



Dave Yost • Auditor of State

SHAKER HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Schedule of Federal Awards Receipts and Expenditures.....	1
Notes to the Schedule of Federal Awards Receipts and Expenditures	2
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	3
Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133 and the Schedule of Federal Awards Receipts and Expenditures.....	5
Schedule of Findings.....	9

This page intentionally left blank.

**SHAKER HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2015**

<u>FEDERAL GRANTOR/ Pass Through Grantor</u>	Grant	Federal		Non-Cash		Non-Cash
<u>Program Title</u>	Year	CFDA	Receipts	Receipts	Expenditures	Expenditures
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education:</i>						
Child Nutrition Cluster:						
Non-Cash Assistance (Food Distribution):						
National School Lunch Program	2015	10.555	\$ -	\$ 95,176	\$ -	\$ 95,176
Cash Assistance:						
School Breakfast Program	2015	10.553	170,813	-	170,813	-
National School Lunch Program	2015	10.555	680,563	-	680,563	-
Total Cash Assistance			851,376	-	851,376	-
Total Child Nutrition Cluster			851,376	95,176	851,376	95,176
TOTAL U.S. DEPARTMENT OF AGRICULTURE			851,376	95,176	851,376	95,176
U.S. DEPARTMENT OF EDUCATION						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster (IDEA):						
Special Education - Grants to States (IDEA, Part B)	2014	84.027	175,843	-	269,651	-
Special Education - Grants to States (IDEA, Part B)	2015	84.027	1,012,431	-	991,387	-
Total Special Education - Grants to States (IDEA, Part B)			1,188,274	-	1,261,038	-
Special Education - Preschool Grants (IDEA Preschool)						
Special Education - Preschool Grants (IDEA Preschool)	2015	84.173	17,069	-	17,069	-
Total Special Education - Preschool Grants (IDEA Preschool)			17,069	-	17,069	-
Total Special Education Cluster (IDEA)			1,205,343	-	1,278,107	-
Title I, Part A:						
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)	2014	84.010	-	-	110,123	-
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)	2015	84.010	744,604	-	712,484	-
Total Title I, Part A			744,604	-	822,607	-
Improving Teacher Quality State Grants						
Improving Teacher Quality State Grants	2014	84.367	8,371	-	21,191	-
Improving Teacher Quality State Grants	2015	84.367	147,675	-	147,188	-
Total Improving Teacher Quality State Grants			156,046	-	168,379	-
Title III, English Language Acquisition Grant						
Title III, English Language Acquisition Grant	2014	84.365	495	-	-	-
Title III, English Language Acquisition Grant	2015	84.365	28,396	-	28,396	-
Total Title III, English Language Acquisition Grant			28,891	-	28,396	-
ARRA - Race To The Top						
ARRA - Race To The Top	2014	84.395	7,503	-	31,420	-
ARRA - Race To The Top	2015	84.395	55,030	-	55,030	-
Total Race To The Top			62,533	-	86,450	-
TOTAL U.S. DEPARTMENT OF EDUCATION			2,197,417	-	2,383,939	-
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$ 3,048,793	\$ 95,176	\$ 3,235,315	\$ 95,176

The accompanying notes are an integral part of this schedule.

**SHAKER HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FISCAL YEAR ENDED JUNE 30, 2015**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) reports the Shaker Heights City School District's (the District's) federal award programs' receipts and disbursements. The Schedule has been prepared on the cash basis of accounting.

NOTE B - CHILD NUTRITION CLUSTER

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

NOTE C – FOOD DONATION PROGRAM

The District reports commodities consumed on the Schedule at the entitlement value. The District allocated donated food commodities to the program that benefitted from the use of those donated food commodities.



Dave Yost • Auditor of State

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

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Shaker Heights City School District, Cuyahoga County, (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 27, 2016, wherein we noted the District adopted Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*,

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

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

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

January 27, 2016



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES

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

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited the Shaker Heights City School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the District's major federal program for the year ended June 30, 2015. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal program.

Management's Responsibility

The District's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for the District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the District's major program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on the Major Federal Program

In our opinion, the Shaker Heights City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2015.

Report on Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the 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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. 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 federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

This report only describes the scope of our internal control over compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Federal Awards Receipts and Expenditures Required by OMB Circular A-133

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Shaker Heights City School District (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated January 27, 2016. Our opinion also explained that the District adopted *Governmental Accounting Standards No. 68 and 71* during the year. We conducted our audit to opine on the District's' basic financial statements. The accompanying schedule of federal awards receipts and expenditures presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State
Columbus, Ohio

January 27, 2016

This page intentionally left blank.

**SHAKER HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2015**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Program's Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under § .510(a)?	No
(d)(1)(vii)	Major Program:	Special Education Cluster: Special Education Grants to States - CFDA #84.027 and Special Education Pre-School - CFDA # 84.173
(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

3. FINDINGS FOR FEDERAL AWARDS

None

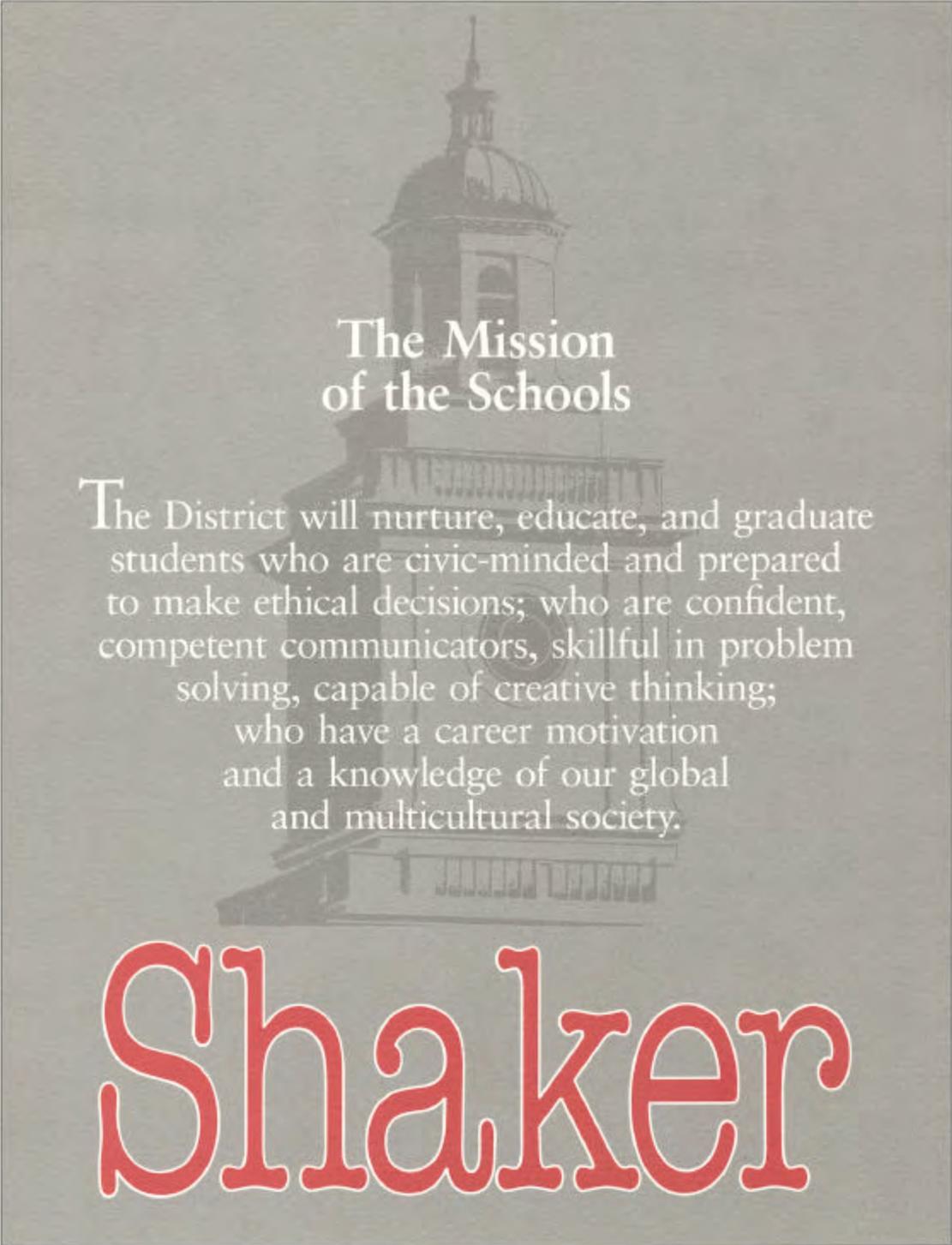
This page intentionally left blank.

Shaker Heights City School District, Shaker Heights, Ohio

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015

SHAKER HEIGHTS CITY SCHOOL DISTRICT
SHAKER HEIGHTS, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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



The Mission of the Schools

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

Shaker

INTRODUCTORY SECTION

Table of Contents

I. Introductory Section	Page
Letter of Transmittal	v
List of Principal Officials.....	xxi
Shaker Heights City School District Map.....	xxii
Attendance Zones.....	xxiii
GFOA Certificate of Achievement	xxiv
ASBO Certificate of Excellence	xxv
Organizational Chart.....	xxvi
 II. Financial Section	
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis.....	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	19
Statement of Activities	20
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	21
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	22
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	23
Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Funds to the Statement of Activities	24
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual – General Fund	25
Statement of Fund Net Position – Proprietary Fund.....	26
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Fund	27
Statement of Cash Flows – Proprietary Fund.....	28
Statement of Fiduciary Assets and Liabilities – Agency Funds	29
Notes to the Basic Financial Statements	30
Required Supplementary Information:	
Schedule of the School District’s Proportionate Share of the Net Pension Liability	69
Schedule of School District Contributions	70
Combining Statements and Individual Fund Schedules:	
Combining Statements - Nonmajor Governmental Funds:	
Fund Descriptions	74
Combining Balance Sheet – Nonmajor Governmental Funds.....	76
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	77
Combining Balance Sheet – Nonmajor Special Revenue Funds	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	80

Table of Contents
(Continued)

Combining Statements – Internal Service Funds:	
Fund Descriptions.....	82
Combining Statement of Fund Net Position – Internal Service Funds.....	83
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position Internal Service Funds	84
Combining Statement of Cash Flows – Internal Service Funds.....	85
Combining Statements – Fiduciary Funds:	
Fund Descriptions.....	86
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	87
Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balance/ Net Position - Budget (Non-GAAP Basis) and Actual Governmental Funds – Major and Non-Major:	
General Fund and Major Fund Descriptions	89
Uniform School Supplies	90
Public School Support.....	91
Shaker Merchandise	92
Fringe Benefits	93
Building	94
Food Service.....	95
Local Grants	96
Athletics	97
Auxiliary Services	98
Data Communications	99
Alternative Schools	100
Parent Mentor Grant.....	101
Race to the Top.....	102
Title VI-B	103
Title I School Improvement	104
Limited English Proficiency.....	105
Title I.....	106
Preschool Disability	107
Class Size Reduction.....	108
Bond Retirement.....	109
Self Insurance.....	110
Workers’ Compensation Reserve	111

Table of Contents
(Continued)

III. Statistical Section

Statistical Section Table of Contents	S-1
 <u>Financial Trends:</u>	
Net Position by Component - Last Ten Fiscal Years	S-2
Changes in Net Position of Governmental Activities – Last Ten Fiscal Years	S-4
Program Revenues of Governmental Activities by Function	
Last Ten Fiscal Years	S-8
Fund Balances, Governmental Funds - Last Ten Fiscal Years	S-10
Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years.....	S-12
 <u>Revenue Capacity:</u>	
History of School Operating Levies – For the Years 1933 – 2015	S-15
Assessed and Estimated Actual Value of Taxable Property -	
Last Ten Collection Years	S-16
Property Tax Rates –Direct and Overlapping Governments, (per \$1,000 of assessed value) -	
Last Ten Years.....	S-18
Property Tax Levies and Collections – Last Ten Collection Years	S-24
Principal Taxpayers - Real Property Taxes – 2015 and 2006	S-25
Principal Taxpayers - Public Utilities Tax - 2015 and 2006	S-26
 <u>Debt Capacity:</u>	
Ratio of Net Bonded Debt to Personal Income and Debt per Capita - Last Ten Fiscal Years.....	S-27
Computation of Legal Debt Margin – Last Ten Fiscal Years	S-28
Computation of Direct and Overlapping General Obligation Bonded Debt.....	S-30
History of Bond Issues – For the Years 1912 - 2015	S-31
 <u>Economic and Demographic Information:</u>	
Property Value, Financial Institution Deposits, and Value of Building Permits Issued –	
Last Ten Years.....	S-32
Principal Employers – 2014 and 2005	S-33
Demographic Statistics – Last Ten Years	S-34

Table of Contents
(Continued)

Operating Information:

Building Statistics by Function/Program - Last Ten Fiscal Years	S-36
Enrollment Statistics - Last Ten Fiscal Years	S-40
Enrollment Summary – Last Ten Fiscal Years	S-41
Public, Community School, Private and Total School Enrollment by School Year – Fiscal Years 1979 to 2015.....	S-42
Per Pupil Cost – Last Ten Fiscal Years.....	S-43
School District Employees by Function/Program - Last Ten Fiscal Years.....	S-44
Full-Time Equivalent Certified School District Employees by Education – Last Ten Fiscal Years	S-46
College Admissions for All Students – Last Ten School Years	S-48
National Merit and National Achievement Recognition – Last Ten School Years	S-49



SHAKER HEIGHTS CITY SCHOOL DISTRICT

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

Gregory C. Hutchings, Jr., Ed.D.
Superintendent of Schools

Bryan C. Christman
Treasurer

January 27, 2016

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, 2015. This CAFR enables the School District to comply with the Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires school districts reporting on a GAAP basis to file an unaudited annual report with the Auditor of State within 150 days of the fiscal year end.

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

Ohio law requires independent audits to be performed on all financial operations of the School District either by the Auditor of State or an independent public accounting firm, if permitted by the Auditor of State. The Auditor of State rendered an opinion on the School District's financial statements as of June 30, 2015, and the Independent Auditor's Report on the basic financial statements is included in the financial section of this report.

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

The Shaker Heights City School District

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

MEMBERS OF THE BOARD:
WILLIAM L. CLAWSON II ALEX L. DYKEMA AMY H. FULFORD REUBEN HARRIS, JR. 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 over 5,300 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 main library.*
- 1927 - Fernway School**, at Fernway and Ardmore Roads.
- 1927 - Ludlow School**, at Southington and Ludlow Roads. *Now houses the Positive Education Program (PEP) operated by Cuyahoga County.*
- 1928 - Lomond School**, on Lomond Boulevard at Strandhill and Palmerston Roads.
- 1931 - Shaker Heights High School**, on Aldersyde Drive at Onaway Road. *A new handicapped accessible front entrance and gym/music wing was added in 1999. A two-story cafeteria addition was added in 2008.*
- 1952 - Mercer School**, on Wimbledon Road off of Green Road and Shaker Boulevard.
- 1957 - Shaker Heights Middle School**, on Shaker Boulevard and Warrensville Center Road, *formerly known as Byron Junior High.*
- 1962 - Administration Building**, on Parkland at Ashford Road.

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

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

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

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

The Shaker Heights City School District is one of 609 school districts in the State of Ohio and one of 31 school districts in Cuyahoga County. The School District is the 58th largest in student enrollment in Ohio, with an enrollment of 5,377 full time equivalent students for the 2014-2015 academic year, and projected enrollment for fiscal year 2016 of 5,300 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 GASB Statement No. 14, *The Financial Reporting Entity* as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and 34*. 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 North Coast Council (NCC), and the Shaker Heights Public Library. NCC and OSC are jointly-governed organizations whose relationships to the School District are described in Note 20 to the accompanying financial statements. The Shaker Heights Public Library is a related organization and is described in Note 19 to the accompanying financial statements.

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

Economic Condition and Outlook

The School District serves 28,448 residents in the City of Shaker Heights, and 3,911 for the City of Cleveland. The community is primarily residential in nature with a diverse base of residents working largely in professional capacities. The School District is a mature, fully developed inner ring suburb whose economic strength is largely dependent upon the strength of the Northeast Ohio economy. According to the Ohio Department of Taxation, the average federal adjusted gross income per return for residents of the School District filing returns for calendar year 2013 was \$115,970, compared to the averages of \$70,871 for all Ohio school districts and \$60,225 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 currently in-process redevelopment of 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 First Energy Stadium (home of the NFL Cleveland Browns).

Further enhancing Shaker Heights' proximity and easy access to downtown Cleveland are other recent economic development projects in downtown Cleveland, including the HorseShoe Casino, which as the first casino in Ohio opened in May 2012, the Global Center for Health Innovation (previously referred to as the Medical Mart) and the Cleveland Convention Center, both of which celebrated their grand openings in June 2013.

Only five miles southeast of Shaker Heights, the Chagrin Highlands development next to Interstate 271, including the relocation from downtown Cleveland of the Fortune 500 Eaton Corporation's operational headquarters and University Hospital's Ahuja Medical Center, has only served to enhance Shaker Heights as an ideal residential location.

Another contributor to the School District's economic strength is its proximity to the University Circle area of Cleveland. University Circle is the leading focus of employment growth in the area and home to major cultural, educational and medical facilities including Severance Hall, the home of the world-renowned Cleveland Orchestra, the recently-rebuilt and expanded 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% of the increased property taxes resulting from the redevelopment for the 25-year abatement period. Thereafter, the School District will receive 100% of the increased property taxes. Additionally, the School District will receive 50% 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 impacted commercial retail operations which are now improving.

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

The City’s historical Strategic Investment Plan has resulted in numerous projects.

- Construction of a new \$5 million City Fire Station in the Shaker Towne Centre area;
- Redevelopment of commercial properties in the Shaker Towne Centre complex including \$3 million of facade and other improvements;
- \$13 million of public improvements completed in early 2008 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; public art and 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;
- Shaker Common Shops (\$3.0 million) involved the purchase and major renovation of 35,000 square feet of historic retail buildings opposite Shaker Towne Center; 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 (begun in November 2005 and completed in 2007) of the project (\$12 million) includes 51 loft condominiums and a 90-car parking garage with a landscaped roof. When complete the project will consist of three 4-story buildings with approximately 160 loft condominiums and 17 townhomes as well as ground floor retail space in two buildings. Although the development of Phase II was delayed due to the recession, in 2014 a request for proposals for Avalon Station Phase II resulted in the selection of a developer to build market rate for sale townhomes in the Shaker Towne Centre area.

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

- **Van Aken District**-a plan for a 50-acre, transit-oriented commercial district was developed with much public input and adopted in April 2008. In November 2008, in partnership with the Cuyahoga County Engineer, the City applied for and received a \$4 million Safety Grant from the Ohio Department of Transportation toward reconfiguring this intersection with four major highways intersecting at various angles. There are now seven funding sources and the road reconfiguration is fully funded at \$18.4 million. Construction began in 2014 and continues in 2015, with a planned completion in late 2015. The road reconfiguration is setting the stage for vibrant mixed-use; reconfiguration from 6 legs to 4 legs; creating regular development parcels; and creating an intermodal station at the end of the transit line. In furtherance of achieving the objectives of the overall plan, the City has entered into a Memorandum of Understanding with the owners of one of the two shopping plazas in this area to build new retail office and housing as part of Phase 1 of the redevelopment. The City has purchased a

former car dealership in this area and is using the facility for City purposes until it can be redeveloped in the district. In addition, the City obtained a vacant commercial building on Warrensville Center Road which it has demolished. The City has a Memorandum of Understanding with the adjacent property owner to purchase this parcel and redevelop it with that owner's two adjacent parcels for retail purposes.

- 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 (\$3.0 million) for the rapid transit station at Van Aken and Lee.
- A second request for proposals identified another developer to build another market rate for sale townhome project in the Moreland neighborhood. Dubbed "Transit Village," the project features a blend of new housing and upgraded energy efficient housing to capitalize on the location's proximity to transit.
- The City is also working to establish the Moreland Innovation Zone in the one-quarter-mile radius around the Chagrin-Lee intersection where residents and businesses leverage the opportunities created by high-speed fiber. This project would build off the City's earlier Entrepreneurial Housing Project, where the City redeveloped two vacant foreclosed properties as nine units of affordable rental housing for entrepreneurs.
- The City received grant funds (\$688,000) to complete the Lake to Lakes multipurpose trail to connect the Shaker Lakes to Lake Erie, with our partners the cities of Cleveland and Cleveland Heights. Construction is scheduled for 2015, along the Lee/Lomond intersection streetscape improvements, also funded with \$150,000 in grant dollars.

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

- Financial incentives to commercial property owners;
- Financial incentives to businesses seeking to expand or locate in Shaker Heights;
- Investments in upgrading programs and operations that address Shaker businesses and commercial properties; and
- Aggressive marketing, branding, and business recruitment efforts.

This strategy has identified key segments of the Cleveland metropolitan business community that can and will be targeted in this effort, as well as key commercial districts in Shaker Heights that will be targeted for investment and reinvestment. When Shaker Heights becomes successful in growing these segments – ambulatory health care and social services, design, government and legal services, and information services – it will strengthen its fiscal base and set the stage for long-term economic health.

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

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

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

In accordance with the Economic Development Plan, the City invested \$500,000 in a City-owned building that was formerly a car dealership to house the Shaker LaunchHouse (SLH), a public-private partnership that fosters entrepreneurial success and job creation through seed capital, education and innovation, and connects new entrepreneurs with proven business leaders in a grassroots, for-profit model. SLH member companies enjoy over 25,000 square feet of affordable office space, free Wi-Fi, free coffee, access to over 100 free educational and networking events, and many additional resources. SLH member companies are made up of portfolio companies, regional startups, entrepreneurs, creative groups, nonprofits, service providers, investors, and mentors.

Some of the additional business brought into the City through these efforts include: a bakery, a yoga studio, a running apparel store, a State of Ohio license bureau, new dental offices, new adult day care, a wallpaper store, a law firm, an educational software firm, real estate services, a financial advisor, a therapeutic accelerator for new medicines, an orthodontist, a coffee shop, a restaurant, a taekwondo studio, and a sandwich shop.

In addition to commercial and multi-family dwelling property development, the City is also pursuing single-family residential development. In keeping with its aggressive pursuit of maintaining and enhancing the City’s housing stock, in late 2006 the City enacted legislation creating five new “housing only” Community Reinvestment Areas (CRA’s) with the particular objective to encourage new residential construction and significant rehabilitation. Although conditions are currently improving, the impact of the 2008-2009 recession and mortgage crisis and subsequent anemic recovery on these development initiatives is still unknown at this time.

Although the 2006 departure from the City by OfficeMax and its headquarters left a significant hole in the commercial backbone of the City, the void was short-lived. In the fall of 2006, the University Hospitals Corporation announced its purchase of the OfficeMax headquarters building and the relocation of as many as 900 full-time administrative and corporate office employees to such facility, resulting in a greater income tax base for the City than what previously existed.

The School District and City were able to weather the financial storm resulting from the economic downturn and are now well positioned to once again prosper and thrive. Despite the recession-resulting loss of \$165 million or 17.2% of the School District’s property tax base from its 2007 high of \$957 million, the property tax base has begun to recover and will be primed to grow at an enhanced rate as a result of the commercial redevelopment undertaken by the City of Shaker Heights. These local initiatives, combined with Cleveland’s economic development, provide for a stable and desirable economic condition and outlook for our School District. This favorable economic outlook combined with the unwavering community support for the School District has resulted in repeated tax levy success over the last 15 years including a capital improvement bond issue in 2004 and operating levies in 2000, 2003, 2006, 2010 and most recently a 6.9 mill levy in May 2014, all but one (58% in 2010) of which passed with a 60% or higher margin.

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 revised) 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 School District's purposes can best be achieved through prudent fiscal management.

The School 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 School 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 School 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 School 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 School District.

The School 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 School 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 School District until such time as the Board approves the annual appropriation resolution for the year, which will be not later than October 1. The Board will approve appropriations for the School 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 four years, at a rate below seven mills.

2014-2015 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 8% of the Class of 2015 earned honors in the National Merit, National Achievement, and National Hispanic scholarship competitions, compared with 2% 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.

This year, 385 students at Shaker Heights High School took 884 Advanced Placement (AP) exams. On the basis of their outstanding performance on Advanced Placement examinations, 182 Shaker students were named AP Scholars in 2015.

Shaker Heights students continue to be sought after by colleges. Members of the Class of 2015 were accepted into more than 233 colleges, including some of the most selective in the nation. Approximately 60% of graduating seniors plan to attend a 4-year college, and 12.2% plan to attend a 2-year college.

Technology

Our computer network serves students, teachers, and staff in a wide variety of applications for instruction and business. We have more than 26 servers and approximately 2,000 workstations in 12 buildings, all running over a fiber network. Our network also supports a variety of enterprise systems such as our phone system, transportation tracking, time cards, security systems, and other business products.

We continue to add classroom tools, such as student response systems and document cameras. As of the 2015-2016 school year, we have approximately 1,000 laptops organized on mobile carts in sets of 15. Carts or Computers on Wheels (COW) are provided to each School District building based on factors such as enrollment and computer lab availability. Teachers are able to sign out the carts for classroom activities. The School District is currently exploring Google Chromebooks as an alternative to Windows-based laptops. Funding for these tools is provided through grant monies, Red & White, and PTO funds, as well as School District funds. Teachers use these classroom tools to encourage student engagement by incorporating the use of visual materials, video sources, and web information that can be used interactively in daily classroom activities

Software supports our focus on student achievement, particularly in mathematics with the use of Pearson Successmaker in grades K-6. Various tools for teachers (AIMSweb, MAP—Measure of Academic Progress) provide data to inform instructional efforts. We 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 short video clips to illustrate concepts as they teach. A growing number of teachers are using the Moodle course management system, which allows teachers to develop online courses, using this resource to post class materials, conduct online discussions, provide online activities, and more. We expect teacher use of this resource to continue to grow. The School District is also preparing for a three-year rollout of Google Apps for Education and has adopted and began to implement a five-year School District Technology Plan.

Business and Operations

Capital Planning

The 2014-2015 school year represented a foundational period for the School District master planning process. The School District started off this year with a facility assessment of all eight schools procured under the Ohio Classroom Facilities Assistance Program (CFAP) by the Ohio Schools Facilities Commission (OSFC). In September 2014, the School District received an update on the State Equity Ranking and the FY15 Ranking was 467 or 77% local share. With this information, the School District subsequently engaged in a series of informational meetings which culminated with a Board resolution to continue the School District's participation in this program and to continue the work to develop a master plan. In January 2015, the District Facilities Planning Executive Committee attended an OSFC workshop in Columbus on Educational Visioning and Transformation. This workshop provided information for the requirements of an educational planner for 21st Century learning needs. From February - April 2015, the School District conducted the solicitation, interviews, and selection of an educational visioning consultant. The consultant began the work with a District-wide visioning workshop in June 2015 and this work is expected to extend into the year. The procurement of a consultant for master planning services is the next phase of the process for 2015-16.

Facilities, Buildings and Grounds Maintenance

The 2014-2015 school year saw many interior and exterior improvements throughout the School District, including HVAC, electrical and plumbing upgrades; roof repairs; masonry work; and flooring projects. A new chiller was purchased and installed at the Administration Building, replacing one that was over 50 years old. The final phase of renovations on the Fabrication Lab at the High School was completed, creating a room for engineering and IB design classes to be taught. The custodial and maintenance crews also did great work to clean and sanitize the schools during the Ebola crisis during October 2014. During the winter season, the School District maintained all facilities through a very challenging cold and snow season. Advanced planning by the maintenance staff to purchase winter road salt from the City of Shaker Heights allowed the School District to beat the market demand, while generating cost savings to the School District. In June 2015, an engineering assessment determined that the Woodbury clock tower was in need of immediate repair and the cupola, bell, and clock mechanics were later removed until a new tower is constructed. (In September 2015, an architectural firm will review the design and construction of the clock tower and provide a plan for its restoration.) The Service Center staff, along with the custodial, maintenance and grounds crews, continues to work efficiently and effectively to provide a safe, high-quality facility environment for students and staff throughout the year.

Food Services

The Food Service Department had an exciting 2014-2015 year, culminating with contract renewal of the School District food services vendor. The School District introduced a Vegetable Produce Bar pilot at Onaway School which proved to be very popular with the young students. The Onaway PTO did commendable work to facilitate this new program among students and teachers. By the end of the year, the students were eating radish, jicama, broccoli, and carrots on a daily basis. Thanks to the PTO and Onaway School staff, the School District will expand the use of vegetable produce bars in all elementary schools in the 2015-16 school year. In April, the School District passed the ODE, Office of Child Nutrition, state inspection (Coordinated Review Effort – CRE) at Mercer and Boulevard Schools with no food service violations. The Food Services Department working with the High School Learning Garden earned national media attention for innovative food practices. The financial year ended with positive flow through the bottom line; solely due to an increase in reimbursable and catering sales over our budget. Because of this outstanding performance, the School District entered into a new contract with AVI Fresh, Inc. for the operation and management of the School District's food service program.

General Administrative Business and Warehouse Services

The Department continued its support services including facility reservations (permits), inter-district mail delivery, cell-phone management, purchasing, accounts payable, printing, real property and high-value property control, building usage/rentals, and copier account management. Warehouse logistics operations (shipping and receiving), inventory control, and procurement support for the School District continued on track. The Department continued its testing of an electronic Worker's Compensation process to speed tracking and processing of these reports. The Business Department represented the School District on the City's Health Task Force during the Ebola crisis. The Department also successfully negotiated a new contract for copy machines (image management agreement) which generated savings and improved copying services for the School District beginning in August 2015. The Business Department processed more than 1,100 permits which accounted for 10,565 events at the schools.

Human Resources

The Human Resources Department met the challenge of maintaining daily operations to manage the workforce which included recruiting, professional development, evaluations, and retirements. Indeed, due to changes in the STRS, School District turnover was high and HR organized the hiring of more than 60 staff – one of the highest levels in recent history. School leaders and HR worked together to ensure the quality of candidates remained high by using a rigorous interview process for teacher candidates which included a demonstration class of teaching students and being observed prior to an offer being made. HR also worked with an executive search firm to conduct national searches to fill the positions of elementary principal, assistant superintendent of curriculum and instruction, and high school principal. The HR Department helped negotiate four union contracts – SHTA (teachers), Local #200 (maintenance workers and bus drivers), Local #152 (security), and Local #149 (clerical). HR processed numerous supplemental contracts and project payments to support teaching programs, extracurricular, and other activities across the School District. The HR Department evaluated the first-year performance of out-sourced, substitute management services with mixed results and made adjustments for the 2015-16 year. As part of the School District Strategic Plan initiative, Gallagher Services, Inc. completed an audit of the HR office structure, functions, and performance. The recommendations to improve and transform the HR Department will take place in the months ahead. The HR office is on track for continuous improvement to provide first-class talent management services for the School District.

Safety and Security Services

The 2014-2015 school year was a year of significant campus engagement and transition to a new security management model. The School District conducted a comprehensive safety drill/ lockdown exercise at all eight schools and formally debriefed all schools on lessons learned. Additionally, we coordinated with the Shaker Heights Police Department (SHPD) to have its officers serve as evaluators of the lockdown exercise at each school – a first for the School District. Improving its security technology, we upgraded camera-surveillance systems with the purchase of new digital video recorders at several schools which expanded capacity to store camera recordings. For the first time, the School District sent four security monitors to off-site, professional development training seminars last year. Access control to the main entrance of the high school was also improved with use of identification software and hand-held reading devices. The School District revised its supervisory structure to appoint a head security monitor at the High School, Middle School, and Night-shift monitor to meet the increasing demands for campus safety.

Transportation Services

The Transportation Department maintained the use of group and/or corner stops to improve service efficiency. The Transportation Department began transporting Greenview Preparatory Academy, Positive Education Program (PEP) students at the start of the 2014-2015 school year. This new service generated a cost savings for the School District because it eliminated the use of the more expensive, contract-bus service. In May 2015, the Board approved a resolution for the purchase of four, new school buses to replace older buses. These new buses will be delivered in the fall of 2015. The office completed more than 1,600 field trips at a total of 71,155 miles. The Transportation Department continues to develop cost-saving measures, maintain efficient routes, and sustain an outstanding safety record for the students and the School District.

Current and Future Initiatives

School Improvement Plans

The Shaker Heights City School District maintains an ongoing commitment to the philosophy of continuous improvement. The School District's five-year Strategic Plan drives school-based improvement plans in the form of Strategic Plan Action Plans. Each plan includes strategic initiatives, performance measures, strategies, resource allocation, assignment of responsibility, and timelines for completion. The action plans reflect both School District and building-level priorities and are monitored through frequent data review. This aligned approach facilitates genuine change and distributive leadership. All school principals collaborate with faculty to analyze data and revise Action Plans, based on the needs of individual schools. Quarterly support sessions are held with a small team from each school. The purpose of each support session, where the school team is joined by the School District administrative team, including the superintendent, and the District Leadership Team, is provide a time for the building teams to share successes, to monitor progress, to examine challenges, to clarify next steps, and plan for provision of added supports and/or resources.

2014–2019 Strategic Plan

On June 24, 2014, the Board of Education approved a five-year Strategic Plan. The plan is the work of a 44 member committee representing educators, administrators, parents, school board members, students, and community members. The document is based on considerable public input and a thorough review of existing data and plans.

The core of the plan is the aspirations, mission, vision, and core values of the School District.

Our Aspirations:

Excellence – Equity – Exploration

Our Mission:

The School 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.

Our Vision:

Shaker is the first-choice school district for all students.

Core Values:

We believe:

- Each student is valued.
- Every student must succeed.
- Diversity makes us stronger.
- Breadth of experience is vital.
- Fiscal responsibility is essential.
- We are all accountable.

The Superintendent and the Board of Education agreed on six areas of focus for the plan.

1. **Shaker Experience** - Academics, school climate, and out-of-school activities that make up the student experience for all Shaker students
2. **Continuous Improvement** – The institutional commitment to ongoing self-examination and betterment
3. **Policy** – Formal, Board-adopted policies that guide the daily work of the schools
4. **Human Resources and Facilities** – The commitment to providing students with the best possible staff and physical environment for learning
5. **Communications** – Open, two-way communication between and among staff, students, parents, and residents
6. **Finance** – Obtaining the maximum value for every dollar spent

The first year of implementation of the Strategic Plan was highly fruitful. The staff and faculty worked very hard and numerous accomplishments reflect these efforts. These include, but are not limited to:

- Gained full authorization and became one of eight school districts in the nation providing all students in kindergarten through twelfth grade with an International Baccalaureate education,
- Increased the graduation rate from 89% to 93%,
- Graduated 14 additional student due to the development of the Innovative Center,
- Reached three-year agreements with bargaining units through collaboration and professionalism,
- Recruited top talent from across the nation to fill various positions,
- Created a comprehensive plan for full implementation of the Middle Years Programme at Shaker Middle School,
- Advocated for change in state testing system,
- Executed a Communications Audit,
- Developed a Five-year Technology Plan,
- Engaged in a series of courageous conversations about School District challenges, needs, roles, and expectations,
- Increased collaboration with City, Community partners, Shaker Schools Foundation, and donors,

The Strategic Plan and the Year One and Year Two Progress Reports can be found at www.shaker.org/strategicplanning.aspx

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 August of the 2008-2009 school year. The School District was pleased to announce the authorization of the Middle Years Programme in June 2015. The International Baccalaureate Middle Years Programme includes all students attending Woodbury Elementary School, Shaker Middle School, and Shaker Heights High School. Shaker is the only PreK-12 International Baccalaureate district in Greater Cleveland. Shaker is one of eight districts in the country to provide all of its students with a fully-authorized International Baccalaureate education from pre-kindergarten through graduation. The International Baccalaureate Programme is especially in demand among international families who are relocating to Cleveland to work in higher education, health care, and research.

At the beginning of the 2010-2011 school year, the International Baccalaureate Diploma Programme was authorized and began with the Junior Class. Offered as an elective course of study at the high school level, the International Baccalaureate Diploma Programme permits students to participate in a rigorous, internationally-oriented curriculum, culminating in a diploma that is recognized all over the world. The Class of 2012 afforded the first group of students with the opportunity to complete the fully developed two-year program and qualify for the International Baccalaureate Diploma. The Shaker Heights High School Class of 2013 included 12 International Baccalaureate diploma candidates and the Class of 2014 had 27 candidates. The Class of 2015 had 30 candidates.

As of August 2013, all five of Shaker's K-4 elementary schools have been authorized as International Baccalaureate World Schools following intensive site inspections by representatives of the International Baccalaureate Organization. The schools were required to demonstrate that they have collaboratively developed and are consistently teaching the globally-focused interdisciplinary units, using inquiry and problem-solving strategies as instructional approaches, as well as meeting rigorous requirements for student assessment.

Though the Middle Years Programme has been fully authorized, work continues at the middle grades to unify the instructional approaches in grades 5-12, with greater emphasis being placed on 21st century skills, inquiry-based approaches to learning, international awareness, and higher expectations for all students. Efforts have included encouraging students to think globally, internalizing the "learner profile", and benefitting fully from thematic units of instruction developed by the staff. All tenth grade students are required to execute a Personal Project and implementation of this requirement is underway at the High School.

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, 2014. 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, 2014 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 our current report, which will be submitted to ASBO for review, continues to conform to ASBO's principles and standards.

Auditor of State Award – The School District was awarded the *Auditor of State Award with Distinction*, which recognizes excellence in financial reporting for the School District's Comprehensive Annual Financial Report for the fiscal year ended 2014. The School District has received this award, as well as the State's Excellence in Financial Reporting Award, for numerous consecutive years.

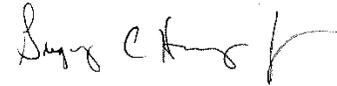
Acknowledgments

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 GAAP Conversion Division of Rea & Associates' office for their assistance in preparing and reviewing this financial report.

Respectfully submitted,



Bryan C. Christman
Treasurer



Gregory C. Hutchings, Jr., Ed.D.
Superintendent

Shaker Heights City School District

Principal Officials

**June 30, 2015
Board of Education**

Mr. William L. Clawson II..... President
Mr. Reuben Harris, Jr..... Vice-President
Mr. Alex Liston Dykema.....Member
Mrs. Amy H. FulfordMember
Ms. Annette Tucker Sutherland.....Member

Administration

Dr. Gregory C. Hutchings, Jr.....Superintendent

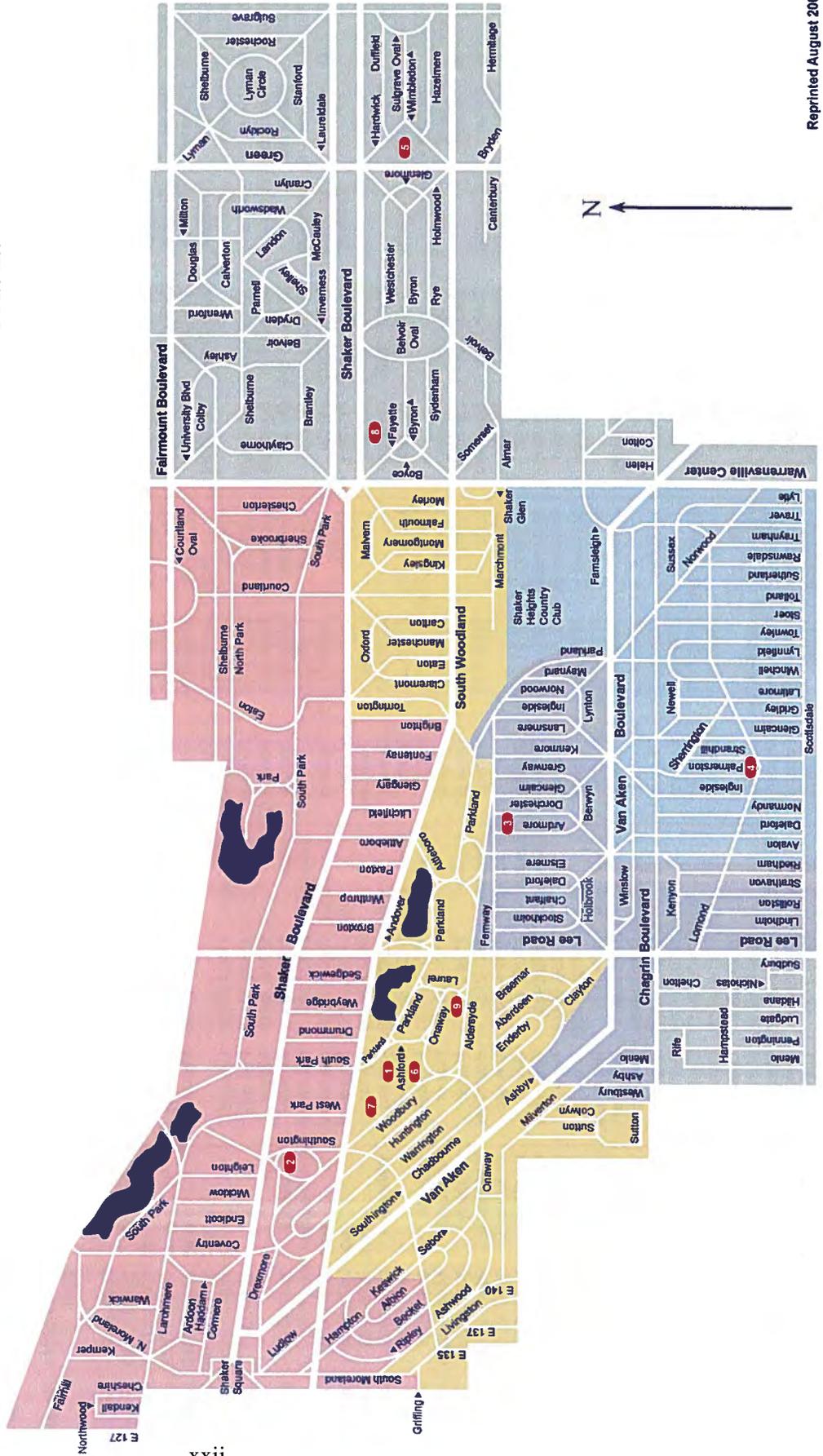
Bryan C. ChristmanTreasurer



SHAKER HEIGHTS CITY SCHOOL DISTRICT

www.shaker.org

- 1** Shaker Heights City Schools
15600 Parkland Drive
Shaker Heights, OH 44120
216 295-1400
- 2** Boulevard Elementary K-4
14900 Drexmore Road
Shaker Heights, OH 44120
216 295-4020
- 3** Fernway Elementary K-4
17420 Fernway Road
Shaker Heights, OH 44120
216 295-4040
- 4** Lomond Elementary K-4
17917 Lomond Boulevard
Shaker Heights, OH 44122
216 295-4050
- 5** Mercer Elementary K-4
23325 Wimbleton Road
Shaker Heights, OH 44122
216 295-4070
- 6** Onaway Elementary K-4
3115 Woodbury Road
Shaker Heights, OH 44120
216 295-4080
- 7** Woodbury Elementary 5-6
15400 South Woodland Road
Shaker Heights, OH 44120
216 295-4150
- 8** Shaker Heights Middle School 7-8
20600 Shaker Boulevard
Shaker Heights, OH 44122
216 295-4100
- 9** Shaker Heights High School 9-12
15911 Aldersyde Drive
Shaker Heights, OH 44120
216 295-4200



ATTENDANCE ZONES

Shaker Heights City School District



Street	School	Street	School	Street	School	Street	School	Street	School	Street	School	Street	School
Aberdeen	Onaway	Courtland	2833-3160	Holmwood	26650-22949	Mercer	N. Moreland	2523-2680	Boulevard	Strandhill	3573-3726	Lomond	
Albion	Boulevard	Courtland O.	2619-2626	Huntington	2869-2939	Boulevard	North Park	18201-20350	Boulevard	Strathavon	3544-3728	Fernway	
Aldersyde	Onaway	Coventry	2555-2878		2998-3166	Onaway	Norwood	3270-3365	Fernway*	Sulgrave	3690-3741	Mercer	
	Fernway	Cranlyn	2662-2749	Ingleside	3260-3400	Fernway*		3450-3680	Lomond	Sussex	2668-2744	Mercer	
Almar	Mercer	Daleford	3255-3397	Inverness	2679-2767	Lomond	Onaway	14149-16115	Onaway	Sutherland	19605-20035	Lomond	
Ardmore	Fernway		3425-3727		2501-2662	Mercer	Oxford	3174-3209	Onaway	Sutton Place	3552-3726	Lomond	
Ardoon	Boulevard	Dorchester	3255-3400	Kemper	2501-2662	Fernway		18601-19101	Onaway	Sutton Road	3275-3400	Onaway	
Ashby	Fernway	Douglas	22029-22775	Kendall	2532-2585	Mercer	Palmerston		Mercer	Sydenham	20600-21375	Mercer	
	Onaway	Drexmore	13300-14817	Kenmore	3256-3399	Boulevard	Park Drive	3518-3726	Lomond				
Ashford	Onaway	Drummond	2821-2951	Kenyon	16618-17124	Boulevard	Parkland	18000-18680	Boulevard	Tolland	3524-3726	Lomond	
Ashley	Mercer	Dryden	2700-2730	Keswick	2991-3082	Fernway*	Parnell	15601-17916	Fernway*	Torrington	2846-3051	Onaway	
Ashwood	Boulevard	Duffield	23349-24235	Kingsley	3100-3139	Boulevard	Paxton	21749-22300	Onaway	Townley	3519-3726	Lomond	
	Onaway	East 127th	2461, 65, 69 only	Lansmere	2886-3200	Onaway	Pennington	2820-2971	Mercer	Traver	3571-3726	Lomond	
Attleboro	Fernway	East 135th	3120-3149	Landon	2680-2767	Onaway		3545-3750	Boulevard	Traynham	2857	Boulevard	
	Onaway	East 137th	3156-3228	Lansmere	3256-3370	Fernway*			Mercer		3612-3726	Lomond	
Avalon	Fernway	East 140th	3202-3246	Larchmere	12725, 12733-14706	Boulevard	Rawnsdale	3611-3726	Lomond	University	20550-20749	Mercer	
	Lomond	E. Belvoir O.	2960-3020	Latimore	3544-3725	Onaway	Riedham	3547-3728	Fernway		2850		
Becket	Boulevard	Eaton	2670-2796	Laurel	3070-3175	Onaway	Rife Court	if any	Mercer				
	Onaway	Edgerton	2658	Laureldale	23149-24296	Boulevard	Ripley	2952-3051	Boulevard	Van Aken	2800-2949	Boulevard	
Belvoir	Onaway	Elsmere	3255-3369	Lee	2812-2945	Mercer	Rochester	2667-2737	Mercer		15500-17200	Fernway	
Berwyn	Fernway	Enderby	3252-3310	Leighton	2665-2750	Onaway	Rocklyn	2664-2742	Mercer		17401-17717	Fernway*	
Boyce	Mercer	Endicott	2646-2750	Litchfield	3586-3734	Fernway	Rolliston	3608-3728	Fernway		even 17402-17802	Lomond	
Braemar	Onaway	Fairhill	12700-13800	Livinston	2848-3003	Onaway	Rye	21825-22732	Mercer		even 18028-20020	Lomond	
Brantley	Mercer	Fairmount	3538-20201	Ludgate	3521-3746	Onaway	Scottsdale	17302-20330	Lomond		odd 18203-18705	Fernway	
Brighton	Boulevard	Falmouth	2841-3199	Ludlow	3029-3193	Boulevard	Sebor	16622-17130	Fernway		odd 18675-19901	Lomond	
Broxton	Boulevard	Farnsleigh	2070-20975	Lyman Blvd.	23130-24275	Onaway	Sedgewick	2830-2957	Boulevard		2994-3341	Onaway	
Bryden	Mercer	Fernway	16601-17829	Lynn Circle	2-56	Mercer	Shaker Blvd.	13400-18450	Boulevard				
Byron	Mercer	Fontenay	15611-16507	Lynnfield	3434-3725	Lomond	Shelburne	18200-20301	Onaway				
	Mercer	Glencairn	2842-3025	Lynton	18222-18520	Fernway	Shelley	20450-24139	Mercer				
Calverton	Mercer	Glengary	3255-3395	Lytle	3539-3725	Onaway	Sherrington	17921-18329	Lomond				
Canterbury	Mercer	Glenmore	2899-2951	Malvern	19751-20101	Onaway	Somersett	3115-3330	Mercer				
Carlton	Onaway	Green	2662-3190	Manchester	2839-3031	Onaway	Southington	2690-2993	Boulevard				
Chadbourne	Boulevard	Grenway	3545-3726	Marchmont	19650-20201	Onaway	Southington	13500-14215	Onaway				
	Onaway	Griffing	13108-13204	Maynard	3280-3365	Fernway*	S. Moreland	14475 & 3022	Onaway				
	Onaway	Haddam	2634-2695	McCauley	21925-22600	Mercer	South Park	2725-20001	Boulevard				
Chagrin	Onaway	Hadleigh	4180-4187	Menlo	3434-3472	Fernway	S. Woodland	13210-13804	Boulevard				
	Onaway	Halburton	20899-20975	Milverton	3542-3753	Mercer	odd 14101-17355	Boulevard	Onaway				
	Lomond	Halworth	20676-20960	Montgomery	3284-3375	Onaway	even 14100-17200	Onaway	Onaway				
Chalfant	Mercer	Hampton	2843-2988	Morley	3380-3479	Fernway	odd 17405-18411	Onaway	Onaway				
Chelton	Fernway	Hazelmere	23350-24250	Newell	2838-3175	Onaway	even 17414-18200	Onaway	Onaway				
Cheshire	Mercer	Helen	3401-3465	Nicholas	18309-18726	Lomond		18500-20201	Onaway				
Chesterton	Boulevard	Hermitage	23655-24270	Northandy	16313-16501	Mercer		20501-24299	Mercer				
Claremont	Onaway	Hildana	3511-3742	Northwood	3516-3727	Onaway		23300-24100	Mercer				
Claridge O.	Mercer	Holbrook	16722-17010		12806	Boulevard		3256-3364	Fernway				
Claythorne	Mercer							3510-3725	Lomond				
	Mercer												
Clayton	Onaway												
Colby	Mercer												
Colton	Mercer												
Colwyn	Onaway												
Corby	Boulevard												
Corriere	Boulevard												
Courtland	Boulevard												

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



Government Finance Officers Association

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, 2014

Executive Director/CEO

Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award
is presented to*

Shaker Heights City School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2014*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



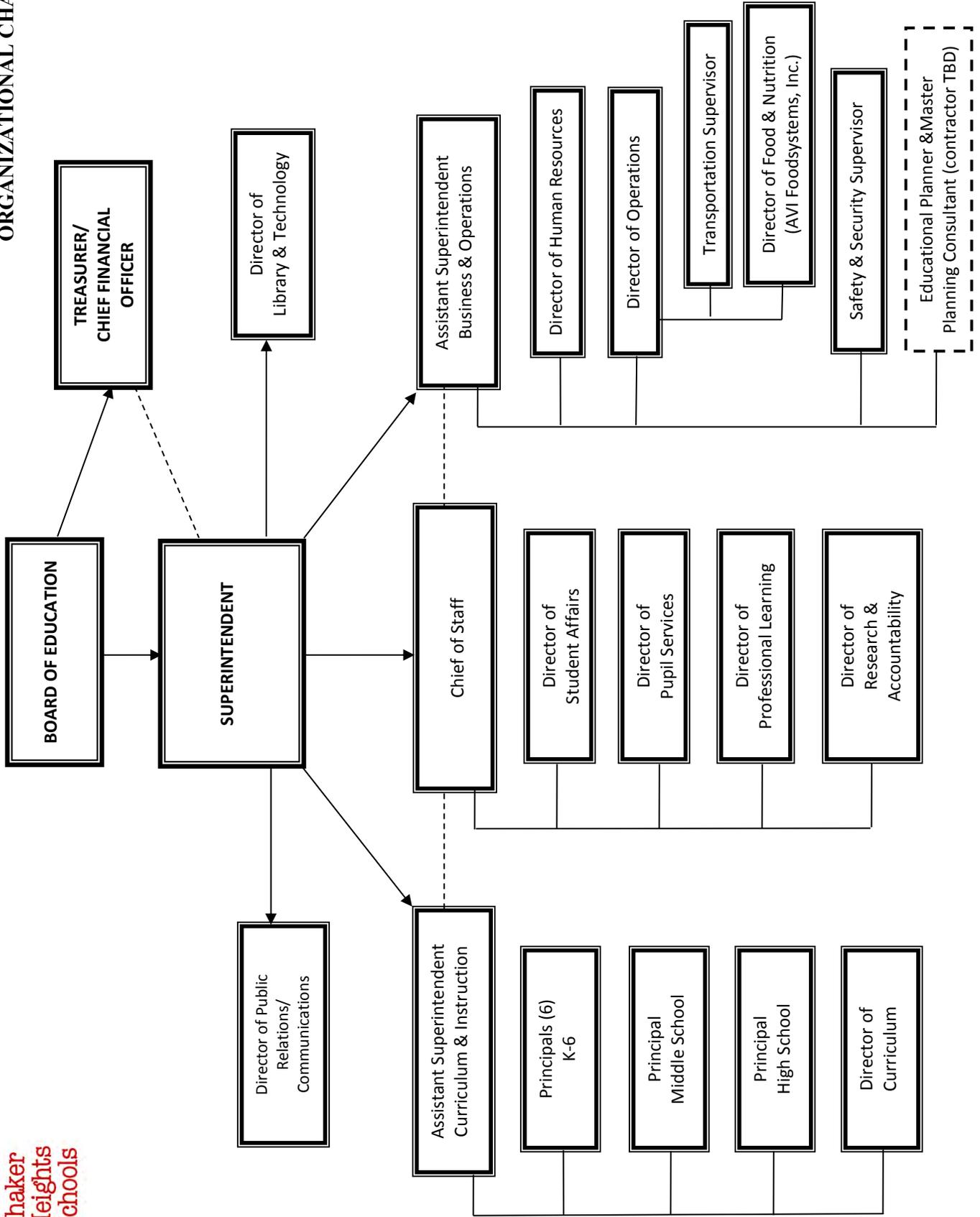
A handwritten signature in black ink, appearing to read 'M. Pepera', written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director

SHAKER HEIGHTS CITY SCHOOL DISTRICT
ORGANIZATIONAL CHART



FINANCIAL SECTION



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Shaker Heights City School District, Cuyahoga County, Ohio (the District), as of and for the year ended June 30 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Lausche Building, 615 Superior Ave., NW, Twelfth Floor, Cleveland, Ohio 44113-1801

Phone: 216-787-3665 or 800-626-2297 Fax: 216-787-3361

www.ohioauditor.gov

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Shaker Heights City School District, Cuyahoga County, Ohio, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund and thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, during the year ended June 30, 2015, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, and schedules of net pension liabilities and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the District's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2016, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

January 27, 2016

This page intentionally left blank.

Shaker Heights City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

The discussion and analysis of the Shaker Heights City School District's (the "School District") financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the School District's performance as a whole; readers should also review the transmittal and notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2015 are as follows:

- Net position increased \$14,662,577, which represents a 20% increase from 2014.
- Capital assets decreased \$1,187,459 during fiscal year 2015.
- During the fiscal year, outstanding debt decreased from \$23,397,172 to \$21,741,217 due to debt refunding of 2007 and 2008 improvement bonds, offset by principal payments.
- The School District implemented GASB No. 68, which reduced net position as previously reported by \$128,830,190.

Using this Annual Report

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

The *Statement of Net Position* and the *Statement of Activities* provide information about the 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 as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other nonmajor 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 Position and the Statement of Activities

While the basic financial statements contain the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2015?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include all assets, deferred outflow of resources, liabilities, and deferred inflow of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

Shaker Heights City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

These two statements report the School District's net position and changes in the net position. This change in net position 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 include the School District's property tax base, current property tax laws in Ohio which restrict revenue growth, facility conditions, required educational programs, and other factors.

In the *Statement of Net Position* and the *Statement of Activities*, Governmental Activities include the School District's programs and services, including instruction, support services, extracurricular activities, and non-instructional services, i.e., food service operations.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The major funds financial statements begin on page 21. 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 building 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 accounting, 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 differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Fund The School District maintains two proprietary funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the School District's various functions. The School District uses the internal service funds to account for payments, administrative costs and reserves of the School District's self-insured prescription drug, health and dental coverage plans, and the State's retrospective rating workers' compensation plan, and is reported separately as the School District's proprietary funds. Because this service predominately benefits governmental functions, it has been included within the governmental activities in the government-wide financial statements. The proprietary fund financial statements begin on page 26.

Shaker Heights City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

Reporting the School District's Fiduciary Responsibilities

The School District acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in an agency fund. The School District's fiduciary activities are reported in a separate Statement of Fiduciary Assets and Liabilities on page 29. These activities are excluded from the School District's other financial statements because the assets cannot be utilized by the School District to finance its operations.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for fiscal year 2015 compared to fiscal year 2014:

Table 1
Net Position

	Governmental Activities	
	2015	Restated 2014
Assets		
Current and Other Assets	\$ 122,326,136	\$ 111,163,732
Capital Assets	37,143,401	38,330,860
<i>Total Assets</i>	159,469,537	149,494,592
Deferred Outflows of Resources		
Deferred Charge on Refunding	750,236	490,158
Pension	8,579,668	6,987,455
<i>Total Deferred Outflows of Resources</i>	9,329,904	7,477,613
Liabilities		
Other Liabilities	11,464,825	11,329,760
Long-Term Liabilities	142,765,616	166,549,138
<i>Total Liabilities</i>	154,230,441	177,878,898
Deferred Inflows of Resources		
Property Taxes	50,950,579	50,694,433
Pension	20,556,970	0
<i>Total Deferred Inflows of Resources</i>	71,507,549	50,694,433
Net Position		
Net Investment in Capital Assets	18,703,093	15,783,429
Restricted	7,480,724	7,490,738
Unrestricted	(83,122,366)	(94,875,293)
<i>Total Net Position</i>	\$ (56,938,549)	\$ (71,601,126)

Shaker Heights City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

During 2015, the School District adopted GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*, which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the School District's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

Shaker Heights City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

In accordance with GASB 68, the School District's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows of resources.

As a result of implementing GASB 68, the School District is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2014, from \$57,229,064 to (\$71,601,126).

At year end, capital assets represented 23% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, equipment, and vehicles. Net investment in capital assets was \$18,703,093 at June 30, 2015. These capital assets are used to provide services to students and are not available for future spending. Although the School District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the School District's net position, \$7,480,724 represents resources that are subject to external restrictions on how they may be used. The deficit balance of government-wide unrestricted net position of (\$83,122,366), which is primarily the result of the implementation of GASB 68 (See Note 2).

Total current and other assets showed a net increase of \$11,162,404 with a \$6.5 million increase in pooled cash and investments, primarily as a result of the timing differences in retiring outstanding encumbrances as of June 30, 2015 (See Note 16). An increase in taxes receivable of \$5.1 million related to collection of delinquent taxes offset by a decrease in grant monies collected accounted for the remainder.

The decrease in capital assets was attributed to the depreciation expense exceeding the additions in the current year.

Total liabilities decreased \$23,648,457, primarily due to principal payments, a change in the net pension liability, and a decrease in matured compensated absences payable due to a decrease of employees retiring.

In order to further understand what makes up the changes in net position for the current year, the following tables gives readers further details regarding the results of activities for 2015 and 2014.

Shaker Heights City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

Table 2
Changes in Net Position

	Governmental Activities	
	2015	2014
Revenues		
<i>Program Revenues:</i>		
Charges for Services	\$ 2,915,277	\$ 3,006,945
Operating Grants	7,989,166	7,689,415
Capital Grants	124,300	185,313
<i>Total Program Revenues</i>	<u>11,028,743</u>	<u>10,881,673</u>
<i>General Revenues:</i>		
Property Taxes	73,167,700	63,577,443
Grants and Entitlements Not Restricted	24,060,541	23,882,775
Other	963,461	485,335
<i>Total General Revenues</i>	<u>98,191,702</u>	<u>87,945,553</u>
<i>Total Revenues</i>	<u>109,220,445</u>	<u>98,827,226</u>
Program Expenses		
<i>Instruction:</i>		
Regular	37,934,442	34,580,662
Special	14,015,953	15,645,258
Career Technical Education (fka Vocational)	89,183	114,533
Student Intervention Services	279,587	187,160
Other	328,772	217,011
<i>Support Services:</i>		
Pupils	6,346,453	5,812,143
Instructional Staff	3,972,704	3,775,660
Board of Education	37,703	35,491
Administration	5,641,359	5,904,079
Fiscal	2,510,802	2,581,225
Business	858,370	780,306
Operation and Maintenance of Plant	10,537,744	11,269,156
Pupil Transportation	4,416,402	5,044,428
Central	1,536,158	1,497,140
<i>Operation of Non-Instructional Services:</i>		
Food Service Operations	1,797,004	1,800,930
Community Services	1,579,096	1,463,402
Extracurricular Activities	1,892,552	2,064,830
<i>Debt Service:</i>		
Interest and Fiscal Charges	722,584	1,027,810
Issuance Costs	61,000	0
<i>Total Expenses</i>	<u>94,557,868</u>	<u>93,801,224</u>
<i>Increase (Decrease) in Net Position</i>	<u>\$ 14,662,577</u>	<u>\$ 5,026,002</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$6,987,455 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$5,034,603. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

Total 2015 program expenses under GASB 68	\$ 94,557,868
Pension expense under GASB 68	(5,034,603)
2015 contractually required contribution	7,508,197
Adjusted 2015 program expenses	97,031,462
Total 2014 program expenses under GASB 27	93,801,224
Increase in program expenses not related pension	\$ 3,230,238

Certain foundation payments for special education and transportation were reclassified to program revenue from general revenue for fiscal year 2015. For comparability purposes, fiscal year 2014 was also updated in Tables 2 and 3 to reflect this change.

Overall revenue increased \$10,393,219, due to an increase in property tax receipts and the amount available as an advance, an increase in interest income and an increase in miscellaneous revenue for a SERS refund.

Program expenses increased from \$93.8 million to \$94.6 million, which represents a 1% increase from fiscal year 2014. This increase is primarily due to an increase in regular instruction due to staffing and fringe benefits associated with the new staff; offset by a \$1.6 million decrease in special instruction also related to staffing and fringe benefits, a decrease in operations and maintenance and pupil transportation for lower repairs and maintenance costs, and a decrease in interest on debt payments.

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

Shaker Heights City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

Table 3
Governmental Activities

	Total Cost of Service		Net Cost of Service	
	2015	2014	2015	2014
Instruction:				
Regular	\$ 37,934,442	\$ 34,580,662	\$ 36,525,875	\$ 33,101,636
Special	14,015,953	15,645,258	9,338,969	13,271,147
Career Technical Education (fka Vocational)	89,183	114,533	45,739	114,533
Student Intervention Services	279,587	187,160	107,252	(117,005)
Other	328,772	217,011	302,106	211,836
Support Services:				
Pupils	6,346,453	5,812,143	6,231,209	5,753,272
Instructional Staff	3,972,704	3,775,660	3,673,274	3,503,753
Board of Education	37,703	35,491	37,703	35,491
Administration	5,641,359	5,904,079	5,621,890	5,881,910
Fiscal	2,510,802	2,581,225	2,454,679	2,528,638
Business	858,370	780,306	842,970	780,306
Operation and Maintenance of Plant	10,537,744	11,269,156	10,529,492	11,253,797
Pupil Transportation	4,416,402	5,044,428	3,873,649	4,940,651
Central	1,536,158	1,497,140	1,536,158	1,497,140
Operation of Non-Instructional Services:				
Food Service Operations	1,797,004	1,800,930	(680,726)	(119,600)
Community Services	1,579,096	1,463,402	608,540	(7,717)
Extracurricular Activities	1,892,552	2,064,830	1,696,762	1,918,604
Debt Service:				
Interest and Fiscal Charges	722,584	1,027,810	722,584	1,027,810
Issuance Costs	61,000	0	61,000	0
Total Expenses	\$ 94,557,868	\$ 93,801,224	\$ 83,529,125	\$ 85,576,202

The dependence upon general revenues for governmental activities is apparent. Over 88% of governmental activities are supported through taxes and other general revenues; such revenues are 90% of total governmental revenues. The community, as a whole, is by far the primary support for the School District students.

Governmental Funds

Information about the School District's major funds starts on page 21. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$108,672,175 and expenditures of \$97,779,883 for fiscal year 2015. The net change in fund balances for the fiscal year was an increase of \$10,955,583 for all governmental funds with the most significant increase in the general fund.

The general fund's net change in fund balance for fiscal year 2015 was an increase of \$10,982,683. This increase is primarily due to the increase in property tax receipts available as an advance and grant monies, offset some by the timing of payments related to outstanding encumbrances (See Note 16).

Shaker Heights City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

The fund balance of the building fund decreased by \$358,385. This decrease can be attributed to an increase in improvement projects within the School District.

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 most significant budgeted fund is the general fund.

During the course of fiscal year 2015, the School District did amend its general fund budget. The School District uses site-based budgeting and budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, actual budget basis revenue was \$1,365,941 lower than the final budget basis revenue of \$97,284,010, due to an overestimation of state funding, fees, and tax collections. The final budget basis revenue was \$2,313,852 higher than the original budget basis revenue due to an increase in estimation of tuitions and state funding.

Final expenditure appropriations of \$95,272,037 were \$2,189,506 higher than the actual expenditures of \$93,082,531, as cost savings were recognized for wages and benefits. The final expenditure appropriations estimate was insignificantly higher than the original expenditure appropriations.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2015, the School District had \$37,143,401 invested in capital assets. Table 4 shows fiscal year 2015 balances compared with 2014.

Table 4
Capital Assets at June 30
(Net of Depreciation)

	Governmental Activities	
	2015	2014
Land	\$ 943,600	\$ 943,600
Construction in Progress	128,030	0
Land Improvements	1,670,342	1,786,356
Buildings and Improvements	27,165,860	27,870,842
Equipment	6,009,864	6,136,282
Vehicles	1,225,705	1,593,780
<i>Totals</i>	\$ 37,143,401	\$ 38,330,860

The \$1,187,459 decrease in capital assets was attributable to depreciation and disposals exceeding additional purchases in the current year. See Note 11 for more information about the capital assets of the School District.

Shaker Heights City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

Debt

At June 30, 2015, the School District had \$21,741,217 in debt outstanding. Table 5 summarizes bonds outstanding.

Table 5
Outstanding Debt at Year End

	Governmental Activities	
	2015	2014
School Improvement Bonds - 2005	\$ 0	\$ 462,103
School Improvement Bonds - 2007	1,635,214	5,654,420
School Improvement Refunding Bonds - 2007	2,105,055	2,473,585
School Improvement Refunding Bonds - 2007	1,205,698	1,400,236
School Improvement Bonds - 2008	1,770,753	3,984,948
Capital Improvement & Equipment Bond - 2012	3,560,000	3,875,000
School Improvement Refunding Bonds - 2012	5,462,668	5,546,880
School Facilities Improvement Refunding Bonds - 2015	6,001,829	0
	<u>\$ 21,741,217</u>	<u>\$ 23,397,172</u>

Outstanding debt decreased \$1,655,955 in fiscal year 2015 due to principal payments and debt premium amortization, offset by amortization of accretion and the refunding of 2007 and 2008 improvement bonds.

School District Outlook

The School District is impacted by national and State factors, including economic, political, and educational issues, thereby continually presenting the School District with financial challenges and opportunities to be addressed. Despite such negative impacts such as the reductions in the State's various funding programs during the biennial budget cycles prior to the 2014-2015 biennium including the State's 2012-2013 biennial budget crisis, the School District has continued to maintain the highest standards of service to its students, parents and community. The School District was able to do so because of its significant reliance upon its local taxpayer base, and consequently the impact of the State's budget crisis did not play as significant a role in the funding picture for the School District as it did for many districts throughout the State. While the State funding during the 2014-2015 biennium benefited the School District (and the funding for the 2016-2017 biennium is expected to do so as well), the School District continues to monitor all such factors so as to anticipate, with the objective of minimizing, any negative fallout, or maximizing any positive opportunities arising from future 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.

Shaker Heights City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

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 work to improve its performance with respect to the educational criteria. Our most recent State report card for fiscal year 2014 (2015 not available until January 2016) shows the School District students achieving 17 out of 24 indicators with respect to the Achievement section of the report card.

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 2014, wherein a 6.9 mill levy was passed with a 61.2% margin in the wake of a national, State and local economic recession. The continued financial support of the School District demonstrates the strong belief of parents and community members that their schools are one of the highest priorities and one of the most important public institutions in their community.

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

State School Funding

Although significantly less than local taxes, the State's educational funding support is nonetheless an important component of the School District's total funding picture. As has been proven time and time again, such funding is subject to significant fluctuations from biennium to biennium. The following summarizes some of the more significant changes over time impacting the State's support to the School District.

- The school funding case known as *DeRolph vs Ohio*, which became synonymous with the State-wide attempt to accomplish public school funding reform in Ohio, was initially ruled on in 1994 and upheld by the Ohio Supreme Court an unprecedented four times. 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 *DeRolph* case is over and done.

Shaker Heights City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

- 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 recommendation 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 year 2006 and 2007.
- 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 year 2004 State Formula Aid amount) below which school districts' funding would not fall during that biennium. Absent the continuation of the 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% of the traditional amount was payable, followed by 50% and 25% in tax collection years 2007 and 2008, respectively, with no tax due in collection year 2009. At the same time the tangible personal property tax phase-out occurred, the phase-out 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%, 50%, 75% and 100% for the tax collection years 2006, 2007, 2008, and 2009, respectively). After a second 100% reimbursement year in tax collection year 2010, the reimbursement payments were to be phased-out over the ensuing seven years.
- The tax reform provision of H.B. 66 was continued in the 2008-2009 State biennial budget which was passed in 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 the Ohio school district funding, but left the primary school districts State Foundation Funding untouched.

Shaker Heights City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

- After conducting a series of public forums in 2008 to first 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 Evidenced-Based Model Education Program (OEBM), most of which was incorporated into the fiscal year 2010-2011 biennial State budget, House Bill No. 1. The OEBM represented a significant overhaul to the historical per pupil funding model utilized by the State, and was scheduled to be phased-in over the ensuing ten to twelve years. The State of Ohio utilized approximately \$8 billion of the Federal Stimulus package (American Recovery and Reinvestment Act, aka ARRA) to fill its budgetary hole for the 2010-2011 biennium, under which the School District's State Foundation Funding continued to be subject to the guarantee with a 1% reduction during each of the two fiscal years of the biennium.
- In November 2010, Governor Strickland lost his bid for re-election. Facing an \$8 billion budget deficit for the fiscal year 2012 and 2013 biennial budget, Governor Kasich and the General Assembly repealed the OEBM, reinstated a modified per pupil funding model, and implemented substantial budget reductions including not replacing the State Foundation payments that were funded utilizing ARRA funds during fiscal years 2010 and 2011, and accelerating the phase-out of the public utility and the tangible personal property tax reimbursement payments. As a result, the School District has lost revenue totaling \$21 million during the 2012 – 2019 years, including \$8 million over the 2012 and 2013 biennium.
- In June 2013, the General Assembly approved Substitute House Bill No. 59, the State's 2014 and 2015 biennial budget bill, which incorporated a new school funding formula that resulted in increases in funding for the School District in both fiscal year 2014 and 2015. House Bill No. 59, also eliminated the State's subsidy of the 12.5% rollback credit for all future tax levies, but continued the subsidy for all of the school district's existing levies.
- In June 2015, the General Assembly approved and the Governor signed Substitute House Bill No. 64, the State's 2016 and 2017 biennial budget bill, which incorporated adjustments to the previous biennium's new school funding formula that are expected to result in increases in funding for the School District in both fiscal year 2016 and 2017. House Bill No. 64, as impacted by the Governor's line item vetoes, also reinstated the phase-out of the tangible personal property reimbursement for those districts that were still receiving such payments. The School District was not affected by such provision given it had lost all such reimbursements in the 2012-2013 biennial budget legislation.

While the School District is currently the beneficiary of additional funding during both the 2014 – 2015 and the 2016 - 2017 bienniums, the long term impact of the outcome of these and other State funding policies 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.

Shaker Heights City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, 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.

Shaker Heights City School District
Cuyahoga County, Ohio
Statement of Net Position
June 30, 2015

	Governmental Activities
Assets	
Equity in Pooled Cash and Investments	\$ 46,610,350
Restricted Cash and Investments	353,070
Receivables:	
Accrued Interest	26,156
Accounts	78,285
Intergovernmental	560,599
Property Taxes	74,518,758
Prepaid Items	178,918
Nondepreciable Capital Assets	1,071,630
Depreciable Capital Assets (Net)	36,071,771
<i>Total Assets</i>	159,469,537
Deferred Outflows of Resources	
Deferred Charges on Refunding	750,236
Pension	8,579,668
<i>Total Deferred Outflows of Resources</i>	9,329,904
Liabilities	
Accounts Payable	330,557
Accrued Wages and Benefits	8,336,021
Contracts Payable	8,230
Intergovernmental Payable	1,853,548
Matured Compensated Absences Payable	906,023
Accrued Interest Payable	30,446
Long Term Liabilities:	
Due Within One Year	3,147,746
Net Pension Liability (Note 14)	114,379,294
Other Amounts Due in More Than One Year	25,238,576
<i>Total Liabilities</i>	154,230,441
Deferred Inflows of Resources	
Property Taxes Levied for the Next Year	50,950,579
Pension	20,556,970
<i>Total Deferred Inflows of Resources</i>	71,507,549
Net Position	
Net Investment in Capital Assets	18,703,093
Restricted For:	
Capital Outlay	2,620,380
Debt Service	3,601,996
Set Asides	353,070
Other Purposes	905,278
Unrestricted	(83,122,366)
<i>Total Net Position</i>	\$ (56,938,549)

See accompanying notes to the basic financial statements.

Shaker Heights City School District
Cuyahoga County, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2015

	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
Governmental Activities					
Instruction:					
Regular	\$ 37,934,442	\$ 1,178,700	\$ 120,967	\$ 108,900	\$ (36,525,875)
Special	14,015,953	569,851	4,107,133	0	(9,338,969)
Career Technical Education (fka Vocational)	89,183	0	43,444	0	(45,739)
Student Intervention Services	279,587	0	172,335	0	(107,252)
Other	328,772	5,250	21,416	0	(302,106)
Support Services:					
Pupils	6,346,453	0	115,244	0	(6,231,209)
Instructional Staff	3,972,704	0	299,430	0	(3,673,274)
Board of Education	37,703	0	0	0	(37,703)
Administration	5,641,359	17,723	1,746	0	(5,621,890)
Fiscal	2,510,802	41,723	14,400	0	(2,454,679)
Business	858,370	0	0	15,400	(842,970)
Operation and Maintenance of Plant	10,537,744	8,252	0	0	(10,529,492)
Pupil Transportation	4,416,402	27,968	514,785	0	(3,873,649)
Central	1,536,158	0	0	0	(1,536,158)
Operation of Non-Instructional Services:					
Food Service Operations	1,797,004	872,826	1,604,904	0	680,726
Community Services	1,579,096	0	970,556	0	(608,540)
Extracurricular Activities	1,892,552	192,984	2,806	0	(1,696,762)
Debt Service:					
Interest and Fiscal Charges	722,584	0	0	0	(722,584)
Issuance Costs	61,000	0	0	0	(61,000)
Total	\$ 94,557,868	\$ 2,915,277	\$ 7,989,166	\$ 124,300	(83,529,125)
General Revenues					
Property Taxes Levied for:					
General Purposes					70,813,771
Debt Service					2,353,929
Grants and Entitlements Not Restricted to Specific Programs					24,060,541
Investment Earnings					267,160
Miscellaneous					696,301
Total General Revenues					98,191,702
<i>Change in Net Position</i>					
					14,662,577
<i>Net Position Beginning of Year (Restated, See Note 2)</i>					
					(71,601,126)
<i>Net Position End of Year</i>					
					\$ (56,938,549)

See accompanying notes to the basic financial statements.

Shaker Heights City School District
Cuyahoga County, Ohio
Balance Sheet
Governmental Funds
June 30, 2015

	General	Building Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Investments	\$ 33,435,369	\$ 2,618,195	\$ 3,799,369	\$ 39,852,933
Restricted Cash and Investments	353,070	0	0	353,070
Receivables:				
Accrued Interest	26,156	0	0	26,156
Accounts	60,441	2,185	15,659	78,285
Intergovernmental	167,189	0	393,410	560,599
Property Taxes	72,126,961	0	2,391,797	74,518,758
Prepaid Items	178,918	0	0	178,918
<i>Total Assets</i>	<u>\$ 106,348,104</u>	<u>\$ 2,620,380</u>	<u>\$ 6,600,235</u>	<u>\$ 115,568,719</u>
Liabilities				
Accounts Payable	\$ 318,338	\$ 0	\$ 12,219	\$ 330,557
Accrued Wages and Benefits	7,898,492	0	437,529	8,336,021
Contracts Payable	0	8,230	0	8,230
Intergovernmental Payable	1,750,019	0	103,529	1,853,548
Matured Compensated Absences Payable	906,023	0	0	906,023
<i>Total Liabilities</i>	<u>10,872,872</u>	<u>8,230</u>	<u>553,277</u>	<u>11,434,379</u>
Deferred Inflows of Resources				
Property Taxes Levied for the Next Year	49,350,675	0	1,599,904	50,950,579
Unavailable Revenue	7,512,958	0	333,683	7,846,641
<i>Total Deferred Inflows of Resources</i>	<u>56,863,633</u>	<u>0</u>	<u>1,933,587</u>	<u>58,797,220</u>
Fund Balances				
Nonspendable	178,918	0	0	178,918
Restricted	353,070	2,612,150	4,207,640	7,172,860
Assigned	7,062,924	0	0	7,062,924
Unassigned	31,016,687	0	(94,269)	30,922,418
<i>Total Fund Balances</i>	<u>38,611,599</u>	<u>2,612,150</u>	<u>4,113,371</u>	<u>45,337,120</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 106,348,104</u>	<u>\$ 2,620,380</u>	<u>\$ 6,600,235</u>	<u>\$ 115,568,719</u>

See accompanying notes to the basic financial statements.

Shaker Heights City School District
Cuyahoga County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2015

Total Governmental Fund Balances		\$ 45,337,120
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		37,143,401
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Intergovernmental	\$ 89,230	
SERS Reimbursement	141,250	
Property Taxes	<u>7,616,161</u>	7,846,641
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		5,440,352
In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, an interest expenditure is not reported.		(30,446)
In the statement of activities, a gain/loss on the refunding of bonds is amortized over the term of the bonds, whereas in governmental funds a refunding gain/loss is reported when bonds are issued.		750,236
The net pension liability is not due and payable in the current period therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows - Pension	8,579,668	
Deferred Inflows - Pension	(20,556,970)	
Net Pension Liability	<u>(114,379,294)</u>	(126,356,596)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds	(19,725,000)	
Capital Appreciation Bonds	(289,891)	
Bond Premium	(1,237,423)	
Accretion of Interest - Capital Appreciation Bonds	(488,903)	
Compensated Absences	<u>(5,328,040)</u>	<u>(27,069,257)</u>
<i>Net Position of Governmental Activities</i>		<u>\$ (56,938,549)</u>

See accompanying notes to the basic financial statements.

Shaker Heights City School District
Cuyahoga County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2015

	General	Building Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Property and Other Local Taxes	\$ 70,232,042	\$ 0	\$ 2,392,392	\$ 72,624,434
Intergovernmental	26,661,854	0	5,346,894	32,008,748
Investment Income	267,224	1,438	619	269,281
Tuition and Fees	1,467,937	0	0	1,467,937
Extracurricular Activities	118,389	0	171,248	289,637
Rentals	86,023	0	0	86,023
Charges for Services	198,715	0	810,998	1,009,713
Contributions and Donations	30,517	124,300	5,105	159,922
Miscellaneous	570,254	74,915	111,311	756,480
<i>Total Revenues</i>	<u>99,632,955</u>	<u>200,653</u>	<u>8,838,567</u>	<u>108,672,175</u>
Expenditures				
Current:				
Instruction:				
Regular	37,947,421	134,678	130,333	38,212,432
Special	12,566,671	0	1,731,112	14,297,783
Career Technical Education (fka Vocational)	89,183	0	0	89,183
Student Intervention Services	101,286	0	186,335	287,621
Other	292,671	0	23,929	316,600
Support Services:				
Pupils	6,430,229	0	100,865	6,531,094
Instructional Staff	4,040,368	0	315,202	4,355,570
Board of Education	37,703	0	0	37,703
Administration	6,000,457	0	921	6,001,378
Fiscal	2,485,657	0	62,569	2,548,226
Business	785,741	60,188	0	845,929
Operation and Maintenance of Plant	10,586,946	0	14,120	10,601,066
Pupil Transportation	4,081,712	0	0	4,081,712
Central	1,609,192	0	0	1,609,192
Extracurricular Activities	1,047,487	0	314,846	1,362,333
Operation of Non-Instructional Services:				
Food Service Operations	0	0	1,797,004	1,797,004
Community Services	47,250	0	1,548,159	1,595,409
Capital Outlay	195,998	251,922	0	447,920
Debt Service:				
Principal Retirement	80,000	95,000	1,900,000	2,075,000
Interest and Fiscal Charges	14,300	17,250	594,178	625,728
Issuance Costs	0	0	61,000	61,000
<i>Total Expenditures</i>	<u>88,440,272</u>	<u>559,038</u>	<u>8,780,573</u>	<u>97,779,883</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>11,192,683</u>	<u>(358,385)</u>	<u>57,994</u>	<u>10,892,292</u>
Other Financing Sources (Uses)				
Refunding Bonds Issued	0	0	5,345,000	5,345,000
Premium on Refunding Bond Issuance	0	0	716,541	716,541
Payment to Refunded Bond Escrow Agent	0	0	(5,998,250)	(5,998,250)
Transfers In	0	0	210,000	210,000
Transfers Out	(210,000)	0	0	(210,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(210,000)</u>	<u>0</u>	<u>273,291</u>	<u>63,291</u>
<i>Net Change in Fund Balance</i>	<u>10,982,683</u>	<u>(358,385)</u>	<u>331,285</u>	<u>10,955,583</u>
<i>Fund Balances Beginning of Year</i>	<u>27,628,916</u>	<u>2,970,535</u>	<u>3,782,086</u>	<u>34,381,537</u>
<i>Fund Balances End of Year</i>	<u>\$ 38,611,599</u>	<u>\$ 2,612,150</u>	<u>\$ 4,113,371</u>	<u>\$ 45,337,120</u>

See accompanying notes to the basic financial statements.

Shaker Heights City School District
Cuyahoga County, Ohio
*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, 2015*

Net Change in Fund Balances - Total Governmental Funds	\$	10,955,583
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
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 depreciation exceeded capital additions depreciation in the current period.		
Capital Asset Additions	\$ 1,498,540	
Current Year Depreciation	<u>(2,670,617)</u>	(1,172,077)
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.		
		(15,382)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property Taxes	543,266	
SERS Reimbursement	52,262	
Intergovernmental	<u>5,004</u>	600,532
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
General Obligation Bonds	2,075,000	
Payment to Refunded Bond Escrow Agent	<u>5,998,250</u>	8,073,250
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows		
		7,508,197
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities		
		(5,034,603)
Debt proceeds issued in the governmental funds that increase long-term in the statement of net position are not reported as revenues.		
Refunding Bonds		(5,345,000)
Amortization of bond premiums and gain/loss on refundings on the bonds are not reported in the fund but are allocated as an expense over the life of the debt in the statement of activities.		
		(716,541)
In the statement of activities, interest is accrued on outstanding bonds, and bond premium and gain/loss on refunding are amortized over the term of the bonds, whereas in governmental funds, an interest expenditure is reported when bonds are issued.		
Accrued Interest Payable	(1,180)	
Amortization of Premium on Bonds	287,919	
Amortization of Refunding Loss	<u>(253,172)</u>	33,567
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		
		(559,778)
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		465,252
Accretion on capital appreciation bonds is an expenditure in the governmental funds, but is allocated as an expense over the life of the bonds in the statement of activities.		
		<u>(130,423)</u>
<i>Change in Net Position of Governmental Activities</i>	\$	<u><u>14,662,577</u></u>

See accompanying notes to the basic financial statements.

Shaker Heights City School District
Cuyahoga County, Ohio
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
Revenues				
Property and Other Local Taxes	\$ 69,855,043	\$ 67,017,791	\$ 65,947,907	\$ (1,069,884)
Intergovernmental	1,199,850	28,054,502	27,669,206	(385,296)
Investment Income	5,969	151,696	275,795	124,099
Tuition and Fees	32,017	1,479,916	1,324,787	(155,129)
Rentals	1,862	86,089	86,023	(66)
Charges for Services	0	144,000	154,532	10,532
Contributions and Donations	290	325	13,380	13,055
Miscellaneous	23,875,127	349,691	446,439	96,748
<i>Total Revenues</i>	<u>94,970,158</u>	<u>97,284,010</u>	<u>95,918,069</u>	<u>(1,365,941)</u>
Expenditures				
Current:				
Instruction:				
Regular	38,079,845	39,314,697	37,817,166	1,497,531
Special	16,353,478	15,004,790	14,353,753	651,037
Career Technical Education (fka Vocational)	358,009	1,091,635	1,091,636	(1)
Student Intervention Services	0	101,286	101,286	0
Other	193,003	315,703	315,703	0
Support Services:				
Pupils	5,886,675	6,490,922	6,490,923	(1)
Instructional Staff	4,032,362	4,165,530	4,165,531	(1)
Board of Education	45,283	46,131	46,131	0
Administration	5,949,124	6,084,506	6,084,506	0
Fiscal	3,010,351	2,758,129	2,565,800	192,329
Business	915,140	1,191,378	1,191,377	1
Operation and Maintenance of Plant	12,149,345	11,131,382	11,282,766	(151,384)
Pupil Transportation	5,208,193	4,363,761	4,363,765	(4)
Central	1,698,947	1,737,024	1,737,024	0
Extracurricular Activities	939,922	1,058,696	1,058,697	(1)
Operation of Non-Instructional Services:				
Community Services	48,112	47,250	47,250	0
Capital Outlay	312,312	274,917	274,917	0
Debt Service:				
Principal Retirement	77,992	80,000	80,000	0
Interest and Fiscal Charges	13,941	14,300	14,300	0
<i>Total Expenditures</i>	<u>95,272,034</u>	<u>95,272,037</u>	<u>93,082,531</u>	<u>2,189,506</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(301,876)</u>	<u>2,011,973</u>	<u>2,835,538</u>	<u>823,565</u>
Other Financing Sources (Uses)				
Transfers Out	(240,000)	(240,000)	(220,000)	20,000
<i>Net Change in Fund Balance</i>	(541,876)	1,771,973	2,615,538	843,565
<i>Fund Balance Beginning of Year</i>	19,719,959	19,719,959	19,719,959	0
Prior Year Encumbrances Appropriated	4,353,143	4,353,143	4,353,143	0
<i>Fund Balance End of Year</i>	<u>\$ 23,531,226</u>	<u>\$ 25,845,075</u>	<u>\$ 26,688,640</u>	<u>\$ 843,565</u>

See accompanying notes to the basic financial statements.

Shaker Heights City School District
Cuyahoga County, Ohio
Statement of Fund Net Position
Proprietary Fund
June 30, 2015

	Governmental Activities - Internal Service Funds
Assets	
<i>Current Assets</i>	
Equity in Pooled Cash and Investments	\$ 6,757,417
<i>Total Assets</i>	6,757,417
Liabilities	
<i>Current Liabilities</i>	
Claims Payable	189,751
<i>Total Current Liabilities</i>	189,751
<i>Long-Term Liabilities</i>	
Claims Payable - net of Current Portion	1,127,314
<i>Total Long-Term Liabilities</i>	1,127,314
<i>Total Liabilities</i>	1,317,065
Net Position	
Unrestricted	5,440,352
<i>Total Net Position</i>	\$ 5,440,352

See accompanying notes to the basic financial statements.

Shaker Heights City School District
Cuyahoga County, Ohio
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2015

	<u>Governmental Activities - Internal Service Funds</u>
Operating Revenues	
Charges for Services	<u>\$ 9,771,469</u>
Operating Expenses	
Purchased Services	1,691,957
Claims	8,574,774
Other	64,516
<i>Total Operating Expenses</i>	<u>10,331,247</u>
<i>Operating Income (Loss)</i>	(559,778)
<i>Net Position Beginning of Year</i>	<u>6,000,130</u>
<i>Net Position End of Year</i>	<u><u>\$ 5,440,352</u></u>

See accompanying notes to the basic financial statements.

Shaker Heights City School District
Cuyahoga County, Ohio
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2015

	<u>Governmental Activities - Internal Service Funds</u>
Cash Flows From Operating Activities	
Cash Received from Interfund Services Provided	\$ 9,771,469
Cash Paid for Goods and Services	(1,823,173)
Cash Paid for Claims	(8,798,738)
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>(850,442)</u>
 <i>Net Increase (Decrease) in Cash and Investments</i>	 (850,442)
 <i>Cash and Investments, Beginning of Year</i>	 <u>7,607,859</u>
 <i>Cash and Investments, End of Year</i>	 <u>\$ 6,757,417</u>
 Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities	
Operating Income (Loss)	\$ (559,778)
Increase (Decrease) in Liabilities:	
Accounts Payable	(66,700)
Claims Payable	(223,964)
<i>Total Adjustments</i>	<u>(290,664)</u>
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>\$ (850,442)</u>

See accompanying notes to the basic financial statements.

Shaker Heights City School District
Cuyahoga County, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2015

	<u>Agency</u>
Assets	
Equity in Pooled Cash and Investments	\$ 408,286
Accounts Receivable	992
<i>Total Assets</i>	<u>\$ 409,278</u>
Liabilities	
Intergovernmental Payable	\$ 3,260
Undistributed Monies	227,029
Due to Students	178,989
<i>Total Liabilities</i>	<u>\$ 409,278</u>

See accompanying notes to the basic financial statements.

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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.

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; (3) the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provides financial support to, the organization; (4) 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 North Coast Council. These organizations are presented in Notes 19 and 20 to the basic financial statements.

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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

The statement of net position 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.

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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.

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 deferred outflow of resources and liabilities and deferred inflow of resources is reported as fund balance. The following are the School District's major governmental funds:

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

Building Fund This fund accounts for revenues restricted for various capital improvements within the School District.

The other governmental funds of the School District account for grants and other resources of the School District to which the School District is bound to observe constraints imposed upon the use of the resources.

Proprietary Fund Type Proprietary funds focus on the determination of operating income, changes in net position, 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 position and changes in net position. 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, college entrance exam testing and student activities.

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Measurement Focus

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

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 deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

Basis of Accounting

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

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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 Inflows of Resources and Deferred Outflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding and for pension. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension are explained in Note 14.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes, pension, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2015, but which were levied to finance fiscal year 2016 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue may include delinquent property taxes, intergovernmental grants, and miscellaneous revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 14).

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.

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Budgetary Data

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original and final budgeted amounts in the budgetary statements reflect the amounts in the amended certificate that was in effect at the time the original and final appropriations were passed by the Board of Education. The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated revenues by fund. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

Cash and Investments

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 investments."

During fiscal year 2015, investments were limited to STAR Ohio (the State Treasury Asset Reserve of Ohio), commercial paper, federal farm credit bank notes, federal home loan bank and mortgage credit, federal national mortgage association and U.S. Treasury notes.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2015. Certificates of deposits are reported at cost.

The School District also invests in STAR Plus, a federally insured cash account powered by the Federally Insured Cash Account (FICA) program. STAR Plus enables political subdivisions to generate a competitive yield on cash deposits in a network of carefully-selected FDIC-insured banks via a single, convenient account. STAR Plus offers attractive yields with no market or credit risk, weekly liquidity and penalty free withdrawals. All deposits with STAR Plus have full FDIC insurance with no term commitment on deposits.

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

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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 2015 amounted to \$267,224, which includes \$75,637 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 investments. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as “investments.”

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2015, 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.

Restricted Assets

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the general fund include amounts required by State statute to be set-aside for budget stabilization. See Note 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 position 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 \$1,000. 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 the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives
Land Improvements	5 - 60 Years
Buildings and Improvements	50 - 100 Years
Equipment	5 - 20 Years
Vehicles	8 Years

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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 position.

Compensated Absences

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

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

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

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

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

Bond Premium

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the bond outstanding 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.

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.

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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 and compensated absences 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 Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. At June 30, 2015, there was no net position restricted by enabling legislation.

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

Fund Balance

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

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

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

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

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

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

established by policies and authorized purchase commitments by the School District Board of Education. The Board of Education has, by resolution, authorized the Treasurer to assign fund balance. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

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

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

Internal Activity

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

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

Operating Revenues 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 2015.

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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.

Implementation of New Accounting Policies

For the fiscal year ended June 30, 2015, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, GASB Statement No. 69, *Government Combinations and Disposals of Government Operations* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68*.

GASB Statement No. 68 requires recognition of the entire net pension liability and a more comprehensive measure of pension expense for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. The implementation of GASB Statement No. 68 resulted in the inclusion of net pension liability and pension expense components on the full-accrual financial statements. See below for the effect on net position as previously reported.

GASB Statement No. 69 addresses accounting and financial reporting for government combinations (including mergers, acquisitions and transfers of operations) and disposals of government operations. The implementation of GASB Statement No. 69 did not have an effect on the financial statements of the School District.

GASB Statement No. 71 amends paragraph 137 of GASB Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68. See below for the effect on net position as previously reported.

Net Position June 30, 2014	\$ 57,229,064
Adjustments:	
Net Pension Liability	(135,817,645)
Deferred Outflow - Payments Subsequent to Measurement Date	6,987,455
Restated Net Position, July 1, 2014	\$ (71,601,126)

Other than employer contributions subsequent to the measurement date, the School District made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Note 3 - Fund Balances

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

	General Fund	Building Fund	Nonmajor Governmental Funds	Total
Nonspendable for:				
Prepays	\$ 178,918	\$ 0	\$ 0	\$ 178,918
Total Nonspendable	178,918	0	0	178,918
Restricted for:				
Food Service	0	0	428,662	428,662
Athletics	0	0	147,136	147,136
Non-Public Schools	0	0	181,662	181,662
Math Enrichment	0	0	36,589	36,589
Special Instruction	0	0	25,602	25,602
Debt Service Payments	0	0	3,387,989	3,387,989
Capital Improvements	0	2,612,150	0	2,612,150
Budget Stabilization-BWC Refund	353,070	0	0	353,070
Total Restricted	353,070	2,612,150	4,207,640	7,172,860
Assigned for:				
Uniform School Supplies	10,652	0	0	10,652
Public School Support	138,547	0	0	138,547
Shaker Merchandise	8,571	0	0	8,571
Subsequent Year Appropriations	2,024,919	0	0	2,024,919
Encumbrances:				
Instruction	3,211,183	0	0	3,211,183
Student Support	1,557,355	0	0	1,557,355
Extracurricular	32,778	0	0	32,778
Capital Outlay	78,919	0	0	78,919
Total Assigned	7,062,924	0	0	7,062,924
Unassigned (Deficit)	31,016,687	0	(94,269)	30,922,418
Total Fund Balance (Deficit)	<u>\$ 38,611,599</u>	<u>\$ 2,612,150</u>	<u>\$ 4,113,371</u>	<u>\$ 45,337,120</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Note 4 – Fund Deficits

Fund balances at June 30, 2015, included the following individual fund deficits:

	<u>Fund Balance</u>
Nonmajor Governmental Funds:	
Parent Mentor Grant	\$ 740
Title VI-B	85,985
Limited English Proficiency	3,603
Preschool Disability	3,941

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), 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, is presented for the general fund on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as restricted, committed or assigned fund balance (GAAP).
4. Some funds are included in the general fund (GAAP), but have separate legally adopted budgets (budget).

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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.

	General Fund
GAAP Basis	\$ 10,982,683
Net Adjustment for Revenue Accruals	(3,313,003)
Net Adjustment for Expenditure Accruals	302,587
Funds Budgeted Elsewhere **	(104,195)
Adjustment for Encumbrances	(5,252,534)
Budget Basis	\$ 2,615,538

** As part of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the public school support fund, the Shaker merchandise fund, fringe benefits, and uniform school supplies fund.

Note 6 - Deposits and Investments

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

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2% and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio and STAR Plus);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed 25% of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Custodial credit risk for deposits is the risk that in the event of bank failure, the government's deposits may not be returned to it. Protection of School District cash and deposits is provided by the Federal Deposit Insurance Corporation, as well as qualified securities pledged by the institution holding the assets. By law, financial institutions must collateralize all uninsured public deposits. The face value of the pooled collateral must equal at least 105% of uninsured public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Custodial credit risk for an investment is the risk that in the event of failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. These securities, held by the counterparty and not in the School District's name, must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. The School District's policy is to invest money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

Cash on Hand: At year end, the School District had \$550 in undeposited cash on hand which is included on the balance sheet of the School District as part of "equity in pooled cash and investments."

Deposits At fiscal year-end, the carrying amount of the School District's deposits was \$23,348,356. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, as of June 30, 2015, \$12,033,734 of the School District's bank balance of \$24,282,040 was exposed to custodial risk as discussed below, while \$12,248,306 was covered by the Federal Deposit Insurance Corporation (FDIC), which includes \$8,029,193 held in a STAR Plus account.

Investments: Investments are reported at fair value. As of June 30, 2015, the School District had the following investments:

Standard & Poor's Rating	Investment	Fair Value	Maturity (in months)			% Total Investments
			0 - 6	18 - 24	>24	
AAAm	STAR Ohio	\$ 16,508	\$ 16,508	\$ 0	\$ 0	0.08%
N/A	US Treasury Notes	3,001,104	2,001,260	999,844	0	12.50%
AA+	Federal Home Loan Bank	5,253,493	1,001,220	0	4,252,273	21.86%
AA+	Federal Home Loan Mortgage Credit	11,255,480	0	3,250,285	8,005,195	46.85%
AA-	Federal National Mortgage Association	1,497,705	0	0	1,497,705	6.24%
AA+	Federal Farm Credit Bank	2,994,096	1,000,156	0	1,993,940	12.47%
	Totals	<u>\$ 24,018,386</u>	<u>\$ 4,019,144</u>	<u>\$ 4,250,129</u>	<u>\$ 15,749,113</u>	<u>100.00%</u>

Interest Rate Risk: The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. The School District's policy indicates that the investments must mature within five years, unless matched to a specific obligation or debt of the School District.

STAR Ohio is an investment pool operated by the Ohio State Treasurer. It is unclassified since it is not evidenced by securities that exist in physical or book entry form. Ohio law requires STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The weighted average of maturity of the portfolio held by STAR Ohio as of June 30, 2015, is 53 days carries a rating by Standard & Poor's of AAAm.

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Credit Risk: The School District's investments at June 30, 2015 are rated as shown above by Standard & Poor's. Federal money markets are exempt from ratings since explicitly guaranteed by a U.S. Government Agency. The School District's policy on credit risk allows only for those investments as stated within the Ohio Revised Code.

Concentration of Credit Risk: The School District places no limit on the amount the School District may invest in any one issuer. The School District's policy is to invest money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

Note 7 - Property Taxes

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar year 2015 represents collections of calendar year 2014 taxes. Real property taxes received in calendar year 2015 were levied after April 1, 2014, on the assessed value listed as of January 1, 2014, the lien date. Assessed values for real property taxes are established by State law at 35% of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2015 represents collections of calendar year 2014 taxes. Public utility real and tangible personal property taxes received in calendar year 2015 became a lien December 31, 2013, were levied after April 1, 2014 and are collected in 2015 with real property taxes. Public utility real property is assessed at 35% of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

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, 2015, are available to finance fiscal year 2015 operations. The amount available as an advance at June 30, 2015 in the general and bond retirement funds were \$15,404,578 and \$547,440, respectively. The amount available for advance at June 30, 2014, in the general and bond retirement funds were \$11,120,443 and \$463,351, respectively. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2015 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources.

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

On the accrual basis of accounting, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis of accounting the revenue has been reported as a deferred inflow of resources.

The assessed values upon which the fiscal year 2015 taxes were collected are:

	2014 Second Half Collections		2015 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$ 778,902,230	98.27%	\$ 768,535,350	98.16%
Public Utility Personal Property	13,746,470	1.73%	14,404,410	1.84%
	<u>\$ 792,648,700</u>	<u>100.00%</u>	<u>\$ 782,939,760</u>	<u>100.00%</u>
Tax rate per \$1,000 assessed valuation	<u>\$ 179.93</u>		<u>\$ 186.83</u>	

Note 8 – Receivables

Receivables at June 30, 2015, 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.

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 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, 2015, 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 capital acquisition and budget stabilization. Disclosure of this information is required by State statute.

	Capital Improvement	Budget Stabilization
Set Aside Restricted Balance June 30, 2014	\$ 0	\$ 353,070
Current Year Set-Aside Requirement	889,714	0
Current Year Qualifying Expenditures	(1,357,753)	0
Total	<u>\$ (468,039)</u>	<u>\$ 353,070</u>
Balance Carried Forward to Fiscal Year 2016	<u>\$ 0</u>	<u>\$ 353,070</u>
Set Aside Balance June 30, 2015	<u>\$ 0</u>	<u>\$ 353,070</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Although the School District had qualifying disbursements during the fiscal year that reduced the set-aside amount to below zero for the capital acquisition set-aside, this amount may not be used to reduce the set-aside requirement of future years. This negative balance is therefore not presented as being carried forward to future years. The total reserve balance for the two set-asides at the end of the fiscal year was \$353,070. This represents workers' compensation refunds that were received prior to April 20, 2001.

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, 2015.

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.

School District Funding

School District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2014-2015 school year, traditional school districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the school districts, which can extend past the fiscal year end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2015 Foundation funding for the School District; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the School District.

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Note 11 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2015, was as follows:

	Balance 6/30/14	Additions	Reductions	Balance 6/30/15
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 943,600	\$ 0	\$ 0	\$ 943,600
Construction in progress	0	128,030	0	128,030
Total Capital Assets, not being depreciated	943,600	128,030	0	1,071,630
<i>Capital Assets, being depreciated:</i>				
Land Improvements	3,797,353	12,443	0	3,809,796
Buildings and Improvements	42,351,234	205,128	0	42,556,362
Equipment	19,764,282	1,093,334	(130,216)	20,727,400
Vehicles	5,286,718	59,605	(52,000)	5,294,323
Total Capital Assets, being depreciated	71,199,587	1,370,510	(182,216)	72,387,881
Less Accumulated Depreciation:				
Land Improvements	(2,010,997)	(128,457)	0	(2,139,454)
Buildings and Improvements	(14,480,392)	(910,110)	0	(15,390,502)
Equipment	(13,628,000)	(1,204,370)	114,834	(14,717,536)
Vehicles	(3,692,938)	(427,680)	52,000	(4,068,618)
Total Accumulated Depreciation	(33,812,327)	(2,670,617)	166,834	(36,316,110)
Total Capital Assets being depreciated, net	37,387,260	(1,300,107)	(15,382)	36,071,771
Governmental Activities Capital Assets, Net	<u>\$ 38,330,860</u>	<u>\$ (1,172,077)</u>	<u>\$ (15,382)</u>	<u>\$ 37,143,401</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 1,079,697
Special	10,533
Other Instruction	8,693
Support Services:	
Pupil	1,195
Instructional Staff	244,420
Administration	11,181
Fiscal	7,117
Business	62,557
Operation and Maintenance of Plant	507,038
Pupil Transportation	384,456
Central Services	1,482
Food Service Operations	63,191
Non-instructional	124,207
Extracurricular Activities	164,850
Total Depreciation	\$ 2,670,617

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 2015, the School District contracted with Liberty Mutual Insurance Company for property and inland marine insurance. General liability coverage is provided by Liberty Mutual 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 Liberty Mutual Insurance Company with a \$1,000 deductible for comprehensive, and a \$1,000 deductible for collision. There is a \$1,000,000 per accident combined single limit of liability. The School District also has a \$10,000,000 umbrella policy with Liberty Mutual 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 2015 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, 2015, 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, 2015, was \$811,065.

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Changes in claims activity for fiscal years 2014 and 2015 are as follows:

		<u>Balance at Beginning</u>		<u>Current Year Provision</u>		<u>Claims Payments</u>		<u>Balance at End of Year</u>
2014	\$	700,000	\$	200,740	\$	140,511	\$	760,229
2015	\$	760,229	\$	192,914	\$	142,078	\$	811,065

Employee Health Benefits

The School District is self-insured for prescription drug, medical and dental insurance. Express Scripts, the third party administrator of the program, processes the claims for the School District's prescription drug program. Monthly funding rates for prescription drug insurance are \$276.64 for family coverage and \$104.19 for single coverage. The program utilizes a \$7 retail prescription deductible for generic drugs and a \$25 deductible for non-generic drugs.

Anthem Blue Cross/Blue Shield, the third party administrator, processes the claims for the School District's medical and dental program. Monthly funding rates for medical insurance are \$1,061.23 for family coverage and \$403.51 for single coverage. Monthly funding rates for dental insurance are \$111.24 for family coverage and \$38.76 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 2015 plan year (January through December) that begins at \$7,109,575.

The claims liability of \$506,000 reported in the self insurance fund at June 30, 2015 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 2014 and 2015 are as follows:

		<u>Balance at Beginning</u>		<u>Current Year Provision</u>		<u>Premiums and Claim Payments</u>		<u>Balance at End of Year</u>
2014	\$	888,800	\$	7,806,300	\$	7,914,300	\$	780,800
2015	\$	780,800	\$	8,381,860	\$	8,656,660	\$	506,000

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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 1st 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

The School District's primary health insurance carrier is Anthem Blue Cross/Blue Shield. In addition, medical health insurance is also offered to employees through Kaiser Permanente. The plan has a \$20 office visit co-pay. Kaiser health individual coverage is \$548.74 per month while family coverage for a family of two is \$1,097.48 and for a family of three or more is \$1,646.22.

Life Insurance

Life insurance is offered to employees through Anthem Life Insurance Company. The Superintendent receives \$300,000 for \$36 per month; the Treasurer receives \$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 – Defined Benefit Pension Plans

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the School District's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Ohio Revised Code limits the School District’s obligation for this liability to annually required payments. The School District cannot control benefit terms or the manner in which pensions are financed; however, the School District does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017*	Eligible to Retire on or after August 1, 2017*
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

*Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2% for the first thirty years of service and 2.5% for years of service credit over 30. Final average salary is the average of the highest three years of salary.

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

One year after an effective benefit date, a benefit recipient is entitled to a 3% cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy – Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10% for plan members and 14% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2015, the allocation to pension, death benefits, and Medicare B was 13.18%. The remaining 0.82% of the 14% employer contribution rate was allocated to the Health Care Fund.

The School District's contractually required contribution to SERS was \$2,278,930 for fiscal year 2015. Of this amount \$215,740 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS 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. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by 2% of the original base benefit. For members retiring August 1, 2013, or later, the first 2% is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5% of the 14% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5% of the 14% employer rate is allocated to the defined benefit unfunded liability. 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.

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions are allocated among investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability 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 – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased 1% July 1, 2014, and will be increased 1% each year until it reaches 14% on July 1, 2016. For the fiscal year ended June 30, 2015, plan members were required to contribute 12% of their annual covered salary. The School District was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2015 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$5,229,267 for fiscal year 2015. Of this amount \$918,209 is reported as an intergovernmental payable.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>STRS</u>	<u>SERS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$ 87,788,694	\$ 26,590,600	\$ 114,379,294
Proportion of the Net Pension Liability	0.36092189%	0.52540800%	
Pension Expense	\$ 3,284,023	\$ 1,750,580	\$ 5,034,603

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

At June 30, 2015, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>STRS</u>	<u>SERS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 845,157	\$ 226,314	\$ 1,071,471
School District contributions subsequent to the measurement date	<u>5,229,267</u>	<u>2,278,930</u>	<u>7,508,197</u>
Total Deferred Outflows of Resources	<u>\$ 6,074,424</u>	<u>\$ 2,505,244</u>	<u>\$ 8,579,668</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	<u>\$ 16,241,241</u>	<u>\$ 4,315,729</u>	<u>\$ 20,556,970</u>

\$7,508,197 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>STRS</u>	<u>SERS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2016	\$ (3,849,021)	\$ (1,022,354)	\$ (4,871,375)
2017	(3,849,021)	(1,022,354)	(4,871,375)
2018	(3,849,021)	(1,022,354)	(4,871,375)
2019	<u>(3,849,021)</u>	<u>(1,022,353)</u>	<u>(4,871,374)</u>
	<u>\$ (15,396,084)</u>	<u>\$ (4,089,415)</u>	<u>\$ (19,485,499)</u>

Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2014, are presented below:

Wage Inflation	3.25%
Future Salary Increases, including inflation	4.00% to 22%
COLA or Ad Hoc COLA	3%
Investment Rate of Return	7.75% net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

For post-retirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement.

The most recent experience study was completed June 30, 2010.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash	1.00 %	0.00 %
US Stocks	22.50	5.00
Non-US Stocks	22.50	5.50
Fixed Income	19.00	1.50
Private Equity	10.00	10.00
Real Assets	10.00	5.00
Multi-Asset Strategies	<u>15.00</u>	7.50
	<u>100.00 %</u>	

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Discount Rate The total pension liability was calculated using the discount rate of 7.75%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.75%). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.75%, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75%), or one percentage point higher (8.75%) than the current rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$ 37,936,884	\$ 26,590,600	\$ 17,047,394

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Projected salary increase	2.75% at 70 to 12.25% at age 20
Investment Rate of Return	7.75%, net of investment expenses
Cost-of-Living Adjustments (COLA)	2% simple applied as follows: for members retiring before August 1, 2013, 2% per year, for members retiring August 1, 2013, or later, 2% COLA paid on fifth anniversary of retirement date

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2014, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
	100.00 %	

Discount Rate The discount rate used to measure the total pension liability was 7.75% as of June 30, 2014. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2014. Therefore, the long-term expected rate of return on pension plan investments of 7.75% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2014.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the School District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75%) or one-percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$ 125,679,088	\$ 87,788,694	\$ 55,746,171

Note 15 - Postemployment Benefits

A. School Employees Retirement System

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans as well as a prescription drug program. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS' participation in Medicare programs. 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.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund. For fiscal year 2015, 0.82% of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2015, this amount was \$20,450. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge.

The School District's contributions for health care (including surcharge) for the fiscal years ended June 30, 2015, 2014, and 2013 were \$393,030, \$276,412 and \$240,185, respectively. For fiscal year 2015, 91% has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2014 and 2013.

B. State Teachers Retirement System

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2015, STRS did not allocate any employer contributions to post-employment health care. The School District's contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were \$0, \$359,428, and \$352,380, respectively. The full amount has been contributed for fiscal years 2015, 2014 and 2013.

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Note 16 – Contractual Commitments and Significant Encumbrances

A. Contractual Commitments

As a result of projects that were in progress at June 30, 2015, the School District had the following outstanding contractual commitments at fiscal year-end:

	Contract Amount	Expenditures as of June 30, 2015	Amount Remaining on Contract
Administration Chiller Replacement	\$ 134,800	\$ 128,030	\$ 6,770

B. Encumbrance Commitments

The School District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end may be reported as part of restricted, committed or assigned classifications of fund balance. At year-end, the School District commitments for encumbrances in the governmental funds were as follows:

Fund	Amount
General	\$ 4,880,932
Building	42,576
Nonmajor Governmental	441,889
	\$ 5,365,397

Note 17 – Interfund Transfers

Transfers

Transfers made during fiscal year 2015 were as follows:

	Transfers In	Transfers Out
General	\$ 0	\$ 210,000
Nonmajor Governmental:		
Athletics	210,000	0
	\$ 210,000	\$ 210,000

The general fund transferred unrestricted balances to support programs and projects in the athletics fund.

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Note 18– 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	Transfer Interest Rate	Original Issue Amount	Fiscal Year of Maturity
<i>General Obligation Bonds:</i>			
School Improvement - 2005	3.00 - 4.50%	\$ 9,999,995	2026
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	4.0 - 4.50%	4,999,999	2026
Capital Improvement - 2012	2.0 - 2.50%	4,170,000	2028
Building Improvement Refunding - 2012	2.0 - 21.0%	4,994,310	2026
School Facilities Improvement Refunding - 2015	3.98%	5,345,000	2026

This space intentionally left blank

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Changes in long-term obligations of the School District during fiscal year 2015 were as follows:

	Restated Balance 6/30/14	Additions	Reductions	Balance 6/30/15	Amounts Due in One Year
Governmental Activities:					
<i>General Obligation Bonds:</i>					
School Improvement Bonds - 2005					
Serial Bonds	\$ 455,000	\$ 0	\$ 455,000	\$ 0	\$ 0
Unamortized Premium	7,103	0	7,103	0	0
Total School Improvement Bonds - 2005	<u>462,103</u>	<u>0</u>	<u>462,103</u>	<u>0</u>	<u>0</u>
School Improvement Bonds - 2007					
Serial Bonds	5,455,000	0	3,980,000	1,475,000	215,000
Capital Appreciation Bonds	23,960	0	0	23,960	23,960
Accretion on Capital Appreciation Bonds	102,967	33,287	0	136,254	136,254
Unamortized Premium	72,493	0	72,493	0	0
Total School Improvement Bonds - 2007	<u>5,654,420</u>	<u>33,287</u>	<u>4,052,493</u>	<u>1,635,214</u>	<u>375,214</u>
School Improvement Refunding Bonds - 2007					
Serial Bonds	2,380,000	0	375,000	2,005,000	310,000
Capital Appreciation Bonds	9,983	0	0	9,983	9,983
Accretion on Capital Appreciation Bonds	42,903	13,870	0	56,773	56,773
Unamortized Premium	40,699	0	7,400	33,299	0
Total School Improvement Refunding Bonds - 2007	<u>2,473,585</u>	<u>13,870</u>	<u>382,400</u>	<u>2,105,055</u>	<u>376,756</u>
School Improvement Refunding Bonds - 2007					
Serial Bonds	1,270,000	0	210,000	1,060,000	95,000
Capital Appreciation Bonds	16,639	0	0	16,639	16,639
Accretion on Capital Appreciation Bonds	71,505	23,115	0	94,620	94,620
Unamortized Premium	42,092	0	7,653	34,439	0
Total School Improvement Refunding Bonds - 2007	<u>1,400,236</u>	<u>23,115</u>	<u>217,653</u>	<u>1,205,698</u>	<u>206,259</u>
School Improvement Bonds - 2008					
Serial Bonds	3,690,000	0	2,155,000	1,535,000	280,000
Capital Appreciation Bonds	119,999	0	0	119,999	0
Accretion on Capital Appreciation Bonds	92,677	23,077	0	115,754	0
Unamortized Premium	82,272	0	82,272	0	0
Total School Improvement Bonds - 2008	<u>3,984,948</u>	<u>23,077</u>	<u>2,237,272</u>	<u>1,770,753</u>	<u>280,000</u>
Capital Improvement & Equipment Bonds - 2012					
Energy Conservation	2,210,000	0	140,000	2,070,000	140,000
Stadium Improvements	755,000	0	80,000	675,000	80,000
Buses	910,000	0	95,000	815,000	95,000
Total Capital Improvement & Equipment Bonds-2012	<u>3,875,000</u>	<u>0</u>	<u>315,000</u>	<u>3,560,000</u>	<u>315,000</u>
School Improvement Refunding Bonds - 2012					
Serial Bonds	4,815,000	0	70,000	4,745,000	525,000
Capital Appreciation Bonds	119,310	0	0	119,310	0
Accretion on Capital Appreciation Bonds	48,428	37,074	0	85,502	0
Unamortized Premium	564,142	0	51,286	512,856	0
Total School Improvement Refunding Bonds - 2012	<u>5,546,880</u>	<u>37,074</u>	<u>121,286</u>	<u>5,462,668</u>	<u>525,000</u>
School Improvement Refunding Bonds - 2015					
Serial Bonds	0	5,345,000	0	5,345,000	60,000
Unamortized Premium	0	716,541	59,712	656,829	0
Total School Improvement Refunding Bonds - 2015	<u>0</u>	<u>6,061,541</u>	<u>59,712</u>	<u>6,001,829</u>	<u>60,000</u>
Total General Obligation Bonds	<u>23,397,172</u>	<u>6,191,964</u>	<u>7,847,919</u>	<u>21,741,217</u>	<u>2,138,229</u>
<i>Net Pension Liability:</i>					
STRS	104,573,318	0	16,784,624	87,788,694	0
SERS	31,244,327	0	4,653,727	26,590,600	0
Total Net Pension Liability	<u>135,817,645</u>	<u>0</u>	<u>21,438,351</u>	<u>114,379,294</u>	<u>0</u>
<i>Other Long-term Obligations:</i>					
Compensated Absences	5,793,292	1,412,893	1,878,145	5,328,040	819,766
Claims Payable	1,541,029	8,574,774	8,798,738	1,317,065	189,751
Total Governmental Activities	<u>\$ 166,549,138</u>	<u>\$ 16,179,631</u>	<u>\$ 39,963,153</u>	<u>\$ 142,765,616</u>	<u>\$ 3,147,746</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

On April 5, 2005, the School District issued \$9,999,995 in general obligation bonds for various school facility improvements. The general obligation bonds included serial and capital appreciation bonds in the amount of \$9,795,000 and \$204,995, respectively. The bonds were issued for a ten year period with a final maturity at December 15, 2025. Serial bonds matured at June 30, 2015. These bonds will be retired with a voted property tax levy from the debt service fund. On October 30, 2012, \$4,995,000 of these bonds were refunded. The bonds were retired in 2015 from the debt service fund.

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. On March 5, 2015, \$3,600,000 of these bonds were refunded.

The serial and capital appreciation remained outstanding at June 30, 2015. 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 is \$180,000. The accretion recorded for 2015 was \$33,287, for a total outstanding bond liability of \$160,214 at June 30, 2015.

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 bonds will be retired from the debt service fund.

The serial and capital appreciation bonds remained outstanding at June 30, 2015. 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 is \$75,000. The accretion recorded for 2015 was \$13,870, for a total outstanding bond liability of \$66,756 at June 30, 2015.

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 bonds will be retired from the debt service fund.

The serial and capital appreciation remained outstanding at June 30, 2015. 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 is \$125,000. The accretion recorded for 2015 was \$23,115, for a total outstanding bond liability of \$111,259 at June 30, 2015.

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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%. 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 2026. On March 11, 2015, \$1,885,000 of these bonds were refunded.

The serial and capital appreciation remained outstanding at June 30, 2015. 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, 2015 is \$305,000. The accretion recorded for 2015 was \$23,077, for a total outstanding bond liability of \$235,753 at June 30, 2015.

On October 30, 2012, the School District issued \$2,340,000 for energy efficiency improvements, \$830,000 for stadium improvements, and \$1,000,000 for buses in general obligation. The bonds were issued for a ten year period with a final maturity at December 15, 2027. The energy efficiency improvements will be paid from the debt service fund, the stadium improvements will be paid from the general fund and the buses will be paid from the building fund.

On October 30, 2012, the School District issued \$4,994,310 in general obligation bonds to refund a portion of the 2005 school improvement bonds. The general obligation bonds included serial and capital appreciation bonds in the amount of \$4,875,000 and \$119,310, respectively. The bonds were issued for a thirteen year period with a final maturity at December 15, 2025. As of June 30, 2014, \$3,630,000 of the defeased debt is outstanding. The bonds will be retired from the debt service fund.

The serial and capital appreciation bonds remained outstanding at June 30, 2015. The capital appreciation bonds were originally sold at a discount of \$375,690, which is being accreted annually until the point of maturity of the capital appreciation bonds, which is 2020.

The issuance resulted in an economic gain of \$543,228. The issuance resulted in a difference (savings) between the cash flow requirements to service the old debt and the cash flows required to service the new debt of \$227,729.

The maturity amount of the outstanding capital appreciation bonds is \$495,000. The accretion recorded for 2015 was \$37,074, for a total outstanding bond liability of \$204,812 at June 30, 2015.

On March 11, 2015, the School District issued \$5,345,000 in general obligation bonds to refund a portion of the 2007 and 2009 school improvement bonds in the amounts of \$3,600,000 and \$1,885,000, respectively. The bonds were issued for an eleven year period with a final maturity at December 15, 2025. As of June 30, 2015, \$5,485,000 of the defeased debt is outstanding. The bonds will be retired from the debt service fund.

The issuance resulted in a difference (savings) between the cash flow requirements to service the old debt and the cash flows required to service the new debt of \$347,326.

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Compensated absences will be paid from the general fund.

The School District pays obligations related to employee compensation from the fund benefitting from their service.

The School District's overall debt margin was \$50,814,954 with an unvoted debt margin of \$768,535 at June 30, 2015.

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2015 are as follows:

Fiscal Year Ending June 30,	Serial Bonds		Capital Appreciation Bonds		Total	
	Principal	Interest	Principal	Accretion	Principal	Interest/Accretion
2016	\$ 1,800,000	\$ 834,506	\$ 50,582	\$ 329,418	\$ 1,850,582	\$ 1,163,924
2017	2,185,000	771,613	0	0	2,185,000	771,613
2018	1,910,000	706,464	119,999	185,001	2,029,999	891,465
2019	2,270,000	638,767	0	0	2,270,000	638,767
2020	1,810,000	417,382	119,310	375,690	1,929,310	793,072
2021 - 2025	7,870,000	978,584	0	0	7,870,000	978,584
2026 - 2028	1,880,000	42,794	0	0	1,880,000	42,794
Total	\$ 19,725,000	\$ 4,390,110	\$ 289,891	\$ 890,109	\$ 20,014,891	\$ 5,280,219

Note 19 - Related Organization

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

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Note 20 - Jointly Governed Organizations

Ohio Schools' Council Association

The Ohio Schools' Council Association (Council) is a jointly governed regional council of governments with members number over 200 school districts, located in 33 counties and serving over 500,000 students. 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 Council operates under a nine-member Board of Directors (the Board). 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 2015, the School District paid \$1,150 to the Council. Financial information can be obtained by contacting Dr. William Zelei, the Executive Director of the Ohio Schools' Council at 6393 Oak Tree Boulevard, Suite 377, Independence, Ohio 44131.

The School District participates in the natural gas purchase program. This program allows the School District to purchase natural gas at reduced rates. Compass Energy is the supplier and program manager for the period from April 1, 2013 through March 31, 2016. There are currently 151 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 year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings beginning 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 electricity group purchase program. The Council's last program, which began in September 2009 and ran through May 2011, provided as much as 25% in generation cost savings to 250 school districts in the First Energy territory. The Council's current program, Power 4 Schools, a partnership between the Council, the Ohio Association of School Business Officials (OASBO), the Ohio School Board's Association (OSBA) and the Buckeye Association of School Administrators (BASA), provided for a fixed per kilowatt-hour for electricity generation until May 2014, converted to a new fixed price or percent off the Price to Compare (PTC), whichever provides the greatest savings until December 2019.

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

North Coast Council

The North Coast Council (NCC) is a jointly governed computer service bureau that was formed for the purpose of providing data services to the twenty nine member districts. Major areas of service provided by NCC include accounting, payroll, inventory, career guidance services, handicapped student tracking, pupil scheduling, attendance reporting and grade reporting. Each school is represented on the NCC 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 NCC. Each school district supports NCC based upon a per pupil charge dependent upon the software packages used. In fiscal year 2015, the School District paid \$143,771 to NCC. Financial information can be obtained by contacting the Treasurer of the fiscal agent at 6393 Oak Tree Boulevard, Suite 377, Independence, Ohio 44131.

Shaker Heights City School District
Cuyahoga County, Ohio
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
Last Two Fiscal Years (1)

	<u>2014</u>	<u>2013</u>
<i>State Teachers Retirement System (STRS)</i>		
School District's proportion of the net pension liability (asset)	0.36092189%	0.36092189%
School District's proportionate share of the net pension liability (asset)	\$ 87,788,694	\$ 104,573,318
School District's covered-employee payroll	\$ 35,942,792	\$ 35,238,031
School District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	244.25%	296.76%
Plan fiduciary net position as a percentage of the total pension liability	74.70%	69.30%
<i>School Employees Retirement System (SERS)</i>		
School District's proportion of the net pension liability (asset)	0.52540800%	0.52540800%
School District's proportionate share of the net pension liability (asset)	\$ 26,590,600	\$ 31,244,327
School District's covered-employee payroll	\$ 16,701,962	\$ 16,371,886
School District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	159.21%	190.84%
Plan fiduciary net position as a percentage of the total pension liability	71.70%	65.52%

(1) Information prior to 2013 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date.

Shaker Heights City School District
Cuyahoga County, Ohio
Required Supplementary Information
Schedule of School District Contributions
Last Ten Fiscal Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<i>State Teachers Retirement System (STRS)</i>				
Contractually Required Contribution	\$ 5,229,267	\$ 4,672,563	\$ 4,580,944	\$ 4,696,142
Contributions in Relation to the Contractually Required Contribution	<u>(5,229,267)</u>	<u>(4,672,563)</u>	<u>(4,580,944)</u>	<u>(4,696,142)</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
School District's covered-employee payroll	\$ 37,351,907	\$ 35,942,792	\$ 35,238,031	\$ 36,124,169
Contributions as a percentage of covered-employee payroll	14.00%	13.00%	13.00%	13.00%
 <i>School Employees Retirement System (SERS)</i>				
Contractually required contribution	\$ 2,278,930	\$ 2,314,892	\$ 2,265,869	\$ 2,078,071
Contributions in relation to the contractually required contribution	<u>(2,278,930)</u>	<u>(2,314,892)</u>	<u>(2,265,869)</u>	<u>(2,078,071)</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
School District's covered-employee payroll	\$ 17,290,819	\$ 16,701,962	\$ 16,371,886	\$ 15,450,342
Contributions as a percentage of covered-employee payroll	13.18%	13.86%	13.84%	13.45%

n/a - Information prior to 2008 is not available.

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 4,878,369	\$ 5,129,640	\$ 4,928,534	\$ 4,855,357	\$ 4,749,719	\$ 4,845,841
<u>(4,878,369)</u>	<u>(5,129,640)</u>	<u>(4,928,534)</u>	<u>(4,855,357)</u>	<u>(4,749,719)</u>	<u>(4,845,841)</u>
<u>\$ 0</u>					
\$ 37,525,915	\$ 39,458,769	\$ 37,911,800	\$ 37,348,900	\$ 36,536,300	\$ 37,275,700
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%
\$ 1,906,938	\$ 1,951,653	\$ 1,439,155	\$ 1,357,660	n/a	n/a
<u>(1,906,938)</u>	<u>(1,951,653)</u>	<u>(1,439,155)</u>	<u>(1,357,660)</u>	n/a	n/a
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	n/a	n/a
\$ 15,170,549	\$ 14,413,981	\$ 14,625,559	\$ 13,825,458	n/a	n/a
12.57%	13.54%	9.84%	9.82%	n/a	n/a

This page intentionally left blank

Combining Statements and Individual Fund Schedules

Combining Statements - Nonmajor Governmental Funds

Nonmajor Special Revenue Funds:

The Special Revenue funds are used to account for proceeds of specific revenue sources (other than expendable trusts, or for major capital projects) that are legally restricted to expenditure for specified purpose. Following is a description of the School District's nonmajor special revenue funds:

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

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

Athletics – This fund accounts for and reports receipts and other revenues from student activity programs which have student participation in the activity, but do not have students involved in the management of the program restricted for the costs (except supplemental coaching contracts) of the School District's student activity programs.

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

Data Communications – This fund accounts for and reports restricted State monies to install and provide for wiring to all classrooms in the State and provide a computer workstation and related technology for every classroom in Ohio's low-wealth school districts.

Alternative Schools – This fund accounts for monies used for alternative education for new and existing at risk and delinquent youths.

Parent Mentor Grant – This fund accounts for and reports restricted State monies for Mercer Elementary School for a parent involvement program.

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

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

Title I School Improvement - This fund accounts for State monies used to improve the teaching and learning of children failing, or most at risk of failing to meet challenging State academic achievement standards.

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

Combining Statements - Nonmajor Governmental Funds

Nonmajor Special Revenue Funds (continued)

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

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

Class Size Reduction - This fund accounts for and reports restricted Federal monies to hire additional classroom teachers grades 1 through 3, so that the number of students per teacher will be reduced.

Nonmajor Debt Service Fund

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

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

Shaker Heights City School District
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

	Nonmajor Special Revenue Funds	Bond Retirement Fund	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Investments	\$ 958,820	\$ 2,840,549	\$ 3,799,369
Receivables:			
Accounts	15,659	0	15,659
Intergovernmental	393,410	0	393,410
Property Taxes	0	2,391,797	2,391,797
<i>Total Assets</i>	<u>\$ 1,367,889</u>	<u>\$ 5,232,346</u>	<u>\$ 6,600,235</u>
Liabilities			
Accounts Payable	\$ 12,219	\$ 0	\$ 12,219
Accrued Wages and Benefits	437,529	0	437,529
Intergovernmental Payable	103,529	0	103,529
<i>Total Liabilities</i>	<u>553,277</u>	<u>0</u>	<u>553,277</u>
Deferred Inflows of Resources			
Property Taxes Levied for the Next Year	0	1,599,904	1,599,904
Unavailable Revenue	89,230	244,453	333,683
<i>Total Deferred Inflows of Resources</i>	<u>89,230</u>	<u>1,844,357</u>	<u>1,933,587</u>
Fund Balances			
Restricted	819,651	3,387,989	4,207,640
Unassigned	(94,269)	0	(94,269)
<i>Total Fund Balances</i>	<u>725,382</u>	<u>3,387,989</u>	<u>4,113,371</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 1,367,889</u>	<u>\$ 5,232,346</u>	<u>\$ 6,600,235</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2015

	Nonmajor Special Revenue Funds	Bond Retirement Fund	Total Nonmajor Governmental Funds
Revenues			
Property and Other Local Taxes	\$ 0	\$ 2,392,392	\$ 2,392,392
Intergovernmental	5,004,849	342,045	5,346,894
Investment Income	619	0	619
Extracurricular Activities	171,248	0	171,248
Charges for Services	810,998	0	810,998
Contributions and Donations	5,105	0	5,105
Miscellaneous	111,311	0	111,311
<i>Total Revenues</i>	<u>6,104,130</u>	<u>2,734,437</u>	<u>8,838,567</u>
Expenditures			
Current:			
Instruction:			
Regular	130,333	0	130,333
Special	1,731,112	0	1,731,112
Student Intervention Services	186,335	0	186,335
Other	23,929	0	23,929
Support Services:			
Pupils	100,865	0	100,865
Instructional Staff	315,202	0	315,202
Administration	921	0	921
Fiscal	14,400	48,169	62,569
Operation and Maintenance of Plant	14,120	0	14,120
Extracurricular Activities	314,846	0	314,846
Operation of Non-Instructional Services:			
Food Service Operations	1,797,004	0	1,797,004
Community Services	1,548,159	0	1,548,159
Debt Service:			
Principal Retirement	0	1,900,000	1,900,000
Interest and Fiscal Charges	0	594,178	594,178
Issuance Costs	0	61,000	61,000
<i>Total Expenditures</i>	<u>6,177,226</u>	<u>2,603,347</u>	<u>8,780,573</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(73,096)</u>	<u>131,090</u>	<u>57,994</u>
Other Financing Sources (Uses)			
Refunding Bonds Issued	0	5,345,000	5,345,000
Premium on Refunding Bond Issuance	0	716,541	716,541
Payment to Refunded Bond Escrow Agent	0	(5,998,250)	(5,998,250)
Transfers In	210,000	0	210,000
<i>Total Other Financing Sources (Uses)</i>	<u>210,000</u>	<u>63,291</u>	<u>273,291</u>
<i>Net Change in Fund Balance</i>	136,904	194,381	331,285
<i>Fund Balances Beginning of Year</i>	<u>588,478</u>	<u>3,193,608</u>	<u>3,782,086</u>
<i>Fund Balances End of Year</i>	<u>\$ 725,382</u>	<u>\$ 3,387,989</u>	<u>\$ 4,113,371</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2015

	Food Service	Local Grants	Athletics	Auxiliary Services	Data Communications	Alternative Schools
Assets						
Equity in Pooled Cash and Investments	\$ 401,309	\$ 38,245	\$ 147,665	\$ 317,956	\$ 0	\$ 0
Receivables:						
Accounts	15,659	0	0	0	0	0
Intergovernmental	25,844	0	0	0	0	0
<i>Total Assets</i>	<u>\$ 442,812</u>	<u>\$ 38,245</u>	<u>\$ 147,665</u>	<u>\$ 317,956</u>	<u>\$ 0</u>	<u>\$ 0</u>
Liabilities						
Accounts Payable	\$ 221	\$ 0	\$ 167	\$ 9,700	\$ 0	\$ 0
Accrued Wages and Benefits	0	0	0	111,077	0	0
Intergovernmental Payable	13,929	1,656	362	15,517	0	0
Matured Compensated Absences Payable	0	0	0	0	0	0
Interfund Payable	0	0	0	0	0	0
<i>Total Liabilities</i>	<u>14,150</u>	<u>1,656</u>	<u>529</u>	<u>136,294</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources						
Unavailable Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances						
Restricted	428,662	36,589	147,136	181,662	0	0
Unassigned	0	0	0	0	0	0
<i>Total Fund Balances</i>	<u>428,662</u>	<u>36,589</u>	<u>147,136</u>	<u>181,662</u>	<u>0</u>	<u>0</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 442,812</u>	<u>\$ 38,245</u>	<u>\$ 147,665</u>	<u>\$ 317,956</u>	<u>\$ 0</u>	<u>\$ 0</u>

Parent Mentor Grant	Race to the Top	Title VI-B	Title I School Improvement	Limited English Proficiency	Title I	Preschool Disability	Class Size Reduction	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 21,047	\$ 0	\$ 0	\$ 32,116	\$ 0	\$ 482	\$ 958,820
0	0	0	0	0	0	0	0	15,659
986	0	168,978	0	5,487	183,808	608	7,699	393,410
<u>\$ 986</u>	<u>\$ 0</u>	<u>\$ 190,025</u>	<u>\$ 0</u>	<u>\$ 5,487</u>	<u>\$ 215,924</u>	<u>\$ 608</u>	<u>\$ 8,181</u>	<u>\$ 1,367,889</u>
\$ 0	\$ 0	\$ 2,131	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,219
1,044	0	219,354	0	4,304	98,088	3,662	0	437,529
682	0	54,525	0	472	15,434	887	65	103,529
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
<u>1,726</u>	<u>0</u>	<u>276,010</u>	<u>0</u>	<u>4,776</u>	<u>113,522</u>	<u>4,549</u>	<u>65</u>	<u>553,277</u>
0	0	0	0	4,314	77,555	0	7,361	89,230
0	0	0	0	0	24,847	0	755	819,651
(740)	0	(85,985)	0	(3,603)	0	(3,941)	0	(94,269)
<u>(740)</u>	<u>0</u>	<u>(85,985)</u>	<u>0</u>	<u>(3,603)</u>	<u>24,847</u>	<u>(3,941)</u>	<u>755</u>	<u>725,382</u>
<u>\$ 986</u>	<u>\$ 0</u>	<u>\$ 190,025</u>	<u>\$ 0</u>	<u>\$ 5,487</u>	<u>\$ 215,924</u>	<u>\$ 608</u>	<u>\$ 8,181</u>	<u>\$ 1,367,889</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2015

	Food Service	Local Grants	Athletics	Auxiliary Services	Data Communications	Alternative Schools
Revenues						
Intergovernmental	\$ 958,500	\$ 27,798	\$ 0	\$ 1,573,920	\$ 14,400	\$ 39,011
Investment Income	275	23	0	321	0	0
Extracurricular Activities	0	0	171,248	0	0	0
Charges for Services	810,998	0	0	0	0	0
Contributions and Donations	0	4,450	655	0	0	0
Miscellaneous	73,609	35,712	1,990	0	0	0
<i>Total Revenues</i>	<u>1,843,382</u>	<u>67,983</u>	<u>173,893</u>	<u>1,574,241</u>	<u>14,400</u>	<u>39,011</u>
Expenditures						
Current:						
Instruction:						
Regular	0	50,592	0	0	0	39,011
Special	0	0	0	0	0	0
Student Intervention Services	0	0	0	0	0	0
Other	0	0	0	0	0	0
Support Services:						
Pupils	0	6,050	0	0	0	0
Instructional Staff	0	20,641	0	0	0	0
Administration	0	0	262	0	0	0
Fiscal	0	0	0	0	14,400	0
Operation and Maintenance of Plant	0	0	14,120	0	0	0
Extracurricular Activities	0	393	314,453	0	0	0
Operation of Non-Instructional Services:						
Food Service Operations	1,797,004	0	0	0	0	0
Community Services	0	0	0	1,497,372	0	0
<i>Total Expenditures</i>	<u>1,797,004</u>	<u>77,676</u>	<u>328,835</u>	<u>1,497,372</u>	<u>14,400</u>	<u>39,011</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>46,378</u>	<u>(9,693)</u>	<u>(154,942)</u>	<u>76,869</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)						
Transfers In	0	0	210,000	0	0	0
<i>Net Change in Fund Balance</i>	46,378	(9,693)	55,058	76,869	0	0
<i>Fund Balances Beginning of Year</i>	382,284	46,282	92,078	104,793	0	0
<i>Fund Balances End of Year</i>	<u>\$ 428,662</u>	<u>\$ 36,589</u>	<u>\$ 147,136</u>	<u>\$ 181,662</u>	<u>\$ 0</u>	<u>\$ 0</u>

Parent Mentor Grant	Race to the Top	Title VI-B	Title I School Improvement	Limited English Proficiency	Title I	Preschool Disability	Classroom Size Reduction	Total Nonmajor Special Revenue Funds
\$ 25,000	\$ 57,986	\$ 1,261,745	\$ 53,001	\$ 29,569	\$ 797,857	\$ 17,678	\$ 148,384	\$ 5,004,849
0	0	0	0	0	0	0	0	619
0	0	0	0	0	0	0	0	171,248
0	0	0	0	0	0	0	0	810,998
0	0	0	0	0	0	0	0	5,105
0	0	0	0	0	0	0	0	111,311
<u>25,000</u>	<u>57,986</u>	<u>1,261,745</u>	<u>53,001</u>	<u>29,569</u>	<u>797,857</u>	<u>17,678</u>	<u>148,384</u>	<u>6,104,130</u>
0	0	0	0	0	40,730	0	0	130,333
0	0	1,146,557	0	23,638	540,014	20,903	0	1,731,112
0	0	133,334	53,001	0	0	0	0	186,335
0	0	23,929	0	0	0	0	0	23,929
0	0	0	0	0	94,815	0	0	100,865
24,282	83,058	7,225	480	789	48,719	283	129,725	315,202
0	659	0	0	0	0	0	0	921
0	0	0	0	0	0	0	0	14,400
0	0	0	0	0	0	0	0	14,120
0	0	0	0	0	0	0	0	314,846
0	0	0	0	0	0	0	0	1,797,004
0	0	8,965	0	0	12,000	0	29,822	1,548,159
<u>24,282</u>	<u>83,717</u>	<u>1,320,010</u>	<u>53,481</u>	<u>24,427</u>	<u>736,278</u>	<u>21,186</u>	<u>159,547</u>	<u>6,177,226</u>
<u>718</u>	<u>(25,731)</u>	<u>(58,265)</u>	<u>(480)</u>	<u>5,142</u>	<u>61,579</u>	<u>(3,508)</u>	<u>(11,163)</u>	<u>(73,096)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>210,000</u>
718	(25,731)	(58,265)	(480)	5,142	61,579	(3,508)	(11,163)	136,904
(1,458)	25,731	(27,720)	480	(8,745)	(36,732)	(433)	11,918	588,478
<u>\$ (740)</u>	<u>\$ 0</u>	<u>\$ (85,985)</u>	<u>\$ 0</u>	<u>\$ (3,603)</u>	<u>\$ 24,847</u>	<u>\$ (3,941)</u>	<u>\$ 755</u>	<u>\$ 725,382</u>

Combining Statements – Internal Service Funds

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

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

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

Shaker Heights City School District
Cuyahoga County, Ohio
Combining Statement of Fund Net Position
Internal Service Funds
June 30, 2015

	Self Insurance	Workers' Compensation Reserve	Total Internal Service
Assets			
<i>Current Assets</i>			
Equity in Pooled Cash and Investments	\$ 5,946,352	\$ 811,065	\$ 6,757,417
<i>Total Assets</i>	<u>5,946,352</u>	<u>811,065</u>	<u>6,757,417</u>
Liabilities			
<i>Current Liabilities</i>			
Claims Payable	0	189,751	189,751
<i>Total Current Liabilities</i>	<u>0</u>	<u>189,751</u>	<u>189,751</u>
<i>Long-Term Liabilities</i>			
Claims Payable - net of Current Portion	506,000	621,314	1,127,314
<i>Total Long-Term Liabilities</i>	<u>506,000</u>	<u>621,314</u>	<u>1,127,314</u>
<i>Total Liabilities</i>	<u>506,000</u>	<u>811,065</u>	<u>1,317,065</u>
Net Position			
Unrestricted	5,440,352	0	5,440,352
<i>Total Net Position</i>	<u>\$ 5,440,352</u>	<u>\$ 0</u>	<u>\$ 5,440,352</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2015

	Self Insurance	Workers' Compensation Reserve	Total Internal Service
Operating Revenues			
Charges for Services	\$ 9,578,555	\$ 192,914	\$ 9,771,469
Operating Expenses			
Purchased Services	1,691,957	0	1,691,957
Claims	8,381,860	192,914	8,574,774
Other	64,516	0	64,516
<i>Total Operating Expenses</i>	<u>10,138,333</u>	<u>192,914</u>	<u>10,331,247</u>
<i>Operating Income (Loss)</i>	(559,778)	0	(559,778)
<i>Net Position Beginning of Year</i>	<u>6,000,130</u>	<u>0</u>	<u>6,000,130</u>
<i>Net Position End of Year</i>	<u>\$ 5,440,352</u>	<u>\$ 0</u>	<u>\$ 5,440,352</u>

Shaker Heights City School District
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2015

	Self Insurance	Workers' Compensation Reserve	Total Internal Service
Cash Flows From Operating Activities			
Cash Received from Interfund Services Provided	\$ 9,578,555	\$ 192,914	\$ 9,771,469
Cash Paid for Goods and Services	(1,823,173)	0	(1,823,173)
Cash Paid for Claims	(8,656,660)	(142,078)	(8,798,738)
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>(901,278)</u>	<u>50,836</u>	<u>(850,442)</u>
<i>Net Increase (Decrease) in Cash and Investments</i>	(901,278)	50,836	(850,442)
<i>Cash and Investments Beginning of Year</i>	<u>6,847,630</u>	<u>760,229</u>	<u>7,607,859</u>
<i>Cash and Investments End of Year</i>	<u>\$ 5,946,352</u>	<u>\$ 811,065</u>	<u>\$ 6,757,417</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities			
Operating Income (Loss)	\$ (559,778)	\$ 0	\$ (559,778)
Adjustments:			
Increase (Decrease) in Liabilities:			
Accounts Payable	(66,700)	0	(66,700)
Claims Payable	(274,800)	50,836	(223,964)
<i>Total Adjustments</i>	<u>(341,500)</u>	<u>50,836</u>	<u>(290,664)</u>
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>\$ (901,278)</u>	<u>\$ 50,836</u>	<u>\$ (850,442)</u>

Combining Statements - Fiduciary Funds

Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental, 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 Managed Activities – This fund reflects resources that belong to the student bodies of the various schools.

Shaker Heights City School District
Cuyahoga County, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended June 30, 2015

	Balance 6/30/2014	Additions	Deletions	Balance 6/30/2015
<u>Rotary</u>				
Assets				
Equity in Pooled Cash and Investments	\$ 215,827	\$ 200,570	\$ 189,826	\$ 226,571
Accounts Receivable	460	458	460	458
Total Assets	<u>\$ 216,287</u>	<u>\$ 201,028</u>	<u>\$ 190,286</u>	<u>\$ 227,029</u>
Liabilities				
Intergovernmental Payable	\$ 157	\$ 0	\$ 157	\$ 0
Undistributed Monies	216,130	10,899	0	227,029
Total Liabilities	<u>\$ 216,287</u>	<u>\$ 10,899</u>	<u>\$ 157</u>	<u>\$ 227,029</u>
<u>Student Managed Activities</u>				
Assets				
Equity in Pooled Cash and Investments	\$ 143,535	\$ 274,291	\$ 236,111	\$ 181,715
Accounts Receivable	2,103	534	2,103	534
Total Assets	<u>\$ 145,638</u>	<u>\$ 274,825</u>	<u>\$ 238,214</u>	<u>\$ 182,249</u>
Liabilities				
Accounts Payable	\$ 0	\$ 3,260	\$ 0	\$ 3,260
Due to Students	145,638	33,351	0	178,989
Total Liabilities	<u>\$ 145,638</u>	<u>\$ 36,611</u>	<u>\$ 0</u>	<u>\$ 182,249</u>
<u>Totals</u>				
Assets				
Equity in Pooled Cash and Investments	\$ 359,362	\$ 474,861	\$ 425,937	\$ 408,286
Accounts Receivable	2,563	992	2,563	992
Total Assets	<u>\$ 361,925</u>	<u>\$ 475,853</u>	<u>\$ 428,500</u>	<u>\$ 409,278</u>
Liabilities				
Accounts Payable	\$ 0	\$ 3,260	\$ 0	\$ 3,260
Intergovernmental Payable	157	0	157	0
Undistributed Monies	216,130	10,899	0	227,029
Due to Students	145,638	33,351	0	178,989
Total Liabilities	<u>\$ 361,925</u>	<u>\$ 47,510</u>	<u>\$ 157</u>	<u>\$ 409,278</u>

**Individual Fund Schedules of Revenues, Expenditures/Expenses and
Changes in Fund Balance/Net Position – Budget (Non-GAAP Basis)
and Actual Governmental/Proprietary Funds – Major and
Nonmajor**

SHAKER HEIGHTS CITY SCHOOL DISTRICT
Cuyahoga County, Ohio

Funds being reported as part of the General Fund

Uniform School Supplies - This fund accounts for and reports the purchase and sale of school supplies assigned for school purposes or activities connected with the school.

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

Shaker Merchandise - This fund accounts for and reports funds received from the sale of merchandise to students, faculty, staff and the community which is assigned to purchase additional merchandise.

Fringe Benefits – This fund accumulates and pays employer share of non-health care fringe benefits.

Major Building Fund

Building Fund - This fund accounts for revenues restricted for various capital improvements within the School District.

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Uniform School Supplies
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Tuition and Fees	\$ 114,500	\$ 91,773	\$ (22,727)
Miscellaneous	15,500	0	(15,500)
<i>Total Revenues</i>	<u>130,000</u>	<u>91,773</u>	<u>(38,227)</u>
Expenditures			
Current:			
Instruction:			
Regular	<u>130,000</u>	<u>85,064</u>	<u>44,936</u>
<i>Net Change in Fund Balance</i>	0	6,709	6,709
<i>Fund Balance Beginning of Year</i>	<u>1,482</u>	<u>1,482</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 1,482</u>	<u>\$ 8,191</u>	<u>\$ 6,709</u>

Shaker Heights City School District
Cuyahoga County, Ohio
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, 2015

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Investment Income	\$ 64	\$ 64	\$ 0
Tuition and Fees	55,834	55,834	0
Extracurricular Activities	149,831	118,364	(31,467)
Contributions and Donations	17,137	17,137	0
Miscellaneous	27,134	27,134	0
<i>Total Revenues</i>	<u>250,000</u>	<u>218,533</u>	<u>(31,467)</u>
Expenditures			
Current:			
Instruction:			
Regular	167,942	141,431	26,511
Support Services:			
Administration	22,358	22,358	0
Pupil Transportation	8,720	8,720	0
Extracurricular Activities	55,924	23,924	32,000
<i>Total Expenditures</i>	<u>254,944</u>	<u>196,433</u>	<u>58,511</u>
<i>Net Change in Fund Balance</i>	(4,944)	22,100	27,044
<i>Fund Balance Beginning of Year</i>	108,985	108,985	0
Prior Year Encumbrances Appropriated	4,942	4,942	0
<i>Fund Balance End of Year</i>	<u>\$ 108,983</u>	<u>\$ 136,027</u>	<u>\$ 27,044</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Shaker Merchandise
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Charges for Services	\$ 0	\$ 122	\$ 122
Miscellaneous	15,000	8,246	(6,754)
<i>Total Revenues</i>	<u>15,000</u>	<u>8,368</u>	<u>(6,632)</u>
Expenditures			
Current:			
Support Services:			
Business	20,011	12,869	7,142
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(5,011)</u>	<u>(4,501)</u>	<u>510</u>
Other Financing Sources (Uses)			
Transfers In	5,000	10,000	5,000
<i>Net Change in Fund Balance</i>	(11)	5,499	5,510
<i>Fund Balance Beginning of Year</i>	3,061	3,061	0
Prior Year Encumbrances Appropriated	12	12	0
<i>Fund Balance End of Year</i>	<u>\$ 3,062</u>	<u>\$ 8,572</u>	<u>\$ 5,510</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Fringe Benefits
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Charges for Services	\$ 0	\$ 41,601	\$ 41,601
Miscellaneous	161,012	40,660	(120,352)
<i>Total Revenues</i>	<u>161,012</u>	<u>82,261</u>	<u>(78,751)</u>
Expenditures			
Current:			
Support Services:			
Fiscal	161,012	16,649	144,363
<i>Net Change in Fund Balance</i>	0	65,612	65,612
<i>Fund Balance Beginning of Year</i>	<u>1,586,068</u>	<u>1,586,068</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 1,586,068</u>	<u>\$ 1,651,680</u>	<u>\$ 65,612</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Building
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Investment Income	\$ 1,438	\$ 1,438	\$ 0
Contributions and Donations	124,300	124,300	0
Miscellaneous	116,061	55,170	(60,891)
<i>Total Revenues</i>	<u>241,799</u>	<u>180,908</u>	<u>(60,891)</u>
Expenditures			
Current:			
Instruction:			
Regular	146,753	146,753	0
Support Services:			
Business	60,188	60,188	0
Capital Outlay	1,509,469	337,672	1,171,797
Debt Service:			
Principal Retirement	95,000	95,000	0
Interest and Fiscal Charges	17,250	17,250	0
<i>Total Expenditures</i>	<u>1,828,660</u>	<u>656,863</u>	<u>1,171,797</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,586,861)</u>	<u>(475,955)</u>	<u>1,110,906</u>
Other Financing Sources (Uses)			
Proceeds from Sale of Capital Assets	1,500	1,500	0
Insurance Recoveries	18,245	18,245	0
<i>Total Other Financing Sources (Uses)</i>	<u>19,745</u>	<u>19,745</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,567,116)	(456,210)	1,110,906
<i>Fund Balance Beginning of Year</i>	2,704,717	2,704,717	0
Prior Year Encumbrances Appropriated	327,113	327,113	0
<i>Fund Balance End of Year</i>	<u>\$ 1,464,714</u>	<u>\$ 2,575,620</u>	<u>\$ 1,110,906</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Food Service
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Intergovernmental	\$ 870,892	\$ 870,892	\$ 0
Investment Income	275	275	0
Charges for Services	967,488	810,998	(156,490)
Miscellaneous	61,346	61,828	482
<i>Total Revenues</i>	<u>1,900,001</u>	<u>1,743,993</u>	<u>(156,008)</u>
Expenditures			
Current:			
Operation of Non-Instructional Services:			
Food Service Operations	<u>2,222,220</u>	<u>1,983,459</u>	<u>238,761</u>
<i>Net Change in Fund Balance</i>	(322,219)	(239,466)	82,753
<i>Fund Balance Beginning of Year</i>	142,779	142,779	0
Prior Year Encumbrances Appropriated	<u>222,218</u>	<u>222,218</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 42,778</u>	<u>\$ 125,531</u>	<u>\$ 82,753</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Local Grants
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Intergovernmental	\$ 36,806	\$ 27,798	\$ (9,008)
Investment Income	30	23	(7)
Contributions and Donations	51,594	4,450	(47,144)
Miscellaneous	11,569	35,712	24,143
<i>Total Revenues</i>	<u>99,999</u>	<u>67,983</u>	<u>(32,016)</u>
Expenditures			
Current:			
Instruction:			
Regular	69,320	48,932	20,388
Support Services:			
Pupils	6,050	6,050	0
Instructional Staff	30,641	30,641	0
Extracurricular Activities	393	393	0
<i>Total Expenditures</i>	<u>106,404</u>	<u>86,016</u>	<u>20,388</u>
<i>Net Change in Fund Balance</i>	(6,405)	(18,033)	(11,628)
<i>Fund Balance Beginning of Year</i>	41,704	41,704	0
Prior Year Encumbrances Appropriated	4,580	4,580	0
<i>Fund Balance End of Year</i>	<u>\$ 39,879</u>	<u>\$ 28,251</u>	<u>\$ (11,628)</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Athletics
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Extracurricular Activities	\$ 171,388	\$ 171,388	\$ 0
Contributions and Donations	655	655	0
Miscellaneous	(7,043)	1,990	9,033
<i>Total Revenues</i>	<u>165,000</u>	<u>174,033</u>	<u>9,033</u>
Expenditures			
Current:			
Support Services:			
Operation and Maintenance of Plant	47,788	14,478	33,310
Extracurricular Activities	334,469	334,410	59
<i>Total Expenditures</i>	<u>382,257</u>	<u>348,888</u>	<u>33,369</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(217,257)</u>	<u>(174,855)</u>	<u>42,402</u>
Other Financing Sources (Uses)			
Transfers In	<u>210,000</u>	<u>210,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(7,257)	35,145	42,402
<i>Fund Balance Beginning of Year</i>	85,194	85,194	0
Prior Year Encumbrances Appropriated	<u>7,251</u>	<u>7,251</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 85,188</u>	<u>\$ 127,590</u>	<u>\$ 42,402</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Auxiliary Services
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Intergovernmental	\$ 1,544,779	\$ 1,573,920	\$ 29,141
Investment Income	321	321	0
<i>Total Revenues</i>	<u>1,545,100</u>	<u>1,574,241</u>	<u>29,141</u>
Expenditures			
Current:			
Operation of Non-Instructional Services:			
Community Services	<u>2,018,330</u>	<u>1,865,130</u>	<u>153,200</u>
<i>Net Change in Fund Balance</i>	(473,230)	(290,889)	182,341
<i>Fund Balance Beginning of Year</i>	194,021	194,021	0
Prior Year Encumbrances Appropriated	<u>279,287</u>	<u>279,287</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 78</u>	<u>\$ 182,419</u>	<u>\$ 182,341</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Data Communications
For the Fiscal Year Ended June 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
Revenues			
Intergovernmental	\$ 14,400	\$ 14,400	\$ 0
Expenditures			
Current:			
Support Services:			
Fiscal	14,400	14,400	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Alternative Schools
For the Fiscal Year Ended June 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
Revenues			
Intergovernmental	\$ 51,845	\$ 50,856	\$ (989)
Expenditures			
Current:			
Instruction:			
Regular	39,011	39,011	0
<i>Net Change in Fund Balance</i>	12,834	11,845	(989)
<i>Fund Balance Beginning of Year</i>	(11,845)	(11,845)	0
<i>Fund Balance End of Year</i>	<u>\$ 989</u>	<u>\$ 0</u>	<u>\$ (989)</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Parent Mentor Grant
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Intergovernmental	\$ 30,000	\$ 24,014	\$ (5,986)
Expenditures			
Current:			
Support Services:			
Instructional Staff	25,439	24,453	986
<i>Net Change in Fund Balance</i>	4,561	(439)	(5,000)
<i>Fund Balance Beginning of Year</i>	439	439	0
<i>Fund Balance End of Year</i>	\$ 5,000	\$ 0	\$ (5,000)

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Race to the Top
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Intergovernmental	\$ 65,479	\$ 62,536	\$ (2,943)
Expenditures			
Current:			
Support Services:			
Instructional Staff	84,897	84,897	0
Administration	1,555	1,555	0
<i>Total Expenditures</i>	<u>86,452</u>	<u>86,452</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(20,973)	(23,916)	(2,943)
<i>Fund Balance Beginning of Year</i>	16,645	16,645	0
Prior Year Encumbrances Appropriated	<u>7,271</u>	<u>7,271</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 2,943</u>	<u>\$ 0</u>	<u>\$ (2,943)</u>

Shaker Heights City School District
Cuyahoga County, Ohio
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, 2015

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Intergovernmental	\$ 1,375,843	\$ 1,188,274	\$ (187,569)
Expenditures			
Current:			
Instruction:			
Special	1,346,172	1,071,236	274,936
Student Intervention Services	62,866	182,970	(120,104)
Operation of Non-Instructional Services:			
Community Services	42,025	17,605	24,420
<i>Total Expenditures</i>	<u>1,451,063</u>	<u>1,271,811</u>	<u>179,252</u>
<i>Net Change in Fund Balance</i>	(75,220)	(83,537)	(8,317)
<i>Fund Balance Beginning of Year</i>	45,428	45,428	0
Prior Year Encumbrances Appropriated	<u>48,383</u>	<u>48,383</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 18,591</u>	<u>\$ 10,274</u>	<u>\$ (8,317)</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Title I School Improvement
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Intergovernmental	\$ 55,000	\$ 53,000	\$ (2,000)
Expenditures			
Current:			
Instruction:			
Student Intervention Services	53,000	53,000	0
Support Services:			
Instructional Staff	480	480	0
<i>Total Expenditures</i>	<u>53,480</u>	<u>53,480</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	1,520	(480)	(2,000)
<i>Fund Balance Beginning of Year</i>	<u>480</u>	<u>480</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 2,000</u>	<u>\$ 0</u>	<u>\$ (2,000)</u>

Shaker Heights City School District
Cuyahoga County, Ohio
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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
Revenues			
Intergovernmental	\$ 35,495	\$ 28,891	\$ (6,604)
Expenditures			
Current:			
Instruction:			
Special	31,139	27,607	3,532
Support Services:			
Instructional Staff	861	789	72
Operation of Non-Instructional Services:			
Community Services	1,000	0	1,000
<i>Total Expenditures</i>	<u>33,000</u>	<u>28,396</u>	<u>4,604</u>
<i>Net Change in Fund Balance</i>	2,495	495	(2,000)
<i>Fund Balance Beginning of Year</i>	<u>(495)</u>	<u>(495)</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 2,000</u>	<u>\$ 0</u>	<u>\$ (2,000)</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Title I
For the Fiscal Year Ended June 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
Revenues			
Intergovernmental	\$ 905,000	\$ 691,604	\$ (213,396)
Expenditures			
Current:			
Instruction:			
Regular	41,094	39,909	1,185
Special	718,292	569,127	149,165
Support Services:			
Pupils	136,752	99,380	37,372
Instructional Staff	76,130	48,701	27,429
Operation of Non-Instructional Services:			
Community Services	12,779	12,000	779
<i>Total Expenditures</i>	<u>985,047</u>	<u>769,117</u>	<u>215,930</u>
<i>Net Change in Fund Balance</i>	(80,047)	(77,513)	2,534
<i>Fund Balance Beginning of Year</i>	97,204	97,204	0
Prior Year Encumbrances Appropriated	12,432	12,432	0
<i>Fund Balance End of Year</i>	<u>\$ 29,589</u>	<u>\$ 32,123</u>	<u>\$ 2,534</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Preschool Disability
For the Fiscal Year Ended June 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
Revenues			
Intergovernmental	\$ 19,000	\$ 17,070	\$ (1,930)
Expenditures			
Current:			
Instruction:			
Special	17,677	17,070	607
<i>Net Change in Fund Balance</i>	1,323	0	(1,323)
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 1,323</u>	<u>\$ 0</u>	<u>\$ (1,323)</u>

Shaker Heights City School District
Cuyahoga County, Ohio
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, 2015

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Intergovernmental	\$ 168,805	\$ 156,046	\$ (12,759)
Expenditures			
Current:			
Support Services:			
Instructional Staff	131,456	130,436	1,020
Operation of Non-Instructional Services:			
Community Services	45,107	38,364	6,743
<i>Total Expenditures</i>	<u>176,563</u>	<u>168,800</u>	<u>7,763</u>
<i>Net Change in Fund Balance</i>	(7,758)	(12,754)	(4,996)
<i>Fund Balance Beginning of Year</i>	(9,303)	(9,303)	0
Prior Year Encumbrances Appropriated	<u>22,119</u>	<u>22,119</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 5,058</u>	<u>\$ 62</u>	<u>\$ (4,996)</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Bond Retirement
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Property and Other Local Taxes	\$ 2,238,982	\$ 2,308,303	\$ 69,321
Intergovernmental	340,000	342,045	2,045
<i>Total Revenues</i>	<u>2,578,982</u>	<u>2,650,348</u>	<u>71,366</u>
Expenditures			
Current:			
Support Services:			
Fiscal	149,370	48,167	101,203
Debt Service:			
Principal Retirement	1,900,000	1,900,000	0
Interest and Fiscal Charges	594,178	594,178	0
Issuance Costs	62,500	62,500	0
<i>Total Expenditures</i>	<u>2,706,048</u>	<u>2,604,845</u>	<u>101,203</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(127,066)</u>	<u>45,503</u>	<u>172,569</u>
Other Financing Sources (Uses)			
Refunding Bonds Issued	0	5,345,000	5,345,000
Premium on Refunding Bonds Issued	0	716,541	716,541
Payment to Refunded Bond Escrow Agent	(5,998,250)	(5,998,250)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(5,998,250)</u>	<u>63,291</u>	<u>6,061,541</u>
<i>Net Change in Fund Balance</i>	(6,125,316)	108,794	6,234,110
<i>Fund Balance Beginning of Year</i>	2,724,207	2,724,207	0
Prior Year Encumbrances Appropriated	6,050	6,050	0
<i>Fund Balance End of Year</i>	<u>\$ (3,395,059)</u>	<u>\$ 2,839,051</u>	<u>\$ 6,234,110</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenses, and Changes in Fund Net Position -
Self Insurance
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Over (Under)
Operating Revenues			
Charges for Services	\$ 11,500,000	\$ 9,578,555	\$ (1,921,445)
Operating Expenses			
Purchased Services	1,758,657	1,758,657	0
Claims	9,176,828	8,656,660	520,168
Other	64,516	64,516	0
<i>Total Operating Expenses</i>	<u>11,000,001</u>	<u>10,479,833</u>	<u>520,168</u>
<i>Change in Net Position</i>	499,999	(901,278)	(1,401,277)
<i>Net Position Beginning of Year</i>	<u>6,847,630</u>	<u>6,847,630</u>	<u>0</u>
<i>Net Position End of Year</i>	<u>\$ 7,347,629</u>	<u>\$ 5,946,352</u>	<u>\$ (1,401,277)</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenses, and Changes in Fund Net Position -
Workers' Compensation Reserve
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Over (Under)
Operating Revenues			
Charges for Services	\$ 299,999	\$ 192,914	\$ (107,085)
Operating Expenses			
Fringe Benefits	157,921	0	157,921
Claims	142,078	142,078	0
<i>Total Operating Expenses</i>	<u>299,999</u>	<u>142,078</u>	<u>157,921</u>
<i>Change in Net Position</i>	0	50,836	50,836
<i>Net Position Beginning of Year</i>	<u>760,229</u>	<u>760,229</u>	<u>0</u>
<i>Net Position End of Year</i>	<u>\$ 760,229</u>	<u>\$ 811,065</u>	<u>\$ 50,836</u>

This page intentionally left blank

STATISTICAL SECTION

Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	S-2 - S-13
Revenue Capacity These schedules contain information to help the reader understand and assess the factors affecting the School District's ability to generate its most significant local revenue source(s), the property tax.	S-15 - S-26
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	S-27 - S-31
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 and to provide information that facilitates comparisons of financial information over time and among governments.	S-32 - S-34
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	S-36 - S-49

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant fiscal year.

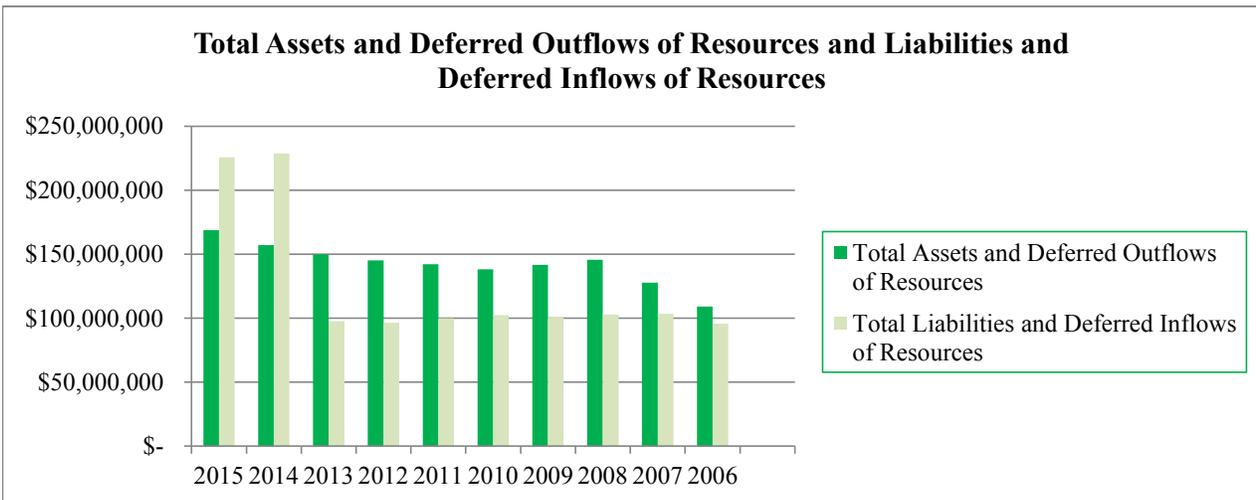
NOTE: With the implementation of GASB No. 54 for fiscal year 2011, there were minor reclassifications of funds (example special revenue funds consolidated with the general fund for GAAP purposes). Amounts are not deemed significant to impact the users of this Section. Prior year amounts also have not been adjusted to reflect this change.

With the implementation of GASB No. 68 in fiscal year 2015, the calculation of pension expense has changed, however, government-wide expenses for 2014 and prior fiscal years were not restated to reflect this change.

Shaker Heights City School District (Cuyahoga County, Ohio)

*Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)*

	2015	Restated 2014	2013	2012
Governmental Activities:				
Net Investment in Capital Assets	\$ 18,703,093	\$ 15,783,429	\$ 13,553,310	\$ 11,315,889
Restricted for:				
Capital Outlay	2,620,380	2,970,535	833,627	1,439,495
Debt Service	3,601,996	3,447,258	3,258,334	2,991,077
Set Asides	353,070	353,070	353,070	353,070
Other Purposes	905,278	719,875	887,667	766,769
Unrestricted	<u>(83,122,366)</u>	<u>(94,875,293)</u>	<u>33,317,054</u>	<u>31,719,973</u>
Total Governmental Activities Net Position	<u>\$ (56,938,549)</u>	<u>\$ (71,601,126)</u>	<u>\$ 52,203,062</u>	<u>\$ 48,586,273</u>



Source: School District financial records.

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 11,398,071	\$ 10,070,839	\$ 8,401,734	\$ 8,694,425	\$ 4,632,987	\$ 2,204,521
1,098,470	1,531,066	1,525,468	99,381	400,300	1,655,509
2,354,956	2,359,850	2,644,458	2,853,551	2,455,559	2,263,055
353,070	353,070	353,070	353,070	353,070	353,070
871,703	830,467	792,242	390,160	797,215	544,543
<u>26,197,012</u>	<u>20,608,691</u>	<u>27,407,164</u>	<u>30,568,922</u>	<u>15,628,893</u>	<u>6,438,744</u>
<u>\$ 42,273,282</u>	<u>\$ 35,753,983</u>	<u>\$ 41,124,136</u>	<u>\$ 42,959,509</u>	<u>\$ 24,268,024</u>	<u>\$ 13,459,442</u>

Shaker Heights City School District (Cuyahoga County, Ohio)

Changes in Net Position of Governmental Activities

Last Ten Fiscal Years

(accrual basis of accounting)

	2015	2014**	2013	2012
Expenses				
Instruction:				
Regular	\$ 37,934,442	\$ 34,580,662	\$ 34,461,051	\$ 34,798,586
Special	14,015,953	15,645,258	12,397,536	12,002,923
Career Technical Education (fka Vocational)	89,183	114,533	73,704	150,353
Student Intervention Services	279,587	187,160	94	58,630
Other	328,772	217,011	42,270	8,693
Support Services:				
Pupils	6,346,453	5,812,143	5,556,492	5,594,025
Instructional Staff	3,972,704	3,775,660	7,540,608	7,880,942
Board of Education	37,703	35,491	65,876	18,470
Administration	5,641,359	5,904,079	5,815,470	5,911,138
Fiscal	2,510,802	2,581,225	2,443,694	2,645,931
Business	858,370	780,306	1,085,086	1,043,044
Operation and Maintenance of Plant	10,537,744	11,269,156	13,142,708	12,347,748
Pupil Transportation	4,416,402	5,044,428	4,674,160	4,456,181
Central	1,536,158	1,497,140	1,683,000	1,754,818
Operation of Non-Instructional Services:				
Community Services	1,579,096	1,463,402	1,598,259	1,428,394
Food Service Operations	1,797,004	1,800,930	1,855,816	1,820,200
Extracurricular Activities	1,892,552	2,064,830	1,331,012	1,268,779
Interest and Fiscal Charges	722,584	1,027,810	937,911	1,000,513
Issuance Costs	61,000	0	185,218	0
<i>Total Expenses</i>	<u>94,557,868</u>	<u>93,801,224</u>	<u>94,889,965</u>	<u>94,189,368</u>
Program Revenues				
Charges for Services and Sales				
Instruction:				
Regular	1,178,700	1,188,561	1,222,949	1,226,867
Special	569,851	637,025	626,206	414,873
Career Technical Education (fka Vocational)	0	0	0	0
Other	5,250	5,175	5,700	0
Support Services:				
Pupils	0	0	0	0
Instructional Staff	0	0	0	0
Board of Education	0	0	0	0
Administration	17,723	18,201	0	0
Fiscal	41,723	38,187	15,492	0
Business	0	0	0	0
Operation and Maintenance of Plant	8,252	15,359	10,493	10,708
Pupil Transportation	27,968	18,496	14,711	17,560
Central	0	0	0	0
Operation of Non-Instruction Services:				
Community Services	0	0	0	0
Food Service Operations	872,826	942,432	873,289	888,162
Extracurricular Activities	192,984	143,509	143,031	112,812
Operating Grants, Contributions and Interest				
Instruction:				
Regular	120,967	180,152	68,749	1,175,777
Special	4,107,133	3,858,976	1,029,673	1,094,487
Career Technical Education (fka Vocational)	43,444	44,456	0	0
Student Intervention Services	172,335	304,165	111	57,840
Other	21,416	0	23,851	0
Support Service:				
Pupils	115,244	58,871	0	0
Instructional Staff	299,430	271,907	1,449,321	1,469,327
Board of Education	0	0	0	0
Administration	1,746	3,968	30,074	20,000

2011	2010*	2009	2008	2007	2006
\$ 35,281,264	\$ 37,085,280	\$ 35,379,158	\$ 34,107,481	\$ 33,772,290	\$ 35,310,361
11,964,327	13,428,305	11,824,756	11,332,475	10,931,104	10,607,843
228,758	139,800	242,656	225,025	249,179	261,197
67,198	19,489	0	0	0	0
0	0	0	0	0	0
5,552,562	6,109,276	5,442,866	5,495,125	5,183,166	5,375,507
7,168,686	7,847,850	6,661,050	5,714,875	5,011,630	5,578,777
17,368	22,044	18,690	29,232	16,097	19,423
6,106,215	6,143,839	6,002,432	5,995,614	5,413,913	6,436,016
2,086,303	1,815,190	2,195,814	1,959,745	2,502,091	1,851,290
952,606	933,149	931,242	995,011	831,094	923,004
13,466,665	14,220,532	13,059,730	12,623,322	11,044,168	11,863,117
4,602,302	4,795,694	4,169,665	3,989,689	3,732,632	4,243,701
1,917,495	1,990,523	1,444,784	1,670,621	1,665,801	1,548,776
1,220,198	1,327,646	1,207,237	1,140,592	1,374,292	1,425,671
1,945,696	1,951,783	1,726,334	1,518,386	1,236,661	1,311,946
1,249,690	1,296,624	1,170,726	1,230,898	1,213,896	1,241,147
1,106,286	1,227,205	1,277,952	1,282,207	1,002,654	1,015,691
0	0	0	0	0	0
94,933,619	100,354,229	92,755,092	89,310,298	85,180,668	89,013,467
754,595	1,559,258	789,813	855,900	638,404	692,997
171,178	187,379	202,415	224,936	158,673	178,796
3,471	2,101	4,247	4,720	3,799	4,193
0	0	0	0	0	0
85,442	91,479	102,981	114,444	78,661	88,616
88,670	91,968	80,033	88,939	55,156	63,556
0	336	551	613	236	355
0	93,031	129,968	127,938	82,913	97,895
0	26,440	29,030	32,260	36,415	31,050
0	12,975	16,925	18,990	11,474	15,372
285,446	303,580	300,135	258,411	160,269	275,039
67,464	66,566	78,983	87,773	60,331	74,288
28,892	30,003	29,493	32,775	24,249	24,904
797	755	98,902	103,118	100,717	893
912,327	815,170	800,042	710,786	738,586	750,790
139,488	196,635	110,980	123,035	175,780	172,196
1,463,608	502,626	754,782	1,000,038	860,207	901,271
805,930	1,037,972	925,126	817,586	601,971	62,697
0	0	3,037	2,011	0	0
162,215	31,087	0	0	0	0
0	0	0	0	0	0
50,739	43,226	88,617	79,562	26,600	36,837
1,741,042	1,774,381	1,450,387	1,321,093	1,418,048	1,743,256
0	0	0	261	0	0
0	0	0	63,392	2,458	15,781

(continued)

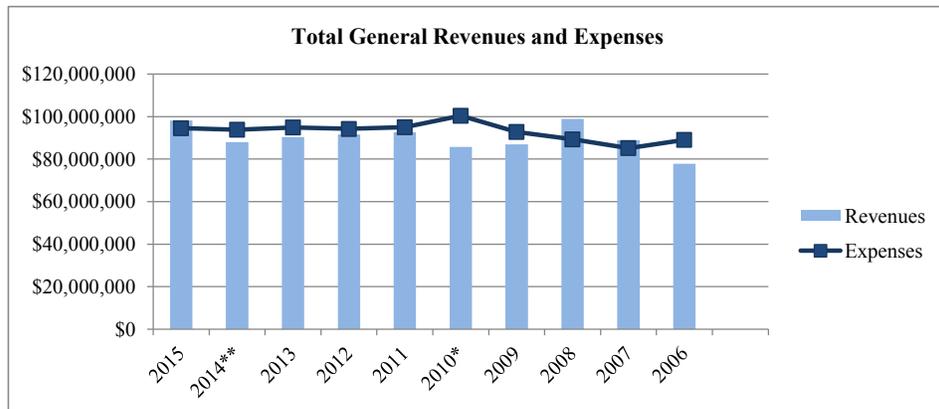
Shaker Heights City School District (Cuyahoga County, Ohio)

Changes in Net Position of Governmental Activities

Last Ten Fiscal Years

(accrual basis of accounting)

	2015	2014**	2013	2012
Fiscal	14,400	14,400	14,400	14,400
Business	0	0	0	38
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	514,785	500,586	0	15,906
Central	0	0	19,717	33,000
Operation of Non-Instruction Services				
Food Service Operations	1,604,904	978,098	979,654	931,912
Community Services	970,556	1,471,119	1,469,438	1,446,234
Extracurricular Activities	2,806	2,717	2,497	6,051
Capital Grants and Contributions				
Instruction:				
Regular	108,900	110,313	50,535	0
Support Service:				
Instructional Staff	0	0	0	0
Business	15,400	0	0	0
Operation and Maintenance of Plant	0	0	0	32,972
Pupil Transportation	0	75,000	102,085	41,965
Total Program Revenues	11,028,743	10,881,673	8,151,976	9,010,891
Net Expense	<u>(83,529,125)</u>	<u>(82,919,551)</u>	<u>(86,737,989)</u>	<u>(85,178,477)</u>
General Revenues				
Property Taxes Levied for:				
General Purposes	70,813,771	61,323,747	63,408,623	64,805,875
Debt Service	2,353,929	2,253,696	2,524,431	2,658,043
Capital Outlay	0	0	0	0
Grants and Entitlements not Restricted to Specific Programs	24,060,541	23,882,775	23,839,415	23,319,363
Investment Earnings	267,160	141,545	124,229	193,986
Unrestricted Contributions and Donations	0	0	0	0
Gain on Sale of Capital Assets	0	0	0	0
Miscellaneous	696,301	343,790	458,080	514,201
Total General Revenues	98,191,702	87,945,553	90,354,778	91,491,468
Extraordinary Item				
Decrease in Delinquent Property Taxes	0	0	0	0
Total General Revenues and Extraordinary Item	98,191,702	87,945,553	90,354,778	91,491,468
Change in Net Position	<u>\$ 14,662,577</u>	<u>\$ 5,026,002</u>	<u>\$ 3,616,789</u>	<u>\$ 6,312,991</u>



*Includes immaterial amounts reclassified for comparison purposes.

**Certain foundation payments for special education and transportation were reclassified to program revenues from general revenue in fiscal year 2015. For comparability purposes, fiscal year 2015 was updated but no years prior to fiscal 2014 reflect this change.

2011	2010*	2009	2008	2007	2006
0	16,000	24,000	41,381	30,618	3,657
0	0	0	8,015	0	0
0	0	164,634	134,036	58,973	65,717
72	45,507	56,487	37,404	0	0
5,000	11,409	22,315	41,050	26,758	15,973
754,440	751,596	687,159	609,352	454,616	426,452
1,189,003	1,294,234	1,304,659	1,311,538	1,224,791	1,272,795
3,290	3,020	19,027	22,008	6,848	20,874
0	30,040	0	0	0	0
0	49,911	0	0	0	0
0	3,829	0	0	0	0
79,489	33,878	276,391	802,694	49,102	142,150
0	124,521	0	0	0	0
<u>8,792,598</u>	<u>9,230,913</u>	<u>8,551,119</u>	<u>9,076,059</u>	<u>7,086,653</u>	<u>7,178,400</u>
<u>(86,141,021)</u>	<u>(91,123,316)</u>	<u>(84,203,973)</u>	<u>(80,234,239)</u>	<u>(78,094,015)</u>	<u>(81,835,067)</u>
63,904,018	56,751,088	56,984,545	69,184,729	60,456,905	51,230,820
2,755,119	2,960,050	3,154,120	3,494,170	3,211,409	2,475,501
0	0	0	0	0	206,688
25,301,197	25,155,226	25,102,989	24,004,932	23,496,372	22,583,373
291,878	532,965	1,303,054	1,831,239	1,625,920	1,147,810
1,090	0	0	0	0	0
18,750	21,600	0	0	0	5,250
388,268	332,234	423,892	410,654	111,991	149,074
<u>92,660,320</u>	<u>85,753,163</u>	<u>86,968,600</u>	<u>98,925,724</u>	<u>88,902,597</u>	<u>77,798,516</u>
0	0	(4,600,000)	0	0	0
<u>92,660,320</u>	<u>85,753,163</u>	<u>82,368,600</u>	<u>98,925,724</u>	<u>88,902,597</u>	<u>77,798,516</u>
<u>\$ 6,519,299</u>	<u>\$ (5,370,153)</u>	<u>\$ (1,835,373)</u>	<u>\$ 18,691,485</u>	<u>\$ 10,808,582</u>	<u>\$ (4,036,551)</u>

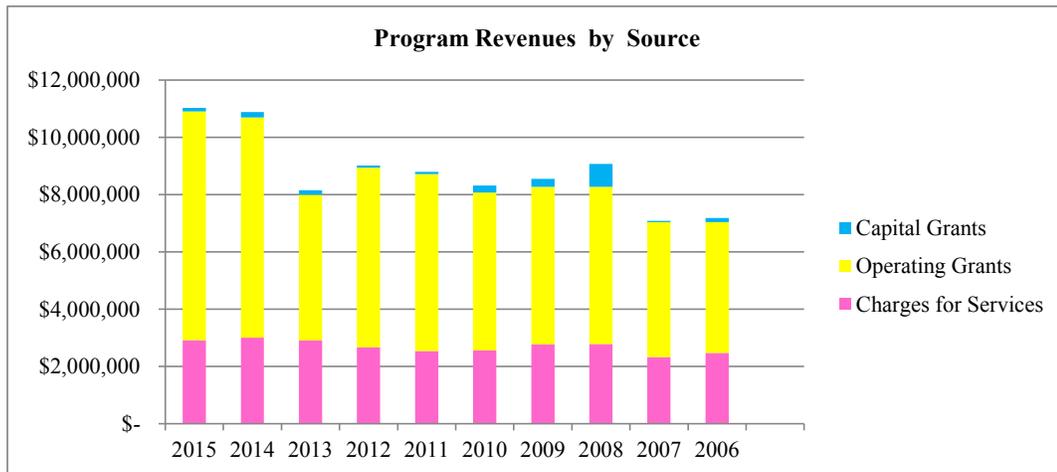
Shaker Heights City School District (Cuyahoga County, Ohio)

Program Revenues of Governmental Activities by Function

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2015	2014*	2013	2012
Governmental Activities				
Instruction:				
Regular	\$ 1,408,567	\$ 1,479,026	\$ 1,342,233	\$ 2,402,644
Special	4,676,984	4,496,001	1,655,879	1,509,360
Career Technical Education (fka Vocational)	43,444	0	0	0
Student Intervention	172,335	304,165	111	57,840
Other	26,666	49,631	29,551	0
Support Services:				
Pupils	115,244	58,871	0	0
Instructional Staff	299,430	271,907	1,449,321	1,469,327
Board of Education	0	0	0	0
Administration	19,469	22,169	30,074	20,000
Fiscal	56,123	52,587	29,892	14,400
Business	15,400	0	0	38
Operation and Maintenance of Plant	8,252	15,359	10,493	43,680
Pupil Transportation	542,753	594,082	116,796	75,431
Central	0	0	19,717	33,000
Operation of Non-Instructional Services				
Food Services	2,477,730	1,920,530	1,852,943	1,820,074
Community Services	970,556	1,471,119	1,469,438	1,446,234
Extracurricular Activities	195,790	146,226	145,528	118,863
Total Program Revenues	\$ 11,028,743	\$ 10,881,673	\$ 8,151,976	\$ 9,010,891



Source: School District financial records.

**Certain foundation payments for special education and transportation were reclassified to program revenues from general revenue in fiscal year 2015. For comparability purposes, fiscal year 2015 was updated but no years prior to fiscal 2014 reflect this change.

2011	2010	2009	2008	2007	2006
\$ 2,218,203	\$ 1,177,111	\$ 1,544,595	\$ 1,855,938	\$ 1,498,611	\$ 1,594,268
977,108	1,225,351	1,127,541	1,042,522	760,644	241,493
3,471	2,101	7,284	6,731	3,799	4,193
162,215	31,087	0	0	0	0
0	0	0	0	0	0
136,181	134,705	191,598	194,006	105,261	125,453
1,829,712	1,916,260	1,530,420	1,410,032	1,473,204	1,806,812
0	336	551	874	236	355
0	93,031	129,968	191,330	85,371	113,676
0	42,440	53,030	73,641	67,033	34,707
0	16,804	16,925	27,005	11,474	15,372
364,935	337,458	741,160	1,195,141	268,344	482,906
67,536	236,594	135,470	125,177	60,331	74,288
33,892	41,412	51,808	73,825	51,007	40,877
1,666,767	1,566,766	1,487,201	1,320,138	1,193,202	1,177,242
1,189,800	1,294,989	1,403,561	1,414,656	1,325,508	1,273,688
142,778	199,655	130,007	145,043	182,628	193,070
<u>\$ 8,792,598</u>	<u>\$ 8,316,100</u>	<u>\$ 8,551,119</u>	<u>\$ 9,076,059</u>	<u>\$ 7,086,653</u>	<u>\$ 7,178,400</u>

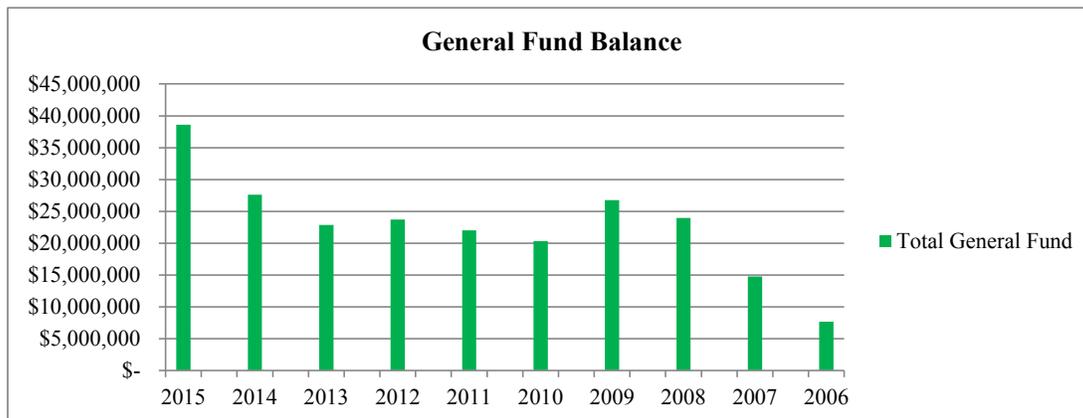
Shaker Heights City School District (Cuyahoga County, Ohio)

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Fund				
Reserved	N/A	N/A	N/A	N/A
Unreserved	N/A	N/A	N/A	N/A
Nonspendable	\$ 178,918	\$ 36,928	\$ 31,267	\$ 268,580
Restricted	353,070	353,070	353,070	353,070
Assigned	7,062,924	4,248,345	7,186,555	8,801,392
Unassigned	<u>31,016,687</u>	<u>22,990,573</u>	<u>15,305,379</u>	<u>14,278,025</u>
Total General Fund	<u>38,611,599</u>	<u>27,628,916</u>	<u>22,876,271</u>	<u>23,701,067</u>
All Other Governmental Funds				
Reserved	N/A	N/A	N/A	N/A
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	N/A	N/A	N/A	N/A
Debt Service Funds	N/A	N/A	N/A	N/A
Capital Projects Funds	N/A	N/A	N/A	N/A
Nonspendable	0	0	0	15,688
Restricted	6,819,790	6,827,709	5,256,580	4,694,602
Unassigned	<u>(94,269)</u>	<u>(75,088)</u>	<u>(185,762)</u>	<u>(177,597)</u>
Total All Other Governmental Funds	<u>6,725,521</u>	<u>6,752,621</u>	<u>5,070,818</u>	<u>4,532,693</u>
Total Governmental Funds	<u>\$ 45,337,120</u>	<u>\$ 34,381,537</u>	<u>\$ 27,947,089</u>	<u>\$ 28,233,760</u>



Source: School District financial records.

Note: The School District implemented GASB 54 during 2011, causing restatement of 2010

2011	2010	2009	2008	2007	2006
N/A	N/A	\$ 14,483,565	\$ 10,969,494	\$ 9,753,040	\$ 8,511,681
N/A	N/A	12,263,251	12,978,966	5,023,594	(828,306)
\$ 382,367	\$ 231,117	N/A	N/A	N/A	N/A
353,070	353,070	N/A	N/A	N/A	N/A
4,455,388	3,988,294	N/A	N/A	N/A	N/A
16,822,882	15,721,703	N/A	N/A	N/A	N/A
<u>22,013,707</u>	<u>20,294,184</u>	<u>26,746,816</u>	<u>23,948,460</u>	<u>14,776,634</u>	<u>7,683,375</u>
N/A	N/A	1,967,505	2,500,917	3,676,195	2,796,510
N/A	N/A	204,836	125,845	248,532	439,345
N/A	N/A	2,050,073	1,996,267	2,045,247	1,904,007
N/A	N/A	4,905,551	6,057,373	6,035,783	2,964,790
14,913	26,884	N/A	N/A	N/A	N/A
5,611,699	7,407,491	N/A	N/A	N/A	N/A
(59,717)	(12,179)	N/A	N/A	N/A	N/A
<u>5,566,895</u>	<u>7,422,196</u>	<u>9,127,965</u>	<u>10,680,402</u>	<u>12,005,757</u>	<u>8,104,652</u>
<u>\$ 27,580,602</u>	<u>\$ 27,716,380</u>	<u>\$ 35,874,781</u>	<u>\$ 34,628,862</u>	<u>\$ 26,782,391</u>	<u>\$ 15,788,027</u>

Shaker Heights City School District (Cuyahoga County, Ohio)
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

	2015	2014	2013	2012
Revenues:				
Property and Other Local Taxes	\$ 72,624,434	\$ 68,568,000	\$ 65,713,209	\$ 65,451,694
Intergovernmental	32,008,748	31,842,442	28,700,726	30,069,477
Investment Income	269,281	142,123	127,601	201,222
Tuition and Fees	1,467,937	1,575,618	1,546,677	1,463,358
Extracurricular Activities	289,637	230,233	240,541	208,345
Contributions and Donations	159,922	204,250	231,664	149,103
Charges for Services	1,009,713	1,066,505	1,068,914	954,513
Rentals	86,023	82,619	49,338	44,805
Miscellaneous	756,480	391,056	447,119	424,503
<i>Total Revenues</i>	<u>108,672,175</u>	<u>104,102,846</u>	<u>98,125,789</u>	<u>98,967,020</u>
Expenditures:				
Current:				
Instruction:				
Regular	38,212,432	36,387,066	35,880,612	35,959,722
Special	14,297,783	15,649,050	12,717,540	12,300,518
Career Technical Education (fka Vocational)	89,183	114,533	73,704	150,353
Student Intervention	287,621	187,160	94	58,630
Other	316,600	205,434	33,577	0
Support Services:				
Pupils	6,531,094	5,834,027	5,755,271	5,819,423
Instructional Staff	4,355,570	3,793,805	8,451,594	7,934,389
Board of Education	37,703	35,491	65,876	18,470
Administration	6,001,378	5,887,217	5,911,936	5,931,338
Fiscal	2,548,226	2,597,966	2,425,772	2,636,142
Business	845,929	771,414	1,060,924	1,015,279
Operation and Maintenance of Plant	10,601,066	11,069,951	12,308,686	12,190,201
Pupil Transportation	4,081,712	5,375,679	4,780,780	4,553,453
Central	1,609,192	1,512,182	1,684,587	1,738,851
Operation of Non-Instructional Services				
Food Service Operations	1,797,004	1,800,930	1,855,816	1,821,836
Community Services	1,595,409	1,698,692	1,553,250	1,309,863
Extracurricular Activities	1,362,333	1,266,029	1,333,436	1,284,671
Capital Outlay	447,920	519,015	4,094,660	1,023,865
Debt Service:				
Principal Retirement	2,075,000	2,200,000	1,780,000	1,639,999
Interest and Fiscal Charges	625,728	765,120	796,253	1,016,556
Bond Issuance Costs	61,000	0	185,218	0
<i>Total Expenditures</i>	<u>97,779,883</u>	<u>97,670,761</u>	<u>102,749,586</u>	<u>98,403,559</u>
Excess of Revenues Over (Under)				
Expenditures	10,892,292	6,432,085	(4,623,797)	563,461
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
Insurance Recoveries	0	2,363	9,343	89,697
General Obligation Bonds Issued	0	0	4,170,000	0
General Obligation Bond Premium	0	0	0	0
General Obligation Notes Issued	0	0	0	0
Refunding Notes Issued	0	0	0	0
Refunding Bonds Issued	5,345,000	0	4,994,310	0
Premium on Debt Issuance	716,541	0	666,714	0
Current Refunding	0	0	0	0
Payment to Refunded Bond Escrow Agent	(5,998,250)	0	(5,503,241)	0
Transfers In	210,000	2,672,528	3,420,000	380,000
Transfers Out	(210,000)	(2,672,528)	(3,420,000)	(380,000)
<i>Total Other Financing Sources (Uses)</i>	<u>63,291</u>	<u>2,363</u>	<u>4,337,126</u>	<u>89,697</u>
<i>Net Change in Fund Balance</i>	<u>\$ 10,955,583</u>	<u>\$ 6,434,448</u>	<u>\$ (286,671)</u>	<u>\$ 653,158</u>
Debt Service as a Percentage of				
Noncapital Expenditures	2.81%	3.15%	2.67%	2.77%

Source: School District financial records.

	2011	2010	2009	2008	2007	2006
\$	64,583,285	\$ 59,520,754	\$ 61,957,201	\$ 65,224,344	\$ 62,405,545	\$ 54,190,185
	31,223,034	31,186,078	30,598,762	29,558,547	27,980,088	27,216,734
	292,491	533,281	1,308,766	1,844,670	1,625,920	1,147,810
	1,280,795	1,309,955	1,531,239	1,661,400	1,142,301	1,275,721
	187,388	180,539	169,428	171,779	211,365	216,236
	144,487	258,879	293,449	822,575	74,405	193,730
	975,774	919,843	908,080	801,769	825,197	834,854
	93,813	152,526	165,751	149,690	146,800	144,129
	388,268	332,234	423,892	410,654	111,991	149,074
	<u>99,169,335</u>	<u>94,394,089</u>	<u>97,356,568</u>	<u>100,645,428</u>	<u>94,523,612</u>	<u>85,368,473</u>
	35,974,858	36,986,263	34,473,074	33,666,620	33,917,868	34,957,392
	12,238,846	13,431,681	11,725,813	11,338,941	10,986,330	10,567,581
	256,888	148,774	238,210	222,870	247,794	256,939
	135,860	27,498	0	0	0	0
	0	0	0	0	0	0
	5,662,710	6,022,897	5,467,430	5,424,438	5,185,243	5,351,841
	7,425,293	7,658,963	6,606,883	5,643,430	4,944,882	5,521,803
	17,368	22,044	18,690	29,232	16,097	19,423
	6,095,570	6,176,169	5,920,108	5,901,551	5,358,212	5,827,818
	2,076,537	1,798,079	2,181,027	1,630,945	2,453,694	1,838,791
	892,163	866,581	903,256	906,739	767,079	911,179
	12,653,515	13,334,421	12,124,552	12,186,506	10,347,581	11,247,987
	4,366,501	4,405,761	4,191,598	4,191,485	3,951,396	4,453,502
	1,909,388	1,975,604	1,357,533	1,620,601	1,628,239	1,485,332
	1,970,089	1,952,226	1,725,336	1,512,621	1,234,851	1,310,623
	1,274,679	1,422,655	1,090,029	1,418,516	1,174,103	1,296,494
	1,263,758	1,294,898	1,156,763	1,217,636	1,202,682	1,230,648
	1,329,425	1,455,100	3,463,331	7,388,359	5,313,843	4,503,634
	2,484,995	2,979,017	7,185,976	2,300,000	2,200,000	1,154,230
	1,276,670	1,215,459	1,281,044	1,198,467	909,172	971,212
	0	0	107,962	0	188,041	0
	<u>99,305,113</u>	<u>103,174,090</u>	<u>101,218,615</u>	<u>97,798,957</u>	<u>92,027,107</u>	<u>92,906,429</u>
	(135,778)	(8,780,001)	(3,862,047)	2,846,471	2,496,505	(7,537,956)
	0	21,600	0	0	0	0
	0	0	0	0	0	0
	0	0	4,999,999	0	14,200,582	0
	0	0	107,967	0	310,117	0
	0	600,000	0	5,000,000	0	0
	0	0	500,000	500,000	500,000	570,000
	0	0	0	0	0	0
	0	0	0	0	0	0
	0	0	(500,000)	(500,000)	(570,000)	(570,000)
	0	0	0	0	(5,942,840)	0
	400,000	475,000	475,000	175,000	125,000	287,192
	(400,000)	(475,000)	(475,000)	(175,000)	(125,000)	(287,192)
	0	621,600	5,107,966	5,000,000	8,497,859	0
\$	<u>(135,778)</u>	<u>\$ (8,158,401)</u>	<u>\$ 1,245,919</u>	<u>\$ 7,846,471</u>	<u>\$ 10,994,364</u>	<u>\$ (7,537,956)</u>
	3.87%	4.15%	8.81%	3.92%	3.80%	2.40%

(This page intentionally left blank)

Shaker Heights City School District (Cuyahoga County, Ohio)

History of School Operating Levies

For the Years 1933 - 2015

Date	Number of Mills	Number of Years	Votes For	Votes Against	Percentage For	Total Votes Cast	Difference
11/33	3.0	1934	2,975	2,176	57.76%	5,151	799
11/34	5.0	1935	3,358	3,633	48.03%	6,991	(275)
03/35	3.0	1935	1,791	1,042	63.22%	2,833	749
11/35	4.0	1936	4,616	1,852	71.37%	6,468	2,764
11/36	5.0	1937-39	5,479	5,323	50.72%	10,802	156
11/38	5.0	1940-43	5,459	2,303	70.33%	7,762	3,156
11/42	5.0	1944-47	5,763	2,309	71.39%	8,072	3,454
11/44	0.05	1945	11,668	3,350	77.69%	15,018	8,318
11/45	1.0	1946-47	4,736	1,196	79.84%	5,932	3,540
11/46	6.0 Renewal	1948-51	11,445	2,000	85.12%	13,445	9,445
11/47	3.0	1948-51	7,739	2,076	78.85%	9,815	5,663
11/50	10.0 Renewal	1952-55	12,633	3,589	77.88%	16,222	9,044
11/52	2.0	1953-55	15,874	4,145	79.29%	20,019	11,729
11/54	12.0	1956-59	8,659	7,365	54.04%	16,024	1,294
	9.8 Renewal						
	2.2 Additional						
11/57	5.3	1958-59	8,365	4,480	65.12%	12,845	3,885
11/58	17.2 Renewal	1960-64	13,802	4,346	76.05%	18,148	9,456
11/59	3.0	1960-64	7,996	6,040	56.97%	14,036	1,956
11/62	3.43	1963-64	12,845	5,616	69.58%	18,461	7,229
05/64	23.63 Renewal	1965-69	9,692	1,872	83.81%	11,564	7,820
05/65	3.8 Renewal	1966-69	7,970	2,293	77.66%	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	61.82%	6,197	1,465
	31.33 Renewal						
	7.9 Additional						
05/71	8.9 Additional	Continuing	6,016	4,270	58.49%	10,286	1,746
05/74	4.9 Additional	Continuing	5,814	2,524	69.73%	8,338	3,290
06/76	5.5 Additional	Continuing	6,230	3,266	65.61%	9,496	2,964
06/77	12.0 Additional	Continuing	4,644	2,683	63.38%	7,327	1,961
06/79	6.0 Additional	Continuing	3,433	1,795	65.67%	5,228	1,638
06/81	6.5 Additional	Continuing	3,805	2,398	61.34%	6,203	1,407
06/82	6.0 Additional	Continuing	7,190	5,127	58.37%	12,317	2,063
06/83	8.8 Additional	Continuing	4,301	4,572	48.47%	8,873	(271)
08/83	8.8 Additional	Continuing	5,373	4,546	54.17%	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	53.46%	6,758	468
05/92	9.8 Additional	Continuing	6,554	5,106	56.21%	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	67.42%	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
05/14	6.9 Additional	Continuing	4,621	2,913	61.34%	7,534	1,708

Source: Shaker Heights City School District Records.

Shaker Heights City School District (Cuyahoga County, Ohio)

Assessed and Estimated Actual Value of Taxable Property

Last Ten Collection Years

Collection Year	Real Property			Tangible Personal Property	
	Residential/ Agricultural	Commercial/ Industrial/PU	Estimated Actual Value	Assessed Value	Estimated Actual Value
2015	\$ 696,083,470	\$ 72,451,880	\$ 2,195,815,286	\$ 0	\$ 0
2014	701,293,730	77,608,500	2,225,434,943	0	0
2013	702,161,380	78,177,030	2,229,538,314	0	0
2012	765,520,980	80,615,370	2,417,532,429	0	0
2011	775,613,180	81,686,000	2,449,426,229	756,680	12,106,880
2010	776,507,350	85,280,280	2,462,250,371	1,533,160	24,530,560
2009	837,960,590	87,981,190	2,645,547,943	2,081,828	33,309,248
2008	839,801,250	86,307,100	2,646,023,857	3,243,846	51,901,536
2007	843,012,950	90,658,920	2,667,633,914	8,670,762	69,366,096
2006	758,082,460	89,889,340	2,422,776,571	10,227,037	54,544,197

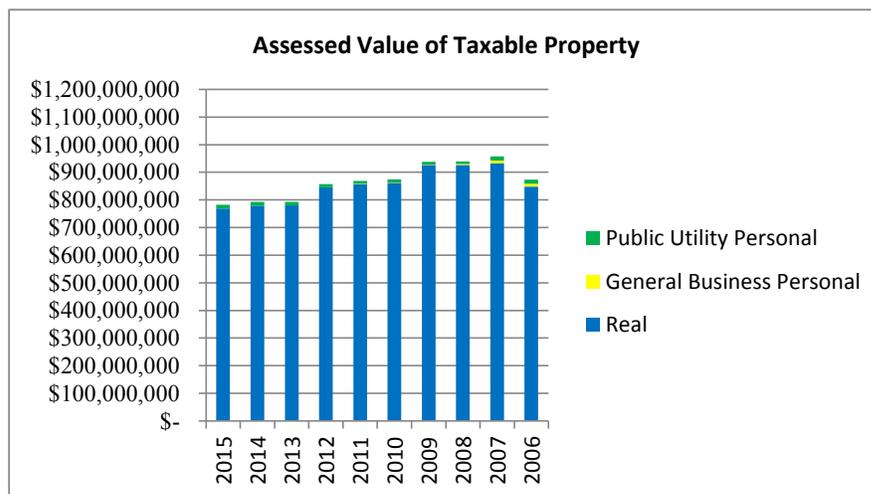
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

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

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generate 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% and 2 1/2% State rollbacks and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10% rollback for commercial/industrial property has been eliminated.

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

Tangible Personal Property		Total			
Public Utility					
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Full Tax Rate Per \$1,000 of Assessed Value	Weighted Average Tax Rate
\$ 14,404,410	\$ 16,368,648	\$ 782,939,760	\$ 2,212,183,933	\$ 186.83	103.27
13,746,470	15,620,989	792,648,700	2,241,055,931	179.93	95.74
12,585,450	14,301,648	792,923,860	2,243,839,962	180.13	95.61
11,663,830	13,254,352	857,800,180	2,430,786,781	180.13	95.61
11,271,270	12,808,261	869,327,130	2,474,341,370	180.13	89.61
11,018,560	12,521,091	874,339,350	2,499,302,022	170.60	79.86
10,337,780	11,747,477	938,361,388	2,690,604,668	170.60	74.92
9,871,720	11,217,864	939,223,916	2,709,143,257	170.30	74.27
15,113,730	17,174,693	957,456,362	2,754,174,703	170.30	75.27
15,778,790	17,930,443	873,977,627	2,495,251,212	160.50	72.51



Shaker Heights City School District (Cuyahoga County, Ohio)

Property Tax Rates - Direct and Overlapping Governments

(per \$1,000 of assessed value)

Last Ten Years

	2015	2014	2013	2012
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	11.435650	11.356927	11.334686	10.405171
Commercial/Industrial	23.820013	22.956754	22.637648	22.029873
Tangible/Public Utility Personal	58.530000	58.530000	58.530000	58.530000
1977 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	2.984100	2.963556	2.957748	2.715192
Commercial/Industrial	5.262120	5.071416	5.000916	4.866648
Tangible/Public Utility Personal	12.000000	12.000000	12.000000	12.000000
1979 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	1.492050	1.481778	1.478874	1.357596
Commercial/Industrial	2.631060	2.535708	2.500458	2.433324
Tangible/Public Utility Personal	6.000000	6.000000	6.000000	6.000000
1981 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	2.471281	2.454270	2.449467	2.248591
Commercial/Industrial	3.383075	3.259822	3.215147	3.128827
Tangible/Public Utility Personal	6.500000	6.500000	6.500000	6.500000
1982 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	2.284920	2.269194	2.264754	2.079030
Commercial/Industrial	3.122928	3.009750	2.967912	2.888226
Tangible/Public Utility Personal	6.000000	6.000000	6.000000	6.000000
1983 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	3.814642	3.788382	3.780964	3.470896
Commercial/Industrial	5.271297	5.080266	5.009646	4.875147
Tangible/Public Utility Personal	8.800000	8.800000	8.800000	8.800000
1986 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	3.454290	3.430515	3.423803	3.143025
Commercial/Industrial	4.978478	4.798058	4.731360	4.604333
Tangible/Public Utility Personal	7.500000	7.500000	7.500000	7.500000
1989 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	5.706667	5.667389	5.656295	5.192442
Commercial/Industrial	7.911491	7.624782	7.518795	7.316935
Tangible/Public Utility Personal	9.800000	9.800000	9.800000	9.800000

	2011	2010	2009	2008	2007	2006
\$	4.100000	\$ 4.100000	\$ 4.100000	\$ 4.100000	\$ 4.100000	\$ 4.100000
	10.296773	10.281400	9.510423	9.474953	9.458097	10.483601
	21.735116	20.939300	20.472975	20.074093	19.841787	20.940688
	58.530000	58.530000	58.530000	58.530000	58.530000	58.530000
	2.686908	2.682900	2.481732	2.472480	2.468076	2.735676
	4.801536	4.625700	4.522704	4.434588	4.383276	4.626036
	12.000000	12.000000	12.000000	12.000000	12.000000	12.000000
	1.343454	1.341500	1.240866	1.236240	1.234038	1.367838
	2.400768	2.312900	2.261352	2.217294	2.191638	2.313018
	6.000000	6.000000	6.000000	6.000000	6.000000	6.000000
	2.225165	2.221800	2.055242	2.047585	2.043938	2.265556
	3.086967	2.973900	2.907710	2.851063	2.818075	2.974153
	6.500000	6.500000	6.500000	6.500000	6.500000	6.500000
	2.057370	2.054300	1.900260	1.893180	1.889814	2.094720
	2.849580	2.745300	2.684106	2.631816	2.601366	2.745438
	6.000000	6.000000	6.000000	6.000000	6.000000	6.000000
	3.434737	3.429600	3.172453	3.160634	3.155011	3.497094
	4.809922	4.633800	4.530610	4.442346	4.390945	4.634133
	8.800000	8.800000	8.800000	8.800000	8.800000	8.800000
	3.110280	3.105600	2.872770	2.862068	2.856975	3.166748
	4.542728	4.376400	4.278938	4.195575	4.147028	4.376708
	7.500000	7.500000	7.500000	7.500000	7.500000	7.500000
	5.138346	5.130700	4.745973	4.728294	4.719886	5.231642
	7.219043	6.954700	6.799838	6.667361	6.590216	6.955217
	9.800000	9.800000	9.800000	9.800000	9.800000	9.800000

(continued)

Shaker Heights City School District (Cuyahoga County, Ohio)

Property Tax Rates - Direct and Overlapping Governments

(per \$1,000 of assessed value)

Last Ten Years

	2015	2014	2013	2012
1990 School Improvement Bonds (\$10,000,000)	0.000000	0.000000	0.269789	0.246694
1992 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	7.127736	7.078677	7.064830	6.485464
Commercial/Industrial	8.889492	8.567336	8.448247	8.221426
Tangible/Public Utility Personal	9.800000	9.800000	9.800000	9.800000
1995 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	6.885702	6.838304	6.824924	6.265235
Commercial/Industrial	8.523068	8.214192	8.100013	7.882548
Tangible/Public Utility Personal	8.700000	8.700000	8.700000	8.700000
1996 School Improvement Bonds (\$12,700,000)	1.036074	1.036074	1.011067	0.988696
2000 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	7.994916	7.939889	7.924350	7.274500
Commercial/Industrial	9.400000	9.103731	8.977188	8.736172
Tangible/Public Utility Personal	9.400000	9.400000	9.400000	9.400000
2003 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	9.221645	9.158170	9.140246	8.390688
Commercial/Industrial	9.600000	9.600000	9.600000	9.600000
Tangible/Public Utility Personal	9.600000	9.600000	9.600000	9.600000
2004 School Improvement Bonds (\$23,500,000)	2.363926	2.363926	2.319144	2.364610
2006 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	9.900000	9.900000	9.900000	9.825780
Commercial/Industrial	9.900000	9.900000	9.900000	9.900000
Tangible/Public Utility Personal	9.900000	9.900000	9.900000	9.900000
2010 Operating - continuing				
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
2014 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	6.900000	0.000000	0.000000	0.000000
Commercial/Industrial	6.900000	0.000000	0.000000	0.000000
Tangible/Public Utility Personal	6.900000	0.000000	0.000000	0.000000
Total Voted Millage by type of property				
Residential/Agricultural	94.973599	87.627051	87.700941	82.353610
Commercial/Industrial	122.893022	113.021815	112.107330	109.983459
Tangible/Public Utility Personal	182.730000	175.830000	176.030000	176.030000

2011	2010	2009	2008	2007	2006
0.253336	0.855177	0.713425	0.747118	0.779070	0.840387
6.417902	6.408300	5.927824	5.905745	5.895239	6.534444
8.111431	7.814500	7.640403	7.491561	7.404880	7.815000
9.800000	9.800000	9.800000	9.800000	9.800000	9.800000
6.199968	6.190700	5.726531	5.705199	5.695055	6.312546
7.777087	7.492400	7.325478	7.182764	7.099661	7.492875
8.700000	8.700000	8.700000	8.700000	8.700000	8.700000
0.982822	0.913267	0.777312	0.808272	1.052726	1.248007
7.198717	7.188000	6.649015	6.624246	6.612468	7.329434
8.619292	8.303700	8.118780	7.960616	7.868514	8.304308
9.400000	9.400000	9.400000	9.400000	9.400000	9.400000
8.303280	8.290900	7.669229	7.640659	7.626701	8.454058
9.600000	9.599300	9.385517	9.202675	9.096202	9.600000
9.600000	9.600000	9.600000	9.600000	9.600000	9.600000
2.363842	2.201556	2.479263	2.114610	1.838204	1.681606
9.723424	9.708900	8.980934	8.947481	8.931572	0.000000
9.900000	9.899300	9.678814	9.490259	9.380458	0.000000
9.900000	9.900000	9.900000	9.900000	9.900000	0.000000
9.900000	0.000000	0.000000	0.000000	0.000000	0.000000
9.900000	0.000000	0.000000	0.000000	0.000000	0.000000
9.900000	0.000000	0.000000	0.000000	0.000000	0.000000
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
81.636324	72.004600	66.903252	66.368764	66.256870	63.243357
108.953470	96.641200	94.577225	92.512011	91.484046	86.547574
176.030000	166.500000	166.500000	166.200000	166.200000	156.400000

(continued)

Shaker Heights City School District (Cuyahoga County, Ohio)

Property Tax Rates - Direct and Overlapping Governments

(per \$1,000 of assessed value)

Last Ten Years

	2015	2014	2013	2012
Total Millage by type of property				
Residential/Agricultural	99.073599	91.727051	91.800941	86.453610
Commercial/Industrial	126.993022	117.121815	116.207330	114.083459
Tangible/Public Utility Personal	186.830000	179.930000	180.130000	180.130000
Total Weighted Average Tax Rate	103.271743	95.743116	95.609226	90.323994
Overlapping Rates by Taxing District				
City of Shaker Heights Charter & Inside Millage	9.900000	9.900000	9.900000	9.900000
City of Cleveland Charter & Inside Millage	12.700000	12.700000	12.700000	12.700000
Shaker Heights Public Library Voted Millage				
Effective Millage Rates				
Residential/Agricultural	4.000000	4.000000	4.000000	4.000000
Commercial/Industrial	4.000000	4.000000	4.000000	4.000000
Tangible/Public Utility Personal	4.000000	4.000000	4.000000	4.000000
Cuyahoga County Voted Millage				
Effective Millage Rates				
Residential/Agricultural	18.164311	17.263900	16.433492	16.303602
Commercial/Industrial	18.122743	17.129160	16.167194	15.913978
Tangible/Public Utility Personal	18.180000	17.280000	16.450000	16.450000
Cleveland Metro Parks				
Effective Millage Rates				
Residential/Agricultural	2.750000	2.750000	1.850000	1.818768
Commercial/Industrial	2.736822	2.704560	1.791705	1.735404
Tangible/Public Utility Personal	2.750000	2.750000	1.850000	1.850000

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented on S - 16 and S - 17 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.

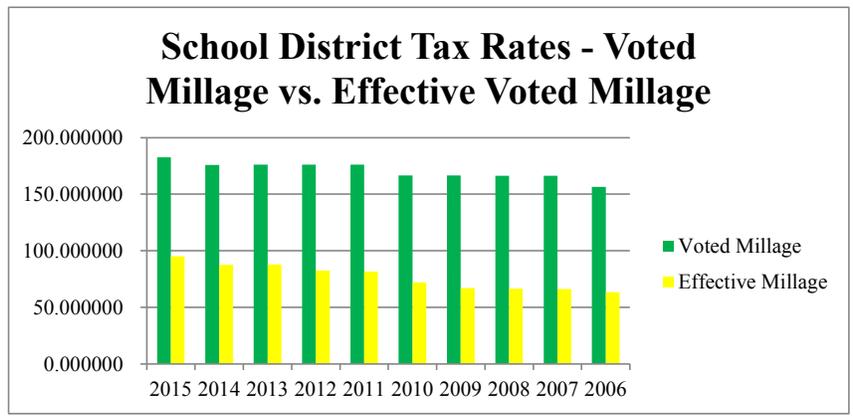
The City School District's basic property tax may be increased only by a majority vote of the City School District's residents.

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.

2011	2010	2009	2008	2007	2006
85.736324	76.104600	71.003252	70.468764	70.356870	67.343357
113.053470	100.741200	98.677225	96.612011	95.584046	90.647574
180.130000	170.600000	170.600000	170.300000	170.300000	160.500000
89.609195	79.864120	74.920000	74.270000	75.270000	72.510000
9.900000	9.900000	9.900000	9.900000	9.900000	9.900000
12.700000	12.700000	12.700000	12.700000	12.700000	12.700000
4.000000	4.000000	4.000000	3.183608	3.177948	3.522524
4.000000	4.000000	4.000000	3.834448	3.790084	4.000000
4.000000	4.000000	4.000000	4.000000	4.000000	4.000000
16.363076	15.878600	16.150600	14.355800	14.351600	14.172700
15.962230	15.533900	15.489300	15.121000	15.171600	15.281400
16.550000	16.250000	16.250000	16.350000	16.350000	16.450000
1.810600	1.806800	1.669800	1.672000	1.671500	1.846500
1.724300	1.724900	1.717100	1.712500	1.718700	1.850000
1.850000	1.850000	1.850000	1.850000	1.850000	1.850000



Shaker Heights City School District (Cuyahoga County, Ohio)
Property Tax Levies and Collections
Last Ten Collection Years

Collection Year (1)	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections	Total Tax Collection	Percent of Total Tax Collections to Current Tax Levy (2)	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Current Tax Levy
2015	\$ 80,969,200	\$ 77,078,636	95.20%	\$ 2,926,304	\$ 80,004,940	98.81%	\$ 7,616,161	9.41%
2014	75,793,048	71,269,220	94.03%	3,227,679	74,496,899	98.29%	7,072,895	9.33%
2013	76,227,182	71,419,872	93.69%	2,890,214	74,310,086	97.49%	10,798,880	14.17%
2012	77,587,212	72,488,048	93.43%	3,203,044	75,691,092	97.56%	9,675,933	12.47%
2011	77,995,834	72,449,988	92.89%	2,838,906	75,288,894	96.53%	9,500,248	12.18%
2010	70,060,762	65,437,178	93.40%	3,141,184	68,578,362	97.88%	9,976,749	14.24%
2009	70,182,682	65,751,724	93.69%	3,168,086	68,919,810	98.20%	8,703,272	12.40%
2008	70,633,574	66,607,428	94.30%	5,596,275	72,203,703	102.22%	5,949,390	8.42%
2007	71,622,535	66,645,731	93.05%	3,687,456	70,333,187	98.20%	13,982,682	19.52%
2006	70,402,802	59,713,108	84.82%	2,763,300	62,476,408	88.74%	6,529,128	9.27%

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

(1)Represents collection year.

(2)The County information does not provide the applicable year when a delinquency is collected. Thus the "total collections" represent the total collections for the year instead of total collections of a particular year. As a result "total collections" as a percent of a total levy can exceed 100% in any particular year.

Shaker Heights City School District (Cuyahoga County, Ohio)

*Principal Taxpayers - Real Property Taxes
2015 and 2006 (1)*

Name of Taxpayer	2015	
	Assessed Valuation	Percent of Real Assessed Value
Shaker MZL LLC	\$ 3,411,460	0.44%
Oliver Family Limited	2,348,290	0.31%
Tower East Operating Association	2,068,330	0.27%
The Residences at Avalon Station	1,997,200	0.26%
Kirt Montlack, LTD	1,976,450	0.26%
Coral Shaker Square LLC	1,768,080	0.23%
Salzberg, Deborah SUC TR	1,309,810	0.17%
Shaker Plaza LTD	1,304,630	0.17%
Shaker Heights Country Club	1,225,010	0.16%
Gator Shaker Heights, LLC	1,102,500	0.14%
Total	\$ 18,511,760	2.41%
<i>Total Assessed Valuation</i>	<i>\$ 768,535,350</i>	

Name of Taxpayer	2006	
	Assessed Valuation	Percent of Real Assessed Value
Tower East Operating Association	\$ 3,781,820	0.45%
Shaker Towne Center LLC	2,653,140	0.31%
Coral Shaker Square LLC	2,025,630	0.24%
Deborah Salzberg	1,333,890	0.16%
Oliver Family Limited	1,901,100	0.22%
Kirt Montlack, LTD	1,811,440	0.21%
Shaker Heights Country Club	1,713,040	0.20%
University Hospitals	1,507,450	0.18%
Livingston Park Apartments	1,379,110	0.16%
Hoban, Edw F Bis of Cleveland	1,274,110	0.15%
Total	\$ 19,380,730	2.28%
<i>Total Assessed Valuation</i>	<i>\$ 847,971,800</i>	

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

(1) The amounts presented represent the assessed values upon which 2015 and 2006 collections were based.

Shaker Heights City School District (Cuyahoga County, Ohio)

Principal Taxpayers - Public Utilities Tax

2015 and 2006 (1)

Name of Taxpayer	2015	
	Assessed Valuation	Percent of Real Assessed Value
Cleveland Electric Illuminating Company	\$ 11,470,370	79.63%
East Ohio Gas Company	1,962,660	13.63%
American Transmission Systems, Inc.	971,380	6.74%
Total	\$ 14,404,410	100.00%
<i>Total Assessed Valuation</i>	<u><u>\$ 14,404,410</u></u>	
Name of Taxpayer	2006	
	Assessed Valuation	Percent of Real Assessed Value
Cleveland Electric Illuminating Company	\$ 7,394,020	46.86%
Ohio Bell Telephone Company	4,405,000	27.92%
East Ohio Gas Company	1,595,420	10.11%
American Transmission Systems, Inc.	695,860	4.41%
Total	\$ 14,090,300	89.30%
<i>Total Assessed Valuation</i>	<u><u>\$ 15,778,790</u></u>	

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

(1) The amounts presented represent the assessed values upon which 2015 and 2006 collections were based.

Shaker Height City School District (Cuyahoga County, Ohio)
 Ratio of Net Bonded Debt to Personal Income and Debt per Capita
 Last Ten Fiscal Years

Net General Bonded Debt									
Collection Year	Population (1)	Estimated Actual Value	Net General Bonded Debt	Ratio of Net General Bonded Debt to Estimated Actual Value	Net Bonded Debt Per Capita	Notes	Total Debt	Personal Income (1)	Total Debt Per Capita
2015	27,790	\$ 2,212,183,933	\$ 18,353,228	0.83%	\$ 660	\$ 0	\$ 18,353,228	1,358,041,720	\$ 660
2014	27,935	2,241,055,931	20,203,564	0.90%	723	0	20,203,564	1,374,821,025	723
2013	28,039	2,243,839,962	22,797,039	1.02%	813	0	22,797,039	1,359,359,232	813
2012	28,366	2,430,786,781	19,911,521	0.82%	702	0	19,911,521	1,359,359,232	702
2011	28,448	2,474,341,370	22,010,774	0.89%	774	0	22,010,774	1,359,359,232	774
2010	29,405	2,499,302,022	23,256,208	0.93%	791	600,000	23,856,208	1,216,014,370	811
2009	29,405	2,690,604,668	25,439,703	0.95%	865	500,000	25,939,703	1,216,014,370	882
2008	29,405	2,709,143,257	22,800,324	0.84%	775	5,500,000	28,300,324	1,216,014,370	962
2007	29,405	2,754,174,702	25,568,925	0.93%	870	570,000	26,138,925	1,216,014,370	889
2006	29,405	2,495,251,212	19,333,502	0.77%	657	570,000	19,903,502	1,216,014,370	677

Source:

(1) Population and Personal income can be found on S - 34.

Shaker Heights City School District (Cuyahoga County, Ohio)
Computation of Legal Debt Margin
Last Ten Fiscal Years

	2015	2014	2013
Total Assessed Valuation (3)	\$ 768,535,350	\$ 778,902,230	\$ 780,338,410
Less Railroad and Telephone Property Valuation	0	0	0
Less General Business Tangible Personal Valuation	0	0	0
Total Assessed Valuation used to Calculate Legal Debt Margin (1)	<u>\$ 768,535,350</u>	<u>\$ 778,902,230</u>	<u>\$ 780,338,410</u>
Debt Limit - 9% of Assessed Value (2)	<u>\$ 69,168,182</u>	<u>\$ 70,101,201</u>	<u>\$ 70,230,457</u>
Amount of Debt Outstanding			
General Obligation Bonds	21,741,217	23,397,172	25,604,657
Bus Acquisition Bond Anticipation Note	0	0	0
Bond Anticipation Note	0	0	0
Less: Amount Available in Debt Service	<u>(3,387,989)</u>	<u>(3,193,608)</u>	<u>(2,807,618)</u>
Total	18,353,228	20,203,564	22,797,039
Exemptions:			
Bus Acquisition Bond Anticipation Note	0	0	0
Amount of Debt Subject to Limit	<u>18,353,228</u>	<u>20,203,564</u>	<u>22,797,039</u>
Overall Debt Margin	<u>\$ 50,814,954</u>	<u>\$ 49,897,637</u>	<u>\$ 47,433,418</u>
Legal Debt Margin as a Percentage of Debt Limit	73.47%	71.18%	67.54%
Unvoted Legal Debt Limit - .10% of Assessed Value (1)	\$ 768,535	\$ 778,902	\$ 780,338
Amount of Debt Subject to Limit	0	0	0
Unvoted Debt Margin	<u>\$ 768,535</u>	<u>\$ 778,902</u>	<u>\$ 780,338</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	100.00%	100.00%
Additional Limit for Unvoted Energy Conservation Improvement Bonds:			
Debt Limit - 1% of Assessed Valuation	\$ 7,685,354	\$ 7,789,022	\$ 7,803,384
Additional Unvoted Debt Margin	<u>\$ 7,685,354</u>	<u>\$ 7,789,022</u>	<u>\$ 7,803,384</u>

Source: Cuyahoga County Fiscal Officer and School District Financial Records

- (1) The definition of tax valuation for the purpose of calculating the debt margin was modified by HB530, effective 3/30/06, to exclude tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations.
- (2) Ohio Bond Law sets a limit of 9 percent for overall debt and 1/10 of 1 percent for unvoted debt.
- (3) Effective fiscal year 2012, the change due to HB 530 was implemented using assessed valuation utilized in the legal debt margin calculation to exclude tangible personal property as well as railroad and telephone tangible property.

2012	2011	2010	2009	2008	2007	2006 (1)
\$ 846,136,350	\$ 869,327,130	\$ 874,339,350	\$ 938,361,388	\$ 939,223,916	\$ 957,456,362	\$ 873,977,627
0	0	0	(2,390,110)	(3,206,440)	0	0
0	(756,680)	(1,533,160)	(2,081,828)	(3,243,846)	(5,428,020)	0
<u>\$ 846,136,350</u>	<u>\$ 868,570,450</u>	<u>\$ 872,806,190</u>	<u>\$ 933,889,450</u>	<u>\$ 932,773,630</u>	<u>\$ 952,028,342</u>	<u>\$ 873,977,627</u>
<u>\$ 76,152,272</u>	<u>\$ 78,171,341</u>	<u>\$ 78,552,557</u>	<u>\$ 84,050,051</u>	<u>\$ 83,949,627</u>	<u>\$ 85,682,551</u>	<u>\$ 78,657,986</u>
22,465,533	23,680,580	25,565,575	28,044,592	25,230,569	28,008,859	21,586,229
0	600,000	600,000	500,000	500,000	570,000	570,000
0	0	0	0	5,000,000	0	0
(2,554,012)	(2,269,806)	(2,309,367)	(2,604,889)	(2,430,245)	(2,439,934)	(2,252,727)
19,911,521	22,010,774	23,856,208	25,939,703	28,300,324	26,138,925	19,903,502
0	(600,000)	(600,000)	(500,000)	(500,000)	(570,000)	(570,000)
19,911,521	21,410,774	23,256,208	25,439,703	27,800,324	25,568,925	19,333,502
<u>\$ 56,240,751</u>	<u>\$ 56,760,567</u>	<u>\$ 55,296,349</u>	<u>\$ 58,610,348</u>	<u>\$ 56,149,303</u>	<u>\$ 60,113,626</u>	<u>\$ 59,324,484</u>
73.85%	72.61%	70.39%	69.73%	66.88%	70.16%	75.42%
\$ 846,136	\$ 868,570	\$ 872,806	\$ 933,889	\$ 932,774	\$ 952,028	\$ 873,978
0	0	0	0	0	0	0
<u>\$ 846,136</u>	<u>\$ 868,570</u>	<u>\$ 872,806</u>	<u>\$ 933,889</u>	<u>\$ 932,774</u>	<u>\$ 952,028</u>	<u>\$ 873,978</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
\$ 8,461,364	\$ 8,693,271	\$ 8,743,394	\$ 9,383,614	\$ 9,392,239	\$ 9,574,564	\$ 8,739,776
<u>\$ 8,461,364</u>	<u>\$ 8,693,271</u>	<u>\$ 8,743,394</u>	<u>\$ 9,383,614</u>	<u>\$ 9,392,239</u>	<u>\$ 9,574,564</u>	<u>\$ 8,739,776</u>

Shaker Heights City School District (Cuyahoga County, Ohio)
Computation of Direct & Overlapping General Obligation Bonded Debt
June 30, 2015

	<u>Debt Outstanding</u>	<u>Percent Overlapping (1)</u>	<u>Amount Applicable to Shaker Heights City School District</u>
Direct:			
Shaker Heights City School District	\$ 18,353,228	100.00%	\$ 18,353,228
Overlapping:			
City of Shaker Heights	17,680,000	100.00%	17,680,000
City of Cleveland	257,565,000	0.85%	2,189,303
Regional Transit Authority	135,834,194	2.82%	3,830,524
Cuyahoga County	193,507,000	2.82%	5,456,897
Total Overlapping	<u>604,586,194</u>		<u>29,156,724</u>
Total Direct and Overlapping	<u>\$ 622,939,422</u>		<u>\$ 47,509,952</u>

Source: Ohio Municipal Advisory Council

(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.

Shaker Heights City School District (Cuyahoga County, Ohio)

History of Bond Issues

For the Years 1912 - 2015

<u>Purpose of Issue</u>	<u>Election Date</u>	<u>Issue Date</u>	<u>Amount of Issue</u>
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
Stadium Improvements	Unvoted	October 30, 2012	830,000
Buses	Unvoted	October 30, 2012	1,000,000
Energy Conservation	Unvoted	October 30, 2012	2,340,000

Source: Shaker Heights City School District.

N/A - Not Available

Note: Excludes refunding bonds issued.

Shaker Heights City School District (Cuyahoga County, Ohio)
*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 (2)	Value of Building Permits Issued (3)
2015	\$ 768,535,350	\$ 49,174,840	\$ 17,053,130
2014	778,902,230	81,141,520	23,356,174
2013	780,338,410	78,170,736	18,209,737
2012	846,136,350	74,277,632	17,546,910
2011	857,299,180	57,887,646	18,513,543
2010	861,787,630	65,192,480	12,832,253
2009	925,941,780	168,829,043	13,570,377
2008	926,108,350	159,000,767	22,193,823
2007	933,671,870	161,139,482	12,992,828
2006	847,971,800	110,547,665	23,288,638

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

- (1) Represents assessed value.
- (2) 2015 data is from the Federal Deposit Insurance Corporation (FDIC). Previous years' data was from the Federal Reserve Bank of Cleveland.
- (3) 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 (Cuyhoga County, Ohio)

Principal Employers

2014 and 2005

2014			
<u>Employer</u>	<u>Nature of Business or Activity</u>	<u>Number of FTE's</u>	<u>Number of W-2's</u>
University Hospitals	Hospital administration	813	1,600
Shaker Heights City School District	Government entity	816	1,410
City of Shaker Heights	Government entity	326	421
Hathaway Brown School	School	190	428
Laurel School	School	167	342
University School (Shaker campus)	School	95	160
Center for Dialysis Care	Health care	80	140
Heinens	Supermarket	65	197
Equity Engineering Group	Engineering	85	98
Total		<u>2,637</u>	<u>4,796</u>
Total Employment within the School District		<u>n/a</u>	<u>n/a</u>

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

Source: Employer survey

(n/a) Information not available.
2014 most recent information available

Shaker Heights City School District (Cuyahoga County, Ohio)

Demographic Statistics

Last Ten Years

Year	Cuyahoga County Population (1)	Shaker Heights City Population (1)	Personal Income	Per Capita Personal Income (1)	School Enrollment	Cuyahoga County Unemployment Rate (2)
2015	1,259,828	27,790	\$ 1,358,041,720	\$ 48,868	5,377	6.7%
2014	1,263,154	27,935	1,374,821,025	49,215	5,343	7.9%
2013	1,280,122	28,039	1,359,359,232	47,784	5,423	8.0%
2012	1,280,122	28,366	1,359,359,232	47,784	5,446	8.0%
2011	1,280,122	28,448	1,359,359,232	47,784	5,490	8.6%
2010	1,363,888	29,405	1,216,014,370	41,354	5,484	9.7%
2009	1,363,888	29,405	1,216,014,370	41,354	5,542	10.2%
2008	1,363,888	29,405	1,216,014,370	41,354	5,482	7.4%
2007	1,363,888	29,405	1,216,014,370	41,354	5,577	6.3%
2006	1,363,888	29,405	1,216,014,370	41,354	5,628	9.6%

Sources:

Years 2011 - 2013 The 2010 Federal Census

Years 2006 - 2010 The 2000 Federal Census

(1) 2014 data from U. S. Census Bureau

(2) 2014 and 2015 data from U. S. Department of Labor for June 2014 and 2015

(This page intentionally left blank)

Shaker Heights City School District (Cuyahoga County, Ohio)

Building Statistics by Function/Program

Last Ten Fiscal Years

	2015	2014	2013	2012
Boulevard Elementary School				
Constructed in 1914				
Total Building Square Footage	48,000	48,000	48,000	48,000
Enrollment Grades K - 4	351	355	360	360
Student Capacity	544	544	544	544
Regular Instruction Classrooms	22	22	22	22
Special Instruction Classrooms	2	2	2	2
Fernway Elementary School				
Constructed in 1927				
Total Building Square Footage	29,925	29,925	29,925	29,925
Enrollment Grades K - 4	352	339	344	356
Student Capacity	366	366	366	366
Regular Instruction Classrooms	15	15	15	15
Special Instruction Classrooms	2	2	2	2
Lomond Elementary School				
Constructed in 1928				
Total Building Square Footage	65,075	65,075	65,075	65,075
Enrollment Grades K - 4	428	449	457	490
Student Capacity	620	620	620	620
Regular Instruction Classrooms	25	25	25	25
Special Instruction Classrooms	3	3	3	3
Mercer Elementary School				
Constructed in 1952				
Total Building Square Footage	70,640	70,640	70,640	70,640
Enrollment Grades K - 4	355	341	381	362
Student Capacity	590	590	590	590
Regular Instruction Classrooms	24	24	24	24
Special Instruction Classrooms	4	4	4	4
Onaway Elementary School				
Constructed in 1923				
Total Building Square Footage	63,700	63,700	63,700	63,700
Enrollment Grades K - 4	49	423	412	433
Student Capacity	606	606	606	606
Regular Instruction Classrooms	23	23	23	23
Special Instruction Classrooms	5	5	5	5
Woodbury Elementary School				
Constructed in 1918				
Total Building Square Footage	138,350	138,350	138,350	138,350
Enrollment Grades 5 - 6	838	821	823	850
Student Capacity	900	900	900	900
Regular Instruction Classrooms	41	41	41	41
Special Instruction Classrooms	8	8	8	8

2011	2010	2009	2008	2007	2006
48,000	48,000	48,000	48,000	48,000	48,000
358	352	339	340	360	393
544	544	544	544	544	544
22	22	22	22	22	21
2	2	2	2	2	3
29,925	29,925	29,925	29,925	29,925	29,925
357	357	342	333	324	313
366	366	366	366	366	366
15	15	15	15	15	16
2	2	2	2	2	1
65,075	65,075	65,075	65,075	65,075	65,075
473	502	497	512	526	518
620	620	620	620	620	620
26	26	26	26	26	25
2	2	2	2	2	3
70,640	70,640	70,640	70,640	70,640	70,640
411	424	425	432	411	411
590	590	590	590	590	590
24	24	24	24	24	25
4	4	4	4	4	3
63,700	63,700	63,700	63,700	63,700	63,700
411	427	424	414	418	360
606	606	606	606	606	606
23	23	23	23	23	24
5	5	5	5	5	4
138,350	138,350	138,350	138,350	138,350	138,350
855	827	843	785	816	833
900	900	900	900	900	900
41	41	42	42	42	43
8	8	7	7	7	6

(continued)

Shaker Heights City School District (Cuyahoga County, Ohio)

Building Statistics by Function/Program

Last Ten Fiscal Years

	2015	2014	2013	2012
Shaker Heights Middle School				
Constructed in 1957				
Total Building Square Footage	133,400	133,400	133,400	133,400
Enrollment - Grades 7 - 8	848	860	868	850
Student Capacity	1,000	1,000	1,000	1,000
Regular Instruction Classrooms	26	26	26	26
Special Instruction Classrooms	7	7	7	7
Shaker Heights High School				
Constructed in 1930				
Total Building Square Footage	314,400	314,400	314,400	314,400
Enrollment - Grades 9 - 12	1,796	1,755	1,778	1,745
Student Capacity	2,000	2,000	2,000	2,000
Regular Instruction Classrooms	49	49	51	50
Special Instruction Classrooms	11	11	9	10
Sussex Pre-School (1)				
Constructed in 1922				
Total Building Square Footage	0	0	0	0
Enrollment - Grades Pre - K	0	0	0	0
Student Capacity	0	0	0	0

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

Source: School District Records.

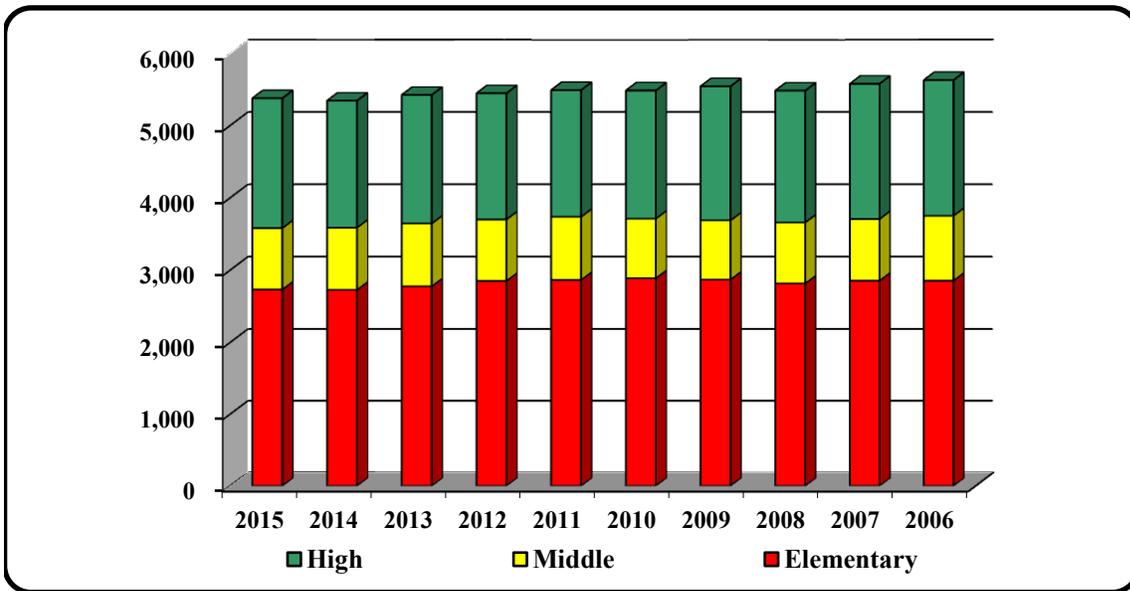
2011	2010	2009	2008	2007	2006
133,400	133,400	133,400	133,400	133,400	133,400
873	823	818	843	852	900
1,000	1,000	1,000	1,000	1,000	1,000
26	26	27	27	27	27
7	7	6	6	6	6
314,400	314,400	314,400	314,400	304,400	304,400
1,752	1,772	1,854	1,823	1,870	1,876
2,000	2,000	2,000	2,000	2,000	2,000
52	52	52	52	52	52
8	8	8	8	8	8
0	0	0	0	0	33,000
0	0	0	0	0	24
0	0	0	0	0	30

Shaker Heights City School District (Cuyahoga County, Ohio)

Enrollment Statistics

Last Ten Fiscal Years

Fiscal Year	Elementary Schools	Middle School	High School	Total
2015	2,733	848	1,796	5,377
2014	2,728	860	1,755	5,343
2013	2,777	868	1,778	5,423
2012	2,851	850	1,745	5,446
2011	2,865	873	1,752	5,490
2010	2,889	823	1,772	5,484
2009	2,870	818	1,854	5,542
2008	2,816	843	1,823	5,482
2007	2,855	852	1,870	5,577
2006	2,855	897	1,876	5,628



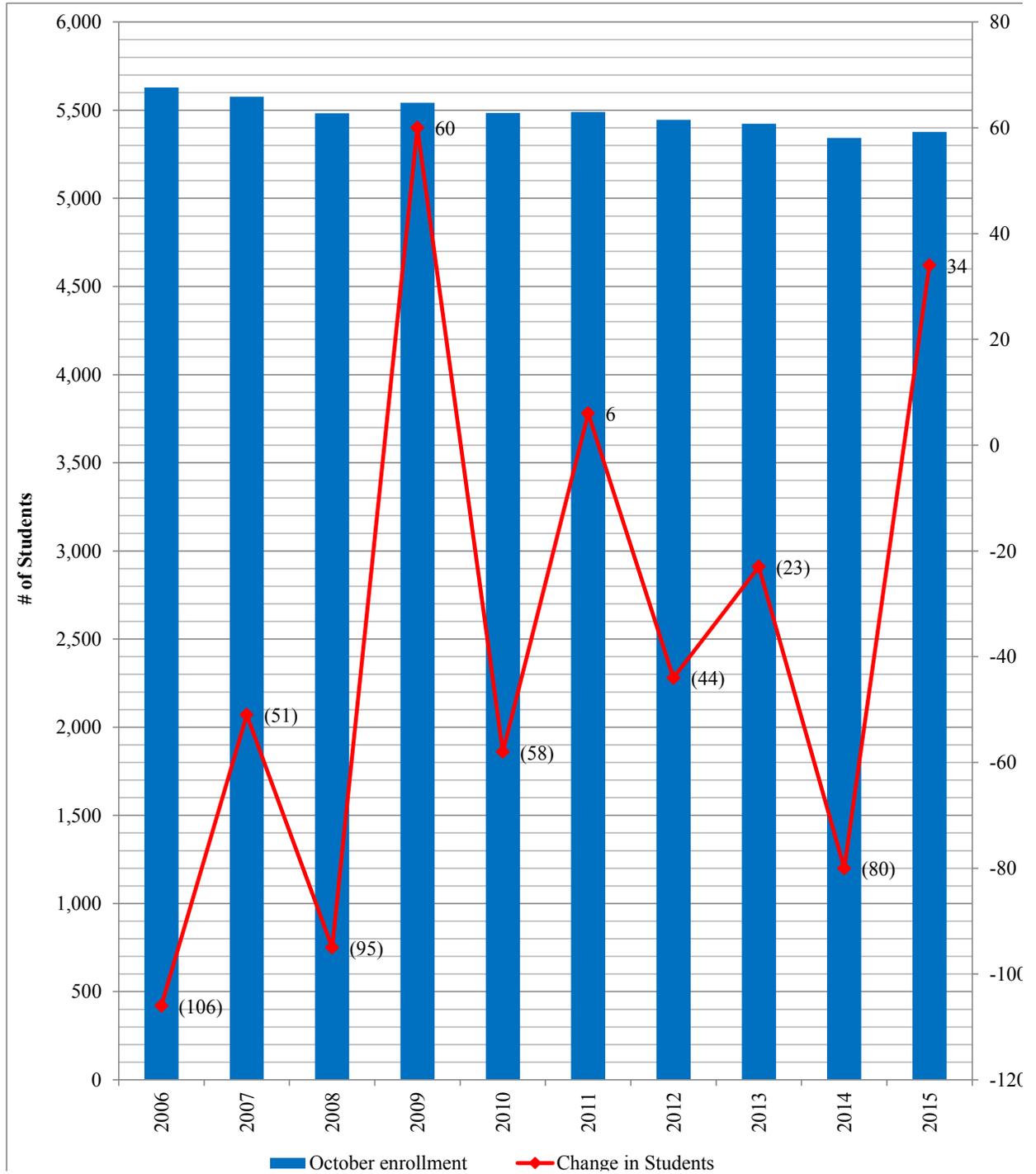
Source: School District Records.

Shaker Heights City School District (Cuyahoga County, Ohio)

Enrollment Summary
Last Ten Fiscal Years

October Enrollment

Change in Students



Shaker Heights City School District (Cuyahoga County, Ohio)
Public, Community School, Private and Total School Enrollment by School Year
Fiscal Years 1979 to 2015

Fiscal Year	Total Public Enrollment (1)	Total Community School Enrollment (2)	Total Private Enrollment (3)	Total Enrollment	Private and Community School as a Percent of Total
2015	5,377	88	968	6,433	16.4%
2014	5,343	103	951	6,397	16.5%
2013	5,423	94	997	6,514	16.7%
2012	5,446	102	992	6,540	16.7%
2011	5,490	78	989	6,557	16.3%
2010	5,484	60	1,100	6,644	17.5%
2009	5,542	41	1,159	6,742	17.8%
2008	5,482	46	1,180	6,708	18.3%
2007	5,577	56	1,174	6,807	18.1%
2006	5,628	55	1,130	6,813	17.4%
2005	5,734	76	1,123	6,933	17.3%
2004	5,623	46	956	6,625	15.1%
2003	5,608	21	897	6,526	14.1%
2002	5,619	9	1,104	6,732	16.5%
2001	5,625	n/a	1,088	6,713	16.2%
2000	5,714	n/a	1,079	6,793	15.9%
1999	5,640	n/a	1,017	6,657	15.3%
1998	5,592	n/a	983	6,575	15.0%
1997	5,634	n/a	1,071	6,705	16.0%
1996	5,485	n/a	1,065	6,550	16.3%
1995	5,371	n/a	964	6,335	15.2%
1994	5,081	n/a	911	5,992	15.2%
1993	4,959	n/a	869	5,828	14.9%
1992	4,933	n/a	873	5,806	15.0%
1991	4,874	n/a	846	5,720	14.8%
1990	4,887	n/a	916	5,803	15.8%
1989	4,830	n/a	964	5,794	16.6%
1988	4,869	n/a	1,009	5,878	17.2%
1987	5,013	n/a	996	6,009	16.6%
1986	5,125	n/a	1,047	6,172	17.0%
1985	5,187	n/a	1,160	6,347	18.3%
1984	5,294	n/a	1,200	6,494	18.5%
1983	5,490	n/a	1,216	6,706	18.1%
1982	5,759	n/a	1,249	7,008	17.8%
1981	5,951	n/a	1,236	7,187	17.2%
1980	6,049	n/a	1,355	7,404	18.3%
1979	6,156	n/a	1,375	7,531	18.3%

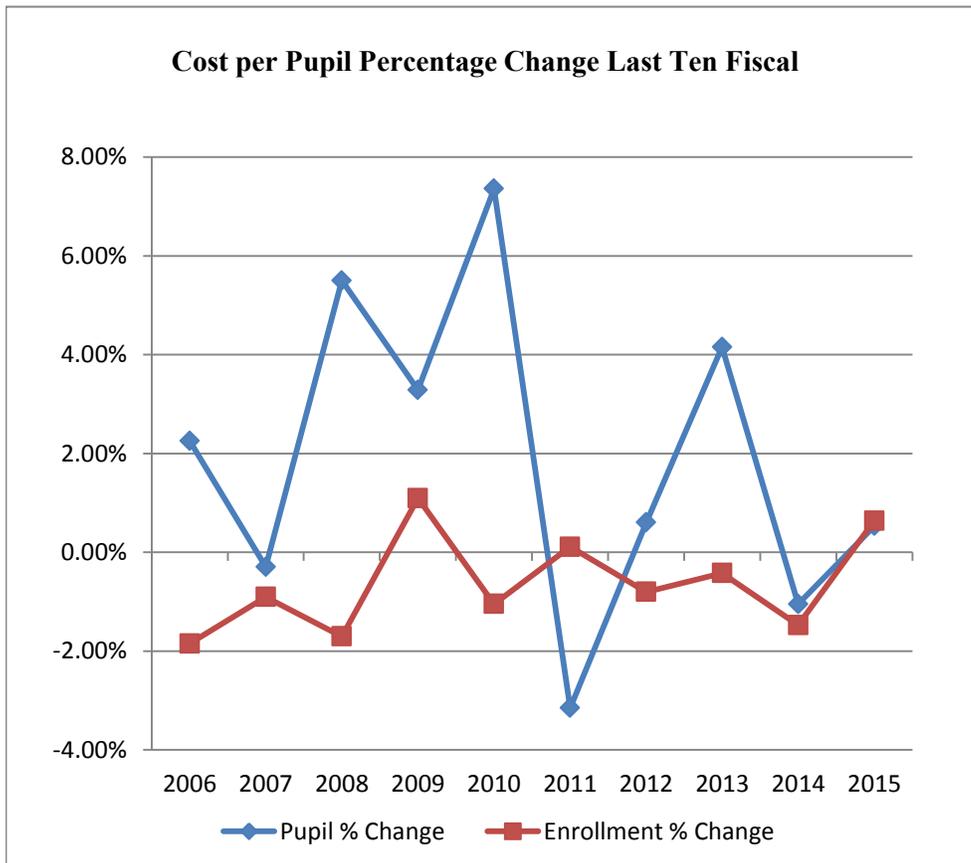
Source: Shaker Heights City School District Records

- (1) Figures for fiscal year 1979 through 1982 are based on Shaker Heights City School District Racial Ethnic Reports. Figures for 1983 through 2015 are based on first full week of Shaker Heights City School District October enrollment report.
- (2) FTE pupils attending Community Schools from State of Ohio Community School Deduction Summary report for respective year, with 2002 as the first year of record.
- (3) 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>
2015	\$ 88,440,272	5,377	\$ 16,448
2014	87,416,531	5,343	16,361
2013	89,667,713	5,423	16,535
2012	86,457,215	5,446	15,875
2011	86,633,665	5,490	15,780
2010	89,355,922	5,484	16,294
2009	84,112,470	5,542	15,177
2008	80,555,178	5,482	14,694
2007	77,679,215	5,577	13,928
2006	78,621,894	5,628	13,970



Source: School District Records.

Shaker Heights City School District (Cuyahoga County, Ohio)
School District Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2015	2014	2013	2012
Regular Instruction				
Elementary Classroom Teachers	156.756	148.671	148.031	151.231
Middle School Classroom Teachers	60.125	58.725	61.460	60.460
High School Classroom Teachers	109.825	115.425	113.150	110.820
	<u>326.706</u>	<u>322.821</u>	<u>322.641</u>	<u>322.511</u>
Special Instruction				
Preschool Teachers	3.000	3.000	3.000	3.000
Elementary Classroom Teachers	22.500	21.500	23.500	22.750
Gifted Education Teachers	8.000	8.000	8.000	8.000
Middle School Classroom Teachers	8.200	7.600	7.550	6.925
High School Classroom Teachers	13.200	16.600	11.250	9.825
Special Ed Teachers - Stimulus	0.000	0.000	0.000	0.000
	<u>54.900</u>	<u>56.700</u>	<u>53.300</u>	<u>50.500</u>
Vocational Instruction				
High School Classroom Teachers	0.000	0.000	0.000	0.000
	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
Pupil Support Services				
Teacher Aides	105.140	100.815	94.090	86.805
Tutors	0.000	0.000	0.000	0.000
Tutors - Stimulus	35.880	33.160	31.711	32.981
Guidance Counselors	12.000	11.000	11.400	10.800
Librarians and Library Technicians	8.000	8.000	8.000	7.600
Psychologists	8.896	9.422	9.372	9.365
Psychologists - Stimulus	0.000	0.000	0.000	0.000
Speech & Language Pathologists	0.000	0.000	0.000	0.000
Speech & Language Pathologists - Stimulus	5.600	5.600	5.600	5.600
Nurse	8.630	8.360	8.260	8.200
Other Professional	1.000	0.800	0.800	0.800
	<u>185.146</u>	<u>177.157</u>	<u>169.233</u>	<u>162.151</u>
Administrators				
Elementary	9.000	9.000	9.000	9.000
Middle School	3.000	3.000	3.000	3.000
High School	5.000	5.000	5.000	5.000
Districtwide (Certificated & Classified)	16.200	15.000	16.000	16.000
	<u>33.200</u>	<u>32.000</u>	<u>33.000</u>	<u>33.000</u>
Operation of Plant				
Custodians	55.000	55.000	57.000	58.000
Maintenance and Groundskeeping	14.000	14.000	15.000	14.000
	<u>69.000</u>	<u>69.000</u>	<u>72.000</u>	<u>72.000</u>
Pupil Transportation				
Bus Drivers	28.500	29.750	29.750	28.250
Mechanics	3.000	3.000	3.000	3.000
	<u>31.500</u>	<u>32.750</u>	<u>32.750</u>	<u>31.250</u>
Food Service Program (1)				
Elementary Cooks	0.000	0.000	0.000	0.000
Middle School Cooks	0.000	0.000	0.000	0.000
High School Cooks	0.000	0.000	0.000	0.000
	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
Other				
Supervisor/Administrator classification	36.750	33.550	33.750	31.020
OAPSE	53.000	54.000	54.000	53.800
Security	21.750	19.750	20.380	20.375
Data Processing	4.000	4.000	4.000	4.000
	<u>115.500</u>	<u>111.300</u>	<u>112.130</u>	<u>109.195</u>
Total Employees	<u>815.952</u>	<u>801.728</u>	<u>795.054</u>	<u>780.607</u>

Method: Based on % of full time equivalency for respective staff position.

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

(b) Increase due to reclassification of employee status effective in fiscal year 2008.

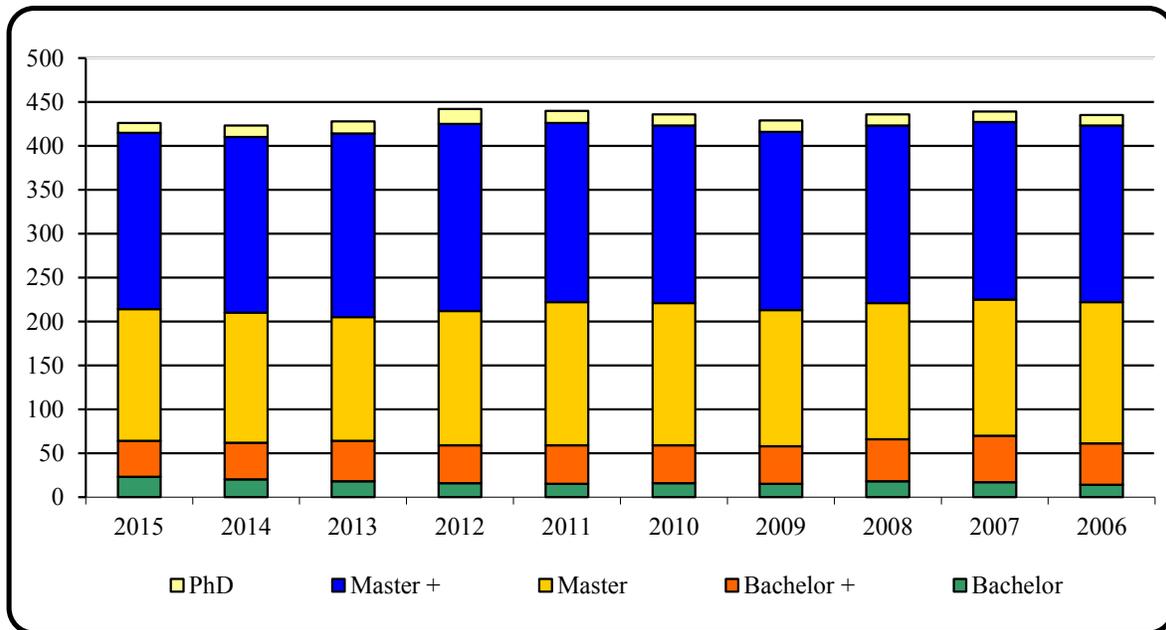
Source: School District Records.

2011	2010	2009	2008	2007	2006
158.151	158.411	158.000	159.384	152.000	155.960
60.460	61.385	61.060	57.985	58.800	62.700
114.550	124.325	124.400	122.275	116.500	128.400
<u>333.161</u>	<u>344.121</u>	<u>343.460</u>	<u>339.644</u>	<u>327.300</u>	<u>347.060</u>
3.000	3.000	3.000	3.000	3.000	2.000
21.250	21.500	22.000	21.170	22.170	21.000
8.000	8.000	8.000	8.000	8.000	8.000
6.725	6.600	7.340	10.100	9.600	8.200
9.825	9.400	9.000	8.800	9.400	6.400
1.700	1.700	0.000	0.000	0.000	0.000
<u>50.500</u>	<u>50.200</u>	<u>49.340</u>	<u>51.070</u>	<u>52.170</u>	<u>45.600</u>
0.000	1.000	1.000	1.000	1.000	1.000
<u>0.000</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>
83.805	86.900	79.400	71.550	65.950	61.490
6.900	6.100	0.000	0.000	0.000	0.000
25.861	30.500	30.900	33.948	37.740	47.590
10.800	10.500	10.500	11.000	11.000	10.000
8.000	9.400	10.400	9.400	9.000	9.000
8.765	8.800	9.000	7.995	8.800	6.400
1.000	1.000	0.000	0.000	0.000	0.000
0.600	0.600	0.000	0.000	0.000	0.000
5.000	6.000	6.000	6.000	6.000	6.400
8.400	8.400	8.400	8.371	8.400	7.200
1.800	1.800	1.400	1.400	4.950	3.500
<u>160.931</u>	<u>170.000</u>	<u>156.000</u>	<u>149.664</u>	<u>151.840</u>	<u>151.580</u>
9.000	9.000	9.000	9.000	9.000	9.000
3.000	3.000	3.000	3.000	3.000	4.000
5.000	5.000	5.000	6.000	6.000	6.000
15.000	15.000	15.000	15.000	16.000	16.000
<u>32.000</u>	<u>32.000</u>	<u>32.000</u>	<u>33.000</u>	<u>34.000</u>	<u>35.000</u>
58.000	59.000	59.000	58.625	59.630	68.000
14.000	15.000	15.000	14.000	14.000	19.000
<u>72.000</u>	<u>74.000</u>	<u>74.000</u>	<u>72.625</u>	<u>73.630</u>	<u>87.000</u>
28.250	28.900	28.600	28.875	27.500	28.500
3.000	3.000	3.000	4.000	4.000	4.000
<u>31.250</u>	<u>31.900</u>	<u>31.600</u>	<u>32.875</u>	<u>31.500</u>	<u>32.500</u>
0.000	12.300	10.300	12.270	9.920	8.140
0.000	4.900	4.200	5.200	4.870	5.000
0.000	6.700	7.100	4.810	4.810	6.100
<u>0.000</u>	<u>23.900</u>	<u>21.600</u>	<u>22.280</u>	<u>19.600</u>	<u>19.240</u>
32.020	33.000	32.400	30.420	29.400	30.380
53.800	53.100	54.500	53.880	53.880	52.880
20.375	19.600	19.400	17.425 (b)	8.000	8.000
4.000	4.000	4.000	3.000	4.000	5.000
<u>110.195</u>	<u>109.700</u>	<u>110.300</u>	<u>104.725</u>	<u>95.280</u>	<u>96.260</u>
<u>790.037</u>	<u>836.821</u>	<u>819.300</u>	<u>806.883</u>	<u>786.320</u>	<u>815.240</u>

Shaker Heights City School District (Cuyahoga County, Ohio)
Full-Time Equivalent Certified School District Employees by Education
Last Ten Fiscal Years

Degree	2015	2014	2013	2012
Bachelor	23	20	16	15
Bachelor +15	41	42	39	40
Master	150	148	143	137
Master +15	95	96	99	99
Master +30	46	36	41	36
Master +45	60	68	69	75
PhD	11	13	12	13
Total	426	423	419	415

Years of Experience	2015	2014	2013	2012
0 - 5	74	63	55	53
6 - 10	84	68	72	72
11 and Over	268	292	292	290
Total	426	423	419	415



Source: School District Records.

2011	2010	2009	2008	2007	2006
18	16	15	16	15	18
46	43	44	43	43	48
141	153	163	162	155	155
98	95	89	87	88	88
36	40	43	48	48	48
75	78	72	67	67	66
14	17	14	13	13	13
<u>428</u>	<u>442</u>	<u>440</u>	<u>436</u>	<u>429</u>	<u>436</u>
54	100	90	86	84	106
75	94	92	100	96	90
299	248	258	250	249	240
<u>428</u>	<u>442</u>	<u>440</u>	<u>436</u>	<u>429</u>	<u>436</u>

Shaker Heights City School (Cuyahoga County, Ohio)

College Admissions for All Students

Last Ten School Years

<u>Class</u>	<u>Percent of Four - Year</u>	<u>Percent of Two - Year</u>	<u>Total Percent</u>
2015	70	16	86
2014	68	11	79
2013	65	15	80
2012	65	26	91
2011	78	14	92
2010	65	15	80
2009	73	14	87
2008	75	10	85
2007	88	2	90
2006	87	2	89

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.

Shaker Heights City School (Cuyahoga County, Ohio)

National Merit and National Achievement Recognition

Last Ten School Years

<u>Class</u>	<u>National Merit (all students)</u>	<u>National Achievement (African-American students only)</u>	<u>National Hispanic Scholars</u>	<u>Percent of Shaker Seniors Honored</u>	<u>Percent of United States Seniors Honored</u>
2015	32	3	0	9 %	1 %
2014	26	4	2	8 %	1 %
2013	31	2	3	8 %	1 %
2012	36	3	3	10 %	1 %
2011	24	4	2	8 %	2 %
2010	36	6	0	11 %	2 %
2009	33	6	2	11 %	2 %
2008	36	5	1	11 %	2 %
2007	37	5	1	11 %	2 %
2006	37	4	1	11 %	2 %

Source: School District Records

This page intentionally left blank.



Dave Yost • Auditor of State

SHAKER HEIGHTS CITY SCHOOL DISTRICT

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
FEBRUARY 16, 2016