

# **Shaker Heights City School District, Shaker Heights, Ohio**

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



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

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





## The Mission of the Schools

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

# Shaker



---

## INTRODUCTORY SECTION





Table of Contents

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

Table of Contents  
(Continued)

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

Table of Contents  
(Continued)

**III. Statistical Section**

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

Table of Contents  
(Continued)

Operating Information:

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



# SHAKER HEIGHTS CITY SCHOOL DISTRICT

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

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

Bryan C. Christman  
Treasurer

January 27, 2016

Members of the Board of Education and  
Residents of the Shaker Heights City School District

Dear Board Members and Residents:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Shaker Heights City School District for the fiscal year ended June 30, 2015. This CAFR enables the School District to comply with the Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires school districts reporting on a GAAP basis to file an unaudited annual report with the Auditor of State within 150 days of the fiscal year end.

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

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

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

## **The Shaker Heights City School District**

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

MEMBERS OF THE BOARD:  
WILLIAM L. CLAWSON II   ALEX L. DYKEMA   AMY H. FULFORD   REUBEN HARRIS, JR.   ANNETTE TUCKER SUTHERLAND

The “school” was in the Van Sweringen real estate office at Lee Road and Shaker Boulevard, and four teachers and 26 students constituted its population. The first school board looked ahead, planned well, worked hard and got off on the right foot. It had to, for along with the rapid construction of new homes came a tremendous growth in the school population. Today, there are over 5,300 students in the Shaker schools.

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

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

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

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

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

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

The Shaker Heights City School District is one of 609 school districts in the State of Ohio and one of 31 school districts in Cuyahoga County. The School District is the 58<sup>th</sup> largest in student enrollment in Ohio, with an enrollment of 5,377 full time equivalent students for the 2014-2015 academic year, and projected enrollment for fiscal year 2016 of 5,300 students. The School District offers general education, special education, and vocational education academic programs. The School District covers approximately 7.5 square miles, including all of the City of Shaker Heights and a portion of the City of Cleveland in the Shaker Square area, and is located approximately ten miles southeast of downtown Cleveland.

### **Organizational Structure**

Statutorily, the School District operates under the standard prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 of the Ohio Revised Code, to provide educational services prescribed by State and Federal agencies. The Board of Education is made up of five members elected at large, for overlapping four-year terms. The Board of Education elects its President and Vice President annually, and appoints two officials: the Superintendent, who serves as the Chief Executive Officer, and the Treasurer, who serves as the Chief Financial Officer.

The Board of Education is required to adopt an annual tax budget and an annual appropriation resolution that serves as the basis for control over and authorization for all expenditures of School District tax money.

### **The Reporting Entity**

The School District has reviewed its reporting entity definition in order to insure conformance with the GASB Statement No. 14, *The Financial Reporting Entity* as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and 34*. In evaluating how to define the School District for financial reporting purposes, management has considered all agencies, departments, and organizations making up the School District (the primary government) and its potential component units. Excluded from the reporting entity because they are fiscally independent of the School District, are the City of Shaker Heights, the City of Cleveland, the Parent-Teacher Organization and the parochial and private schools.

The School District is associated with three organizations, the Ohio Schools’ Council Association (OSC), the North Coast Council (NCC), and the Shaker Heights Public Library. NCC and OSC are jointly-governed organizations whose relationships to the School District are described in Note 20 to the accompanying financial statements. The Shaker Heights Public Library is a related organization and is described in Note 19 to the accompanying financial statements.

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

## **Economic Condition and Outlook**

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

Because Shaker Heights is home to many management employees, the stability of Cleveland's major employers -- including several Fortune 500 companies -- is important to the continued vitality of this School District. While downtown Cleveland is only twenty minutes by car, the rapid transit, a light rail public transit system, provides even more accessibility to downtown Cleveland's business community and attractions. The Greater Cleveland Regional Transit System has extended the original rapid transit rail line to serve not only downtown Cleveland and Cleveland Hopkins International Airport but also the Cleveland waterfront area including the currently in-process redevelopment of the recreational/entertainment area known as the "Flats", the Rock & Roll Hall of Fame and Museum, the Great Lakes Science Museum, Quicken Loans Arena (home of the NBA Cleveland Cavaliers), Progressive Field (home of the MLB Cleveland Indians) and First Energy Stadium (home of the NFL Cleveland Browns).

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

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

Another contributor to the School District's economic strength is its proximity to the University Circle area of Cleveland. University Circle is the leading focus of employment growth in the area and home to major cultural, educational and medical facilities including Severance Hall, the home of the world-renowned Cleveland Orchestra, the recently-rebuilt and expanded Cleveland Museum of Art, Case Western Reserve University, and University Hospitals of Cleveland and the Cleveland Clinic, world-renowned medical research, teaching and treatment facilities and the two largest employers in Cuyahoga County. Significant numbers of Shaker Heights residents work in the medical, cultural, and educational institutions in nearby University Circle.

The Shaker Square shopping district, which lies in the Cleveland portion of the School District, was purchased and redeveloped in 2001 and 2002. The School District, in accordance with a tri-party agreement between the developer and the City of Cleveland, receives 25% of the increased property taxes resulting from the redevelopment for the 25-year abatement period. Thereafter, the School District will receive 100% of the increased property taxes. Additionally, the School District will receive 50% of the increased income taxes collected by the City of Cleveland during the 25-year abatement period for the redevelopment area. Although, the 2004 sale to a new local owner reinvigorated the enthusiasm about the Shaker Square potential and long-term prospects for success, the recession impacted commercial retail operations which are now improving.



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

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

- Construction of a new \$5 million City Fire Station in the Shaker Towne Centre area;
- Redevelopment of commercial properties in the Shaker Towne Centre complex including \$3 million of facade and other improvements;
- \$13 million of public improvements completed in early 2008 at the Shaker Towne Centre including the reconfiguration and narrowing of Chagrin Boulevard; the addition of angled, on-street parking on Chagrin Boulevard; the construction of Center Street - a new road through Shaker Towne Centre which connects Chagrin Boulevard with Van Aken Boulevard; utility work to upgrade sewers, electric and telephone lines; public art and streetscape work on Chagrin Boulevard; and streetscape work on Lee Road between Chagrin Boulevard and City Hall.
- Building of 16 cluster townhouses known as Sussex Courts - Phase I on the north side of Chagrin Boulevard at Farnsleigh Road;
- Building of 30 cluster townhouses known as Sussex Courts - Phase II on the south side of Chagrin Boulevard at Farnsleigh Road;
- Development of 16 new residential condominiums entitled South Park Row on vacant land in the Warwick Road area;
- Construction of a new stand-alone retail bank branch building at Shaker Towne Centre;
- Shaker Common Shops (\$3.0 million) involved the purchase and major renovation of 35,000 square feet of historic retail buildings opposite Shaker Towne Center; and
- Razing of certain residential properties adjacent to the Shaker Towne Centre and the construction of a new residential project entitled Avalon Station. Phase I (begun in November 2005 and completed in 2007) of the project (\$12 million) includes 51 loft condominiums and a 90-car parking garage with a landscaped roof. When complete the project will consist of three 4-story buildings with approximately 160 loft condominiums and 17 townhomes as well as ground floor retail space in two buildings. Although the development of Phase II was delayed due to the recession, in 2014 a request for proposals for Avalon Station Phase II resulted in the selection of a developer to build market rate for sale townhomes in the Shaker Towne Centre area.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

These are the cornerstones upon which the School District’s future financial outlook depends. With these resounding reinforcements from the community, the economic outlook for the School District remains favorable.

## **Long-Term Financial Planning**

The Board of Education has adopted (as revised) three specific policies that guide both the short- and long-term financial planning as well as the annual appropriation process.

Policy DA, titled *FISCAL MANAGEMENT GOALS*, reads as follows:

*The quantity and quality of learning programs are directly dependent on the funding provided and the effective, efficient management of those funds. It follows that the School District's purposes can best be achieved through prudent fiscal management.*

*The School District's first obligation is the provision of education to its children. However, the Board of Education recognizes the need to frame educational programs within the School District's fiscal plan.*

*As trustees of the community's investment in plant, facilities, and operational funds, the Board has a responsibility to ensure that the investment is protected and used wisely. Competent personnel and efficient procedures are essential for sound management of fiscal affairs. The Superintendent of Schools and Treasurer will keep the Board of Education informed through reports -- both oral and written -- of the fiscal management of the schools.*

*The Shaker Heights Board of Education seeks to achieve the following goals:*

*To engage in thorough planning with staff involvement in order to develop budgets and to guide expenditures to achieve the greatest educational returns and contributions to the educational program in relation to dollars expended;*

*To assure levels of funding that provide high quality education for the School District's students;*

*To use the best available techniques for budget development and management;*

*To provide timely and appropriate information to all staff with fiscal management responsibilities; and*

*To assure effective procedures for accounting, reporting, business, purchasing and delivery, payroll, payment of vendors and contractors and all other areas of fiscal management.*

Policy DBD, titled *LONG-TERM FINANCIAL PLANNING*, reads as follows:

*The Shaker Heights Board of Education believes that annual and long-term financial planning are both essential to support current educational programs and the School District's long-term educational needs. Annual financial planning should be an integral part of program planning and should be a year-round process involving broad participation by the Board of Education, administrators, teachers, and other personnel throughout the School District.*

*The School District should also engage in strategic long-term financial planning and attempt to forecast the need for future educational and capital expenditures and the availability of financial resources to meet those needs. Long-term financial planning should result in the development of a strategy to meet educational needs.*

*An integral part of the long-term planning process will include the periodic preparation of a five-year financial forecast in accordance with State requirements. The Superintendent and Treasurer will work in close cooperation with the Board of Education in developing the significant assumptions utilized in the forecast, and will be responsible for preparing the five-year forecast for the Board's approval.*

Policy DB, titled *ANNUAL BUDGET AND APPROPRIATION MEASURES*, reads as follows:

#### **BUDGET**

*The purpose of the annual operating budget is to identify adequate financial resources for the education program and to provide a basis for accountability in fiscal management. The precursor to the preparation of the operating budget is the tax budget. The purpose of the annual tax budget is to enable the county budget commission to establish tax rates and serve as the basis for certification of revenue to the School District.*

*The annual tax budget is regulated and controlled by State law and requirements of the County Budget Commission.*

*The Superintendent and the Treasurer will be responsible for the preparation of both the annual operating and tax budgets and presentation to the Board of Education for adoption.*

#### **APPROPRIATIONS**

*As permitted by law, no later than July 1, the Board of Education will pass a temporary appropriation measure to provide for meeting the ordinary expenses of the School District until such time as the Board approves the annual appropriation resolution for the year, which will be not later than October 1. The Board will approve appropriations for the School District at the Fund level.*

#### **BUDGET MODIFICATION**

*The Treasurer routinely provides more detailed budget and expenditure information to the Board. Appropriations approved by the Board at the Fund level may receive a line item increase as long as there is a corresponding decrease. Any increase in the amount of the appropriation measure or transfer of funds permitted by law from major fund to major fund requires Board approval and may require approval from the Court of Common Pleas.*

The Board of Education has assigned responsibility for annual and long-term financial planning to the Superintendent and Treasurer. The policies require that the first objective of financial management planning is to provide for the education of the School District's children. We are expected to use the best available techniques for budget development and management, as well as to engage in strategic, long-term financial planning which attempts to forecast the need for future educational and capital expenditures.

In April of 1995, the Board of Education revised its policies to incorporate the use of expense-growth limitations for future years' spending as a part of long-term financial planning. The annual expense-growth rate was developed using an assumed rate of inflation as measured by the Consumer Price Index and an assumed rate of change in student enrollment measured by the official October Average Daily Membership. These spending caps were renewed in 2000, and the School District has successfully operated under modified spending limits since then.

Currently, the Board of Education's long-term financial plan is guided by the Board-mandated edicts of restricting the School District's operating levy cycle to no more often than once every four years, at a rate below seven mills.

## **2014-2015 Major Initiatives**

### Academic Achievement

With the support of faculty, parents, and local residents, our students continued to excel in academics, the arts, athletics, and community service. Approximately 8% of the Class of 2015 earned honors in the National Merit, National Achievement, and National Hispanic scholarship competitions, compared with 2% nationally. This again places Shaker in the top ranks of Ohio schools using this nationally accepted "gold standard" of scholastic achievement. Each year since the inception of the National Merit program in 1956, Shaker has far outpaced the national average in the production of these scholars.

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

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

### Technology

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

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

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

## Business and Operations

### **Capital Planning**

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

### **Facilities, Buildings and Grounds Maintenance**

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

### **Food Services**

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

### **General Administrative Business and Warehouse Services**

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

### **Human Resources**

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

### **Safety and Security Services**

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



## **Transportation Services**

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

## Current and Future Initiatives

### **School Improvement Plans**

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

### **2014–2019 Strategic Plan**

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

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

### **Our Aspirations:**

Excellence – Equity – Exploration

### **Our Mission:**

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

### **Our Vision:**

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

### **Core Values:**

We believe:

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

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

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

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

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

The Strategic Plan and the Year One and Year Two Progress Reports can be found at [www.shaker.org/strategicplanning.aspx](http://www.shaker.org/strategicplanning.aspx)

### **International Baccalaureate**

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

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

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

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

### **Awards**

**GFOA Certificate of Achievement** - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Shaker Heights City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. The Certificate is the highest form of recognition in the area of governmental financial reporting. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

**ASBO Certificate** - The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2014 to the Shaker Heights City School District. This award certifies that the Comprehensive Annual Financial Report substantially conformed to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. The award is granted only after an intensive review of the financial report by an expert panel of certified public accountants and practicing school business officials. We believe our current report, which will be submitted to ASBO for review, continues to conform to ASBO's principles and standards.

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

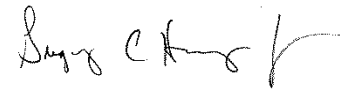
**Acknowledgments**

The publication of this CAFR enhances the School District's accountability to the citizens of the School District. The preparation of this report would not have been possible without the assistance and support of the staff of the Treasurer's office and numerous other School District staff members. Our appreciation is also expressed to the GAAP Conversion Division of Rea & Associates' office for their assistance in preparing and reviewing this financial report.

Respectfully submitted,



Bryan C. Christman  
Treasurer



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

**Shaker Heights City School District**

**Principal Officials**

**June 30, 2015  
Board of Education**

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

**Administration**

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

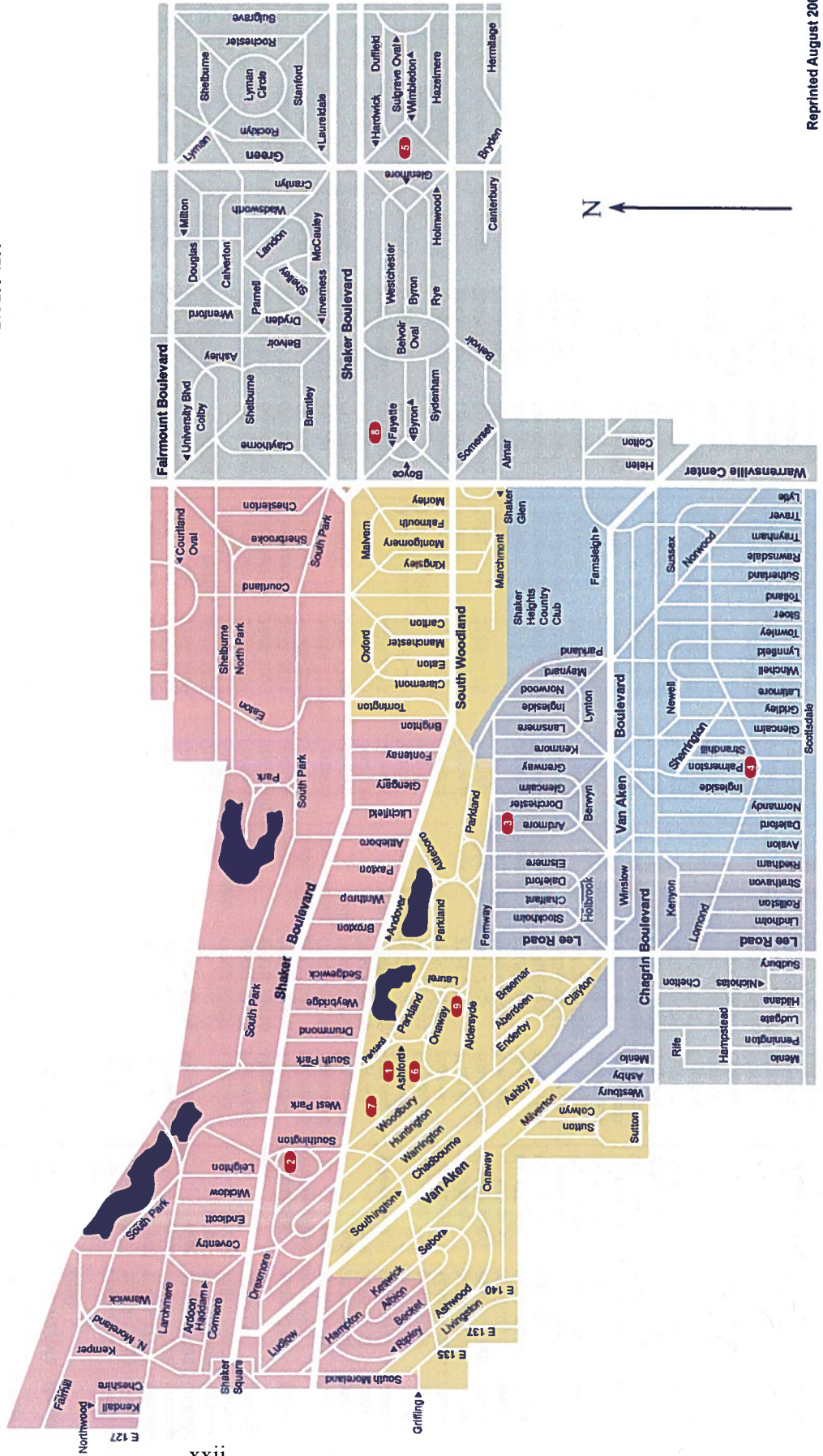
Bryan C. Christman .....Treasurer



# SHAKER HEIGHTS CITY SCHOOL DISTRICT

[www.shaker.org](http://www.shaker.org)

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



# ATTENDANCE ZONES

# Shaker Heights City School District



| Street     | School      | Street        | School    | Street      | School      | Street    | School      | Street       | School    | Street       | School    |
|------------|-------------|---------------|-----------|-------------|-------------|-----------|-------------|--------------|-----------|--------------|-----------|
| Aberdeen   | Onaway      | Courtland     | Onaway    | Holmwood    | 26650-22949 | Mercer    | N. Moreland | 2523-2680    | Boulevard | Strandhill   | Lomond    |
| Albion     | Boulevard   | Courtland O.  | Boulevard | Huntington  | 2869-2939   | Boulevard | North Park  | 18201-20350  | Boulevard | Strathavon   | Fernway   |
| Aldersyde  | Onaway      | Coventry      | Boulevard | Ingliside   | 2998-3166   | Onaway    | Norwood     | 3270-3365    | Fernway*  | Sulgrave     | Mercer    |
|            | Fernway     | Cranlyn       | Mercer    | Inverness   | 3260-3400   | Fernway*  |             | 3450-3680    | Lomond    | Sussex       | Lomond    |
| Almar      | Mercer      | Daleford      | Fernway   | Kemper      | 3430-3727   | Lomond    | Onaway      | 14149-16115  | Onaway    | Sutherland   | Lomond    |
| Ardmore    | Fernway     |               | Lomond    | Kendall     | 2679-2767   | Mercer    | Oxford      | & 3174-3209  | Onaway    | Sutton Place | Onaway    |
| Ardoon     | Boulevard   | Dorchester    | Fernway   | Kemmer      | 2501-2662   | Boulevard |             | 18601-19101  | Onaway    | Sutton Road  | Onaway    |
| Ashby      | Fernway     | Douglas       | Mercer    | Kendall     | 2532-2585   | Boulevard |             |              | Mercer    | Sydenham     | Mercer    |
|            | Fernway     | Drexmore      | Mercer    | Kenmore     | 3256-3399   | Fernway*  | Palmerston  | 3518-3726    | Lomond    | Tolland      | Lomond    |
| Ashford    | Onaway      | Dryden        | Boulevard | Kenyon      | 16618-17124 | Fernway*  | Park Drive  | 2701         | Boulevard | Torrington   | Onaway    |
| Ashley     | Mercer      | Dryden        | Boulevard | Keswick     | 2991-3082   | Fernway   | Parkland    | 18000-18680  | Fernway*  | Townley      | Lomond    |
| Ashwood    | Boulevard   | Duffield      | Mercer    | Kingsley    | 3100-3139   | Onaway    | Parnell     | 15601-17916  | Onaway    | Traver       | Lomond    |
|            | Onaway      | East 127th    | Mercer    | Landon      | 2886-3200   | Onaway    | Paxton      | 21749-22300  | Mercer    | Traymore     | Lomond    |
| Attleboro  | Boulevard   | East 135th    | Boulevard | Lansmere    | 2680-2767   | Mercer    | Pennington  | 2820-2971    | Boulevard | Traynham     | Boulevard |
|            | Fernway     | East 137th    | Onaway    | Larchmere   | 3256-3370   | Fernway*  |             | 3545-3750    | Mercer    |              | Lomond    |
| Avalon     | Fernway     | East 140th    | Onaway    | Latimore    | 12733-14706 | Boulevard |             |              |           | University   | Mercer    |
|            | Lomond      | E. Belvoir O. | Mercer    | Laurel      | 3544-3725   | Lomond    |             | 3611-3726    | Lomond    |              |           |
|            | Boulevard   | Eaton         | Boulevard | Laureldale  | 3070-3175   | Onaway    |             | 3547-3728    | Fernway   |              |           |
| Becket     | Onaway      | Edgerton      | Onaway    | Lee         | 23149-24296 | Mercer    |             | if any       | Mercer    |              |           |
|            | Onaway      | Elsmere       | Boulevard | Leighton    | 2812-2945   | Boulevard |             | 2952-3051    | Boulevard |              |           |
| Belvoir    | Mercer      | Enderby       | Fernway   | Lindholm    | 2312-2429   | Onaway    |             | 2667-2737    | Mercer    |              |           |
| Berwyn     | Fernway     | Endicott      | Onaway    | Litchfield  | 2848-3003   | Boulevard |             | 2664-2742    | Mercer    |              |           |
| Boyce      | Mercer      | Fairhill      | Boulevard | Livingston  | 3033-3231   | Onaway    |             | 3608-3728    | Fernway   |              |           |
| Braemar    | Onaway      | Fairmount     | Mercer    | Lomond      | 17300-20149 | Lomond    |             | 21825-22732  | Mercer    |              |           |
| Brantley   | Mercer      | Falmouth      | Onaway    | Ludgate     | 3521-3746   | Mercer    |             | 17302-20330  | Lomond    |              |           |
| Brighton   | Boulevard   | Farnsleigh    | Mercer    | Ludlow      | 3074-3328   | Onaway    |             | 17302-20330  | Lomond    |              |           |
| Broxton    | Boulevard   | Fernway       | Fernway   | Lyman Blvd. | 2665-2750   | Boulevard |             | 16622-17130  | Fernway   |              |           |
| Byron      | Mercer      | Fontenay      | Onaway    | Lynnfield   | 3586-3734   | Fernway   |             | 15516-16510  | Mercer    |              |           |
|            | Mercer      |               | Boulevard | Lynton      | 2848-3003   | Boulevard |             | 2124-3161    | Onaway    |              |           |
| Calverton  | 21925-22700 | Glencairn     | Fernway   | Malvern     | 17300-20149 | Lomond    |             | 2830-2957    | Boulevard |              |           |
| Canterbury | Mercer      | Glengary      | Lomond    | Manchester  | 16614-17126 | Fernway   |             | 13400-18450  | Boulevard |              |           |
| Carlton    | Mercer      | Glenmore      | Mercer    | Marchmont   | 3521-3746   | Mercer    |             | 18501-19713  | Boulevard |              |           |
| Chadbourne | 2796-2930   | Green         | Mercer    | Maynard     | 2805-3024   | Boulevard |             | 20649-24300  | Mercer    |              |           |
|            | Onaway      | Grenway       | Fernway   | McCauley    | 3029-3193   | Onaway    |             | even         | Onaway    |              |           |
|            | Boulevard   | Gridley       | Lomond    | Menlo       | 23130-24275 | Mercer    |             | 1-12         | Onaway    |              |           |
| Chagrín    | 2976-3317   | Griffing      | Onaway    | Menlo       | 2-56        | Mercer    |             | 18200-20301  | Boulevard |              |           |
|            | Onaway      | Haddam        | Boulevard | Merlo       | 3434-3725   | Lomond    |             | 18200-20301  | Boulevard |              |           |
|            | Onaway      | Hadleigh      | Mercer    | Lynnfield   | 18222-18520 | Fernway*  |             | 20450-24139  | Mercer    |              |           |
|            | Mercer      | Halburton     | Mercer    | Lytle       | 3539-3725   | Lomond    |             | 2724-2736    | Mercer    |              |           |
|            | Mercer      | Halworth      | Mercer    | Malvern     | 19751-20101 | Onaway    |             | 17921-18329  | Lomond    |              |           |
|            | Onaway      | Hampton       | Mercer    | Marchester  | 2839-3031   | Onaway    |             | 3115-3330    | Mercer    |              |           |
|            | Mercer      | Hardwick      | Mercer    | Marchmont   | 19650-20201 | Onaway    |             | 2690-2993    | Boulevard |              |           |
|            | Mercer      | Hazelmere     | Mercer    | Maynard     | 3280-3365   | Fernway*  |             | 14475 & 3022 | Onaway    |              |           |
|            | Onaway      | Helen         | Mercer    | McCauley    | 21925-22600 | Mercer    |             | 14745-18411  | Onaway    |              |           |
|            | Onaway      | Hell          | Mercer    | Merlo       | 3434-3472   | Fernway   |             | 17401-18200  | Onaway    |              |           |
|            | Onaway      | Hermitage     | Mercer    | Milvorton   | 3542-3753   | Mercer    |             | 18500-20201  | Onaway    |              |           |
|            | Boulevard   | Hildana       | Mercer    | Montgomery  | 3284-3375   | Onaway    |             | 20501-24299  | Mercer    |              |           |
|            | Boulevard   | Holbrook      | Fernway   | Morley      | 3380-3479   | Fernway   |             | 23300-24100  | Mercer    |              |           |
|            | Boulevard   |               |           | Newell      | 2838-3175   | Onaway    |             | 3256-3364    | Fernway   |              |           |
|            | Boulevard   |               |           | Nicholas    | 18309-18726 | Lomond    |             | 3510-3742    | Mercer    |              |           |
|            | Boulevard   |               |           | Northandy   | 16313-16501 | Mercer    |             | 16722-17010  | Fernway   |              |           |
|            | Boulevard   |               |           | Northwood   | 3516-3727   | Boulevard |             |              | Lomond    |              |           |
|            | Boulevard   |               |           |             | 12806       | Boulevard |             |              | Lomond    |              |           |

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



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Shaker Heights City School District**  
**Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO



# Association of School Business Officials International



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

## Shaker Heights City School District

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

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



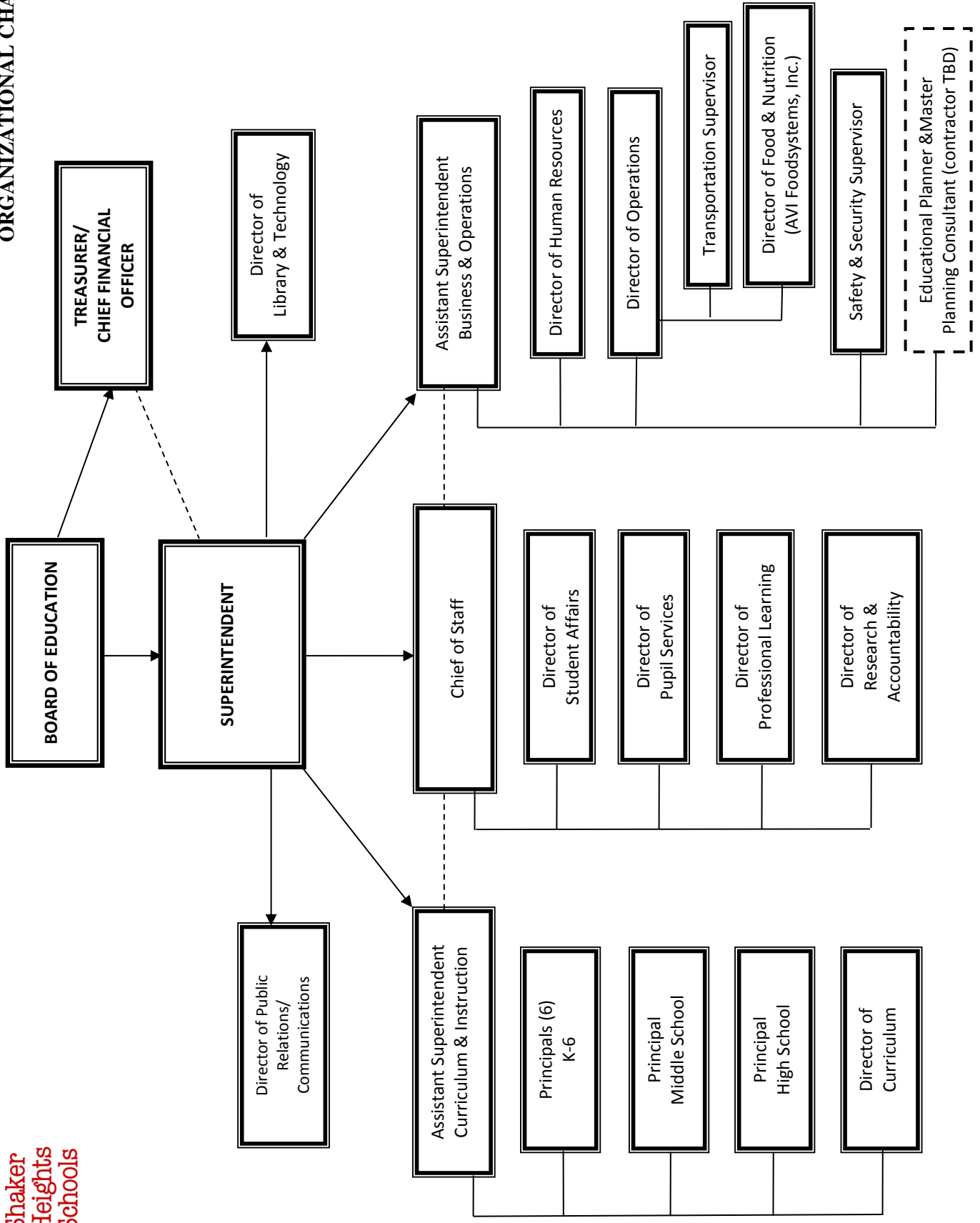
A handwritten signature in black ink, appearing to read "M. Pepera", written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO  
President

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

John D. Musso, CAE, RSBA  
Executive Director

**SHAKER HEIGHTS CITY SCHOOL DISTRICT  
ORGANIZATIONAL CHART**



---

FINANCIAL SECTION



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

### ***Report on the Financial Statements***

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### **Opinion**

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

### **Emphasis of Matter**

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

### **Other Matters**

#### *Required Supplementary Information*

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

#### *Supplementary and Other Information*

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

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

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

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

***Other Reporting Required by Government Auditing Standards***

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

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

**Dave Yost**  
Auditor of State  
Columbus, Ohio

January 27, 2016

**This page intentionally left blank.**

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

---

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

***Financial Highlights***

Key financial highlights for 2015 are as follows:

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

***Using this Annual Report***

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

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

***Reporting the School District as a Whole***

***Statement of Net Position and the Statement of Activities***

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



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

---

These two statements report the School District's net position and changes in the net position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, current property tax laws in Ohio which restrict revenue growth, facility conditions, required educational programs, and other factors.

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

***Reporting the School District's Most Significant Funds***

***Fund Financial Statements***

The major funds financial statements begin on page 21. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions; however, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund and building fund.

***Governmental Funds*** Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

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

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

***Reporting the School District's Fiduciary Responsibilities***

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

**The School District as a Whole**

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

**Table 1**  
**Net Position**

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

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

---

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

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

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

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

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

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

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

---

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

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

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

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

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

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

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

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

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

**Table 2**  
**Changes in Net Position**

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

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

---

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

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

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

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

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

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

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

**Table 3**  
**Governmental Activities**

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

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

***Governmental Funds***

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

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

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

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

***General Fund Budgeting Highlights***

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund.

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

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

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

***Capital Assets and Debt Administration***

**Capital Assets**

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

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

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

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



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

**Debt**

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

**Table 5**  
**Outstanding Debt at Year End**

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

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

***School District Outlook***

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

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

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

---

Because of its long history of strong community support at the ballot box, coupled with the continuous City efforts targeted toward maintaining the housing stock (thereby helping to maintain and improve the City's tax base), the School District has a strong financial outlook. The Board of Education and administration closely monitor its revenues and expenditures in accordance with its financial forecast.

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

As the preceding information shows, the School District heavily depends on its residential property taxpayers. Our community's support continues to be unwavering as demonstrated by the most recent operating levy in May of 2014, wherein a 6.9 mill levy was passed with a 61.2% margin in the wake of a national, State and local economic recession. The continued financial support of the School District demonstrates the strong belief of parents and community members that their schools are one of the highest priorities and one of the most important public institutions in their community.

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

### ***State School Funding***

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

- The school funding case known as *DeRolph vs Ohio*, which became synonymous with the State-wide attempt to accomplish public school funding reform in Ohio, was initially ruled on in 1994 and upheld by the Ohio Supreme Court an unprecedented four times. Unfortunately, the plaintiffs were unsuccessful in forcing the State of Ohio to comply with the Ohio Supreme Court orders and in fact were denied a last ditch effort in October 2003, when the United States Supreme Court denied the plaintiffs motion to be heard. As of the date of these financial statements, the consensus opinion is that *DeRolph* case is over and done.

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

---

- Past DeRolph, the State continued to struggle with the development of a constitutional school funding system primarily through the work of the then Governor's Blue Ribbon Task Force on Financing Student Success. The recommendation of the Task Force, which had failed to reach consensus on school funding improvements to provide a system that would be predictable, affordable, spend money effectively, and support student achievement, were only partially adopted and incorporated into House Bill No. 66, the State's budget bill for the fiscal year 2006 and 2007.
- House Bill No. 66 (H.B. 66), the State's biennial budget for fiscal years 2006 and 2007, was enacted in June 2005. This legislation adopted sweeping changes in the State's tax structure. The most significant provisions impacting the School District were the elimination of the Cost of Doing Business Factor (CODB) portion of the State Formula Aid calculation, and the elimination of the tangible personal property tax. The CODB was phased-out over fiscal years 2006 and 2007. H.B. 66, however, provided for a "guarantee", or a floor (the fiscal year 2004 State Formula Aid amount) below which school districts' funding would not fall during that biennium. Absent the continuation of the biennial "guarantee", the School District would lose approximately \$2 million per year. H.B. 66 eliminated the tangible personal property tax; the tax had previously generated about \$2 million per year for the School District. The phase-out for the tangible personal property taxpayer began with the 2006 tax collection year, in which approximately 75% of the traditional amount was payable, followed by 50% and 25% in tax collection years 2007 and 2008, respectively, with no tax due in collection year 2009. At the same time the tangible personal property tax phase-out occurred, the phase-out of the H.B. 66 personal property tax loss reimbursement mechanism began to make payments to school districts to help offset the loss of personal property tax collections. The reimbursement payments coincided with the phase-out, and in essence approximate the reciprocal percentage of the phase-out tax payment percentage (i.e. 25%, 50%, 75% and 100% for the tax collection years 2006, 2007, 2008, and 2009, respectively). After a second 100% reimbursement year in tax collection year 2010, the reimbursement payments were to be phased-out over the ensuing seven years.
- The tax reform provision of H.B. 66 was continued in the 2008-2009 State biennial budget which was passed in 2007. Additionally, the budget bill provided for the continuation of the State Foundation Formula Aid "guarantee" through the end of the biennium. However, due to the State budget crisis, the Governor twice implemented mid-term budget reductions in 2008 resulting in peripheral budget reductions to the Ohio school district funding, but left the primary school districts State Foundation Funding untouched.

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

---

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

While the School District is currently the beneficiary of additional funding during both the 2014 – 2015 and the 2016 - 2017 bienniums, the long term impact of the outcome of these and other State funding policies on the School District is unknown at this time. Consequently, all of the School District's financial abilities will be called upon to meet the challenges the future will bring. The School District's Board and management team continue to carefully, and prudently plan in order to provide the resources required to meet the future needs of its students.

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

---

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Bryan C. Christman, Treasurer, at Shaker Heights City School District, 15600 Parkland Drive, Shaker Heights, Ohio 44120, or e-mail at [christman\\_b@shaker.org](mailto:christman_b@shaker.org).

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

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

See accompanying notes to the basic financial statements.

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

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

See accompanying notes to the basic financial statements.

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

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

See accompanying notes to the basic financial statements.



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

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

See accompanying notes to the basic financial statements.

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

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

See accompanying notes to the basic financial statements.

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

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

See accompanying notes to the basic financial statements.

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

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

See accompanying notes to the basic financial statements.

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

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

See accompanying notes to the basic financial statements.

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

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

See accompanying notes to the basic financial statements.

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

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

See accompanying notes to the basic financial statements.

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

---

---

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

See accompanying notes to the basic financial statements.



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

---

**Note 1 - Description of the School District**

The Shaker Heights City School District (School District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The School District operates under a locally elected five-member Board form of government. Each member is elected to a four year term. The School District provides educational services as mandated by State and federal agencies. The Board of Education controls the School District's eight instructional and four support facilities.

The School District is located in Shaker Heights, Ohio, Cuyahoga County. The School District operates five elementary schools (K-4), one elementary school (5-6), one middle school (7-8), and one high school (9-12). The School District's four support facilities include an administration building, transportation center, warehouse and maintenance vehicle garage and a media and technology services facility.

***Reporting Entity***

A reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards and agencies that are not legally separate from the School District. For Shaker Heights City School District, this includes the agencies and departments that provide the following services: general operations, food service, preschool and student related activities of the School District.

***Non-Public Schools*** Within the School District boundaries, Saint Dominic is operated through the Cleveland Catholic Diocese. Also, within the School District boundaries are Hanna-Perkins, Hathaway-Brown, Laurel and University non-public schools. Current legislation provides funding to these schools. These monies are received and disbursed on behalf of the schools by the Treasurer of the School District, as directed by the schools. This activity is reflected in a special revenue fund and as a governmental activity of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; (3) the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provides financial support to, the organization; (4) or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of their debt or the levying of their taxes. The School District has no component units.

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

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

---

**Note 2 - Summary of Significant Accounting Policies**

The financial statements of the Shaker Heights City School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School District's accounting policies are described below.

***Basis of Presentation***

The School District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

***Government-wide Financial Statements*** The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activities of the internal service funds are eliminated to avoid "doubling up" revenues and expenses. The statements usually distinguish between those activities of the School District that are governmental and those that are considered business-type. The School District, however, has no business-type activities.

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

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

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

---

***Fund Accounting***

The School District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

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

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

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

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

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

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

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

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

---

***Measurement Focus***

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

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

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

***Basis of Accounting***

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

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

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

---

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

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

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

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

***Expenses/Expenditures*** On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

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

---

***Budgetary Data***

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

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

***Cash and Investments***

To improve cash management, all cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through School District records. Interest in the pool is presented as "equity in pooled cash and investments."

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

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

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

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

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

---

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2015 amounted to \$267,224, which includes \$75,637 assigned from other School District funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as investments. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as “investments.”

***Prepaid Items***

Payments made to vendors for services that will benefit periods beyond June 30, 2015, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

***Restricted Assets***

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the general fund include amounts required by State statute to be set-aside for budget stabilization. See Note 9 for additional information regarding set asides.

***Capital Assets***

All capital assets of the School District are classified as general capital assets. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The School District was able to estimate the historical cost for the initial reporting of capital assets by backtrending (i.e., estimating the current replacement cost of the capital asset to be capitalized and using an appropriate price-level index to deflate the cost of the acquisition year or estimated acquisition year.) Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$1,000. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not.

All reported capital assets, except land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital the straight-line method over the following useful lives:

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

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

---

***Interfund Balances***

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as “interfund receivables/payables.” These amounts are eliminated in the governmental activities column of the statement of net position.

***Compensated Absences***

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

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

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

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

***Pensions***

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

***Bond Premium***

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the bond outstanding method. Bond premiums are presented as an increase of the face amount of the bonds payable. On governmental fund statements, bond premiums are reported as an other financing source when received.

***Accrued Liabilities and Long-Term Obligations***

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from the internal service funds are reported on the internal service fund financial statements.



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

---

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Bonds are recognized as a liability on the fund financial statements when due.

***Net Position***

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

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

***Fund Balance***

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

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

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

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

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

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

---

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

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

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

***Internal Activity***

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

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

***Operating Revenues and Expenses***

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are charges for services for the self-insurance and workers' compensation programs. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. Any revenues and expenses not meeting the definitions of operating are reported as nonoperating.

***Extraordinary and Special Items***

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred in fiscal year 2015.

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

---

***Estimates***

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

***Implementation of New Accounting Policies***

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

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

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

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

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

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

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

**Note 3 - Fund Balances**

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

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

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

---

**Note 4 – Fund Deficits**

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

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

The special revenue funds have deficits caused by the recognition of expenditures on a modified accrual basis of accounting which are substantially greater than the expenditures recognized on a cash basis. The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur.

**Note 5 - Budgetary Basis of Accounting**

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

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

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

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

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

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

**Note 6 - Deposits and Investments**

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

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

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

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

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

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

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

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

---

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

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

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

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

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

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

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

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

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

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

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



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

---

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

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

**Note 7 - Property Taxes**

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

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

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

The School District receives property taxes from Cuyahoga County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2015, are available to finance fiscal year 2015 operations. The amount available as an advance at June 30, 2015 in the general and bond retirement funds were \$15,404,578 and \$547,440, respectively. The amount available for advance at June 30, 2014, in the general and bond retirement funds were \$11,120,443 and \$463,351, respectively. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

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

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

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

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

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

**Note 8 – Receivables**

Receivables at June 30, 2015, consisted of taxes, accounts (rent and student fees), accrued interest on investments and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables except for delinquent property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

**Note 9 - Set-Asides**

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year end and carried forward to be used for the same purposes in future years. In prior years, the School District was also required to set aside money for budget stabilization. At June 30, 2015, only the unspent portion of certain workers' compensation refunds continues to be set-aside.

The following cash basis information describes the change in the year end set-aside amounts for capital acquisition and budget stabilization. Disclosure of this information is required by State statute.

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

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

---

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

**Note 10 – Contingencies**

***Grants***

The School District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2015.

***Litigation***

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

***School District Funding***

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

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

**Note 11 - Capital Assets**

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

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

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

---

Depreciation expense was charged to governmental functions as follows:

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

**Note 12 - Risk Management**

***Property and Liability***

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2015, the School District contracted with Liberty Mutual Insurance Company for property and inland marine insurance. General liability coverage is provided by Liberty Mutual Insurance Company with a \$1,000,000 single occurrence limit, a \$2,000,000 aggregate and no deductible. Vehicles, including school buses, are covered by Liberty Mutual Insurance Company with a \$1,000 deductible for comprehensive, and a \$1,000 deductible for collision. There is a \$1,000,000 per accident combined single limit of liability. The School District also has a \$10,000,000 umbrella policy with Liberty Mutual Insurance Company that covers both general liability and vehicle policies, and foreign travel coverage with the AIG World Source. Settled claims have not exceeded this commercial coverage in any of the past three years and there has not been a significant reduction in coverage from the prior year.

***Workers' Compensation***

The School District participates in the State Workers' Compensation retrospective rating and payment system. Once the School District receives notice of the 2015 claims paid by the Bureau of Workers' Compensation, the School District will reimburse the State for claims paid on the School District's behalf. This plan involves the payment of a minimum premium for administrative services and stop-loss coverage plus the actual claims cost for injured employees. The balance of claims payable at June 30, 2015, represents an estimate of the liability for unpaid claims costs provided by Workers' Compensation. The claims liability reported in the internal service funds for the Workers' Compensation retrospective rating and payment system at June 30, 2015, was \$811,065.

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

---

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

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

***Employee Health Benefits***

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

Anthem Blue Cross/Blue Shield, the third party administrator, processes the claims for the School District's medical and dental program. Monthly funding rates for medical insurance are \$1,061.23 for family coverage and \$403.51 for single coverage. Monthly funding rates for dental insurance are \$111.24 for family coverage and \$38.76 for single coverage. The School District has stop loss coverage that begins at \$150,000 per family per year and a calculated aggregate maximum stop loss coverage for the 2015 plan year (January through December) that begins at \$7,109,575.

The claims liability of \$506,000 reported in the self insurance fund at June 30, 2015 for employee medical, dental and drug coverage was estimated by an independent health actuary and is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

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

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

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

---

**Note 13 - Other Employee Benefits**

***Compensated Absences***

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn up to twenty-four days of vacation per year, depending upon length of service. Vacation days are credited to classified employees on July 1st and employees can carryover into the next fiscal year five vacation days a year. Accumulated unused vacation time is paid to classified employees upon termination of employment, with some restrictions. Teachers do not earn vacation time. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. A percentage of unused sick time is paid at retirement. The number of unused sick days which can accumulate is unrestricted.

***Health Care Benefits***

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

***Life Insurance***

Life insurance is offered to employees through Anthem Life Insurance Company. The Superintendent receives \$300,000 for \$36 per month; the Treasurer receives \$150,000 coverage for \$18 per month; administrators, supervisors and certified employees receive \$50,000 coverage for \$6 per month, custodial and clerical employees receive \$40,000 for \$4.80 per month, and other non-bargaining employees receive \$30,000 for \$3.60 per month.

**Note 14 – Defined Benefit Pension Plans**

***Net Pension Liability***

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

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

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

---

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

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

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

***Plan Description - School Employees Retirement System (SERS)***

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

Age and service requirements for retirement are as follows:

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

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

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



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

---

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

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

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

***Plan Description - State Teachers Retirement System (STRS)***

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by 2% of the original base benefit. For members retiring August 1, 2013, or later, the first 2% is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5% of the 14% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5% of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

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

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased 1% July 1, 2014, and will be increased 1% each year until it reaches 14% on July 1, 2016. For the fiscal year ended June 30, 2015, plan members were required to contribute 12% of their annual covered salary. The School District was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2015 contribution rates were equal to the statutory maximum rates.

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

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

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

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

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

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

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

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

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

***Actuarial Assumptions - SERS***

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Actuarial Assumptions - STRS**

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

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

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

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

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

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

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

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

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

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

**Note 15 - Postemployment Benefits**

**A. School Employees Retirement System**

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

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

---

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS' participation in Medicare programs. Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

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

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

***B. State Teachers Retirement System***

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

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

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

**Note 16 – Contractual Commitments and Significant Encumbrances**

**A. Contractual Commitments**

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

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

**B. Encumbrance Commitments**

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

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

**Note 17 – Interfund Transfers**

**Transfers**

Transfers made during fiscal year 2015 were as follows:

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

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



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

**Note 18– Long-Term Obligations**

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

| Debt Issue                                     | Transfer<br>Interest Rate | Original<br>Issue Amount | Fiscal Year<br>of Maturity |
|--|---------------------------|--------------------------|----------------------------|
| <i>General Obligation Bonds:</i>               |                           |                          |                            |
| School Improvement - 2005                      | 3.00 - 4.50%              | \$ 9,999,995             | 2026                       |
| School Improvement - 2007                      | 4.00 - 24.70%             | 8,498,960                | 2026                       |
| School Improvement Refunding - 2007            | 4.00 - 24.70%             | 3,769,983                | 2020                       |
| School Improvement Refunding - 2007            | 4.00 - 24.70%             | 1,931,639                | 2020                       |
| School Improvement - 2008                      | 4.0 - 4.50%               | 4,999,999                | 2026                       |
| Capital Improvement - 2012                     | 2.0 - 2.50%               | 4,170,000                | 2028                       |
| Building Improvement Refunding - 2012          | 2.0 - 21.0%               | 4,994,310                | 2026                       |
| School Facilities Improvement Refunding - 2015 | 3.98%                     | 5,345,000                | 2026                       |

*This space intentionally left blank*

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

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

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

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

---

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

On April 18, 2007, the School District issued \$8,498,960 in general obligation bonds for various school facility improvements. The general obligation bonds included serial and capital appreciation bonds in the amounts of \$8,475,000 and \$23,960, respectively. The bonds were issued for a twenty year period with a final maturity at December 15, 2025. The bonds will be retired from the debt service fund. On March 5, 2015, \$3,600,000 of these bonds were refunded.

The serial and capital appreciation remained outstanding at June 30, 2015. The capital appreciation bonds were originally sold at a discount of \$156,040, which is being accreted annually until the point of maturity of the capital appreciation bonds, which is 2016.

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

On April 18, 2007 issued \$3,769,983 in general obligation bonds to refund a portion of the 1999 school improvement bonds. The general obligation bonds included serial and capital appreciation bonds in the amount of \$3,760,000 and \$9,983, respectively. The bonds were issued for a fourteen year period with a final maturity at December 15, 2019. The bonds will be retired from the debt service fund.

The serial and capital appreciation bonds remained outstanding at June 30, 2015. The capital appreciation bonds were originally sold at a discount of \$65,017, which is being accreted annually until the point of maturity of the capital appreciation bonds, which is 2016.

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

On April 18, 2007 issued \$1,931,639 in general obligation bonds to refund a portion of the 2000 school improvement bonds. The general obligation bonds included serial and capital appreciation bonds in the amount of \$1,915,000 and \$16,639, respectively. The bonds were issued for a fourteen year period with a final maturity at December 15, 2019. The bonds will be retired from the debt service fund.

The serial and capital appreciation remained outstanding at June 30, 2015. The capital appreciation bonds were originally sold at a discount of \$108,361, which is being accreted annually until the point of maturity of the capital appreciation bonds, which is 2016.

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

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

---

On November 25, 2008, the School District issued \$4,999,999 in school improvement bonds with interest rates varying from 4.00 to 4.50%. These bonds were issued to defease bond anticipation notes of \$5,000,000 maturing on December 2, 2008. The bond issue included serial and capital appreciation bonds in the amounts \$4,880,000, and \$119,999, respectively. The bonds will be retired with a voted property tax levy from the debt service fund with serial portion maturing in fiscal year 2026. On March 11, 2015, \$1,885,000 of these bonds were refunded.

The serial and capital appreciation remained outstanding at June 30, 2015. The capital appreciation bonds were originally sold at a discount of \$185,001, which is being accreted annually until the point of maturity of the capital appreciation bonds, which is 2018.

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

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

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

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

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

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

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

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

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

Compensated absences will be paid from the general fund.

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

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

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

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

**Note 19 - Related Organization**

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

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

---

**Note 20 - Jointly Governed Organizations**

***Ohio Schools' Council Association***

The Ohio Schools' Council Association (Council) is a jointly governed regional council of governments with members number over 200 school districts, located in 33 counties and serving over 500,000 students. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each district supports the Council by paying an annual participation fee. Each school district member's superintendent serves as a representative of the Assembly. The Council operates under a nine-member Board of Directors (the Board). The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The Council operates under a nine-member Board of Directors (the Board). The Board is the policy making authority of the Council. The Board meets monthly from September through June. The Board appoints an Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Board and Assembly and carrying out such other responsibilities as designated by the Board. In fiscal year 2015, the School District paid \$1,150 to the Council. Financial information can be obtained by contacting Dr. William Zelei, the Executive Director of the Ohio Schools' Council at 6393 Oak Tree Boulevard, Suite 377, Independence, Ohio 44131.

The School District participates in the natural gas purchase program. This program allows the School District to purchase natural gas at reduced rates. Compass Energy is the supplier and program manager for the period from April 1, 2013 through March 31, 2016. There are currently 151 participants in the program. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings beginning in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

The School District also participates in the Council's electricity group purchase program. The Council's last program, which began in September 2009 and ran through May 2011, provided as much as 25% in generation cost savings to 250 school districts in the First Energy territory. The Council's current program, Power 4 Schools, a partnership between the Council, the Ohio Association of School Business Officials (OASBO), the Ohio School Board's Association (OSBA) and the Buckeye Association of School Administrators (BASA), provided for a fixed per kilowatt-hour for electricity generation until May 2014, converted to a new fixed price or percent off the Price to Compare (PTC), whichever provides the greatest savings until December 2019.

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

---

***North Coast Council***

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

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

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

(1) Information prior to 2013 is not available.

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



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

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

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

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

*This page intentionally left blank*

**Combining Statements and Individual Fund Schedules**

## *Combining Statements - Nonmajor Governmental Funds*

### *Nonmajor Special Revenue Funds:*

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

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

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

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

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

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

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

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

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

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

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

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

*Combining Statements - Nonmajor Governmental Funds*

**Nonmajor Special Revenue Funds (continued)**

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

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

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

**Nonmajor Debt Service Fund**

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

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

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

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

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

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



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

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

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

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

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

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

***Combining Statements – Internal Service Funds***

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

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

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

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

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

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

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

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

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



### *Combining Statements - Fiduciary Funds*

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

#### **Agency Funds**

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

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

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

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

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

**SHAKER HEIGHTS CITY SCHOOL DISTRICT**  
**Cuyahoga County, Ohio**

**Funds being reported as part of the General Fund**

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

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

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

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

**Major Building Fund**

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

|                                       | Final<br>Budget        | Actual             | Variance with<br>Final Budget<br>Over<br>(Under) |
|---------------------------------------|------------------------|--------------------|--|
| <b>Revenues</b>                       |                        |                    |  |
| Intergovernmental                     | \$ 55,000              | \$ 53,000          | \$ (2,000)                                       |
| <b>Expenditures</b>                   |                        |                    |  |
| Current:                              |                        |                    |  |
| Instruction:                          |                        |                    |  |
| Student Intervention Services         | 53,000                 | 53,000             | 0  |
| Support Services:                     |                        |                    |  |
| Instructional Staff                   | 480                    | 480                | 0  |
| <i>Total Expenditures</i>             | <u>53,480</u>          | <u>53,480</u>      | <u>0</u>   |
| <i>Net Change in Fund Balance</i>     | 1,520                  | (480)              | (2,000)  |
| <i>Fund Balance Beginning of Year</i> | <u>480</u>             | <u>480</u>         | <u>0</u>   |
| <i>Fund Balance End of Year</i>       | <u><u>\$ 2,000</u></u> | <u><u>\$ 0</u></u> | <u><u>\$ (2,000)</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*  
*Limited English Proficiency*  
*For the Fiscal Year Ended June 30, 2015*

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

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

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

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

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

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

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

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

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



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

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

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

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

*This page intentionally left blank*

---

STATISTICAL SECTION



## Statistical Section

---

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

| <b><u>Contents</u></b>  | <b><u>Page(s)</u></b> |
|---|-----------------------|
| <b>Financial Trends</b><br>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            |
| <b>Revenue Capacity</b><br>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           |
| <b>Debt Capacity</b><br>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           |
| <b>Economic and Demographic Information</b><br>These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments. | S-32 - S-34           |
| <b>Operating Information</b><br>These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.  | S-36 - S-49           |

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

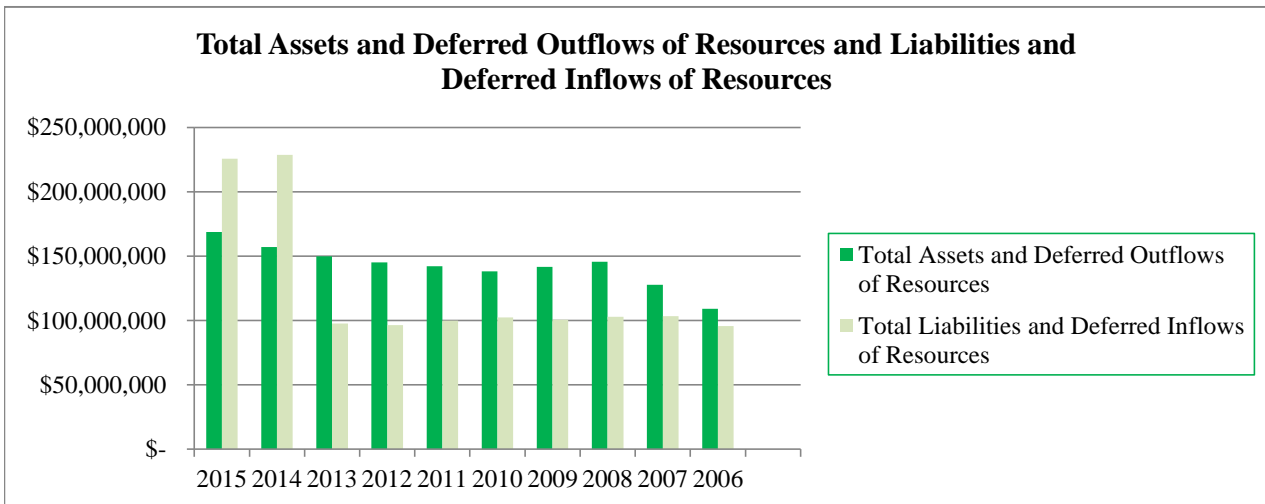
**NOTE:** With the implementation of GASB No. 54 for fiscal year 2011, there were minor reclassifications of funds (example special revenue funds consolidated with the general fund for GAAP purposes). Amounts are not deemed significant to impact the users of this Section. Prior year amounts also have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

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

**Shaker Heights City School District (Cuyahoga County, Ohio)**

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

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



**Source:** School District financial records.

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



**Shaker Heights City School District (Cuyahoga County, Ohio)**

*Changes in Net Position of Governmental Activities*

*Last Ten Fiscal Years*

*(accrual basis of accounting)*

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

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

(continued)

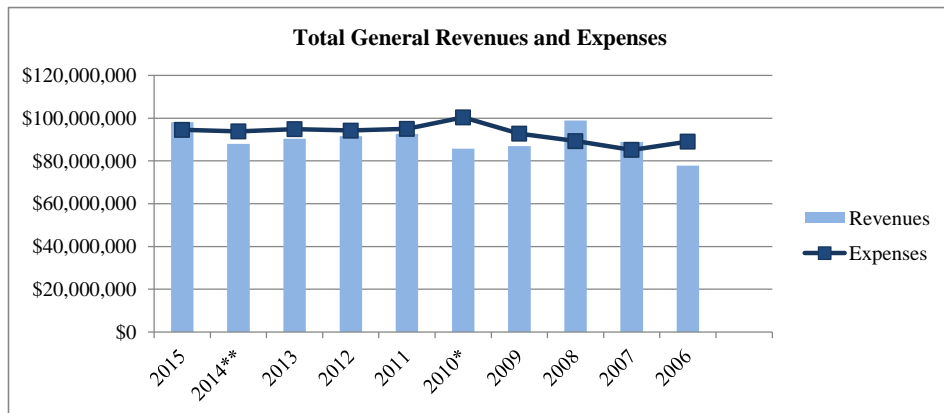
**Shaker Heights City School District (Cuyahoga County, Ohio)**

*Changes in Net Position of Governmental Activities*

*Last Ten Fiscal Years*

*(accrual basis of accounting)*

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



\*Includes immaterial amounts reclassified for comparison purposes.

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

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

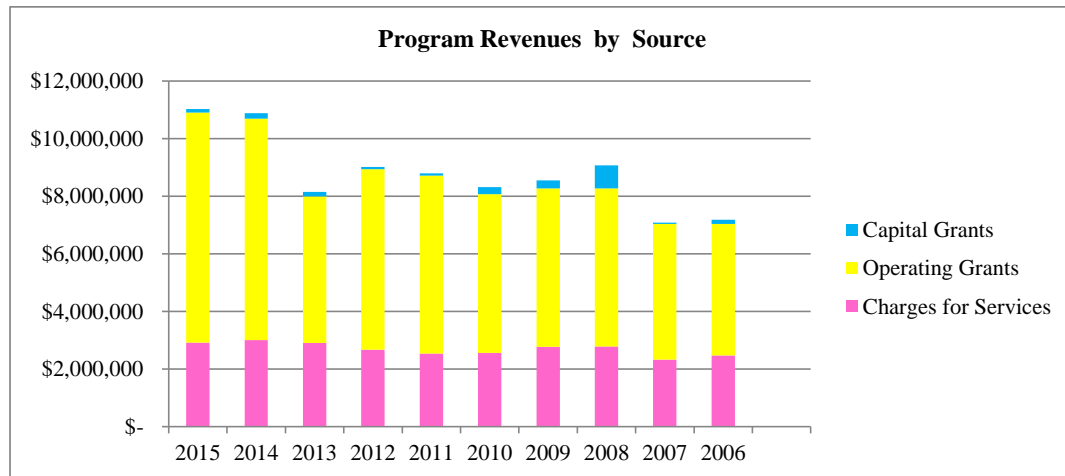
**Shaker Heights City School District (Cuyahoga County, Ohio)**

*Program Revenues of Governmental Activities by Function*

*Last Ten Fiscal Years*

*(Accrual Basis of Accounting)*

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



**Source:** School District financial records.

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

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

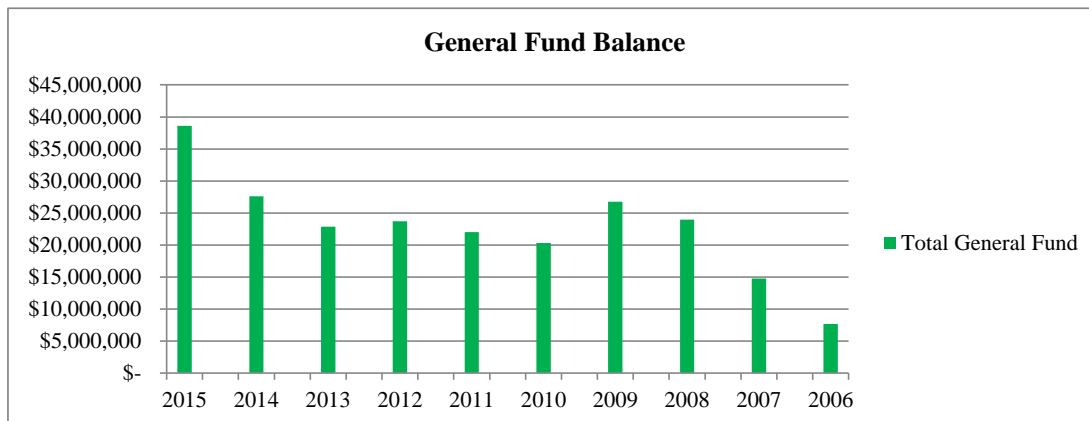
**Shaker Heights City School District (Cuyahoga County, Ohio)**

*Fund Balances, Governmental Funds*

*Last Ten Fiscal Years*

*(Modified Accrual Basis of Accounting)*

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



**Source:** School District financial records.

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

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



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

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

Source: School District financial records.

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

*(This page intentionally left blank)*

**Shaker Heights City School District (Cuyahoga County, Ohio)**

*History of School Operating Levies*

*For the Years 1933 - 2015*

| Date  | Number of Mills | Number of Years | Votes For | Votes Against | Percentage For | Total Votes Cast | Difference |
|-------|-----------------|-----------------|-----------|---------------|----------------|------------------|------------|
| 11/33 | 3.0             | 1934            | 2,975     | 2,176         | 57.76%         | 5,151            | 799        |
| 11/34 | 5.0             | 1935            | 3,358     | 3,633         | 48.03%         | 6,991            | (275)      |
| 03/35 | 3.0             | 1935            | 1,791     | 1,042         | 63.22%         | 2,833            | 749        |
| 11/35 | 4.0             | 1936            | 4,616     | 1,852         | 71.37%         | 6,468            | 2,764      |
| 11/36 | 5.0             | 1937-39         | 5,479     | 5,323         | 50.72%         | 10,802           | 156        |
| 11/38 | 5.0             | 1940-43         | 5,459     | 2,303         | 70.33%         | 7,762            | 3,156      |
| 11/42 | 5.0             | 1944-47         | 5,763     | 2,309         | 71.39%         | 8,072            | 3,454      |
| 11/44 | 0.05            | 1945            | 11,668    | 3,350         | 77.69%         | 15,018           | 8,318      |
| 11/45 | 1.0             | 1946-47         | 4,736     | 1,196         | 79.84%         | 5,932            | 3,540      |
| 11/46 | 6.0 Renewal     | 1948-51         | 11,445    | 2,000         | 85.12%         | 13,445           | 9,445      |
| 11/47 | 3.0             | 1948-51         | 7,739     | 2,076         | 78.85%         | 9,815            | 5,663      |
| 11/50 | 10.0 Renewal    | 1952-55         | 12,633    | 3,589         | 77.88%         | 16,222           | 9,044      |
| 11/52 | 2.0             | 1953-55         | 15,874    | 4,145         | 79.29%         | 20,019           | 11,729     |
| 11/54 | 12.0            | 1956-59         | 8,659     | 7,365         | 54.04%         | 16,024           | 1,294      |
|       | 9.8 Renewal     |                 |           |               |                |                  |            |
|       | 2.2 Additional  |                 |           |               |                |                  |            |
| 11/57 | 5.3             | 1958-59         | 8,365     | 4,480         | 65.12%         | 12,845           | 3,885      |
| 11/58 | 17.2 Renewal    | 1960-64         | 13,802    | 4,346         | 76.05%         | 18,148           | 9,456      |
| 11/59 | 3.0             | 1960-64         | 7,996     | 6,040         | 56.97%         | 14,036           | 1,956      |
| 11/62 | 3.43            | 1963-64         | 12,845    | 5,616         | 69.58%         | 18,461           | 7,229      |
| 05/64 | 23.63 Renewal   | 1965-69         | 9,692     | 1,872         | 83.81%         | 11,564           | 7,820      |
| 05/65 | 3.8 Renewal     | 1966-69         | 7,970     | 2,293         | 77.66%         | 10,263           | 5,677      |
| 05/67 | 3.9 Additional  | 1968-69         | 7,740     | 2,552         | 75.20%         | 10,292           | 5,188      |
| 05/69 | 39.23           | Continuing      | 3,831     | 2,366         | 61.82%         | 6,197            | 1,465      |
|       | 31.33 Renewal   |                 |           |               |                |                  |            |
|       | 7.9 Additional  |                 |           |               |                |                  |            |
| 05/71 | 8.9 Additional  | Continuing      | 6,016     | 4,270         | 58.49%         | 10,286           | 1,746      |
| 05/74 | 4.9 Additional  | Continuing      | 5,814     | 2,524         | 69.73%         | 8,338            | 3,290      |
| 06/76 | 5.5 Additional  | Continuing      | 6,230     | 3,266         | 65.61%         | 9,496            | 2,964      |
| 06/77 | 12.0 Additional | Continuing      | 4,644     | 2,683         | 63.38%         | 7,327            | 1,961      |
| 06/79 | 6.0 Additional  | Continuing      | 3,433     | 1,795         | 65.67%         | 5,228            | 1,638      |
| 06/81 | 6.5 Additional  | Continuing      | 3,805     | 2,398         | 61.34%         | 6,203            | 1,407      |
| 06/82 | 6.0 Additional  | Continuing      | 7,190     | 5,127         | 58.37%         | 12,317           | 2,063      |
| 06/83 | 8.8 Additional  | Continuing      | 4,301     | 4,572         | 48.47%         | 8,873            | (271)      |
| 08/83 | 8.8 Additional  | Continuing      | 5,373     | 4,546         | 54.17%         | 9,919            | 827        |
| 11/86 | 7.5 Additional  | Continuing      | 6,950     | 6,908         | 50.15%         | 13,858           | 42         |
| 05/89 | 9.8 Additional  | Continuing      | 3,613     | 3,145         | 53.46%         | 6,758            | 468        |
| 05/92 | 9.8 Additional  | Continuing      | 6,554     | 5,106         | 56.21%         | 11,660           | 1,448      |
| 11/94 | 8.7 Additional  | Continuing      | 6,733     | 7,160         | 48.46%         | 13,893           | (427)      |
| 02/95 | 8.7 Additional  | Continuing      | 5,464     | 2,641         | 67.42%         | 8,105            | 2,823      |
| 03/00 | 9.4 Additional  | Continuing      | 6,280     | 4,216         | 59.83%         | 10,496           | 2,064      |
| 05/03 | 9.6 Additional  | Continuing      | 5,657     | 2,987         | 65.44%         | 8,644            | 2,670      |
| 05/06 | 9.9 Additional  | Continuing      | 5,579     | 3,697         | 60.14%         | 9,276            | 1,882      |
| 05/10 | 9.9 Additional  | Continuing      | 5,244     | 3,749         | 58.31%         | 8,993            | 1,495      |
| 05/14 | 6.9 Additional  | Continuing      | 4,621     | 2,913         | 61.34%         | 7,534            | 1,708      |

Source: Shaker Heights City School District Records.

**Shaker Heights City School District (Cuyahoga County, Ohio)**

*Assessed and Estimated Actual Value of Taxable Property*

*Last Ten Collection Years*

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

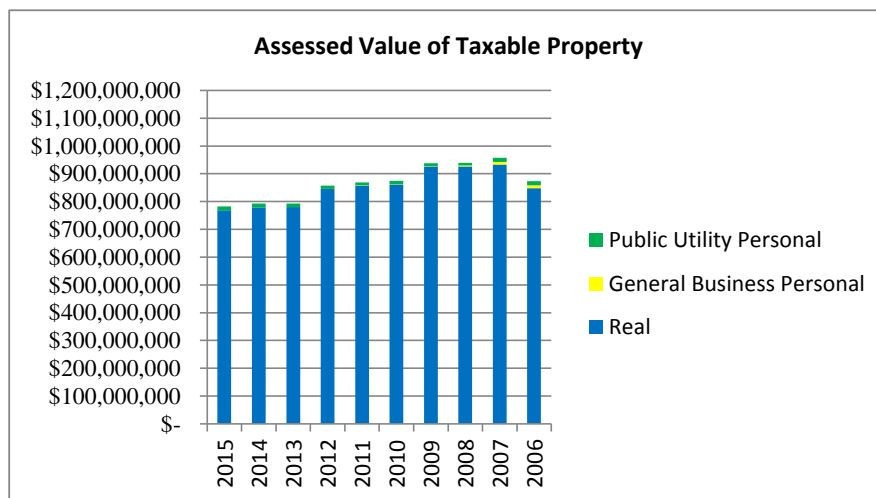
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

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

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

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

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



**Shaker Heights City School District (Cuyahoga County, Ohio)**

*Property Tax Rates - Direct and Overlapping Governments*

*(per \$1,000 of assessed value)*

*Last Ten Years*

|  | 2015        | 2014        | 2013        | 2012        |
|--|-------------|-------------|-------------|-------------|
| <b>Unvoted Millage</b>                   |             |             |             |             |
| Operating                                | \$ 4.100000 | \$ 4.100000 | \$ 4.100000 | \$ 4.100000 |
| <b>Voted Millage - by levy</b>           |             |             |             |             |
| All Prior to 1977 Operating - continuing |             |             |             |             |
| Effective Millage Rates                  |             |             |             |             |
| Residential/Agricultural                 | 11.435650   | 11.356927   | 11.334686   | 10.405171   |
| Commercial/Industrial                    | 23.820013   | 22.956754   | 22.637648   | 22.029873   |
| Tangible/Public Utility Personal         | 58.530000   | 58.530000   | 58.530000   | 58.530000   |
| 1977 Operating - continuing              |             |             |             |             |
| Effective Millage Rates                  |             |             |             |             |
| Residential/Agricultural                 | 2.984100    | 2.963556    | 2.957748    | 2.715192    |
| Commercial/Industrial                    | 5.262120    | 5.071416    | 5.000916    | 4.866648    |
| Tangible/Public Utility Personal         | 12.000000   | 12.000000   | 12.000000   | 12.000000   |
| 1979 Operating - continuing              |             |             |             |             |
| Effective Millage Rates                  |             |             |             |             |
| Residential/Agricultural                 | 1.492050    | 1.481778    | 1.478874    | 1.357596    |
| Commercial/Industrial                    | 2.631060    | 2.535708    | 2.500458    | 2.433324    |
| Tangible/Public Utility Personal         | 6.000000    | 6.000000    | 6.000000    | 6.000000    |
| 1981 Operating - continuing              |             |             |             |             |
| Effective Millage Rates                  |             |             |             |             |
| Residential/Agricultural                 | 2.471281    | 2.454270    | 2.449467    | 2.248591    |
| Commercial/Industrial                    | 3.383075    | 3.259822    | 3.215147    | 3.128827    |
| Tangible/Public Utility Personal         | 6.500000    | 6.500000    | 6.500000    | 6.500000    |
| 1982 Operating - continuing              |             |             |             |             |
| Effective Millage Rates                  |             |             |             |             |
| Residential/Agricultural                 | 2.284920    | 2.269194    | 2.264754    | 2.079030    |
| Commercial/Industrial                    | 3.122928    | 3.009750    | 2.967912    | 2.888226    |
| Tangible/Public Utility Personal         | 6.000000    | 6.000000    | 6.000000    | 6.000000    |
| 1983 Operating - continuing              |             |             |             |             |
| Effective Millage Rates                  |             |             |             |             |
| Residential/Agricultural                 | 3.814642    | 3.788382    | 3.780964    | 3.470896    |
| Commercial/Industrial                    | 5.271297    | 5.080266    | 5.009646    | 4.875147    |
| Tangible/Public Utility Personal         | 8.800000    | 8.800000    | 8.800000    | 8.800000    |
| 1986 Operating - continuing              |             |             |             |             |
| Effective Millage Rates                  |             |             |             |             |
| Residential/Agricultural                 | 3.454290    | 3.430515    | 3.423803    | 3.143025    |
| Commercial/Industrial                    | 4.978478    | 4.798058    | 4.731360    | 4.604333    |
| Tangible/Public Utility Personal         | 7.500000    | 7.500000    | 7.500000    | 7.500000    |
| 1989 Operating - continuing              |             |             |             |             |
| Effective Millage Rates                  |             |             |             |             |
| Residential/Agricultural                 | 5.706667    | 5.667389    | 5.656295    | 5.192442    |
| Commercial/Industrial                    | 7.911491    | 7.624782    | 7.518795    | 7.316935    |
| Tangible/Public Utility Personal         | 9.800000    | 9.800000    | 9.800000    | 9.800000    |

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

(continued)



**Shaker Heights City School District (Cuyahoga County, Ohio)**

*Property Tax Rates - Direct and Overlapping Governments*

*(per \$1,000 of assessed value)*

*Last Ten Years*

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

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

(continued)

**Shaker Heights City School District (Cuyahoga County, Ohio)**

*Property Tax Rates - Direct and Overlapping Governments*

*(per \$1,000 of assessed value)*

*Last Ten Years*

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

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

Real property tax rates are reduced so that inflationary increases in value do not generate additional taxes.

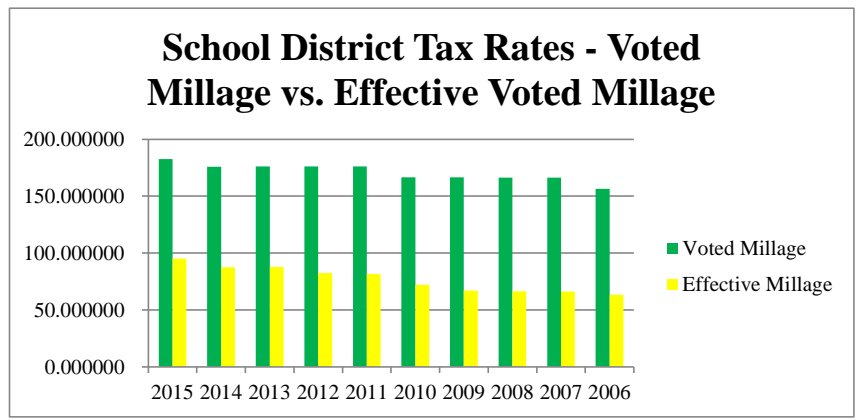
The City School District's basic property tax may be increased only by a majority vote of the City School District's residents.

Overlapping rates are those of local and county governments that apply to property owners within the School District.

Source: Ohio Department of Taxation.

**Note:** Emergency and Debt Service levies are designed to raise a fixed amount of revenue each year. A rate is set each year so that when it is applied to the total assessed value, that fixed amount is generated.

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



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

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

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

(1)Represents collection year.

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

**Shaker Heights City School District (Cuyahoga County, Ohio)**

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

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

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

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

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

**Shaker Heights City School District (Cuyahoga County, Ohio)**

*Principal Taxpayers - Public Utilities Tax  
2015 and 2006 (1)*

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

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

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

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

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

**Source:**

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



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

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

**Source:** Cuyahoga County Fiscal Officer and School District Financial Records

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

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

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

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

**Source:** Ohio Municipal Advisory Council

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision.

**Shaker Heights City School District (Cuyahoga County, Ohio)**

*History of Bond Issues*

*For the Years 1912 - 2015*

| <u>Purpose of Issue</u>   | <u>Election Date</u> | <u>Issue Date</u>  | <u>Amount of Issue</u> |
|---|----------------------|--------------------|------------------------|
| Erecting and furnishing school house  | July 2, 1912         | August 12, 1912    | \$ 60,000              |
| Purchasing site and erecting and furnishing school house thereon  | N/A                  | May 17, 1917       | 100,000                |
| Purchasing site and erecting and furnishing school house thereon and purchased real estate for playground | N/A                  | November 16, 1917  | 250,000                |
| Completing building and purchasing site and erecting building   | January 21, 1920     | November 3, 1920   | 250,000                |
| Erecting two schools  | November 8, 1921     | March 1, 1922      | 600,000                |
| Moreland School and Shaker Boulevard addition   | November 4, 1924     | January 1, 1925    | 650,000                |
| Fernway, Ludlow and High School addition  | November 3, 1925     | July 1, 1926       | 1,165,587              |
| High School Site and Addition to Malvern  | November 2, 1926     | January 1, 1927    | 550,000                |
| Lomond Boulevard and Furniture  | November 8, 1927     | April 1, 1929      | 500,000                |
| Land for Lomond Junior High   | November 6, 1928     | January 1, 1929    | 78,375                 |
| Land and Furniture  | November 6, 1928     | July 15, 1929      | 75,183                 |
| High School Building  | November 6, 1928     | November 1, 1930   | 1,040,500              |
| Furnishings High School   | Unvoted              | May 1, 1931        | 50,000                 |
| First Library Issue   | November 6, 1945     | April 1, 1950      | 150,000                |
| Sussex Addition   | November 5, 1946     | January 1, 1947    | 200,000                |
| Complete Sussex and Other Improvements  | November 2, 1948     | December 1, 1948   | 300,000                |
| Second Library Issue  | November 2, 1948     | February 1, 1951   | 200,000                |
| School Furnishings  | November 2, 1948     | February 1, 1951   | 25,000                 |
| Mercer, Senior High Music Wings, etc.   | November 6, 1951     | March 1, 1951      | 1,750,000              |
| New Junior High, Additions to Lomond and Senior High  | November 3, 1953     | October 1, 1954    | 4,100,000              |
| Byron Auditorium and Woodbury Gym   | November 3, 1953     | October 1, 1958    | 2,100,000              |
| School Improvement  | November 3, 1960     | October 1, 1964    | 1,775,000              |
| School Improvement  | May 7, 1968          | March 1, 1972      | 4,500,000              |
| School Improvement  | June 7, 1977         | September 1, 1977  | 4,650,000              |
| School Improvement  | May 8, 1990          | August 29, 1990    | 5,000,000              |
| School Improvement  | May 8, 1990          | April 1, 1993      | 5,000,000              |
| School Improvement  | November 5, 1996     | March 11, 1999     | 9,500,000              |
| School Improvement  | November 5, 1996     | September 28, 2000 | 3,199,993              |
| School Improvement  | November 2, 2004     | April 5, 2005      | 9,999,995              |
| School Improvement  | November 2, 2004     | April 18, 2007     | 8,498,960              |
| School Improvement  | November 2, 2004     | November 25, 2008  | 4,999,999              |
| Stadium Improvements  | Unvoted              | October 30, 2012   | 830,000                |
| Buses   | Unvoted              | October 30, 2012   | 1,000,000              |
| Energy Conservation   | Unvoted              | October 30, 2012   | 2,340,000              |

Source: Shaker Heights City School District.

N/A - Not Available

Note: Excludes refunding bonds issued.

**Shaker Heights City School District (Cuyahoga County, Ohio)**  
*Property Value, Financial Institution Deposits,  
and Value of Building Permits Issued  
Last Ten Years*

| <u>Year</u> | <u>Property Value (1)<br/>(Real Estate Only)</u> | <u>Financial Institution Deposits (000's)<br/>Banks (2)</u> | <u>Value of Building Permits Issued (3)</u> |
|-------------|--|---|---|
| 2015        | \$ 768,535,350                                   | \$ 49,174,840   | \$ 17,053,130                               |
| 2014        | 778,902,230                                      | 81,141,520  | 23,356,174                                  |
| 2013        | 780,338,410                                      | 78,170,736  | 18,209,737                                  |
| 2012        | 846,136,350                                      | 74,277,632  | 17,546,910                                  |
| 2011        | 857,299,180                                      | 57,887,646  | 18,513,543                                  |
| 2010        | 861,787,630                                      | 65,192,480  | 12,832,253                                  |
| 2009        | 925,941,780                                      | 168,829,043   | 13,570,377                                  |
| 2008        | 926,108,350                                      | 159,000,767   | 22,193,823                                  |
| 2007        | 933,671,870                                      | 161,139,482   | 12,992,828                                  |
| 2006        | 847,971,800                                      | 110,547,665   | 23,288,638                                  |

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

- (1) Represents assessed value.
- (2) 2015 data is from the Federal Deposit Insurance Corporation (FDIC). Previous years' data was from the Federal Reserve Bank of Cleveland.
- (3) The decrease from fiscal year 2006 to fiscal year 2007 in the value of building permits was due to the fact that Sussex Courts and Shaker Towne Centre were completed in fiscal year 2006. In fiscal year 2008, the point-of-sale escrow program run by the City of Shaker Heights resulted in several millions of dollars of private investment in housing and also the Neighborhood Revitalization Department assisted 180 property owners with housing improvement projects through financial assistance and landlord programs. The decreases in the fiscal years 2009 and 2010 were the result of the downturn in the economy.

**Shaker Heights City School District (Cuyhoga County, Ohio)**

*Principal Employers*

2014 and 2005

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

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

**Source:** Employer survey

(n/a) Information not available.

2014 most recent information available

**Shaker Heights City School District (Cuyahoga County, Ohio)**

*Demographic Statistics*

*Last Ten Years*

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

**Sources:**

Years 2011 - 2013 The 2010 Federal Census

Years 2006 - 2010 The 2000 Federal Census

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

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

*(This page intentionally left blank)*



**Shaker Heights City School District (Cuyahoga County, Ohio)**

*Building Statistics by Function/Program*

*Last Ten Fiscal Years*

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

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

(continued)

**Shaker Heights City School District (Cuyahoga County, Ohio)**

*Building Statistics by Function/Program*

*Last Ten Fiscal Years*

---

---

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

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

**Source:** School District Records.

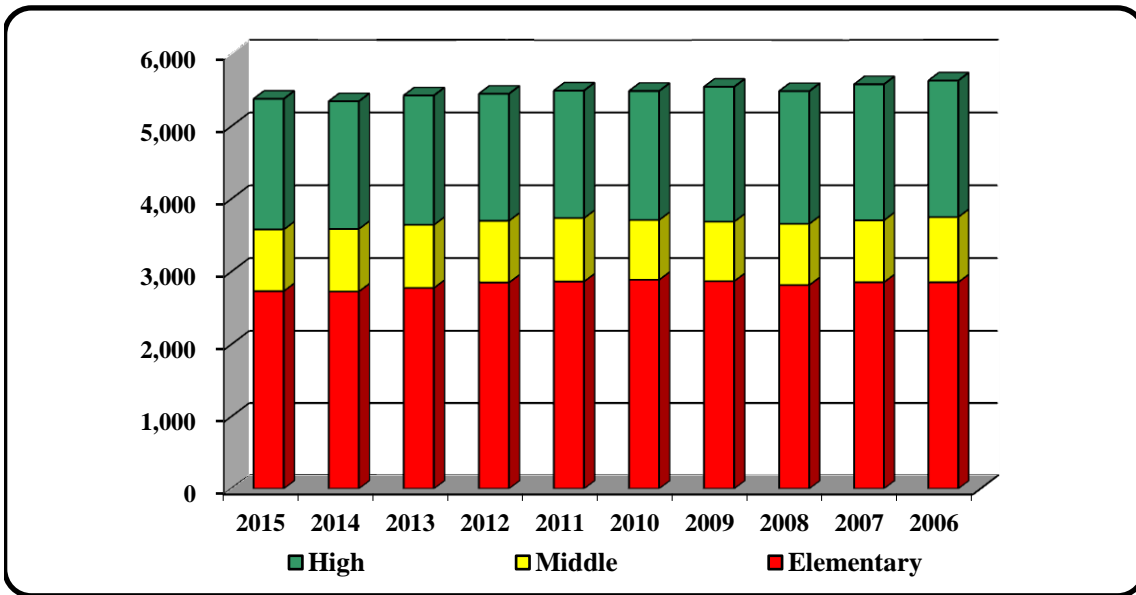
| 2011    | 2010    | 2009    | 2008    | 2007    | 2006    |
|---------|---------|---------|---------|---------|---------|
| 133,400 | 133,400 | 133,400 | 133,400 | 133,400 | 133,400 |
| 873     | 823     | 818     | 843     | 852     | 900     |
| 1,000   | 1,000   | 1,000   | 1,000   | 1,000   | 1,000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

**Shaker Heights City School District (Cuyahoga County, Ohio)**

*Enrollment Statistics*

*Last Ten Fiscal Years*

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



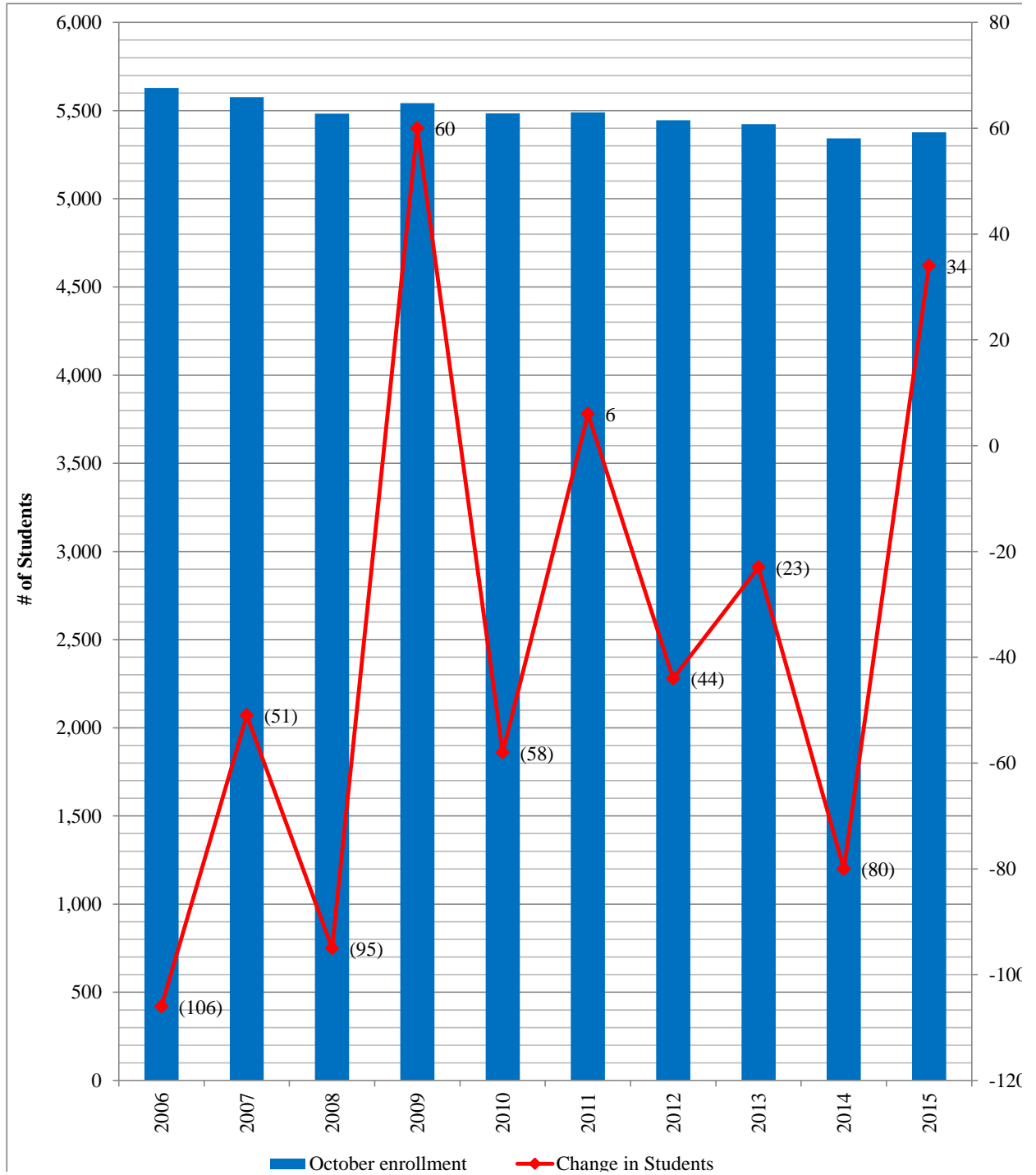
**Source:** School District Records.

Shaker Heights City School District (Cuyahoga County, Ohio)

Enrollment Summary  
Last Ten Fiscal Years

October Enrollment

Change in Students



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

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

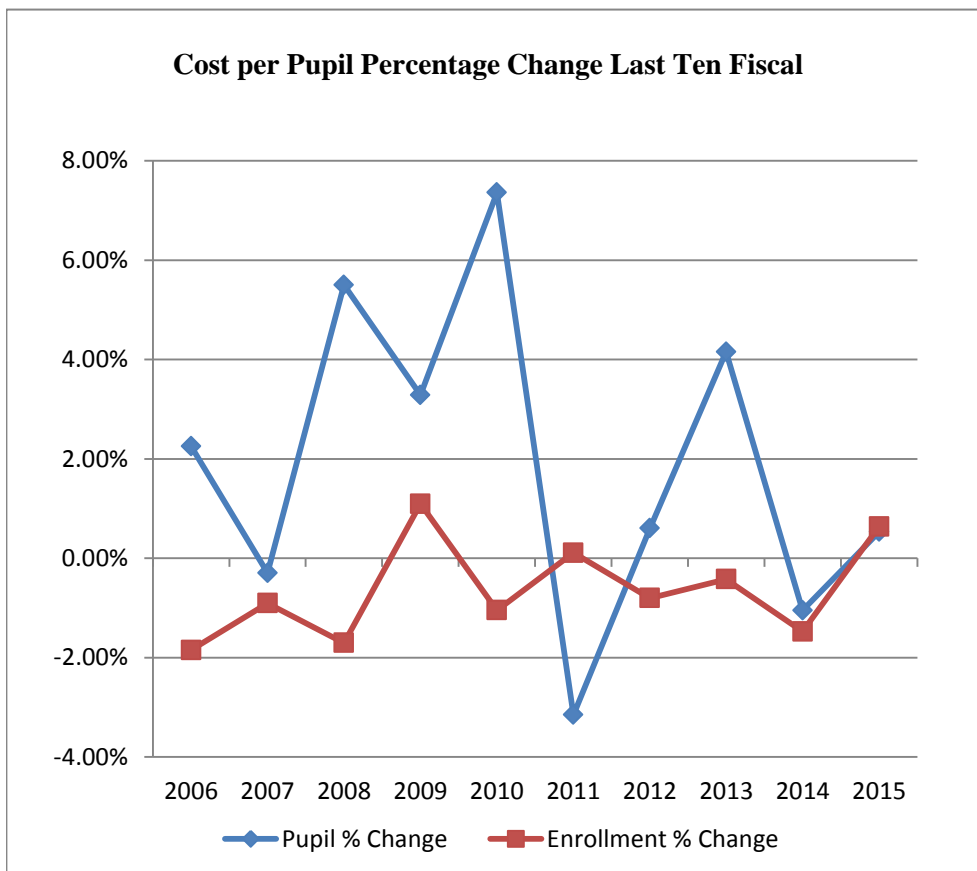
**Source:** Shaker Heights City School District Records

- (1) Figures for fiscal year 1979 through 1982 are based on Shaker Heights City School District Racial Ethnic Reports. Figures for 1983 through 2015 are based on first full week of Shaker Heights City School District October enrollment report.
- (2) FTE pupils attending Community Schools from State of Ohio Community School Deduction Summary report for respective year, with 2002 as the first year of record.
- (3) Estimated from State of Ohio District Enrollment by Nonpublic Schools Report and/or telephone and mail survey of private and parochial schools.

**Shaker Heights City School District**

*Per Pupil Cost  
Last Ten Fiscal Years*

| Year | General Fund Expenditures | Average Daily Student Enrollment | Per Pupil Cost |
|------|---------------------------|----------------------------------|----------------|
| 2015 | \$ 88,440,272             | 5,377                            | \$ 16,448      |
| 2014 | 87,416,531                | 5,343                            | 16,361         |
| 2013 | 89,667,713                | 5,423                            | 16,535         |
| 2012 | 86,457,215                | 5,446                            | 15,875         |
| 2011 | 86,633,665                | 5,490                            | 15,780         |
| 2010 | 89,355,922                | 5,484                            | 16,294         |
| 2009 | 84,112,470                | 5,542                            | 15,177         |
| 2008 | 80,555,178                | 5,482                            | 14,694         |
| 2007 | 77,679,215                | 5,577                            | 13,928         |
| 2006 | 78,621,894                | 5,628                            | 13,970         |



**Source:** School District Records.



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

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

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

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

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

Source: School District Records.

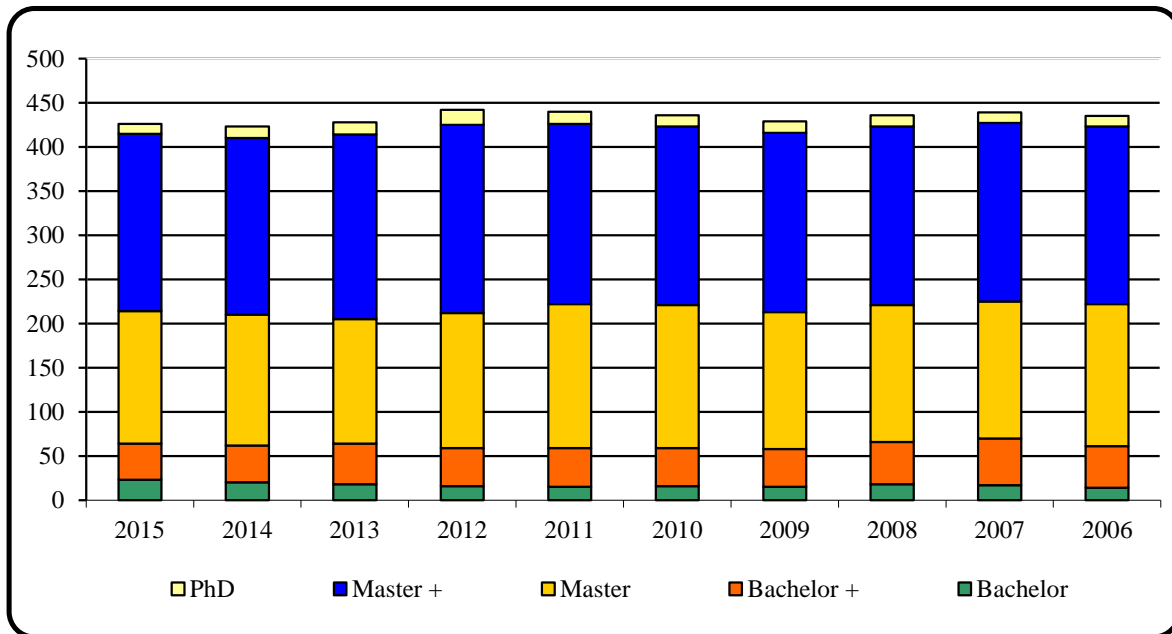
| 2011           | 2010           | 2009           | 2008           | 2007           | 2006           |
|----------------|----------------|----------------|----------------|----------------|----------------|
| 158.151        | 158.411        | 158.000        | 159.384        | 152.000        | 155.960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

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

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

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



Source: School District Records.

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

**Shaker Heights City School (Cuyahoga County, Ohio)**

*College Admissions for All Students*

*Last Ten School Years*

---

---

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

**Source:** School District Records

**Note:** In 2008, the data collection procedure for college admission was modified which affects the validity of comparisons of new data with past years.

**Shaker Heights City School (Cuyahoga County, Ohio)**

*National Merit and National Achievement Recognition*

*Last Ten School Years*

---

---

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

**Source:** School District Records