

Shaker Heights City School District Shaker Heights, Ohio

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2021

OHIO AUDITOR OF STATE
KEITH FABER



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

We have reviewed the *Independent Auditor's Report* of the Shaker Heights City School District, Cuyahoga County, prepared by James G. Zupka, CPA, Inc., for the audit period July 1, 2020 through June 30, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

February 03, 2022

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SHAKER HEIGHTS CITY SCHOOL DISTRICT
SHAKER HEIGHTS, OHIO
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

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INTRODUCTORY SECTION



SHAKER HEIGHTS CITY SCHOOL DISTRICT

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

David Glasner, Ph.D.
Superintendent of Schools

Bryan C. Christman
Treasurer

December 23, 2021

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 Annual Comprehensive Financial Report (ACFR) of the Shaker Heights City School District (School District) for the fiscal year ended June 30, 2021. This ACFR 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 (IPA) if permitted by the Auditor of State. The IPA firm James G. Zupka, CPA, Inc. rendered an opinion on the School District's financial statements as of June 30, 2021, 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 this letter.

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:

LISA CREMER AYESHA BELL HARDAWAY JEFFREY ISAACS EMMITT R. JOLLY HEATHER WEINGART

The “school” was in the Van Sweringen real estate office at Lee Road and Shaker Boulevard, and four teachers and 26 students constituted its population. The first school board looked ahead, planned well, worked hard and got off on the right foot. It had to, for along with the rapid construction of new homes came a tremendous growth in the school population. Today, there are nearly 4,700 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. *Fernway was completely renovated and expanded in 2020 after experiencing severe damage from a 2018 fire.*
- 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 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 607 school districts in the State of Ohio and one of 31 school districts in Cuyahoga County. The School District is the 63rd largest in student enrollment in Ohio, with an enrollment of 4,672 full time equivalent students for the 2020-2021 academic year, and projected enrollment for fiscal year 2022 of 4,600 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 four organizations, the Ohio Schools’ Council Association (OSC), Connect and NEOnet Information Technology Centers (ITC’s), and the Shaker Heights Public Library. Connect, NEOnet 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 29,439 residents in the City of Shaker Heights, and 4,143 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 2019 was \$139,297, compared to the averages of \$87,221 for all Ohio school districts and \$70,556 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 the School District. While downtown Cleveland is only twenty minutes by car, the rapid transit, a light rail public transit system, provides even more accessibility to downtown Cleveland's business community and attractions. The Greater Cleveland Regional Transit System has extended the original rapid transit rail line to serve not only downtown Cleveland and Cleveland Hopkins International Airport but also the Cleveland waterfront area including the recreational/entertainment area known as the "Flats", the Rock & Roll Hall of Fame and Museum, the Great Lakes Science Museum, Rocket Mortgage FieldHouse (fka Quicken Loans Arena) (home of the 2016 NBA Champion Cleveland Cavaliers), Progressive Field (home of the 2016 MLB American League Champion Cleveland Guardians (fka the Indians)) and First Energy Stadium (home of the NFL Cleveland Browns).

Further enhancing Shaker Heights' proximity and easy access to downtown Cleveland are other economic development projects in downtown Cleveland, including the JACK (formerly known as 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. In all, 29 projects with more than \$3.5 billion in investment have opened in the city center since 2016 including the addition of 1,500 hotel rooms; the conversion of 1 million square feet of commercial space into about 3,300 residential units; and the addition of 350,000 square feet of office space. Some of the projects included:

- **Renovation of Public Square**-a \$50 million, 15 month renovation of the 10-acre public green space located in center city Cleveland completed in 2016. The renovation followed a trend in major American cities to link park construction with economic redevelopment goals, with the expectation of helping unleash a strong surge in residential and commercial construction in center city Cleveland.
- Construction of a new \$275 million 600-room, 32-story **Hilton Cleveland Downtown Hotel** located next to the Cleveland Convention Center, which is the first major hotel built in the city since 1991, and the largest, opened in 2016.
- Conversion of historic office buildings into the \$40 million, 180-room **Drury Hotel** and the \$50 million, 122-room Kimpton Schofield Hotel both of which opened in 2016.
- **Flats East Bank** \$395 million development project, the first phase which opened in 2014, included a 150-room Aloft Hotel; a 480,000-square-foot, 18-story office tower opened for the accounting firm founded in Cleveland, Ernst & Young; restaurants; and a fitness center. The second phase, opened in 2015, is anchored by a rental apartment building with about 240 units, and ground-floor restaurants and businesses.
- Renovation/conversion of the 21-story **Standard Building** on Ontario Street, which opened in 1925, into 250 residences;
- \$22 million renovation of the 98-year-old, nearly million-square-foot **Renaissance Cleveland Hotel**, with nearly 500 rooms.
- A few blocks away is the **Metropolitan at the 9**, a \$275 million mixed-use project that converted an empty 45-year-old office building into a 155-room Marriott Metropolitan Hotel, 150 rental apartments, and retail space and restaurants; and
- Located around the corner from the Metropolitan, **Heinen's Fine Foods** in 2015 opened a 33,000-square-foot grocery store, the first such supermarket in downtown Cleveland.

The most recent economic development projects include:

- **ROCKET MORTGAGE FIELDHOUSE** (fka Quicken Loans Arena) **TRANSFORMATION PROJECT**-The much-needed \$185 million renovation of the 26 year-old Quicken Loans Arena (now known as Rocket Mortgage FieldHouse) was a collaborative effort between the City of Cleveland, Cuyahoga County, and the Cleveland Cavaliers. The renovation has transformed the publicly-owned venue into a modernized world-class sports and entertainment showplace for Cleveland and the entire

Northeast Ohio region. The renovations were completed and the facility opened in October 2019. The renovated FieldHouse will host the NBA All-Star Game in February 2022.

- **THE LUMEN AT PLAYHOUSE SQUARE**-Playhouse Square construction of a new 34-story residential tower consisting of 318 apartments was completed in 2020. This project is the first in many years to replace a surface parking lot, representing the kind of development that is highly desirable in Downtown Cleveland.
- **TERMINAL TOWER**- Located next door to the Renaissance hotel is Terminal Tower, the 52-story office building that has been a signature of Cleveland's skyline since it opened in 1930, for which the middle floors were redeveloped by K&D from office space to over 300 apartments, which was completed in 2020.
- **MAY COMPANY BUILDING**-Bedrock Real Estate restored this Public Square landmark, adding 300 apartments to the Downtown market, was completed in early 2021.
- **WATERFRONT DEVELOPMENT**-Cumberland Development completed the 16 unit apartment complex, Harbor Verandas overlooking North Coast Harbor at the end of 2018, providing a glimpse of what the much larger scale Harbor View lakefront development will look like. Flats East Bank Developer Scott Wolstein's plan for the Kenect apartment complex, part of the third phase of development overlooking the Cuyahoga River, has been revised to a 229 market-rate apartment seven story building with an estimated cost of \$84.4 million expected to break ground in early 2022. In May 2021, the Cleveland Browns' co-owners Jimmy and Dee Haslam announced a bold new concept for improving Cleveland's downtown lakefront to better capitalize on its proximity to Lake Erie, preliminarily estimated to cost in excess of \$229 million.
- **THE NUCLEUS**-The \$350 million mixed-use project from Stark Enterprises, which was originally to break ground in 2019, has experienced project delays (and currently on hold), will add 400,000 square feet of Class A office space, 250 dwelling units, and 80,000 square feet of retail space when fully realized.
- **THE BEACON**-Stark Enterprise has completed The Beacon, a new 29-story tower with 187 apartments that began leasing units in late 2019, was the first residential high-rise to be built in downtown Cleveland since 1974.
- **THE ATHLON AT THE CLEVELAND ATHLETIC CLUB**-The landmark Cleveland Athletic Club reopened in 2020 as a mixed-use complex with 167 apartments, 8,000 square feet of office space, 8,000 square feet of retail space, and a restored 20-meter swimming pool.
- **NASA GLENN RESEARCH CENTER**-A \$33.8 million Aerospace Communications Facility will be constructed at NASA Glenn Research Center. The Communications Facility, which is targeted for full occupancy in 2022, will support NASA's missions to Mars and beyond.
- **CLEVELAND FOUNDATION**-The century-old organization will construct a new headquarters and civic district on 1.2 acres in MidTown alongside the historic Dunham Tavern Museum, scheduled to open in the summer of 2022.
- **CLEVELAND DIVISION OF POLICE**-Cleveland's Police force will move its headquarters from downtown's Justice Center to an 11-acre site near East 75th Street and the Opportunity Corridor in 2022.
- **SHERWIN-WILLIAMS**-The 1866-founded Cleveland paint manufacturer expects to break ground in late 2021, with an expected completion date by the end of 2024, on a new 1-million-square-foot headquarters building just west of Public Square in downtown. In addition, in October 2021, they broke ground for the construction of a new research and development center in Brecksville.
- **121 LARCHMERE**-Just west of the School District boundary, a \$23 million four-story 88-unit apartment complex was completed in 2021.
- **THE CITY CLUB APARTMENTS**, which will consist of 304 units in a 23-story building estimated to cost between \$85 and \$100 million and located in downtown Cleveland at 720 Euclid Avenue, is under construction after groundbreaking in December 2021.
- A \$100 million renovation & expansion of the **ROCK & ROLL HALL OF FAME AND MUSEUM** will add 50,000 square feet of programming space and a new band shell overlooking Lake Erie, expected to break ground in early 2022.

The international spotlight shone brightly on Cleveland events in 2016 that included the long-awaited National Basketball Association Championship won by the Cleveland Cavaliers, led by LeBron James, who grew up in nearby Akron; the Major League Baseball American League Championship won by the Cleveland Guardians (fka the Indians); and the Republican National Convention held in downtown Cleveland in July. 2021 also provided opportunities for the city to shine when other major events held in Cleveland included the NFL Draft from April 29th to May 1st, and the Rock and Roll Hall of Fame Induction Ceremony which was held on October 30, 2021 at the newly renovated Rocket Mortgage FieldHouse. Future major events to be held in Cleveland include the NBA All-Star game which is scheduled for February 20, 2022, also at the Rocket Mortgage FieldHouse.

Cleveland continues to emerge as one of the country's principal centers of biomedical innovation and development, centered on the Cleveland Clinic and Case Western Reserve University. The city counts 25,000 jobs and 700 companies — 400 more than a decade ago — that are involved in health and medical research, biomedical device design, information technology and other related activities.

After decades of decline, Cleveland's population is nearly 373,000 (2020) but is expected to rise as a result of the new developments completed or underway. The increase in apartment construction corresponds with a spurt in residents living in center city Cleveland, who now number nearly 20,000, up from 6,000 in 2002, with a target of 30,000 downtown residents by 2030.

Only five miles southeast of Shaker Heights, the Chagrin Highlands development next to Interstate 271, including the relocation from downtown Cleveland of the (previously listed Fortune 500 company) Eaton Corporation's operational headquarters and University Hospitals' Ahuja Medical Center, has only served to enhance Shaker Heights as an ideal residential location. Begun in July 2021 with an expected completion in 2023, UH's \$200 million expansion of the Ahuja Medical Center, which includes a second five-floor hospital tower and a two-floor sports medicine complex, will further enhance the area development.

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, home of the world-renowned Cleveland Orchestra, the 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 (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. As part of a comprehensive analysis of addressing the Square's serious signs of aging, a nine-month planning process intended to create and implement a new vision for the 90-year-old Square, led by the nonprofit LAND Studio and Cleveland Neighborhood Progress, with funding from the St. Luke's and Cleveland Foundations began in the fall of 2018. The final design recommendation was presented in June 2019. However, the lingering effects of the post 2008 Great Recession combined with the COVID-19 pandemic exacerbated the Square's tenuous financial condition, resulting in the Square lenders commencing foreclosure proceedings in the fall of 2021. Fortunately, in October 2021 two nonprofits—the Cleveland Neighborhood Progress, along with Burten Bell Carr Development of Cleveland, reached an agreement in principle to purchase the Square. The proposal, if approved, will keep the property under local ownership, quickly address maintenance concerns and launch an effort to determine the long-term direction and eventual ownership of the property. A key part of the financing is consideration by the city of Cleveland to utilize federal American Rescue Plan Act funds,

which have been granted to the city to support businesses and residents impacted by the COVID-19 pandemic.

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 has historically permitted development only pursuant to carefully developed and implemented general plans. In 2001, the City adopted a Strategic Investment Plan (SIP) which identified areas of the City for commercial and residential development and redevelopment which has resulted in numerous residential and commercial projects since the SIP was adopted.

Supplementing the SIP, 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 proposed 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, and 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. 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.

In furtherance of the overall strategy, an update to the Economic Development Plan was approved by City Council in April 2011, which provided for two financial incentive programs to spur economic development in Shaker Heights by implementing a Forgivable Loan Program and a Shaker SEEDs Microfinance Revolving Loan Program.

The City’s most significant recent project is the **Van Aken District**. This major project spans approximately 20 acres and sits at the beginning of the Van Aken light rail connecting Shaker Heights to Terminal Tower in Downtown Cleveland. The Van Aken district redevelopment has created a gathering place for residents with unique retail shops and restaurants, high quality rental apartments, and second and third floor office space. The first phase of the Van Aken district, which began opening for business in summer 2018 and completed in early 2019, includes 103 apartments and 60,000 square feet of office space over approximately 100,000 square feet of first floor retail, and a 350-space parking garage. Plans for Phase 2, which consists of a 228-unit, nearly 200-foot-tall twin-tower apartment building located on a City-owned parking lot on Farnsleigh Road that overlooks Shaker Heights Country Club, are being finalized with the November 2021 City approval of the lease agreement. The City also approved the Phase 3 (the “Office Corner”) lease agreement for the northwest corner of Warrensville Center Road and Chagrin Boulevard for the development of mixed-use office space, street-level retail and a parking structure on the City-owned commercial parcel. Phase 4, consisting of the future redevelopment of Shaker Plaza, is planned for after the completion of Phases 2 and 3. The development and use agreement for this project was approved by City Council in 2016, which called for a City \$6.2 million contribution toward the project. The former 1960’s shopping center was demolished in 2016 and construction began in 2017 with initial occupancy in the summer of 2018.

The developer of the Van Aken district also purchased and renovated a shopping center (Shaker Plaza) just south of the new construction, to which a number of retail tenants from the 1960’s center were relocated. This retail strip has also attracted new tenants to Shaker Heights, all of which will complement the new development. Phase 4 of the project includes a redevelopment of Shaker Plaza.

Additional redevelopment in the area includes a new private pre-school that opened in January 2018 and a climbing gym, which broke ground in 2018 and opened in the Spring of 2019. Both of these businesses were built on property deeded to the City in lieu of tax foreclosure and whose buildings were demolished with County grant funds. A grocery-anchored mixed use development of a 3-acre vacant lot owned by the City on the southeast corner of Warrensville and Farnsleigh Roads is also being pursued.

As a precursor to the Van Aken District redevelopment project, construction was completed in 2015 on the \$18 million reconfiguration of the Warrensville/VanAken/Chagrin intersection where four major highways intersected at various angles. This project, adopted in April 2008, set the stage for a 50-acre transit-oriented mixed use district and has improved safety at the intersection for motorists and pedestrians. The City contributed \$2.3 million of the \$18 million project total. Other partners include the State of Ohio, Cuyahoga County, the Greater Cleveland Regional Transit Authority, and the Northeast Ohio Areawide Coordinating Agency. Grants totaling \$1 million were received for additional streetscape improvements in the area.

An integral part of the financing of the Van Aken redevelopment project included the granting of two tri-party Tax Increment Financing (TIF) agreements which were granted in 2016. The terms of the 30-year agreements call for a substantial portion of the taxes generated from the increased property value of the projects to be dedicated to repay certain aspects of the project financings. The School District will receive 76% (approximating its normal percentage) of the property taxes attributable to the increased value from the Shaker Plaza TIF, 18% of the property taxes attributable to the increased value from the Van Aken Plaza TIF, and 25% of the property taxes attributable to the increase value from the later phases of the Van Aken District project.

Other projects completed in accordance with the City's Economic Development Plan include:

- 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;
- 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;
- Razing of certain residential properties adjacent to the Shaker Towne Centre and the construction of a new residential project entitled Avalon Station. The project (\$12 million), which was completed in 2007, includes 51 loft condominiums and a 90-car parking garage with a landscaped roof.
- 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, completed in 2016;
- Establishing 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;
- 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. The final leg of the trail through Shaker Heights and Cleveland Heights was completed in 2016;
- Construction along the Lee/Lomond intersection streetscape improvements, also funded with \$150,000 in grant dollars was completed in 2015;

- 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 fostered entrepreneurial success and job creation. After the SLH vacated the premises, the non-profit Shaker Heights Development Corporation (SHDC) assumed that space for use as its offices and as “The Dealership”, which offers co-working space for entrepreneurs and businesses;
- The SHDC is also investing in buildings on Lee Road, having partnered with some local investors to purchase a former plant nursery which now houses a local doggie day care facility; and
- The City partners with the Cuyahoga County Land Bank to demolish abandoned or sub-par vacant commercial buildings, then deeds the land to SHDC to redevelop.

In addition to commercial property development, the City is also pursuing 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. In furtherance of City goals, the City adopted the 2016 Housing and Neighborhood Plan that serves as an update to the 2001 Housing Preservation Plan. The goals of the 2016 Plan are to attract new residents, increase demand for houses, and increase property values; preserve existing high quality housing, and increase cohesiveness, desirability, attractiveness, and stability in the neighborhoods.

New and updated housing that meets the needs of Millennials and empty nesters includes a market rate for-sale townhome project constructed in the Moreland neighborhood, the Townhomes of Van Aken, which features a blend of new housing and upgraded energy-efficient housing to capitalize on the location’s proximity to transit. The Shaker Renovator Program sells houses obtained by the City through donations and foreclosures for \$1 to approved rehabbers who upgrade them and sell them to owner-occupants. The City’s partnership with the Cleveland Restoration Society’s Heritage Home Loan Program resulted in almost \$800,000 of reinvestment in 15 homes, including bathroom updates.

The Moreland Rising Project was developed to create a new market in a desirable, cohesive neighborhood. The project is a City and neighborhood-led collaboration with arts, business and development partners to explore new ways for neighbors to connect with each other, catalyze entrepreneurship along the Chagrin-Lee corridor, and encourage innovative housing designs that set the standards for years to come. The City sponsored a design competition in 2016 seeking architects and builders with innovative ideas for high quality, energy-efficient, owner-occupied housing for middle income housing to be built on City-owned vacant lots in the neighborhood. Negotiations with the teams began in 2017 for construction completed in late 2018.

The statewide closure of schools by Ohio Governor DeWine in mid-March 2020 resulted in significant changes in the delivery of education as well as all other services provided by the School District. Because there were minimal to no in-person activities undertaken during the spring closure through the end of the 2019-2020 school year, certain expenditures were not incurred resulting in net budget savings for Fiscal 2020. Fiscal 2021 brought on a multitude of adjustments by all staff and students to adapt to a school year that began in full remote-learning mode, followed by alternatives of in-person and/or virtual learning and teaching including a combination of synchronous and asynchronous virtual learning. As during the end of Fiscal 2020, the Fiscal 2021 year combination of full remote and/or hybrid status resulted in favorable budget variances primarily due to the reduction in certain expenditures. While the continuation of COVID-19 into Fiscal 2021 and beyond has and will require the incurrence of additional expenditures to address the learning and teaching adjustments, net of reimbursement of some of such expenditures from Federal Coronavirus Relief and ESSER/ARP funds, the remainder will be borne by the School District’s General Fund. The long-term impact of COVID-19 on the School District given the need for extended learning loss programs is unknown at this time. However, despite the COVID-19 pandemic, the School District is well-positioned to prosper and thrive.

The School District has nearly recovered its post 2008 recession-related loss of \$165 million or 17.2% of the School District’s property tax base, and post COVID-19 is 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 20 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 of which passed with a 58% or higher margin. And in May 2017, voters in the School District passed with a 67.8% margin a combined issue including a \$30 million bond issue and a 1.25 mill continuing permanent improvement levy to improve and renovate school buildings throughout the School District.

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 related to 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.

Due to resource limitations, there is sometimes a temptation to operate so that fiscal concerns overshadow the educational program. Recognizing this, it is essential that the Board take specific action to make certain that education remains central and that fiscal management contributes to the educational program. This concept is incorporated into Board operations and into all aspects of School District management and operation.

As trustees of the community's investment in facilities, materials and operational funds, the Board has a fiduciary 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 Board expects that the Superintendent and the Treasurer keep it informed through both oral and written reports –on the fiscal management of the School District.

With the cooperation of the Treasurer and assistance from other designated personnel, the Superintendent is expected to develop an efficient and effective procedure for fiscal accounting, purchasing and the protection of plant, grounds, materials and equipment through prudent and economical operation, maintenance and insurance.

The Board seeks to achieve the following goals to:

- 1. engage in thorough advance planning, with staff and community involvement, in order to develop budgets and to guide expenditures to achieve the greatest educational returns for the dollars expended;*
- 2. establish levels of funding that provide high quality education for the School District's students;*
- 3. use the best available techniques for budget development and management;*
- 4. provide timely and appropriate information to all staff with fiscal management responsibilities;*
and

5. *establish 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 *BUDGET PLANNING (Five-Year Forecast)*, reads as follows:

Budget planning is an integral part of program planning so that the annual operating budget may effectively express and implement all programs and activities of the School District. Budget planning is a year-round process involving broad participation by administrators, teachers and other personnel throughout the School District.

The Superintendent and the Treasurer, in consultation with the Board are responsible for preparing the five-year forecast for the Board's approval. The forecast is for the current fiscal year and four years beyond.

The five-year forecast is prepared twice a year and filed with the Ohio Department of Education. The initial filing is due on or before October 31 and an update by May 31. The five-year forecast is updated as often as necessary in order to communicate significant changes in the School District's financial position.

Policy DB, titled *ANNUAL BUDGET AND APPROPRIATIONS MEASURES/BUDGET MODIFICATION AUTHORITY*, reads as follows:

BUDGET

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

The annual tax budget is regulated and controlled by State law and requirements of the county budget commission. The Board may establish additional budget requirements for funds at its disposal.

The Treasurer, the Superintendent and their staffs are responsible for the preparation of the annual budget and presentation of the budget to the Board for adoption.

APPROPRIATIONS

As permitted by law, at the start of the fiscal year, the Board may pass a temporary appropriations measure to provide for meeting the ordinary expenses of the School District until such time as the Board approves the annual appropriations resolution for the year, which is not later than October 1. If by October 1 the county budget commission has not certified all amended certificates of estimated resources to the Board of Education (or submitted a certification that no amended certificates are necessary), the Board can delay action on the annual appropriation measure until such time as the certificates are received.

The Treasurer files both the temporary and final appropriations measures at the proper times with the office of the County Fiscal Officer.

The Superintendent/designee notifies each school administrator and/or department head of the allocations approved for expenditure.

BUDGET MODIFICATION

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 transfers of funds permitted by law from major fund to major fund require Board approval and may require approval from the Court of Common Pleas.

TRANSFERS AMONG CATEGORIES

It is the responsibility of the Superintendent and the Treasurer to examine the appropriations categories and make the necessary recommendations to the Board.

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.

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.

2020-21 Major Initiatives

Academic Achievement

Despite continued challenges presented by the COVID-19 pandemic, the District has been able to maintain full, in-person instruction during the 2021-2022 school year. Through it all, our students continued to excel in academics, the arts, athletics, and community service. The Class of 2022 will include 17 National Merit Semifinalists, the second largest number of Semifinalists among Northeast Ohio public high schools and the fourth largest in the state. These accomplishments again place 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. The district's four-year graduation rate stood at 92 percent in 2021, up from 82 percent in 2012 and significantly above the statewide average. In 2021, 86 percent of Shaker students in the International Baccalaureate Diploma Programme earned their IB Diploma, higher than the District's typical performance and well above the national average. This was the second-largest cohort of recipients ever. Three Shaker students exceeded 40 points on the International Baccalaureate Diploma Programme Assessment, placing them in the top 10 percent of IB students in the world. Washington Post columnist Jay Mathews placed Shaker Heights in the top 3 percent of school districts in the nation based on participating in honors-level courses such as AP and IB.

Technology

Our computer network serves students, teachers, and staff in a wide variety of applications for instruction and business. Our server infrastructure has been consolidated utilizing server virtualization software. Our network also supports a variety of enterprise systems such as our phone system, transportation tracking, time cards, security systems, and other business products.

The district is in the process of assessing its cybersecurity maturity. Shaker has adopted the Center for Internet Security Version 8 controls to guide its work. These controls are aligned with the NIST cybersecurity framework and used by many organizations in a variety of sectors. Most notably, the district has implemented two-factor authentication for all faculty and staff access to Google Workspace and remote IT access to all servers and all Virtual Private Network (VPN) connections.

Various tools for teachers provide data to inform instructional efforts. We provide a variety of online database resources including journals, encyclopedias, and other learning resources to support our curricula.

Business and Operations

Transportation Services

During the 2020-2021 school year, the Transportation Department (Transportation) safely transported approximately 585 students to and from school, traveling over 1,751 miles daily (as reported during the required annual measurement date). Transportation also safely transported 533 academic and athletic field trips, traveling over 21,398 miles throughout the school year. All of these statistics were negatively impacted by the COVID-19 pandemic during a school year that began in full remote learning mode, followed by alternatives of in-person and/or virtual learning and teaching. Transportation also provided meal delivery services during the summer break and the periods of the school year that students were not fully in-person. Transportation continued its efficiency efforts by using group and/or corner stops and utilizing substitute bus drivers to drive field trips instead of using contracted school bus services. The Transportation Maintenance team, consisting of four (4) full time mechanics continued to provide preventative maintenance and emergency services to 50 school buses and 30 other district vehicles, while maintaining our record of a 100% passage rate for the annual and spot inspections with the State of Ohio Highway Patrol.

Transportation continued its fleet rotation plan with the cost-effective purchase of one (1) new school bus through the Ohio Schools Council (OSC) school bus procurement program. During the 2020-2021 school year Transportation completed the phased-in implementation of all aspects of the Synovia Software Solutions which includes fleet management, routing, field trip service, and GPS location services that inform families with information regarding bus stop location, estimated arrival times and other bus communications.

Human Resources (HR)

The 2020-2021 school year saw a restructuring of the Human Resources Department. Roles were defined and aligned in an effort to eliminate duplication in our own operations. This realignment is intended to reduce the risk of tasks falling off of the radar due to lack of ownership and accountability, increase efficiency, as well as provide an improved response to our employees.

HR continues to make progress in completing the preliminary steps required to transition to Unified Talent, a customizable process management solution for streamlining and automating the most complicated, frustrating and time consuming tasks and workflows in the School District. This process will allow us to establish a consistent framework for certified, classified and administrative staff. This system will provide easy access to data and people management for the entire School District. Our target date for initial implementation is spring of 2022, in time for hiring “season.”

HR continues to combat the challenges of securing substitutes for our classrooms. To this end, the School District increased the daily substitute rate from \$102.50 to \$140.00 per day, making us more than competitive with our neighboring districts. In addition, in collaboration with Rachel Wixey & Associates, we held a Shaker Substitute Job Fair in October in an effort to connect with our own pool of qualified candidates. Along these same lines, a survey was sent to all of our active substitutes who had not yet worked this school year, with the goal to gather information that will be valuable moving forward, specifically, as to how to secure more substitutes on a daily basis. We also hired additional permanent building substitutes, which are assigned to a specific building for all school days, thereby providing daily substitute availability.

In response to the current climate, the Health & Benefits section of HR hosted multiple onsite COVID-19 vaccination clinics. These clinics were able to service not only all interested first-time employees wishing to be vaccinated, but also provided boosters to hundreds of employees, as well. Additionally, an exit survey was created and implemented at the close of the 2020-2021 school year providing information gathered from all employees, regardless of classification, which will be reviewed and considered as we strive to improve our practices, processes and procedures, as well as increase/improve employee retention.

Food Services

The 2020-2021 school year ended with food service seeing a significant decrease in revenue. Due to the COVID-19 pandemic, students were not returned to in-person learning until January 18, 2021. During that time frame, AVI still provided meals for district families through the bus delivery. There was not a large participation during this period. Though AVI reached out to local businesses to try to set up additional locations for food pick up outside, they were declined by all businesses. Thus, ultimately causing an operating deficit at the end of the school year. Once students returned to in-person learning, AVI was finishing months in the positive. No new equipment was needed during this school year. AVI's contract was up for re-bidding at the end of the 2019-2020 school year, but due to the COVID-19 pandemic, the District was able to extend the contract for an additional year.

Buildings and Grounds Maintenance and Warehouse Operations

During the 2020-2021 school year, the department was challenged by the unprecedented COVID-19 pandemic. It created unique challenges in logistical support for the School District in providing for Personal Protective Equipment, maintenance and upgrades of HVAC equipment, detailed and thorough cleaning procedures in a constantly changing environment. During this period we completed numerous capital projects to include HVAC upgrades, parking lot repairs and paving, building envelope repairs and maintenance and classroom renovations. The department also completed numerous smaller projects such as asbestos abatements, ceiling repairs, mechanical equipment repairs, sidewalks, HVAC, electrical and plumbing upgrades, roof repairs and masonry work. The department also completed 3,642 work orders during the year, which approximates 14 work orders per day.

The Service Center continues to monitor overtime and work toward accountability of all overtime hours. The Inventory control and procurement support for the School District continued on track. As we look toward the 2021-2022 school year, the department will focus on implementing best practices in facilities care. Our focus will continue to be on establishing and maintaining high standards in all areas of our facilities.

Safety and Security Services

The Safety and Security Department (Security) continued to advance and raise safety awareness. Security maintains the expanded exterior video-surveillance as well as the electronic visitor-management systems previously implemented at every district building. Security also continues to monitor and adjust as needed each building's required Emergency Operation Plan (EOP). Security continues to improve security by training staff on EOP's, replacing analog with digital radio communications equipment, and utilizing an EOP application that provides for electronic tracking of staff training, drill logs, and instant access to the EOP for all staff.

Capital Planning

During the 2020-2021 school year and subsequent summer, the District completed remaining capital projects funded by the 2017 voter-approved \$30 million bond issue. The projects included a variety of security and fire alarm upgrades, water and gas line replacement, major roof repairs and replacement, parking lot resurfacing, masonry and building envelope restoration in a variety of District school buildings. With the end of the 2020-2021 construction season, the vast majority of the Capital Bond Project funds have been exhausted. Planning for the 2021-2022 construction season will be based upon the level of remaining Capital Bond Project funds as well as other capital funds available. In addition to the other building projects, the restoration of Fernway (after the devastating July 2018 fire) was completed and the building opened on time in the fall of 2020.

Planning for the Future of Shaker's Facilities

Together the City of Shaker Heights, the Shaker Heights City School District, and the Shaker Heights Public Library are jointly funding and leading a process, referred to as *Forward Together*, to develop a Facilities Master Plan. With limited resources and high expectations, it is important to leverage and strengthen current relationships and seek new ways to collaborate creatively about the current and future state of community

facilities. The community came together in 2019 with Phase One, Public Engagement Visioning and Preparation, with the goal to develop a shared vision for our facilities. Phase Two, Educational Visioning, will turn the ideas, input, and priorities gathered from the public into Phase Three, Developing a Facilities Master Plan, culminating in Phase Four, Finalizing the Recommendations and the Plan. The *Forward Together* Vision Plan can be viewed at <https://forwardtogethershaker.com/>.

Current and Future Initiatives

District Strategic Plan

On March 10, 2020, the Shaker Heights Board of Education adopted the 2020-2025 Strategic Plan, which was built on the foundation of two bedrock principles: Educational Equity and the International Baccalaureate Programme. The plan was adopted after receiving input from a variety of stakeholders throughout the District. The Board believes this plan sets a strong direction that will inform District priorities and positively impact student learning for years to come. In November 2021, the School District published its first Strategic Plan Annual Report, a document that tracks progress on meeting the plan's goals and objectives.

Detracking and Equity Work

In furtherance of its Educational Equity objective, the School District established an Office of Diversity, Equity and Inclusion. During the 2020-2021 school year the School District focused on integrating leveled courses across Woodbury, Shaker Heights Middle School, and Shaker Heights High School. Historically, underrepresented students of color— typically Black and Hispanic students—were tracked into lower-level classes, which negatively impacted their educational outcomes. Removing segregated “tracks” has been shown to reduce the opportunity gap in schools by universally raising expectations and providing rigorous instruction for all learners. In order to successfully integrate courses in grades 5-12, all students must experience high-quality math and literacy instruction PreK-4. To that end, the School District adopted Bridges into Mathematics conceptual curriculum to be implemented in 2021-2022 to provide a strong foundation of mathematical concepts and processes. Additionally, the School District reprioritized generalized “skills support teachers” into Literacy Specialists who will collaborate to co-teach literacy development in alignment with the science of reading. Literacy Specialists will provide direct services to learners who are struggling as well as support the adoption of more science-based reading strategies. Professional learning for secondary teachers will be focused on supporting this transition as well, particularly around Universal Design for Learning, identifying and reflecting upon biases, and enhancing differentiation practices to accommodate a wider range of learners in class.

The Inquiry, Innovation and Imagination (i3) Initiative

The Shaker Schools Foundation continues to grow and expand the District's groundbreaking i3 Initiative, which reinforces the District's goal of preparing all students to solve problems, think critically and become productive members of the global workforce. The initiative supports increased integration of design learning experiences, STEAM curriculum from Pre-K to Grade 12, and accessibility to and use of 21st century technology and tools across classrooms. To that end, Design Labs have been developed at Boulevard and Lomond elementary schools to support curricular experiences related to i3, and IB Coordinators at each elementary school are developing Design Projects to be integrated into units of inquiry for every PK-4 learner. Additional Design space has been created at Woodbury Middle School and discussions have begun on how to provide similar learning experiences and spaces to our high school students. Additionally, the School District continues to collaborate with the Shaker Schools Foundation to expand Career and Technical Education programs.

International Baccalaureate Programme

Shaker Heights was the first school district in Greater Cleveland, and one of only eight public districts across North America, to be recognized as a PreK-12 International Baccalaureate (IB) Continuum District. IB, an internationally recognized educational program with a rigorous curriculum, features a global focus and emphasizes creative problem-solving, hands-on projects, inquiry-based learning, and community service. 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. As of August 2013 (and reauthorized by 2017), all five of Shaker's K-4 elementary schools have been authorized as International Baccalaureate World Schools. Though the Middle Years Programme has been fully authorized as of 2015, work continues at the middle grades to unify the instructional approaches in grades 5-12. Shaker has synchronized its 5-year accreditation cycle so that all programs conduct the self-study and evaluation process in 2021-2022 with an anticipated visit from IB representatives in the fall of 2022.

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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. 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 Annual Comprehensive 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, 2020 to the Shaker Heights City School District. This award certifies that the Annual Comprehensive 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 has in past years been awarded the *Auditor of State Award with Distinction*, which recognizes excellence in financial reporting for the School District's Annual Comprehensive Financial Report. The School District has received this award, and or its predecessor award known as the State's Excellence in Financial Reporting Award, for numerous years.

Acknowledgments

The publication of this ACFR 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



David Glasner, Ph.D.
Superintendent of Schools

Shaker Heights City School District

Principal Officials

June 30, 2021

Board of Education

- Ms. Heather Weingart.....President
- Ms. Ayesha Bell Hardaway Vice President
- Ms. Lisa Cremer..... Member
- Dr. Emmitt Jolly..... Member
- Mr. Jeffrey Isaacs..... Member

Administration

- Dr. David Glasner... .. Superintendent
- Mr. Bryan C. Christman..... Treasurer

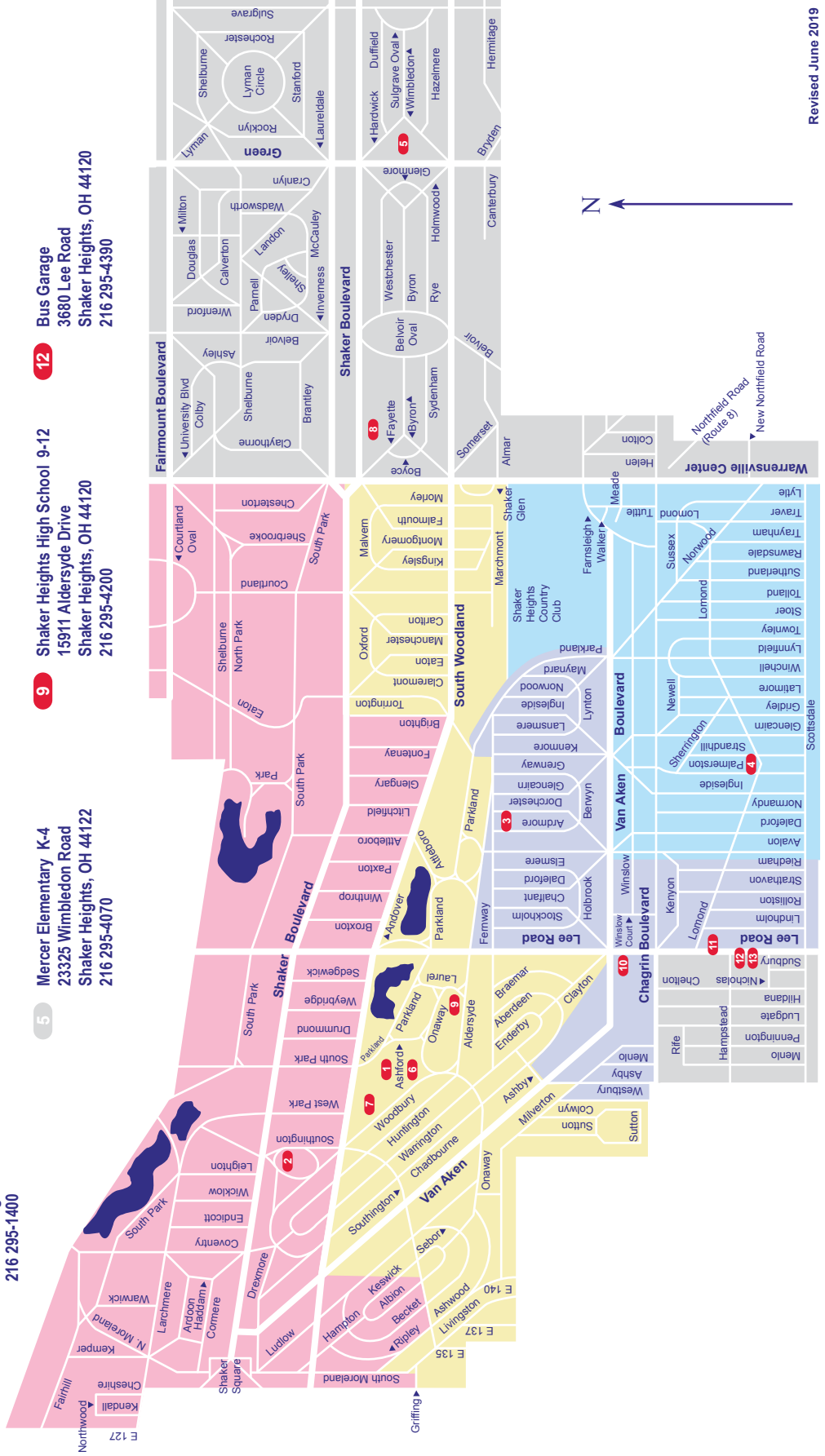


Shaker Heights Schools

www.shaker.org

- 2** Boulevard Elementary K-4
14900 Drexmore Road
Shaker Heights, OH 44120
216 295-4020
- 3** Fernway Elementary K-4
17420 Fernway Road
Shaker Heights, OH 44120
216 295-4040
- 4** Lomond Elementary K-4
17917 Lomond Boulevard
Shaker Heights, OH 44122
216 295-4050
- 5** Mercer Elementary K-4
23325 Wimbledon Road
Shaker Heights, OH 44122
216 295-4070
- 6** 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
- 10** Innovation Center
3450 Lee Road
Shaker Heights, OH 44120
216 295-6275
- 11** Data/DLMO
3617 Lee Road
Shaker Heights, OH 44120
216 295-4844
- 12** Service Center
3654 Lee Road
Shaker Heights, OH 44120
216 295-4307
- 12** Bus Garage
3680 Lee Road
Shaker Heights, OH 44120
216 295-4390

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





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Shaker Heights Board of Education
Ohio**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Shaker Heights City School District

**for its Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2020.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence.

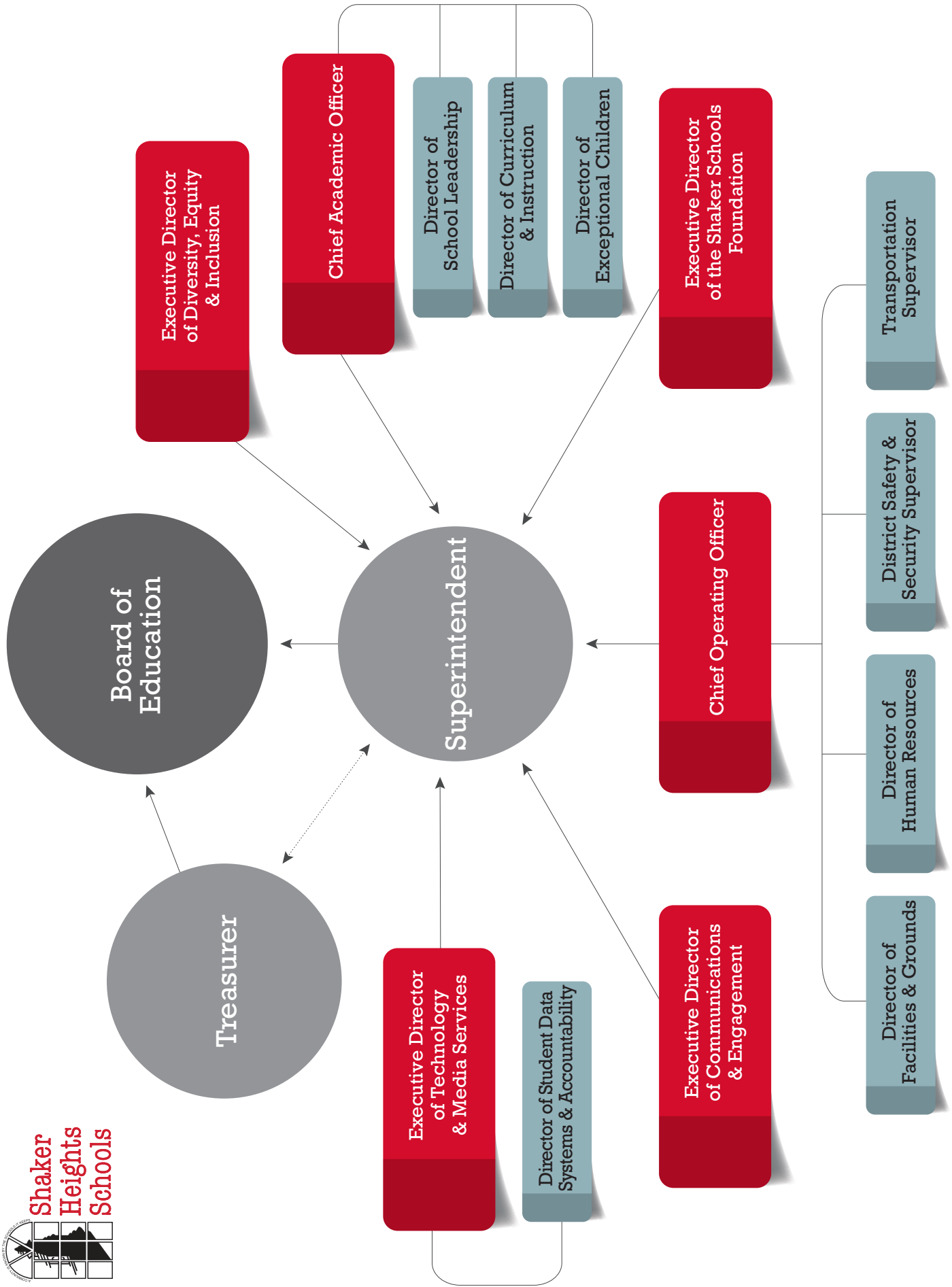


A handwritten signature in black ink, reading 'W. Edward Chabal'.

W. Edward Chabal
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director



FINANCIAL SECTION

JAMES G. ZUPKA, C.P.A., INC.

Certified Public Accountants

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Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Board of Education
Shaker Heights City School District
Shaker Heights, Ohio

The Honorable Keith Faber
Auditor of State
State of Ohio

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, 2021, 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 the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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 for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Shaker Heights City School District as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the basic financial statements, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. As discussed in Note 22 to the basic financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. As discussed in Note 23 to the basic financial statements, the school foundation aid received from the State of Ohio will be funded through the direct funding model. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedules of Net Pension and Postemployment Benefit Liabilities and Pension and Postemployment Benefit Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, the entity-wide accrual statements with and without GASB 68 and GASB 75, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.



James G. Zupka, CPA, Inc.
Certified Public Accountants

December 23, 2021

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Shaker Heights City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

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, 2021. 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 letter, the 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 2021 are as follows:

- Net position increased \$3,351,140 from the restated 2020 balance.
- Capital assets increased \$5,162,577 during fiscal year 2021.
- During the fiscal year, outstanding debt decreased from \$38,354,714 to \$35,485,857.

Using this Annual Comprehensive Financial 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, bond retirement and building fund are the most significant governmental funds.

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 2021?" 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.

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

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Management's Discussion and Analysis
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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

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, bond retirement 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.

Reporting the School District's Fiduciary Responsibilities

The School District does not have custodial funds.

Shaker Heights City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
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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 2021 compared to 2020:

Table 1
Net Position

	Governmental Activities		
	2021	Restated 2020	Change
Assets			
Current & Other Assets	\$ 172,300,050	\$ 171,942,596	\$ 357,454
Net OPEB Asset	6,394,076	6,019,902	374,174
Capital Assets	74,300,381	69,137,804	5,162,577
<i>Total Assets</i>	<u>252,994,507</u>	<u>247,100,302</u>	<u>5,894,205</u>
Deferred Outflows of Resources			
Deferred Charges	284,440	348,082	(63,642)
Pension & OPEB	24,148,202	24,234,494	(86,292)
<i>Total Deferred Outflows of Resources</i>	<u>24,432,642</u>	<u>24,582,576</u>	<u>(149,934)</u>
Liabilities			
Current & Other Liabilities	16,172,601	15,571,537	601,064
Long-Term Liabilities:			
Due Within One Year	3,399,971	4,133,042	(733,071)
Due In More Than One Year:			
Pension & OPEB	130,473,944	122,935,584	7,538,360
Other Amounts	39,888,104	41,898,110	(2,010,006)
<i>Total Liabilities</i>	<u>189,934,620</u>	<u>184,538,273</u>	<u>5,396,347</u>
Deferred Inflows of Resources			
Property Taxes	66,927,444	68,957,939	(2,030,495)
Payments in Lieu of Taxes	849,020	269,466	579,554
Pension & OPEB	16,471,665	18,023,940	(1,552,275)
<i>Total Deferred Inflows of Resources</i>	<u>84,248,129</u>	<u>87,251,345</u>	<u>(3,003,216)</u>
Net Position			
Net Investment in Capital Assets	43,636,862	44,385,271	(748,409)
Restricted	11,499,077	6,621,532	4,877,545
Unrestricted	(51,891,539)	(51,113,543)	(777,996)
<i>Total Net Position</i>	<u>\$ 3,244,400</u>	<u>\$ (106,740)</u>	<u>\$ 3,351,140</u>

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The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2021 and is reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*. In a prior period, the School District also adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. 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 OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension/OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB asset/liability to equal the School District's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB 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 and other postemployment benefits. GASB noted that the unfunded portion of this 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 these assets/liabilities. 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 Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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 retirement system. In Ohio, there is no legal means to enforce the unfunded asset/liability of the pension/OPEB plan *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 retirement system is responsible for the administration of the pension and OPEB plans.

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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 or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, 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 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 and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the School District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB asset/liability, respectively, not accounted for as deferred inflows/outflows.

At year end, capital assets represented 29 percent of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, equipment, and vehicles. Net investment in capital assets was \$43,636,862 at June 30, 2021. 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, \$11,499,077, represents resources that are subject to external restrictions on how they may be used. The balance of government-wide unrestricted net position is a deficit of \$51,891,539.

Current assets increased due to additional grants available as well as an increase in SERS refunds, offset by a reduction from insurance proceeds collected from prior year.

The increase in capital assets was attributed to additions, particularly construction in progress for a major construction projects, exceeding depreciation expense during the current year.

Accounts payable decreased due to the timing of invoices for the fiscal year being paid. Contracts payable and retainage decreased due to the numerous construction projects that were completed. Claims payable increased due to additional incurred medical and dental claims.

Long term liabilities, other than pension/OPEB liability decreased significantly due to the School District's principal payments.

Payment in lieu of taxes increased significantly due to an increase in TIF's.

There was a significant change in net pension/OPEB liability/asset for the School District. These fluctuations are due to changes in the actuarial liabilities/assets and related accruals that are passed through to the School District's financial statements. All components of pension and OPEB accruals contribute to the fluctuations in deferred outflows/inflows and NPL/NOL/NOA and are described in more detail in their respective notes.

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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 2021 and 2020.

Table 2
Changes in Net Position

	Governmental Activities		
	2021	2020	Change
Revenues			
<i>Program Revenues</i>			
Charges for Services	\$ 2,556,493	\$ 4,708,116	\$ (2,151,623)
Operating Grants	8,232,555	6,416,355	1,816,200
Capital Grants	405,225	533,108	(127,883)
<i>Total Program Revenues</i>	<u>11,194,273</u>	<u>11,657,579</u>	<u>(463,306)</u>
General Revenues			
Property Taxes	76,997,567	64,613,521	12,384,046
Grants & Entitlements	25,517,794	24,129,251	1,388,543
Payments in Lieu of Taxes	469,549	365,924	103,625
Miscellaneous	2,425,123	3,006,501	(581,378)
<i>Total General Revenues</i>	<u>105,410,033</u>	<u>92,115,197</u>	<u>13,294,836</u>
<i>Total Revenues</i>	<u>116,604,306</u>	<u>103,772,776</u>	<u>12,831,530</u>
Program Expenses			
Instruction:			
Regular	49,549,401	45,614,580	3,934,821
Special	16,552,354	17,712,550	(1,160,196)
Vocational	381,738	485,846	(104,108)
Student Intervention Services	172,716	274,180	(101,464)
Other	5,698	128,432	(122,734)
Support Services:			
Pupils	7,934,878	7,742,427	192,451
Instructional Staff	5,589,623	5,196,939	392,684
Board of Education	30,496	54,709	(24,213)
Administration	7,093,683	7,337,553	(243,870)
Fiscal	4,902,387	3,813,746	1,088,641
Business	911,983	1,097,173	(185,190)
Operation and Maintenance of Plant	10,656,128	11,906,290	(1,250,162)
Pupil Transportation	2,981,478	4,219,027	(1,237,549)
Central	1,828,569	2,310,628	(482,059)
Operation of Non-Instructional/Shared Services:			
Food Service Operations	1,044,181	1,489,433	(445,252)
Community Services	1,020,713	967,676	53,037
Extracurricular Activities	1,509,494	1,877,395	(367,901)
Debt Service:			
Interest and Fiscal Charges	1,087,646	1,222,866	(135,220)
<i>Total Expenses</i>	<u>113,253,166</u>	<u>113,451,450</u>	<u>(198,284)</u>
<i>Excess/(Deficiency) of Revenues Over (Under) Expenditures</i>	3,351,140	(9,678,674)	13,029,814
Extraordinary Item	-	1,644,250	(1,644,250)
<i>Change in Net Position</i>	<u>3,351,140</u>	<u>(8,034,424)</u>	<u>11,385,564</u>
<i>Net Position Beginning of Year</i>	(106,740)	7,384,419	(7,491,159)
<i>Restatement - See Note 2</i>	-	543,265	(543,265)
<i>Net Position End of Year</i>	<u>\$ 3,244,400</u>	<u>\$ (106,740)</u>	<u>\$ 3,351,140</u>

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Overall, program expenses decreased. The changes in program expenses are primarily changes to salaries and general maintenance as the School District was on shut down, and to changes in the School District's proportionate share of the net pension liability, net OPEB liability/asset and related accruals. As previously indicated, these items are explained in detail within their respective notes.

Overall revenue increased due to the changes in the accrual for property taxes as an advance of the prior two years. In addition, grant and entitlements increased due to CARES Act funding. Charges for services decreased significantly for food service as a result of the COVID-19 pandemic with schools statewide offering free breakfast and lunches for all students, which is funds through grants causing an increase in operating grants.

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.

Table 3
Governmental Activities

	Total Cost of Service		Net Cost of Service	
	2021	*2020	2021	*2020
Instruction:				
Regular	49,549,401	45,614,580	46,020,562	43,493,315
Special	16,552,354	17,712,550	12,599,549	13,173,286
Vocational	381,738	485,846	325,224	429,332
Student Intervention Services	172,716	274,180	107,508	156,465
Other	5,698	128,432	5,698	102,694
Support Services:				
Pupils	7,934,878	7,742,427	7,492,630	7,289,210
Instructional Staff	5,589,623	5,196,939	4,976,936	5,054,324
Board of Education	30,496	54,709	30,496	54,709
Administration	7,093,683	7,337,553	6,952,446	7,328,164
Fiscal	4,902,387	3,813,746	4,639,428	2,894,415
Business	911,983	1,097,173	911,983	1,097,173
Operation and Maintenance of Plant	10,656,128	11,906,290	10,131,063	11,288,701
Pupil Transportation	2,981,478	4,219,027	2,648,236	3,851,037
Central	1,828,569	2,310,628	1,828,569	2,310,628
Operation of Non-Instructional/Shared Services:				
Food Service Operations	1,044,181	1,489,433	151,976	26,677
Community Services	1,020,713	967,676	768,496	314,285
Extracurricular Activities	1,509,494	1,877,395	1,380,447	1,706,590
Debt Service:				
Interest and Fiscal Charges	1,087,646	1,222,866	1,087,646	1,222,866
Total Expenses	\$ 113,253,166	\$ 113,451,450	\$ 102,058,893	\$ 101,793,871

* The comparative column was not restated for the implementation of GASB 84.

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

Governmental Funds

The School District's major funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$115,705,543 and expenditures of \$113,973,427 for fiscal year.

The general fund's net change in fund balance for fiscal year 2021 was an increase of \$5,487,614. This is primarily based on an increase in revenue recognition over prior year for property taxes available as an advance. There are no expenditures incurred related to the recognition of this revenue, this directly increases fund balance.

The bond retirement fund's net change in fund balance for fiscal year 2021 was an increase of \$359,436. This increase is caused by the collection of resources to make payments as compared to the timing of debt service payments.

The fund balance of the building fund decreased by \$3,856,114. This decrease can be attributed to spending down proceeds and revenues that were received in a prior year.

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 2021, the School District amended 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 higher than the final budget basis revenue. Most of this difference is due to an underestimation of taxes.

Final appropriations were higher than the actual expenditures as cost savings were recognized for instruction and student support services throughout the year.

There were no significant variances to discuss within other financing sources and uses.

Shaker Heights City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
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Capital Assets and Debt Administration

Capital Assets

Table 4 shows fiscal year 2021 balances compared with 2020.

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

	Governmental Activities	
	2021	2020
Land	\$ 943,600	\$ 943,600
Construction in Progress	45,263	25,528,156
Land Improvements	2,825,893	2,738,113
Buildings and Improvements	61,725,203	32,243,899
Equipment	7,862,456	6,717,561
Vehicles	897,966	966,475
<i>Total</i>	<u>\$ 74,300,381</u>	<u>\$ 69,137,804</u>

The \$5,162,577 increase in capital assets was attributable to additions exceeding depreciation and disposals in the current year due to numerous construction projects in the School District, the largest being the completion of the Fernway Building. As See Note 11 for more information about the capital assets of the School District.

Debt

Table 5 summarizes bonds outstanding.

Table 5
Outstanding Debt at Year End

	Governmental Activities	
	2021	2020
School Improvement Bonds - 2008	\$ -	\$ 330,000
Capital Improvement & Equipment Bonds - 2012	1,575,000	1,920,000
School Improvement Refunding Bonds - 2012	2,415,140	2,941,426
School Facilities Improvement Refunding Bonds - 2015	4,653,557	5,173,269
School Improvement Bond - 2018	18,522,160	19,645,019
School Improvement Bond - 2018	8,320,000	8,345,000
<i>Total</i>	<u>\$ 35,485,857</u>	<u>\$ 38,354,714</u>

Outstanding debt decreased \$2,868,857 in fiscal year 2021 primarily due to principal payments. See Note 18 for more information about outstanding debt.

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Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

School District Outlook

The School District is impacted by national and State factors, including economic, political, and educational issues, thereby continually presenting financial challenges and opportunities to be addressed. The most recent example of an impact to the School District's finances was the onset of COVID-19 in March 2020. The statewide closure of schools by Governor DeWine in mid-March 2020 resulted in significant changes in the delivery of education as well as all other services provided by the School District. Because there were minimal to no in-person activities undertaken during the spring closure through the end of the 2019-2020 school year, certain expenditures were not incurred resulting in net budget savings for Fiscal 2020. Fiscal 2021 brought on a multitude of adjustments by all staff and students to adapt to a school year that began in full remote learning mode, followed by alternatives of in-person and/or virtual learning and teaching including a combination of synchronous and asynchronous virtual learning. As during the end of Fiscal 2020, the Fiscal 2021 year combination of full remote and/or hybrid status resulted in favorable budget variances primarily due to the reduction in certain expenditures. While the continuation of COVID-19 into Fiscal 2021 and beyond has and will require the incurrence of additional expenditures to address the learning and teaching adjustments, net of reimbursement of some of such expenditures from Federal Coronavirus Relief and ESSER/ARP funds, the remainder will be borne by the School District's General Fund. The long-term impact of COVID-19 on the School District given the need for extended learning loss programs is unknown at this time.

Despite such negative impacts of COVID-19 and the fluctuations in the State's various funding programs during the unpredictable biennial budget cycles (including the State's COVID-19 budget reduction at the end of Fiscal 2020), 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 as well as its constant vigil to monitor and minimize the growth of expenditures, and consequently the impact of the State's budget woes did not play as significant a role in the funding picture for the School District as it has for many districts throughout the State. While the State funding during the biennial periods since 2013 have benefited the School District, 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.

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.

Prior to Fiscal 2020, the School District had continued to show steady improvement in student achievement as measured by the 2019 State Report Card data which showed Shaker students had improved in 18 of 21 state-required academic measurements over the prior three years. Additionally, for the second consecutive year, the District had earned an "A" in the report card component that measures the percentage of students

Shaker Heights City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

who graduate from high school in four or five years. In addition to numerous other educational relief provisions, the State's COVID-19 emergency legislation provided for the suspension of the issuance of ratings on district report cards for the 2019-2020 and the 2020-2021 school years. Even with the impact of COVID-19, the School District maintains its unwavering commitment to its current five-year 2020-2025 Strategic Plan adopted in March 2020 that was built on the foundation of two bedrock principles: Educational Equity and the International Baccalaureate Programme. The Strategic Plan incorporates efforts to improve its performance with respect to the State's educational criteria while emphasizing other criteria that it believes to be critical to providing a well-rounded education. Such other criteria are highlighted in the School District's Measuring What Matters report located at <https://www.shaker.org/MeasuringWhatMatters.aspx> as well as in the District's first annual report for the 2020-2025 Strategic Plan located at <https://www.shaker.org/strategicplan.aspx>.

The School District relies heavily on its residential property taxpayers. However, because of its favorable financial results and position, the District has been able to avoid requesting a new operating levy for more than seven years (last operating levy in 2014), and per its November 2021 five-year forecast, does not project needing to request such until 2024, making for a full ten years since its last operating levy.

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, as well as a facilities measure providing for a \$30 million bond issue and a 1.25 mill permanent improvement levy that was approved by the community with a 67.8% margin in May 2017. 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 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.

Planning for the Future of Shaker's Facilities

Together the City of Shaker Heights, the Shaker Heights City School District, and the Shaker Heights Public Library are jointly funding and leading a process, referred to as *Forward Together*, to develop a Facilities Master Plan. With limited resources and high expectations, it is important to leverage and strengthen current relationships and seek new ways to collaborate creatively about the current and future state of community facilities. The community came together in 2019 with Phase One, Public Engagement Visioning and Preparation, with the goal to develop a shared vision for our facilities. Phase Two, Educational Visioning, will turn the ideas, input, and priorities gathered from the public into Phase Three, Developing a Facilities Master Plan, culminating in Phase Four, Finalizing the Recommendations and the Plan. The *Forward Together* Vision Plan can be viewed at <https://forwardtogethershaker.com/>.

Shaker Heights City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

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 again, such funding is subject to significant fluctuations from one biennium to the next. The evolution of school funding in Ohio has been a long and tortuous road to what appears to be the beginning of a new era. The saga of modern school funding reform began with the school funding case known as *DeRolph vs Ohio*. *DeRolph*, 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. The school funding reform process took many twists and turns since 1994, but in June 2021, the Ohio General Assembly adopted the Fair School Funding Plan (FSFP) in which funding is driven by a base cost methodology that incorporates the four components identified as necessary to the education process, the effects of which are to be implemented over a six-year period. The Base Cost is currently calculated for two years using a statewide average from historical actual data. However, the General Assembly did not commit to continuing beyond the new 2022-2023 biennium. The FSFP included a significant change from prior funding models wherein the State now directly funds most all scholarship transfer payments and thus such deductions no longer pass through the public Districts' funding calculations. Under the provisions of the new plan, the Shaker District would appear to receive relatively minor net increases in funding under a fully-implemented FSFP.

While the School District has been the beneficiary of additional funding during previous biennial budget cycles, the long term impact of the outcome of the new FSFP and other related 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.

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, 2021

	Governmental Activities
Assets	
Equity in Pooled Cash and Investments	\$ 86,497,395
Restricted Cash and Investments	353,070
Accounts Receivable	942,957
Intergovernmental Receivable	2,092,393
Property Taxes Receivable	82,259,761
Prepaid Items	154,474
Net OPEB Asset	6,394,076
Non-Depreciable Capital Assets	988,863
Depreciable Capital Assets, net	73,311,518
<i>Total Assets</i>	<i>252,994,507</i>
Deferred Outflows of Resources	
Deferred Charges on Refunding	284,440
Pension	20,455,050
OPEB	3,693,152
<i>Total Deferred Outflows of Resources</i>	<i>24,432,642</i>
Liabilities	
Accounts Payable	99,049
Accrued Wages and Benefits	9,546,087
Accrued Vacation Payable	323,760
Contracts Payable	36,893
Payroll Withholdings Payable	2,672,391
Intergovernmental Payable	1,588,565
Accrued Interest Payable	48,452
Claims Payable	1,618,000
Matured Compensated Absences Payable	239,404
Long-Term Liabilities:	
Due Within One Year	3,399,971
Due In More Than One Year:	
Net Pension Liability	119,838,137
Net OPEB Liability	10,635,807
Other Amounts Due in More Than One Year	39,888,104
<i>Total Liabilities</i>	<i>189,934,620</i>
Deferred Inflows of Resources	
Property Taxes Levied for the Next Year	66,927,444
Payments in Lieu of Taxes	849,020
Pension	2,130,067
OPEB	14,341,598
<i>Total Deferred Inflows of Resources</i>	<i>84,248,129</i>
Net Position	
Net Investment in Capital Assets	43,636,862
Restricted for:	
Capital Outlay	4,164,121
Debt Service	4,755,468
Set Asides	353,070
Other Purposes	2,226,418
Unrestricted	(51,891,539)
<i>Total Net Position</i>	<i>\$ 3,244,400</i>

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, 2021

	Program Revenues			Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest		
Governmental Activities					
Instruction:					
Regular	\$ 49,549,401	\$ 1,763,934	\$ 1,764,703	\$ 202	\$ (46,020,562)
Special	16,552,354	354,347	3,598,458	-	(12,599,549)
Vocational	381,738	-	56,514	-	(325,224)
Student Intervention Services	172,716	-	65,208	-	(107,508)
Other	5,698	-	-	-	(5,698)
Support Services:					
Pupils	7,934,878	-	442,248	-	(7,492,630)
Instructional Staff	5,589,623	-	611,428	1,259	(4,976,936)
Board of Education	30,496	-	-	-	(30,496)
Administration	7,093,683	31,592	109,645	-	(6,952,446)
Fiscal	4,902,387	248,302	14,400	257	(4,639,428)
Business	911,983	-	-	-	(911,983)
Operation and Maintenance of Plant	10,656,128	97	130,666	394,302	(10,131,063)
Pupil Transportation	2,981,478	-	333,242	-	(2,648,236)
Central	1,828,569	-	-	-	(1,828,569)
Operation of Non-Instructional/Shared Services:					
Food Service Operations	1,044,181	14,031	878,174	-	(151,976)
Community Services	1,020,713	44,950	207,267	-	(768,496)
Extracurricular Activities	1,509,494	99,240	20,602	9,205	(1,380,447)
Interest and Fiscal Charges	1,087,646	-	-	-	(1,087,646)
<i>Total</i>	\$ 113,253,166	\$ 2,556,493	\$ 8,232,555	\$ 405,225	(102,058,893)

General Revenues

Property Taxes Levied for:	
General Purposes	72,251,276
Debt Service	3,736,515
Capital Outlay	1,009,776
Grants and Entitlements not Restricted to Specific Programs	25,517,794
Payments in Lieu of Taxes	469,549
Investment Earnings	98,290
Miscellaneous	2,326,833
<i>Total General Revenues</i>	105,410,033
<i>Change in Net Position</i>	3,351,140
<i>Net Position Beginning of Year (Restated, See Note 2)</i>	(106,740)
<i>Net Position End of Year</i>	\$ 3,244,400

See accompanying notes to the basic financial statements.

Shaker Heights City School District
Cuyahoga County, Ohio
Balance Sheet
Governmental Funds
June 30, 2021

	General	Bond Retirement	Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Investments	\$ 68,373,509	\$ 5,190,843	\$ 2,659,936	\$ 5,063,449	\$ 81,287,737
Restricted Cash and Investments	353,070	-	-	-	353,070
Accounts Receivable	941,479	-	1,478	-	942,957
Interfund Receivable	671,039	-	-	-	671,039
Intergovernmental Receivable	285,535	-	-	1,806,858	2,092,393
Property Taxes Receivable	77,112,767	4,051,084	-	1,095,910	82,259,761
Prepaid Items	153,545	-	-	929	154,474
<i>Total Assets</i>	<u>\$ 147,890,944</u>	<u>\$ 9,241,927</u>	<u>\$ 2,661,414</u>	<u>\$ 7,967,146</u>	<u>\$ 167,761,431</u>
Liabilities					
Accounts Payable	\$ 97,599	\$ -	\$ -	\$ 1,450	\$ 99,049
Accrued Wages and Benefits	9,210,183	-	-	335,904	9,546,087
Contracts Payable	-	-	45,263	-	45,263
Payroll Withholdings Payable	2,672,391	-	-	-	2,672,391
Intergovernmental Payable	1,507,194	-	-	81,371	1,588,565
Interfund Payable	-	-	-	671,039	671,039
Matured Compensated Absences Payable	239,404	-	-	-	239,404
<i>Total Liabilities</i>	<u>13,726,771</u>	<u>-</u>	<u>45,263</u>	<u>1,089,764</u>	<u>14,861,798</u>
Deferred Inflows of Resources					
Property Taxes Levied for the Next Year	62,735,971	3,295,847	-	895,626	66,927,444
Payments in Lieu of Taxes	849,020	-	-	-	849,020
Unavailable Revenue	8,381,590	440,323	-	860,933	9,682,846
<i>Total Deferred Inflows of Resources</i>	<u>71,966,581</u>	<u>3,736,170</u>	<u>-</u>	<u>1,756,559</u>	<u>77,459,310</u>
Fund Balances					
Nonspendable	153,545	-	-	929	154,474
Restricted	353,070	5,505,757	2,616,151	5,294,171	13,769,149
Assigned	9,724,312	-	-	-	9,724,312
Unassigned	51,966,665	-	-	(174,277)	51,792,388
<i>Total Fund Balance</i>	<u>62,197,592</u>	<u>5,505,757</u>	<u>2,616,151</u>	<u>5,120,823</u>	<u>75,440,323</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 147,890,944</u>	<u>\$ 9,241,927</u>	<u>\$ 2,661,414</u>	<u>\$ 7,967,146</u>	<u>\$ 167,761,431</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, 2021

Total Governmental Fund Balances		\$ 75,440,323
<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.		74,300,381
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Intergovernmental	\$ 741,816	
Delinquent Property Taxes	8,941,030	9,682,846
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.		3,152,574
Accrued interest payable is not due and payable in the current period and therefore not reported in the funds.		(40,082)
Unamortized loss on refunding represents deferred outflows, which do not use current financial resources and, therefore, are not reported in the funds.		284,440
The net pension liability and net OPEB liability are not due and payable in the current period, therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		
Net OPEB Asset	6,394,076	
Deferred Outflows - Pension	20,455,050	
Deferred Outflows - OPEB	3,693,152	
Net Pension Liability	(119,838,137)	
Net OPEB Liability	(10,635,807)	
Deferred Inflows - Pension	(2,130,067)	
Deferred Inflows - OPEB	(14,341,598)	(116,403,331)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(32,265,000)	
Direct Borrowings	(1,575,000)	
Unamortized Bond Premium	(1,645,857)	
Accrued Vacation Leave Payable	(323,760)	
Compensated Absences	(7,363,134)	(43,172,751)
<i>Net Position of Governmental Activities</i>		\$ 3,244,400

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, 2021

	General	Bond Retirement	Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property and Other Local Taxes	\$ 71,411,327	\$ 3,688,619	\$ -	\$ 997,583	\$ 76,097,529
Intergovernmental	27,908,585	247,566	20,000	5,363,616	33,539,767
Investment Income	98,290	-	87,197	469	185,956
Tuition and Fees	1,004,607	-	-	3,266	1,007,873
Extracurricular Activities	19,974	-	-	225,310	245,284
Charges for Services	1,197,437	-	-	14,031	1,211,468
Rent	91,668	-	-	-	91,668
Contributions and Donations	5,608	-	298,028	141,179	444,815
Payments in Lieu of Taxes	469,549	-	-	-	469,549
Miscellaneous	2,308,720	-	81,266	21,648	2,411,634
Total Revenues	104,515,765	3,936,185	486,491	6,767,102	115,705,543
Expenditures					
Current:					
Instruction:					
Regular	42,069,771	-	2,925	1,883,072	43,955,768
Special	14,254,861	-	-	1,200,570	15,455,431
Vocational	381,738	-	-	-	381,738
Student Intervention Services	112,587	-	-	60,831	173,418
Other	5,119	-	-	-	5,119
Support Services:					
Pupils	6,975,174	-	-	255,045	7,230,219
Instructional Staff	4,952,304	-	18,274	538,752	5,509,330
Board of Education	30,496	-	-	-	30,496
Administration	6,654,712	-	-	107,929	6,762,641
Fiscal	4,867,826	61,688	3,723	14,400	4,947,637
Business	880,438	-	-	-	880,438
Operation and Maintenance of Plant	10,606,521	-	-	133,794	10,740,315
Pupil Transportation	2,794,244	-	-	35,643	2,829,887
Central	1,779,798	-	-	-	1,779,798
Operation of Non-Instructional/Shared Services:					
Food Service Operations	-	-	-	1,017,613	1,017,613
Community Services	668,208	-	-	240,344	908,552
Extracurricular Activities	1,059,569	-	133,625	308,096	1,501,290
Capital Outlay	202,750	-	5,763,351	-	5,966,101
Debt Service					
Principal Retirement	345,000	2,325,000	-	-	2,670,000
Interest and Fiscal Charges	37,575	1,190,061	-	-	1,227,636
Total Expenditures	98,678,691	3,576,749	5,921,898	5,796,089	113,973,427
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>5,837,074</u>	<u>359,436</u>	<u>(5,435,407)</u>	<u>971,013</u>	<u>1,732,116</u>
Other Financing Sources (Uses)					
Insurance Recoveries	540	-	1,579,293	-	1,579,833
Transfers In	-	-	-	350,000	350,000
Transfers Out	(350,000)	-	-	-	(350,000)
Total Other Financing Sources (Uses)	<u>(349,460)</u>	<u>-</u>	<u>1,579,293</u>	<u>350,000</u>	<u>1,579,833</u>
Net Change in Fund Balances	5,487,614	359,436	(3,856,114)	1,321,013	3,311,949
<i>Fund Balances Beginning of Year, Restated (See Note 2)</i>	<u>56,709,978</u>	<u>5,146,321</u>	<u>6,472,265</u>	<u>3,799,810</u>	<u>72,128,374</u>
Fund Balances End of Year	<u>\$ 62,197,592</u>	<u>\$ 5,505,757</u>	<u>\$ 2,616,151</u>	<u>\$ 5,120,823</u>	<u>\$ 75,440,323</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, 2021*

Net Change in Fund Balances - Total Governmental Funds	\$	3,311,949
<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.		
Capital Asset Additions	\$ 8,465,735	
Current Year Depreciation	<u>(3,109,420)</u>	5,356,315
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.		
		(193,738)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Intergovernmental	83,526	
Property Taxes	900,038	
Other	<u>(1,664,634)</u>	(681,070)
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	2,325,000	
Direct Borrowings	<u>345,000</u>	2,670,000
In the statement of activities, interest is accrued on outstanding bonds, and bond premium and the 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	13,145	
Amortization of Premium on Bonds	198,857	
Amortization of Refunding Loss	<u>(63,642)</u>	148,360
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	8,265,004	
OPEB	<u>269,942</u>	8,534,946
Except for amount reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities.		
Pension	(14,701,387)	
OPEB	<u>468,238</u>	(14,233,149)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the 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.		
		(1,052,017)
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.		
Accrued Vacation Leave Payable	(323,760)	
Compensated Absences	<u>(186,696)</u>	(510,456)
<i>Change in Net Position of Governmental Activities</i>	\$	<u><u>3,351,140</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 and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property and Other Local Taxes	\$ 67,751,893	\$ 68,710,216	\$ 69,814,886	\$ 1,104,670
Intergovernmental	28,434,701	27,633,980	27,904,202	270,222
Investment Income	727,757	716,000	744,755	28,755
Tuition and Fees	1,634,239	1,157,052	912,047	(245,005)
Extracurricular Activities	-	50,000	-	(50,000)
Charges for Services	-	579,000	760,362	181,362
Rent	89,576	95,000	91,668	(3,332)
Payments in Lieu of Taxes	469,549	469,549	469,549	-
Miscellaneous	1,719,668	100,500	1,759,834	1,659,334
Total Revenues	100,827,383	99,511,297	102,457,303	2,946,006
Expenditures				
Current:				
Instruction:				
Regular	47,797,460	43,725,713	41,701,336	2,024,377
Special	16,200,281	16,168,819	15,493,210	675,609
Vocational	431,255	830,193	830,194	(1)
Student Intervention Services	127,859	112,587	112,587	-
Other	22,830	30,103	30,103	-
Support Services:				
Pupils	7,820,248	7,274,454	6,944,455	329,999
Instructional Staff	5,630,390	5,668,872	5,166,353	502,519
Board of Education	34,633	32,796	32,796	-
Administration	7,668,337	7,058,545	6,865,949	192,596
Fiscal	2,683,916	2,609,285	2,393,220	216,065
Business	1,020,585	1,731,213	1,544,848	186,365
Operation and Maintenance of Plant	12,306,376	13,948,365	12,206,629	1,741,736
Pupil Transportation	3,225,991	4,778,260	2,954,576	1,823,684
Central	2,031,233	2,699,181	2,145,064	554,117
Operation of Non-Instructional/Shared Services:				
Community Services	51,956	45,750	45,750	-
Extracurricular Activities	1,167,163	1,101,233	1,101,233	-
Capital Outlay	230,253	322,425	322,425	-
Debt Service				
Principal Retirement	391,799	345,000	345,000	-
Interest and Fiscal Charges	42,672	37,575	37,575	-
Total Expenditures	108,885,237	108,520,369	100,273,303	8,247,066
Excess of Receipts Over (Under) Expenditures	(8,057,854)	(9,009,072)	2,184,000	11,193,072
Other Financing Sources (Uses)				
Insurance Recoveries	-	-	540	540
Transfers Out	-	(365,000)	(360,000)	5,000
Total Other Financing Sources (Uses)	-	(365,000)	(359,460)	5,540
Net Change in Fund Balance	(8,057,854)	(9,374,072)	1,824,540	11,198,612
Fund Balance Beginning of Year	54,829,631	54,829,631	54,829,631	-
Prior Year Encumbrances Appropriated	4,987,635	4,987,635	4,987,635	-
Fund Balance End of Year	\$ 51,759,412	\$ 50,443,194	\$ 61,641,806	\$ 11,198,612

See accompanying notes to the basic financial statements.

Shaker Heights City School District
Cuyahoga County, Ohio
Statement of Fund Net Position
Proprietary Funds
June 30, 2021

	Governmental Activities
	Internal Service Fund
Assets	
<i>Current Assets:</i>	
Equity in Pooled Cash and Investments	\$ 5,209,658
<i>Total Current Assets</i>	5,209,658
 Liabilities	
<i>Current Liabilities:</i>	
Claims Payable	1,780,935
<i>Total Current Liabilities</i>	1,780,935
 <i>Long-Term Liabilities:</i>	
Claims Payable - net of current portion	276,149
<i>Total Long-Term Liabilities</i>	276,149
 <i>Total Liabilities</i>	 2,057,084
 Net Position	
Unrestricted	3,152,574
<i>Total Net Position</i>	\$ 3,152,574

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 Funds
For the Fiscal Year Ended June 30, 2021

	Governmental Activities
	Internal Service Fund
Operating Revenues	
Charges for Services	\$ 11,471,671
<i>Total Operating Revenues</i>	<i>11,471,671</i>
Operating Expenses	
Purchased Services	1,226,228
Claims	11,274,260
Other	23,200
<i>Total Operating Expenses</i>	<i>12,523,688</i>
<i>Change in Net Position</i>	<i>(1,052,017)</i>
<i>Net Position Beginning of Year</i>	<i>4,204,591</i>
<i>Net Position End of Year</i>	<i>\$ 3,152,574</i>

See accompanying notes to the basic financial statements.

Shaker Heights City School District
Cuyahoga County, Ohio
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2021

	Governmental Activities
	Internal Service Fund
Cash Flows from Operating Activities	
Cash Received from Interfund Services Provided	\$ 11,471,671
Cash Payments to Suppliers for Goods and Services	(1,287,144)
Cash Payments for Claims	(10,723,260)
Other Cash Payments	(23,200)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<i>(561,933)</i>
 <i>Net Increase (Decrease) in Cash and Investments</i>	 (561,933)
 <i>Cash and Investments Beginning of Year</i>	 5,771,591
 <i>Cash and Investments End of Year</i>	 \$ 5,209,658
 Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Operating Income (Loss)	\$ (1,052,017)
Adjustments:	
Increase (Decrease) in Liabilities and Deferred Inflows:	
Claims Payable	490,084
 <i>Net Cash Provided by (Used For) Operating Activities</i>	 <i>\$ (561,933)</i>

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, 2021

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, St. 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 state budget legislation provides certain per pupil amounts of 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 within state expenditure requirements. This activity is reflected in a special revenue fund and as a governmental activity of the School District. In accordance with new optional provisions beginning with the State's 2018-2019 biennial budget, Hathaway-Brown, Laurel, and beginning with the 2019-2020 school year University Schools elected to receive such funds directly from the State. They continue to employ School District employees through a third party contract agreement which is accounted for in a School District special revenue fund.

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.

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

The School District is associated with a related organization and three jointly governed organizations. These organizations are the Shaker Heights Public Library, the Ohio Schools' Council Association and Connect. These organizations are presented in Notes 19 and 20 to the basic financial statements.

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 fiscal 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, 2021

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.

Bond Retirement Fund The debt service fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest and certain long-term obligations from governmental resources when the government is obligated in some manner for payment.

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 the following four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that has certain characteristics. The School District does not have any fiduciary funds.

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

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, 2021

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, for pension and OPEB. 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 and OPEB plans are explained in Notes 14 and 15.

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, payments in lieu of taxes, pension, OPEB and unavailable revenue. Property taxes and payment in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2021, but which were levied to finance fiscal year 2022 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 and OPEB plans are reported on the government-wide statement of net position. (See Notes 14 and 15).

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, 2021

Budgetary Data

All funds, other than custodial 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, including the proprietary fund, are maintained in this pool. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" in the basic financial statements.

During fiscal year 2021, investments were limited to Federal Farm Credit Bank (FFCB) securities, Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal National Mortgage Association (FNMA) securities, US Treasury notes and bills, municipal bonds, commercial paper, certificates of deposit, money market accounts and the State Treasury Asset Reserve of Ohio (STAR Ohio), the State Treasurer's Investment Pool.

Except for nonparticipating investment contracts, investments are reported at fair value. Nonparticipating investment contracts, such as repurchase agreements and nonnegotiable certificates of deposits, are reported at cost.

During the year 2021, the School District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of 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 has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

For the fiscal year 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statute, interest earnings are allotted to the general fund unless the Board of Education has, by resolution, specified funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2021 amounted to \$98,290 which includes \$26,395 assigned from other School District funds.

For purposes of the statement of cash flows and for presentation on the statement of net position, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2021, 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 acquisition value as of the date received. The School District maintains a capitalization threshold of \$2,000. 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.

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

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

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 and Other Postemployment Benefits (OPEB)

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

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

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 proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, 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. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

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, 2021, 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.

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

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

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

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

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.

During fiscal year 2019, the School District had a major fire at Fernway Elementary School. The School District has received its final settlement of insurance recovery monies in fiscal year 2021 to restore the building and replace various contents.

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 Principles and Restatement of Net Position/Fund Balances

For the fiscal year ended June 30, 2021, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, GASB Statement No. 90, *Majority Equity Interests an amendment of GASB Statements No. 14 and No. 61*, certain provisions of GASB Statement No. 93, *Replacement of Interbank Offered Rates* and GASB Statement No. 98, *The Annual Comprehensive Financial Report*.

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the School District reviewed its funds for proper classification, and any fund reclassifications resulted in the restatement of the School District's financial statements (see below).

GASB Statement No. 90 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the School District.

GASB Statement No. 93 addresses accounting and financial reporting effects that result from the replacement of interbank offered rates (IBORs) with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. The implementation of certain provisions (all except for paragraphs 13 and 14, which are effective for fiscal years beginning after June 15, 2021), of GASB Statement No. 93 did not have an effect on the financial statements of the School District.

GASB Statement No. 98 establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. These changes were incorporated in the School District's fiscal year 2021 financial statements; however, there was no effect on beginning net position/fund balance.

Shaker Heights City School District
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Restatement of Net Position/Fund Balances

The implementation of GASB 84 had the following effect on net position as reported June 30, 2020:

	Governmental Activities
Net Position, June 30, 2020	\$ (650,005)
GASB Statement No. 84	543,265
Restated Net Position, June 30, 2020	\$ (106,740)

The implementation of GASB 84 had the following effect on fund balance as reported June 30, 2020:

	Other Governmental Funds
Fund Balance, June 30, 2020	\$ 3,256,545
GASB Statement No. 84	543,265
Restated Fund Balance, June 30, 2020	\$ 3,799,810

The implementation of GASB 84 had the following effect on fiduciary net position as reported June 30, 2020:

	Fiduciary Funds Agency
Net Position, June 30, 2020	\$ -
Adjustments:	
Assets	(551,715)
Liabilities	551,715
Restated Net Position, June 30, 2020	\$ -

NOTE 3 – FUND DEFICITS

Fund balances at June 30, 2021, included the following individual fund deficits:

	Fund Balance
Nonmajor Governmental Funds:	
Miscellaneous State Grants	\$ 28,616
Title IV-B	52,727
Limited English Proficiency	502
Title I	90,809
Preschool Disability	1,623
	174,277

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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 4 - FUND BALANCES

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

	General Fund	Bond Retirement Fund	Building Fund	Nonmajor Governmental Funds	Total
Nonspendable for:					
Prepays	\$ 153,545	\$ -	\$ -	\$ 929	\$ 154,474
Restricted for:					
Food Service	-	-	-	167,393	167,393
Athletics	-	-	-	562,519	562,519
Non-Public Schools	-	-	-	3,999	3,999
Special Instruction	-	-	-	8,285	8,285
Math Enrichment	-	-	-	56,501	56,501
Other Purposes	-	-	-	850,883	850,883
Debt Service Payments	-	5,505,757	-	-	5,505,757
Capital Improvements	-	-	2,616,151	3,644,591	6,260,742
Budget Stabilization-BWC Refund	353,070	-	-	-	353,070
Total Restricted	353,070	5,505,757	2,616,151	5,294,171	13,769,149
Assigned for:					
Uniform School Supplies	7,040	-	-	-	7,040
Public School Support	165,683	-	-	-	165,683
Shaker Merchandise	23,285	-	-	-	23,285
Fringe Benefits	50,000	-	-	-	50,000
Subsequent Year Appropriations	4,557,651	-	-	-	4,557,651
Encumbrances:					
Instruction	1,827,849	-	-	-	1,827,849
Student Support	2,899,286	-	-	-	2,899,286
Extracurricular	73,843	-	-	-	73,843
Capital Outlay	119,675	-	-	-	119,675
Total Assigned	9,724,312	-	-	-	9,724,312
Unassigned (Deficit)	51,966,665	-	-	(174,277)	51,792,388
Total Fund Balance (Deficit)	\$ 62,197,592	\$ 5,505,757	\$ 2,616,151	\$ 5,120,823	\$ 75,440,323

Shaker Heights City School District
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For the Fiscal Year Ended June 30, 2021

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).Note 5

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.

GAAP Basis	\$	5,487,614
Net Adjustment for Revenue Accruals		(1,046,607)
Net Adjustment for Expenditure Accruals		(618,328)
Funds Budgeted Elsewhere**		3,020,113
Adjustment for Encumbrances		<u>(5,018,252)</u>
Budget Basis	\$	<u>1,824,540</u>

** 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.

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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 the 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, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial 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;
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);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days and two hundred seventy days, respectively, from the purchase date in an amount not to exceed 40% of the interim monies available for investment at any one time; and,

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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.

Cash on Hand - At June 30, 2021 the School District had \$550 in undeposited cash on hand, which is included as part of "Equity in Pooled Cash and Investments."

Deposits - At year-end, \$4,372,692 of the School District's bank balance of \$4,622,692 was exposed to custodial credit risk. Although the securities were held by the pledging financial institutions' trust department in the School District's name and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of a bank failure, the School District will not be able to recover deposits or collateral securities that are in possession of an outside party.

The School District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by:

- Eligible securities pledged to the School District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
- Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS required the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Restricted Cash and Investments As of June 30, 2021, the School District had pooled cash that was a State restricted set-aside. These funds consist of unspent workers' compensation refunds that were received prior to April 20, 2001. The carrying amount of the deposits is reported as "Restricted Cash and Investments".

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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

Investments: As of June 30, 2021, the School District had the following investments:

Rating	Investment	Measurement Amount	Maturity (in months)			% Total Investments
			0 - 12	13-36	>36	
	Net Asset Value:					
AAAm	STAR Ohio	\$ 4,034,252	\$ 4,034,252	\$ -	\$ -	4.85%
AAAm	First American Treasury Obligation	90,181	90,181	-	-	0.11%
	Fair Value:					
N/A	Negotiable Certificates of Deposit	13,422,801	5,252,210	7,659,607	510,985	16.12%
A-1	Commercial Paper	35,559,903	35,559,903	-	-	42.72%
Aaa	US Treasury Note	3,375,775	-	3,375,775	-	4.06%
Aaa	US Treasury Bills	234,999	234,999	-	-	0.28%
N/A	Municipal Bonds	2,915,629	-	1,637,801	1,277,827	3.50%
AA+	Federal Home Loan Mortgage Corporation	4,637,996	-	3,248,836	1,389,160	5.57%
AA+	Federal Home Loan Bank	10,734,285	-	3,191,325	7,542,960	12.89%
AA+	Federal National Mortgage Association	3,239,924	-	2,245,185	994,739	3.89%
Aaa	Federal Farm Credit Bank	5,002,031	4,006,071	995,960	-	6.01%
	Totals	<u>\$ 83,247,776</u>	<u>\$ 49,177,616</u>	<u>\$ 22,354,489</u>	<u>\$ 11,715,671</u>	<u>100.00%</u>

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the School District's recurring fair value measurements as of June 30, 2021. The School District's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored which could require the need to acquire further market data (Level 2 inputs).

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, 2021, is 54 days.

Credit Risk: The School District's investments at June 30, 2021 are rated as shown above by Moody's Ratings and S & P Global Ratings. The School District's policy on Credit Risk allows only for those investments as stated within the Ohio Revised Code.

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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

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 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 2021 represents collections of calendar year 2020 taxes. Real property taxes received in calendar year 2021 were levied after April 1, 2020, on the assessed value listed as of January 1, 2020, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid 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 2021 represents collections of calendar year 2020 taxes. Public utility real and tangible personal property taxes received in calendar year 2021 became a lien December 31, 2019, were levied after April 1, 2020 and are collected in 2021 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

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, 2021, are available to finance fiscal year 2022 operations. 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, 2021, 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.

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.

Shaker Heights City School District
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The assessed values upon which the fiscal year 2021 taxes were collected are:

	2020 Second Half Collections		2021 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$ 862,375,300	97.87%	\$ 860,861,620	97.71%
Public Utility Personal Property	18,764,080	2.13%	20,175,570	2.29%
	\$ 881,139,380	100.00%	\$ 881,037,190	100.00%
Tax rate per \$1,000 assessed valuation	\$ 189.18		\$ 189.18	

NOTE 8 – RECEIVABLES

Receivables at June 30, 2021, consisted of taxes, accounts (payment in lieu of taxes and fees), interfund, 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, 2021, 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, 2020	\$ -	\$ 353,070
Current Year Set-Aside Requirement	861,388	-
Current Year Qualifying Expenditures	(2,059,304)	-
Total	\$ (1,197,916)	\$ 353,070
Set Aside Balance June 30, 2021	\$ -	\$ 353,070
Balance Carried Forward to Fiscal Year 2022	\$ -	\$ 353,070

Shaker Heights City School District
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Notes to the Basic Financial Statements
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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, 2021.

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. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, ODE adjustments for fiscal year 2021 are finalized. As a result, the net impact of the FTE adjustments on the fiscal year 2021 financial statements was a liability of the School District.

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Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 11 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2021, was as follows:

	Balance 6/30/20	Additions	Reductions	Balance 6/30/21
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 943,600	\$ -	\$ -	\$ 943,600
Construction in progress	25,528,156	4,815,741	(30,298,634)	45,263
Total Capital Assets, not being depreciated	<u>26,471,756</u>	<u>4,815,741</u>	<u>(30,298,634)</u>	<u>988,863</u>
<i>Capital Assets, being depreciated:</i>				
Land Improvements	5,502,334	255,035	-	5,757,369
Buildings and Improvements	51,817,104	30,880,718	-	82,697,822
Equipment	25,138,291	2,714,657	(1,014,701)	26,838,247
Vehicles	5,627,759	98,218	-	5,725,977
Total Capital Assets, being depreciated	<u>88,085,488</u>	<u>33,948,628</u>	<u>(1,014,701)</u>	<u>121,019,415</u>
Less Accumulated Depreciation:				
Land Improvements	(2,764,221)	(167,255)	-	(2,931,476)
Buildings and Improvements	(19,573,205)	(1,399,414)	-	(20,972,619)
Equipment	(18,420,730)	(1,376,024)	820,963	(18,975,791)
Vehicles	(4,661,284)	(166,727)	-	(4,828,011)
Total Accumulated Depreciation	<u>(45,419,440)</u>	<u>(3,109,420)</u>	<u>820,963</u>	<u>(47,707,897)</u>
Total Capital Assets being depreciated, net	<u>42,666,048</u>	<u>30,839,208</u>	<u>(193,738)</u>	<u>73,311,518</u>
Governmental Activities Capital Assets, Net	<u>\$ 69,137,804</u>	<u>\$ 35,654,949</u>	<u>\$(30,492,372)</u>	<u>\$ 74,300,381</u>

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Shaker Heights City School District
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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

Depreciation expense was charged to governmental functions as follows:

Instruction:		
Regular	\$	1,437,062
Special		7,649
Support Services:		
Pupil		770
Instructional Staff		470,928
Administration		7,397
Fiscal		8,873
Business		11,811
Operation and Maintenance of Plant		702,996
Pupil Transportation		169,884
Central Services		693
Food Service Operations		41,328
Non-Instructional		70,664
Extracurricular Activities		179,365
Total Depreciation	\$	<u>3,109,420</u>

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 2021, the School District contracted with Liberty Mutual Insurance Company for property, inland marine, vehicle, umbrella and general liability insurance coverage. The primary property coverage has a building and contents limit of \$239 million with a \$10,000 deductible. General liability coverage includes a \$1,000,000 single occurrence limit, a \$3,000,000 aggregate with either a \$1,000 or \$10,000 deductible, depending on the liability category. Coverage for vehicles, including school buses, have a \$1,000 deductible for both comprehensive and collision with a \$1,000,000 per accident combined single limit of liability. The School District also has a \$10,000,000 umbrella policy that covers both general liability and vehicle policies. The School District also has coverages provided by Travelers and other insurance companies that include foreign travel, cyber liability, crime and fiduciary obligations. Settled claims have not exceeded the School District's 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 Bureau of Workers' Compensation individual retrospective rating and payment system for claims years prior to calendar 2015. Such plan requires the payment of an annual minimum premium for administrative services and stop-loss coverage plus the actual claims cost for injured employees. The School District reimburses the State Bureau of Workers' Compensation for claims paid on the School District's behalf for all open individual retrospective claims years in the calendar year following the State's payment of the claims.

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The School District switched from an “individual retrospective” to a “group retrospective” rating plan effective January 1, 2015 and thus there are no reserves for claim years after calendar 2014. The balance of claims payable at June 30, 2021, represents an estimate of the liability for unpaid claims costs provided by Workers’ Compensation for open claim years through calendar 2014. The claims liability reported in the internal service funds for the Workers’ Compensation retrospective rating and payment system at June 30, 2021, was \$439,084.

Changes in claims activity for fiscal years 2020 and 2021 are as follows:

	<u>Balance at Beginning</u>	<u>Current Year Provision</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>
2020	\$ 500,000	\$ -	\$ -	\$ 500,000
2021	\$ 500,000	\$ -	\$ 60,916	\$ 439,084

Employee Health Benefits

The School District is self-insured for prescription drug, medical and dental insurance. Express Scripts (through the District’s Medical Mutual of Ohio contract), the pharmacy benefit manager of the program, processes the claims for the School District’s prescription drug program. Monthly funding rates for prescription drug insurance are \$343.48 for family coverage and \$129.37 for single coverage. The program utilizes a \$7 retail prescription deductible for generic drugs, a \$25 deductible for preferred name brand drugs and a \$50 deductible for non-preferred drugs.

Medical Mutual of Ohio, the third party administrator, processes the claims for the School District’s medical program. Monthly funding rates for medical insurance are \$1,383.53 for family coverage and \$526.06 for single coverage. Anthem Blue Cross/Blue Shield, the third party administrator, processes the claims for the School District’s dental program. 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 for medical and prescription drug that begins at \$200,000 per family per year and a calculated aggregate maximum stop loss coverage for the 2021 plan year (January through December) for claims of \$11,046,605.

The claims liability of \$1,618,100 reported in the self-insurance fund at June 30, 2021 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 2020 and 2021 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>
2020	\$ 789,000	\$ 10,433,339	\$ 10,155,339	\$ 1,067,000
2021	\$ 1,067,000	\$ 11,274,260	\$ 10,723,260	\$ 1,618,000

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NOTE 13 - OTHER EMPLOYEE BENEFITS

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Year-round employees earn up to twenty-four days of vacation per year, depending upon length of service and employee group. Vacation days are credited to employees on July 1, who can carryover five vacation days into the next fiscal year. Accumulated unused vacation time is paid to 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 either unrestricted or limited by the terms of negotiated agreements.

Health Care Benefits

The School District's primary health insurance carrier was Medical Mutual of Ohio beginning January 1, 2018. The School District health insurance plan continues to require a \$20 office visit co-pay; a \$250/\$500 deductible; and a \$250/\$500 coinsurance for a \$500/\$1,000 in-network out-of-pocket maximum.

Life Insurance

Life insurance is offered to employees through Anthem Life Insurance Company. The Superintendent receives \$450,000 for \$69.30 per month; the Treasurer receives \$150,000 coverage for \$23.10 per month; administrators, supervisors, other non-bargaining employees, certified teachers and support teachers, classified clerical and paraprofessional employees receive \$50,000 coverage for \$7.70 per month, and custodial and security employees receive \$40,000 for \$6.16 per month.

NOTE 14 – DEFINED BENEFIT PENSION PLANS

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability/Net OPEB Liability (Asset)

Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB 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 net pension/OPEB liability (asset) 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/OPEB liability (asset) 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.

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/OPEB are financed; however, the School District does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

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GASB 68/75 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 (assets) 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/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension/OPEB liability (asset)* 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.

The remainder of this note includes the required pension disclosures. See Note 15 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

Plan Description – School District non-teaching employees participate in SERS, a statewide, 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 percent for the first 30 years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

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An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension is in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of zero percent.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2021, the allocation to pension, death benefits, and Medicare B was 14.0 percent. SERS did not allocate employer contributions to the Health Care Fund for fiscal year 2021.

The School District’s contractually required contribution to SERS was \$2,174,004 for fiscal year 2021. Of this amount, \$165,332 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 is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Effective August 1, 2017 – July 1, 2019, any member could retire with reduced benefits who had (1) five years of service credit and age 60; (2) 27 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Effective August 1, 2019 – July 1, 2021, any member may retire with reduced benefits who has (1) five years of service credit and age 60; (2) 28 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Eligibility changes will continue to be phased through August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60. Eligibility changes for actuarially reduced benefits will be phased in until August 1, 2023, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

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The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit plan unfunded liability. A member is eligible to receive a monthly retirement benefit at age 50 and termination of employment. The member may elect to receive a lump-sum withdrawal.

The Combined plan offers features of both the DB Plan and the DC Plan. In the Combined plan, 12 percent of the 14 percent member rate is deposited into the member's DC account and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member 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 service. 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 and after termination of employment.

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. New members must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. 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 employer rate is 14 percent and the statutory member rate is 14 percent of covered payroll. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The 2021 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$6,091,000 for fiscal year 2021. Of this amount, \$1,015,613 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an independent actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the employer's share of employer contributions in the pension plan relative to the total employer contributions of all participating employers. Following is information related to the proportionate share and pension expense:

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	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability:			
Current Measurement Date	0.48089320%	0.36381733%	
Prior Measurement Date	<u>0.49716260%</u>	<u>0.36346793%</u>	
Change in Proportionate Share	<u>-0.01626940%</u>	<u>0.00034940%</u>	
Proportionate Share of the Net			
Pension Liability	\$ 31,807,289	\$ 88,030,848	\$ 119,838,137
Pension Expense	\$ 3,296,933	\$ 11,404,454	\$ 14,701,387

Deferred outflows/inflows of resources represent the effect of changes in the net pension liability due to the difference between projected and actual investment earnings, differences between expected and actual actuarial experience, changes in assumptions and changes in the School District's proportion of the collective net pension liability. The deferred outflows and deferred inflows are to be included in pension expense over current and future periods. The difference between projected and actual investment earnings is recognized in pension expense using a straight line method over a five year period beginning in the current year. Deferred outflows and deferred inflows resulting from changes in sources other than differences between projected and actual investment earnings are amortized over the average expected remaining service lives of all members (both active and inactive) using the straight line method. Employer contributions to the pension plan subsequent to the measurement date are also required to be reported as a deferred outflow of resources.

At June 30, 2021 the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	\$ 61,784	\$ 197,519	\$ 259,303
Net Difference between Projected and Actual Earnings on Pension Plan Investments	2,019,116	4,280,949	6,300,065
Changes of Assumptions	-	4,725,558	4,725,558
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	148,709	756,411	905,120
School District Contributions Subsequent to the Measurement Date	<u>2,174,004</u>	<u>6,091,000</u>	<u>8,265,004</u>
Total Deferred Outflows of Resources	<u>\$ 4,403,613</u>	<u>\$ 16,051,437</u>	<u>\$ 20,455,050</u>
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	\$ -	\$ 562,898	\$ 562,898
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	<u>571,900</u>	<u>995,269</u>	<u>1,567,169</u>
Total Deferred Inflows of Resources	<u>\$ 571,900</u>	<u>\$ 1,558,167</u>	<u>\$ 2,130,067</u>

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\$8,265,004 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2022	\$ (213,136)	\$ 2,956,035	\$ 2,742,899
2023	397,074	1,394,274	1,791,348
2024	841,614	2,098,544	2,940,158
2025	632,157	1,953,417	2,585,574
	\$ 1,657,709	\$ 8,402,270	\$ 10,059,979

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 terminations). 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. Future benefits for all current plan members were projected through 2130.

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, 2020, are presented below:

Actuarial Cost Method	Entry Age Normal (Level Percentage of Payroll, Closed)
Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent, net of investment expense, including inflation
COLA or Ad Hoc COLA	2.50 percent, on and after April 1, 2018, COLA's for future retirees will be delayed for three years following commencement

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For post-retirement mortality, the table used in evaluating allowances to be paid is the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, with 120 percent of male rates and 110 percent of female rates used. The RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years is used for the period after disability retirement.

The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term return expectation for the investments has been determined by 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 an arithmetic weighted average 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 asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	1.85 %
US Stocks	22.50	5.75
Non-US Stocks	22.50	6.50
Fixed Income	19.00	2.85
Private Equity	12.00	7.60
Real Assets	17.00	6.60
Multi-Asset Strategies	5.00	6.65
Total	100.00 %	

Discount Rate Total pension liability was calculated using the discount rate of 7.50 percent. The discount rate determination does not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 24-year amortization period of the unfunded actuarial accrued liability. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.50 percent). 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 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 School District's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the School District's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
School District's Proportionate Share of the Net Pension Liability	\$ 43,572,103	\$ 31,807,289	\$ 21,936,387

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Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2020, actuarial valuation, are presented below:

Inflation	2.50 percent
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3.00 percent
Cost-of-Living Adjustments	0.00 percent

Post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Tables, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

The actuarial assumptions used in the June 30, 2020 valuation, were based on the results of the latest available actuarial experience study, which is for the period July 1, 2011, through June 30, 2016.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return*</u>
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	<u>100.00 %</u>	

*Ten year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate. The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes that employer and member contributions will be made at statutory contribution rates of 14 percent each. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are 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, 2020. Therefore, the long-term expected rate of

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return on investments of 7.45 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2020.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table represents the School District's proportionate share of the net pension liability as of June 30, 2020, calculated using the current period discount rate assumption of 7.45 percent, 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 (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
School District's Proportionate Share of the Net Pension Liability	\$ 125,340,603	\$ 88,030,848	\$ 56,413,939

Social Security System

Effective July 1, 1991, all employees not otherwise covered by School Employees Retirement System or State Teachers Retirement System have an option to choose Social Security. The School District's liability is 6.2 percent of wages paid.

NOTE 15 - DEFINED BENEFIT OPEB PLANS

See Note 14 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

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 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. 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.

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. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

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Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2021, SERS did not allocate any employer contributions to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2021, this amount was \$23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2021, the School District's surcharge obligation was \$269,942, which is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered 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 partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements were discontinued effective January 1, 2021. 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 to offer the Plan and gives the Retirement Board discretionary 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. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2021, STRS did not allocate any employer contributions to post-employment health care.

Net OPEB Liability (Asset), OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

The net OPEB liability (asset) was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability (asset) was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Date	0.48937900%	0.36381700%	
Prior Measurement Date	0.50941500%	0.36346800%	
Change in Proportionate Share	-0.02003600%	0.00034900%	
Proportionate Share of the Net			
OPEB Liability (Asset)	\$ 10,635,807	\$ (6,394,076)	
OPEB Expense	\$ (98,299)	\$ (369,939)	\$ (468,238)

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At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	\$ 139,689	\$ 409,704	\$ 549,393
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	119,840	224,093	343,933
Changes of Assumptions	1,813,036	105,548	1,918,584
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	371,488	239,812	611,300
School District Contributions Subsequent to the Measurement Date	<u>269,942</u>	<u>-</u>	<u>269,942</u>
Total Deferred Outflows of Resources	<u>\$ 2,713,995</u>	<u>\$ 979,157</u>	<u>\$ 3,693,152</u>
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	\$ 5,409,051	\$ 1,273,612	\$ 6,682,663
Changes of Assumptions	267,892	6,073,307	6,341,199
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	<u>1,056,990</u>	<u>260,746</u>	<u>1,317,736</u>
Total Deferred Inflows of Resources	<u>\$ 6,733,933</u>	<u>\$ 7,607,665</u>	<u>\$ 14,341,598</u>

\$269,942 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2022	\$ (884,564)	\$ (1,640,887)	\$ (2,525,451)
2023	(875,897)	(1,489,209)	(2,365,106)
2024	(877,308)	(1,435,999)	(2,313,307)
2025	(788,721)	(1,409,797)	(2,198,518)
2026	(615,024)	(343,725)	(958,749)
Thereafter	<u>(248,366)</u>	<u>(308,891)</u>	<u>(557,257)</u>
	<u>\$ (4,289,880)</u>	<u>\$ (6,628,508)</u>	<u>\$ (10,918,388)</u>

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Actuarial Assumptions - SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each 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 terminations). 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.

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 OPEB liability in the latest actuarial valuation date of June 30, 2020, are presented below:

Inflation	3.00 percent
Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investment expense, including inflation
Municipal Bond Index Rate	
Measurement Date	2.45 percent
Prior Measurement Date	3.13 percent
Single Equivalent Interest Rate	
Measurement Date	2.63 percent, net of plan investment expense, including price inflation
Prior Measurement Date	3.22 percent, net of plan investment expense, including price inflation
Health Care Cost Trend Rate	
Pre-Medicare	7.00 percent - 4.75 percent
Medicare	5.25 percent - 4.75 percent

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years.

The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and

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inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer time frame. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	2.00 %	1.85 %
US Stocks	22.50	5.75
Non-US Stocks	22.50	6.50
Fixed Income	19.00	2.85
Private Equity	12.00	7.60
Real Assets	17.00	6.60
Multi-Asset Strategies	5.00	6.65
Total	<u>100.00 %</u>	

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2020 was 2.63 percent. The discount rate used to measure total OPEB liability prior to June 30, 2020 was 3.22 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the plan at the contribution rate of 2.00 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2034. However, since SERS' actuaries indicate the fiduciary net position is projected to be depleted at a future measurement date, the single equivalent interest rate is determined as the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion by the Fidelity General Obligation 20-year Municipal Bond Index rate of 2.45 percent, as of June 30, 2020 (i.e., municipal bond rate).

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability and what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.63 percent) and higher (3.63 percent) than the current discount rate (2.63 percent). Also shown is what the net OPEB liability would be based on health care cost trend rates that are one percentage point lower (6.00 percent decreasing to 3.75 percent) and higher (8.00 percent decreasing to 5.75 percent) than the current rate.

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	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
School District's Proportionate Share of the Net OPEB Liability	\$ 13,017,964	\$ 10,635,807	\$ 8,741,997
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
School District's Proportionate Share of the Net OPEB Liability	\$ 8,374,889	\$ 10,635,807	\$ 13,659,234

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2020, actuarial valuation are presented below:

Inflation	2.50 percent	
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65	
Payroll Increases	3.00 percent	
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	
Discount Rate of Return	7.45 percent	
Health Care Cost Trend Rates		
Medical	<u>Initial</u>	<u>Ultimate</u>
Pre-Medicare	5.00 percent	4.00 percent
Medicare	-6.69 percent	4.00 percent
Prescription Drug		
Pre-Medicare	6.50 percent	4.00 percent
Medicare	11.87 percent	4.00 percent

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

The actuarial assumptions used in the June 30, 2020 valuation were adopted by the board from the results of an actuarial experience study for July 1, 2011, through June 30, 2016.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

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Asset Class	Target Allocation	Long-Term Expected Rate of Return*
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	100.00 %	

*Ten year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total OPEB liability was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2020.

Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2020, calculated using the current period discount rate assumption of 7.45 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption. Also shown is the net OPEB asset as of June 30, 2020, calculated using health care cost trend rates that are one percentage point lower and one percentage point higher than the current health care cost trend rates.

	1% Decrease	Current Discount Rate	1% Increase
School District's Proportionate Share of the Net OPEB Liability (Asset)	\$ (5,563,264)	\$ (6,394,076)	\$ (7,098,994)
	1% Decrease	Current Trend Rate	1% Increase
School District's Proportionate Share of the Net OPEB Liability (Asset)	\$ (7,055,237)	\$ (6,394,076)	\$ (5,588,688)

Benefit Term Changes since the Prior Measurement Date There were no changes to the claims costs process. Claim curves were updated to reflect the projected fiscal year 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984 percent to 2.055 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to .1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

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NOTE 16 – SIGNIFICANT COMMITMENTS

Contractual Commitments

As a result of projects that were in progress at June 30, 2021, the School District had the following outstanding contractual commitments at fiscal year-end:

	Contract Amount	Expenditures as of June 30, 2021	Amount Remaining on Contract
Gardiner	\$ 434,335	\$ -	\$ 434,335
Van Auken Akins Architects	280,000	30,263	249,737
	\$ 714,335	\$ 30,263	\$ 684,072

Encumbrance Commitments

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

Fund	Amount
General	\$ 4,940,452
Building	224,525
Nonmajor Governmental	677,173
	\$ 5,842,150

Based on timing of when contracts are encumbered, contractual commitments identified above may or may not be included in the outstanding encumbrance commitments previously disclosed in this note.

NOTE 17 – INTERFUND BALANCES

Interfund Loans

Interfund loans receivable and payable consisted of the following at June 30, 2021, as reported on the fund statement:

	Interfund Receivable	Interfund Payable
General	\$ 671,039	\$ -
Nonmajor Governmental:		
Miscellaneous State Grants	-	10,575
ESSER	-	489,296
Title IV-B	-	87,600
Title I	-	82,669
Improving Teacher Quality	-	899
	\$ 671,039	\$ 671,039

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The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances were interfund loans which were not repaid in the current fiscal year, however expected to be repaid in the next fiscal year.

Interfund transactions between governmental funds are eliminated on the government-wide financial statements.

Transfers

Transfers made during fiscal year 2021 were as follows:

	Transfers In	Transfers Out
General	\$ -	\$ 350,000
Nonmajor Governmental:		
Athletics	350,000	-
	\$ 350,000	\$ 350,000

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

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	Interest Rate	Original Issue Amount	Fiscal Year of Maturity
<i>General Obligation Bonds:</i>			
School Improvement - 2008	4.00 - 4.50%	4,999,999	2026
Capital Improvement - 2012	2.00 - 2.50%	4,170,000	2028
School Improvement Refunding - 2012	2.00 - 21.00%	4,994,310	2026
School Improvement Refunding - 2015	3.98%	5,345,000	2026
School Improvement Bond - 2018	2.25 - 5.00%	20,100,000	2034
School Improvement Bond - 2018	2.00 - 2.75%	8,395,000	2038

On November 25, 2008, the School District issued \$4,999,999 in school improvement bonds. 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 bonds matured in fiscal year 2021.

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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, 2021, \$900,000 of the defeased debt is outstanding. The serial bonds remained outstanding at June 30, 2021. The capital appreciation bonds were originally sold at a discount of \$375,690, which was being accreted annually until the point of maturity of the capital appreciation bonds, which was 2020. The maturity amount of the outstanding capital appreciation bonds was \$495,000.

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.

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 fifteen year period with a final maturity at December 15, 2027.

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, 2021, \$4,555,000 of the defeased debt is outstanding.

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.

On April 11, 2018, the School District issued \$20,100,000 in school improvement bonds for the purpose of constructing, adding to, renovating, remodeling, furnishing, equipping and otherwise improving School District buildings. The bonds will be retired with a voted property tax levy from the debt service fund maturing in fiscal year 2034.

On April 25, 2018, the School District issued \$8,395,000 in school improvement bonds for the purpose of constructing, adding to, renovating, remodeling, furnishing, equipping and otherwise improving School District buildings. The bonds will be retired with a voted property tax levy from the debt service fund maturing in fiscal year 2038.

The School District's overall debt margin was \$44,869,390 with an unvoted debt margin of \$881,037 at June 30, 2021.

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Changes in the School District's long-term obligation during fiscal year 2021 were as follows:

	Balance 6/30/2020	Additions	Reductions	Balance 6/30/2021	Amounts Due in One Year
Governmental Activities:					
<i>General Obligation Bonds:</i>					
School Improvement Bonds - 2008					
Serial Bonds	\$ 330,000	\$ -	\$ 330,000	\$ -	\$ -
School Improvement Refunding Bonds - 2012					
Serial Bonds	2,685,000	-	475,000	2,210,000	465,000
Unamortized Premium	256,426	-	51,286	205,140	-
Total School Improvement Refunding Bonds - 2012	<u>2,941,426</u>	<u>-</u>	<u>526,286</u>	<u>2,415,140</u>	<u>465,000</u>
School Improvement Refunding Bonds - 2015					
Serial Bonds	4,815,000	-	460,000	4,355,000	805,000
Unamortized Premium	358,269	-	59,712	298,557	-
Total School Improvement Refunding Bonds - 2015	<u>5,173,269</u>	<u>-</u>	<u>519,712</u>	<u>4,653,557</u>	<u>805,000</u>
School Improvement Bonds - 2018					
Serial Bonds	18,415,000	-	1,035,000	17,380,000	1,080,000
Unamortized Premium	1,230,019	-	87,859	1,142,160	-
Total School Improvement Bonds - 2018	<u>19,645,019</u>	<u>-</u>	<u>1,122,859</u>	<u>18,522,160</u>	<u>1,080,000</u>
School Improvement Bonds - 2018					
Serial Bonds	8,345,000	-	25,000	8,320,000	25,000
Total General Obligation Bonds	<u>36,434,714</u>	<u>-</u>	<u>2,523,857</u>	<u>33,910,857</u>	<u>2,375,000</u>
<i>Direct Borrowings:</i>					
Capital Improvement & Equipment Bonds - 2012					
Energy Conservation	1,335,000	-	155,000	1,180,000	160,000
Stadium Improvements	265,000	-	85,000	180,000	90,000
Buses	320,000	-	105,000	215,000	105,000
Total Direct Borrowings	<u>1,920,000</u>	<u>-</u>	<u>345,000</u>	<u>1,575,000</u>	<u>355,000</u>
<i>Net Pension/OPEB Liability:</i>					
Pension	110,124,858	9,713,279	-	119,838,137	-
OPEB	12,810,726	-	2,174,919	10,635,807	-
Total Net Pension/OPEB Liability	<u>122,935,584</u>	<u>9,713,279</u>	<u>2,174,919</u>	<u>130,473,944</u>	<u>-</u>
<i>Other Long-term Obligations:</i>					
Compensated Absences	7,176,438	859,774	673,078	7,363,134	507,036
Claims Payable	500,000	-	60,916	439,084	162,935
<i>Total Governmental Activities</i>	<u>\$168,966,736</u>	<u>\$ 10,573,053</u>	<u>\$ 5,777,770</u>	<u>\$173,762,019</u>	<u>\$ 3,399,971</u>

General obligation bonds will be paid from the general fund and debt service fund. Compensated absences will be paid from the general fund. There is no repayment schedule for the net pension liability and net OPEB asset/liability; however, employer pension and OPEB contributions are primarily made from the General Fund. For additional information related to the net pension liability and net OPEB asset/liability see Notes 14 and 15.

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Principal and interest requirements to retire the general obligation bonds and direct borrowings outstanding at June 30, 2021 are as follows:

Fiscal Year Ending June 30,	Serial Bonds		Direct Borrowings	
	Principal	Interest	Principal	Interest
2022	\$ 2,375,000	\$ 1,105,592	\$ 355,000	\$ 30,575
2023	2,435,000	1,029,025	360,000	23,425
2024	2,485,000	958,589	165,000	18,175
2025	2,535,000	884,892	170,000	14,825
2026	2,585,000	800,282	170,000	11,000
2027 - 2031	6,985,000	3,035,969	355,000	8,938
2032 - 2036	8,805,000	1,496,830	-	-
2037 - 2038	4,060,000	137,183	-	-
Total	<u>\$ 32,265,000</u>	<u>\$ 9,448,361</u>	<u>\$ 1,575,000</u>	<u>\$ 106,938</u>

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, Amy Switzer, Director, at 16500 Van Aken Boulevard, Shaker Heights, Ohio 44120.

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 numbering over 266 school districts and related school organizations, located in 37 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 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 2021, the School District paid membership fees of \$1,068 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.

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Utility Purchase Programs

The School District participates in the natural gas purchase program. This three-year program, which goes through June 30, 2022, allows the School District to purchase natural gas at reduced rates (currently at \$0.34/dekatherm lower than the Dominion East Ohio's current Standard Service Offer (SSO)). Constellation New Energy (fka Compass Energy) is the supplier and program manager. There are currently 165 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 previous program, which included 256 members, Power 4 Schools, a partnership between the Council, the Ohio Association of School Business Officials (OASBO), the Ohio School Boards Association (OSBA) and the Buckeye Association of School Administrators (BASA), provided for a fixed per kilowatt-hour for electricity generation until May 2014, when it was converted to a new fixed price (\$0.0518/kwh effective June 2017 through the end of the agreement) or percent off the Price to Compare (PTC), whichever provided the greatest savings through December 2019. The current agreement with ENGIE Resources offers an Energy-Only, fixed price product for \$.03194/kwh for 24 months that began in January 2020. The 2022 renewal rate is expected to be \$.03130/kwh.

Connect and NEOnet

Connect is a jointly governed computer service bureau known as an Information Technology Center (ITC) that was formed for the purpose of providing data services to its then twenty-nine member school districts. Major areas of service provided by Connect include accounting, payroll, inventory, career guidance services, handicapped student tracking, pupil scheduling, attendance reporting and grade reporting. Connect operates as a Council of Governments (COG), whereby the Educational Service Center of Northeast Ohio (ESCNEO), the Educational Service Center of Lorain County (ESCLC), the Educational Service Center of Medina County (ESCMC), and the Ohio Schools Council (OSC) (collectively referred to as the Member-Owners) became the Member-Owners responsible for governance, accountability and financial liability of the ITC. Integral to the transaction, all financial obligations of the then current 26 member school districts were transferred to the new Member-Owners in consideration for their relinquishment of control of the ITC. The new membership agreement for participating school districts establishes an initial "Minimum Purchase Requirement" defined as purchasing at least one core service for a minimum of three years. This applies to current ITC members and any new members that join at a future date. The membership agreement also removes requirements to pay outstanding debts and obligations when a member withdraws from the ITC after the Minimum Purchase Requirement. There is no financial buy-in required for future members to join Connect, and there is intent required to withdraw. Instead, after the minimum purchase requirement is satisfied, members can withdraw at any time with sixty (60) days advance notice, and no financial obligation outside of direct costs incurred for services provided.

The ESCNEO continues to serve as the fiscal agent of Connect. Participating school districts pay for services provided by the ITC based upon a per pupil charge dependent upon the software packages and services used. In fiscal year 2021, the School District paid \$196,898 to Connect. Financial information can be obtained by contacting the Treasurer of the fiscal agent at 6393 Oak Tree Boulevard, Suite 377, Independence, Ohio 44131.

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Effective August 2018, the School District obtains its fiscal services from NEOnet, an ITC with offices located in Cuyahoga Falls. Other services continue to be provided by Connect. In fiscal year 2021, the School District paid \$63,391 to NEOnet, in connection with providing fiscal services primarily for the eFinancePlus software package.

NOTE 21 – TAX ABATEMENTS

The School District and other local governments located within the School District’s boundaries have entered into tax abatement agreements in order to retain or attract new industry, preserve or increase employment and revitalize the local economy. These tax abatements also affect the School District’s revenue stream, as they mean that the School District is foregoing or reducing tax revenue it is otherwise entitled to collect. All agreements are in effect prior to the reduction of taxes and are granted for the purpose of economic assistance or development. The amount of the abatement is a reduction of the taxable assessed valuation thus reducing the recipient’s tax bill. The School District’s fiscal year 2021 taxes abated amounted to \$133,311.

NOTE 22 – COVID 19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June 2021 while the national state of emergency continues. During fiscal year 2021, the School District received Coronavirus Aid, Relief, and Economic Security (CARES) Act funding. Additional funding has been made available through the Consolidated Appropriations Act, 2021, passed by Congress on December 21, 2020 and/or the American Rescue Plan Act, passed by Congress on March 11, 2021. During fiscal years 2020 and 2021, the School District received Coronavirus Aid, Relief, and Economic Security (CARES) Act funding.

NOTE 23 – SUBSEQUENT EVENT

For fiscal year 2022, school district foundation funding received from the State of Ohio will be funded using a direct funding model. Under this new model, community school, STEM school, scholarship, and open enrollment funding will be directly funded by the State of Ohio to the respective educating schools. For fiscal year 2021 and prior, the amounts related to students who were residents of the School District were funded to the School District who, in turn, made the payment to the educating school. For fiscal year 2021, the School District reported \$1,838,573 in revenues and expenditures/expenses related to these programs. This new funding system calculates a unique base cost and a unique “per-pupil local capacity amount” for each school district. The School District’s state core foundation funding is then calculated. Any change in funding will be subject to a phase in percentage of 16.67 percent for fiscal year 2022 and 33.33 percent for fiscal year 2023.

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 Eight Fiscal Years (1)

	<u>2021</u>	<u>2020</u>
<i>School Employees Retirement System (SERS)</i>		
School District's Proportion of the Net Pension Liability	0.48089320%	0.49716260%
School District's Proportionate Share of the Net Pension Liability	\$ 31,807,289	\$ 29,746,110
School District's Covered Payroll	\$ 17,108,571	\$ 17,144,733
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	185.91%	173.50%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.55%	70.85%
<i>State Teachers Retirement System (STRS)</i>		
School District's Proportion of the Net Pension Liability	0.36381733%	0.36346793%
School District's Proportionate Share of the Net Pension Liability	\$ 88,030,848	\$ 80,378,748
School District's Covered Payroll	\$ 44,180,929	\$ 42,666,300
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	199.25%	188.39%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.50%	77.40%

(1) Information prior to 2014 is not available.

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

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015	2014
0.48332460%	0.51450510%	0.51201700%	0.51126850%	0.52540800%	0.52540800%
\$ 27,680,895	\$ 30,740,543	\$ 37,474,920	\$ 29,173,476	\$ 26,590,600	\$ 31,244,327
\$ 16,377,252	\$ 16,345,950	\$ 17,656,993	\$ 17,290,819	\$ 16,701,962	\$ 16,371,886
169.02%	188.06%	212.24%	168.72%	159.21%	190.84%
71.36%	69.50%	62.98%	69.16%	71.70%	65.52%
0.37192815%	0.36269628%	0.36182360%	0.35595127%	0.36092189%	0.36092189%
\$ 81,778,649	\$ 86,159,279	\$ 121,113,265	\$ 98,374,519	\$ 87,788,694	\$ 104,573,318
\$ 42,267,521	\$ 40,214,564	\$ 39,452,800	\$ 37,351,907	\$ 35,942,792	\$ 35,238,031
193.48%	214.25%	306.98%	263.37%	244.25%	296.76%
77.31%	75.30%	66.80%	72.10%	74.70%	69.30%

See accompanying notes to the required supplementary information.

Shaker Heights City School District
Cuyahoga County, Ohio
Required Supplementary Information
Schedule of the School District's Contributions - Pension
Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>School Employees Retirement System (SERS)</i>				
Contractually Required Contribution	\$ 2,174,004	\$ 2,395,200	\$ 2,314,539	\$ 2,210,929
Contributions in Relation to the Contractually Required Contribution	<u>(2,174,004)</u>	<u>(2,395,200)</u>	<u>(2,314,539)</u>	<u>(2,210,929)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 15,528,600	\$ 17,108,571	\$ 17,144,733	\$ 16,377,252
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	13.50%	13.50%
<i>State Teachers Retirement System (STRS)</i>				
Contractually Required Contribution	\$ 6,091,000	\$ 6,185,330	\$ 5,973,282	\$ 5,917,453
Contributions in Relation to the Contractually Required Contribution	<u>(6,091,000)</u>	<u>(6,185,330)</u>	<u>(5,973,282)</u>	<u>(5,917,453)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 43,507,143	\$ 44,180,929	\$ 42,666,300	\$ 42,267,521
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 2,288,433	\$ 2,471,979	\$ 2,278,930	\$ 2,314,892	\$ 2,265,869	\$ 2,078,071
<u>(2,288,433)</u>	<u>(2,471,979)</u>	<u>(2,278,930)</u>	<u>(2,314,892)</u>	<u>(2,265,869)</u>	<u>(2,078,071)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 16,345,950	\$ 17,656,993	\$ 17,290,819	\$ 16,701,962	\$ 16,371,886	\$ 15,450,342
14.00%	14.00%	13.18%	13.86%	13.84%	13.45%
\$ 5,630,039	\$ 5,523,392	\$ 5,229,267	\$ 4,672,563	\$ 4,580,944	\$ 4,696,142
<u>(5,630,039)</u>	<u>(5,523,392)</u>	<u>(5,229,267)</u>	<u>(4,672,563)</u>	<u>(4,580,944)</u>	<u>(4,696,142)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 40,214,564	\$ 39,452,800	\$ 37,351,907	\$ 35,942,792	\$ 35,238,031	\$ 36,124,169
14.00%	14.00%	14.00%	13.00%	13.00%	13.00%

See accompanying notes to the required supplementary information.

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<i>School Employees Retirement System (SERS)</i>					
School District's Proportion of the Net OPEB Liability	0.48937900%	0.50941500%	0.49068860%	0.52036490%	0.51747342%
School District's Proportionate Share of the Net OPEB Liability	\$ 10,635,807	\$ 12,810,726	\$ 13,613,027	\$ 13,965,227	\$ 14,749,907
School District's Covered Payroll	\$ 17,108,571	\$ 17,144,733	\$ 16,377,152	\$ 16,345,950	\$ 17,656,993
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	62.17%	74.72%	83.12%	85.44%	83.54%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	18.17%	15.57%	13.57%	12.46%	11.49%
<i>State Teachers Retirement System (STRS)</i>					
School District's Proportion of the Net OPEB Liability (Asset)	0.36381700%	0.36346800%	0.37192815%	0.36269628%	0.36182360%
School District's Proportionate Share of the Net OPEB Liability (Asset)	\$ (6,394,076)	\$ (6,019,902)	\$ (5,976,506)	\$ 14,151,070	\$ 19,350,420
School District's Covered Payroll	\$ 44,180,929	\$ 42,666,300	\$ 42,267,521	\$ 40,214,564	\$ 39,452,800
School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-14.47%	-14.11%	-14.14%	35.19%	49.05%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	182.10%	174.70%	176.00%	47.10%	37.30%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

Shaker Heights City School District
Cuyahoga County, Ohio
Required Supplementary Information
Schedule of the School District's Contributions - OPEB
Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>School Employees Retirement System (SERS)</i>				
Contractually Required Contribution (1)	\$ 269,942	\$ 268,779	\$ 396,288	\$ 348,557
Contributions in Relation to the Contractually Required Contribution	<u>(269,942)</u>	<u>(268,779)</u>	<u>(396,288)</u>	<u>(348,557)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 15,528,600	\$ 17,108,571	\$ 17,144,733	\$ 16,377,252
Contributions as a Percentage of Covered Payroll (1)	1.74%	1.57%	2.31%	2.13%
<i>State Teachers Retirement System (STRS)</i>				
Contractually Required Contribution	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Contractually Required Contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 43,507,143	\$ 44,180,929	\$ 42,666,300	\$ 42,267,521
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%

(1) Includes surcharge

See accompanying notes to the required supplementary information.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 251,987	\$ 255,839	\$ 393,030	\$ 276,412	\$ 240,185	\$ 301,258
<u>(251,987)</u>	<u>(255,839)</u>	<u>(393,030)</u>	<u>(276,412)</u>	<u>(240,185)</u>	<u>(301,258)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 16,345,950	\$ 17,656,993	\$ 17,290,819	\$ 16,701,962	\$ 16,371,886	\$ 15,450,342
1.54%	1.45%	2.27%	1.65%	1.47%	1.95%
\$ -	\$ -	\$ -	\$ 359,428	\$ 352,380	\$ 361,242
<u>-</u>	<u>-</u>	<u>-</u>	<u>(359,428)</u>	<u>(352,380)</u>	<u>(361,242)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 40,214,564	\$ 39,452,800	\$ 37,351,907	\$ 35,942,792	\$ 35,238,031	\$ 36,124,169
0.00%	0.00%	0.00%	1.00%	1.00%	1.00%

See accompanying notes to the required supplementary information.

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2021

NOTE 1 - NET PENSION LIABILITY

Changes in Assumptions - SERS

Beginning in fiscal year 2018, an assumption of 2.5 percent was used for COLA or Ad Hoc COLA. Prior to 2018, an assumption of 3.0 percent was used.

For fiscal year 2017, the SERS Board adopted the following assumption changes:

- Assumed rate of inflation was reduced from 3.25 percent to 3.00 percent
- Payroll Growth Assumption was reduced from 4.00 percent to 3.50 percent
- Assumed real wage growth was reduced from 0.75 percent to 0.50 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females.
- Mortality among service retired members, and beneficiaries was updated to RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates.
- Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

Changes in Assumptions – STRS

For fiscal year 2018, the Retirement Board approved several changes to the actuarial assumptions in 2017. The long term expected rate of return was reduced from 7.75 percent to 7.45 percent, the inflation assumption was lowered from 2.75 percent to 2.50 percent, the payroll growth assumption was lowered to 3.00 percent, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25 percent due to lower inflation. The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

Changes in Benefit Terms - SERS

With the authority granted to the Board under SB 8, the Board enacted a three-year COLA delay for future benefit recipients commencing on or after April 1, 2018.

For fiscal year 2018, the cost-of-living adjustment was changed from a fixed 3.00 percent to a cost-of-living adjustment that is indexed to CPI-W not greater than 2.50 percent with a floor of zero percent beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

Changes in Benefit Terms - STRS

For fiscal year 2018, the cost-of-living adjustment (COLA) was reduced to zero.

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2021

NOTE 2 - NET OPEB LIABILITY (ASSET)

Changes in Assumptions – SERS

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented as follows:

Municipal Bond Index Rate:

Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Pre-Medicare

Fiscal year 2021	7.00 percent initially, decreasing to 4.75 percent
Fiscal year 2020	7.00 percent initially, decreasing to 4.75 percent
Fiscal year 2019	7.25 percent initially, decreasing to 4.75 percent
Fiscal year 2018	7.50 percent initially, decreasing to 4.00 percent

Medicare

Fiscal year 2021	5.25 percent initially, decreasing to 4.75 percent
Fiscal year 2020	5.25 percent initially, decreasing to 4.75 percent
Fiscal year 2019	5.375 percent initially, decreasing to 4.75 percent
Fiscal year 2018	5.50 percent initially, decreasing to 5.00 percent

Changes in Assumptions – STRS

For fiscal year 2021, valuation year per capita health care costs were updated. Health care cost trend rates ranged from -5.20 percent to 9.60 percent initially for fiscal year 2020 and changed for fiscal year 2021 to a range of -6.69 percent to 11.87 percent, initially.

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45 percent. Valuation year per capita health care costs were updated. Health care cost trend rates ranged from 6.00 percent to 11 percent initially and a 4.50 percent ultimate rate for fiscal year 2018 and changed for fiscal year 2019 to a range of -5.20 percent to 9.60 percent, initially and a 4.00 ultimate rate.

For fiscal year 2018, the blended discount rate was increased from 3.26 percent to 4.13 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2021

and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Changes in Benefit Terms - SERS

There have been no changes to the benefit provisions.

Changes in Benefit Terms – STRS

For fiscal year 2021, there were no changes to the claims costs process. Claim curves were updated to reflect the projected fiscal year 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984 percent to 2.055 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to .1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

For fiscal year 2020, there was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944 percent to 1.984 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021

For fiscal year 2019, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. This was subsequently extended, see above paragraph.

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.

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

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

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.

Student Wellness and Success - A fund used to account for state funds used to assist districts in supporting their students' academic achievement through mental health counseling, wraparound services, mentoring and after-school programs.

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

ESSER – This fund accounts for monies received through the Coronavirus Aid, Relief, and Economic Security (CARES) Act which provide relief grants to school districts related to the COVID-19 pandemic. Expenditures include, but are not limited to, preparedness and response, training of staff, and purchasing technology.

Coronavirus Relief – A fund used to account for costs that was necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19).

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.

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

Title I - This fund accounts for and reports 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.

Miscellaneous Federal Grants Fund – This fund accounts for federal monies which support academic and enrichment programs for the student body.

Nonmajor Capital Projects Fund

Capital projects funds account for the acquisition, construction or improvement of capital facilities other than those financed by proprietary funds.

Permanent Improvement Fund - The permanent improvement capital projects fund accounts for all transactions related to the acquiring, constructing or improving facilities.

Shaker Heights City School District
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Nonmajor Special Revenue Funds	Permanent Improvement Fund	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Investments	\$ 1,500,025	\$ 3,563,424	\$ 5,063,449
Receivables:			
Intergovernmental	1,806,858	-	1,806,858
Property Taxes	-	1,095,910	1,095,910
Prepaid Items	929	-	929
<i>Total Assets</i>	<u>\$ 3,307,812</u>	<u>\$ 4,659,334</u>	<u>\$ 7,967,146</u>
Liabilities			
Accounts Payable	\$ 1,450	\$ -	\$ 1,450
Accrued Wages and Benefits	335,904	-	335,904
Intergovernmental Payable	81,371	-	81,371
Interfund Payable	671,039	-	671,039
<i>Total Liabilities</i>	<u>1,089,764</u>	<u>-</u>	<u>1,089,764</u>
Deferred Inflows of Resources			
Property Taxes Levied for the Next Year	-	895,626	895,626
Unavailable Revenue	741,816	119,117	860,933
<i>Total Deferred Inflows of Resources</i>	<u>741,816</u>	<u>1,014,743</u>	<u>1,756,559</u>
Fund Balances			
Nonspendable	929	-	929
Restricted	1,649,580	3,644,591	5,294,171
Unassigned	(174,277)	-	(174,277)
<i>Total Fund Balances</i>	<u>1,476,232</u>	<u>3,644,591</u>	<u>5,120,823</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 3,307,812</u>	<u>\$ 4,659,334</u>	<u>\$ 7,967,146</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, 2021

	Nonmajor Special Revenue Funds	Permanent Improvement Fund	Total Nonmajor Governmental Funds
Revenues			
Property and Other Local Taxes	\$ -	\$ 997,583	\$ 997,583
Intergovernmental	5,347,795	15,821	5,363,616
Investment Income	469	-	469
Tuition and Fees	3,266	-	3,266
Extracurricular Activities	225,310	-	225,310
Charges for Services	14,031	-	14,031
Contributions and Donations	141,179	-	141,179
Miscellaneous	21,648	-	21,648
<i>Total Revenues</i>	<u>5,753,698</u>	<u>1,013,404</u>	<u>6,767,102</u>
Expenditures			
Current:			
Instruction:			
Regular	1,883,072	-	1,883,072
Special	1,200,570	-	1,200,570
Student Intervention Services	60,831	-	60,831
Support Services:			
Pupils	255,045	-	255,045
Instructional Staff	538,752	-	538,752
Administration	107,929	-	107,929
Fiscal	14,400	-	14,400
Operation and Maintenance of Plant	133,794	-	133,794
Pupil Transportation	35,643	-	35,643
Extracurricular Activities	308,096	-	308,096
Operation of Non-Instructional Services:			
Food Service Operations	1,017,613	-	1,017,613
Community Services	240,344	-	240,344
<i>Total Expenditures</i>	<u>5,796,089</u>	<u>-</u>	<u>5,796,089</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(42,391)</u>	<u>1,013,404</u>	<u>971,013</u>
Other Financing Sources (Uses)			
Transfers In	350,000	-	350,000
<i>Net Change in Fund Balance</i>	307,609	1,013,404	1,321,013
<i>Fund Balances Beginning of Year, Restated (See Note 2)</i>	1,168,623	2,631,187	3,799,810
<i>Fund Balances End of Year</i>	<u>\$ 1,476,232</u>	<u>\$ 3,644,591</u>	<u>\$ 5,120,823</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2021

	Food Service	Local Grants	Rotary	Student Activities	Athletics
Assets					
Equity in Pooled Cash and Investments	\$ 28,609	\$ 56,501	\$ 333,506	\$ 256,070	\$ 307,923
Receivables:					
Intergovernmental	138,784	-	-	-	-
Prepaid Items	-	-	-	-	-
<i>Total Assets</i>	<u>\$ 167,393</u>	<u>\$ 56,501</u>	<u>\$ 333,506</u>	<u>\$ 256,070</u>	<u>\$ 307,923</u>
Liabilities					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 1,262
Accrued Wages and Benefits	-	-	-	-	-
Intergovernmental Payable	-	-	-	-	212
Interfund Payable	-	-	-	-	-
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,474</u>
Deferred Inflows of Resources					
Unavailable Revenue	-	-	-	-	-
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	167,393	56,501	333,506	256,070	306,449
Unassigned	-	-	-	-	-
<i>Total Fund Balances (Deficit)</i>	<u>167,393</u>	<u>56,501</u>	<u>333,506</u>	<u>256,070</u>	<u>306,449</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 167,393</u>	<u>\$ 56,501</u>	<u>\$ 333,506</u>	<u>\$ 256,070</u>	<u>\$ 307,923</u>

Auxiliary Services	Data Communications	Student Wellness and Success	Parent Mentor Grant	ESSER	Coronavirus Relief	Title VI-B	Limited English Proficiency
\$ 22,062	\$ -	\$ 495,354	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	40,988	551,822	-	490,876	3,178
81	-	-	-	-	-	420	-
<u>\$ 22,143</u>	<u>\$ -</u>	<u>\$ 495,354</u>	<u>\$ 40,988</u>	<u>\$ 551,822</u>	<u>\$ -</u>	<u>\$ 491,296</u>	<u>\$ 3,178</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 188	\$ -
15,317	-	-	3,993	44,667	-	124,319	2,295
2,746	-	-	917	17,859	-	28,326	33
-	-	-	10,575	489,296	-	87,600	-
<u>18,063</u>	<u>-</u>	<u>-</u>	<u>15,485</u>	<u>551,822</u>	<u>-</u>	<u>240,433</u>	<u>2,328</u>
-	-	-	3,480	28,616	-	303,170	1,352
81	-	-	-	-	-	420	-
3,999	-	495,354	22,023	-	-	-	-
-	-	-	-	(28,616)	-	(52,727)	(502)
<u>4,080</u>	<u>-</u>	<u>495,354</u>	<u>22,023</u>	<u>(28,616)</u>	<u>-</u>	<u>(52,307)</u>	<u>(502)</u>
<u>\$ 22,143</u>	<u>\$ -</u>	<u>\$ 495,354</u>	<u>\$ 40,988</u>	<u>\$ 551,822</u>	<u>\$ -</u>	<u>\$ 491,296</u>	<u>\$ 3,178</u>

(continued)

Shaker Heights City School District
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2021

	Title I	Preschool Disability	Class Size Reduction	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
Assets					
Equity in Pooled Cash and Investments	\$ -	\$ -	\$ -	\$ -	\$ 1,500,025
Receivables:					
Intergovernmental	331,089	5,877	217,537	26,707	1,806,858
Prepaid Items	428	-	-	-	929
<i>Total Assets</i>	<u>\$ 331,517</u>	<u>\$ 5,877</u>	<u>\$ 217,537</u>	<u>\$ 26,707</u>	<u>\$ 3,307,812</u>
Liabilities					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 1,450
Accrued Wages and Benefits	142,994	2,319	-	-	335,904
Intergovernmental Payable	30,922	356	-	-	81,371
Interfund Payable	82,669	-	899	-	671,039
<i>Total Liabilities</i>	<u>256,585</u>	<u>2,675</u>	<u>899</u>	<u>-</u>	<u>1,089,764</u>
Deferred Inflows of Resources					
Unavailable Revenue	165,313	4,825	208,353	26,707	741,816
Fund Balances					
Nonspendable	428	-	-	-	929
Restricted	-	-	8,285	-	1,649,580
Unassigned	(90,809)	(1,623)	-	-	(174,277)
<i>Total Fund Balances (Deficit)</i>	<u>(90,381)</u>	<u>(1,623)</u>	<u>8,285</u>	<u>-</u>	<u>1,476,232</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 331,517</u>	<u>\$ 5,877</u>	<u>\$ 217,537</u>	<u>\$ 26,707</u>	<u>\$ 3,307,812</u>

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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, 2021

	Food Service	Local Grants	Rotary	Student Activities	Athletics
Revenues					
Intergovernmental	\$ 877,787	\$ -	\$ -	\$ -	\$ -
Investment Income	387	14	-	-	-
Tuition and Fees	-	-	3,266	-	-
Extracurricular Activities	-	-	126,820	63,017	35,473
Charges for Services	14,031	-	-	-	-
Contributions and Donations	-	120,361	200	14,831	5,787
Miscellaneous	18,373	-	-	-	3,275
<i>Total Revenues</i>	<u>910,578</u>	<u>120,375</u>	<u>130,286</u>	<u>77,848</u>	<u>44,535</u>
Expenditures					
Current:					
Instruction:					
Regular	-	79,192	27,719	-	-
Special	-	-	-	-	-
Student Intervention Services	-	-	-	-	-
Other	-	-	-	-	-
Support Services:					
Pupils	-	-	78,276	-	-
Instructional Staff	-	13,422	-	-	-
Board of Education	-	-	-	-	-
Administration	-	16,280	-	-	-
Fiscal	-	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-	693
Pupil Transportation	-	-	-	-	-
Central	-	-	-	-	-
Extracurricular Activities	-	-	-	55,828	252,268
Operation of Non-Instructional Services:					
Food Service Operations	1,017,613	-	-	-	-
Community Services	-	-	-	-	-
<i>Total Expenditures</i>	<u>1,017,613</u>	<u>108,894</u>	<u>105,995</u>	<u>55,828</u>	<u>252,961</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(107,035)</u>	<u>11,481</u>	<u>24,291</u>	<u>22,020</u>	<u>(208,426)</u>
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	350,000
<i>Net Change in Fund Balance</i>	<u>(107,035)</u>	<u>11,481</u>	<u>24,291</u>	<u>22,020</u>	<u>141,574</u>
<i>Fund Balances (Deficit) Beginning of Year , Restated (See Note 2)</i>	<u>274,428</u>	<u>45,020</u>	<u>309,215</u>	<u>234,050</u>	<u>164,875</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 167,393</u>	<u>\$ 56,501</u>	<u>\$ 333,506</u>	<u>\$ 256,070</u>	<u>\$ 306,449</u>

Auxiliary Services	Data Communications	Student Wellness and Success	Parent Mentor Grant	ESSER	Coronavirus Relief	Title VI-B	Limited English Proficiency
\$ 141,489	\$ 14,400	\$ 333,456	\$ 82,231	\$ 1,234,404	\$ 287,378	\$ 1,262,346	\$ 14,170
68	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
141,557	14,400	333,456	82,231	1,234,404	287,378	1,262,346	14,170
-	-	-	-	709,994	207,127	-	-
-	-	-	-	8,920	-	1,139,536	14,589
-	-	-	-	-	-	60,831	-
-	-	-	-	-	-	-	-
-	-	55,000	-	6,858	-	-	-
-	-	-	24,448	353,132	47,249	-	-
-	-	-	-	-	-	-	-
-	-	-	-	91,649	-	-	-
-	14,400	-	-	-	-	-	-
-	-	-	-	89,599	33,002	-	-
-	-	-	35,643	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
201,985	-	-	-	2,868	-	18,871	-
201,985	14,400	55,000	60,091	1,263,020	287,378	1,219,238	14,589
(60,428)	-	278,456	22,140	(28,616)	-	43,108	(419)
-	-	-	-	-	-	-	-
(60,428)	-	278,456	22,140	(28,616)	-	43,108	(419)
64,508	-	216,898	(117)	-	-	(95,415)	(83)
\$ 4,080	\$ -	\$ 495,354	\$ 22,023	\$ (28,616)	\$ -	\$ (52,307)	\$ (502)

(continued)

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, 2021

	Title I	Preschool Disability	Classroom Size Reduction	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
Revenues					
Intergovernmental	\$ 958,169	\$ 21,385	\$ 46,668	\$ 73,912	\$ 5,347,795
Investment Income	-	-	-	-	469
Tuition and Fees	-	-	-	-	3,266
Extracurricular Activities	-	-	-	-	225,310
Charges for Services	-	-	-	-	14,031
Contributions and Donations	-	-	-	-	141,179
Miscellaneous	-	-	-	-	21,648
<i>Total Revenues</i>	<u>958,169</u>	<u>21,385</u>	<u>46,668</u>	<u>73,912</u>	<u>5,753,698</u>
Expenditures					
Current:					
Instruction:					
Regular	842,540	-	-	16,500	1,883,072
Special	16,054	21,471	-	-	1,200,570
Student Intervention Services	-	-	-	-	60,831
Other	-	-	-	-	-
Support Services:					
Pupils	114,911	-	-	-	255,045
Instructional Staff	17,607	-	37,542	45,352	538,752
Board of Education	-	-	-	-	-
Administration	-	-	-	-	107,929
Fiscal	-	-	-	-	14,400
Operation and Maintenance of Plant	-	-	-	10,500	133,794
Pupil Transportation	-	-	-	-	35,643
Central	-	-	-	-	-
Extracurricular Activities	-	-	-	-	308,096
Operation of Non-Instructional Services:					
Food Service Operations	-	-	-	-	1,017,613
Community Services	1,495	-	13,565	1,560	240,344
<i>Total Expenditures</i>	<u>992,607</u>	<u>21,471</u>	<u>51,107</u>	<u>73,912</u>	<u>5,796,089</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(34,438)</u>	<u>(86)</u>	<u>(4,439)</u>	<u>-</u>	<u>(42,391)</u>
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	350,000
<i>Net Change in Fund Balance</i>	(34,438)	(86)	(4,439)	-	307,609
<i>Fund Balances (Deficit) Beginning of Year , Restated (See Note 2)</i>	<u>(55,943)</u>	<u>(1,537)</u>	<u>12,724</u>	<u>-</u>	<u>1,168,623</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ (90,381)</u>	<u>\$ (1,623)</u>	<u>\$ 8,285</u>	<u>\$ -</u>	<u>\$ 1,476,232</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, 2021

	Self Insurance	Workers' Compensation Reserve	Total Internal Service
Assets			
<i>Current Assets</i>			
Equity in Pooled Cash and Investments	\$ 4,770,574	\$ 439,084	\$ 5,209,658
<i>Total Current Assets</i>	<u>4,770,574</u>	<u>439,084</u>	<u>5,209,658</u>
Liabilities			
<i>Current Liabilities</i>			
Claims Payable	1,618,000	162,935	1,780,935
<i>Total Current Liabilities</i>	<u>1,618,000</u>	<u>162,935</u>	<u>1,780,935</u>
<i>Long-Term Liabilities</i>			
Claims Payable - net of Current Portion	-	276,149	276,149
<i>Total Long-Term Liabilities</i>	<u>-</u>	<u>276,149</u>	<u>276,149</u>
<i>Total Liabilities</i>	<u>1,618,000</u>	<u>439,084</u>	<u>2,057,084</u>
Net Position			
Unrestricted	3,152,574	-	3,152,574
<i>Total Net Position</i>	<u>\$ 3,152,574</u>	<u>\$ -</u>	<u>\$ 3,152,574</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, 2021

	Self Insurance	Workers' Compensation Reserve	Total Internal Service
Operating Revenues			
Charges for Services	\$ 11,471,671	\$ -	\$ 11,471,671
Operating Expenses			
Purchased Services	1,226,228	-	1,226,228
Claims	11,274,260	-	11,274,260
Other	23,200	-	23,200
<i>Total Operating Expenses</i>	<u>12,523,688</u>	<u>-</u>	<u>12,523,688</u>
<i>Operating Income (Loss)</i>	(1,052,017)	-	(1,052,017)
<i>Net Position Beginning of Year</i>	<u>4,204,591</u>	<u>-</u>	<u>4,204,591</u>
<i>Net Position End of Year</i>	<u>\$ 3,152,574</u>	<u>\$ -</u>	<u>\$ 3,152,574</u>

Shaker Heights City School District
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2021

	Self Insurance	Workers' Compensation Reserve	Total Internal Service
Cash Flows From Operating Activities			
Cash Received from Interfund Services Provided	\$ 11,471,671	\$ -	\$ 11,471,671
Cash Paid for Goods and Services	(1,226,228)	(60,916)	(1,287,144)
Cash Paid for Claims	(10,723,260)	-	(10,723,260)
Other Cash Payments	(23,200)	-	(23,200)
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>(501,017)</u>	<u>(60,916)</u>	<u>(561,933)</u>
<i>Net Increase (Decrease) in Cash and Investments</i>	(501,017)	(60,916)	(561,933)
<i>Cash and Investments Beginning of Year</i>	<u>5,271,591</u>	<u>500,000</u>	<u>5,771,591</u>
<i>Cash and Investments End of Year</i>	<u>\$ 4,770,574</u>	<u>\$ 439,084</u>	<u>\$ 5,209,658</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities			
Operating Income (Loss)	\$ (1,052,017)	\$ -	\$ (1,052,017)
Adjustments:			
Increase (Decrease) in Liabilities:			
Claims Payable	<u>551,000</u>	<u>(60,916)</u>	<u>490,084</u>
<i>Total Adjustments</i>	<u>551,000</u>	<u>(60,916)</u>	<u>490,084</u>
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>\$ (501,017)</u>	<u>\$ (60,916)</u>	<u>\$ (561,933)</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 Debt Service Fund

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.

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, 2021

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Tuition and Fees	\$ 100,000	\$ 48,639	\$ (51,361)
Expenditures			
Current:			
Instruction:			
Regular	100,125	48,397	51,728
<i>Net Change in Fund Balance</i>	(125)	242	367
<i>Fund Balance Beginning of Year</i>	6,672	6,672	-
Prior Year Encumbrances Appropriated	125	125	-
<i>Fund Balance End of Year</i>	\$ 6,672	\$ 7,039	\$ 367

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, 2021

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Investment Income	\$ 4,452	\$ 211	\$ (4,241)
Tuition and Fees	98,809	43,756	(55,053)
Extracurricular Activities	154,869	19,974	(134,895)
Contributions and Donations	57,974	5,608	(52,366)
Miscellaneous	8,896	1,247	(7,649)
<i>Total Revenues</i>	<u>325,000</u>	<u>70,796</u>	<u>(254,204)</u>
Expenditures			
Current:			
Instruction:			
Regular	201,738	51,738	150,000
Support Services:			
Administration	131,249	38,997	92,252
Extracurricular Activities	956	956	-
<i>Total Expenditures</i>	<u>333,943</u>	<u>91,691</u>	<u>242,252</u>
<i>Net Change in Fund Balance</i>	(8,943)	(20,895)	(11,952)
<i>Fund Balance Beginning of Year</i>	177,632	177,632	-
Prior Year Encumbrances Appropriated	8,944	8,944	-
<i>Fund Balance End of Year</i>	<u>\$ 177,633</u>	<u>\$ 165,681</u>	<u>\$ (11,952)</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, 2021

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Miscellaneous	\$ 15,000	\$ 707	\$ (14,293)
Expenditures			
Current:			
Support Services:			
Business	25,000	6,500	18,500
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(10,000)	(5,793)	4,207
Other Financing Sources (Uses)			
Transfers In	10,000	10,000	-
<i>Net Change in Fund Balance</i>	-	4,207	4,207
<i>Fund Balance Beginning of Year</i>	19,079	19,079	-
<i>Fund Balance End of Year</i>	\$ 19,079	\$ 23,286	\$ 4,207

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, 2021

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Charges for Services	\$ 1,236,186	\$ 1,204,204	\$ (31,982)
Miscellaneous	563,812	546,924	(16,888)
<i>Total Revenues</i>	<u>1,799,998</u>	<u>1,751,128</u>	<u>(48,870)</u>
Expenditures			
Current:			
Instruction:			
Regular	713,682	713,682	-
Support Services:			
Fiscal	916,670	859,416	57,254
Operation of Non-Instructional Services:			
Community Services	619,648	619,648	-
<i>Total Expenditures</i>	<u>2,250,000</u>	<u>2,192,746</u>	<u>57,254</u>
<i>Net Change in Fund Balance</i>	(450,002)	(441,618)	8,384
<i>Fund Balance Beginning of Year</i>	<u>2,678,183</u>	<u>2,678,183</u>	-
<i>Fund Balance End of Year</i>	<u>\$ 2,228,181</u>	<u>\$ 2,236,565</u>	<u>\$ 8,384</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, 2021

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Property and Other Local Taxes	\$ 3,600,000	\$ 3,604,762	\$ 4,762
Intergovernmental	300,000	247,566	(52,434)
<i>Total Revenues</i>	<u>3,900,000</u>	<u>3,852,328</u>	<u>(47,672)</u>
Expenditures			
Current:			
Support Services:			
Fiscal	120,600	61,688	58,912
Debt Service:			
Principal Retirement	2,389,939	2,325,000	64,939
Interest and Fiscal Charges	1,190,061	1,190,061	-
<i>Total Expenditures</i>	<u>3,700,600</u>	<u>3,576,749</u>	<u>123,851</u>
<i>Net Change in Fund Balance</i>	199,400	275,579	76,179
<i>Fund Balance Beginning of Year</i>	4,914,666	4,914,666	-
Prior Year Encumbrances Appropriated	600	600	-
<i>Fund Balance End of Year</i>	<u>\$ 5,114,666</u>	<u>\$ 5,190,845</u>	<u>\$ 76,179</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, 2021

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Intergovernmental	\$ -	\$ 20,000	\$ 20,000
Investment Income	200,000	87,197	(112,803)
Contributions and Donations	-	296,550	296,550
Miscellaneous	72,000	81,266	9,266
<i>Total Revenues</i>	<u>272,000</u>	<u>485,013</u>	<u>213,013</u>
Expenditures			
Current:			
Instruction:			
Regular	2,925	2,925	-
Support Services:			
Instructional Staff	18,274	18,274	-
Fiscal	4,647	4,647	-
Extracurricular Activities	153,295	153,295	-
Capital Outlay	10,706,967	8,429,920	2,277,047
<i>Total Expenditures</i>	<u>10,886,108</u>	<u>8,609,061</u>	<u>2,277,047</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(10,614,108)</u>	<u>(8,124,048)</u>	<u>2,490,060</u>
Other Financing Sources (Uses)			
Insurance Recoveries	1,728,000	1,579,293	(148,707)
<i>Net Change in Fund Balance</i>	(8,886,108)	(6,544,755)	2,341,353
<i>Fund Balance Beginning of Year</i>	3,148,792	3,148,792	-
Prior Year Encumbrances Appropriated	5,786,111	5,786,111	-
<i>Fund Balance End of Year</i>	<u>\$ 48,795</u>	<u>\$ 2,390,148</u>	<u>\$ 2,341,353</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, 2021

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Intergovernmental	\$ 1,288,000	\$ 669,963	\$ (618,037)
Investment Income	5,000	387	(4,613)
Charges for Services	666,000	14,031	(651,969)
Miscellaneous	41,000	18,373	(22,627)
<i>Total Revenues</i>	<u>2,000,000</u>	<u>702,754</u>	<u>(1,297,246)</u>
Expenditures			
Current:			
Operation of Non-Instructional Services:			
Food Service Operations	2,198,760	1,017,852	1,180,908
<i>Net Change in Fund Balance</i>	(198,760)	(315,098)	(116,338)
<i>Fund Balance Beginning of Year</i>	175,664	175,664	-
Prior Year Encumbrances Appropriated	98,760	98,760	-
<i>Fund Balance End of Year</i>	<u>\$ 75,664</u>	<u>\$ (40,674)</u>	<u>\$ (116,338)</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, 2021

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Investment Income	\$ 14	\$ 14	\$ -
Contributions and Donations	117,986	120,361	2,375
<i>Total Revenues</i>	<u>118,000</u>	<u>120,375</u>	<u>2,375</u>
Expenditures			
Current:			
Instruction:			
Regular	85,539	79,892	5,647
Special	9,250	-	9,250
Support Services:			
Instructional Staff	10,163	13,422	(3,259)
Administration	25,274	16,280	8,994
<i>Total Expenditures</i>	<u>130,226</u>	<u>109,594</u>	<u>20,632</u>
<i>Net Change in Fund Balance</i>	(12,226)	10,781	23,007
<i>Fund Balance Beginning of Year</i>	44,551	44,551	-
Prior Year Encumbrances Appropriated	468	468	-
<i>Fund Balance End of Year</i>	<u>\$ 32,793</u>	<u>\$ 55,800</u>	<u>\$ 23,007</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Rotary
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Tuition and Fees	\$ 32,579	\$ 3,266	\$ (29,313)
Extracurricular Activities	231,414	126,820	(104,594)
Charges for Services	1,001	-	(1,001)
Contributions and Donations	10,006	200	(9,806)
<i>Total Revenues</i>	<u>275,000</u>	<u>130,286</u>	<u>(144,714)</u>
Expenditures			
Current:			
Instruction:			
Regular	164,510	36,089	128,421
Support Services:			
Pupils	122,409	89,960	32,449
<i>Total Expenditures</i>	<u>286,919</u>	<u>126,049</u>	<u>160,870</u>
<i>Net Change in Fund Balance</i>	(11,919)	4,237	16,156
<i>Fund Balance Beginning of Year</i>	305,662	305,662	-
Prior Year Encumbrances Appropriated	<u>11,919</u>	<u>11,919</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 305,662</u>	<u>\$ 321,818</u>	<u>\$ 16,156</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Student Activities
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Extracurricular Activities	\$ 320,950	\$ 63,017	\$ (257,933)
Contributions and Donations	24,244	14,831	(9,413)
Miscellaneous	4,806	-	(4,806)
<i>Total Revenues</i>	<u>350,000</u>	<u>77,848</u>	<u>(272,152)</u>
Expenditures			
Current:			
Extracurricular Activities	<u>365,805</u>	<u>78,176</u>	<u>287,629</u>
<i>Net Change in Fund Balance</i>	(15,805)	(328)	15,477
<i>Fund Balance Beginning of Year</i>	218,318	218,318	-
Prior Year Encumbrances Appropriated	<u>15,806</u>	<u>15,806</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 218,319</u>	<u>\$ 233,796</u>	<u>\$ 15,477</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, 2021

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Extracurricular Activities	\$ 124,472	\$ 35,473	\$ (88,999)
Contributions and Donations	6,446	5,787	(659)
Miscellaneous	14,081	3,275	(10,806)
<i>Total Revenues</i>	<u>144,999</u>	<u>44,535</u>	<u>(100,464)</u>
Expenditures			
Current:			
Support Services:			
Operation and Maintenance of Plant	15,478	5,478	10,000
Extracurricular Activities	520,679	301,527	219,152
<i>Total Expenditures</i>	<u>536,157</u>	<u>307,005</u>	<u>229,152</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(391,158)</u>	<u>(262,470)</u>	<u>128,688</u>
Other Financing Sources (Uses)			
Transfers In	<u>355,000</u>	<u>350,000</u>	<u>(5,000)</u>
<i>Net Change in Fund Balance</i>	(36,158)	87,530	123,688
<i>Fund Balance Beginning of Year</i>	129,730	129,730	-
Prior Year Encumbrances Appropriated	<u>36,154</u>	<u>36,154</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 129,726</u>	<u>\$ 253,414</u>	<u>\$ 123,688</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, 2021

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Intergovernmental	\$ 199,926	\$ 182,698	\$ (17,228)
Investment Income	74	68	(6)
<i>Total Revenues</i>	<u>200,000</u>	<u>182,766</u>	<u>(17,234)</u>
Expenditures			
Current:			
Operation of Non-Instructional Services:			
Community Services	<u>199,633</u>	<u>201,132</u>	<u>(1,499)</u>
<i>Net Change in Fund Balance</i>	367	(18,366)	(18,733)
<i>Fund Balance Beginning of Year</i>	23,707	23,707	-
Prior Year Encumbrances Appropriated	<u>16,633</u>	<u>16,633</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 40,707</u>	<u>\$ 21,974</u>	<u>\$ (18,733)</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, 2021

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

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Student Wellness and Success
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Intergovernmental	\$ 340,000	\$ 333,456	\$ (6,544)
Expenditures			
Current:			
Support Services:			
Pupils	376,667	91,667	285,000
<i>Net Change in Fund Balance</i>	(36,667)	241,789	278,456
<i>Fund Balance Beginning of Year</i>	180,231	180,231	-
Prior Year Encumbrances Appropriated	36,667	36,667	-
<i>Fund Balance End of Year</i>	\$ 180,231	\$ 458,687	\$ 278,456

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, 2021

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Intergovernmental	\$ 143,305	\$ 47,385	\$ (95,920)
Expenditures			
Current:			
Instruction:			
Support Services:			
Instructional Staff	27,465	20,688	6,777
Operation and Maintenance of Plant	-	-	-
Pupil Transportation	113,178	60,711	52,467
<i>Total Expenditures</i>	<u>140,643</u>	<u>81,399</u>	<u>59,244</u>
<i>Net Change in Fund Balance</i>	2,662	(34,014)	(36,676)
<i>Fund Balance Beginning of Year</i>	(37,272)	(37,272)	-
Prior Year Encumbrances Appropriated	<u>35,643</u>	<u>35,643</u>	-
<i>Fund Balance End of Year</i>	<u>\$ 1,033</u>	<u>\$ (35,643)</u>	<u>\$ (36,676)</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
ESSER
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Intergovernmental	\$ 3,608,000	\$ 711,198	\$ (2,896,802)
Expenditures			
Current:			
Instruction:			
Regular	2,834,940	651,579	2,183,361
Special	7,179	7,179	-
Support Services:			
Pupils	5,519	5,519	-
Instructional Staff	353,132	353,132	-
Administration	90,618	90,618	-
Operation and Maintenance of Plant	308,313	308,313	-
Operation of Non-Instructional Services:			
Community Services	2,868	2,868	-
<i>Total Expenditures</i>	<u>3,602,569</u>	<u>1,419,208</u>	<u>2,183,361</u>
<i>Net Change in Fund Balance</i>	5,431	(708,010)	(713,441)
<i>Fund Balance Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 5,431</u>	<u>\$ (708,010)</u>	<u>\$ (713,441)</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Coronavirus Relief
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Intergovernmental	\$ 290,000	\$ 287,378	\$ (2,622)
Expenditures			
Current:			
Instruction:			
Regular	209,017	207,127	1,890
Support Services:			
Instructional Staff	47,680	47,249	431
Operation and Maintenance of Plant	33,303	33,002	301
<i>Total Expenditures</i>	<u>290,000</u>	<u>287,378</u>	<u>2,622</u>
<i>Net Change in Fund Balance</i>	-	-	-
<i>Fund Balance Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2021

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Intergovernmental	\$ 1,821,361	\$ 1,297,287	\$ (524,074)
Expenditures			
Current:			
Instruction:			
Special	1,144,166	1,172,629	(28,463)
Student Intervention Services	137,959	84,703	53,256
Support Services:			
Operation of Non-Instructional Services:			
Community Services	26,098	19,340	6,758
<i>Total Expenditures</i>	<u>1,308,223</u>	<u>1,276,672</u>	<u>31,551</u>
<i>Net Change in Fund Balance</i>	513,138	20,615	(492,523)
<i>Fund Balance Beginning of Year</i>	(109,960)	(109,960)	-
Prior Year Encumbrances Appropriated	<u>1,273</u>	<u>1,273</u>	-
<i>Fund Balance End of Year</i>	<u>\$ 404,451</u>	<u>\$ (88,072)</u>	<u>\$ (492,523)</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, 2021

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Intergovernmental	\$ 28,576	\$ 15,378	\$ (13,198)
Expenditures			
Current:			
Instruction:			
Special	13,066	14,217	(1,151)
<i>Net Change in Fund Balance</i>	15,510	1,161	(14,349)
<i>Fund Balance Beginning of Year</i>	(1,161)	(1,161)	-
<i>Fund Balance End of Year</i>	\$ 14,349	\$ -	\$ (14,349)

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, 2021

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Intergovernmental	\$ 1,237,853	\$ 904,236	\$ (333,617)
Expenditures			
Current:			
Instruction:			
Regular	720,591	771,410	(50,819)
Special	17,962	15,995	1,967
Support Services:			
Pupils	121,399	125,166	(3,767)
Instructional Staff	11,982	17,607	(5,625)
Operation of Non-Instructional Services:			
Community Services	8,578	1,495	7,083
<i>Total Expenditures</i>	<u>880,512</u>	<u>931,673</u>	<u>(51,161)</u>
<i>Net Change in Fund Balance</i>	357,341	(27,437)	(384,778)
<i>Fund Balance Beginning of Year</i>	<u>(55,228)</u>	<u>(55,228)</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 302,113</u>	<u>\$ (82,665)</u>	<u>\$ (384,778)</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, 2021

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Intergovernmental	\$ 30,562	\$ 23,604	\$ (6,958)
Expenditures			
Current:			
Instruction:			
Special	20,000	22,570	(2,570)
<i>Net Change in Fund Balance</i>	10,562	1,034	(9,528)
<i>Fund Balance Beginning of Year</i>	(1,034)	(1,034)	-
<i>Fund Balance End of Year</i>	\$ 9,528	\$ -	\$ (9,528)

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, 2021

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Intergovernmental	\$ 303,609	\$ 47,720	\$ (255,889)
Expenditures			
Current:			
Support Services:			
Instructional Staff	152,522	41,710	110,812
Operation of Non-Instructional Services:			
Community Services	26,585	19,547	7,038
<i>Total Expenditures</i>	<u>179,107</u>	<u>61,257</u>	<u>117,850</u>
<i>Net Change in Fund Balance</i>	124,502	(13,537)	(138,039)
<i>Fund Balance Beginning of Year</i>	(1,614)	(1,614)	-
Prior Year Encumbrances Appropriated	<u>4,107</u>	<u>4,107</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 126,995</u>	<u>\$ (11,044)</u>	<u>\$ (138,039)</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Miscellaneous Federal Grants
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Intergovernmental	\$ 126,846	\$ 96,797	\$ (30,049)
Expenditures			
Current:			
Instruction:			
Regular	12,787	21,000	(8,213)
Support Services:			
Pupils	21,346	-	21,346
Instructional Staff	20,428	45,352	(24,924)
Operation and Maintenance of Plant	4,730	10,500	(5,770)
Operation of Non-Instructional Services:			
Community Services	709	1,560	(851)
<i>Total Expenditures</i>	<u>60,000</u>	<u>78,412</u>	<u>(18,412)</u>
<i>Net Change in Fund Balance</i>	66,846	18,385	(48,461)
<i>Fund Balance Beginning of Year</i>	<u>(22,885)</u>	<u>(22,885)</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 43,961</u>	<u>\$ (4,500)</u>	<u>\$ (48,461)</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Permanent Improvement
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Property and Other Local Taxes	\$ 980,000	\$ 975,969	\$ (4,031)
Intergovernmental	20,000	15,821	(4,179)
<i>Total Revenues</i>	<u>1,000,000</u>	<u>991,790</u>	<u>(8,210)</u>
Expenditures			
Current:			
Support Services:			
Fiscal	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>
<i>Net Change in Fund Balance</i>	-	991,790	991,790
<i>Fund Balance Beginning of Year</i>	<u>2,571,634</u>	<u>2,571,634</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 2,571,634</u>	<u>\$ 3,563,424</u>	<u>\$ 991,790</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenses, and Changes in Fund Net Position -
Budget (Non-GAAP Basis) and Actual
Self Insurance
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance with Final Budget Over (Under)
Operating Revenues			
Charges for Services	\$ 12,499,999	\$ 11,471,671	\$ (1,028,328)
Operating Expenses			
Purchased Services	1,256,680	1,226,228	30,452
Claims	11,223,260	10,723,260	500,000
Other	23,200	23,200	-
<i>Total Operating Expenses</i>	<u>12,503,140</u>	<u>11,972,688</u>	<u>530,452</u>
<i>Change in Net Position</i>	(3,141)	(501,017)	(497,876)
<i>Net Position Beginning of Year</i>	5,268,450	5,268,450	-
Prior Year Encumbrances Appropriated	<u>3,140</u>	<u>3,140</u>	<u>-</u>
<i>Net Position End of Year</i>	<u>\$ 5,268,449</u>	<u>\$ 4,770,573</u>	<u>\$ (497,876)</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenses, and Changes in Fund Net Position -
Budget (Non-GAAP Basis) and Actual
Workers' Compensation Reserve
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance with Final Budget Over (Under)
Operating Revenues			
Charges for Services	\$ 200,000	\$ -	\$ (200,000)
Operating Expenses			
Fringe Benefits	325,000	60,916	264,084
<i>Total Operating Expenses</i>	<u>325,000</u>	<u>60,916</u>	<u>264,084</u>
<i>Change in Net Position</i>	(125,000)	(60,916)	64,084
<i>Net Position Beginning of Year</i>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
<i>Net Position End of Year</i>	<u>\$ 375,000</u>	<u>\$ 439,084</u>	<u>\$ 64,084</u>

Supplemental Schedules
Entity-Wide Accrual Statements
Reporting with GASB 68 and GASB 75
and without GASB 68 and GASB 75

Background:

The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2021 and is reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*. In a prior period, the School District also adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. 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 OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan’s *net pension/OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio’s statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB asset/liability to equal the School District’s proportionate share of each plan’s collective:

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

GASB notes that pension and OPEB 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 and other postemployment benefits. GASB noted that the unfunded portion of this 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 these assets/liabilities. 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 Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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 retirement system. In Ohio, there is no legal means to enforce the unfunded asset/liability of the pension/OPEB plan *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 retirement system is responsible for the administration of the pension and OPEB plans.

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 or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, 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 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 and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the School District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB asset/liability, respectively, not accounted for as deferred inflows/outflows.

The following schedules are summarized accrual basis financial statements for the fiscal year ending June 30, 2021, that report the financial statements including the impact of GASB 68 and GASB 75 and excluding the impact of GASB 68 and GASB 75.

Shaker Heights City School District
Cuyahoga County, Ohio
Supplemental Schedule
Schedule of Net Position - Including GASB 68 and GASB 75
June 30, 2021

	Governmental Activities
Assets	
Equity in Pooled Cash and Investments	\$ 86,497,395
Restricted Cash and Cash Equivalents	353,070
Receivables:	
Accounts	942,957
Intergovernmental	2,092,393
Property Taxes	82,259,761
Prepaid Items	154,474
Net OPEB Asset	6,394,076
Nondepreciable Capital Assets	988,863
Depreciable Capital Assets (Net)	73,311,518
<i>Total Assets</i>	<u>252,994,507</u>
Deferred Outflows of Resources	
Deferred Charges on Refunding	284,440
Pension	20,455,050
OPEB	3,693,152
<i>Total Deferred Outflows of Resources</i>	<u>24,432,642</u>
Liabilities	
Accounts Payable	99,049
Accrued Wages and Benefits	9,546,087
Contracts Payable	36,893
Intergovernmental Payable	1,588,565
Accrued Vacation Payable	323,760
Matured Compensated Absences Payable	239,404
Payroll Withholdings Payable	2,672,391
Accrued Interest Payable	48,452
Claims Payable	1,618,000
Long Term Liabilities:	
Due Within One Year	3,399,971
Due In More Than One Year:	
Net Pension Liability	119,838,137
Net OPEB Liability	10,635,807
Other Amounts Due in More Than One Year	39,888,104
<i>Total Liabilities</i>	<u>189,934,620</u>
Deferred Inflows of Resources	
Property Taxes Levied for the Next Fiscal Year	66,927,444
Payment in Lieu of Taxes for the Next Year	849,020
Pension	2,130,067
OPEB	14,341,598
<i>Total Deferred Inflows of Resources</i>	<u>84,248,129</u>
Net Position	
Net Investment in Capital Assets	43,636,862
Restricted For:	
Capital Outlay	4,164,121
Debt Service	4,755,468
Set Asides	353,070
Other Purposes	2,226,418
Unrestricted	(51,891,539)
<i>Total Net Position</i>	<u>\$ 3,244,400</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Supplemental Schedule
Schedule of Net Position - Excluding GASB 68 and GASB 75
June 30, 2021

	Governmental Activities
Assets	
Equity in Pooled Cash and Investments	\$ 86,497,395
Restricted Cash and Cash Equivalents	353,070
Receivables:	
Accounts	942,957
Intergovernmental	2,092,393
Property Taxes	82,259,761
Prepaid Items	154,474
Net OPEB Asset	-
Nondepreciable Capital Assets	988,863
Depreciable Capital Assets (Net)	73,311,518
<i>Total Assets</i>	<u>246,600,431</u>
Deferred Outflows of Resources	
Deferred Charges on Refunding	284,440
Pension	-
OPEB	-
<i>Total Deferred Outflows of Resources</i>	<u>284,440</u>
Liabilities	
Accounts Payable	99,049
Accrued Wages and Benefits	9,546,087
Contracts Payable	36,893
Intergovernmental Payable	1,588,565
Accrued Vacation Payable	323,760
Matured Compensated Absences Payable	239,404
Early Retirement Incentive Payable	2,672,391
Accrued Interest Payable	48,452
Claims Payable	1,618,000
Long Term Liabilities:	
Due Within One Year	3,399,971
Due In More Than One Year:	
Net Pension Liability	-
Net OPEB Liability	-
Other Amounts Due in More Than One Year	39,888,104
<i>Total Liabilities</i>	<u>59,460,676</u>
Deferred Inflows of Resources	
Property Taxes Levied for the Next Fiscal Year	66,927,444
Payment in Lieu of Taxes for the Next Year	849,020
Pension	-
OPEB	-
<i>Total Deferred Inflows of Resources</i>	<u>67,776,464</u>
Net Position	
Net Investment in Capital Assets	43,636,862
Restricted For:	
Capital Outlay	4,164,121
Debt Service	4,755,468
Innovations Lab	353,070
Other Purposes	2,226,418
Unrestricted	64,511,792
<i>Total Net Position</i>	<u>\$ 119,647,731</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Supplemental Schedule
Schedule of Activities - Including GASB 68 and GASB 75
For the Fiscal Year Ended June 30, 2021

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction:					
Regular	\$ 49,549,401	\$ 1,763,934	\$ 1,764,703	\$ 202	\$ (46,020,562)
Special	16,552,354	354,347	3,598,458	-	(12,599,549)
Career Technical Education (fka Vocational)	381,738	-	56,514	-	(325,224)
Student Intervention Services	172,716	-	65,208	-	(107,508)
Other	5,698	-	-	-	(5,698)
Support Services:					
Pupils	7,934,878	-	442,248	-	(7,492,630)
Instructional Staff	5,589,623	-	611,428	1,259	(4,976,936)
Board of Education	30,496	-	-	-	(30,496)
Administration	7,093,683	31,592	109,645	-	(6,952,446)
Fiscal	4,902,387	248,302	14,400	257	(4,639,428)
Business	911,983	-	-	-	(911,983)
Operation and Maintenance of Plant	10,656,128	97	130,666	394,302	(10,131,063)
Pupil Transportation	2,981,478	-	333,242	-	(2,648,236)
Central	1,828,569	-	-	-	(1,828,569)
Operation of Non-Instructional Services:					
Food Service Operations	1,044,181	14,031	878,174	-	(151,976)
Community Services	1,020,713	44,950	207,267	-	(768,496)
Extracurricular Activities	1,509,494	99,240	20,602	9,205	(1,380,447)
Debt Service:					
Interest and Fiscal Charges	1,087,646	-	-	-	(1,087,646)
<i>Total</i>	<u>\$ 113,253,166</u>	<u>\$ 2,556,493</u>	<u>\$ 8,232,555</u>	<u>\$ 405,225</u>	<u>(102,058,893)</u>

General Revenues

Property Taxes Levied for:	
General Purposes	72,251,276
Debt Service	3,736,515
Capital Outlay	1,009,776
Grants and Entitlements Not Restricted to Specific Programs	25,517,794
Payments in Lieu of Taxes	469,549
Investment Earnings	98,290
Miscellaneous	2,326,833
<i>Total General Revenues</i>	<u>105,410,033</u>
<i>Change in Net Position</i>	3,351,140
<i>Net Position Beginning of Year, Restated</i>	<u>(106,740)</u>
<i>Net Position End of Year</i>	<u>\$ 3,244,400</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Supplemental Schedule
Schedule of Activities - Excluding GASB 68 and GASB 75
For the Fiscal Year Ended June 30, 2021

	Program Revenues			Net (Expense)	
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Revenue and Changes in Net Position	
			Capital Grants and Contributions	Governmental Activities	
Governmental Activities					
Instruction:					
Regular	\$ 46,180,267	\$ 1,763,934	\$ 1,764,703	\$ 202	\$ (42,651,428)
Special	15,754,605	354,347	3,598,458	-	(11,801,800)
Career Technical Education (fka Vocational)	381,738	-	56,514	-	(325,224)
Student Intervention Services	172,716	-	65,208	-	(107,508)
Other	5,698	-	-	-	(5,698)
Support Services:					
Pupils	7,444,680	-	442,248	-	(7,002,432)
Instructional Staff	5,388,489	-	611,428	1,259	(4,775,802)
Board of Education	30,496	-	-	-	(30,496)
Administration	6,706,510	31,592	109,645	-	(6,565,273)
Fiscal	4,929,943	248,302	14,400	257	(4,666,984)
Business	896,889	-	-	-	(896,889)
Operation and Maintenance of Plant	10,452,362	97	130,666	394,302	(9,927,297)
Pupil Transportation	2,913,556	-	333,242	-	(2,580,314)
Central	1,748,946	-	-	-	(1,748,946)
Operation of Non-Instructional Services:					
Food Service Operations	1,044,181	14,031	878,174	-	(151,976)
Community Services	971,277	44,950	207,267	-	(719,060)
Extracurricular Activities	1,444,964	99,240	20,602	9,205	(1,315,917)
Debt Service:					
Interest and Fiscal Charges	1,087,646	-	-	-	(1,087,646)
Total	\$ 107,554,963	\$ 2,556,493	\$ 8,232,555	\$ 405,225	(96,360,690)

General Revenues

Property Taxes Levied for:

General Purposes	72,251,276
Debt Service	3,736,515
Capital Outlay	1,009,776
Grants and Entitlements Not Restricted to Specific Programs	25,517,794
Payments in Lieu of Taxes	469,549
Investment Earnings	98,290
Miscellaneous	2,326,833

Total General Revenues

105,410,033

Change in Net Position

9,049,343

Net Position Beginning of Year, Restated

110,598,388

Net Position End of Year

\$ 119,647,731

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STATISTICAL SECTION

Statistical Section

This part of the Shaker Heights City School District's annual comprehensive 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-35
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 annual comprehensive financial reports for the relevant fiscal year.

NOTE: 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.

With the implementation of GASB No. 75 in fiscal year 2018, the calculation of OPEB expense has changed, however, government-wide expenses for 2017 and prior fiscal years were not restated to reflect this change.

With the implementation of GASB No. 84 in fiscal year 2021, there have been minor reclassifications of funds (example custodial funds to special revenue for GAAP purposes). Prior fiscal year were not restated to reflect this change unless otherwise indicated.

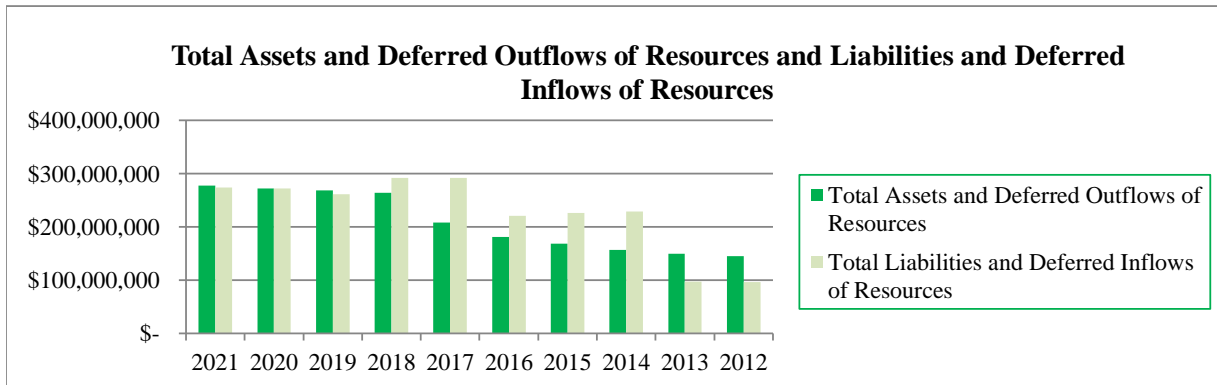
Shaker Heights City School District (Cuyahoga County, Ohio)

Net Position by Component

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2021	Restated 2020	2019	2018
Governmental Activities:				
Net Investment in Capital Assets	\$ 43,636,862	\$ 44,385,271	\$ 29,345,212	\$ 20,562,527
Restricted for:				
Capital Outlay	4,164,121	185,930	10,816,741	1,067,989
Debt Service	4,755,468	4,255,502	4,903,088	6,690,195
Set Asides	353,070	353,070	353,070	353,070
Other Purposes	2,226,418	1,827,030	869,789	690,449
Unrestricted	<u>(51,891,539)</u>	<u>(51,113,543)</u>	<u>(38,903,481)</u>	<u>(57,575,595)</u>
Total Governmental Activities Net Position	<u>\$ 3,244,400</u>	<u>\$ (106,740)</u>	<u>\$ 7,384,419</u>	<u>\$ (28,211,365)</u>



Source: School District financial records.

<u>Restated</u> <u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 20,192,334	\$ 18,406,114	\$ 18,703,093	\$ 15,783,429	\$ 13,553,310	\$ 11,315,889
1,366,516	1,793,321	2,620,380	2,970,535	833,627	1,439,495
3,988,776	4,027,833	3,601,996	3,447,258	3,258,334	2,991,077
353,070	353,070	353,070	353,070	353,070	353,070
823,296	895,547	905,278	719,875	887,667	766,769
<u>(110,490,760)</u>	<u>(65,855,623)</u>	<u>(83,122,366)</u>	<u>(94,875,293)</u>	<u>33,317,054</u>	<u>31,719,973</u>
<u>\$ (83,766,768)</u>	<u>\$ (40,379,738)</u>	<u>\$ (56,938,549)</u>	<u>\$ (71,601,126)</u>	<u>\$ 52,203,062</u>	<u>\$ 48,586,273</u>

Shaker Heights City School District (Cuyahoga County, Ohio)

Changes in Net Position of Governmental Activities

Last Ten Fiscal Years

(accrual basis of accounting)

	2021	2020	2019	2018
Expenses				
Instruction:				
Regular	\$ 49,549,401	\$ 45,614,580	\$ 15,820,184	\$ 16,102,751
Special	16,552,354	17,712,550	19,597,664	9,849,551
Career Technical Education (fka Vocational)	381,738	485,846	356,381	158,211
Student Intervention Services	172,716	274,180	791,350	(30,995)
Other	5,698	128,432	87,824	213,569
Support Services:				
Pupils	7,934,878	7,742,427	9,758,623	3,026,686
Instructional Staff	5,589,623	5,196,939	5,920,665	3,183,067
Board of Education	30,496	54,709	31,488	30,355
Administration	7,093,683	7,337,553	10,369,740	1,944,189
Fiscal	4,902,387	3,813,746	3,155,057	3,292,233
Business	911,983	1,097,173	771,189	700,381
Operation and Maintenance of Plant	10,656,128	11,906,290	14,045,046	4,750,932
Pupil Transportation	2,981,478	4,219,027	4,917,780	4,181,681
Central	1,828,569	2,310,628	2,534,734	1,366,505
Operation of Non-Instructional Services:				
Food Service Operations	1,044,181	1,489,433	1,817,458	1,932,677
Community Services	1,020,713	967,676	1,677,467	695,161
Extracurricular Activities	1,509,494	1,877,395	2,168,494	6,296,056
Interest and Fiscal Charges	1,087,646	1,222,866	1,385,071	1,142,265
<i>Total Expenses</i>	<u>113,253,166</u>	<u>113,451,450</u>	<u>95,206,215</u>	<u>58,835,275</u>
Program Revenues				
Charges for Services and Sales				
Instruction:				
Regular	1,763,934	1,567,125	1,449,226	1,641,595
Special	354,347	974,474	566,869	520,511
Career Technical Education (fka Vocational)	-	-	-	9,527
Other	-	-	-	11,480
Support Services:				
Instructional Staff	-	-	13	158,734
Administration	31,592	9,389	22,374	12,245
Fiscal	248,302	904,632	610,388	1,198,733
Business	-	-	-	19
Operation and Maintenance of Plant	97	4,392	7,058	-
Pupil Transportation	-	-	204	6,186
Operation of Non-Instruction Services:				
Food Service Operations	14,031	627,790	562,312	892,758
Community Services	44,950	459,205	796,130	-
Extracurricular Activities	99,240	161,109	192,188	242,211
Operating Grants, Contributions and Interest				
Instruction:				
Regular	1,764,703	553,672	404,167	428,769
Special	3,598,458	3,564,790	3,719,575	3,665,687
Career Technical Education (fka Vocational)	56,514	56,514	56,932	55,319
Student Intervention Services	65,208	117,715	190,417	180,238
Other	-	25,738	-	16,819
Support Services:				
Pupils	442,248	453,217	158,184	186,003
Instructional Staff	611,428	142,107	241,010	46,454
Administration	109,645	-	-	1,053
Fiscal	14,400	14,400	14,400	14,400
Business	-	-	-	-
Operation and Maintenance of Plant	130,666	81,364	25,004	-
Pupil Transportation	333,242	367,990	386,977	417,180
Central	-	-	-	-

2017	2016	2015	2014*	2013	2012
\$ 43,332,594	\$ 39,924,216	\$ 37,934,442	\$ 34,580,662	\$ 34,461,051	\$ 34,798,586
15,712,484	13,486,639	14,015,953	15,645,258	12,397,536	12,002,923
352,363	225,278	89,183	114,533	73,704	150,353
382,525	388,948	279,587	187,160	94	58,630
446,397	474,197	328,772	217,011	42,270	8,693
7,489,537	6,605,357	6,346,453	5,812,143	5,556,492	5,594,025
4,955,704	4,642,768	3,972,704	3,775,660	7,540,608	7,880,942
26,022	28,377	37,703	35,491	65,876	18,470
6,940,852	6,278,130	5,641,359	5,904,079	5,815,470	5,911,138
2,618,670	2,522,825	2,510,802	2,581,225	2,443,694	2,645,931
757,710	783,194	858,370	780,306	1,085,086	1,043,044
12,675,113	11,231,757	10,537,744	11,269,156	13,142,708	12,347,748
4,900,743	4,537,054	4,416,402	5,044,428	4,674,160	4,456,181
1,804,959	1,550,074	1,536,158	1,497,140	1,683,000	1,754,818
1,788,322	1,888,483	1,797,004	1,800,930	1,855,816	1,820,200
1,686,053	1,761,972	1,579,096	1,463,402	1,598,259	1,428,394
1,688,888	1,621,109	1,892,552	2,064,830	1,331,012	1,268,779
549,577	667,486	783,584	1,027,810	1,123,129	1,000,513
108,108,513	98,617,864	94,557,868	93,801,224	94,889,965	94,189,368
781,493	1,319,311	1,178,700	1,188,561	1,222,949	1,226,867
574,237	297,890	569,851	637,025	626,206	414,873
-	-	-	-	-	-
-	75	5,250	5,175	5,700	-
-	-	-	-	-	-
14,681	15,524	17,723	18,201	-	-
322,669	115,193	41,723	38,187	15,492	-
-	-	-	-	-	-
1,769	1,958	8,252	15,359	10,493	10,708
78,698	76,253	27,968	18,496	14,711	17,560
822,854	835,367	872,826	942,432	873,289	888,162
-	-	-	-	-	-
256,310	285,452	192,984	143,509	143,031	112,812
507,752	341,875	120,967	180,152	68,749	1,175,777
3,860,005	4,233,399	4,107,133	3,858,976	1,029,673	1,094,487
46,629	41,624	43,444	44,456	-	-
96,529	149,402	172,335	304,165	111	57,840
15,600	-	21,416	-	23,851	-
216,043	148,302	115,244	58,871	-	-
145,440	144,980	299,430	271,907	1,449,321	1,469,327
1,721	1,153	1,746	3,968	30,074	20,000
14,400	14,400	14,400	14,400	14,400	14,400
-	-	-	-	-	38
-	-	-	-	-	-
393,888	434,255	514,785	500,586	-	15,906
-	-	-	-	19,717	33,000

(continued)

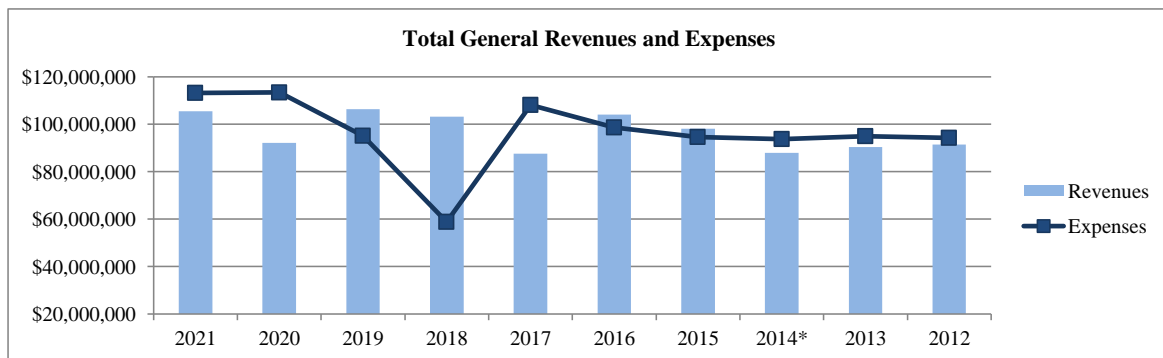
Shaker Heights City School District (Cuyahoga County, Ohio)

Changes in Net Position of Governmental Activities

Last Ten Fiscal Years

(accrual basis of accounting)

	2021	2020	2019	2018
Operation of Non-Instruction Services				
Food Service Operations	878,174	834,966	937,106	929,421
Community Services	207,267	194,186	593,451	556,401
Extracurricular Activities	20,602	9,696	3,388	4,646
Capital Grants and Contributions				
Instruction:				
Regular	202	468	6,825	-
Special	-	-	-	-
Support Services:				
Pupils	-	-	826	-
Instructional Staff	1,259	508	-	-
Business	-	-	-	-
Fiscal	257	299	-	-
Operation and Maintenance of Plant	394,302	531,833	642,571	-
Pupil Transportation	-	-	-	-
Extracurricular Activities	9,205	-	-	-
Total Program Revenues	11,194,273	11,657,579	11,587,595	11,196,389
Net Expense	(102,058,893)	(101,793,871)	(83,618,620)	(47,638,886)
General Revenues				
Property Taxes Levied for:				
General Purposes	72,251,276	60,521,625	70,728,101	69,760,159
Debt Service	3,736,515	3,274,744	4,648,733	4,079,725
Capital Outlay	1,009,776	817,152	1,007,083	870,324
Grants and Entitlements not Restricted to Specific Programs	25,517,794	24,129,251	26,063,809	25,414,022
Payment in Lieu of Taxes	469,549	365,924	699,669	112,332
Insurance Recoveries	-	75,977	-	-
Investment Earnings	98,290	2,221,255	2,174,811	795,045
Miscellaneous	2,326,833	709,269	1,049,760	2,162,682
Total General Revenues	105,410,033	92,115,197	106,371,966	103,194,289
Extraordinary Item				
Insurance Recoveries	-	1,644,250	12,842,438	-
Total General Revenues and				
 Extraordinary Item	105,410,033	93,759,447	119,214,404	103,194,289
Change in Net Position	\$ 3,351,140	\$ (8,034,424)	\$ 35,595,784	\$ 55,555,403

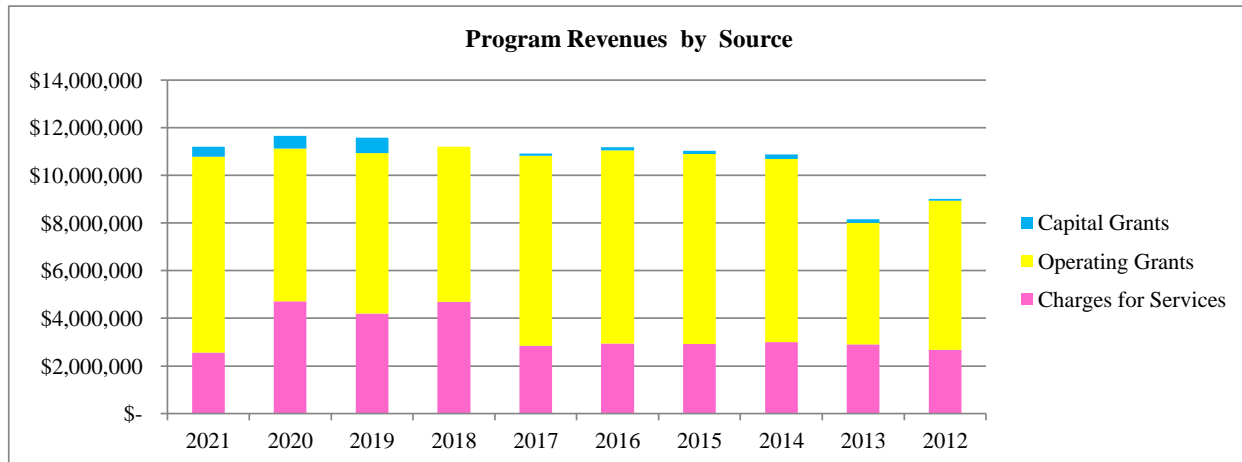


*Certain foundation payments for special education and transportation were reclassified to program revenues from general revenue in fiscal year 2015. For comparability purposes, fiscal year 2015 was updated but no years prior to fiscal 2014 reflect this change.

2017	2016	2015	2014*	2013	2012
920,784	932,620	1,604,904	978,098	979,654	931,912
1,743,019	1,650,925	970,556	1,471,119	1,469,438	1,446,234
4,753	7,499	2,806	2,717	2,497	6,051
-	77,947	108,900	110,313	50,535	-
-	1,756	-	-	-	-
-	-	-	-	-	-
-	7,034	-	-	-	-
-	1,784	15,400	-	-	-
-	-	-	-	-	-
-	789	-	-	-	32,972
88,714	38,627	-	75,000	102,085	41,965
-	-	-	-	-	-
<u>10,907,988</u>	<u>11,175,394</u>	<u>11,028,743</u>	<u>10,881,673</u>	<u>8,151,976</u>	<u>9,010,891</u>
<u>(97,200,525)</u>	<u>(87,442,470)</u>	<u>(83,529,125)</u>	<u>(82,919,551)</u>	<u>(86,737,989)</u>	<u>(85,178,477)</u>
59,568,298	74,574,871	70,813,771	61,323,747	63,408,623	64,805,875
1,990,941	2,548,475	2,353,929	2,253,696	2,524,431	2,658,043
-	-	-	-	-	-
25,402,285	25,768,793	24,060,541	23,882,775	23,839,415	23,319,363
122,973	122,905	-	-	-	-
-	-	-	-	-	-
158,736	704,297	267,160	141,545	124,229	193,986
418,602	281,940	696,301	343,790	458,080	514,201
<u>87,661,835</u>	<u>104,001,281</u>	<u>98,191,702</u>	<u>87,945,553</u>	<u>90,354,778</u>	<u>91,491,468</u>
-	-	-	-	-	-
<u>87,661,835</u>	<u>104,001,281</u>	<u>98,191,702</u>	<u>87,945,553</u>	<u>90,354,778</u>	<u>91,491,468</u>
<u>\$ (9,538,690)</u>	<u>\$ 16,558,811</u>	<u>\$ 14,662,577</u>	<u>\$ 5,026,002</u>	<u>\$ 3,616,789</u>	<u>\$ 6,312,991</u>

Shaker Heights City School District (Cuyahoga County, Ohio)
Program Revenues of Governmental Activities by Function
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2021	2020	2019	2018
Governmental Activities				
Instruction:				
Regular	\$ 3,528,839	\$ 2,121,265	\$ 1,860,218	\$ 2,070,364
Special	3,952,805	4,539,264	4,286,444	4,186,198
Career Technical Education (fka Vocational)	56,514	56,514	56,932	64,846
Student Intervention	65,208	117,715	190,417	180,238
Other	-	25,738	-	28,299
Support Services:				
Pupils	442,248	453,217	159,010	186,003
Instructional Staff	612,687	142,615	241,023	205,188
Board of Education	-	-	-	-
Administration	141,237	9,389	22,374	13,298
Fiscal	262,959	919,331	624,788	1,213,133
Business	-	-	-	19
Operation and Maintenance of Plant	525,065	617,589	674,633	-
Pupil Transportation	333,242	367,990	387,181	423,366
Central	-	-	-	-
Operation of Non-Instructional Services				
Food Services	892,205	1,462,756	1,733,236	1,822,179
Community Services	252,217	653,391	1,155,763	556,401
Extracurricular Activities	129,047	170,805	195,576	246,857
Total Program Revenues	\$ 11,194,273	\$ 11,657,579	\$ 11,587,595	\$ 11,196,389



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 2015 was updated but no years prior to fiscal 2014 reflect this change.

2017	2016	2015	2014*	2013	2012
\$ 1,289,245	\$ 1,739,133	\$ 1,408,567	\$ 1,479,026	\$ 1,342,233	\$ 2,402,644
4,434,242	4,533,045	4,676,984	4,496,001	1,655,879	1,509,360
46,629	41,624	43,444	-	-	-
96,529	149,402	172,335	304,165	111	57,840
15,600	75	26,666	49,631	29,551	-
216,043	148,302	115,244	58,871	-	-
145,440	152,014	299,430	271,907	1,449,321	1,469,327
-	16,677	-	-	-	-
16,402	129,593	19,469	22,169	30,074	20,000
337,069	-	56,123	52,587	29,892	14,400
-	1,784	15,400	-	-	38
1,769	2,747	8,252	15,359	10,493	43,680
561,300	549,135	542,753	594,082	116,796	75,431
-	-	-	-	19,717	33,000
1,743,638	1,767,987	2,477,730	1,920,530	1,852,943	1,820,074
1,743,019	1,650,925	970,556	1,471,119	1,469,438	1,446,234
261,063	292,951	195,790	146,226	145,528	118,863
<u>\$ 10,907,988</u>	<u>\$ 11,175,394</u>	<u>\$ 11,028,743</u>	<u>\$ 10,881,673</u>	<u>\$ 8,151,976</u>	<u>\$ 9,010,891</u>

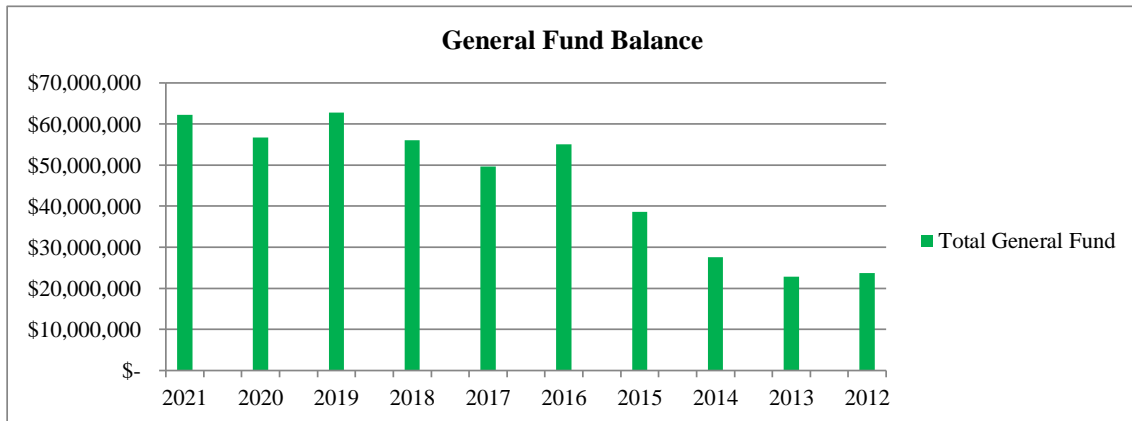
Shaker Heights City School District (Cuyahoga County, Ohio)

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	2021	Restated 2020	2019	2018
General Fund				
Nonspendable	\$ 153,545	\$ 224,125	\$ 222,134	\$ 226,458
Restricted	353,070	353,070	353,070	353,070
Committed	-	-	-	-
Assigned	9,724,312	8,153,612	5,232,232	17,880,399
Unassigned	<u>51,966,665</u>	<u>47,979,171</u>	<u>56,989,664</u>	<u>37,606,441</u>
Total General Fund	<u>62,197,592</u>	<u>56,709,978</u>	<u>62,797,100</u>	<u>56,066,368</u>
All Other Governmental Funds				
Nonspendable	929	3,637	4,307	6,127
Restricted	13,416,079	15,571,262	34,218,130	32,880,637
Unassigned	<u>(174,277)</u>	<u>(156,503)</u>	<u>(163,416)</u>	<u>(209,500)</u>
Total All Other Governmental Funds	<u>13,242,731</u>	<u>15,418,396</u>	<u>34,059,021</u>	<u>32,677,264</u>
Total Governmental Funds	<u>\$ 75,440,323</u>	<u>\$ 72,128,374</u>	<u>\$ 96,856,121</u>	<u>\$ 88,743,632</u>



Source: School District financial records.

2017	2016	2015	2014	2013	2012
\$ 222,612	\$ 85,528	\$ 178,918	\$ 36,928	\$ 31,267	\$ 268,580
353,070	353,070	353,070	353,070	353,070	353,070
1,173,937	435,416	-	-	-	-
5,251,332	5,325,822	7,062,924	4,248,345	7,186,555	8,801,392
42,648,411	48,865,339	31,016,687	22,990,573	15,305,379	14,278,025
49,649,362	55,065,175	38,611,599	27,628,916	22,876,271	23,701,067
678	-	-	-	-	15,688
4,810,523	6,185,448	6,819,790	6,827,709	5,256,580	4,694,602
(136,817)	(69,080)	(94,269)	(75,088)	(185,762)	(177,597)
4,674,384	6,116,368	6,725,521	6,752,621	5,070,818	4,532,693
\$ 54,323,746	\$ 61,181,543	\$ 45,337,120	\$ 34,381,537	\$ 27,947,089	\$ 28,233,760

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

	2021	2020	2019	2018
Revenues:				
Property and Other Local Taxes	\$ 76,097,529	\$ 64,587,355	\$ 76,542,746	\$ 75,032,244
Intergovernmental	33,539,767	30,298,873	32,376,941	31,877,397
Investment Income	185,956	2,718,050	2,783,842	856,980
Tuition and Fees	1,007,873	1,799,298	1,276,576	1,506,363
Extracurricular Activities	245,284	178,562	325,389	371,936
Rentals	91,668	92,841	91,049	89,293
Charges for Services	1,211,468	2,637,415	2,513,748	2,495,853
Contributions and Donations	444,815	95,381	143,728	99,188
Payment in Lieu of Taxes	469,549	365,924	699,669	112,332
Miscellaneous	2,411,634	1,037,115	704,143	2,106,016
<i>Total Revenues</i>	<u>115,705,543</u>	<u>103,810,814</u>	<u>117,457,831</u>	<u>114,547,602</u>
Expenditures:				
Current:				
Instruction:				
Regular	43,955,768	42,289,989	41,971,747	42,082,366
Special	15,455,431	16,783,638	15,603,566	15,986,261
Career Technical Education (fka Vocational)	381,738	494,667	354,687	151,084
Student Intervention	173,418	274,180	401,710	402,577
Other	5,119	81,043	77,961	213,950
Support Services:				
Pupils	7,230,219	7,232,515	6,968,407	7,112,993
Instructional Staff	5,509,330	4,699,323	5,194,196	5,134,657
Board of Education	30,496	54,709	31,488	30,355
Administration	6,762,641	6,897,904	6,991,641	6,617,382
Fiscal	4,947,637	3,590,246	3,327,722	3,455,765
Business	880,438	988,442	685,043	770,412
Operation and Maintenance of Plant	10,740,315	10,333,511	12,401,079	10,104,442
Pupil Transportation	2,829,887	3,976,004	4,565,225	4,509,325
Central	1,779,798	2,241,039	2,052,283	1,917,734
Extracurricular Activities	1,501,290	1,703,849	1,662,897	1,615,557
Operation of Non-Instructional Services				
Food Service Operations	1,017,613	1,489,488	1,817,458	1,881,270
Community Services	908,552	806,865	1,326,737	1,303,117
Capital Outlay	5,966,101	22,146,392	10,409,511	3,920,507
Debt Service:				
Principal Retirement	2,670,000	2,949,310	2,985,000	2,029,999
Interest and Fiscal Charges	1,227,636	1,702,222	1,761,505	1,072,567
<i>Total Expenditures</i>	<u>113,973,427</u>	<u>130,735,336</u>	<u>120,589,863</u>	<u>110,312,320</u>
Excess of Revenues Over (Under) Expenditures	<u>1,732,116</u>	<u>(26,924,522)</u>	<u>(3,132,032)</u>	<u>4,235,282</u>
Other Financing Sources (Uses):				
Insurance Recoveries	1,579,833	9,260	-	109,064
General Obligation Bonds Issued	-	-	-	28,495,000
General Obligation Bond Premium	-	-	-	1,580,540
Refunding Bonds Issued	-	-	-	-
Premium on Debt Issuance	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-
Transfers In	350,000	285,000	10,120,000	260,000
Transfers Out	(350,000)	(285,000)	(10,120,000)	(260,000)
<i>Total Other Financing Sources (Uses)</i>	<u>1,579,833</u>	<u>9,260</u>	<u>-</u>	<u>30,184,604</u>
Extraordinary Item	-	1,644,250	11,244,521	-
<i>Net Change in Fund Balance</i>	<u>\$ 3,311,949</u>	<u>\$ (25,271,012)</u>	<u>\$ 8,112,489</u>	<u>\$ 34,419,886</u>
Debt Service as a Percentage of Noncapital Expenditures	3.69%	4.34%	4.31%	2.96%

Source: School District financial records.

	2017	2016	2015	2014	2013	2012
\$	60,683,178	\$ 76,996,894	\$ 72,624,434	\$ 68,568,000	\$ 65,713,209	\$ 65,451,694
	33,369,707	33,845,112	32,008,748	31,842,442	28,700,726	30,069,477
	174,520	714,497	269,281	142,123	127,601	201,222
	927,465	1,318,415	1,467,937	1,575,618	1,546,677	1,463,358
	347,612	359,198	289,637	230,233	240,541	208,345
	88,781	86,023	86,023	82,619	49,338	44,805
	1,439,922	1,118,740	1,009,713	1,066,505	1,068,914	954,513
	136,435	225,224	159,922	204,250	231,664	149,103
	122,973	122,905	-	-	-	-
	463,978	330,216	756,480	391,056	447,119	424,503
	97,754,571	115,117,224	108,672,175	104,102,846	98,125,789	98,967,020
	39,815,886	38,783,485	38,212,432	36,387,066	35,880,612	35,959,722
	14,768,608	13,489,001	14,297,783	15,649,050	12,717,540	12,300,518
	352,363	225,278	89,183	114,533	73,704	150,353
	382,525	398,299	287,621	187,160	94	58,630
	408,342	459,335	316,600	205,434	33,577	-
	7,022,053	6,612,062	6,531,094	5,834,027	5,755,271	5,819,423
	4,387,154	4,353,812	4,355,570	3,793,805	8,451,594	7,934,389
	26,022	28,377	37,703	35,491	65,876	18,470
	6,478,177	6,388,501	6,001,378	5,887,217	5,911,936	5,931,338
	2,744,933	2,578,829	2,548,226	2,597,966	2,425,772	2,636,142
	699,631	752,438	845,929	771,414	1,060,924	1,015,279
	10,398,177	10,351,040	10,601,066	11,069,951	12,308,686	12,190,201
	4,624,199	4,541,336	4,081,712	5,375,679	4,780,780	4,553,453
	1,715,662	1,572,126	1,609,192	1,512,182	1,684,587	1,738,851
	1,521,048	1,509,295	1,362,333	1,266,029	1,333,436	1,284,671
	1,788,322	1,814,071	1,797,004	1,800,930	1,855,816	1,821,836
	1,857,393	1,628,083	1,595,409	1,698,692	1,553,250	1,309,863
	2,901,476	1,006,601	447,920	519,015	4,094,660	1,023,865
	2,185,000	1,850,582	2,075,000	2,200,000	1,780,000	1,639,999
	537,936	930,250	686,728	765,120	981,471	1,016,556
	104,614,907	99,272,801	97,779,883	97,670,761	102,749,586	98,403,559
	(6,860,336)	15,844,423	10,892,292	6,432,085	(4,623,797)	563,461
	2,539	-	-	2,363	9,343	89,697
	-	-	-	-	4,170,000	-
	-	-	-	-	-	-
	-	-	5,345,000	-	4,994,310	-
	-	-	716,541	-	666,714	-
	-	-	(5,998,250)	-	(5,503,241)	-
	235,000	225,000	210,000	2,672,528	3,420,000	380,000
	(235,000)	(225,000)	(210,000)	(2,672,528)	(3,420,000)	(380,000)
	2,539	-	63,291	2,363	4,337,126	89,697
	-	-	-	-	-	-
\$	(6,857,797)	\$ 15,844,423	\$ 10,955,583	\$ 6,434,448	\$ (286,671)	\$ 653,158
	2.68%	2.83%	2.87%	3.15%	2.86%	2.77%

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Shaker Heights City School District (Cuyahoga County, Ohio)

History of School Operating Levies

For the Years 1933 - 2021

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
05/17*	1.25 Perm.Imp.	Continuing	2,782	1,335	67.57%	4,117	1,447

* Single ballot issue included permanent improvement levy and bond issue

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			Estimated Actual Value
	Residential/ Agricultural	Commercial/ Industrial/PU	Assessed Value	
2021	\$ 778,380,050	\$ 82,481,570	\$	2,459,604,629
2020	781,333,140	81,042,160		2,463,929,429
2019	780,953,140	81,759,150		2,464,892,257
2018	723,905,650	71,385,660		2,272,260,886
2017	729,004,600	72,479,180		2,289,953,657
2016	730,582,810	72,725,130		2,295,165,543
2015	696,083,470	72,451,880		2,195,815,286
2014	701,293,730	77,608,500		2,225,434,943
2013	702,161,380	78,177,030		2,229,538,314
2012	765,520,980	80,615,370		2,417,532,429

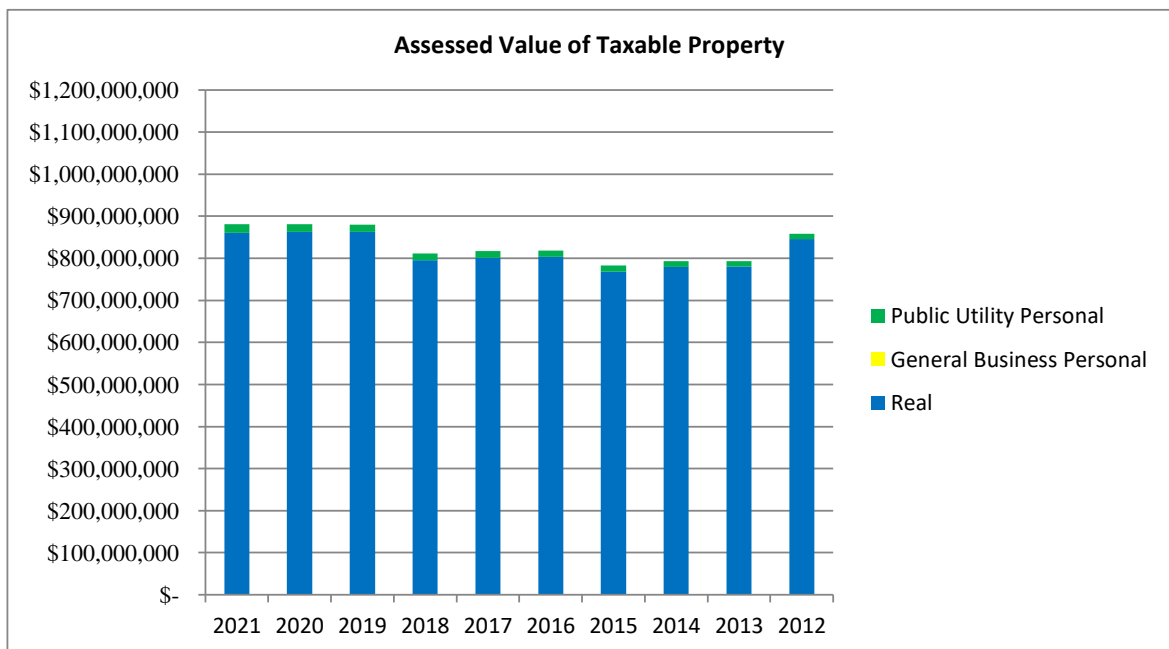
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

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.

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.

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	
\$ 20,175,570	\$ 22,926,784	\$ 881,037,190	\$ 2,482,531,413	\$ 189.18	96.05	
18,764,080	21,322,818	881,139,380	2,485,252,247	189.18	95.64	
17,489,560	19,874,500	880,201,850	2,484,766,757	190.48	96.66	
16,650,160	18,920,636	811,941,470	2,291,181,522	190.48	103.85	
15,510,410	17,625,466	816,994,190	2,307,579,123	186.73	99.42	
14,677,340	16,678,795	817,985,280	2,311,844,338	186.73	99.18	
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	186.83	95.61	
11,663,830	13,254,352	857,800,180	2,430,786,781	186.83	90.32	



Shaker Heights City School District (Cuyahoga County, Ohio)

Property Tax Rates - Direct and Overlapping Governments

(per \$1,000 of assessed value)

Last Ten Years

	2021	2020	2019	2018
Unvoted Millage				
Operating	\$ 4.100000	\$ 4.100000	\$ 4.100000	\$ 4.100000
Voted Millage - by levy				
All Prior to 1977 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	10.245149	10.186385	10.176201	10.978121
Commercial/Industrial	20.830300	21.270914	21.084378	24.336130
Tangible/Public Utility Personal	58.530000	58.530000	58.530000	58.530000
1977 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	2.673444	2.658108	2.655456	2.864724
Commercial/Industrial	4.601652	4.698996	4.657788	5.376132
Tangible/Public Utility Personal	12.000000	12.000000	12.000000	12.000000
1979 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	1.336722	1.329054	1.327728	1.432362
Commercial/Industrial	2.300826	2.349498	2.328894	2.688066
Tangible/Public Utility Personal	6.000000	6.000000	6.000000	6.000000
1981 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	2.214004	2.201303	2.199106	2.372409
Commercial/Industrial	2.958449	3.021031	2.994537	3.456369
Tangible/Public Utility Personal	6.500000	6.500000	6.500000	6.500000
1982 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	2.047038	2.035296	2.033262	2.193498
Commercial/Industrial	2.730954	2.788728	2.764272	3.190590
Tangible/Public Utility Personal	6.000000	6.000000	6.000000	6.000000
1983 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	3.417497	3.397900	3.394512	3.662023
Commercial/Industrial	4.609660	4.707172	4.665892	5.385494
Tangible/Public Utility Personal	8.800000	8.800000	8.800000	8.800000
1986 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	3.094657	3.076912	3.073837	3.316080
Commercial/Industrial	4.353592	4.445692	4.406707	5.086335
Tangible/Public Utility Personal	7.500000	7.500000	7.500000	7.500000
1989 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	5.112532	5.083211	5.078134	5.478337
Commercial/Industrial	6.918466	7.064820	7.002864	8.082883
Tangible/Public Utility Personal	9.800000	9.800000	9.800000	9.800000
1990 School Improvement Bonds (\$10,000,000)	0.000000	0.000000	0.000000	0.000000

	2017	2016	2015	2014	2013	2012
\$	4.100000	\$ 4.100000	\$ 4.100000	\$ 4.100000	\$ 4.100000	\$ 4.100000
	10.905017	10.884766	11.435650	11.356927	11.334686	10.405171
	24.153692	24.133558	23.820013	22.956754	22.637648	22.029873
	58.530000	58.530000	58.530000	58.530000	58.530000	58.530000
	2.845644	2.840352	2.984100	2.963556	2.957748	2.715192
	5.335824	5.331384	5.262120	5.071416	5.000916	4.866648
	12.000000	12.000000	12.000000	12.000000	12.000000	12.000000
	1.422822	1.420176	1.492050	1.481778	1.478874	1.357596
	2.667912	2.665692	2.631060	2.535708	2.500458	2.433324
	6.000000	6.000000	6.000000	6.000000	6.000000	6.000000
	2.356614	2.352233	2.471281	2.454270	2.449467	2.248591
	3.430453	3.427600	3.383075	3.259822	3.215147	3.128827
	6.500000	6.500000	6.500000	6.500000	6.500000	6.500000
	2.178894	2.174844	2.284920	2.269194	2.264754	2.079030
	3.166668	3.164034	3.122928	3.009750	2.967912	2.888226
	6.000000	6.000000	6.000000	6.000000	6.000000	6.000000
	3.637638	3.630880	3.814642	3.788382	3.780964	3.470896
	5.345120	5.340676	5.271297	5.080266	5.009646	4.875147
	8.800000	8.800000	8.800000	8.800000	8.800000	8.800000
	3.294000	3.287880	3.454290	3.430515	3.423803	3.143025
	5.048205	5.044005	4.978478	4.798058	4.731360	4.604333
	7.500000	7.500000	7.500000	7.500000	7.500000	7.500000
	5.441862	5.431758	5.706667	5.667389	5.656295	5.192442
	8.022290	8.015616	7.911491	7.624782	7.518795	7.316935
	9.800000	9.800000	9.800000	9.800000	9.800000	9.800000
	0.000000	0.000000	0.000000	0.000000	0.269789	0.246694

(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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
1992 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	6.385640	6.349018	6.342687	6.842546
Commercial/Industrial	7.773703	7.938156	7.868547	9.082081
Tangible/Public Utility Personal	9.800000	9.800000	9.800000	9.800000
1995 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	6.168804	6.133430	6.127314	6.610199
Commercial/Industrial	7.446669	7.604200	7.537514	8.700000
Tangible/Public Utility Personal	8.700000	8.700000	8.700000	8.700000
1996 School Improvement Bonds (\$12,700,000)	0.000000	0.000000	1.062803	1.047008
2000 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	7.162536	7.121458	7.114352	7.675025
Commercial/Industrial	8.045826	8.216032	8.143981	9.400000
Tangible/Public Utility Personal	9.400000	9.400000	9.400000	9.400000
2003 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	8.261539	8.214163	8.205964	8.852669
Commercial/Industrial	8.217014	8.390841	8.317257	9.600000
Tangible/Public Utility Personal	9.600000	9.600000	9.600000	9.600000
2004 School Improvement Bonds (\$23,500,000)	2.000000	2.000000	2.237197	2.252992
2006 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	8.869261	8.818405	8.809604	9.503881
Commercial/Industrial	8.473796	8.653055	8.577171	9.900000
Tangible/Public Utility Personal	9.900000	9.900000	9.900000	9.900000
2010 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	8.869261	8.818405	8.809604	9.503881
Commercial/Industrial	8.473796	8.653055	8.577171	9.900000
Tangible/Public Utility Personal	9.900000	9.900000	9.900000	9.900000
2014 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	6.181606	6.146161	6.140027	6.623917
Commercial/Industrial	5.905979	6.030917	5.978028	6.900000
Tangible/Public Utility Personal	6.900000	6.900000	6.900000	6.900000
2017 School Improvement Bonds (\$30,000,000)	2.500000	2.500000	2.500000	2.500000
2017 Permanent Improvement - continuing				
Effective Millage Rates				
Residential/Agricultural	1.166532	1.159842	1.158685	1.250000
Commercial/Industrial	1.069923	1.092557	1.082976	1.250000
Tangible/Public Utility Personal	1.250000	1.250000	1.250000	1.250000

2017	2016	2015	2014	2013	2012
6.796986	6.784364	7.127736	7.078677	7.064830	6.485464
9.013991	9.006494	8.889492	8.567336	8.448247	8.221426
9.800000	9.800000	9.800000	9.800000	9.800000	9.800000
6.566186	6.553988	6.885702	6.838304	6.824924	6.265235
8.642432	8.635246	8.523068	8.214192	8.100013	7.882548
8.700000	8.700000	8.700000	8.700000	8.700000	8.700000
1.030306	1.027469	1.046836	1.036074	1.011067	0.988696
7.623926	7.609770	7.994916	7.939889	7.924350	7.274500
9.400000	9.400000	9.400000	9.103731	8.977188	8.736172
9.400000	9.400000	9.400000	9.400000	9.400000	9.400000
8.793725	8.777395	9.221645	9.158170	9.140246	8.390688
9.600000	9.600000	9.600000	9.600000	9.600000	9.600000
9.600000	9.600000	9.600000	9.600000	9.600000	9.600000
2.269694	2.272531	2.353164	2.363926	2.319144	2.364610
9.440600	9.423068	9.900000	9.900000	9.900000	9.825780
9.900000	9.900000	9.900000	9.900000	9.900000	9.900000
9.900000	9.900000	9.900000	9.900000	9.900000	9.900000
9.440600	9.423068	9.900000	9.900000	9.900000	9.900000
9.900000	9.900000	9.900000	9.900000	9.900000	9.900000
9.900000	9.900000	9.900000	9.900000	9.900000	9.900000
6.579812	6.567593	6.900000	0.000000	0.000000	0.000000
6.900000	6.900000	6.900000	0.000000	0.000000	0.000000
6.900000	6.900000	6.900000	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	0.000000	0.000000	0.000000	0.000000

(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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total Voted Millage by type of property				
Effective Millage Rates				
Residential/Agricultural	87.706222	87.229051	88.446473	94.959672
Commercial/Industrial	109.210605	111.425664	111.787977	128.134080
Tangible/Public Utility Personal	<u>185.080000</u>	<u>185.080000</u>	<u>186.380000</u>	<u>186.380000</u>
Total Millage by type of property				
Effective Millage Rates				
Residential/Agricultural	91.806222	91.329051	92.546473	99.059672
Commercial/Industrial	113.310605	115.525664	115.887977	132.234080
Tangible/Public Utility Personal	<u>189.180000</u>	<u>189.180000</u>	<u>190.480000</u>	<u>190.480000</u>
Total Weighted Average Tax Rate	<u>96.049274</u>	<u>95.638277</u>	<u>96.660525</u>	<u>103.851077</u>
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	5.356669	5.325952	5.320637	3.839954
Commercial/Industrial	5.050040	5.156871	5.111647	4.000000
Tangible/Public Utility Personal	5.900000	5.900000	5.900000	4.000000
Cuyahoga County Voted Millage				
Effective Millage Rates				
Residential/Agricultural	18.621641	17.407670	17.002586	18.484027
Commercial/Industrial	19.026440	17.980022	17.376633	18.609236
Tangible/Public Utility Personal	19.880000	19.080000	18.680000	18.180000
Cleveland Metro Parks				
Effective Millage Rates				
Residential/Agricultural	2.484851	2.479656	2.482653	2.718302
Commercial/Industrial	2.580795	2.574669	2.541737	2.740355
Tangible/Public Utility Personal	2.750000	2.750000	2.750000	2.750000

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.

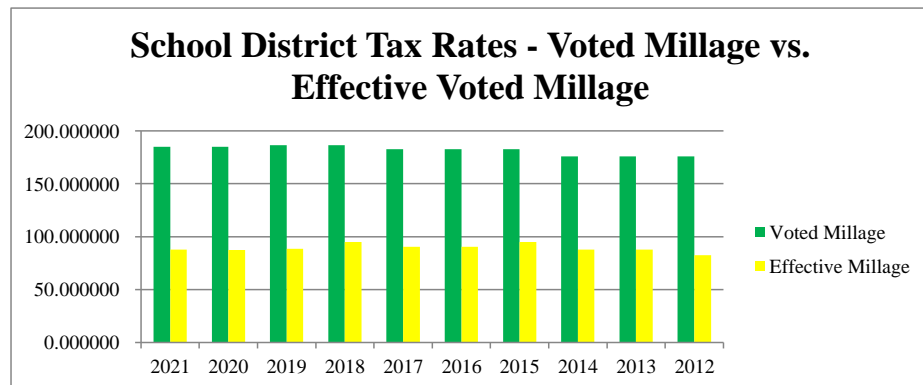
The City School District's basic property tax may be increased only by a majority vote of the City School District's residents.

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.

2017	2016	2015	2014	2013	2012
90.624326	90.462135	94.973599	87.627051	87.700941	82.353610
123.826587	123.764305	122.893022	113.021815	112.107330	109.983459
<u>182.630000</u>	<u>182.630000</u>	<u>182.730000</u>	<u>175.830000</u>	<u>176.030000</u>	<u>176.030000</u>
94.724326	94.562135	99.073599	91.727051	91.800941	86.453610
127.926587	127.864305	126.993022	117.121815	116.207330	114.083459
<u>186.730000</u>	<u>186.730000</u>	<u>186.830000</u>	<u>179.930000</u>	<u>180.130000</u>	<u>180.130000</u>
<u>99.416548</u>	<u>99.176746</u>	<u>103.271743</u>	<u>95.743116</u>	<u>95.609226</u>	<u>90.323994</u>
9.900000	9.900000	9.900000	9.900000	9.900000	9.900000
12.700000	12.700000	12.700000	12.700000	12.700000	12.700000
3.814384	4.000000	4.000000	4.000000	4.000000	4.000000
4.000000	4.000000	4.000000	4.000000	4.000000	4.000000
4.000000	4.000000	4.000000	4.000000	4.000000	4.000000
17.939065	17.925244	18.164311	17.263900	16.433492	16.303602
18.117612	18.167551	18.122743	17.129160	16.167194	15.913978
18.180000	18.180000	18.180000	17.280000	16.450000	16.450000
2.711249	2.711903	2.750000	2.750000	1.850000	1.818768
2.741624	2.750000	2.736822	2.704560	1.791705	1.735404
2.750000	2.750000	2.750000	2.750000	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
2021	\$ 84,182,998	\$ 80,350,299	95.45%	\$ 2,861,548	\$ 83,211,847	98.85%	\$ 8,941,030	10.62%
2020	84,263,868	80,342,265	95.35%	3,026,410	83,368,675	98.94%	8,040,992	9.54%
2019	85,248,450	81,731,793	95.87%	3,215,797	84,947,590	99.65%	8,014,826	9.40%
2018	84,277,522	80,746,645	95.81%	3,516,707	84,263,352	99.98%	8,173,655	9.70%
2017	81,237,659	77,260,906	95.10%	2,487,459	79,748,365	98.17%	8,495,691	10.46%
2016	81,398,279	77,885,956	95.69%	2,401,869	80,287,825	98.64%	7,742,613	9.51%
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%

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
2021 and 2012 (1)

Name of Taxpayer	2021	
	Assessed Valuation	Percent of Real Assessed Value
Van Aken LLC (A1/BC)	\$ 10,813,700	1.26%
Shaker MZL LLC	4,100,500	0.48%
Kirt Montlack, LTD	3,803,630	0.44%
Oliver Family Limited	3,159,520	0.37%
Shaker Plaza 1 LTD	2,520,010	0.29%
Montlack Realty LTD	2,385,090	0.28%
E2G Properties LLC	2,132,840	0.25%
Coral Shaker Square LLC	2,128,340	0.25%
Hatz LLC	1,613,520	0.19%
The Heights Portfolio LLC	1,594,410	0.19%
Total	<u>\$ 34,251,560</u>	<u>4.00%</u>

Total Assessed Valuation

\$ 860,861,620

Name of Taxpayer	2012	
	Assessed Valuation	Percent of Real Assessed Value
University Hospital	\$ 3,185,810	0.38%
EIG Shaker Towne Center LLC	2,922,520	0.35%
Kirt Montlack, LTD	2,818,780	0.33%
Oliver Family Limited	2,296,110	0.28%
Tower East Operating Association	2,275,000	0.27%
LPA Associates Limited Partnership	1,781,160	0.21%
Coral Shaker Square LLC	1,768,080	0.21%
Shaker Plaza LTD	1,504,760	0.18%
Salzberg, Deborah SUC TR	1,400,000	0.17%
The Residences at Avalon Station	1,381,980	0.16%
Total	<u>\$ 21,334,200</u>	<u>2.54%</u>

Total Assessed Valuation

\$ 846,136,350

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

(1) The amounts presented represent the assessed values upon which 2021 and 2012 collections were based.

Shaker Heights City School District (Cuyahoga County, Ohio)

Principal Taxpayers - Public Utilities Tax

2021 and 2012 (1)

Name of Taxpayer	2021	
	Assessed Valuation	Percent of Real Assessed Value
Cleveland Electric Illuminating Company	\$ 12,633,570	62.62%
American Transmission Systems, Inc.	4,330,880	21.47%
East Ohio Gas Company	3,211,120	15.91%
Total	\$ 20,175,570	100.00%
<i>Total Assessed Valuation</i>	<i>\$ 20,175,570</i>	
Name of Taxpayer	2012	
	Assessed Valuation	Percent of Real Assessed Value
Cleveland Electric Illuminating Company	\$ 9,228,060	79.11%
East Ohio Gas Company	1,773,500	15.21%
American Transmission Systems, Inc.	662,270	5.68%
Total	\$ 11,663,830	100.00%
<i>Total Assessed Valuation</i>	<i>\$ 11,663,830</i>	

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

(1) The amounts presented represent the assessed values upon which 2021 and 2012 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

Collection Year	Population (1)	Estimated Actual Value	Net General Bonded Debt			Notes	Total Debt	Personal Income (1)	Total Debt Per Capita
			Net General Bonded Debt	Ratio of Net General Bonded Debt to Estimated Actual Value	Net Bonded Debt Per Capita				
2021	29,439	\$ 2,482,531,413	\$ 35,485,857	1.43%	\$ 1,205	-	\$ 35,485,857	\$ 1,593,782,190	\$ 1,205
2020	27,027	2,485,252,247	38,354,714	1.54%	1,419	-	38,354,714	1,566,376,812	1,419
2019	27,302	2,484,766,757	41,846,351	1.68%	1,533	-	41,846,351	1,517,008,328	1,533
2018	27,440	2,291,181,522	44,962,853	1.96%	1,639	9,900,000	54,862,853	1,438,981,040	1,999
2017	27,448	2,307,579,123	17,230,364	0.75%	628	-	17,230,364	1,413,132,832	628
2016	27,646	2,311,844,338	19,547,786	0.85%	707	-	19,547,786	1,372,623,900	707
2015	27,790	2,212,183,933	21,741,217	0.98%	782	-	21,741,217	1,358,041,720	782
2014	27,935	2,241,055,931	23,397,172	1.04%	838	-	23,397,172	1,374,821,025	838
2013	28,039	2,243,839,962	25,604,657	1.14%	913	-	25,604,657	1,359,359,232	913
2012	28,366	2,430,786,781	22,465,533	0.92%	792	-	22,465,533	1,359,359,232	792

Source:

(1) Population and Personal income can be found on S - 35.

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

	2021	2020	2019
Total Assessed Valuation (3)	\$ 860,861,620	\$ 862,375,300	\$ 862,712,290
Less General Business Tangible Personal Valuation	-	-	-
Total Assessed Valuation used to Calculate Legal Debt Margin (1)	<u>\$ 860,861,620</u>	<u>\$ 862,375,300</u>	<u>\$ 862,712,290</u>
Debt Limit - 9% of Assessed Value (2)	<u>\$ 77,477,546</u>	<u>\$ 77,613,777</u>	<u>\$ 77,644,106</u>
Amount of Debt Outstanding			
General Obligation Bonds	35,485,857	38,354,714	41,846,351
Note Payable	-	-	-
Bus Acquisition Bond Anticipation Note	-	-	-
Less: Amount Available in Debt Service	<u>(4,755,468)</u>	<u>(5,146,321)</u>	<u>(4,903,088)</u>
Total	30,730,389	33,208,393	36,943,263
Exemptions:			
Note Payable	-	-	-
Bus Acquisition Bond Anticipation Note	-	-	-
Amount of Debt Subject to Limit	<u>30,730,389</u>	<u>33,208,393</u>	<u>36,943,263</u>
Overall Debt Margin	<u>\$ 46,747,157</u>	<u>\$ 44,405,384</u>	<u>\$ 40,700,843</u>
Legal Debt Margin as a Percentage of Debt Limit	60.34%	57.21%	52.42%
Unvoted Legal Debt Limit -			
.10% of Assessed Value (1)	<u>\$ 860,862</u>	<u>\$ 862,375</u>	<u>\$ 862,712</u>
Unvoted Debt Margin	<u>\$ 860,862</u>	<u>\$ 862,375</u>	<u>\$ 862,712</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	\$ 8,608,616	\$ 8,623,753	\$ 8,627,123
Energy Conservation Improvement Bonds	-	-	-
Additional Unvoted Debt Margin	<u>\$ 8,608,616</u>	<u>\$ 8,623,753</u>	<u>\$ 8,627,123</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.

2018	2017	2016	2015	2014	2013	2012
\$ 795,291,310	\$ 801,483,780	\$ 803,307,940	\$ 768,535,350	\$ 778,902,230	\$ 780,338,410	\$ 846,136,350
-	-	-	-	-	-	-
<u>\$ 795,291,310</u>	<u>\$ 801,483,780</u>	<u>\$ 803,307,940</u>	<u>\$ 768,535,350</u>	<u>\$ 778,902,230</u>	<u>\$ 780,338,410</u>	<u>\$ 846,136,350</u>
\$ 71,576,218	\$ 72,133,540	\$ 72,297,715	\$ 69,168,182	\$ 70,101,201	\$ 70,230,457	\$ 76,152,272
44,962,853	17,320,364	19,547,786	21,741,217	23,397,172	25,604,657	22,465,533
9,900,000	-	-	-	-	-	-
-	-	-	-	-	-	-
(6,690,195)	(3,988,776)	(3,802,098)	(3,387,989)	(3,193,608)	(2,807,618)	(2,554,012)
48,172,658	13,331,588	15,745,688	18,353,228	20,203,564	22,797,039	19,911,521
(9,900,000)	-	-	-	-	-	-
-	-	-	-	-	-	-
38,272,658	13,331,588	15,745,688	18,353,228	20,203,564	22,797,039	19,911,521
<u>\$ 33,303,560</u>	<u>\$ 58,801,952</u>	<u>\$ 56,552,027</u>	<u>\$ 50,814,954</u>	<u>\$ 49,897,637</u>	<u>\$ 47,433,418</u>	<u>\$ 56,240,751</u>
46.53%	81.52%	78.22%	73.47%	71.18%	67.54%	73.85%
\$ 795,291	\$ 801,484	\$ 803,308	\$ 768,535	\$ 778,902	\$ 780,338	\$ 846,136
<u>\$ 795,291</u>	<u>\$ 801,484</u>	<u>\$ 803,308</u>	<u>\$ 768,535</u>	<u>\$ 778,902</u>	<u>\$ 780,338</u>	<u>\$ 846,136</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
\$ 7,952,913	\$ 8,014,838	\$ 8,033,079	\$ 7,685,354	\$ 7,789,022	\$ 7,803,384	\$ 8,461,364
(9,900,000)	-	-	-	-	-	-
<u>\$ (1,947,087)</u>	<u>\$ 8,014,838</u>	<u>\$ 8,033,079</u>	<u>\$ 7,685,354</u>	<u>\$ 7,789,022</u>	<u>\$ 7,803,384</u>	<u>\$ 8,461,364</u>

Shaker Heights City School District (Cuyahoga County, Ohio)
Computation of Direct & Overlapping General Obligation Bonded Debt
June 30, 2021

	<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	\$ 35,485,857	100.00%	\$ 35,485,857
Overlapping:			
City of Shaker Heights	20,300,700	100.00%	20,300,700
City of Cleveland	279,400,000	0.94%	2,626,360
Cuyahoga Community College	201,500,000	2.88%	5,803,200
Cuyahoga County	266,495,000	2.88%	7,675,056
Total Overlapping	<u>767,695,700</u>		<u>36,405,316</u>
Total Direct and Overlapping	<u>\$ 803,181,557</u>		<u>\$ 71,891,173</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 - 2021*

Purpose of Issue	Election Date	Issue Date	Amount of Issue
Erecting and furnishing school house	July 2, 1912	August 12, 1912	\$ 60,000
Purchasing site and erecting and furnishing school house thereon	N/A	May 17, 1917	100,000
Purchasing site and erecting and furnishing school house thereon and purchased real estate for playground	N/A	November 16, 1917	250,000
Completing building and purchasing site and erecting building	January 21, 1920	November 3, 1920	250,000
Erecting two schools	November 8, 1921	March 1, 1922	600,000
Moreland School and Shaker Boulevard addition	November 4, 1924	January 1, 1925	650,000
Fernway, Ludlow and High School addition	November 3, 1925	July 1, 1926	1,165,587
High School Site and Addition to Malvern	November 2, 1926	January 1, 1927	550,000
Lomond Boulevard and Furniture	November 8, 1927	April 1, 1929	500,000
Land for Lomond Junior High	November 6, 1928	January 1, 1929	78,375
Land and Furniture	November 6, 1928	July 15, 1929	75,183
High School Building	November 6, 1928	November 1, 1930	1,040,500
Furnishings High School	Unvoted	May 1, 1931	50,000
First Library Issue	November 6, 1945	April 1, 1950	150,000
Sussex Addition	November 5, 1946	January 1, 1947	200,000
Complete Sussex and Other Improvements	November 2, 1948	December 1, 1948	300,000
Second Library Issue	November 2, 1948	February 1, 1951	200,000
School Furnishings	November 2, 1948	February 1, 1951	25,000
Mercer, Senior High Music Wings, etc.	November 6, 1951	March 1, 1951	1,750,000
New Junior High, Additions to Lomond and Senior High	November 3, 1953	October 1, 1954	4,100,000
Byron Auditorium and Woodbury Gym	November 3, 1953	October 1, 1958	2,100,000
School Improvement	November 3, 1960	October 1, 1964	1,775,000
School Improvement	May 7, 1968	March 1, 1972	4,500,000
School Improvement	June 7, 1977	September 1, 1977	4,650,000
School Improvement	May 8, 1990	August 29, 1990	5,000,000
School Improvement	May 8, 1990	April 1, 1993	5,000,000
School Improvement	November 5, 1996	March 11, 1999	9,500,000
School Improvement	November 5, 1996	September 28, 2000	3,199,993
School Improvement	November 2, 2004	April 5, 2005	9,999,995
School Improvement	November 2, 2004	April 18, 2007	8,498,960
School Improvement	November 2, 2004	November 25, 2008	4,999,999
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
School Improvement-refunding bonds issued April 25, 2018	5/2/2017 *	December 28, 2017	9,900,000
School Improvement	5/2/2017 *	April 11, 2018	20,100,000

Source: Shaker Heights City School District.

N/A - Not Available

Note: Excludes refunding bonds issued.

* Single ballot issue included permanent improvement levy and bond issue

Shaker Heights City School District (Cuyahoga County, Ohio)

*Property Value, Financial Institution Deposits,
and Value of Building Permits Issued
Last Ten Years*

<u>Year</u>	<u>Property Value (1) (Real Estate Only)</u>	<u>Financial Institution Deposits (000's) Banks (2)</u>	<u>Value of Building Permits Issued (3)</u>
2021	\$ 860,861,620	\$ 76,515,642	\$ 46,662,275
2020	862,375,300	79,985,327	28,674,879
2019	862,712,290	55,978,432	21,121,474
2018	795,291,310	53,968,926	22,143,675
2017	801,483,780	52,132,210	79,123,687
2016	803,307,940	49,466,393	23,589,838
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

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

- (1) Represents assessed value.
- (2) 2015 - 2021 data is from the Federal Deposit Insurance Corporation (FDIC).
Previous years' data was from the Federal Reserve Bank of Cleveland.
- (3) 2017 amount includes permits issued for the Van Aken District Project and
the Townhomes of Van Aken.

Shaker Heights City School District (Cuyahoga County, Ohio)

Principal Employers

2020 and 2011

2020			
Employer	Nature of Business or Activity	Number of FTE's	Number of W-2's
Shaker Heights City School District	Government entity	847	1,357
University Hospitals	Hospital administration	790	1,271
City of Shaker Heights	Government entity	299	457
Hathaway Brown School	School	185	355
Laurel School	School	170	261
Equity Engineering Group	Engineering	116	129
University School (Shaker campus)	School	105	242
Cellular Technology Limited	Consulting	100	130
Heinens	Supermarket	70	222
Center for Dialysis Care	Health care	57	160
Total		2,739	4,584
Total Employment within the School District		<u>n/a</u>	<u>n/a</u>

2011			
Employer	Nature of Business or Activity	Number of FTE's	Number of W-2's
University Hospitals	Hospital administration	823	875
Shaker Heights City School District	Government entity	790	1,356
City of Shaker Heights	Government entity	433	514
Hathaway Brown School	School	295	439
Laurel School	School	190	336
Center for Dialysis Care	Health Care	120	175
University School (Shaker campus)	School	99	193
Heinens	Supermarket	60	186
Total		2,810	4,074
Total Employment within the School District		<u>n/a</u>	<u>n/a</u>

Source: Employer survey

(n/a) Information not available.

Note: The amounts represent calendar year

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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)
2021	1,264,817	29,439	\$ 1,736,017,830	\$ 58,970	4,672	5.3%
2020	1,235,072	27,027	\$ 1,566,376,812	\$ 57,956	4,907	5.1%*
2019	1,243,857	27,302	1,517,008,328	55,564	4,899	4.6%
2018	1,248,514	27,440	1,438,981,040	52,441	4,955	5.1%
2017	1,249,352	27,448	1,413,132,832	51,484	5,111	5.4%
2016	1,255,921	27,646	1,372,623,900	49,650	5,260	5.0%
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%

Sources:

(1) Years 2012 - 2021 from the 2010 Federal Census as, updated annually by the U. S. Census Bureau

(2) From the U. S. Department of Labor

* To be consistent with prior year reporting, the unemployment rate is as of February 2020, which was pre-COVID-19

Shaker Heights City School District (Cuyahoga County, Ohio)

Building Statistics by Function/Program

Last Ten Fiscal Years

	2021	2020*	2019	2018
Boulevard Elementary School				
Constructed in 1914				
Total Building Square Footage	48,000	48,000	48,000	48,000
Enrollment Grades K - 4	295	338	326	353
Student Capacity	384	384	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	36,224 **	29,925	29,925	29,925
Enrollment Grades K - 4	267	286	292	323
Student Capacity	339	339	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	355	383	374	392
Student Capacity	521	521	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	298	344	352	341
Student Capacity	565	565	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	392	391	395	397
Student Capacity	510	510	606	606
Regular Instruction Classrooms	23	23	23	24
Special Instruction Classrooms	5	5	5	4
Woodbury Elementary School				
Constructed in 1918				
Total Building Square Footage	138,350	138,350	138,350	138,350
Enrollment Grades 5 - 6	695	802	763	722
Student Capacity	981	981	900	900
Regular Instruction Classrooms	41	41	41	41
Special Instruction Classrooms	8	8	8	8

2017	2016	2015	2014	2013	2012
48,000	48,000	48,000	48,000	48,000	48,000
357	348	351	355	360	360
544	544	544	544	544	544
22	22	22	22	22	22
2	2	2	2	2	2
29,925	29,925	29,925	29,925	29,925	29,925
336	329	352	339	344	356
366	366	366	366	366	366
15	15	15	15	15	15
2	2	2	2	2	2
65,075	65,075	65,075	65,075	65,075	65,075
410	437	428	449	457	490
620	620	620	620	620	620
25	25	25	25	25	25
3	3	3	3	3	3
70,640	70,640	70,640	70,640	70,640	70,640
345	342	355	341	381	362
590	590	590	590	590	590
24	24	24	24	24	24
4	4	4	4	4	4
63,700	63,700	63,700	63,700	63,700	63,700
392	392	409	423	412	433
606	606	606	606	606	606
23	23	23	23	23	23
5	5	5	5	5	5
138,350	138,350	138,350	138,350	138,350	138,350
744	782	838	821	823	850
900	900	900	900	900	900
41	41	41	41	41	41
8	8	8	8	8	8

(continued)

Shaker Heights City School District (Cuyahoga County, Ohio)

Building Statistics by Function/Program

Last Ten Fiscal Years

	2021	2020*	2019	2018
Shaker Heights Middle School				
Constructed in 1957				
Total Building Square Footage**	133,400	133,400	133,400	133,400
Enrollment - Grades 7 - 8	783	740	750	774
Student Capacity	946	946	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	1,587	1,623	1,647	1,653
Student Capacity	1,941	1,941	2,000	2,000
Regular Instruction Classrooms	49	49	49	49
Special Instruction Classrooms	11	11	11	11
Total Shaker Heights School Buildings				
Total Building Square Footage	869,789	863,490	863,490	863,490
Enrollment - Grades PreK - 12	4,672	4,907	4,899	4,955
Student Capacity	6,187	6,187	6,626	6,626
Regular Instruction Classrooms	225	225	225	226
Special Instruction Classrooms	42	42	42	41

* Student capacity numbers adjusted to coincide with Ohio Facilities Construction Commission's current square feet per student standards.

** Reflects Fernway's expansion during the post July 2018 fire restoration completed in Fall 2020.

Source: School District Records.

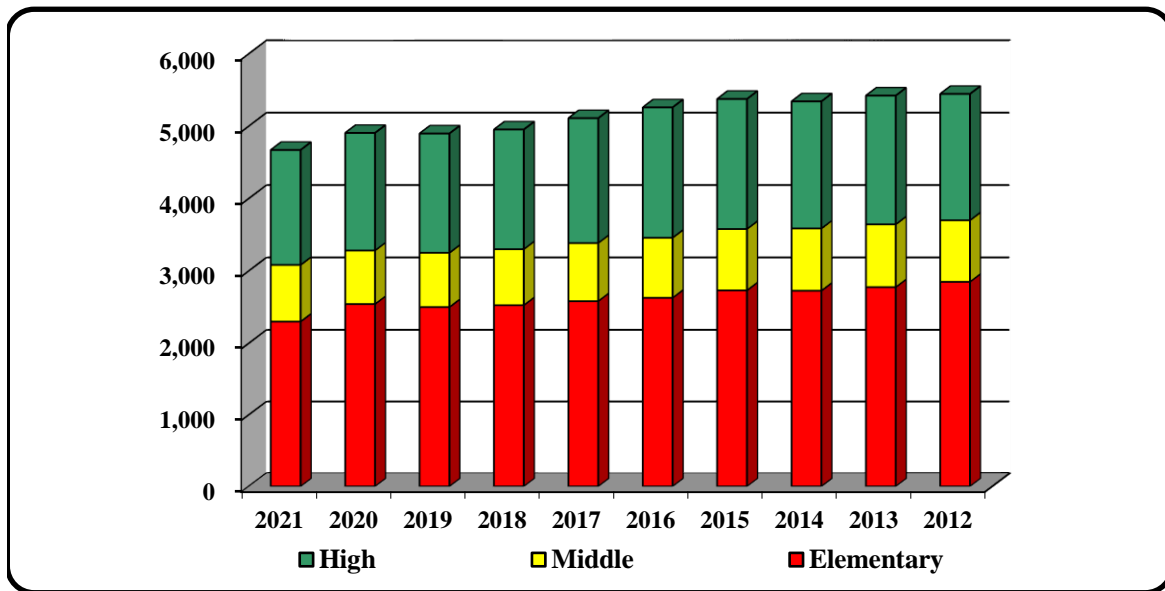
2017	2016	2015	2014	2013	2012
133,400	133,400	133,400	133,400	133,400	133,400
802	830	848	860	868	850
1,000	1,000	1,000	1,000	1,000	1,000
26	26	26	26	26	26
7	7	7	7	7	7
314,400	314,400	314,400	314,400	314,400	314,400
1,725	1,800	1,796	1,755	1,778	1,745
2,000	2,000	2,000	2,000	2,000	2,000
49	49	49	49	51	50
11	11	11	11	9	10
863,490	863,490	863,490	863,490	863,490	863,490
5,111	5,260	5,377	5,343	5,423	5,446
6,626	6,626	6,626	6,626	6,626	6,626
225	225	225	225	227	226
42	42	42	42	40	41

Shaker Heights City School District (Cuyahoga County, Ohio)

Enrollment Statistics

Last Ten Fiscal Years

Fiscal Year	Elementary Schools	Middle School	High School	Total
2021	2,302	783	1,587	4,672
2020	2,544	740	1,623	4,907
2019	2,502	750	1,647	4,899
2018	2,528	774	1,653	4,955
2017	2,584	803	1,724	5,111
2016	2,630	830	1,800	5,260
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

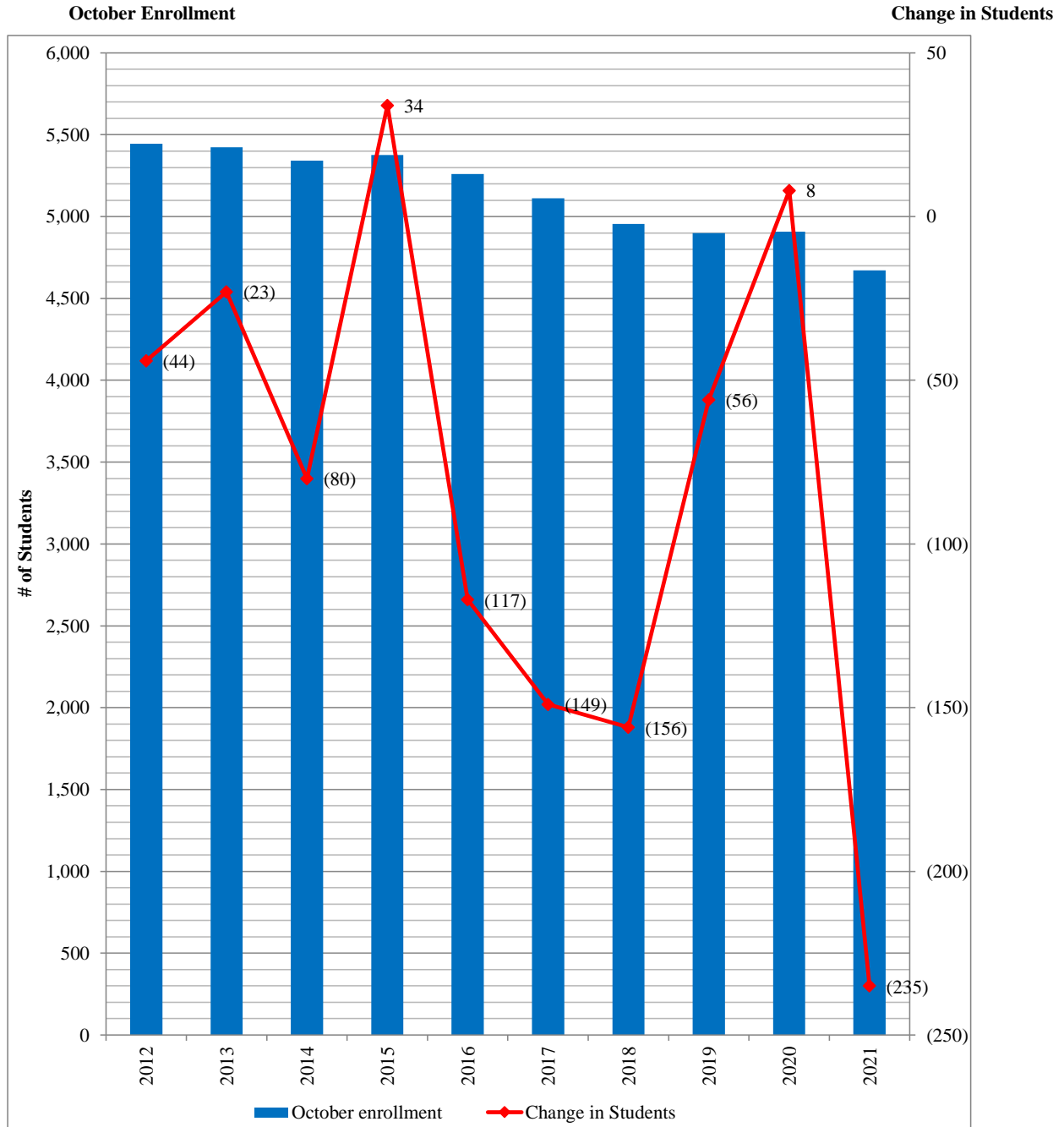


Source: School District Records.

Shaker Heights City School District (Cuyahoga County, Ohio)

Enrollment Summary

Last Ten Fiscal Years



Shaker Heights City School District (Cuyahoga County, Ohio)
Public, Community School, Private and Total School Enrollment by School Year
Fiscal Years 1979 to 2021

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
2021	4,672	100	1,053	5,825	19.8%
2020	4,907	65	933	5,905	16.9%
2019	4,899	69	932	5,900	17.0%
2018	4,955	63	934	5,952	16.8%
2017	5,111	75	938	6,124	16.5%
2016	5,260	82	1,004	6,346	17.1%
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

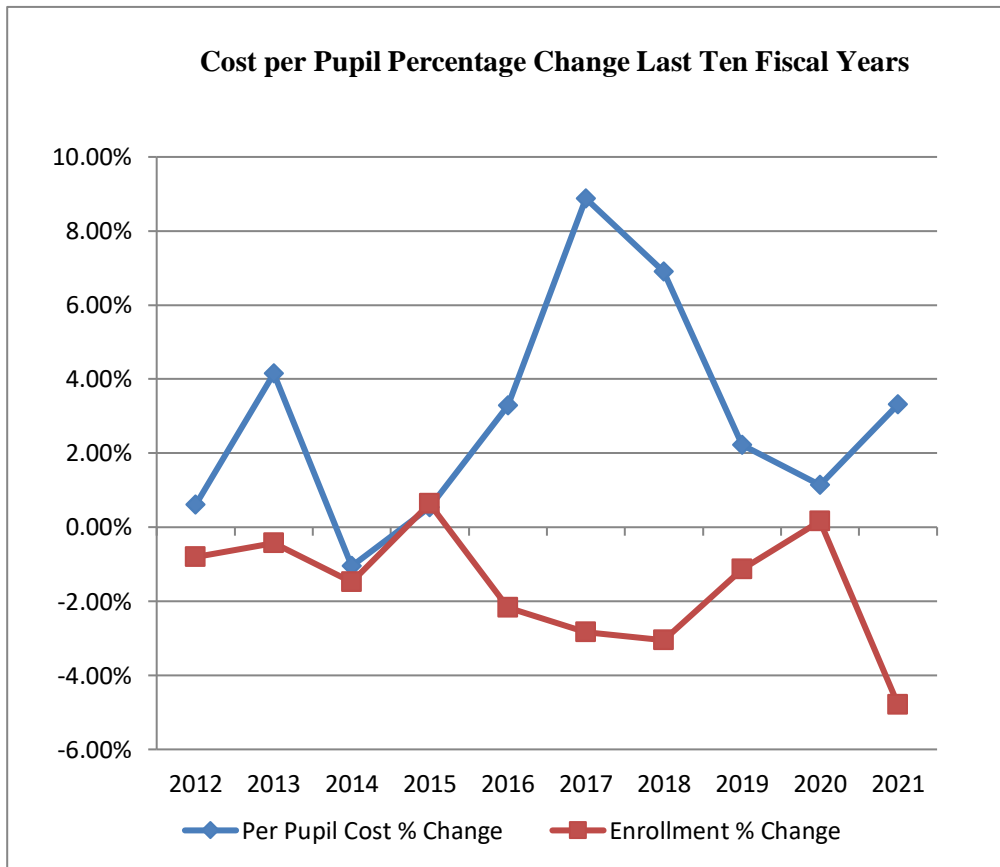
- (1) Figures for fiscal year 1979 through 1982 are based on Shaker Heights City School District Racial Ethnic Reports. Figures for 1983 through 2021 are based on first full week of Shaker Heights City School District October enrollment report.
- (2) FTE pupils attending Community Schools from State 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.

n/a - Information not available

Shaker Heights City School District

*Per Pupil Cost
Last Ten Fiscal Years*

Year	General Fund Expenditures	Average Daily Student Enrollment	Per Pupil Cost
2021	\$ 98,678,691	4,672	\$ 21,121
2020	100,317,597	4,907	20,444
2019	99,017,549	4,899	20,212
2018	97,975,783	4,955	19,773
2017	94,535,435	5,111	18,496
2016	89,358,843	5,260	16,988
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



Source: School District Records.

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

Function/Program	2021	2020	2019	2018
Regular Instruction				
Elementary Classroom Teachers	163.658	157.730	158.067	168.742
Middle School Classroom Teachers	59.125	58.225	58.425	59.425
High School Classroom Teachers	107.925	105.025	106.525	109.625
	<u>330.708</u>	<u>320.980</u>	<u>323.017</u>	<u>337.792</u>
Special Instruction				
Preschool Teachers	5.000	5.000	5.000	5.000
Elementary Classroom Teachers	24.000	25.000	24.000	24.000
Gifted/Enrichment Teachers	8.000	8.000	8.000	8.000
Middle School Classroom Teachers	10.000	10.000	9.000	11.000
High School Classroom Teachers	15.000	14.000	14.000	14.600
	<u>62.000</u>	<u>62.000</u>	<u>60.000</u>	<u>62.600</u>
Pupil Support Services				
Teacher Aides	113.025	115.025	112.150	108.575
Tutors	27.180	37.610	36.430	36.930
Guidance Counselors	13.000	13.000	12.000	12.000
Librarians and Library Technicians	8.000	7.600	8.000	8.000
Psychologists	10.900	10.900	10.900	10.900
Speech & Lang.Pathologists	5.000	6.000	6.000	6.000
Nurse	9.000	9.000	9.000	8.860
Other Professional	3.000	2.000	3.000	2.000
	<u>189.105</u>	<u>201.135</u>	<u>197.480</u>	<u>193.265</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)	18.000	17.000	18.000	18.000
	<u>35.000</u>	<u>34.000</u>	<u>35.000</u>	<u>35.000</u>
Operation of Plant				
Custodians	57.000	57.000	57.000	56.000
Maintenance and Groundskeeping	14.000	14.000	14.000	14.000
	<u>71.000</u>	<u>71.000</u>	<u>71.000</u>	<u>70.000</u>
Pupil Transportation				
Bus Drivers	30.250	32.125	30.875	30.875
Mechanics	4.000	4.000	3.000	3.000
	<u>34.250</u>	<u>36.125</u>	<u>33.875</u>	<u>33.875</u>
Other				
Supervisor/Administrator	43.649	42.649	42.649	41.649
OAPSE	51.219	52.819	51.800	53.800
Security	23.125	26.125	23.125	21.500
Data Processing (b)	0.000	0.000	0.000	0.000
	<u>117.993</u>	<u>121.593</u>	<u>117.574</u>	<u>116.949</u>
Total Employees	<u>840.056</u>	<u>846.833</u>	<u>837.946</u>	<u>849.481</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) Effective July 1, 2017, the Data Processing positions were reclassified to the Supervisor/Administrator category.

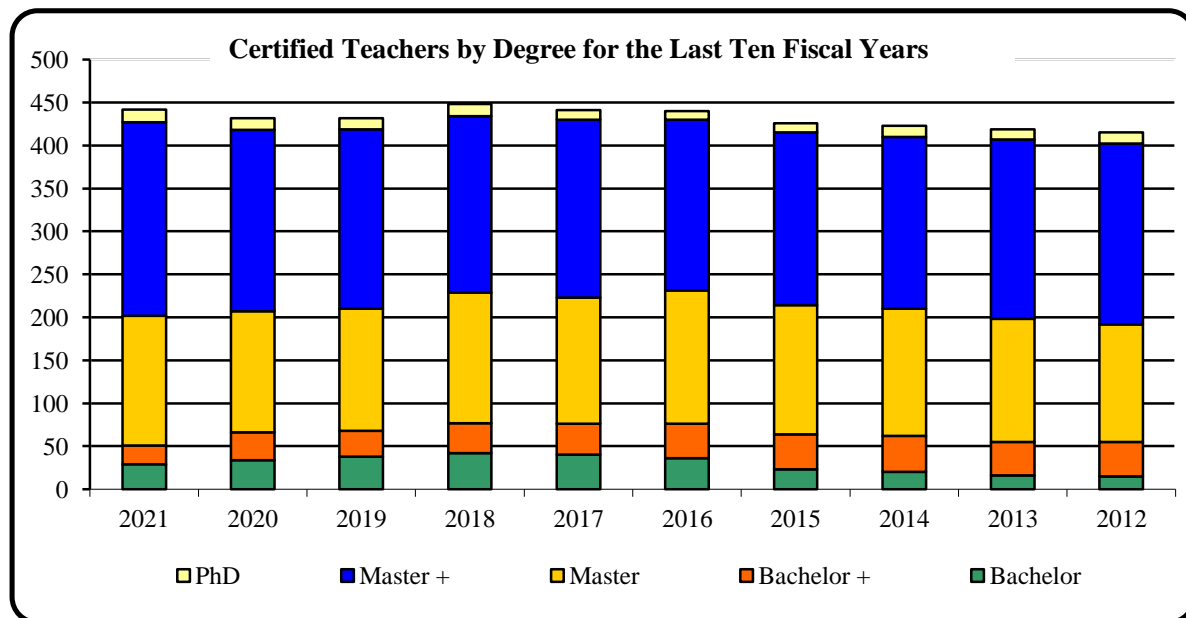
Source: School District Records.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
165.700	167.058	156.756	148.671	148.031	151.231
58.925	59.325	60.125	58.725	61.460	60.460
<u>110.925</u>	<u>111.625</u>	<u>109.825</u>	<u>115.425</u>	<u>113.150</u>	<u>110.820</u>
<u>335.550</u>	<u>338.008</u>	<u>326.706</u>	<u>322.821</u>	<u>322.641</u>	<u>322.511</u>
5.000	3.000	3.000	3.000	3.000	3.000
23.000	23.500	22.500	21.500	23.500	22.750
8.000	8.000	8.000	8.000	8.000	8.000
10.000	9.000	8.200	7.600	7.550	6.925
<u>14.200</u>	<u>14.200</u>	<u>13.200</u>	<u>16.600</u>	<u>11.250</u>	<u>9.825</u>
<u>60.200</u>	<u>57.700</u>	<u>54.900</u>	<u>56.700</u>	<u>53.300</u>	<u>50.500</u>
105.675	104.620	105.140	100.815	94.090	86.805
36.850	33.397	35.880	33.160	31.711	32.981
12.000	12.000	12.000	11.000	11.400	10.800
8.000	8.000	8.000	8.000	8.000	7.600
9.780	8.778	8.896	9.422	9.372	9.365
5.600	5.600	5.600	5.600	5.600	5.600
8.860	8.930	8.630	8.360	8.260	8.200
<u>1.000</u>	<u>1.000</u>	<u>1.000</u>	<u>0.800</u>	<u>0.800</u>	<u>0.800</u>
<u>187.765</u>	<u>182.325</u>	<u>185.146</u>	<u>177.157</u>	<u>169.233</u>	<u>162.151</u>
9.000	9.000	9.000	9.000	9.000	9.000
3.000	3.000	3.000	3.000	3.000	3.000
5.000	5.000	5.000	5.000	5.000	5.000
<u>18.000</u>	<u>17.500</u>	<u>16.200</u>	<u>15.000</u>	<u>16.000</u>	<u>16.000</u>
<u>35.000</u>	<u>34.500</u>	<u>33.200</u>	<u>32.000</u>	<u>33.000</u>	<u>33.000</u>
57.000	57.000	55.000	55.000	57.000	58.000
<u>14.000</u>	<u>14.000</u>	<u>14.000</u>	<u>14.000</u>	<u>15.000</u>	<u>14.000</u>
<u>71.000</u>	<u>71.000</u>	<u>69.000</u>	<u>69.000</u>	<u>72.000</u>	<u>72.000</u>
30.875	30.625	28.500	29.750	29.750	28.250
<u>3.000</u>	<u>3.000</u>	<u>3.000</u>	<u>3.000</u>	<u>3.000</u>	<u>3.000</u>
<u>33.875</u>	<u>33.625</u>	<u>31.500</u>	<u>32.750</u>	<u>32.750</u>	<u>31.250</u>
37.859	35.850	36.750	33.550	33.750	31.020
53.800	53.533	53.000	54.000	54.000	53.800
21.500	22.125	21.750	19.750	20.380	20.375
<u>4.000</u>	<u>4.000</u>	<u>4.000</u>	<u>4.000</u>	<u>4.000</u>	<u>4.000</u>
<u>117.159</u>	<u>115.508</u>	<u>115.500</u>	<u>111.300</u>	<u>112.130</u>	<u>109.195</u>
<u>840.549</u>	<u>832.666</u>	<u>815.952</u>	<u>801.728</u>	<u>795.054</u>	<u>780.607</u>

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

Degree	2021	2020	2019	2018
Bachelor	29	34	38	42
Bachelor +15	22	32	30	35
Master	151	141	142	152
Master +15	103	101	95	93
Master +30	58	55	55	57
Master +45	64	55	59	55
PhD	15	14	13	14
Total	442	432	432	448

Years of Experience	2021	2020	2019	2018
0 - 5	49	60	76	90
6 - 10	98	97	89	98
11 and Over	295	275	267	260
Total	442	432	432	448



Source: School District Records.

2017	2016	2015	2014	2013	2012
40	36	23	20	16	15
36	40	41	42	39	40
147	155	150	148	143	137
99	97	95	96	99	99
51	47	46	36	41	36
57	55	60	68	69	75
11	10	11	13	12	13
441	440	426	423	419	415
100	106	74	63	55	53
88	88	84	68	72	72
253	246	268	292	292	290
441	440	426	423	419	415

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>
2021	71	9	80
2020	67	20	87
2019	69	10	79
2018	71	13	84
2017	68	15	83
2016	68	15	83
2015	70	16	86
2014	68	11	79
2013	65	15	80
2012	65	26	91

Source: School District Records

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) (1)</u>	<u>National Hispanic Scholars</u>	<u>Percent of Shaker Seniors Honored</u>	<u>Percent of United States Seniors Honored</u>
2021	22	0	0	6 %	1 %
2020	19	0	0	5 %	1 %
2019	23	0	2	6 %	1 %
2018	21	0	0	5 %	1 %
2017	21	0	0	5 %	1 %
2016	27	0	0	7 %	1 %
2015	32	3	0	9 %	1 %
2014	26	4	2	8 %	1 %
2013	31	2	3	8 %	1 %
2012	36	3	3	10 %	1 %

Source: School District Records

(1) National Achievement program was discontinued after 2015.

**SHAKER HEIGHTS CITY
SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SINGLE AUDIT REPORT

**FOR THE FISCAL YEAR
ENDED JUNE 30, 2021**

James G. Zupka, CPA, Inc.
Certified Public Accountants

**SHAKER HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SINGLE AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**SHAKER HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Expenditures	Non-Cash Expenditures
<u>U.S. Department of Agriculture</u>			
<i>Passed through Ohio Department of Education</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	\$ 186,529	\$ 0
COVID-19 - School Breakfast Program	10.553	53,184	0
National School Lunch Program	10.555	330,100	69,040
COVID-19 - National School Lunch Program	10.555	84,518	0
Total Child Nutrition Cluster		<u>654,331</u>	<u>69,040</u>
Total U.S. Department of Agriculture		<u>654,331</u>	<u>69,040</u>
<u>U.S. Department of Education</u>			
<i>Passed through Ohio Department of Education</i>			
Title I Grants to Local Educational Agencies - 2020	84.010	128,538	0
Title I Grants to Local Educational Agencies - 2021	84.010	785,530	0
Title I Grants to Local Educational Agencies - Expanded Opportunities for Each Child <i>Total ALN #84.010</i>	84.010	<u>17,607</u>	<u>0</u>
		<u>931,675</u>	<u>0</u>
Special Education Cluster (IDEA):			
Special Education - Grants to States - 2020	84.027	251,037	0
Special Education - Grants to States - 2021	84.027	1,004,909	0
Special Education - Grants to States - Restoration	84.027	20,247	0
Special Education - Preschool Grants (IDEA Preschool) - 2020	84.173	4,193	0
Special Education - Preschool Grants (IDEA Preschool) - 2021	84.173	16,289	0
Special Education - Preschool Grants - Restoration	84.173	2,089	0
Total Special Education Cluster (IDEA):		<u>1,298,764</u>	<u>0</u>
Student Support and Academic Enrichment Program - 2021	84.424	<u>73,912</u>	<u>0</u>
English Language Acquisition State Grants - 2020	84.365	3,117	0
English Language Acquisition State Grants - 2021 <i>Total ALN #84.365</i>	84.365	<u>11,102</u>	<u>0</u>
		<u>14,219</u>	<u>0</u>
Improving Teacher Quality States Grants - 2020	84.367	1,662	0
Improving Teacher Quality States Grants - 2021 <i>Total ALN #84.367</i>	84.367	<u>49,446</u>	<u>0</u>
		<u>51,108</u>	<u>0</u>
Education Stabilization Fund:			
Elementary and Secondary Emergency Relief Fund - ESSER I	84.425D	623,077	0
Elementary and Secondary Emergency Relief Fund - ESSER II	84.425D	489,297	0
RemotEDx <i>Total ALN #84.425</i>	84.425D	<u>88,120</u>	<u>0</u>
		<u>1,200,494</u>	<u>0</u>
Total U.S. Department of Education		<u>3,570,172</u>	<u>0</u>
<u>U.S. Department of Treasury</u>			
<i>Passed through Ohio Department of Education</i>			
Coronavirus Relief Fund - Cares Act	21.019	240,128	0
Coronavirus Relief Fund - Broadband <i>Total ALN #21.019</i>	21.019	<u>47,249</u>	<u>0</u>
		<u>287,377</u>	<u>0</u>
Total U.S. Department of Treasury		<u>287,377</u>	<u>0</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$ 4,511,880</u>	<u>\$ 69,040</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

**SHAKER HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Shaker Heights City School District under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Shaker Heights City School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of Shaker Heights City School District.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3: INDIRECT COST RATE

Shaker Heights City School District has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4: CHILD NUTRITION CLUSTER

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

NOTE 5: FOOD DONATION PROGRAM

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

JAMES G. ZUPKA, C.P.A., INC.

Certified Public Accountants

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Ohio Society of Certified Public Accountants

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

To the Members of Board of Education
Shaker Heights City School District
Shaker Heights, Ohio

The Honorable Keith Faber
Auditor of State
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Shaker Heights City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 23, 2021, wherein we noted the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. We also noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District, and the school foundation aid received from the State of Ohio will be funded through the direct funding model.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



James G. Zupka, CPA, Inc.
Certified Public Accountants

December 23, 2021

JAMES G. ZUPKA, C.P.A., INC.

*Certified Public Accountants
5240 East 98th Street
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**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT
ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON
THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

To the Members of Board of Education
Shaker Heights City School District
Shaker Heights, Ohio

The Honorable Keith Faber
Auditor of State
State of Ohio

Report on Compliance for Each Major Federal Program

We have audited the Shaker Heights City School District, Cuyahoga County, Ohio's (the District) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Shaker Heights City School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have also audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 23, 2021, which contained unmodified opinions on those financial statements, wherein we noted the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. We also noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District, and the school foundation aid received from the State of Ohio will be funded through the direct funding model. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for the purpose of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



James G. Zupka, CPA, Inc.
Certified Public Accountants

December 23, 2021

**SHAKER HEIGHTS CITY SCHOOL DISTRICT
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 UNIFORM GUIDANCE
 JUNE 30, 2021**

1. SUMMARY OF AUDITOR'S RESULTS

2021(i)	Type of Financial Statement Opinion	Unmodified
2021(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2021(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2021(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2021(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2021(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2021(v)	Type of Major Programs' Compliance Opinions	Unmodified
2021(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2021(vii)	Major Programs (list): Title I - Grants to Local Educational Agencies - ALN #84.010 Education Stabilization Fund - ESSER I, ESSER II, RemotEDx - ALN #84.425D	
2021(viii)	Dollar Threshold: A/B Program	Type A: \$750,000 Type B: All Others
2021(ix)	Low Risk Auditee?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**SHAKER HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

The audit report for the prior year ending June 30, 2020, contained no findings or citations. Management letter recommendations have been corrected, repeated or procedures instituted to prevent occurrence in this audit period.

OHIO AUDITOR OF STATE KEITH FABER



SHAKER HEIGHTS CITY SCHOOL DISTRICT

CUYAHOGA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 2/15/2022

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
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