

SHAKER HEIGHTS BOARD OF EDUCATION
SHAKER HEIGHTS, OHIO

September 8, 2005

TO: Members, Shaker Heights Board of Education

FROM: Bryan C. Christman, Treasurer

SUBJECT: Financial and Miscellaneous Briefs

I. GENERAL FUND (As of August 31, 2005) – Note: Budget comments have been excluded until the final budget is approved.

A. REVENUE

1. Real Estate Taxes:

\$94,755 or 0.4% more than taxes received in 2005 as compared to August 2004. The difference is believed to be due to timing at this point.

2. Personal Property Taxes:

\$85,364 or 66.0% less than the amount received at this time last year. The variance is due to a \$46,401 lower first half settlement for this year as compared to 2004. The remaining difference of \$38,963 is due to higher first half collections received in May and June of 2005 as compared to 2004.

3. Investment Earnings:

\$100,468 received this year, which is \$47,764 or 90.6% more 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.

We continue to benefit from increasing interest rates. Our position of staying short-term and specifically utilizing the even more favorable rates offered by the Charter One Bank on their overnight deposit accounts contributes to increased current monthly payments in lieu of semi-annual agency security interest payments.

The Federal Reserve as expected increased targeted short term rates a quarter point to 3.50% on August 9th. The economic impact of hurricane Katrina may stall the Federal Reserve's interest rate ramp-up that was previously expected later this month.

4. Other Local:

When the June SF-14 pupil payment from the State was substantially below our estimated calculation, we contacted ODE, who determined a calculation error had been made. August 2005 receipts include the \$55,837 ODE correction payment.

5. State Sources:

Foundation program receipts are \$156,990 or 6.9% more 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.

6. Federal Sources:

\$47,869 of Medicaid reimbursements received this year, which is \$123,593 or 72.1% less than received at this time last year. The main difference is due to the state's delay in processing the last half of fiscal 2004 most of which was received in July 2004.

7. Total Revenue:

\$133,414 or 0.6% more than the amount received during the prior fiscal year. The variance is due to the higher real estate tax collections and State Foundation payments, partially offset by the lower personal property tax collections and Medicaid reimbursements.

B. EXPENDITURES

1. Salaries & Wages:

Payroll expenses as of August 31 represent a 2.9% increase over last year's payrolls for the same number of year-to-date pay dates. Payrolls averaged \$1,953,449 for the year-to-date vs. \$1,897,683 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 5.6% above the prior year due to timing of other fund chargebacks.

The classified overtime paid this YTD was approximately \$39,000 more than the prior YTD. Sick leave severance payments this YTD totaled \$101,785, representing a \$48,344 or 90.5% increase from the prior YTD total of \$53,441.

2. Total Expenditures:

On a cash basis, total expenses were \$150,232 or 1.2% more than the YTD expenditure level for the prior fiscal year. This variance is due to timing differences in payments.

The encumbrances (\$3,972,637 at August 31, 2005), which include \$859,283 for out-of-district tuition, are \$298,416 lower than the prior year, primarily attributable to a \$894,176 decrease in tuition encumbrances, a \$189,800 increase in materials & supplies, a \$206,267 increase in insurance, and \$196,693 decrease in all other categories. These differences are attributable to timing.

II. CONCLUSIONS

1. Cash balance reflects an increase of \$0.8 million from that of one year ago. This is due to the \$0.8 million higher beginning of year balance, coupled with the \$0.0 million larger excess of revenues over expenditures for the current YTD vs. the prior YTD.
2. The following cash deficits are due to a delay in the receipt of federal fund cash requests from the State: Fund 573-\$1,425; Fund 584-\$2,423; Fund 599-\$1,471; and Fund 590-\$1,514.

III. OTHER ITEMS

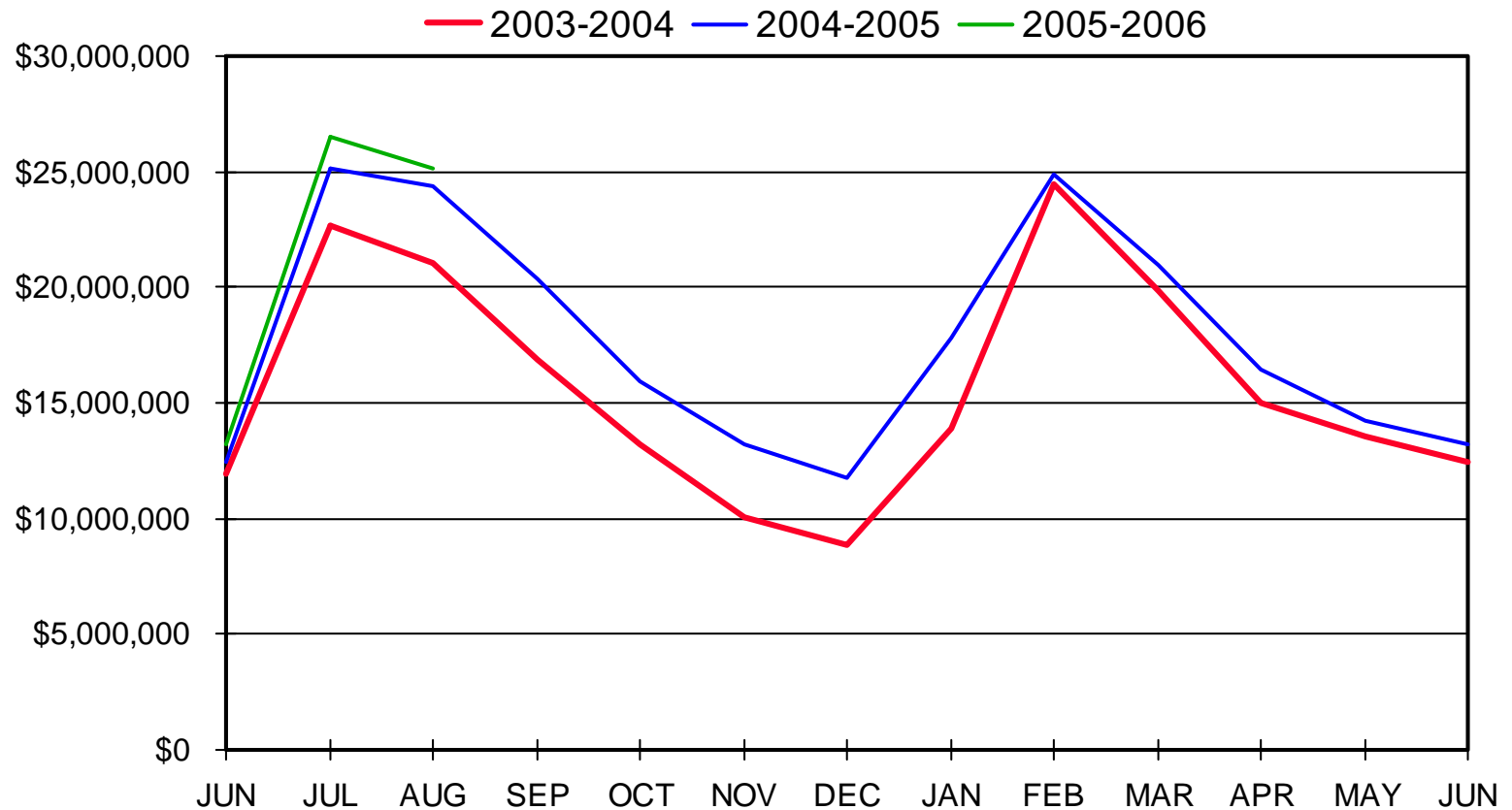
1. Annual Appropriations Resolution:

As you recall, the District adopted a temporary appropriation in June. The annual appropriation is being submitted for action at the September 20th 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 forecast for discussion and approval.

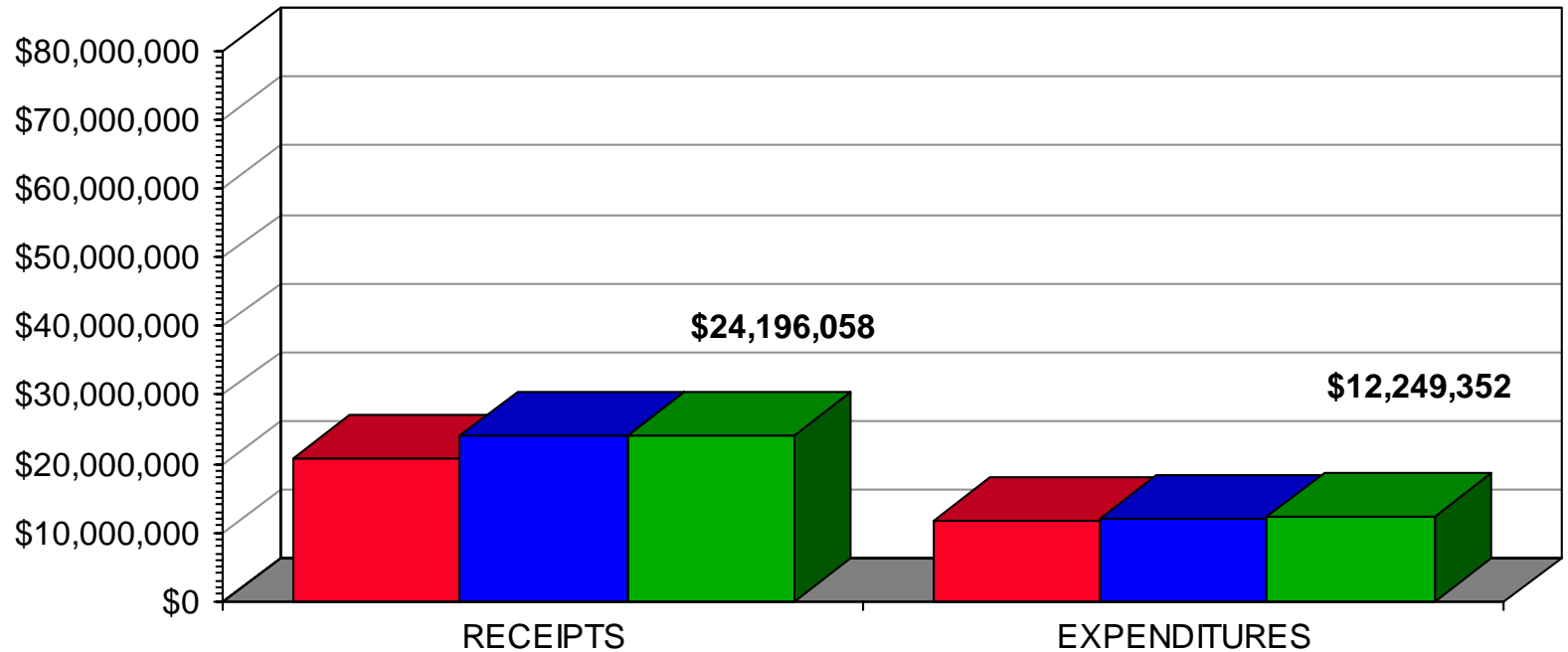
SHAKER HEIGHTS BOARD OF EDUCATION GENERAL FUND CASH BALANCE



August 31, 2005

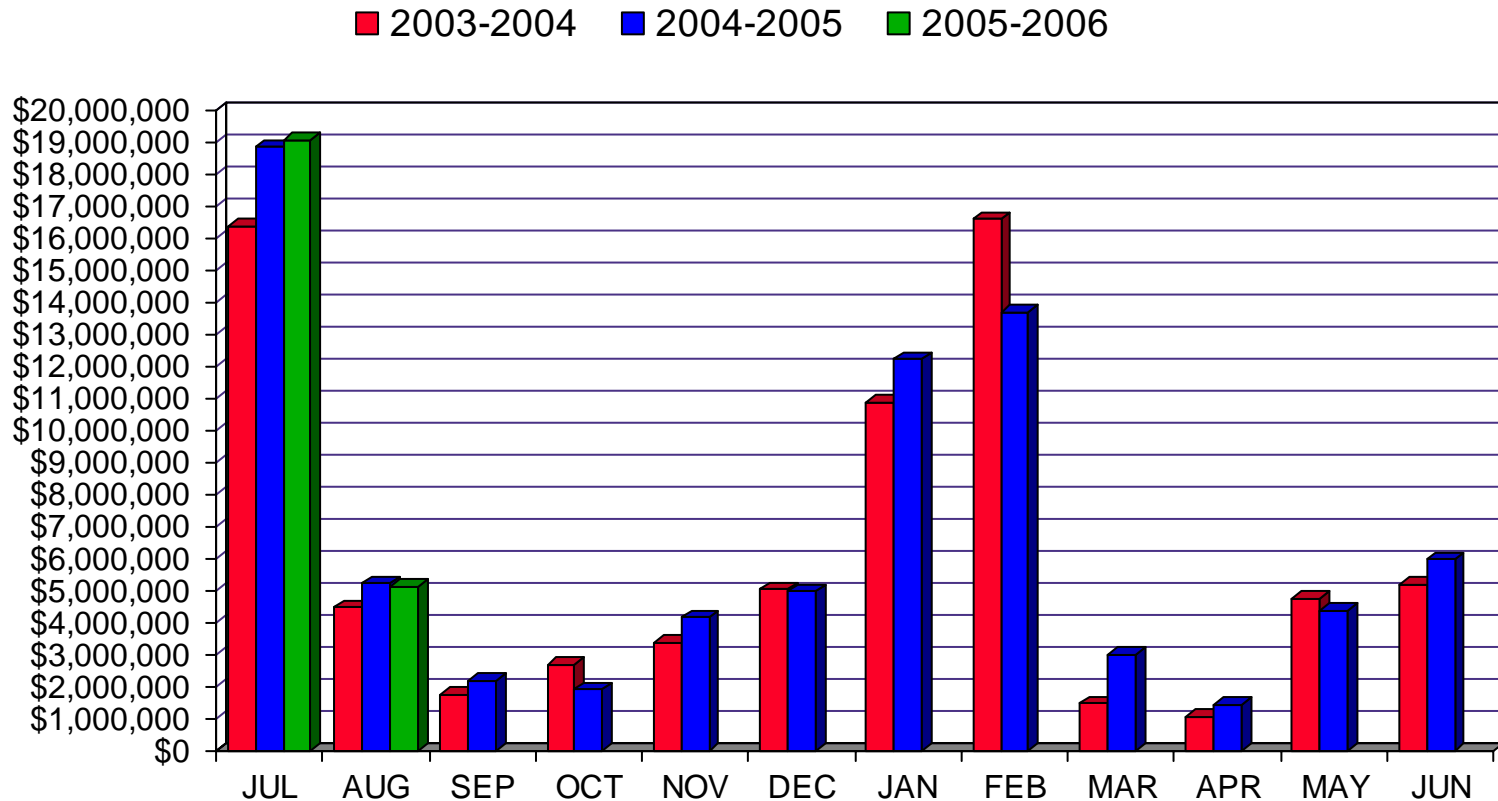
SHAKER HEIGHTS BOARD OF EDUCATION GENERAL FUND

■ 2003-2004 ■ 2004-2005 ■ 2005-2006



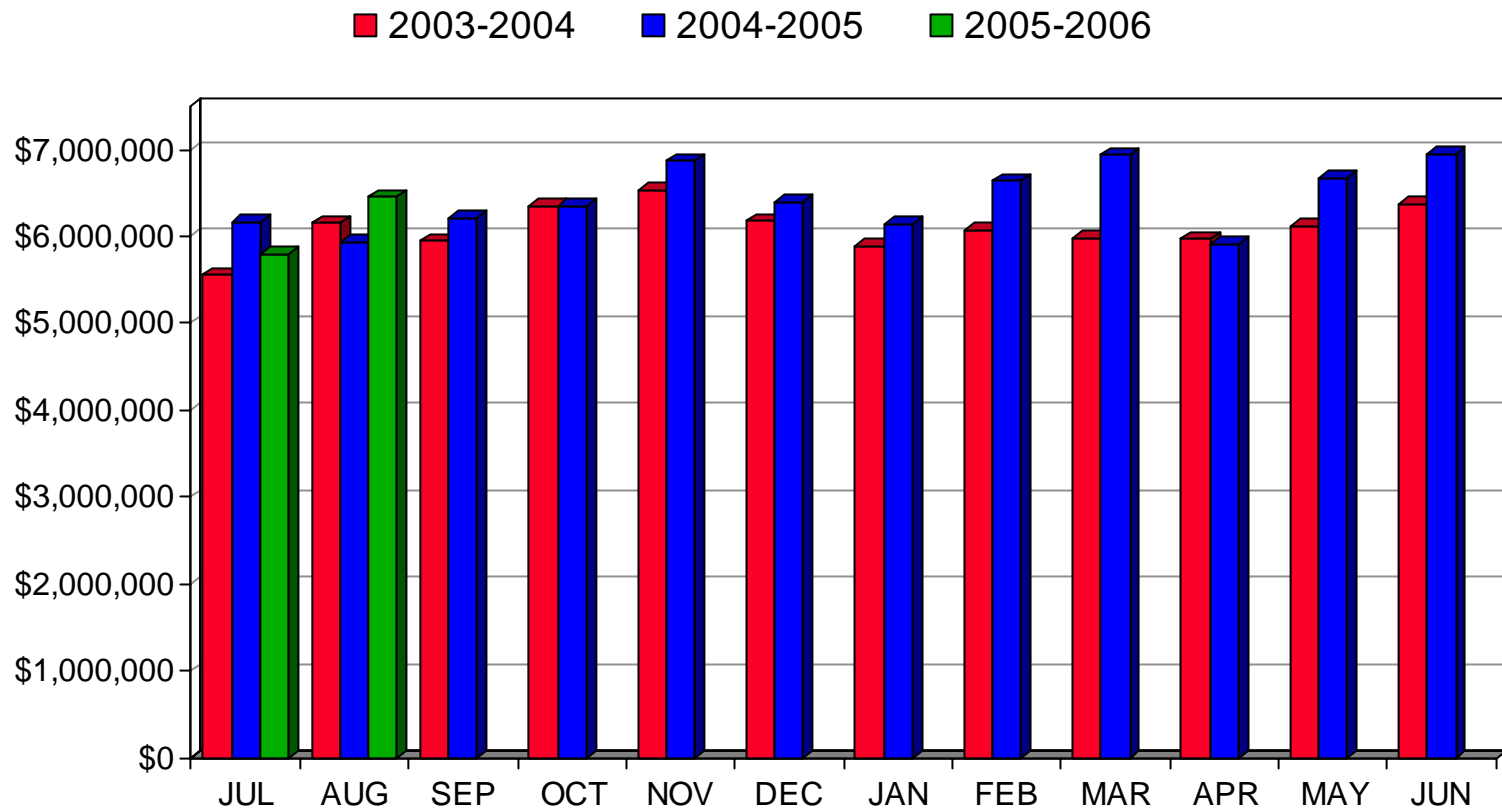
August 31, 2005

SHAKER HEIGHTS BOARD OF EDUCATION GENERAL FUND RECEIPTS



August 31, 2005

SHAKER HEIGHTS BOARD OF EDUCATION GENERAL FUND EXPENDITURES



August 31, 2005

SHAKER HEIGHTS CITY SCHOOL DISTRICT
General Fund-Financial Statement
Fiscal Year Ending
June 30, 2006

FS02Aug05Web/SummaryF06
9/29/2005

	Month of August					Year-To-Date August					Year-To-Date August		
	Actual F06	Actual F05	\$ Inc(Dec)	%Inc(Dec)		Actual F06	Actual F05	\$ Inc(Dec)	%Inc(Dec)		YTD Bud.F06	\$ Inc(Dec)	%Inc(Dec)
REVENUE:													
Real Estate Taxes	\$3,718,275	\$3,908,189	(\$189,914)	-4.9%		\$21,448,180	\$21,353,424	\$94,756	0.4%		\$21,450,000	(\$1,820)	0.0%
Personal Property Taxes	0	0	0	#DIV/0!		44,050	129,414	(85,364)	-66.0%		105,000	(60,950)	-58.0%
Investment Earnings	68,162	42,949	25,213	58.7%		100,468	52,704	47,764	90.6%		95,000	5,468	5.8%
Other Local	59,247	5,699	53,548	939.6%		67,323	8,494	58,829	692.6%		13,000	54,323	417.9%
State Foundation	1,218,793	1,149,579	69,214	6.0%		2,445,854	2,288,864	156,990	6.9%		2,420,000	25,854	1.1%
Homestead Exemption & RollBack	0	0	0	#DIV/0!		0	0	0	#DIV/0!		0	0	#DIV/0!
Other State	0	58,281	(58,281)	-100.0%		42,314	58,281	(15,967)	-27.4%		40,000	2,314	5.8%
Federal-primarily Medicaid	47,869	39,566	8,303	21.0%		47,869	171,462	(123,593)	-72.1%		50,000	(2,131)	-4.3%
Transfers & Advances In	0	0	0	#DIV/0!		0	0	0	#DIV/0!		0	0	#DIV/0!
TOTAL REVENUE	5,112,346	5,204,263	(91,917)	-1.8%		24,196,058	24,062,643	133,415	0.6%		24,173,000	23,058	0.1%
	0	0	0			0	0	0			0	0	
EXPENDITURES:													
Salaries & Wages	3,978,922	3,767,857	211,065	5.6%		7,809,755	7,594,158	215,597	2.8%		7,806,107	3,648	0.0%
Fringe Benefits:													
Health Insurance	684,346	643,307	41,039	6.4%		1,337,297	1,301,735	35,562	2.7%		1,340,000	(2,703)	-0.2%
Retirement Expense	610,046	575,595	34,451	6.0%		1,204,107	1,155,404	48,703	4.2%		1,202,000	2,107	0.2%
All Other Fringes	85,149	67,880	17,269	25.4%		175,126	156,332	18,794	12.0%		175,000	126	0.1%
Total Fringe Benefits	1,379,541	1,286,782	92,759	7.2%		2,716,530	2,613,471	103,059	3.9%		2,717,000	(470)	0.0%
Purchased Services:	0	0				0	0						
Utilities	132,220	98,323	33,897	34.5%		265,895	222,080	43,815	19.7%		265,000	895	0.3%
Out-of-District Tuition	112,342	87,590	24,752	28.3%		240,741	304,696	(63,955)	-21.0%		240,000	741	0.3%
Pupil Transportation	2,851	19,897	(17,046)	-85.7%		88,819	103,441	(14,622)	-14.1%		88,000	819	0.9%
All Other Purchased Services	282,694	407,005	(124,311)	-30.5%		433,227	634,201	(200,974)	-31.7%		435,000	(1,773)	-0.4%
Total Purchased Services	530,107	612,815	(82,708)	-13.5%		1,028,682	1,264,418	(235,736)	-18.6%		1,028,000	682	0.1%
Materials & Supplies	371,298	151,309	219,989	145.4%		482,125	283,187	198,938	70.2%		485,000	(2,875)	-0.6%
Capital Outlay	13,864	62,993	(49,129)	-78.0%		23,711	105,358	(81,647)	-77.5%		24,000	(289)	-1.2%
Other-primarily Cty.Aud.&Treas.Fees	11,891	59,446	(47,555)	-80.0%		21,357	78,316	(56,959)	-72.7%		20,000	1,357	6.8%
Transfers & Advances Out	167,192	0	167,192	#DIV/0!		167,192	160,212	6,980	4.4%		167,192	0	0.0%
TOTAL EXPENDITURES	6,452,815	5,941,202	511,613	8.6%		12,249,352	12,099,120	150,232	1.2%		12,247,299	2,053	0.0%
	0	0	0			0	0	0			0	0	
Net Revenues/(Expenditures)	(1,340,469)	(736,939)	(603,530)	81.9%		11,946,706	11,963,523	(16,817)	-0.1%		11,925,701	21,005	0.2%
Cash, Beginning of Period	26,497,599	25,121,465	1,376,134	5.5%		13,210,424	12,421,003	789,421	6.4%		13,210,424	0	0.0%
Cash, End of Month	25,157,130	24,384,526	772,604	3.2%		25,157,130	24,384,526	772,604	3.2%		25,136,125	21,005	0.1%
	0	0	0			(0)	0	0				0	
Less O/S Encumbrances	3,972,637	4,271,053	(298,416)	-7.0%		3,972,637	4,271,053	(298,416)	-7.0%		4,300,000	(327,363)	-7.6%
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	\$20,831,423	\$19,760,403	\$1,071,020	5.4%		\$20,831,423	\$19,760,403	\$1,071,020	5.4%		\$20,483,055	\$348,368	1.7%
	(0)	0	0			(0)	0	(0)	0.0%		0	0	0.0%
Total General Obligation Debt Outstanding						\$22,380,537	\$13,585,939	0					