SHAKER HEIGHTS BOARD OF EDUCATION
SHAKER HEIGHTS, OHIO

September 8, 2004

TO: Members, Shaker Heights Board of Education

FROM: Bryan C. Christman, Treasurer

SUBJECT: Financial and Miscellaneous Briefs

I. GENERAL FUND (As of August 31, 2004) – Note: Budget comments have been excluded until the final budget is approved.

A. REVENUE

1. **Real Estate Taxes:**

$2,990,951 or 16.3% more than taxes received in 2004 as compared to August 2003. The increased collections are due to the new 9.6 mill operating levy, which began in January 2004.

2. **Personal Property Taxes:**

$92,121 or 247.0% more than received at this time last year. The variance is due to a higher portion of the first half personal property taxes being received in the settlement in July this year, coupled with the new 9.6 mill operating levy.

3. **Investment Earnings:**

$52,704 received this year, which is $2,593 or 4.7% less than received at this time last year. Cash-basis interest income varies month-to-month and year-to-year due to the varying maturity dates of the investment portfolio. Consequently, the monthly variances may swing from positive to negative throughout the year.

The Federal Reserve raised targeted short term rates a quarter point to 1.50% on August 10. The Federal Reserve is not anticipated to change rates again until after the November Presidential election.

4. **State Sources:**

Foundation program receipts are $9,708 or .4% less than those of one year ago. It should be noted, however, that the State Foundation payments are merely estimates until the ADM counts are finalized and adjusted starting in January, with final adjustments through May.

5. **Total Revenue:**

   $3,220,006 or 15.4% more than the amount received during the prior fiscal year, most of which is attributable to the increased tax collections.

B. EXPENDITURES

1. **Salaries & Wages:**

   Payroll expenses as of August 31 represent a 2.6% increase over last year's payrolls for the same number of year-to-date pay dates. Excluding one-time severance payments included last year, the increase was 3.2%. Payrolls averaged $1,897,683 for the year-to-date vs. $1,849,021 for the prior year. The rising average reflects the cumulative effect of the contractual increases that went into effect July 1st and January 1st, and the step increments that went into effect last September 1st. Total salaries and wages are 2.8% above the prior year-to-date due to timing of other fund chargebacks.

2. **Total Expenditures:**

   On a cash basis, total expenses were $388,778 or 3.3% more than the YTD expenditure level for the prior fiscal year. This variance is due primarily to timing of payments and expected increases.

   The encumbrances ($4,271,053 at August 31, 2004), which include $1,753,459 for out-of-district tuition, are $1,738,015 lower than the prior year, primarily attributable to a $1,190,256 decrease in tuition encumbrances. These differences are due primarily to timing at this point.

II. CONCLUSIONS

1. Cash balance reflects an increase of $3.3 million from that of one year ago. This is due to the $0.5 million higher beginning-of-year balance, coupled with the $2.8 million larger excess of revenues over expenditures for the current YTD vs. the prior YTD.

2. The $2,131 cash deficit in Fund 020, Shaker Merchandise, is due to the purchase of merchandise for resale.

3. The $110 cash deficit in Fund 460 is due to a delay in the receipt of a State cash reimbursement.

4. The $1,800 cash deficit in Fund 587 is due to a delay in the receipt of a Federal cash reimbursement.

III. OTHER ITEMS

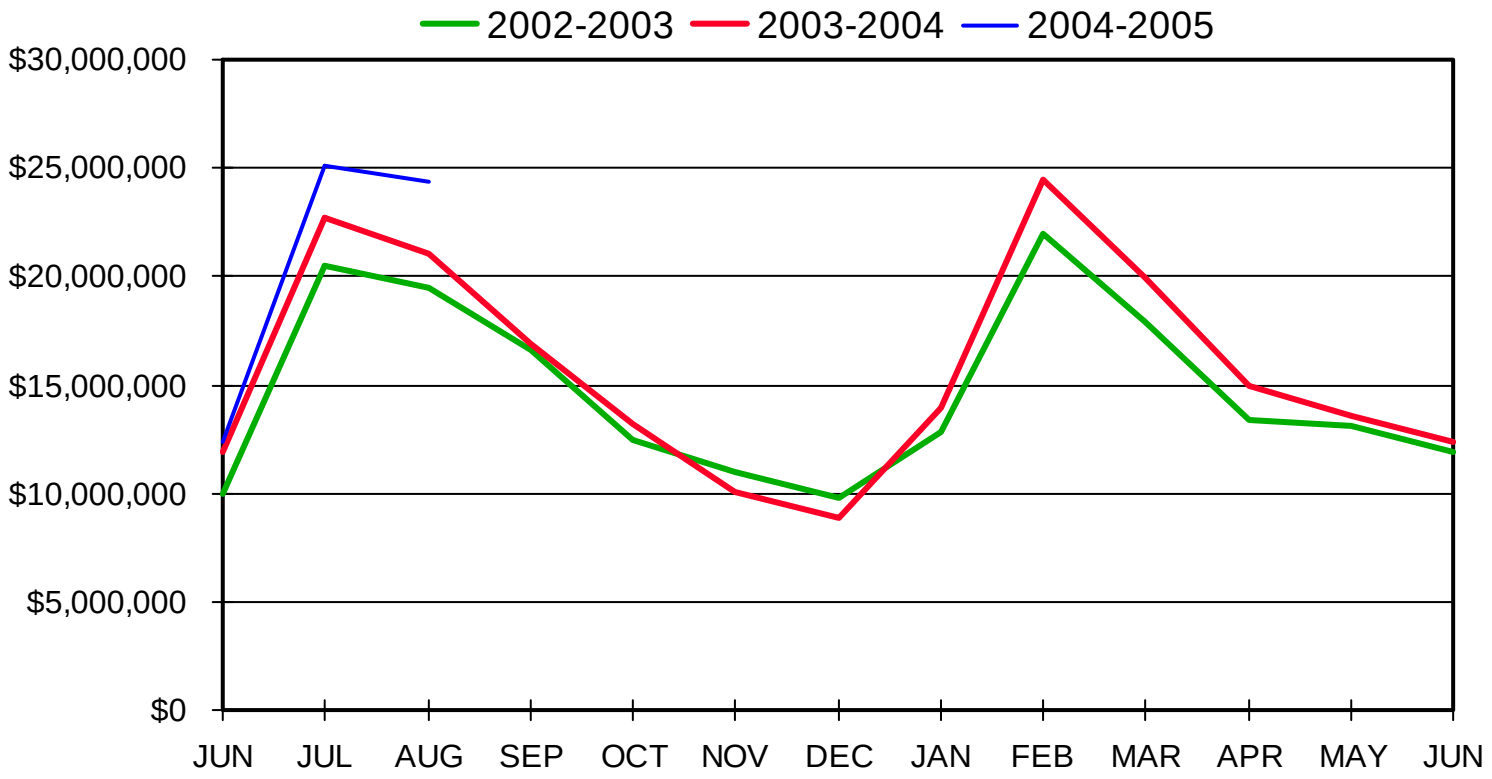
1. **Annual Appropriations Resolution:**

   As you recall, the District adopted a temporary appropriation in June. The annual appropriation is being submitted for action at the September 14th meeting. This is required by Ohio Revised Code to be adopted prior to October 1st of each year. The budget was prepared on the premise of maintaining the current existing level of educational programming.

   Consistent with last year, this year's annual appropriation resolution again appropriates all funds at the fund total level (rather than at the 2-digit function and 1-digit object detail level). This in no way changes our standard of vigilance in ensuring monies are spent in accordance with the applicable requirements, but does eliminate the necessity under Ohio Revised Code to obtain Board approval for adjustments between the various function and object categories (without changing the budget in total). We will continue to provide detail for all of the funds on a monthly basis. Please feel free to call should you have questions.

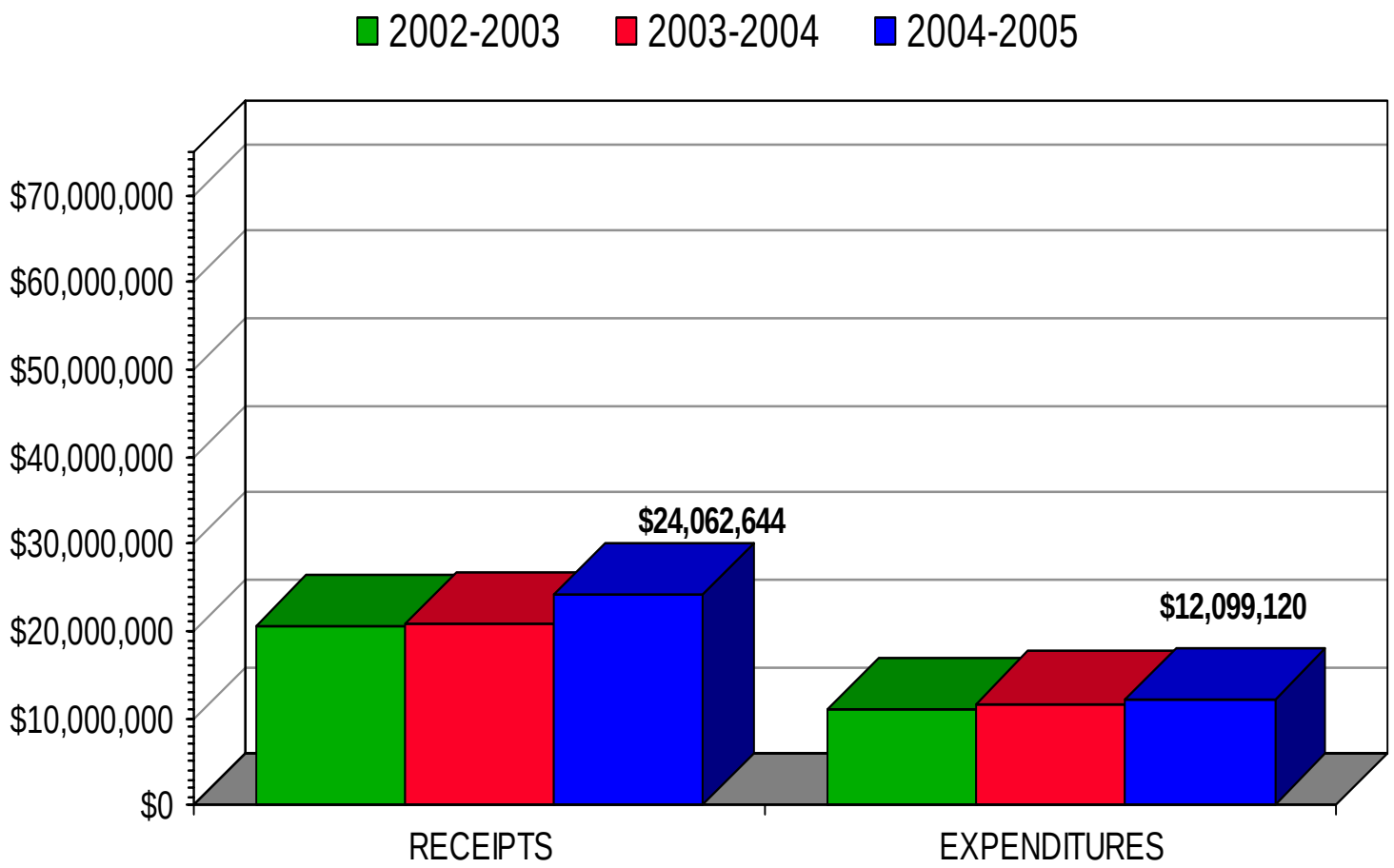
   At the October meeting, I will be submitting the State-required updated five-year forecasts for discussion and approval.

SHAKER HEIGHTS BOARD OF EDUCATION
GENERAL FUND CASH BALANCE



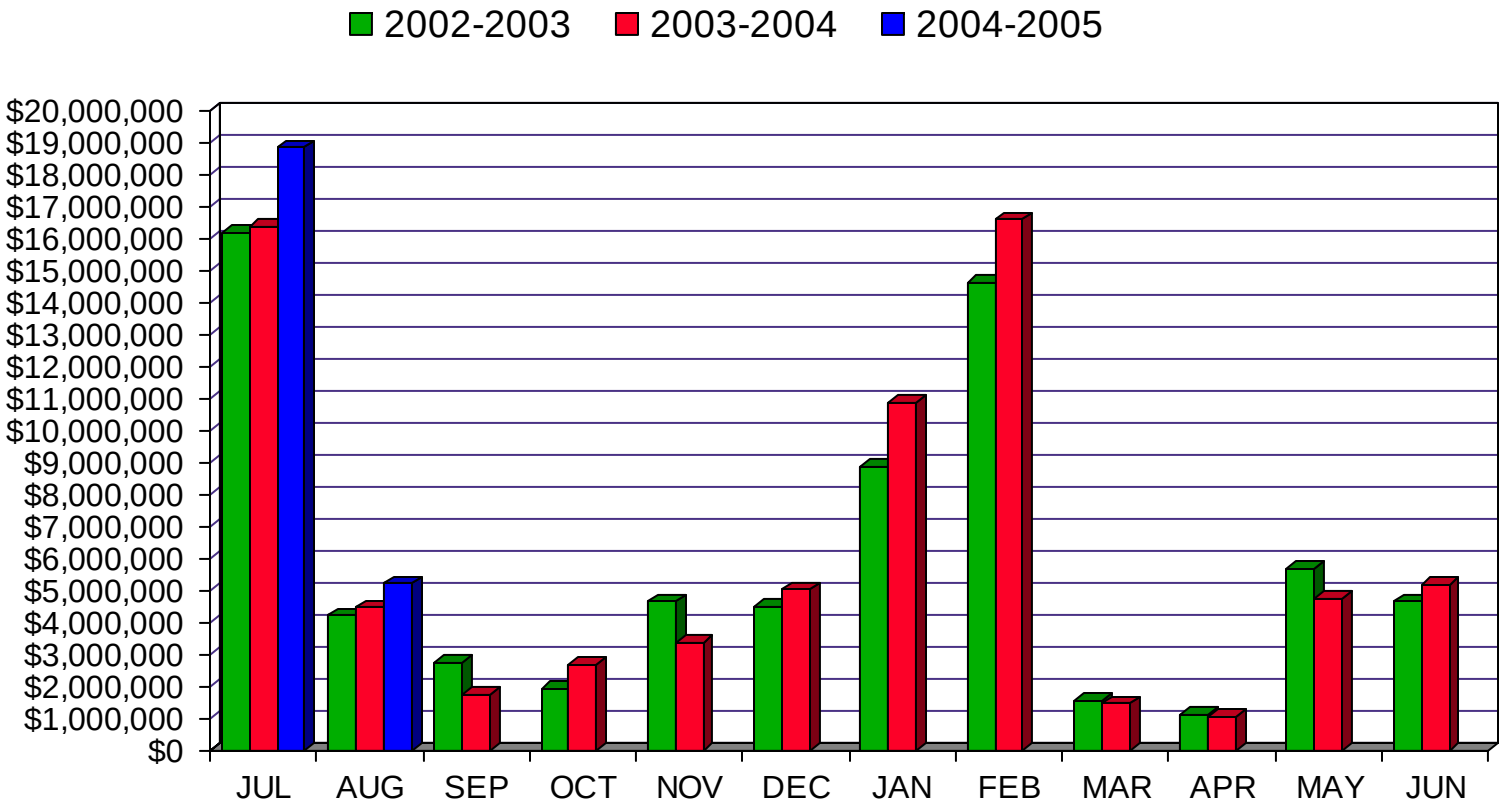
August 31, 2004

SHAKER HEIGHTS BOARD OF EDUCATION
GENERAL FUND



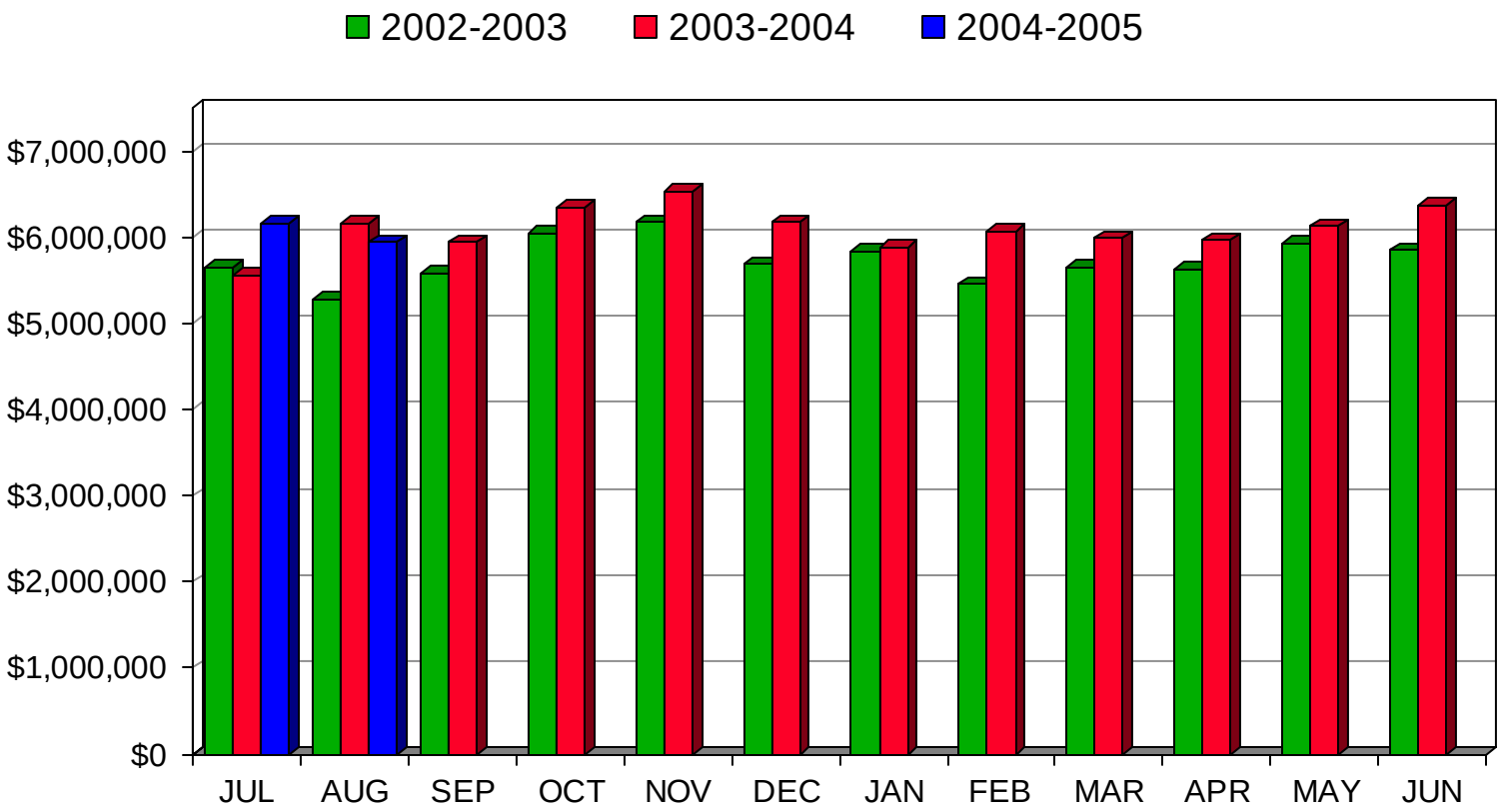
August 31, 2004

SHAKER HEIGHTS BOARD OF EDUCATION
GENERAL FUND RECEIPTS



August 31, 2004

SHAKER HEIGHTS BOARD OF EDUCATION
GENERAL FUND EXPENDITURES



August 31, 2004

SHAKER HEIGHTS CITY SCHOOL DISTRICT
General Fund-Financial Statement
Fiscal Year Ending
June 30, 2005

	Month of August				Year-To-Date August				Year-To-Date August		
	Actual F05	Actual F04	$ Inc(Dec)	%Inc(Dec)	Actual F05	Actual F04	$ Inc(Dec)	%Inc(Dec)	YTDBud.F05	$ Inc(Dec)	%Inc(Dec)
REVENUE:											
Real Estate Taxes	$3,908,189	$3,262,082	$646,107	19.8%	$21,353,424	$18,362,473	$2,990,951	16.3%	$21,350,000	$3,424	0.0%
Personal Property Taxes	0	0	0	#DIV/0!	129,414	37,293	92,121	247.0%	150,000	(20,586)	-13.7%
Investment Earnings	42,949	37,651	5,298	14.1%	52,704	55,297	(2,593)	-4.7%	53,000	(296)	-0.6%
Other Local	5,699	18,300	(12,601)	-68.9%	8,494	28,149	(19,655)	-69.8%	9,000	(506)	-5.6%
State Foundation	1,149,579	1,137,410	12,169	1.1%	2,288,864	2,298,572	(9,708)	-0.4%	2,280,000	8,864	0.4%
Homestead Exemption & RollBack	0	0	0	#DIV/0!	0	0	0	#DIV/0!	0	0	#DIV/0!
Other State	58,281	0	58,281	#DIV/0!	58,281	0	58,281	#DIV/0!	50,000	8,281	16.6%
Federal-primarily Medicaid	39,566	15,668	23,898	152.5%	171,462	60,853	110,609	181.8%	170,000	1,462	0.9%
Transfers & Advances In	0	0	0	#DIV/0!	0	0	0	#DIV/0!	0	0	#DIV/0!
TOTAL REVENUE	**5,204,263**	**4,471,111**	**733,152**	**16.4%**	**24,062,643**	**20,842,637**	**3,220,006**	**15.4%**	**24,062,000**	**643**	**0.0%**
	0	0	0		0	0	0		0	0	
EXPENDITURES:											
Salaries & Wages	3,767,857	3,684,902	82,955	2.3%	7,594,158	7,389,264	204,894	2.8%	7,595,000	(842)	0.0%
Fringe Benefits:											
Health Insurance	643,307	588,918	54,389	9.2%	1,301,735	1,166,393	135,342	11.6%	1,300,000	1,735	0.1%
Retirement Expense	575,595	570,588	5,007	0.9%	1,155,404	1,131,891	23,513	2.1%	1,158,000	(2,596)	-0.2%
All Other Fringes	67,880	87,175	(19,295)	-22.1%	156,332	168,652	(12,320)	-7.3%	156,000	332	0.2%
Total Fringe Benefits	1,286,782	1,246,681	40,101	3.2%	2,613,471	2,466,936	146,535	5.9%	2,614,000	(529)	0.0%
Purchased Services:	0	0			0	0					
Utilities	98,323	137,578	(39,255)	-28.5%	222,080	239,044	(16,964)	-7.1%	224,000	(1,920)	-0.9%
Out-of-District Tuition	87,590	195,687	(108,097)	-55.2%	304,696	281,848	22,848	8.1%	317,000	(12,304)	-3.9%
Pupil Transportation	19,897	22,712	(2,815)	-12.4%	103,441	99,389	4,052	4.1%	105,000	(1,559)	-1.5%
All Other Purchased Services	407,005	396,620	10,385	2.6%	634,201	509,110	125,091	24.6%	625,000	9,201	1.5%
Total Purchased Services	612,815	752,597	(139,782)	-18.6%	1,264,418	1,129,391	135,027	12.0%	1,271,000	(6,582)	-0.5%
Materials & Supplies	151,309	423,669	(272,360)	-64.3%	283,187	479,349	(196,162)	-40.9%	380,000	(96,813)	-25.5%
Capital Outlay	62,993	33,640	29,353	87.3%	105,358	64,168	41,190	64.2%	80,000	25,358	31.7%
Other-primarily Cty.Aud.&Treas.Fees	59,446	11,885	47,561	400.2%	78,316	19,022	59,294	311.7%	76,000	2,316	3.0%
Transfers & Advances Out	0	0	0	#DIV/0!	160,212	162,212	(2,000)	-1.2%	160,212	0	0.0%
TOTAL EXPENDITURES	**5,941,202**	**6,153,374**	**(212,172)**	**-3.4%**	**12,099,120**	**11,710,342**	**388,778**	**3.3%**	**12,176,212**	**(77,092)**	**-0.6%**
	0	0	0		0	0	0		0	0	
Net Revenues/(Expenditures)	(736,939)	(1,682,263)	945,324	-56.2%	11,963,523	9,132,295	2,831,228	31.0%	11,885,788	77,735	0.7%
Cash, Beginning of Period	25,121,465	22,759,128	2,362,337	10.4%	12,421,003	11,944,570	476,433	4.0%	12,421,003	0	0.0%
Cash, End of Month	**24,384,526**	**21,076,865**	**3,307,661**	**15.7%**	**24,384,526**	**21,076,865**	**3,307,661**	**15.7%**	**24,306,791**	**77,735**	**0.3%**
	0	0	0		0	0	0			0	
Less O/S Encumbrances	4,271,053	6,009,068	(1,738,015)	-28.9%	4,271,053	6,009,068	(1,738,015)	-28.9%	4,500,000	(228,947)	-5.1%
Less Budget Reserve	353,070	353,070	0	0.0%	353,070	353,070	0	0.0%	353,070	0	0.0%
							0				
Fund Balance, End of Month	**$19,760,403**	**$14,714,727**	**$5,045,676**	**34.3%**	**$19,760,403**	**$14,714,727**	**$5,045,676**	**34.3%**	**$19,453,721**	**$306,682**	**1.6%**
	0	0	0		0	0	0	0.0%	0	0	0.0%
Total General Obligation Debt Outstanding					$13,585,939	$14,707,774	0				