER HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
Schedule of Expenditures of Federal Awards - Cash Basis
For the Fiscal Year Ended June 30, 2010

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	10.555	2010	\$ 53,825	\$ 53,825
Cash Assistance:				
School Breakfast Program	10.553	2010	111,438	111,438
National School Lunch Program	10.555	2010	474,060	474,060
<i>Cash Assistance Subtotal</i>			<u>585,498</u>	<u>585,498</u>
Total Child Nutrition Cluster			<u>639,323</u>	<u>639,323</u>
TOTAL U.S. Department of Agriculture			<u>639,323</u>	<u>639,323</u>
<u>U.S. Environmental Protection Agency</u>				
<i>Passed through Ohio Environmental Protection Agency</i>				
ARRA - Ohio Clean Diesel School Bus Fund Grant	66.040	2010	49,500	49,500
TOTAL U.S. Environmental Protection Agency			<u>49,500</u>	<u>49,500</u>
Total Federal Financial Assistance			<u>\$ 4,626,951</u>	<u>\$ 4,528,175</u>

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

**SHAKER HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

*Notes to the Schedule of Expenditures of Federal Awards – Cash Basis
For The Fiscal Year Ended June 30, 2010*

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 2010, the ODE authorized the following transfers:

CFDA Number	Program Title	Program Year	Transfer Out	Transfer In
84.027	Special Education - Grants to States	2009	\$ 27,323	
84.027	Special Education - Grants to States	2010		\$ 27,323
84.186	Title IV-A - Safe & Drug Free Schools	2009	6,862	
84.186	Title IV-A - Safe & Drug Free Schools	2010		6,862
84.318	Title II-D - Education Technology	2009	575	
84.318	Title II-D - Education Technology	2010		575
84.367	Title II-A - Improving Teacher Quality	2009	18,675	
84.367	Title II-A - Improving Teacher Quality	2010		18,675

**SHAKER HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

*Schedule of Findings and Questioned Costs
OMB Circular A-133, Section .505
June 30, 2010*

1. SUMMARY OF AUDITOR'S RESULTS
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(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): Grants to Local Educational Agencies (Title I Cluster) Special Education Cluster State Fiscal Stabilization Fund	CFDA # 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
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None noted.

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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
MARCH 17, 2011