

**SHAKER HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2003**



**Auditor of State  
Betty Montgomery**



SHAKER HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY

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**SHAKER HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2003**

| Federal Grantor/<br>Pass Through Grantor<br>Program Title | Pass Through<br>Entity<br>Number | Federal<br>CFDA<br>Number | Receipts           | Non-Cash<br>Receipts | Disbursements      | Non-Cash<br>Disbursements |
|---|----------------------------------|---------------------------|--------------------|----------------------|--------------------|---------------------------|
| <b>U.S. DEPARTMENT OF AGRICULTURE</b>                     |                                  |                           |                    |                      |                    |                           |
| <i>Passed Through Ohio Department of Education:</i>       |                                  |                           |                    |                      |                    |                           |
| Nutrition Cluster:  |                                  |                           |                    |                      |                    |                           |
| Food Donation   | N/A                              | 10.550                    | \$0                | \$56,432             | \$0                | \$56,432                  |
| School Breakfast Program                                  | 05PU 2002                        | 10.553                    | 517                | 0                    | 517                | 0                         |
| National School Lunch Program                             | LLP4 2002                        | 10.555                    | 33,165             | 0                    | 33,165             | 0                         |
| National School Lunch Program                             | LLP4 2003                        | 10.555                    | 102,603            | 0                    | 102,603            | 0                         |
| Total National School Lunch Program                       |                                  |                           | 135,768            | 0                    | 135,768            | 0                         |
| Special Milk Program for Children                         | 02PU 2002                        | 10.556                    | 5,340              | 0                    | 5,340              | 0                         |
| Special Milk Program for Children                         | 02PU 2003                        | 10.556                    | 13,746             | 0                    | 13,746             | 0                         |
| Total Special Milk Program for Children                   |                                  |                           | 19,086             | 0                    | 19,086             | 0                         |
| Total U.S. Department of Agriculture - Nutrition Cluster  |                                  |                           | 155,371            | 56,432               | 155,371            | 56,432                    |
| <b>U.S. DEPARTMENT OF EDUCATION</b>                       |                                  |                           |                    |                      |                    |                           |
| <i>Passed Through Ohio Department of Education:</i>       |                                  |                           |                    |                      |                    |                           |
| Special Education: Grants to States                       | 6BSF 2001                        | 84.027                    | 127,975            | 0                    | 136,761            | 0                         |
| Special Education: Grants to States                       | 6BSF 2002                        | 84.027                    | 592,191            | 0                    | 482,718            | 0                         |
| Total Special Education: Grants to States                 |                                  |                           | 720,166            | 0                    | 619,479            | 0                         |
| Special Education: Preschool Grants                       | PGS1 2001                        | 84.173                    | 0                  | 0                    | 2,346              | 0                         |
| Special Education: Preschool Grants                       | PGS1 2002                        | 84.173                    | 18,268             | 0                    | 17,594             | 0                         |
| Total Special Education: Preschool Grants                 |                                  |                           | 18,268             | 0                    | 19,940             | 0                         |
| Total Special Education Cluster                           |                                  |                           | 738,434            | 0                    | 639,419            | 0                         |
| Title I Grants to Local Educational Agencies              | C1S1 2002                        | 84.010                    | 611                | 0                    | 87,207             | 0                         |
| Title I Grants to Local Educational Agencies              | C1S1 2003                        | 84.010                    | 398,737            | 0                    | 295,689            | 0                         |
| Total Title I Grants to Local Educational Agencies        |                                  |                           | 399,348            | 0                    | 382,896            | 0                         |
| Eisenhower Professional Development State Grants          | MSS1 2002                        | 84.281                    | (65)               | 0                    | 8,007              | 0                         |
| Innovative Education Program Strategies                   | C2S1 2001                        | 84.298                    | (1,256)            | 0                    | 10,639             | 0                         |
| Innovative Education Program Strategies                   | C2S1 2002                        | 84.298                    | 29,815             | 0                    | 29,971             | 0                         |
| Innovative Education Program Strategies                   | C2S1 2003                        | 84.298                    | 36,728             | 0                    | 29,107             | 0                         |
| Total Innovative Education Program Strategies             |                                  |                           | 65,287             | 0                    | 69,717             | 0                         |
| Safe and Drug-Free Schools and Communities: State Grants  | DRS1 2002                        | 84.186                    | 5,985              | 0                    | 0                  | 0                         |
| Safe and Drug-Free Schools and Communities: State Grants  | DRS1 2003                        | 84.186                    | 24,668             | 0                    | 31,691             | 0                         |
| Total Safe and Drug-Free Schools and Communities          |                                  |                           | 30,653             | 0                    | 31,691             | 0                         |
| Advanced Placement Program                                | AVS1 2003                        | 84.330                    | 500                | 0                    | 500                | 0                         |
| <i>Direct Program:</i>                                    |                                  |                           |                    |                      |                    |                           |
| Presidential Award - National Grant                       | N/A                              | N/A                       | 0                  | 0                    | 2,720              | 0                         |
| Class Size Reduction                                      | CRS1 2001                        | 84.340                    | 0                  | 0                    | 175                | 0                         |
| Class Size Reduction                                      | CRS1 2002                        | 84.340                    | 18,234             | 0                    | 32,992             | 0                         |
| Total Class Size Reduction                                |                                  |                           | 18,234             | 0                    | 33,167             | 0                         |
| English Language Acquisition Grants (Title III)           | T3S1 2003                        | 84.365                    | 11,579             | 0                    | 7,296              | 0                         |
| Alternative Education                                     | T4S1 2003                        | 84.184C                   | 4,077              | 0                    | 1,223              | 0                         |
| Technology Literacy Challenge Fund Grants                 | TJS1 2003                        | 84.318                    | 9,472              | 0                    | 5,834              | 0                         |
| School Renovation, IDEA and Technology                    | ATS2 2002                        | 84.352A                   | 20,527             | 0                    | 20,527             | 0                         |
| School Renovation, IDEA and Technology                    | ATS3 2003                        | 84.352A                   | 11,972             | 0                    | 11,972             | 0                         |
| Total School Renovation, IDEA and Technology              |                                  |                           | 32,499             | 0                    | 32,499             | 0                         |
| Improving Teacher Quality State Grants                    | TRS1 2003                        | 84.367                    | 143,700            | 0                    | 112,742            | 0                         |
| Total U.S. Department of Education                        |                                  |                           | 1,453,718          | 0                    | 1,327,711          | 0                         |
| <b>U. S. Department of Health and Human Services</b>      |                                  |                           |                    |                      |                    |                           |
| <i>Passed Through the Ohio Department of MRDD:</i>        |                                  |                           |                    |                      |                    |                           |
| Temporary Assistance for Needy Families                   | N/A                              | 93.558                    | 227,276            | 0                    | 227,276            | 0                         |
| Medical Assistance Program (Medicaid)                     | N/A                              | 93.778                    | 363,693            | 0                    | 363,693            | 0                         |
| Total U.S. Department of Health and Human Services        |                                  |                           | 590,969            | 0                    | 590,969            | 0                         |
| <b>Total Federal Assistance</b>                           |                                  |                           | <b>\$2,200,058</b> | <b>\$56,432</b>      | <b>\$2,074,051</b> | <b>\$56,432</b>           |

The accompanying notes to this schedule are an integral part of this schedule.

**SHAKER HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedule of federal awards expenditures is a summary of the activity of the District's federal awards programs. The schedule has been prepared on the cash basis of accounting.

**NOTE B - FOOD DISTRIBUTION**

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

**NOTE C - NATIONAL SCHOOL LUNCH AND SPECIAL MILK PROGRAMS**

Federal monies received by the District for these programs are commingled with State grants and local revenues. It is assumed that federal monies are expended first.

**NOTE D – REFUND OF MONEY**

The District received \$1,256 for St. Dominic's school under the Innovative Program Strategies Grant (CFDA # 84.298). The \$1,256 represents the amount of money on the Final Expenditure Report that was left over after the period of availability. This balance was returned to the Ohio Department of Education.

**NOTE E – TRANSFER OF FUNDS**

As a result of the elimination of the Eisenhower Professional Development Grant (CFDA # 84.281, Fund 514), \$65 was transferred from this grant and into the Improving Teacher Quality Grant (CFDA # 84.367, Fund 590).

CFDA - Catalog of Federal Domestic Assistance



**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON  
INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

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

We have audited the financial statements of the Shaker Heights City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2003, and have issued our report thereon dated January 21, 2004, wherein we noted, the District adopted Governmental Accounting Standards Board Statements No. 34, No. 37, No. 38 and Interpretation No. 6. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated January 21, 2004.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the audit committee, management, Board of Education, federal awarding agencies and pass through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

January 21, 2004





## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL PROGRAMS AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

#### Compliance

We have audited the compliance of the Shaker Heights City School District, Cuyahoga County, Ohio, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2003. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2003.

#### Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

**Internal Control Over Compliance  
(Continued)**

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

**Schedule of Federal Awards Expenditures**

We have audited the basic financial statements of the Shaker Heights City School District, as of and for the year ended June 30, 2003, and have issued our report thereon dated January 21, 2004, wherein we noted, the District adopted Governmental Accounting Standards Board Statements No. 34, No. 37, No. 38 and Interpretation No. 6. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Federal Awards Expenditures is presented for the purpose of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of the audit committee, management, Board of Education, federal awarding agencies and pass through entities, and is not intended to be and should not be used by anyone other than these specified parties.



**Betty Montgomery**  
Auditor of State

January 21, 2004

**SHAKER HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**FOR THE YEAR ENDED JUNE 30, 2003  
SCHEDULE OF FINDINGS**

|  |
|--|
| <b>1. SUMMARY OF AUDITOR'S RESULTS</b> |
|--|

A-133 §.505

|              |  |   |
|--------------|--|---|
| (d)(1)(i)    | <b><i>Type of Financial Statement Opinion</i></b>  | Unqualified   |
| (d)(1)(ii)   | <b><i>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</i></b>         | No  |
| (d)(1)(ii)   | <b><i>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</i></b> | No  |
| (d)(1)(iii)  | <b><i>Was there any reported non-compliance at the financial statement level (GAGAS)?</i></b>                                | No  |
| (d)(1)(iv)   | <b><i>Were there any material internal control weakness conditions reported for major federal programs?</i></b>              | No  |
| (d)(1)(iv)   | <b><i>Were there any other reportable internal control weakness conditions reported for major federal programs?</i></b>      | No  |
| (d)(1)(v)    | <b><i>Type of Major Programs' Compliance Opinion</i></b>   | Unqualified   |
| (d)(1)(vi)   | <b><i>Are there any reportable findings under Sec. .510?</i></b>   | No  |
| (d)(1)(vii)  | <b><i>Major Programs (list)</i></b>  | CFDA # 84.010 – Title I Grants;<br>CFDA # 93.778 – Medical Assistance Program |
| (d)(1)(viii) | <b><i>Dollar Threshold: Type A/B Programs</i></b>  | Type A: > \$300,000<br>Type B: all others                                     |
| (d)(1)(ix)   | <b><i>Low Risk Auditee?</i></b>  | Yes   |

|   |
|---|
| <b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS<br/>REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b> |
|---|

None.

|  |
|--|
| <b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b> |
|--|

None.



***COMPREHENSIVE ANNUAL FINANCIAL REPORT***

*FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

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.

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## Introductory Section

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*SHAKER HEIGHTS CITY SCHOOL DISTRICT*  
*SHAKER HEIGHTS, OHIO*  
*COMPREHENSIVE ANNUAL FINANCIAL REPORT*  
*FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

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

**Shaker Heights City School District**  
*Comprehensive Annual Financial Report*  
*For the Fiscal Year Ended June 30, 2003*  
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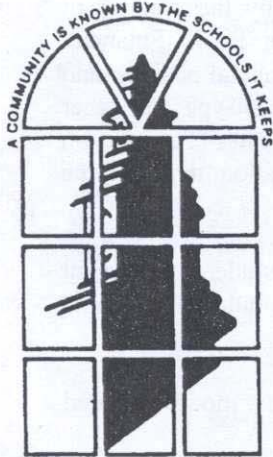
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# SHAKER HEIGHTS CITY SCHOOL DISTRICT

BOARD OF EDUCATION  
15600 Parkland Drive  
Shaker Heights, Ohio 44120  
(216) 295-4000

**MARK FREEMAN, Ph.D.**  
Superintendent

**BRYAN C. CHRISTMAN**  
Treasurer

January 21, 2004

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 Shaker Heights City School District's sixth Comprehensive Annual Financial Report (CAFR). This report is the School District's official annual financial report for the fiscal year that ended June 30, 2003. This report presents the School District's financial information in a comprehensive manner consistent with the Generally Accepted Accounting Principles (GAAP) applicable to all governmental entities. Generally Accepted Accounting Principles are uniform minimum standards and guidelines for financial accounting and reporting. These national standards provide a consistent and standard format for the reader to analyze and interpret the financial data presented. The Government Accounting Standards Board (GASB) is the authoritative body that prescribes and administers the guidelines and standards relative to financial reporting. This report also includes an unqualified opinion from the Auditor of State's Office for the 2003 fiscal year.

Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures rests with the School District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and presents fairly the financial position of the School District.

This report has been filed with the appropriate regulatory agencies as well as the major bond rating agencies. Copies have also been provided to the Shaker Heights League of Women Voters, the Shaker Heights City School District Finance & Audit Committee, the Shaker Heights City School District Parent Teacher Organization (PTO) Council, the City of Shaker Heights, and the Shaker Heights Community Associations, among others. Copies are available in the Treasurer's Office for all other interested parties.

This report is presented in four sections:

**The Introductory Section** contains the table of contents, this letter of transmittal, a list of principal officials, an organizational chart of the School District, a map of the School District, the GFOA Certificate of Achievement, and the ASBO Certificate of Excellence. This transmittal letter is presented in a less technical manner than the information in the remaining three sections and the reader may find this to be the most reader-friendly section of the report. We recommend, however, that the entire report be reviewed.

**The Financial Section** begins with the Independent Accountants' Report offered by the Auditor of State's Office and includes Management's Discussion and Analysis, the Basic Financial Statements and Notes which provide an overview of the School District's financial position and operating results as of June 30, 2003. The Combining Statements by Fund Type and other schedules provide detailed information relative to the Basic Financial Statements. This section contains a significant amount of detailed financial and budgetary information that will be particularly useful to the investment community.

**The Statistical Section** presents social, economic and financial data, in addition to student enrollment and School District staffing information. These schedules are presented for a multiple-year time period.

**The Supplemental Information Section** contains a report based on the expenditure flow model prepared by the Ohio Department of Education.

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

The Shaker schools were founded in 1912. 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.

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 more than 5,600 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.*

**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 new 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 the 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.*
- 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 613 school districts in the State of Ohio and one of 31 school districts in Cuyahoga County. The School District is the 57th largest in student enrollment in Ohio, with an enrollment of 5,608 students for the 2003 academic year. 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 Reporting Entity**

The School District has reviewed its reporting entity definition in order to insure conformance with the Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*. 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 Lakeshore Northeast Ohio Computer Association (LNOCA), the Ohio Schools' Council Association (OSC) and the Shaker Heights Public Library. LNOCA and OSC are jointly-governed organizations whose relationship to the School District is described in Note 15 to the accompanying financial statements. The Shaker Heights Library is a related organization and is described in Note 16 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.

## **2003 Major Initiatives**

With the support of faculty, parents, and local residents, our students continued to excel in academics, the arts, athletics, and community service. Approximately 10 percent of the Class of 2003 earned honors in the National Merit and National Achievement scholarship competitions, compared with 2 percent 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.

Approximately 33 percent of eligible students at Shaker Heights High School took one or more Advanced Placement classes this year, compared with about 8 percent statewide. In May 2003, 322 sophomores, juniors, and seniors took 734 AP examinations, with 88 percent earning a score of 3 or higher. Based on their outstanding performance on the national Advanced Placement examinations, 101 Shaker students were named AP Scholars in September 2003.

Shaker Heights students continue to be sought after by colleges. More than 40 members of the Class of 2003 (over 11 percent) were accepted early into their first-choice colleges, including some of the most selective in the nation. About 90 percent of the graduating seniors plan to attend college after graduation.

Teams and individual students won numerous awards in music, foreign language, the fine and performing arts, mathematics, and science. Our student athletes had another outstanding year of interscholastic success and groups such as Student Council and Youth Ending Hunger involved many Shaker students in helpful community service activities. The list of accomplishments goes on and on.

Helping each student reach his/her potential academically continues to be the paramount goal of the School District. Building on the adoption of the Continuous Improvement Plan and the National School Boards Association's achievement initiatives, student achievement issues remained a major focus of Board of Education meetings. Formal presentations were made at regularly scheduled Board of Education meetings covering the following topics:

- Middle School Curriculum
- High School Curriculum
- Asian Studies Grant
- History Day
- Fact Book
- Bridges Interdisciplinary Studies Program
- K-4 Science Curriculum

Shaker-Net, the School District's computer network, now consists of 29 servers and approximately 1,100 client computers in 12 buildings connected by fiber optic cables between all buildings. Major hardware upgrades included a fiber connection purchase, a second T1 line for quicker Internet speed, 90 Palm Pilots for use at the High School, additions to Woodbury's classroom computers and the purchase of several color printers. Other improvements made it possible for staff to access Shaker e-mail anywhere in the world, created Shakerhelp.com for intranet communications within the District, and reduced help desk response time.

Major capital improvement projects included the creation of an additional music room at Woodbury and a special needs classroom at the High School; stripping, refinishing and re-striping of the Fernway gymnasium and the main gym at Woodbury; the replacement of the Lomond roof and major roof repairs at the Middle School; repairs to the Middle School and Woodbury pools; a boiler replacement at Boulevard; a new cafeteria freezer at Woodbury; and the refurbishing of the Onaway main entrance. Parts of all buildings have been freshened with paint and by replacing or refurbishing flooring treatments. Other projects included furniture replacement, new student lockers and locks, gymnasium light fixtures, exterior door replacement, electrical upgrades, and concrete sidewalk and step repairs.

In summary, the School District continued to move forward in 2002-2003, maintaining its traditional high standards and challenging curriculum, working to be even more responsive to parents and the community and implementing programs in areas of need - all while continuing to operate within the Board's limits on budgetary growth.

#### Current and Future Initiatives

The School District continues to study, plan, and implement instructional initiatives aimed at improving the academic achievement of all students. Current instructional initiatives include early intervention, after-school tutoring and summer programming for students; an intensified focus on literacy and mathematics instruction; increased efforts to help students prepare for the Ohio Proficiency Tests; the refinement of team teaching approaches at the secondary school level; efforts to increase parental and community involvement; highly focused professional development activities and collaboration with the City of Shaker Heights, the Shaker Heights Public Library, and nonprofit community agencies concerned with the welfare of youth.

#### Continuous Improvement Plan

The School District continues to be guided by its Continuous Improvement Plan (CIP). Input for this document came from the Board of Education, business representatives, students, parents, faculty members, and residents of the Shaker Heights community. The CIP identifies seven key areas for improvement: curriculum/instruction, academic achievement, assessment/evaluation, professional development, student services, facilities/environment, and parent/community involvement. It includes mission and vision statements for the School District along with priority areas, performance goals, strategies, individuals responsible, timelines, and funding sources. The Continuous Improvement Plan was presented to the Board of Education in 2000, posted on the School District's website and made available to interested members of the community.

#### Summer Curriculum Writing and Instructional Planning

Last summer, many teachers devoted their energies to improving instruction throughout the School District. Instructional planning and curriculum writing were undertaken in the fields of mathematics, English/language arts, science, social studies, art, health, library, special education, senior projects, foreign language, home economics, interdisciplinary instruction, music, physical education, Bridges, study skills, technology, program planning, conflict resolution, reading and marketing education. Continuing emphasis was placed on professional development, with a team of teachers meeting for a week during the summer to refine and expand materials on effective teaching practices.

The central-office and building administrators from the School District met monthly to discuss educational issues, keep informed of current national and state trends, and update professional skills. Information was presented on the impact of racial discrimination in America, data-driven decision making, staff commitment and morale building, district wide safety/security, conflict resolution, the use of technology to enhance productivity, and on-line professional resources.

### Improving Student Achievement Grants

Three years ago, the Shaker Heights City Schools received a total of \$286,500 from the Cleveland and George Gund foundations for expanded efforts to enhance overall student performance in the School District. These funds supported the School District's professional development work with Dr. Ronald Ferguson of Harvard University, faculty outreach efforts targeted primarily at African American students willing to take on the additional challenges of honors and advanced placement coursework, parent involvement activities designed to maximize student achievement, evening meetings featuring adult role models who have succeeded in education and careers and developing "MAC (Minority Achievement Committee) scholar" - like groups at the upper elementary and middle school levels.

While Shaker's African-American students outperform their peers statewide and nationally in areas including test scores and college attendance, and many are top achievers, Shaker, like many other districts, has experienced an aggregate gap between black and white achievement. Recent analyses point to improvement in the academic performance of African-American students in the Shaker Heights schools. Among the encouraging signs:

- Shaker's passing rates on most Ohio proficiency tests have improved steadily, leading to higher rates on the State Report Card, due primarily to improved performance by African-American students.
- The number of African-American students taking Honors and Advanced classes at the High School has increased by nearly 50 percent in the past three years, with the largest increase coming in mathematics.
- Data from the Stanford Achievement Test, a nationally normed assessment, confirm that the black-white achievement gap in reading is narrowing between grades 5 and 8.

"Taken together, these and other data make a strong case that various efforts to boost achievement are making an impact," said Dale Whittington, Ph.D., the School District's Director of Research and Evaluation.

Based on the successes of this initiative and the growing local, state and national concern about improving student achievement in elementary and secondary schools, the two foundations awarded the District an additional \$360,000 over the 2002-2003 and 2003-2004 academic years. These funds have enabled the District to continue the activities underway and augment them by providing extended learning experiences to underachieving students, expanding technology use to help boost mathematics and reading skills, and improving study skills. Foundation assistance will also allow the District to continue its leadership role, sharing research and best practices in greater Cleveland, statewide and nationally, through such vehicles as the Internet, first-ring suburb meetings, educational workshop/conferences, and the national Minority Student Achievement Network (MSAN).

### **Economic Condition and Outlook**

The School District serves approximately 29,405 residents in the City of Shaker Heights, and approximately 3,000 for the City of Cleveland. The community is primarily residential in nature with a somewhat diverse base of residents working largely in professional capacities.

Because the School District is a mature, fully-developed, inner ring suburb, its economic strength is largely dependent upon the strength of the Northeast Ohio economy. 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. Significant numbers of Shaker Heights residents also work in the medical, cultural, and educational institutions in downtown Cleveland and nearby University Circle.

New growth in the Cleveland area includes the development of the Flats area as a major recreation/entertainment section for Northern Ohio; the opening of the Rock and Roll Hall of Fame and Museum and the Great Lakes Science Center; the development of the Gateway area, including Jacobs



Field and Gund Arena, as a sports and entertainment district; the construction of Cleveland Municipal Stadium; the expansion of the theater district downtown; and the continued growth of The Cleveland Clinic, University Hospitals of Cleveland, and other institutions in University Circle. Cleveland has provided significant economic growth and strength to our community.

Locally the City of Shaker Heights has been successful in the development of the Shaker Towne Centre shopping area, the expansion of the OfficeMax corporate headquarters, the development of Somerset Point and Sunrise Communities assisted-living facilities, and the location of a new United States Post Office. These local initiatives, combined with Cleveland's economic growth, provide for a stable and desirable economic condition for our School District. The property tax base has continued to grow as a result of appreciation of properties as well as the commercial redevelopment undertaken by the City of Shaker Heights.

The Shaker Square shopping district, which lies in the Cleveland portion of the School District, was purchased and redeveloped during the 2000-2002 time period. The School District, in accordance with a tri-party agreement between the developer and the City of Cleveland, receives 25 percent of the increased property taxes resulting from the redevelopment for the 25-year abatement period. Thereafter, the School District will receive 100 percent of the increased property taxes. Additionally, the School District will receive 50 percent of the increased income taxes collected by the City of Cleveland during the 25-year abatement period for the redevelopment area.

The City's Strategic Investment Plan, which was developed with significant public input, is currently in the implementation phase. The Plan calls for major additional commercial and residential redevelopment including but not limited to the following:

Acquisition of property and the nearly-complete new City Fire house in the Shaker Towne Centre area;

Major redevelopment and expansion of commercial and residential properties in the Shaker Towne Centre complex;

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; and

Development of new residential condominiums on vacant land in the Warwick Road area.

With the completion of the 1999-2000 fiscal year, the School District was successful in funding five successive operating budgets from the 1995 operating levy, only the second time in the School District's history that has occurred. The 60 percent voter approval of a continuing 9.4 mill operating levy in March 2000, and a 65 percent voter approval of a continuing 9.6 mill operating levy in May 2003, 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.

### **Financial Management**

The Board of Education has adopted three specific policies that guide both the financial planning and 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 District's purposes can best be achieved through excellent fiscal management.*

*The 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 fiscal plan. This plan incorporates an annual expense growth rate based upon the rate of inflation (measured by the Consumer Price Index) and the rate of change in student enrollment (measured by the official October Average Daily Membership).*

*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 establish levels of funding based upon a predetermined annual expense growth rate that will provide high quality education for the District's students.*

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

Policy DBD, titled *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 District's long-term educational needs.*

*Annual financial planning should be an integral part of program planning for the next school year. Such annual financial planning should be a year-round process involving broad participation by the Board of Education, administrators, teachers and other personnel throughout the School District.*

*The 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 which sets an annual expense growth rate based upon the rate of inflation (measured by the Consumer Price Index) and the rate of change in student enrollment (measured by the official October Average Daily Membership). The Treasurer will prepare long-range financial and budget projections for periodic review by the Board and Superintendent.*

*The Superintendent and Treasurer are responsible for the annual and long-term financial planning process and will work in close cooperation with the Board of Education.*

Policy DB, titled *ANNUAL BUDGET*, 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 school budget is also the legal basis for the establishment of tax rates.*

*Public school budgeting is regulated and controlled by statute and State regulations, and requirements of the Board of Education. A budget is required for every fund that a school district uses in its yearly operation.*



*The Superintendent of Schools and the Treasurer will be responsible for the preparation of the annual school budget and presentation of the budget to the Shaker Heights 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 District until such time as the Board approves the annual appropriation resolution for the year, which will be no later than October 1.*

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 expense-growth limitations were renewed in January 2000, for fiscal years through June 30, 2004.

### **Financial Information**

**Internal Accounting and Budgetary Control.** The School District's accounting system is organized on a "fund" basis. Each fund is a distinct self-balancing accounting entity. Reports for general governmental operations are presented on the modified accrual basis whereby revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. Reports of the School District's proprietary operations are presented on the accrual basis whereby revenues are recognized when earned and expenses when incurred.

In developing the School District's accounting system much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

The School District utilizes a fully automated accounting system as well as an automated system of control for fixed assets and payroll. These systems, coupled with the manual review of each invoice prior to payment, ensure that the financial information generated is both accurate and reliable.

At the beginning of each fiscal year, the Board of Education adopts a temporary appropriation measure for that fiscal year. By Statute, permanent appropriations must be adopted upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates. The School District adopts the permanent appropriation measure in September.

Annual appropriations may not exceed the County Budget Commission's official estimate of resources. The County Auditor must certify that the Board of Education's appropriation measures, including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates.

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the object account level within a function for the General Fund, and at the fund level for all other funds. All purchase order requests must be approved by the site administrator and Central Office Executive Director and be certified by the Treasurer; necessary funds are then encumbered and purchase orders released to vendors. Those requests that exceed the available appropriation are rejected until additional appropriations are secured.

The accounting system used by the School District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date. Effective April 1, 2003 for the accounting system, and July 1, 2003 for the payroll system, the School District converted to State Software Systems operated by the School District's Data Acquisition Site, the Lakeshore Northeast Ohio Computer Association (LNOCA). The conversion is expected to yield improvements in operational efficiencies once additional features such as electronic purchase orders are implemented.

Each administrator and school principal is furnished monthly reports showing the status of the budget accounts for which they are responsible. As an additional safeguard, all employees are covered by a blanket fidelity bond, while certain individuals in policy-making roles are covered by separate, higher limit bonds.

The basis of accounting and the various funds utilized by Shaker Heights City School District are fully described in Note 2 of the financial statements. Additional information on the School District's budgetary accounting can also be found in Note 2.

## **Financial Reporting**

For the fiscal year ending June 30, 2003, the School District has implemented the provisions of Governmental Accounting Standards Board Statement No. 34, "Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments". This pronouncement significantly changes the way the School District reports its financial condition and results of operations as compared to previous years. The new basic financial statements for reporting on the School District's financial activities are as follows:

*Government-wide financial statements:* These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by business enterprises. The government-wide statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

*Fund financial statements:* These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

*Statement of budgetary comparisons:* These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this new reporting model, management is responsible for preparing a Discussion and Analysis of the School District. This discussion appears after the Independent Accountants' Report in the financial section of this report. The Management Discussion and Analysis provides an assessment of the School District's finances for 2003.

## **Cash Management**

The School District has a comprehensive cash management program, which consists of accelerating receipt of revenues and carefully scheduling the disbursement of funds to maximize short-term investment opportunities. The investment program pursues the following objectives, in order of priority: (1) maintain safety of principal; (2) provide for liquidity; and (3) obtain a market rate of return.

The available cash of the School District's individual funds is combined into a single cash pool and invested according to cash flow projections. The School District invests in authorized federal agency securities, STAROhio, an investment pool operated by the Ohio State Treasurer, and high balance savings accounts at the School District's lead banking institution. The authorized maximum investment maturity for operating funds is five years from the date of investment. Interest earned on investments is distributed in accordance with Board of Education authorization. During fiscal year 2003, the School District earned \$389,026 in interest income. Of that amount \$344,970 was credited to the general fund.

The School District's deposits are protected by the Federal Deposit Insurance Corporation, as well as qualified securities pledged by the institutions holding the assets. By law, financial institutions may establish a collateral pool to cover all public deposits. The market value of the pooled collateral must equal at least 105 percent of the funds deposited. Collateral is held by trustees, including the Federal Reserve Bank and designated third-party trustees of the financial institutions.

## **Risk Management**

The School District strives to provide itself with superior risk coverage at the lowest possible cost to the taxpayers. The School District manages the prescription drug benefits for its employees on a self-insured basis. A third party administrator processes and pays the claims. Because the maximum payment per participant is limited, no individual or aggregate stop-losses are necessary. Unobligated reserves at June 30, 2003, are sufficient to meet claim obligations.

For calendar years 1993, 1999, 2000, 2001, 2002 and 2003 the School District participated in the State's workers' compensation retrospective rating and payment plan. This plan involves the payment of a minimum premium for administrative services and stop loss coverage plus the actual claims cost for injured employees. Claim obligations continue for ten years. As of June 30, 2003 the 1993 claim year is closed. During calendar years 1994 through 1998, the School District participated in the Ohio Schools' Council Workers' Compensation group rating program.

For fiscal year 2003, the School District contracted with Indiana Insurance Company for property and inland marine insurance. The primary deductibles are \$250 for inland marine and \$5,000 for property coverages. The boiler and machinery policy is provided by Travelers Insurance Company and has a \$1,000 deductible. General liability coverage is provided by Indiana Insurance with a \$1,000,000 single occurrence limit, a \$2,000,000 aggregate, and a \$2,500 deductible. Vehicles, including school buses, are covered by Indiana Insurance 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. Additionally, the School District has a \$5,000,000 umbrella policy with Indiana Insurance that covers both general liability and vehicle policies, and Foreign Travel coverage with the Hartford Steam Boiler Company.

## **Pension Plans**

All School District employees are covered by either the statewide School Employees Retirement System of Ohio (SERS) or the State Teachers Retirement System (STRS). The School District's employer contributions to both systems are based on a percentage of employee salaries. State law requires the School District to pay the employer share as determined by each retirement system. A more detailed discussion of both pension plans can be found in Note 12 to the financial statements in the financial section of this report.

## Independent Audit

State statutes require the School District to undergo an annual audit by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. The Auditor of State was selected to render an opinion on the School District's financial statements as of and for the fiscal year ended June 30, 2003. The Auditor's unqualified opinion has been included in this report at the beginning of the financial section. Pursuant to State statute, the Auditor of State prescribes a uniform accounting system to standardize accounting classifications and financial reporting for all governments in Ohio. The School District adopted and has been in conformance with that system beginning with its financial report for the 1979 fiscal year.

## 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, 2002. 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.

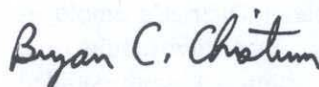
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

**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, 2002 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. Management believes that the Comprehensive Annual Financial Report for fiscal year ended June 30, 2003, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

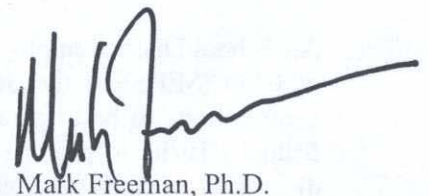
## Acknowledgments

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 Auditor of State's Office for their assistance in preparing and reviewing this financial report.

Respectfully submitted,



Bryan C. Christman  
Treasurer



Mark Freeman, Ph.D.  
Superintendent

**Shaker Heights City School District**

**Principal Officials**

**June 30, 2003**

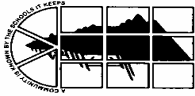
**Board of Education**

Mrs. Nancy R. Moore .....President  
Mr. Steven S. Kaufman..... Vice-President  
Mr. F. Drexel Feeling ..... Member  
Ms. Freda J. Levenson ..... Member  
Mrs. Carol J. Ribar..... Member

**Administration**

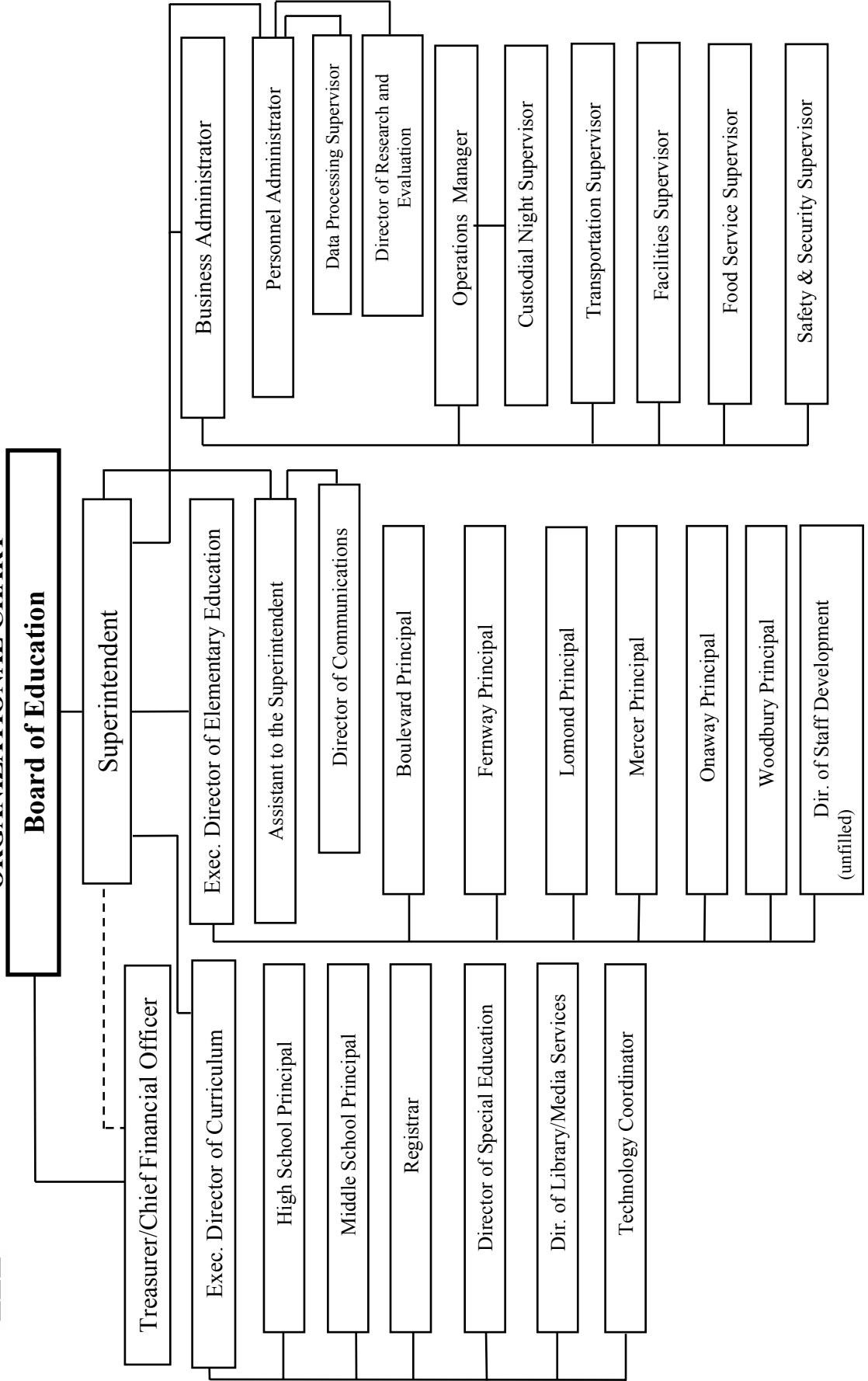
Mark Freeman, Ph.D..... Superintendent

Bryan C. Christman ..... Treasurer

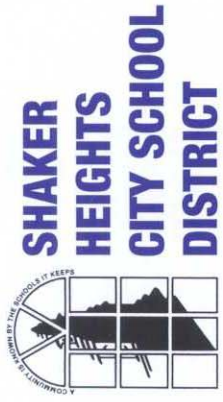


# SHAKER HEIGHTS CITY SCHOOL DISTRICT

## ORGANIZATIONAL CHART







# SHAKER HEIGHTS CITY SCHOOL DISTRICT

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

- 1** Shaker Heights City Schools  
15600 Parkland Drive  
Shaker Heights, OH 44120  
216 295-4000
- 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                   |
|-------------|--------------------------------------|---------------|---------------------------|------------|--|--------------|--------------------------|
| Aberdeen    | 3250-3343<br>Onaway                  | Courtland     | 2833-3160<br>Onaway       | Holtwood   | 26650-22949<br>Mercer  | N. Moreland  | 2523-2680<br>Boulevard   |
| Albion      | 3000-3097<br>Boulevard               | Courtland O.  | 2619-2626<br>Boulevard    | Huntington | 2869-2939<br>Boulevard   | North Park   | 18201-20350<br>Boulevard |
|             | 3112-3148<br>Onaway                  | Conventry     | 2555-2878<br>Boulevard    |            | 2998-3166<br>Onaway  | Norwood      | 3270-3365<br>Ferryway    |
| Aldersville | 15520-16306<br>Onaway                | Cranlyn       | 2662-2749<br>Mercer       |            |  | Sulgrave     | 2668-2744<br>Mercer      |
|             | 16605-17450<br>Ferryway              |               |                           | Ingleisle  | 3260-3400<br>Ferryway  | Sussex       | 19605-20035<br>Lomond    |
| Almar       | 2041-21411<br>Mercer                 | Daleford      | 3255-3397<br>Ferryway     |            | 3430-3727<br>Lomond  | Onaway       | 14149-16115 &<br>Onaway  |
| Aldmore     | 3256-3366<br>Ferryway                |               | 3425-3727<br>Lomond       | Inverness  | 2679-2767<br>Mercer  | Onaway       | 3174-3209<br>Onaway      |
| Ardoon      | 13415-13808<br>Boulevard             | Dorchester    | 3255-3400<br>Ferryway     |            |  | Oxford       | 18801-19101<br>Onaway    |
| Ashby       | 3354-3467<br>Ferryway                | Douglas       | 22029-22775<br>Mercer     | Kemper     | 2501-2662<br>Boulevard   | Palmerston   | 3518-3726<br>Lomond      |
|             | 3341<br>Onaway                       | Drummond      | 2821-2951<br>Boulevard    | Kendall    | 2532-2585<br>Boulevard   | Park Dive    | 2701<br>Boulevard        |
| Ashford     | 3093-3121<br>Onaway                  | Dryden        | 2700-2730<br>Mercer       | Kennore    | 3256-3399<br>Ferryway  | Parkland     | 18000-18680<br>Ferryway  |
| Ashley      | 2671-2755<br>Mercer                  | Duffield      | 23349-24235<br>Mercer     | Kenyon     | 16618-17124<br>Ferryway  |              | 15601-17916<br>Onaway    |
| Ashwood     | 3122-14316<br>Onaway                 |               |                           | Keswick    | 3100-3139<br>Onaway  | Parnell      | 21749-22300<br>Mercer    |
|             | 2755-2975<br>Boulevard               | East 127th    | 2461, 65, 69<br>Boulevard | Kingsley   | 2886-3200<br>Onaway  | Paxton       | 2820-2971<br>Boulevard   |
|             | 3150<br>Ferryway                     | East 135th    | 3120-3149<br>Onaway       |            |  | Pennington   | 3545-3750<br>Mercer      |
| Avalon      | 3259-3396<br>Ferryway                | East 137th    | 3156-3228<br>Onaway       | Landon     | 2680-2767<br>Mercer  | Ramsdale     | 3611-3726<br>Lomond      |
|             | 3430-3727<br>Lomond                  | East 140th    | 3202-3246<br>Onaway       | Lansmere   | 3256-3370<br>Ferryway  | Riedham      | 3547-3728<br>Ferryway    |
|             |                                      | E. Belvoir O. | 2960-3020<br>Mercer       | Larchmere  | 12725,<br>12733-14706<br>Boulevard   | Rife Court   | If any<br>Mercer         |
| Becket      | 2966-3097<br>Boulevard               | Eaton         | 2670-2796<br>Boulevard    | Latimore   | 3544-3725<br>Lomond  | Ripley       | 2952-3051<br>Boulevard   |
|             | 3116-3166<br>Onaway                  | Edgerton      | 2658<br>Boulevard         | Laurel     | 3070-3175<br>Onaway  | Rochester    | 2667-2737<br>Mercer      |
| Belvoir     | 14003-14206<br>Onaway                | Elsmere       | 3255-3369<br>Ferryway     | Laureldale | 23149-24296<br>Mercer  | Rocklyn      | 2664-2742<br>Mercer      |
| Berwyn      | 17426-17720<br>Ferryway              | Endicott      | 3252-3310<br>Onaway       | Lee        | 2812-2945<br>Boulevard   | Rolfston     | 3608-3728<br>Ferryway    |
| Boyce       | 2938-2960<br>Mercer                  | Fairhill      | 12700-13800<br>Boulevard  |            | 3075-3429<br>odd<br>3074-3328<br>even<br>Onaway  | Rye          | 21825-22732<br>Mercer    |
| Braemar     | 3256-3365<br>Onaway                  | Fairmount     | 3538-20201<br>Boulevard   | Leighton   | 2665-2750<br>Boulevard   | Scottsdale   | 17302-20330<br>Lomond    |
| Branley     | 20620-21376<br>Mercer                | Falmouth      | 2841-3199<br>Onaway       | Lindholm   | 3586-3727<br>Ferryway  |              | 16622-17130<br>Ferryway  |
| Broxton     | 2820-2979<br>Boulevard               | Farnsleigh    | 20770-20975<br>Mercer     | Livingston | 2848-3003<br>Boulevard   | Sebor        | 2124-3161<br>Onaway      |
| Bryden      | 23201-23451<br>Mercer                | Ferryway      | 16601-17829<br>Ferryway   | Lomond     | 17300-20112<br>Lomond  | Sedgewick    | 2830-2957<br>Boulevard   |
|             | 20499-22926<br>Mercer                | Fontenay      | 15611-16507<br>Onaway     | Ludlow     | 16614-17126<br>Mercer  | Shaker Blvd. | 13400-18450<br>Boulevard |
| Calverton   | 21925-22700<br>Mercer                | Glencain      | 2842-3025<br>Boulevard    |            | 3521-3746<br>2805-3024<br>3029-3193<br>Lynman Blvd.<br>23130-24275<br>Lynman Circle<br>256<br>Lynnfield<br>3434-3725<br>Lomond<br>Lynton<br>18222-18520<br>Ferryway<br>Lyle<br>3539-3725<br>Lomond | Shaker Glen  | 18200-20301<br>Boulevard |
| Canterbury  | 22303-22995<br>Mercer                | Glengary      | 3255-3395<br>Ferryway     |            |  | Shelburne    | 18200-20301<br>Boulevard |
| Carlton     | 2885-3035<br>Onaway                  | Glenmore      | 3443-3726<br>Lomond       | Malvern    | 19751-20101<br>Onaway  | Shelley      | 20450-24139<br>Mercer    |
| Chadbourne  | 2796-2930<br>Boulevard               | Green         | 2899-2951<br>Mercer       | Manchester | 19650-20201<br>Onaway  | Sherrington  | 2724-2736<br>Mercer      |
|             | 2976-3317<br>Onaway                  | Gridley       | 2662-3190<br>Mercer       | Marchmont  | 3280-3365<br>Ferryway  | Sherbrooke   | 2711-2781<br>Boulevard   |
| Chagrin     | 15706-16106<br>Onaway                | Griffing      | 3545-3726<br>Onaway       | Maynard    | 21925-22600<br>Mercer  | Sherington   | 17921-18329<br>Lomond    |
|             | 16112-16114<br>Lomond                | Haddam        | 2634-2695<br>Boulevard    | McCauley   | 3434-3472<br>Mercer  | Somerset     | 3115-3330<br>Mercer      |
|             | 17302-20013<br>Mercer                | Halburton     | 4180-4187<br>Mercer       | Menlo      | 3542-3753<br>Ferryway  | Southington  | 2690-2933<br>Boulevard   |
| Chafrant    | 20825-20875<br>Mercer                | Halworth      | 20676-20960<br>Mercer     | Milverton  | 3380-3479<br>Ferryway  | S. Moreland  | 13500-14215<br>Onaway    |
| Chelton     | 3517-3742<br>Ferryway                | Hampton       | 23126-23399<br>Boulevard  | Montgomery | 2838-3175<br>Onaway  | South Park   | 2725-20001<br>Boulevard  |
| Cheshite    | 2531-2590<br>Boulevard               | Hazelmere     | 23350-24250<br>Mercer     | Morley     | 2888-3200<br>Onaway  | S. Woodland  | 13210-13804<br>Boulevard |
| Chesteron   | 2680-2791<br>Boulevard               | Helen         | 3401-3465<br>Mercer       |            |  | even         | 14100-17200<br>Onaway    |
| Claremont   | 2896-3024<br>Onaway                  | Herritage     | 23655-24270<br>Mercer     | Newell     | 18309-18726<br>Lomond  | even         | 17405-18411<br>Onaway    |
| Clarendon   | 3774<br>Boulevard                    | Hiliana       | 3511-3742<br>Mercer       | Nicholas   | 16313-16501<br>Lomond  | even         | 17414-18200<br>Onaway    |
| Claythorne  | 2683-2765 &<br>20900-21520<br>Mercer | Hobrook       | 16722-17010<br>Ferryway   | Northwood  | 12806<br>Boulevard   | even         | 18500-20201<br>Onaway    |
| Clayton     | 3315-3400<br>Onaway                  |               |                           |            |  | Stanford     | 20501-24299<br>Mercer    |
| Colby       | 20725-21307<br>Mercer                |               |                           |            |  | Stochholm    | 23300-24100<br>Mercer    |
| Colton      | 3412-3471<br>Mercer                  |               |                           |            |  | Stier        | 3256-3364<br>Ferryway    |
| Colwyn      | 3338-3397<br>Onaway                  |               |                           |            |  |              | 3510-3725<br>Lomond      |
| Corby       | 13507-13714<br>Boulevard             |               |                           |            |  |              |                          |
| Courme      | 13302-13810<br>Boulevard             |               |                           |            |  |              |                          |
|             | 2627-2799<br>Boulevard               |               |                           |            |  |              |                          |



# 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, 2002

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL



This Certificate of Excellence in Financial Reporting is presented to

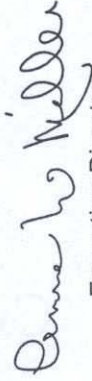
**SHAKER HEIGHTS CITY SCHOOL DISTRICT**

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2002

Upon recommendation of the Association's Panel of Review which has judged the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

  
President

  
Executive Director



# Auditor of State Betty Montgomery

## INDEPENDENT ACCOUNTANTS' REPORT

Board of Education  
Shaker Heights City School District  
Cuyahoga County  
15600 Parkland Drive  
Shaker Heights, OH 44120

We have audited the accompanying financial statements of the governmental activities, the 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, 2003, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Shaker Heights City School District, Cuyahoga County, Ohio, as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended June 30, 2003, the District implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements— and Management's Discussion and Analysis— for State and Local Governments*, Governmental Accounting Standards Board Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*, Governmental Accounting Standards Board Statement No. 38, *Certain Financial Statement Note Disclosure*, and Governmental Accounting Standards Board Statement Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2004 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to form opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules, statistical tables and supplemental information are presented for additional analysis and are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section, statistical tables and supplemental information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



**Betty Montgomery**  
Auditor of State

January 21, 2004

**Shaker Heights City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2003*  
*Unaudited*

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The discussion and analysis of Shaker Heights City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2003. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, financial statements and the notes to those respective statements to enhance their understanding of the School District's financial performance.

### **Financial Highlights**

Key financial highlights for 2003 are as follows:

- Net assets totaled \$10,712,747 for 2003.
- Revenue for governmental activities totaled \$70,044,871 in 2003. Of this total, 91.8 percent consisted of general revenues while program revenues accounted for the balance of 8.2 percent.
- Program expenses totaled \$79,286,806. Instructional expenses comprised 52.1 percent of this total, while support services accounted for 42.5 percent. Other expenses rounded out the balance of 5.4 percent.
- Outstanding general obligation bonded debt decreased to \$14,835,247 from \$16,708,329 in 2002.

### **Using this Comprehensive Annual Financial Report (CAFR)**

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

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

The analysis of the School District as a whole begins on page 14. While this document contains all of the funds used by the School District to provide programs and activities, the view of the School District as a whole considers all financial transactions and asks the question, "Are we in a better financial position this year than last?" and "Why" or "Why not". The *Statement of Net Assets* and the *Statement of Activities* provide the basis for answering these questions. These statements include all assets and liabilities using accrual basis of accounting, this accounting method is similar to that used by most private-sector companies. Accrual 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**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2003*  
*Unaudited*

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These two statements report the School District's net assets and the changes in those assets. The change in net assets 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 may include, but are not limited to, the School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions or needs, required educational programs and other factors.

All of the School District's programs and services are reported as Governmental Activities in the Statement of Net Assets and the Statement of Activities. Governmental Activities consist of functions that are principally supported by taxes and intergovernmental revenues. Such activities include instruction, support services, operation and maintenance of plant, pupil transportation, food service and extracurricular activities among others for the School District.

Currently, the School District has no Business-Type Activities, which include functions that are intended to recover all or a significant portion of their costs through user fees and charges.

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

#### *Fund Financial Statements*

The analysis of the School District's major funds begins on page 9. 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 fund is the General 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*, 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 difference) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**Proprietary Funds** – Proprietary funds have historically operated as enterprise and internal service funds using the same basis of accounting as business-type activities; however, beginning this reporting year, the School District will report the enterprise funds as special revenue funds. This change is reflected in the tables presented below. The internal service funds account for health insurance, prescription drug coverage and workers' compensation reserve and are reported separately as the School District's proprietary funds.

**Shaker Heights City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2003*  
*Unaudited*

**The School District as a Whole**

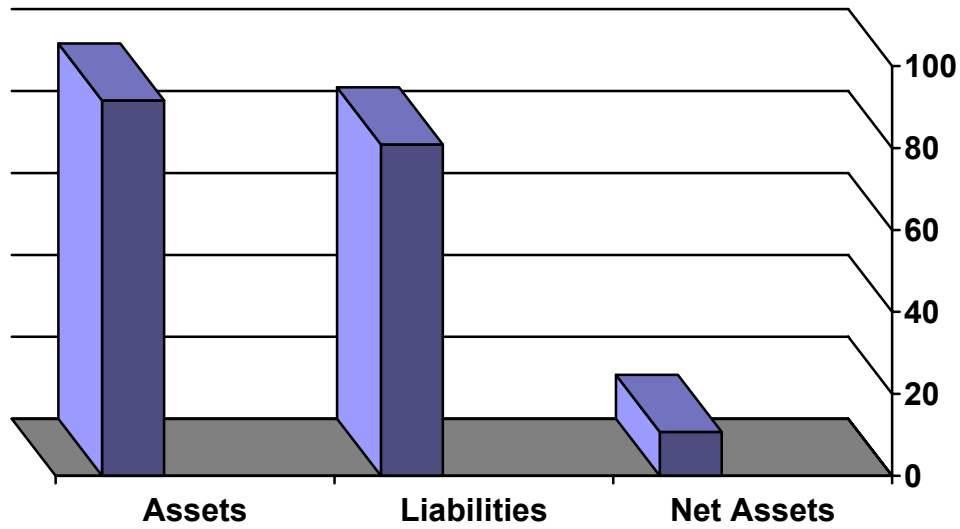
As you may recall, the Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for 2003 and 2002.

**Table 1**  
**Net Assets**  
**Governmental Activities**

|                               | <b>2003</b>         | <b>2002</b>         | <b>Change</b>        |
|-------------------------------|---------------------|---------------------|----------------------|
| <b>Assets</b>                 |                     |                     |                      |
| Current and Other Assets      | \$75,359,443        | \$70,230,427        | \$5,129,016          |
| Capital Assets, Net           | 16,246,590          | 17,034,135          | (787,545)            |
| <b>Total Assets</b>           | <b>91,606,033</b>   | <b>87,264,562</b>   | <b>4,341,471</b>     |
| <b>Liabilities</b>            |                     |                     |                      |
| Current and Other Liabilities | 60,496,308          | 45,329,222          | 15,167,086           |
| Long Term Liabilities:        |                     |                     |                      |
| Due Within One Year           | 1,807,402           | 1,885,000           | (77,598)             |
| Due in More than One Year     | 18,589,576          | 20,095,658          | (1,506,082)          |
| <b>Total Liabilities</b>      | <b>80,893,286</b>   | <b>67,309,880</b>   | <b>13,583,406</b>    |
| <b>Net Assets</b>             |                     |                     |                      |
| Invested in Capital Assets    |                     |                     |                      |
| Net of Related Debt           | 1,855,573           | 905,036             | 950,537              |
| Restricted:                   |                     |                     |                      |
| Capital Projects              | 1,901,796           | 3,569,042           | (1,667,246)          |
| Debt Service                  | 917,851             | 1,487,304           | (569,453)            |
| Set Asides                    | 353,070             | 353,070             | 0                    |
| Other Purposes                | 421,775             | 978,130             | (556,355)            |
| Unrestricted                  | 5,262,682           | 12,662,100          | (7,399,418)          |
| <b>Total Net Assets</b>       | <b>\$10,712,747</b> | <b>\$19,954,682</b> | <b>(\$9,241,935)</b> |

**Shaker Heights City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2003*  
*Unaudited*

**Graph 1**  
**Net Assets**  
**Governmental Activities**  
**(in Smillions)**



Property taxes receivable contributed \$58,091,401 or 63.4 percent of total assets. Of this amount \$50,059,324 is offset as deferred revenue; revenue to be used in future periods. In May of 2003 a 9.6 mill operating levy was passed yielding \$7.5 million annually, beginning in fiscal year 2004, with full collection not occurring until fiscal year 2005. Liabilities for Governmental Activities totaled \$80,893,286; of this amount \$20,396,978 or 25.2 percent is Long Term Liabilities. By comparing assets and liabilities, one can see the overall position of the School District is good. The vast majority of revenue supporting all Governmental Activities is General revenue. General revenue totaled \$64,296,666 or 91.8 percent of total revenue. The most significant portion of the General revenue is the local property tax. The remaining amount of revenue received was in the form of program revenues, which equated to \$5,748,205 or 8.2 percent of total revenue.

Table 2 shows the changes in net assets for fiscal year 2003. Since this is the first year the School District has prepared financial statements following GASB Statement No. 34, revenue and expense comparisons to fiscal year 2002 are not available. In future years, when prior year information is available, a comparative analysis of government-wide data will be presented.



**Shaker Heights City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2003*  
*Unaudited*

**Table 2**  
**Changes in Net Assets**

|  | <b>Governmental<br/>Activities</b> |
|--|------------------------------------|
| <b>Revenues</b>  |                                    |
| Program Revenues:  |                                    |
| Charges for Services                                       | \$2,497,047                        |
| Operating Grants, Interest and Contributions               | 3,105,585                          |
| Capital Grants and Contributions                           | 145,573                            |
| <i>Total Program Revenues</i>                              | <i>5,748,205</i>                   |
| General Revenues:  |                                    |
| Property Taxes   | 42,194,735                         |
| Grant and Entitlements not Restricted to Specific Programs | 21,576,741                         |
| Investment Earnings  | 388,345                            |
| Other  | 136,845                            |
| Total General Revenues                                     | 64,296,666                         |
| <b>Total Revenues</b>                                      | <b>70,044,871</b>                  |
| <b>Program Expenses</b>                                    |                                    |
| Instruction:   |                                    |
| Regular  | 31,814,593                         |
| Special  | 9,238,257                          |
| Vocational   | 293,396                            |
| Support Services:  |                                    |
| Pupils   | 5,012,167                          |
| Instructional Staff  | 4,970,899                          |
| Board of Education   | 44,557                             |
| Administration   | 5,579,077                          |
| Fiscal   | 1,626,208                          |
| Business   | 667,241                            |
| Operation and Maintenance of Plant                         | 10,329,284                         |
| Pupil Transportation                                       | 3,802,122                          |
| Central  | 1,655,119                          |
| Operation of Non-Instructional Services                    | 1,317,092                          |
| Food Service Operations                                    | 946,834                            |
| Extracurricular Activities                                 | 1,131,817                          |
| Interest and Fiscal Charges                                | 858,143                            |
| <b>Total Expenses</b>                                      | <b>79,286,806</b>                  |
| <b>Decrease in Net Assets</b>                              | <b>(9,241,935)</b>                 |
| <i>Net Assets Beginning of Year</i>                        | <i>19,954,682</i>                  |
| <i>Net Assets End of Year</i>                              | <i>\$10,712,747</i>                |

**Governmental Activities**

The School District has prepared and closely monitors its five-year financial forecast that includes forecasted revenues and expenditures for the School District's primary General operating fund. Since 1933, the residents of the School District have only rejected three operating levies placed on the ballot,

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1934, 1983 and 1994, all of which were approved at the following election. In May of 2003, the School District successfully passed a 9.6 mill, operating levy that generates \$7.5 million dollars in revenue per year. Collections on this new levy will begin the second half of fiscal year 2004 with full collection of this levy realized in fiscal year 2005. The additional income is dedicated to fund the day-to-day operations of the School District (e.g., salaries, utilities, textbooks, transportation, etc.) and is expected to cover three years of operation.

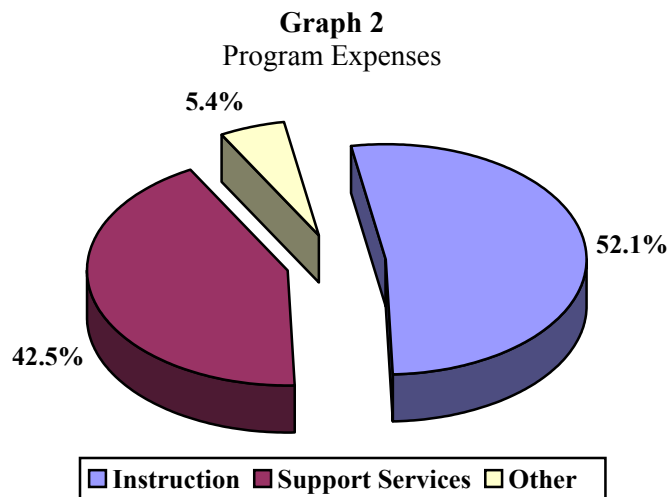
Ohio House Bill 920 effectively freezes tax revenue to a specific dollar amount the minute a levy is passed. This House Bill also eliminates any growth from local revenue, therefore school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to voters to maintain a constant level of academically excellent service.

Although the School District relies heavily upon local property taxes to support its operations, the School District does actively solicit and receive grant and entitlement funds to help offset some operating costs. Property taxes made up 60.2 percent of revenues for governmental activities for Shaker Heights City Schools in fiscal year 2003.

Approximately 52.1 percent of the School District's budget is used for instructional expenses. Supporting services for pupils, staff and business operations account for an additional 42.5 percent. The remaining amount of program expenses, roughly 5.4 percent, is budgeted to facilitate other obligations of the School District including interest and fiscal charges, food services operations and extracurricular activities.

Actual expenses were consistent with annual budget expectations, however, the School District's net assets declined in fiscal year 2003 by \$9,241,935. The decrease was primarily due to the utilization of net assets in order to balance the final operating year before the receipt of the new levy proceeds to be generated by the 9.6 mill levy passed by the School District's voters in May 2003. Property tax revenue decreased significantly from fiscal year 2002. The higher amount for fiscal year 2002 resulted from the Cuyahoga County Treasurer sending the semi-annual tax bills out earlier in the month of June than in past years and the current year. This resulted in more payments reaching the County Treasurer before fiscal year end.

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



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

| <b>Programs</b>                         | <b>Total Cost<br/>of Services<br/>2003</b> | <b>Net Cost<br/>of Services<br/>2003</b> |
|---|--|--|
| Instruction:                            |  |  |
| Regular                                 | \$31,814,593                               | \$29,717,691                             |
| Special                                 | 9,238,257                                  | 8,795,658                                |
| Vocational                              | 293,396                                    | 293,396                                  |
| Support Services:                       |  |  |
| Pupils                                  | 5,012,167                                  | 4,984,263                                |
| Instructional Staff                     | 4,970,899                                  | 4,313,400                                |
| Board of Education                      | 44,557                                     | 44,557                                   |
| Administration                          | 5,579,077                                  | 5,579,077                                |
| Fiscal                                  | 1,626,208                                  | 1,626,208                                |
| Business                                | 667,241                                    | 667,241                                  |
| Operation and Maintenance of Plant      | 10,329,284                                 | 10,243,394                               |
| Pupil Transportation                    | 3,802,122                                  | 3,802,122                                |
| Central                                 | 1,655,119                                  | 1,633,998                                |
| Operation of Non-Instructional Services | 1,317,092                                  | 280,996                                  |
| Food Service Operations                 | 946,834                                    | 21,424                                   |
| Extracurricular Activities              | 1,131,817                                  | 677,033                                  |
| Interest and Fiscal Charges             | 858,143                                    | 858,143                                  |
| <b>Total Expenses</b>                   | <b>\$79,286,806</b>                        | <b>\$73,538,601</b>                      |

The reliance upon local tax revenues for governmental activities is crucial at Shaker Heights City Schools. More than 53.2 percent of expenses are directly supported by local property taxes. Grant and entitlements not restricted to specific programs, investment earnings and other miscellaneous types of revenues support the remaining activity costs. Program revenues account for only 7.2 percent of all governmental expenses.

**The residents of the Shaker Heights City School District are the greatest source of financial support for the students of Shaker Heights City Schools.**

**School District's Funds**

Information pertaining to the School District's major funds can be found on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$69,568,493 and expenditures of \$79,727,035. The net change in fund balance for the year was most significant in the General Fund with a decrease of \$7,422,977.

**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 General Fund is the most significant fund to be budgeted and is the main operating fund of the School District.

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During the course of the 2003 fiscal year, the School District amended its general fund only twice, neither one significant. The School District uses a modified site-based style of budgeting that has in place systems designed to tightly control expenses but provide flexibility for site-based decision-making by management.

The General Fund's budget basis revenue totaled \$68,267,289, which was \$208,796 below the original budget estimate of \$68,476,085. The budget basis expenses totaled \$70,410,678, which equaled the original estimate.

The School District's ending unencumbered cash balance totaled \$10,299,706, which was \$2,270,610 higher than the originally budgeted amount.

**Capital Assets and Debt Administration**

*Capital Assets*

At the end of fiscal year 2003, the School District had \$16,246,590 in land and land improvements, buildings and improvements, furniture and equipment, vehicles and construction in progress. Table 4 shows fiscal year 2003 values compared to 2002.

**Table 4**  
**Capital Assets**

|                          | <b>Governmental Activities</b> |                     |                    |
|--------------------------|--------------------------------|---------------------|--------------------|
|                          | <b>2003</b>                    | <b>2002</b>         | <b>Change</b>      |
| Land                     | \$943,600                      | \$943,600           | \$0                |
| Land Improvements        | 1,264,476                      | 1,320,124           | (55,648)           |
| Buildings                | 11,436,017                     | 11,611,171          | (175,154)          |
| Furniture and Equipment  | 2,071,459                      | 2,850,412           | (778,953)          |
| Vehicles                 | 460,567                        | 276,872             | 183,695            |
| Construction In Progress | 70,471                         | 31,956              | 38,515             |
| Total                    | <u>\$16,246,590</u>            | <u>\$17,034,135</u> | <u>(\$787,545)</u> |

All capital assets, except land and construction in progress, are reported net of depreciation. As one can see, the main change was a net decrease in capital assets during the fiscal year reflecting the excess of depreciation in excess of additions. The increase in the vehicles category was mainly due to the replacement of five school buses. For more information on capital assets refer to Note 9 of the basic financial statements.

*Debt*

At June 30 2003, the School District had \$14,835,247 in bonds outstanding. Table 5 below summarizes the School District's bonds outstanding.

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**Table 5**  
**Outstanding Debt**

|   | <b>Governmental Activities</b> |                     |
|---|--------------------------------|---------------------|
|   | <b>2003</b>                    | <b>2002</b>         |
| General Obligation Bonds:                   |                                |                     |
| School Improvement 1990, 7.08%              | \$2,895,000                    | \$3,160,000         |
| Building Addition 1993, 5.034%              | 1,625,000                      | 2,025,000           |
| Energy Conservation Improvement 1995, 5.00% | 444,230                        | 579,230             |
| School Improvement 1999, 5.034%             | 6,790,000                      | 7,745,000           |
| School Improvement 2000                     |                                |                     |
| Serial and Term 4.3%-5.375%                 | 2,835,000                      | 2,965,000           |
| Capital Appreciation 5.00%-5.05%            | 246,017                        | 234,099             |
| Total Outstanding Debt                      | <u>\$14,835,247</u>            | <u>\$16,708,329</u> |

In an election held on November 5, 1996 the electors of the School District approved the issuing of \$12.7 million of bonds for the purpose of improving school buildings and renovating, remodeling, adding to, furnishing, equipping and otherwise improving school facilities and their sites. These bonds will be fully repaid in calendar year 2019.

General obligation bonds for the purpose of renovating and making additions to school buildings were issued in 1990 and 1993. These bonds will be fully repaid in calendar years 2010 and 2013, respectively. Energy conservation bonds were issued in 1995 and will be fully repaid in calendar year 2005.

The School District's overall debt margin was \$57,390,776 with an unvoted debt margin of \$793,576. The School District's most recent bond rating is an AA by Standard & Poor's. For more information on debt refer to Note 14 of the basic financial statements.

**School District Outlook**

Shaker Heights City School District has continued to maintain the highest standards of service to our students, parents and community. The School District is continually presented with challenges and opportunities. The School District is impacted by national and state factors, including economic, political, and educational issues. Despite a mid-year reduction during fiscal year 2003 in the State's Foundation support approximating \$300,000, the School District was able to maintain its educational program uninterrupted by the financial shock inflicted as a result of the State's budget crisis. Because the School District relies heavily upon its local taxpayer base, the impact of the State's budget crisis does not play as significant a role in the funding picture for the School District as it does for many of the neighboring districts. The School District specifically monitors such matters in order to anticipate, with the objective of minimizing, any negative fallout from these events.

The establishment of the Finance & 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.

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Shaker Heights City Schools 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 perform at one of the highest levels determined by the State of Ohio, which is measured by a defined set of proficiency criteria. Our most recent state report card shows Shaker Heights School District students achieving 18 out of 22 for an "effective" rating in accordance with the State-established criteria.

As the preceding information shows, the School District heavily depends on its residential property taxpayers. Our community's support was recently measured by an outstanding accomplishment, in May of 2003, the School District community passed a \$9.6 mill operating levy in the wake of a national, state and local economic slump with a 65.4% margin.

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.

*The DeRolph Case*

The State of Ohio was found by the Ohio Supreme Court in March 1997 to be operating an unconstitutional educational system, one that was neither "adequate" nor "equitable." Since 1997, the State has directed additional revenue growth toward the support of School Districts with little property tax wealth. In May of 2000, the Ohio Supreme Court again ruled that, while the State had made some progress, the current funding system for schools is far too dependent on property taxes, which are inherently not "equitable" nor "adequate." The Court directed the Governor and the legislature to address the fundamental issues creating the inequities. In September 2001, the Ohio Supreme Court issued another opinion regarding the State's school funding plan. The decision identified aspects of the State's plan that required modification for the plan to be considered constitutional. The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

The State of Ohio, in a motion filed in September 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that change be made retroactive to July 1, 2001. In November 2001, the Court granted the request for reconsideration, but also ordered the parties to participate in a settlement conference with a court appointed mediator. In March 2002, the mediator issued his final report indicating that the conference was unable to produce a settlement. The case remained under reconsideration by the Court until late 2002.

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan (the DeRolph case). The decision reaffirmed earlier decisions that Ohio's current school-funding decision was unconstitutional. The Supreme Court relinquished jurisdiction over the case and directed "... the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient...". Subsequent attempts by the Plaintiffs to enforce the ruling by the Court were met with a rejection by the Ohio Supreme Court. The Plaintiffs responded in August 2003, by filing a petition for a Writ of Certiorari with the U.S. Supreme Court, asking the Court to accept an appeal relative to the Ohio

**Shaker Heights City School District**  
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Supreme Court's decision prohibiting Perry County Judge Linton Lewis from considering the Coalition's motion to establish a compliance conference pertaining to the Court's DeRolph school funding decisions. In October 2003, the U.S. Supreme Court denied the petition. As of the date of these financial statements, the consensus opinion is that the DeRolph case is over and done. The State continues to struggle with the development of a constitutional school funding system currently through the work of the Governor's Blue Ribbon Task Force on Financing Student Success. The recommendations of the Task Force, which has been working diligently to reach consensus on school funding improvements to provide a system that is predictable, affordable, spends money effectively, and supports student achievement, are expected to be key to the development of the education portion of the state's budget for the second year of the biennium (fiscal year 2005).

At this time the School District is unable to determine what effect, if any, the recommendations of the Governors's Blue Ribbon Task Force and their impact upon the biennial budget will have on the School District's State funding and its financial operations. As a result, all of the School District's financial abilities will be called upon to meet the challenges the future will bring. It is imperative 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.

The Shaker Heights City School District has committed itself to financial and educational excellence for many years. The School District has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting, and the Association of School Business Officials International (ASBO) Certificate of Excellence in Financial Reporting since 1998. This report represents the School District's initial implementation of the Governmental Accounting Standards Board's (GASB) new financial reporting model under Governmental Accounting and Financial Reporting Standards Statement No. 34 (GASB Statement No. 34). Shaker Heights City School District is committed to continuous improvement in financial reporting to our community.

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

This financial report is designed to provide our citizen's, taxpayers, and 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**

*Statement of Net Assets*

*June 30, 2003*

|  | <u>Governmental<br/>Activities</u> |
|--|------------------------------------|
| <b>Assets</b>                                    |                                    |
| Equity in Pooled Cash and Cash Equivalents       | \$15,562,173                       |
| Cash and Cash Equivalents in Segregated Accounts | 1,293,228                          |
| Accounts Receivable                              | 52,042                             |
| Intergovernmental Receivable                     | 149,882                            |
| Prepaid Items                                    | 54,275                             |
| Materials and Supplies Inventory                 | 156,442                            |
| Property Taxes Receivable                        | 58,091,401                         |
| Nondepreciable Capital Assets                    | 1,014,071                          |
| Depreciable Capital Assets, Net                  | <u>15,232,519</u>                  |
| <i>Total Assets</i>                              | <u>91,606,033</u>                  |
| <b>Liabilities</b>                               |                                    |
| Accounts Payable                                 | 481,898                            |
| Accrued Wages and Benefits Payable               | 7,289,598                          |
| Intergovernmental Payable                        | 2,038,163                          |
| Deferred Revenue                                 | 50,059,324                         |
| Claims Payable                                   | 552,704                            |
| Accrued Interest Payable                         | 74,621                             |
| Long-Term Liabilities:                           |                                    |
| Due Within One Year                              | 1,807,402                          |
| Due In More Than One Year                        | <u>18,589,576</u>                  |
| <i>Total Liabilities</i>                         | <u>80,893,286</u>                  |
| <b>Net Assets</b>                                |                                    |
| Invested in Capital Assets, Net of Related Debt  | 1,855,573                          |
| Restricted for:                                  |                                    |
| Capital Projects                                 | 1,901,796                          |
| Debt Service                                     | 917,851                            |
| Set Asides                                       | 353,070                            |
| Other Purposes                                   | 421,775                            |
| Unrestricted                                     | <u>5,262,682</u>                   |
| <i>Total Net Assets</i>                          | <u><u>\$10,712,747</u></u>         |

See accompanying notes to the basic financial statements



**Shaker Heights City School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2003

|   | Program Revenues    |                                   |  |                                     | Net (Expense)                        |
|---|---------------------|-----------------------------------|--|-------------------------------------|--------------------------------------|
|   | Expenses            | Charges for<br>Services and Sales | Operating Grants,<br>Interest and<br>Contributions | Capital Grants<br>and Contributions | Revenue and Changes<br>in Net Assets |
| <b>Governmental Activities</b>          |                     |                                   |  |                                     |                                      |
| Instruction:                            |                     |                                   |  |                                     |                                      |
| Regular                                 | \$31,814,593        | \$1,379,232                       | \$629,987  | \$87,683                            | (\$29,717,691)                       |
| Special                                 | 9,238,257           | 0                                 | 442,599  | 0                                   | (8,795,658)                          |
| Vocational                              | 293,396             | 0                                 | 0  | 0                                   | (293,396)                            |
| Support Services:                       |                     |                                   |  |                                     |                                      |
| Pupils                                  | 5,012,167           | 0                                 | 27,904   | 0                                   | (4,984,263)                          |
| Instructional Staff                     | 4,970,899           | 0                                 | 657,499  | 0                                   | (4,313,400)                          |
| Board of Education                      | 44,557              | 0                                 | 0  | 0                                   | (44,557)                             |
| Administration                          | 5,579,077           | 0                                 | 0  | 0                                   | (5,579,077)                          |
| Fiscal                                  | 1,626,208           | 0                                 | 0  | 0                                   | (1,626,208)                          |
| Business                                | 667,241             | 0                                 | 0  | 0                                   | (667,241)                            |
| Operation and Maintenance of Plant      | 10,329,284          | 0                                 | 28,000   | 57,890                              | (10,243,394)                         |
| Pupil Transportation                    | 3,802,122           | 0                                 | 0  | 0                                   | (3,802,122)                          |
| Central                                 | 1,655,119           | 0                                 | 21,121   | 0                                   | (1,633,998)                          |
| Operation of Non-Instructional Services | 1,317,092           | 0                                 | 1,036,096  | 0                                   | (280,996)                            |
| Food Service Operations                 | 946,834             | 679,991                           | 245,419  | 0                                   | (21,424)                             |
| Extracurricular Activities              | 1,131,817           | 437,824                           | 16,960   | 0                                   | (677,033)                            |
| Interest and Fiscal Charges             | 858,143             | 0                                 | 0  | 0                                   | (858,143)                            |
| <i>Totals</i>                           | <u>\$79,286,806</u> | <u>\$2,497,047</u>                | <u>\$3,105,585</u>                                 | <u>\$145,573</u>                    | <u>(73,538,601)</u>                  |

**General Revenues**

Property Taxes Levied for:

|   |            |
|---|------------|
| General Purposes  | 40,344,179 |
| Debt Service  | 1,709,155  |
| Capital Projects  | 141,401    |
| Grants and Entitlements not Restricted to Specific Programs | 21,576,741 |
| Investment Earnings   | 388,345    |
| Miscellaneous   | 136,845    |

*Total General Revenues* 64,296,666

Change in Net Assets (9,241,935)

*Net Assets Beginning of Year - See Note 3* 19,954,682

*Net Assets End of Year* \$10,712,747

See accompanying notes to the basic financial statements

**Shaker Heights City School District**

*Balance Sheet*

*Governmental Funds*

*June 30, 2003*

|   | <u>General</u>      | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---|---------------------|---|---|
| <b>Assets</b>                                 |                     |   |   |
| Equity in Pooled Cash and<br>Cash Equivalents | \$11,624,507        | \$3,584,596                             | \$15,209,103                            |
| Restricted Assets:                            |                     |   |   |
| Equity in Pooled Cash and<br>Cash Equivalents | 353,070             | 0                                       | 353,070                                 |
| Accounts Receivable                           | 50,000              | 2,042                                   | 52,042                                  |
| Intergovernmental Receivable                  | 82,867              | 67,015                                  | 149,882                                 |
| Prepaid Items                                 | 54,275              | 0                                       | 54,275                                  |
| Materials and Supplies Inventory              | 139,843             | 16,599                                  | 156,442                                 |
| Property Taxes Receivable                     | 56,029,498          | 2,061,903                               | 58,091,401                              |
| <i>Total Assets</i>                           | <u>\$68,334,060</u> | <u>\$5,732,155</u>                      | <u>\$74,066,215</u>                     |
| <br><b>Liabilities and Fund Balances</b>      |                     |   |   |
| <b>Liabilities</b>                            |                     |   |   |
| Accounts Payable                              | \$325,320           | \$156,578                               | \$481,898                               |
| Accrued Wages and Benefits Payable            | 6,947,713           | 341,885                                 | 7,289,598                               |
| Intergovernmental Payable                     | 1,193,883           | 30,360                                  | 1,224,243                               |
| Deferred Revenue                              | 52,415,717          | 1,932,439                               | 54,348,156                              |
| <i>Total Liabilities</i>                      | <u>60,882,633</u>   | <u>2,461,262</u>                        | <u>63,343,895</u>                       |
| <br><b>Fund Balances</b>                      |                     |   |   |
| Reserved for Encumbrances                     | 1,363,189           | 949,557                                 | 2,312,746                               |
| Reserved for Property Taxes                   | 3,345,003           | 154,754                                 | 3,499,757                               |
| Reserved for Budget Stabilization             | 353,070             | 0                                       | 353,070                                 |
| Unreserved, Undesignated                      |                     |   |   |
| Reported in:                                  |                     |   |   |
| General Fund                                  | 2,390,165           | 0                                       | 2,390,165                               |
| Special Revenue Funds                         | 0                   | 139,795                                 | 139,795                                 |
| Debt Service Fund                             | 0                   | 649,422                                 | 649,422                                 |
| Capital Projects Funds                        | 0                   | 1,377,365                               | 1,377,365                               |
| <i>Total Fund Balances</i>                    | <u>7,451,427</u>    | <u>3,270,893</u>                        | <u>10,722,320</u>                       |
| <i>Total Liabilities and Fund Balances</i>    | <u>\$68,334,060</u> | <u>\$5,732,155</u>                      | <u>\$74,066,215</u>                     |

See accompanying notes to the basic financial statements

**Shaker Heights City School District**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 June 30, 2003*

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|   |                     |
|---|---------------------|
| <b>Total Governmental Fund Balances</b> | <b>\$10,722,320</b> |
|---|---------------------|

*Amounts reported for governmental activities in the  
 statement of net assets are different because*

|  |            |
|--|------------|
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds | 16,246,590 |
|--|------------|

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. These deferrals are attributed to property taxes and intergovernmental receivable.

|                |               |
|----------------|---------------|
| Property Taxes | 4,258,299     |
| Grants         | <u>30,533</u> |

|       |           |
|-------|-----------|
| Total | 4,288,832 |
|-------|-----------|

|  |         |
|--|---------|
| 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 assets. | 740,524 |
|--|---------|

|  |           |
|--|-----------|
| Intergovernmental payable includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds. | (813,920) |
|--|-----------|

|  |          |
|--|----------|
| In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. | (74,621) |
|--|----------|

Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and therefore are not reported in the funds:

|                          |                     |
|--------------------------|---------------------|
| Compensated Absences     | (5,561,731)         |
| General Obligation Bonds | <u>(14,835,247)</u> |

|       |                     |
|-------|---------------------|
| Total | <u>(20,396,978)</u> |
|-------|---------------------|

|  |                            |
|--|----------------------------|
| <i>Net Assets of Governmental Activities</i> | <u><u>\$10,712,747</u></u> |
|--|----------------------------|

See accompanying notes to the basic financial statements

**Shaker Heights City School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2003*

|  | General            | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|--------------------|--------------------------------|--------------------------------|
| <b>Revenues</b>  |                    |                                |                                |
| Property Taxes   | \$39,835,873       | \$1,856,043                    | \$41,691,916                   |
| Intergovernmental  | 21,288,085         | 3,490,724                      | 24,778,809                     |
| Interest   | 344,970            | 44,056                         | 389,026                        |
| Tuition and Fees   | 1,275,123          | 9,840                          | 1,284,963                      |
| Extracurricular Activities   | 0                  | 279,017                        | 279,017                        |
| Contributions and Donations  | 0                  | 74,850                         | 74,850                         |
| Charges for Services   | 29,687             | 754,413                        | 784,100                        |
| Rentals  | 98,967             | 50,000                         | 148,967                        |
| Miscellaneous  | 92,301             | 44,544                         | 136,845                        |
| <i>Total Revenues</i>  | <u>62,965,006</u>  | <u>6,603,487</u>               | <u>69,568,493</u>              |
| <b>Expenditures</b>  |                    |                                |                                |
| Current:   |                    |                                |                                |
| Instruction:   |                    |                                |                                |
| Regular  | 29,885,136         | 734,723                        | 30,619,859                     |
| Special  | 8,697,554          | 455,762                        | 9,153,316                      |
| Vocational   | 289,951            | 0                              | 289,951                        |
| Support Services:  |                    |                                |                                |
| Pupils   | 4,758,959          | 58,052                         | 4,817,011                      |
| Instructional Staff  | 4,039,795          | 805,808                        | 4,845,603                      |
| Board of Education   | 44,557             | 0                              | 44,557                         |
| Administration   | 5,531,587          | 6,329                          | 5,537,916                      |
| Fiscal   | 1,584,756          | 40,148                         | 1,624,904                      |
| Business   | 649,274            | 9,758                          | 659,032                        |
| Operation and Maintenance of Plant                                       | 8,536,637          | 242,998                        | 8,779,635                      |
| Pupil Transportation   | 3,659,578          | 0                              | 3,659,578                      |
| Central  | 1,408,484          | 125,247                        | 1,533,731                      |
| Operation of Non-Instructional Services                                  | 195,023            | 1,115,599                      | 1,310,622                      |
| Food Service Operations  | 0                  | 920,416                        | 920,416                        |
| Extracurricular Activities   | 859,731            | 282,322                        | 1,142,053                      |
| Capital Outlay   | 0                  | 2,044,360                      | 2,044,360                      |
| Debt Service:  |                    |                                |                                |
| Principal Retirement   | 0                  | 1,885,000                      | 1,885,000                      |
| Interest and Fiscal Charges  | 0                  | 859,491                        | 859,491                        |
| <i>Total Expenditures</i>  | <u>70,141,022</u>  | <u>9,586,013</u>               | <u>79,727,035</u>              |
| <i>Excess of Revenues Under Expenditures</i>                             | <u>(7,176,016)</u> | <u>(2,982,526)</u>             | <u>(10,158,542)</u>            |
| <b>Other Financing Sources (Uses)</b>                                    |                    |                                |                                |
| Transfers In   | 0                  | 246,961                        | 246,961                        |
| Transfers Out  | (246,961)          | 0                              | (246,961)                      |
| <i>Total Other Financing Sources (Uses)</i>                              | <u>(246,961)</u>   | <u>246,961</u>                 | <u>0</u>                       |
| <i>Net Change in Fund Balances</i>                                       | (7,422,977)        | (2,735,565)                    | (10,158,542)                   |
| <i>Fund Balances Beginning of Year - Restated</i><br><i>(See Note 3)</i> | <u>14,874,404</u>  | <u>6,006,458</u>               | <u>20,880,862</u>              |
| <i>Fund Balances End of Year</i>   | <u>\$7,451,427</u> | <u>\$3,270,893</u>             | <u>\$10,722,320</u>            |

See accompanying notes to the basic financial statements

**Shaker Heights City School District**  
*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, 2003*

**Net Change in Fund Balances - Total Governmental Funds** (\$10,158,542)

*Amounts reported for governmental activities in the  
statement of activities are different because*

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 which depreciation exceeded capital outlays in the current period.

|                |                    |               |
|----------------|--------------------|---------------|
| Capital Outlay | 728,066            |               |
| Depreciation   | <u>(1,515,611)</u> |               |
| <br>Total      |                    | <br>(787,545) |

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

|                   |                 |             |
|-------------------|-----------------|-------------|
| Property Taxes    | 502,819         |             |
| Intergovernmental | <u>(26,441)</u> |             |
| <br>Total         |                 | <br>476,378 |

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 1,885,000

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

|                           |                 |           |
|---------------------------|-----------------|-----------|
| Accrued Interest on Bonds | 13,266          |           |
| Bond Accretion            | <u>(11,918)</u> |           |
| <br>Total                 |                 | <br>1,348 |

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 | (289,402)        |               |
| Pension Obligation   | <u>(184,275)</u> |               |
| <br>Total            |                  | <br>(473,677) |

The internal service funds used by management to charge the costs of prescription drug insurance and workers' compensation reserve are included in the statement of activities and not on the governmental fund expenditures. (184,897)

*Change in Net Assets of Governmental Activities* (\$9,241,935)

See accompanying notes to the basic financial statements

**Shaker Heights City School District**  
*Statement of Revenues, Expenditures*  
*and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2003*

|   | Budgeted Amounts   |                    |                     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|--------------------|--------------------|---------------------|---|
|   | Original           | Final              | Actual              |   |
| <b>Revenues</b>                                     |                    |                    |                     |   |
| Property Taxes                                      | \$46,070,645       | \$46,710,673       | \$47,608,907        | \$898,234   |
| Intergovernmental                                   | 20,514,999         | 20,800,000         | 21,321,267          | 521,267   |
| Interest  | 472,505            | 479,069            | 368,785             | (110,284)   |
| Tuition and Fees                                    | 1,272,951          | 130,547            | 1,275,581           | 1,145,034   |
| Charges for Services                                | 32,548             | 33,000             | 29,687              | (3,313)   |
| Rentals   | 42,411             | 43,000             | 48,967              | 5,967   |
| Miscellaneous                                       | 70,026             | 71,000             | 93,501              | 22,501  |
| <i>Total Revenues</i>                               | <u>68,476,085</u>  | <u>68,267,289</u>  | <u>70,746,695</u>   | <u>2,479,406</u>  |
| <b>Expenditures</b>                                 |                    |                    |                     |   |
| Current:  |                    |                    |                     |   |
| Instruction:  |                    |                    |                     |   |
| Regular   | 29,115,929         | 28,894,529         | 28,894,529          | 0   |
| Special   | 9,602,716          | 9,208,990          | 9,208,990           | 0   |
| Vocational  | 325,662            | 354,972            | 354,972             | 0   |
| Support Services:                                   |                    |                    |                     |   |
| Pupils  | 4,679,839          | 4,679,825          | 4,679,825           | 0   |
| Instructional Staff                                 | 4,078,303          | 4,029,912          | 4,029,912           | 0   |
| Board of Education                                  | 73,761             | 44,632             | 44,632              | 0   |
| Administration                                      | 5,512,983          | 5,654,879          | 5,654,879           | 0   |
| Fiscal  | 1,767,760          | 1,708,402          | 1,708,402           | 0   |
| Business  | 717,435            | 683,473            | 683,473             | 0   |
| Operation and Maintenance of Plant                  | 8,263,780          | 8,635,735          | 8,635,735           | 0   |
| Pupil Transportation                                | 3,571,918          | 3,839,533          | 3,839,533           | 0   |
| Central   | 1,408,244          | 1,349,215          | 1,349,215           | 0   |
| Operation of Non-Instructional Services             | 106,619            | 198,926            | 198,926             | 0   |
| Extracurricular Activities                          | 891,729            | 880,694            | 880,694             | 0   |
| <i>Total Expenditures</i>                           | <u>70,116,678</u>  | <u>70,163,717</u>  | <u>70,163,717</u>   | <u>0</u>  |
| <i>Excess of Revenues Over (Under) Expenditures</i> | (1,640,593)        | (1,896,428)        | 582,978             | 2,479,406   |
| <b>Other Financing Uses</b>                         |                    |                    |                     |   |
| Operating Transfers Out                             | (294,000)          | (246,961)          | (246,961)           | 0   |
| <i>Net Change in Fund Balance</i>                   | (1,934,593)        | (2,143,389)        | 336,017             | 2,479,406   |
| <i>Fund Balance Beginning of Year</i>               | 8,279,977          | 8,279,977          | 8,279,977           | 0   |
| Prior Year Encumbrances Appropriated                | 1,683,712          | 1,683,712          | 1,683,712           | 0   |
| <i>Fund Balance End of Year</i>                     | <u>\$8,029,096</u> | <u>\$7,820,300</u> | <u>\$10,299,706</u> | <u>\$2,479,406</u>                                      |

See accompanying notes to the basic financial statements

**Shaker Heights City School District**

*Statement of Fund Net Assets*

*Internal Service Funds*

*June 30, 2003*

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|   |                         |
|---|-------------------------|
| <b>Assets</b>                                     |                         |
| Cash and Cash Equivalents<br>in Segrated Accounts | \$1,293,228             |
| <b>Liabilities</b>                                |                         |
| Claims Payable                                    | <u>552,704</u>          |
| <b>Net Assets</b>                                 |                         |
| Unrestricted                                      | <u><u>\$740,524</u></u> |

See accompanying notes to the basic financial statements

**Shaker Heights City School District**  
*Statement of Revenues,  
Expenses and Changes in Fund Net Assets  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2003*

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|                                     |                         |
|-------------------------------------|-------------------------|
| <b>Operating Revenues</b>           |                         |
| Charges for Services                | <u>\$5,885,870</u>      |
| <b>Operating Expenses</b>           |                         |
| Purchased Services                  | 11,000                  |
| Claims                              | <u>6,059,767</u>        |
| <i>Total Operating Expenses</i>     | <u>6,070,767</u>        |
| <i>Change in Net Assets</i>         | (184,897)               |
| <i>Net Assets Beginning of Year</i> | <u>925,421</u>          |
| <i>Net Assets End of Year</i>       | <u><u>\$740,524</u></u> |

See accompanying notes to the basic financial statements



**Shaker Heights City School District**  
*Statement of Cash Flows*  
*Internal Service Funds*  
*For the Fiscal Year Ended June 30, 2003*

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***Increase (Decrease) in Cash and Cash Equivalents***

**Cash Flows from Operating Activities**

|  |                    |
|--|--------------------|
| Cash Received from Transactions with Other Funds | \$5,885,870        |
| Cash Payments for Goods and Services             | (11,000)           |
| Cash Payments for Claims                         | <u>(5,893,424)</u> |

*Net Decrease in Cash and Cash Equivalents* (18,554)

*Cash and Cash Equivalents Beginning of Year* 1,311,782

*Cash and Cash Equivalents End of Year* \$1,293,228

***Reconciliation of Operating Loss to  
Net Cash Used for Operating Activities***

*Operating Loss* (\$184,897)

**Adjustments to Reconcile Operating Loss to  
Net Cash Used for Operating Activities**

Increase/(Decrease) in Liabilities:

    Claims Payable 166,343

*Net Cash Used for Operating Activities* (\$18,554)

See accompanying notes to the basic financial statements

**Shaker Heights City School District**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Funds*  
*June 30, 2003*

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**Assets**

|  |                         |
|--|-------------------------|
| Equity Pooled in Cash and Cash Equivalents | <u><u>\$230,994</u></u> |
|--|-------------------------|

**Liabilities**

|                      |           |
|----------------------|-----------|
| Undistributed Monies | \$110,432 |
|----------------------|-----------|

|                 |                |
|-----------------|----------------|
| Due to Students | <u>120,562</u> |
|-----------------|----------------|

|                          |                         |
|--------------------------|-------------------------|
| <i>Total Liabilities</i> | <u><u>\$230,994</u></u> |
|--------------------------|-------------------------|

See accompanying notes to the basic financial statements

## **Shaker Heights City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2003*

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### **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 staffed by 280 classified employees, 439 certified teachers and 51 tutoring personnel, and 36 administrators who provide services to 5,608 students.

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), one high school (9-12), and a pre-kindergarten Early Intervention Center at the Shaker Family Center. 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 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 Solomon-Schechter, 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 for financial reporting purposes.

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; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provides financial support to, the organization; 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 two jointly governed organizations and a related organization. These organizations are the Ohio Schools' Council Association, the Lakeshore Northeast Ohio Computer Association (LNOCA) and the Shaker Heights Public Library. These organizations are presented in Notes 15 and 16 to the basic financial statements.

## Shaker Heights City School District

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2003*

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### **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 School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The most significant of the School District's accounting policies are described below.

#### ***A. Basis of Presentation***

The School District's basic financial statements consist of government-wide statements, including a statement of net assets 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 assets 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 activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses.

The statement of net assets 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 program 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.

#### ***B. 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.

## Shaker Heights City School District

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2003

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**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 liabilities is reported as fund balance. The following is the School District's major governmental fund:

**General Fund** The general fund is the operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund.

The other governmental funds of the School District account for grants and other resources whose use is restricted to a particular purpose.

**Proprietary Fund Type** Proprietary funds focus on the determination of operating income, changes in net asset, 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 School District's internal service funds are self-insurance programs for employee medical, dental and prescription drug benefits and workers' compensation.

**Fiduciary Funds** Fiduciary fund reporting focuses on net assets and changes in net assets. 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 are student activities, including field trips and student testing.

### C. Measurement Focus

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

**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 current liabilities 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 this fund are included on the statement of net assets. The statement of changes in fund net assets presents increases

## Shaker Heights City School District

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2003

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(i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its internal fund activities.

### ***D. 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 revenue, 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.

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 Revenue*** Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2003, but which were levied to finance fiscal year 2004 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

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

## **Shaker Heights City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2003*

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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.

### ***E. 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 object level within a function for the general fund, and at the fund level for all other 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 budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the amended certificate that was in effect at the time the 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.

### ***F. Cash and Cash Equivalents***

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 cash equivalents".

The School District has a segregated bank account for self-insurance monies held separate from the School District's central bank account. This depository account is presented on the statements as "cash and cash equivalents in segregated accounts" since it is not required to be deposited into the School District treasury.

During fiscal year 2003, investments were limited to Federal National Mortgage Association Notes, Federal Home Loan Mortgage Company Notes, Federal Home Loan Bank Notes, Federal Farm Credit Bank Notes and STAROhio, the State Treasurer's Investment Pool.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposits and repurchase agreements are reported at cost.

## **Shaker Heights City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2003*

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Shaker Heights City School District has invested funds in STAROhio (the State Treasury Asset Reserve of Ohio). STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio 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 STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2003.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2003 amounted to \$344,970, which includes \$84,466 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 as cash equivalents.

### ***G. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond June 30, 2003, 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.

### ***H. Inventory***

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventories consist of donated and purchased food and materials and supplies held for consumption.

### ***I. 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 imposed by creditors, contributors, grantors, laws of other governments, or imposed by enabling legislation. Restricted assets in the general fund include amounts required by State statute to be set-aside to create a reserve for budget stabilization. See Note 18 for additional information regarding set asides.

### ***J. 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 assets 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. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of one thousand dollars. 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 assets. Depreciation is computed using the straight-line method over the following useful lives:



**Shaker Heights City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2003*

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| Description       | Governmental<br>Activities<br>Estimated Lives |
|-------------------|---|
| Land Improvements | 40 years                                      |
| Buildings         | 40 - 100 years                                |
| Equipment         | 5 - 20 years                                  |
| Vehicles          | 8 years                                       |

***K. 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.

***L. 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 interal service funds are reported on the internal service fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences and contractually required pension contributions 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.

***M. Net Assets***

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt 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. Net assets are 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. Net assets restricted for other purposes include student activities, special education and food service operations.

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

## **Shaker Heights City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2003*

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### ***N. Fund Balance Reserves***

The School District reserves those portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriations for expenditures. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund balance reserves are established for encumbrances, property taxes and budget stabilization.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute. The reserve for budget stabilization represents money required to be set-aside by statute to protect against cyclical changes in revenues and expenditures.

### ***O. Interfund Activity***

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

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 and after nonoperating revenues/expenses in the proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

### ***P. Operating Revenue 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 self-insurance 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.

### ***Q. 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.

### ***R. 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.

## Shaker Heights City School District

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2003*

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### **Note 3 - Change in Accounting Principle and Restatement of Fund Balances/Net Assets**

***Changes in Accounting Principles*** For fiscal year 2003, the School District has implemented GASB Statement No. 34, “Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments”, GASB Statement No. 37, “Basic Financial Statements for State and Local Governments: Omnibus”, GASB Statement No. 38, “Certain Financial Statement Note Disclosures”, GASB Statement No. 41, “Budgetary Comparison Schedules - Perspective Differences”, and GASB Interpretation No. 6 “Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.”

GASB Statement No. 34 creates new basic financial statements for reporting on the School District’s financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Fiduciary funds are reported by type.

On the government-wide financial statements, the beginning net asset amount for governmental activities reflects the change in fund balance for governmental funds at June 30, 2002, caused by the reclassification of funds based on the guidance provided in Statement No. 34, which includes reclassifying enterprise funds as special revenue funds for reporting purposes and the conversion to the accrual basis of accounting.

GASB Statement No. 37 clarifies certain provisions of Statement No. 34, including the required content of the Management’s Discussion and Analysis, the classification of program revenues and the criteria for determining major funds. GASB Statement No. 38 modifies, establishes and rescinds certain financial statement note disclosures.

GASB Statement No. 41 allows the presentation of budgetary schedules as required supplementary information based on the fund, organization or program structure that the government uses for its legally adopted budget when significant budgetary perspective differences result in the school district not being able to present budgetary comparisons for the general and each major special revenue fund. The implementation of Statement No. 41 did not affect the presentation of the budgetary statements of the School District.

GASB Interpretation No. 6 clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice.

***Restatement of Fund Balance*** It was determined that funds previously reported as enterprise funds should be reclassified and reported as special revenue funds. These restatements had the following effects on fund balance of the major and nonmajor funds of the School District as they were previously reported. The transition from governmental fund balance to net assets of the governmental activities is also presented.

**Shaker Heights City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2003*

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|   | <u>General</u>      | <u>Nonmajor</u>    | <u>Total</u>        |
|---|---------------------|--------------------|---------------------|
| Fund Balances, June 30, 2002                      | \$15,781,654        | \$5,897,873        | \$21,679,527        |
| Fund Reclassification                             | 0                   | 109,238            | 109,238             |
| Internal Service Fund Restatement                 | <u>(907,250)</u>    | <u>(653)</u>       | <u>(907,903)</u>    |
| Restated Fund Balances, June 30, 2002             | <u>\$14,874,404</u> | <u>\$6,006,458</u> | 20,880,862          |
| GASB 34 Adjustments:                              |                     |                    |                     |
| Capital Assets                                    |                     |                    | 17,034,135          |
| Internal Service Funds                            |                     |                    | 925,421             |
| Long-Term Liabilities                             |                     |                    |                     |
| Compensated Absences Payable                      |                     |                    | (5,272,329)         |
| Intergovernmental Payable                         |                     |                    | (629,645)           |
| General Obligation Bonds Payable                  |                     |                    | (16,708,329)        |
| Accrued Interest Payable                          |                     |                    | (87,887)            |
| Long-Term (Deferred) Assets                       |                     |                    | <u>3,812,454</u>    |
| Governmental Activities Net Assets, June 30, 2002 |                     |                    | <u>\$19,954,682</u> |

**Note 4 – Accountability and Compliance**

***Fund Deficits***

The Title VI-B and Preschool Disability special revenue funds had deficit fund balances of \$12,122 and \$1,804, respectively, at June 30, 2003. The deficit balances resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and provides operating 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 basis), 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 presented for the general fund is presented 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 basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
4. Investments are reported at cost (budget basis) rather than fair value (GAAP basis).

**Shaker Heights City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2003*

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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.

|   | Net Change in Fund Balance |
|---|----------------------------|
| GAAP Basis                                      | (\$7,422,977)              |
| Net Adjustment for Revenue Accruals             | 7,814,766                  |
| Beginning Fair Value Adjustment for Investments | (56,821)                   |
| Ending Fair Value Adjustment for Investments    | 23,744                     |
| Net Adjustment for Expenditure Accruals         | 1,652,169                  |
| Adjustment for Encumbrances                     | <u>(1,644,864)</u>         |
| Budget Basis                                    | <u><u>\$366,017</u></u>    |

**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 five 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 moneys 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 including passbook 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;
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;

## Shaker Heights City School District

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2003

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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 two percent 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 (STAROhio);
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 twenty-five percent 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.

**Cash on Hand** At year end, the School District had \$490 in undeposited cash on hand which is included on the balance sheet of the School District as part of equity in pooled cash and cash equivalents.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements".

**Deposits** At fiscal year-end, the carrying amount of the School District's deposits was \$6,783,671 and the bank balance was \$4,326,390. Of the bank balance:

1. \$400,000 of the bank balance was covered by depository insurance; and
2. \$3,926,390 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging institution in the pledging institution's name, and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

**Investments** GASB Statement No. 3 requires the School District's investments to be categorized to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its

**Shaker Heights City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2003*

agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. STAROhio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

|   | Category<br>3      | Fair<br>Value       |
|---|--------------------|---------------------|
| Federal National Mortgage Association Notes | \$2,992,384        | \$2,992,384         |
| Federal Home Loan Mortgage Company Notes    | 3,999,260          | 3,999,260           |
| Federal Home Loan Bank Notes                | 1,999,400          | 1,999,400           |
| Federal Farm Credit Bank Notes              | 999,350            | 999,350             |
| STAROhio                                    | 0                  | 311,840             |
| Total Investments                           | <u>\$9,990,394</u> | <u>\$10,302,234</u> |

The classification of cash and cash equivalents, and investments on the combined basic financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting".

A reconciliation between the classifications of cash and investments on the combined financial statements and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

|  | Cash and<br>Cash Equivalents | Investments         |
|--|------------------------------|---------------------|
| GASB Statement No. 9                                       | \$17,086,395                 | \$0                 |
| Cash on Hand   | (490)                        | 0                   |
| Investments which are part of the Cash<br>Management Pool: |                              |                     |
| Federal National Mortgage Association Notes                | (2,992,384)                  | 2,992,384           |
| Federal Home Loan Mortgage Company Notes                   | (3,999,260)                  | 3,999,260           |
| Federal Home Loan Bank Notes                               | (1,999,400)                  | 1,999,400           |
| Federal Farm Credit Bank Notes                             | (999,350)                    | 999,350             |
| STAROhio   | (311,840)                    | 311,840             |
| GASB Statement No. 3                                       | <u>\$6,783,671</u>           | <u>\$10,302,234</u> |

**Note 7 - Property Taxes**

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar 2003 represents collections of calendar year 2002 taxes. Real property taxes received in calendar year 2003 were levied after April 1, 2002, on the assessed value listed as of January 1, 2002, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, 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.

**Shaker Heights City School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2003*

Public utility property tax revenue received in calendar 2003 represents collections of calendar year 2002 taxes. Public utility real and tangible personal property taxes received in calendar year 2003 became a lien December 31, 2001, were levied after April 1, 2002 and are collected in 2003 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2003 (other than public utility property) represents the collection of 2003 taxes. Tangible personal property taxes received in calendar year 2003 were levied after April 1, 2002, on the value as of December 31, 2002. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-four percent of true value for inventory. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The School District receives property taxes from Cuyahoga County. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2003, are available to finance fiscal year 2003 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2003 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 revenue.

The amount available as an advance at June 30, 2003 was \$3,345,003 in the general fund and \$154,754 in the bond retirement debt service fund. The amount available as an advance at June 30, 2002, was \$11,386,815 in the general fund and \$614,767 in the bond retirement debt service fund. The difference was in the timing and collection by the County Auditor.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

The assessed values upon which the fiscal year 2003 taxes were collected are:

|   | 2002 Second-<br>Half Collections |                | 2003 First-<br>Half Collections |                |
|---|----------------------------------|----------------|---------------------------------|----------------|
|   | Amount                           | Percent        | Amount                          | Percent        |
| Agricultural/Residential<br>and Other Real Estate | \$758,473,160                    | 95.57%         | \$755,439,500                   | 95.19%         |
| Public Utility Property                           | 20,101,330                       | 2.53           | 19,900,850                      | 2.51           |
| Tangible Personal Property                        | 15,119,701                       | 1.90           | 18,235,730                      | 2.30           |
| <b>Total</b>                                      | <b>\$793,694,191</b>             | <b>100.00%</b> | <b>\$793,576,080</b>            | <b>100.00%</b> |
| Tax rate per \$1,000 of<br>assessed valuation     | \$150.50                         |                | \$150.00                        |                |



**Shaker Heights City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2003*

**Note 8 - Receivables**

Receivables at June 30, 2003, consisted of taxes, accounts (rent and student fees), interfund, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables are expected to be collected within one year except delinquent property taxes.

Intergovernmental receivables are as follows:

|                                   | <u>Amount</u>           |
|-----------------------------------|-------------------------|
| <b>Governmental Activities</b>    |                         |
| Medicaid                          | \$60,853                |
| Federal Nutrition                 | 25,785                  |
| Tuition                           | 15,264                  |
| Class Size Reduction Grant        | 14,417                  |
| Limited English Proficiency Grant | 11,507                  |
| Title VI Grant                    | 10,853                  |
| Career Services                   | 6,750                   |
| Drug Free Grant                   | 3,269                   |
| Goals 2000 Grant                  | 1,184                   |
| Total                             | <u><u>\$149,882</u></u> |

**Note 9 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2003, was as follows:

|  | <u>Balance<br/>6/30/02</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance<br/>6/30/03</u> |
|--|----------------------------|------------------|------------------|----------------------------|
| <b>Governmental Activities</b>                     |                            |                  |                  |                            |
| <i>Capital Assets, not being depreciated:</i>      |                            |                  |                  |                            |
| Land   | \$943,600                  | \$0              | \$0              | \$943,600                  |
| Construction in Progress                           | 31,956                     | 38,515           | 0                | 70,471                     |
| <i>Total Capital Assets, not being Depreciated</i> | <u>975,556</u>             | <u>38,515</u>    | <u>0</u>         | <u>1,014,071</u>           |
| <i>Capital Assets, being Depreciated</i>           |                            |                  |                  |                            |
| Land Improvements                                  | 1,886,092                  | 0                | 0                | 1,886,092                  |
| Buildings  | 18,619,520                 | 25,442           | 0                | 18,644,962                 |
| Equipment  | 10,143,255                 | 333,707          | 0                | 10,476,962                 |
| Vehicles   | 2,527,000                  | 330,402          | (136,000)        | 2,721,402                  |
| <i>Total Capital Assets, being Depreciated</i>     | <u>33,175,867</u>          | <u>689,551</u>   | <u>(136,000)</u> | <u>33,729,418</u>          |

(continued)

**Shaker Heights City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2003*

|   | Balance<br>6/30/02  | Additions            | Deletions      | Balance<br>6/30/03  |
|---|---------------------|----------------------|----------------|---------------------|
| Less: Accumulated Depreciation:                     |                     |                      |                |                     |
| Land Improvements                                   | (565,968)           | (55,648)             | 0              | (621,616)           |
| Buildings   | (7,008,349)         | (200,596)            | 0              | (7,208,945)         |
| Equipment   | (7,292,843)         | (1,112,660)          | 0              | (8,405,503)         |
| Vehicles  | (2,250,128)         | (146,707)            | 136,000        | (2,260,835)         |
| <i>Total Accumulated Depreciation</i>               | <u>(17,117,288)</u> | <u>(1,515,611) *</u> | <u>136,000</u> | <u>(18,496,899)</u> |
| <i>Total Capital Assets, being Depreciated, net</i> | <u>16,058,579</u>   | <u>(826,060)</u>     | <u>0</u>       | <u>15,232,519</u>   |
| <i>Governmental Activities Capital Assets, Net</i>  | <u>\$17,034,135</u> | <u>(\$787,545)</u>   | <u>\$0</u>     | <u>\$16,246,590</u> |

\* Depreciation expense was charged to governmental functions as follows:

|   |                    |
|---|--------------------|
| Instruction:                            |                    |
| Regular                                 | \$934,743          |
| Special                                 | 16,513             |
| Support Services:                       |                    |
| Pupils                                  | 10,144             |
| Instructional Staff                     | 72,467             |
| Administration                          | 61,431             |
| Fiscal                                  | 4,244              |
| Business                                | 8,850              |
| Operation and Maintenance of Plant      | 75,937             |
| Pupil Transportation                    | 158,861            |
| Central                                 | 143,628            |
| Operation of Non-Instructional Services | 19,762             |
| Extracurricular                         | 9,031              |
| Total Depreciation Expense              | <u>\$1,515,611</u> |

**Note 10 - Risk Management**

***A. 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 2003, the School District contracted with Indiana Insurance Company for property and inland marine insurance. The primary deductibles are \$250 for inland marine and \$5,000 for property coverages. The boiler and machinery policy is provided by Travelers Insurance Company and has a \$1,000 deductible.

General liability coverage is provided by Indiana Insurance Company with a \$1,000,000 single occurrence limit, a \$2,000,000 aggregate and a \$2,500 deductible. Vehicles, including school buses, are covered by Indiana 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 \$5,000,000 umbrella policy with Indiana Insurance Company that covers both general liability and vehicle policies, and Foreign Travel coverage with the Hartford Steam Boiler Company. 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.

**Shaker Heights City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2003*

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***B. Workers' Compensation***

The School District participates in the State Workers' Compensation retrospective rating and payment system. 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, 2003, 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, 2003, was \$450,704.

***C. Employee Health Benefits***

The School District is self-insured for prescription drug insurance and a small portion of medical and dental insurance. Advance PCS Health Systems of Scottsdale, Arizona, the third party administrator of the program, reviews and pays the claims. Monthly premiums for prescription drug insurance are \$218.36 for family coverage and \$82.40 for single coverage. The program utilizes a \$2 prescription deductible for generic drugs and a \$5 prescription deductible for non-generic drugs. The School District paid \$11,000 in fees to the program administrator in fiscal year 2003. The fee is, generally, \$.60 per claim. The liability for claims reported in the internal service funds for the medical, dental and prescription drug insurance at June 30, 2003 is \$102,000 and is based on the July 2003 actual billing.

The claims liability reported in the internal service funds at June 30, 2003 for worker's compensation and employee medical, dental and drug coverage 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 2002 and 2003 are as follows:

|      | <u>Balance at</u><br><u>Beginning of Year</u> | <u>Current Year</u><br><u>Claims</u> | <u>Claim</u><br><u>Payments</u> | <u>Balance at</u><br><u>End of Year</u> |
|------|---|--------------------------------------|---------------------------------|---|
| 2002 | \$299,648                                     | \$1,457,917                          | \$1,371,204                     | \$386,361                               |
| 2003 | 386,361                                       | 6,059,767                            | 5,893,424                       | 552,704                                 |

**Note 11 - Other Employee Benefits**

***A. 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 first 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.

***B. Health Care Benefits***

Medical/surgical insurance is offered to employees through either Kaiser Permanente Insurance Company or Anthem Insurance Company. The Kaiser Permanente plan has no deductible. Individual coverage is \$221.02 per month while family coverage for a family of two is \$442.14 and for a family of three or more

## **Shaker Heights City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2003*

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is \$663.21. The Anthem Insurance Company provides two plans. The first plan provides medical/surgical coverage with a \$100 single deductible on the first 80 percent of covered services and 100 percent afterwards and \$200 family deductible on the first 80 percent of covered services and 100 percent afterwards per calendar year. Individual coverage is \$375.35 per month and family coverage is \$998.75. The second Anthem plan provides medical/surgical insurance with no deductible in the network and co-pays for office visits, urgent care and emergency room services. Outside the network, the deductibles and co-payments are the same as the first plan. Individual coverage is \$223.31 per month while family coverage is \$587.92.

Dental insurance is offered to employees through Anthem Insurance Company with a \$50 deductible on orthodontal and restoration services. Individual coverage is \$28.94 per month and family coverage is \$83.56 per month.

### ***C. Life Insurance***

Life insurance is offered to employees through Anthem Life Insurance Company. The Treasurer and Superintendent receive \$150,000 coverage for \$21 per month; administrators, supervisors and certified employees receive \$50,000 coverage for \$7 per month, and custodial and clerical employees receive \$30,000 for \$4.20 per month.

## **Note 12- Pension Plans**

### ***A. School Employees Retirement System***

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2003, 8.17 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2002, 5.46 percent was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2003, 2002 and 2001 were \$885,093, \$580,548 and \$453,663 respectively; 57.43 percent has been contributed for fiscal year 2003 and 100 percent for fiscal years 2002 and 2001.

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

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371 or by calling (614) 227-4090.

## **Shaker Heights City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2003*

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New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the fiscal year ended June 30, 2003, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2002, the portion used to fund pension obligations was 9.5 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2003, 2002, and 2001 were \$4,143,248, \$2,932,590, and \$2,812,452 respectively; 88.9 percent has been contributed for fiscal year 2003 and 100 percent for fiscal years 2002 and 2001. Contributions to the DC and Combined Plans for fiscal year 2003 were \$42,998 made by the School District and \$80,816 made by the plan members.

### **Note 13 - Postemployment Benefits**

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are on a pay-as-you-go basis.

All STRS benefit recipients and sponsored dependants are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of health care costs in the form of a monthly premium. By law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2003, the STRS Board allocated employer

**Shaker Heights City School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2003*

contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$318,711 for fiscal year 2003.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2002, (the latest information available) the balance in the Fund was \$3.011 billion. For the year ended June 30, 2002, net health care costs paid by STRS were \$354,697,000 and STRS had 105,300 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2003, employer contributions to fund health care benefits were 5.83 percent of covered payroll, a decrease of 2.71 percent from fiscal year 2002. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2003, the minimum pay has been established at \$14,500. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2003 fiscal year equaled \$755,304.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2002 (the latest information available), were \$182,946,777 and the target level was \$274.4 million. At June 30, 2002, SERS had net assets available for payment of health care benefits of \$335.2 million. SERS had approximately 50,000 participants currently receiving health care benefits.

**Note 14 - Long - Term Obligations**

| <u>Debt Issues</u>                     | <u>Interest Rate</u> | <u>Original Issue Amount</u> | <u>Date of Maturity</u> |
|--|----------------------|------------------------------|-------------------------|
| School Improvement - 1990              | 7.08%                | \$5,000,000                  | December 15, 2010       |
| Building Addition - 1993               | 5.034                | 5,000,000                    | June 1, 2013            |
| Energy Conservation Improvement - 1995 | 5.000                | 1,284,230                    | July 12, 2005           |
| School Improvement - 1999              | 5.034                | 9,500,000                    | December 1, 2019        |
| School Improvement - 2000              | Various              | 3,199,993                    | December 1, 2019        |

The changes in the School District's long-term obligations during the year consist of the following:

**Shaker Heights City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2003*

|  | Principal<br>Outstanding<br>6/30/02 | Additions        | Deletions          | Principal<br>Outstanding<br>6/30/03 | Amounts<br>Due in<br>One Year |
|--|-------------------------------------|------------------|--------------------|-------------------------------------|-------------------------------|
| <b>Governmental Activities</b>           |                                     |                  |                    |                                     |                               |
| School Improvement Bonds                 |                                     |                  |                    |                                     |                               |
| 1990, 7.08%                              | \$3,160,000                         | \$0              | \$265,000          | \$2,895,000                         | \$280,000                     |
| Building Addition Bonds                  |                                     |                  |                    |                                     |                               |
| 1993, 5.034 %                            | 2,025,000                           | 0                | 400,000            | 1,625,000                           | 150,000                       |
| Energy Conservation Improvement          |                                     |                  |                    |                                     |                               |
| Bonds 1995, 5.00%                        | 579,230                             | 0                | 135,000            | 444,230                             | 140,000                       |
| School Improvement Bonds                 |                                     |                  |                    |                                     |                               |
| 1999, 5.034%                             | 7,745,000                           | 0                | 955,000            | 6,790,000                           | 425,000                       |
| School Improvement Bonds 2000            |                                     |                  |                    |                                     |                               |
| Serial and Term Bonds 4.3% - 5.375%      | 2,965,000                           | 0                | 130,000            | 2,835,000                           | 135,000                       |
| Capital Appreciation Bonds 5.00% - 5.05% | 134,993                             | 0                | 0                  | 134,993                             | 0                             |
| Accretion on Capital Appreciation Bonds  | 99,106                              | 11,918           | 0                  | 111,024                             | 0                             |
| Total General Obligation Bonds           | <u>16,708,329</u>                   | <u>11,918</u>    | <u>1,885,000</u>   | <u>14,835,247</u>                   | <u>1,130,000</u>              |
| Compensated Absences                     | <u>5,272,329</u>                    | <u>714,906</u>   | <u>425,504</u>     | <u>5,561,731</u>                    | <u>677,402</u>                |
| Total Governmental Activities            | <u>\$21,980,658</u>                 | <u>\$726,824</u> | <u>\$2,310,504</u> | <u>\$20,396,978</u>                 | <u>\$1,807,402</u>            |

General obligation bonds for the purpose of renovating and making additions to school buildings will be paid from property taxes in the debt service fund. Compensated absences will be paid from the General, Food Service, Auxiliary Services, Goals 2000 Pacesetter, Title VI-B, Title I, Preschool Disability and Class Size Reduction funds.

**School Improvement Bonds** On September 28, 2000, Shaker Heights City School District issued \$3,199,993 in voted general obligation bonds for the purpose of renovating and making additions to school buildings, and related site development. The bond issue included serial, term and capital appreciation bonds in the amounts \$1,885,000, \$1,180,000, and \$134,993, respectively. The bonds will be retired with a voted property tax levy from the debt service fund.

The term bonds maturing December 1, 2019, are subject to mandatory sinking fund redemption in part by lot pursuant to the terms of the mandatory sinking fund redemption requirements of the School District. The mandatory redemption is to occur on December 1, in each of the years 2015 through 2018 (with the balance of \$260,000 to be paid at stated maturity on December 1, 2019) at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

| Year | Amount    |
|------|-----------|
| 2015 | \$210,000 |
| 2016 | 225,000   |
| 2017 | 235,000   |
| 2018 | 250,000   |

Term bonds redeemed by other than mandatory redemption, or purchased for cancellation, may be credited against the applicable mandatory redemption requirement.

The serial bonds maturing on or after December 1, 2011, are subject to prior redemption on or after December 1, 2010, by and at the sole option of the Board, either in whole or in part (as selected by the Board) on any interest payment date and in integral multiples of \$5,000, at par plus accrued interest to the redemption date.

## Shaker Heights City School District

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2003

The capital appreciation bonds will mature in fiscal years 2008 and 2009. The maturity amount of the bonds is \$330,000. For fiscal year 2003, \$11,918 was accreted for a total bond value of \$246,017.

The School District's overall debt margin was \$57,390,776 with an unvoted debt margin of \$793,576 at June 30, 2003. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2003, are as follows:

| Fiscal Year<br>Ending June 30, | General Obligation Bonds |                    |                            |                  |
|--------------------------------|--------------------------|--------------------|----------------------------|------------------|
|                                | Serial and Term Bonds    |                    | Capital Appreciation Bonds |                  |
|                                | Principal                | Interest           | Principal                  | Interest         |
| 2004                           | \$1,130,000              | \$741,513          | \$0                        | \$0              |
| 2005                           | 1,205,000                | 678,332            | 0                          | 0                |
| 2006                           | 1,269,230                | 613,660            | 0                          | 0                |
| 2007                           | 1,160,000                | 547,695            | 0                          | 0                |
| 2008                           | 1,235,000                | 485,616            | 0                          | 0                |
| 2009-2013                      | 4,205,000                | 1,473,374          | 134,993                    | 195,007          |
| 2014-2018                      | 2,975,000                | 743,155            | 0                          | 0                |
| 2019-2020                      | 1,410,000                | 72,616             | 0                          | 0                |
| Total                          | <u>\$14,589,230</u>      | <u>\$5,355,961</u> | <u>\$134,993</u>           | <u>\$195,007</u> |

### Note 15 - Jointly Governed Organizations

#### A. Ohio Schools' Council Association

The Ohio Schools' Council Association (Council) is a jointly governed organization among ninety-one school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2003, the School District paid \$1,450 to the Council. Financial information can be obtained by contacting Kathleen T. Neal, the Executive Secretary/Treasurer at the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

The School District participates in the Council's electric purchase program which was implemented during fiscal year 1998. This program allows school districts to purchase electricity at reduced rates, if the school districts will commit to participating for an eight year period. The participants make monthly payments based on estimated usage. Each June these estimated payments are compared to their actual usage for the year and any necessary adjustments are made.

Energy Acquisition Corporation, a non-profit corporation with a self-appointing board, issued \$119,140,000 in debt to purchase eight years of electricity from Cleveland Electric Illuminating (CEI) for the participants. The participating school districts are not obligated in any manner for this debt. If a participating school district terminates their agreement, the district is required to repay the savings to CEI and CEI will refund the remaining prepayment related to that participant to Energy Acquisition Corp.

The School District participates in the Council's prepaid natural gas program which was implemented during fiscal year 2000. This program allows school districts to purchase natural gas at reduced rates, if the school districts will commit to participating for a twelve year period. The participants make monthly



## **Shaker Heights City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2003*

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payments based on estimated usage. Each month these estimated payments are compared to their actual usage and any necessary adjustments are made.

The City of Hamilton, a municipal corporation and political subdivision duly organized and existing under the laws of the State of Ohio, issued \$89,450,000 in debt to purchase twelve years of natural gas from CMS Energy Corporation for the participants. The participating school districts are not obligated in any manner for this debt. If a participating school district terminates its agreement, the district is entitled to recover that amount, if any, of its contributions to the operating fund which are not encumbered for its share of program administrative costs.

### ***B. Lakeshore Northeast Ohio Computer Association***

The Lakeshore Northeast Ohio Computer Association (LNOCA) is a jointly governed computer service bureau that was formed for the purpose of providing data services to the eleven member districts. Major areas of service provided by LNOCA include accounting, payroll, inventory, career guidance services, handicapped student tracking, pupil scheduling, attendance reporting and grade reporting. Each school is represented on the LNOCA 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 LNOCA. Each school district supports LNOCA based upon a per pupil charge dependent upon the software packages used. In fiscal year 2003, the School District paid \$5,000 to LNOCA. Financial information can be obtained by contacting the Treasurer of the fiscal agent at 5700 West Canal Road, Valley View, OH 44125.

### **Note 16 - 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, Kathy Everson, Clerk-Treasurer, at 16500 Van Aken Boulevard, Shaker Heights, Ohio 44120.

### **Note 17 - Contingencies**

#### ***A. 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, 2003.

**Shaker Heights City School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2003*

**B. Litigation**

The Shaker Heights City School District is party to 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.

**Note 18 - 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 purchase of textbooks and other instructional materials and an equal amount 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, 2003, only the unspent portion of certain workers' compensation refunds continue to be a set-aside.

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

|   | <u>Textbooks</u>     | <u>Capital<br/>Improvements</u> | <u>Budget<br/>Stabilization</u> |
|---|----------------------|---------------------------------|---------------------------------|
| Set-Aside Reserve Balance as of June 30, 2002             | (\$1,594,840)        | (\$5,320,326)                   | \$353,070                       |
| Current Year Set-Aside Requirement                        | 797,273              | 797,273                         | 0                               |
| Current Year Offset                                       | 0                    | (289,431)                       | 0                               |
| Qualifying Disbursements                                  | <u>(1,505,741)</u>   | <u>(416,674)</u>                | <u>0</u>                        |
| Totals  | <u>(\$2,303,308)</u> | <u>(\$5,229,158)</u>            | <u>\$353,070</u>                |
| Set-Aside Balances Carried Forward to Future Fiscal Years | <u>(\$2,303,308)</u> | <u>(\$5,229,158)</u>            | <u>\$353,070</u>                |
| Set-Aside Reserve Balance as of June 30, 2003             | <u>\$0</u>           | <u>\$0</u>                      | <u>\$353,070</u>                |

The School District had qualifying disbursements during the fiscal year that reduced the textbooks and capital improvements set-aside amounts below zero. This amount may be used to reduce the set-aside requirement of future years. The total reserve balance for the three set-asides at the end of the fiscal year was \$353,070.

**Note 19 - State School Funding Decision**

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding decision is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient..."

The School District is currently unable to determine what effect, if any, this decision will have its future State funding and on its financial operations.

## Combining Statements and Individual Fund Schedules

### Combining Statements – Nonmajor Governmental Funds

#### *Nonmajor Special Revenue Funds*

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Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) that are legally restricted to expenditures for specific purposes.

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

***Shaker Merchandise*** - This fund accounts for those funds received from the sale of merchandise to students, faculty, staff and community. The monies are used to purchase additional merchandise.

***School Improvement Models*** – This fund accounts for State monies used for the School District’s accelerated school model.

***Athletic*** - This fund accounts for funds received from student activity programs which have student participation in the activity but do not have students involved in the management of the program.

***Auxiliary Services*** - This fund accounts for funds which provide services and materials to pupils attending non-public schools within the School District.

***Local Professional Development*** - This fund accounts for receipts and expenditures necessary for providing assistance to the School District for the development of in-service programs.

***Management Information Systems*** - This fund accounts for State monies which support the development of hardware and software or other costs associated with the requirements of the management information system.

***Disadvantaged Pupil Impact Aid*** - This fund accounts for State monies received for disadvantaged impact aid.

***Data Communication Grant*** - This fund is provided to account for money for Ohio Educational Computer Network Connections.

***School Net Professional Development Grant*** - This fund accounts for State professional development subsidy grants.

***Ohio Reads Community Grant*** - This fund is intended to 1) improve reading outcomes, especially on the fourth grade reading proficiency test and 2) for volunteer coordinators in public school buildings, for educational service centers for costs associated with volunteer coordination, for background checks for volunteers, and to evaluate the Ohio Reads Program.

***Summer School*** - This fund accounts for State monies for summer intervention services satisfying State defined criteria.

***Alternative Schools*** - This fund accounts for State monies for alternative education programs for existing and new at-risk and delinquent youth.

***Goals 2000 Pacesetter*** - This fund accounts for State monies for Mercer Elementary School for a parent involvement program.

(continued)

## Combining Statements – Nonmajor Governmental Funds (continued)

### *Nonmajor Special Revenue Funds (continued)*

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**Eisenhower Grant** - This fund accounts for State monies used to strengthen instruction in science, mathematics, modern foreign languages, English, the arts and computer learning.

**Title VI-B** - This fund accounts for 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 levels.

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

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

**Title VI** - This fund accounts for Federal monies which support the implementation of a variety of programs such as computer education, gifted and talented programs, in-service and staff development.

**Drug Free Schools** - This fund accounts for Federal monies which support the implementation of programs for drug abuse education and prevention.

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

**E-Rate** - This fund is used to account for a Federal grant which is paid directly to the telecommunication service provider.

**Class Size Reduction** - This fund accounts for Federal monies to hire additional classroom teachers in grades one through three, so that the number of students per teacher will be reduced.

**Goals 2000** - This fund accounts for Federal monies received for various purposes including improved student achievement and teacher development.

**Food Service** – This fund accounts for the financial transactions related to the food service operations of the School District.

**Uniform School Supplies** – This fund accounts for the purchase and sale of school supplies for use in the School District. Profits derived from such sales are used for school purposes or activities connected with the school.

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

### *Nonmajor Debt Service Fund*

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The Debt Service fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

**Bond Retirement** - The bond retirement fund is used to account for the accumulation of property tax revenues for, and the payment of, general obligation bonds.

(continued)

**Combining Statements – Nonmajor Governmental Funds (continued)**

***Nonmajor Capital Projects Funds***

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The Capital Projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

***Capital*** - This fund accounts for all transactions related to school bus purchases.

***Building*** - This fund accounts for revenues to be used for various capital improvements within the School District.

***School Net Plus*** - This fund accounts for State monies used to obtain computers and related educational technology equipment and/or the necessary infrastructure for educational technology.

**Shaker Heights City School District**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*June 30, 2003*

|   | Nonmajor<br>Special<br>Revenue<br>Funds | Nonmajor<br>Debt<br>Service<br>Fund | Nonmajor<br>Capital<br>Projects<br>Funds | Total<br>Nonmajor<br>Governmental<br>Funds |
|---|---|-------------------------------------|--|--|
| <b>Assets</b>                                 |   |                                     |  |  |
| Equity in Pooled Cash and<br>Cash Equivalents | \$967,177                               | \$644,179                           | \$1,973,240                              | \$3,584,596                                |
| Accounts Receivable                           | 2,042                                   | 0                                   | 0  | 2,042                                      |
| Intergovernmental Receivable                  | 67,015                                  | 0                                   | 0  | 67,015                                     |
| Materials and Supplies Inventory              | 16,599                                  | 0                                   | 0  | 16,599                                     |
| Property Taxes Receivable                     | 0                                       | 2,061,903                           | 0  | 2,061,903                                  |
| <i>Total Assets</i>                           | <u>\$1,052,833</u>                      | <u>\$2,706,082</u>                  | <u>\$1,973,240</u>                       | <u>\$5,732,155</u>                         |
| <b>Liabilities and Fund Balances</b>          |   |                                     |  |  |
| <b>Liabilities</b>                            |   |                                     |  |  |
| Accounts Payable                              | \$85,134                                | \$0                                 | \$71,444                                 | \$156,578                                  |
| Accrued Wages and Benefits                    | 341,885                                 | 0                                   | 0  | 341,885                                    |
| Intergovernmental Payable                     | 30,360                                  | 0                                   | 0  | 30,360                                     |
| Deferred Revenue                              | 30,533                                  | 1,901,906                           | 0  | 1,932,439                                  |
| <i>Total Liabilities</i>                      | <u>487,912</u>                          | <u>1,901,906</u>                    | <u>71,444</u>                            | <u>2,461,262</u>                           |
| <b>Fund Balances</b>                          |   |                                     |  |  |
| Reserved for Encumbrances                     | 425,126                                 | 0                                   | 524,431                                  | 949,557                                    |
| Reserved for Property Taxes                   | 0                                       | 154,754                             | 0  | 154,754                                    |
| Unreserved, Undesignated<br>Reported In:      |   |                                     |  |  |
| Special Revenue Funds                         | 139,795                                 | 0                                   | 0  | 139,795                                    |
| Debt Service Fund                             | 0                                       | 649,422                             | 0  | 649,422                                    |
| Capital Projects Funds                        | 0                                       | 0                                   | 1,377,365                                | 1,377,365                                  |
| <i>Total Fund Balances</i>                    | <u>564,921</u>                          | <u>804,176</u>                      | <u>1,901,796</u>                         | <u>3,270,893</u>                           |
| <i>Total Liabilities and Fund Balances</i>    | <u>\$1,052,833</u>                      | <u>\$2,706,082</u>                  | <u>\$1,973,240</u>                       | <u>\$5,732,155</u>                         |

**Shaker Heights City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Fiscal Year Ended June 30, 2003*

|  | Nonmajor<br>Special<br>Revenue<br>Funds | Bond<br>Retirement<br>Debt Service<br>Fund | Nonmajor<br>Capital<br>Projects<br>Funds | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|---|--|--|--|
| <b>Revenues</b>                              |   |  |  |  |
| Property Taxes                               | \$0                                     | \$1,714,642                                | \$141,401                                | \$1,856,043                                |
| Intergovernmental                            | 3,114,385                               | 288,656                                    | 87,683                                   | 3,490,724                                  |
| Interest                                     | 3,916                                   | 0  | 40,140                                   | 44,056                                     |
| Tuition and Fees                             | 9,840                                   | 0  | 0  | 9,840                                      |
| Extracurricular Activities                   | 279,017                                 | 0  | 0  | 279,017                                    |
| Contributions and Donations                  | 16,960                                  | 0  | 57,890                                   | 74,850                                     |
| Charges for Services                         | 754,413                                 | 0  | 0  | 754,413                                    |
| Rentals                                      | 0                                       | 0  | 50,000                                   | 50,000                                     |
| Miscellaneous                                | 44,544                                  | 0  | 0  | 44,544                                     |
| <i>Total Revenues</i>                        | <u>4,223,075</u>                        | <u>2,003,298</u>                           | <u>377,114</u>                           | <u>6,603,487</u>                           |
| <b>Expenditures</b>                          |   |  |  |  |
| Current:                                     |   |  |  |  |
| Instruction:                                 |   |  |  |  |
| Regular                                      | 734,723                                 | 0  | 0  | 734,723                                    |
| Special                                      | 455,762                                 | 0  | 0  | 455,762                                    |
| Support Services:                            |   |  |  |  |
| Pupils                                       | 58,052                                  | 0  | 0  | 58,052                                     |
| Instructional Staff                          | 805,808                                 | 0  | 0  | 805,808                                    |
| Administration                               | 6,329                                   | 0  | 0  | 6,329                                      |
| Fiscal                                       | 40,148                                  | 0  | 0  | 40,148                                     |
| Business                                     | 9,758                                   | 0  | 0  | 9,758                                      |
| Operation and Maintenance of Plant           | 242,998                                 | 0  | 0  | 242,998                                    |
| Central                                      | 125,247                                 | 0  | 0  | 125,247                                    |
| Operation of Non-Instructional Services      | 1,115,599                               | 0  | 0  | 1,115,599                                  |
| Food Service Operations                      | 920,416                                 | 0  | 0  | 920,416                                    |
| Extracurricular Activities                   | 282,322                                 | 0  | 0  | 282,322                                    |
| Capital Outlay                               | 0                                       | 0  | 2,044,360                                | 2,044,360                                  |
| Debt Service:                                |   |  |  |  |
| Principal Retirement                         | 0                                       | 1,885,000                                  | 0  | 1,885,000                                  |
| Interest and Fiscal Charges                  | 0                                       | 859,491                                    | 0  | 859,491                                    |
| <i>Total Expenditures</i>                    | <u>4,797,162</u>                        | <u>2,744,491</u>                           | <u>2,044,360</u>                         | <u>9,586,013</u>                           |
| <i>Excess of Revenues Under Expenditures</i> | (574,087)                               | (741,193)                                  | (1,667,246)                              | (2,982,526)                                |
| <b>Other Financing Sources</b>               |   |  |  |  |
| Transfers In                                 | 83,000                                  | 163,961                                    | 0  | 246,961                                    |
| <i>Net Change in Fund Balances</i>           | (491,087)                               | (577,232)                                  | (1,667,246)                              | (2,735,565)                                |
| <i>Fund Balances Beginning of Year</i>       | <u>1,056,008</u>                        | <u>1,381,408</u>                           | <u>3,569,042</u>                         | <u>6,006,458</u>                           |
| <i>Fund Balances End of Year</i>             | <u>\$564,921</u>                        | <u>\$804,176</u>                           | <u>\$1,901,796</u>                       | <u>\$3,270,893</u>                         |

**Shaker Heights City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2003*

|   | Public<br>School<br>Support | Shaker<br>Merchandise | Athletic        | Auxiliary<br>Services |
|---|-----------------------------|-----------------------|-----------------|-----------------------|
| <b>Assets</b>                                 |                             |                       |                 |                       |
| Equity in Pooled Cash and<br>Cash Equivalents | \$109,590                   | \$2,633               | \$46,374        | \$326,041             |
| Accounts Receivable                           | 0                           | 0                     | 0               | 0                     |
| Intergovernmental Receivable                  | 0                           | 0                     | 0               | 0                     |
| Materials and Supplies Inventory              | 0                           | 0                     | 0               | 0                     |
| <i>Total Assets</i>                           | <u>\$109,590</u>            | <u>\$2,633</u>        | <u>\$46,374</u> | <u>\$326,041</u>      |
| <br><b>Liabilities and Fund Balances</b>      |                             |                       |                 |                       |
| <b>Liabilities</b>                            |                             |                       |                 |                       |
| Accounts Payable                              | \$0                         | \$0                   | \$0             | \$77,573              |
| Accrued Wages and Benefits                    | 0                           | 0                     | 0               | 94,204                |
| Intergovernmental Payable                     | 0                           | 0                     | 151             | 6,492                 |
| Deferred Revenue                              | 0                           | 0                     | 0               | 0                     |
| <i>Total Liabilities</i>                      | <u>0</u>                    | <u>0</u>              | <u>151</u>      | <u>178,269</u>        |
| <br><b>Fund Balances</b>                      |                             |                       |                 |                       |
| Reserved for Encumbrances                     | 11,809                      | 296                   | 8,883           | 154,521               |
| Unreserved, Undesignated (Deficit)            | 97,781                      | 2,337                 | 37,340          | (6,749)               |
| <i>Total Fund Balances (Deficit)</i>          | <u>109,590</u>              | <u>2,633</u>          | <u>46,223</u>   | <u>147,772</u>        |
| <i>Total Liabilities and Fund Balances</i>    | <u>\$109,590</u>            | <u>\$2,633</u>        | <u>\$46,374</u> | <u>\$326,041</u>      |



| School Net<br>Professional<br>Development<br>Grant | Ohio Reads<br>Community<br>Grant | Alternative<br>Schools | Goals 2000<br>Pacesetter | Title VI-B       |
|--|----------------------------------|------------------------|--------------------------|------------------|
| \$1,553  | \$9,729                          | \$3,508                | \$5,223                  | \$109,473        |
| 0  | 0                                | 0                      | 0                        | 0                |
| 0  | 0                                | 0                      | 0                        | 0                |
| 0  | 0                                | 0                      | 0                        | 0                |
| <u>\$1,553</u>                                     | <u>\$9,729</u>                   | <u>\$3,508</u>         | <u>\$5,223</u>           | <u>\$109,473</u> |
| \$0  | \$0                              | \$654                  | \$0                      | \$0              |
| 0  | 0                                | 0                      | 1,086                    | 113,444          |
| 0  | 68                               | 0                      | 403                      | 8,151            |
| 0  | 0                                | 0                      | 0                        | 0                |
| 0  | 68                               | 654                    | 1,489                    | 121,595          |
| 410  | 9,729                            | 2,854                  | 0                        | 109,473          |
| 1,143  | (68)                             | 0                      | 3,734                    | (121,595)        |
| 1,553  | 9,661                            | 2,854                  | 3,734                    | (12,122)         |
| <u>\$1,553</u>                                     | <u>\$9,729</u>                   | <u>\$3,508</u>         | <u>\$5,223</u>           | <u>\$109,473</u> |

(continued)

**Shaker Heights City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*June 30, 2003*

|  | Limited<br>English<br>Proficiency | Title I          | Title VI        | Drug<br>Free<br>Schools |
|--|-----------------------------------|------------------|-----------------|-------------------------|
| <b>Assets</b>                              |                                   |                  |                 |                         |
| Equity in Pooled Cash and                  |                                   |                  |                 |                         |
| Cash Equivalents                           | \$4,283                           | \$103,047        | \$7,620         | \$1,579                 |
| Accounts Receivable                        | 0                                 | 0                | 0               | 0                       |
| Intergovernmental Receivable               | 11,507                            | 0                | 10,853          | 3,269                   |
| Materials and Supplies Inventory           | 0                                 | 0                | 0               | 0                       |
| <i>Total Assets</i>                        | <u>\$15,790</u>                   | <u>\$103,047</u> | <u>\$18,473</u> | <u>\$4,848</u>          |
| <br><b>Liabilities and Fund Balances</b>   |                                   |                  |                 |                         |
| <b>Liabilities</b>                         |                                   |                  |                 |                         |
| Accounts Payable                           | \$0                               | \$0              | \$0             | \$0                     |
| Accrued Wages and Benefits                 | 0                                 | 57,470           | 0               | 0                       |
| Intergovernmental Payable                  | 0                                 | 3,938            | 18              | 294                     |
| Deferred Revenue                           | 11,507                            | 0                | 156             | 3,269                   |
| <i>Total Liabilities</i>                   | <u>11,507</u>                     | <u>61,408</u>    | <u>174</u>      | <u>3,563</u>            |
| <br><b>Fund Balances</b>                   |                                   |                  |                 |                         |
| Reserved for Encumbrances                  | 2,011                             | 74,750           | 6,555           | 1,557                   |
| Unreserved, Undesignated (Deficit)         | 2,272                             | (33,111)         | 11,744          | (272)                   |
| <i>Total Fund Balances (Deficit)</i>       | <u>4,283</u>                      | <u>41,639</u>    | <u>18,299</u>   | <u>1,285</u>            |
| <i>Total Liabilities and Fund Balances</i> | <u>\$15,790</u>                   | <u>\$103,047</u> | <u>\$18,473</u> | <u>\$4,848</u>          |

| <u>Preschool<br/>Disability</u> | <u>Class<br/>Size<br/>Reduction</u> | <u>Goals<br/>2000</u> | <u>Food<br/>Service</u> | <u>Uniform<br/>School<br/>Supplies</u> | <u>Local<br/>Grants</u> | <u>Total<br/>Nonmajor<br/>Special<br/>Revenue Funds</u> |
|---------------------------------|-------------------------------------|-----------------------|-------------------------|--|-------------------------|---|
| \$673                           | \$30,958                            | \$8,420               | \$77,033                | \$17,234                               | \$102,206               | \$967,177   |
| 0                               | 0                                   | 0                     | 0                       | 2,042                                  | 0                       | 2,042   |
| 0                               | 14,417                              | 1,184                 | 25,785                  | 0                                      | 0                       | 67,015  |
| 0                               | 0                                   | 0                     | 16,599                  | 0                                      | 0                       | 16,599  |
| <u>\$673</u>                    | <u>\$45,375</u>                     | <u>\$9,604</u>        | <u>\$119,417</u>        | <u>\$19,276</u>                        | <u>\$102,206</u>        | <u>\$1,052,833</u>                                      |
| \$0                             | \$2,110                             | \$2,203               | \$0                     | \$0                                    | \$2,594                 | \$85,134  |
| 2,253                           | 13,309                              | 0                     | 60,119                  | 0                                      | 0                       | 341,885   |
| 224                             | 966                                 | 435                   | 7,374                   | 0                                      | 1,846                   | 30,360  |
| 0                               | 14,417                              | 1,184                 | 0                       | 0                                      | 0                       | 30,533  |
| <u>2,477</u>                    | <u>30,802</u>                       | <u>3,822</u>          | <u>67,493</u>           | <u>0</u>                               | <u>4,440</u>            | <u>487,912</u>  |
| 673                             | 27,779                              | 809                   | 0                       | 100                                    | 12,917                  | 425,126   |
| (2,477)                         | (13,206)                            | 4,973                 | 51,924                  | 19,176                                 | 84,849                  | 139,795   |
| <u>(1,804)</u>                  | <u>14,573</u>                       | <u>5,782</u>          | <u>51,924</u>           | <u>19,276</u>                          | <u>97,766</u>           | <u>564,921</u>  |
| <u>\$673</u>                    | <u>\$45,375</u>                     | <u>\$9,604</u>        | <u>\$119,417</u>        | <u>\$19,276</u>                        | <u>\$102,206</u>        | <u>\$1,052,833</u>                                      |

**Shaker Heights City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2003*

|   | Public<br>School<br>Support | Shaker<br>Merchandise | Athletic        | Auxiliary<br>Services | Local<br>Professional<br>Development |
|---|-----------------------------|-----------------------|-----------------|-----------------------|--------------------------------------|
| <b>Revenues</b>   |                             |                       |                 |                       |                                      |
| Intergovernmental                                       | \$0                         | \$0                   | \$0             | \$1,036,096           | \$0                                  |
| Interest  | 3,220                       | 0                     | 0               | 0                     | 0                                    |
| Tuition and Fees  | 9,840                       | 0                     | 0               | 0                     | 0                                    |
| Extracurricular Activities                              | 177,415                     | 0                     | 101,602         | 0                     | 0                                    |
| Contributions and Donations                             | 11,117                      | 0                     | 5,843           | 0                     | 0                                    |
| Charges for Services                                    | 0                           | 0                     | 0               | 0                     | 0                                    |
| Miscellaneous   | 14,808                      | 6,826                 | 0               | 0                     | 0                                    |
| <i>Total Revenues</i>                                   | <u>216,400</u>              | <u>6,826</u>          | <u>107,445</u>  | <u>1,036,096</u>      | <u>0</u>                             |
| <b>Expenditures</b>                                     |                             |                       |                 |                       |                                      |
| Current:  |                             |                       |                 |                       |                                      |
| Instruction:  |                             |                       |                 |                       |                                      |
| Regular   | 112,866                     | 0                     | 0               | 0                     | 0                                    |
| Special   | 0                           | 0                     | 0               | 0                     | 0                                    |
| Support Services:                                       |                             |                       |                 |                       |                                      |
| Pupils  | 0                           | 0                     | 0               | 0                     | 0                                    |
| Instructional Staff                                     | 340                         | 0                     | 0               | 0                     | 1,928                                |
| Administration  | 0                           | 0                     | 0               | 0                     | 0                                    |
| Fiscal  | 0                           | 0                     | 0               | 71                    | 0                                    |
| Business  | 0                           | 9,758                 | 0               | 0                     | 0                                    |
| Operation and Maintenance of Plant                      | 100                         | 0                     | 5,925           | 0                     | 0                                    |
| Central   | 0                           | 0                     | 0               | 0                     | 0                                    |
| Operation of Non-Instructional Services                 | 0                           | 0                     | 0               | 1,092,935             | 0                                    |
| Food Service Operations                                 | 0                           | 0                     | 0               | 0                     | 0                                    |
| Extracurricular Activities                              | 88,977                      | 0                     | 193,345         | 0                     | 0                                    |
| <i>Total Expenditures</i>                               | <u>202,283</u>              | <u>9,758</u>          | <u>199,270</u>  | <u>1,093,006</u>      | <u>1,928</u>                         |
| <i>Excess of Revenues Over<br/>(Under) Expenditures</i> | 14,117                      | (2,932)               | (91,825)        | (56,910)              | (1,928)                              |
| <b>Other Financing Sources</b>                          |                             |                       |                 |                       |                                      |
| Transfers In  | 0                           | 0                     | 83,000          | 0                     | 0                                    |
| <i>Net Change in Fund Balances</i>                      | 14,117                      | (2,932)               | (8,825)         | (56,910)              | (1,928)                              |
| <i>Fund Balances (Deficit) Beginning of Year</i>        | <u>95,473</u>               | <u>5,565</u>          | <u>55,048</u>   | <u>204,682</u>        | <u>1,928</u>                         |
| <i>Fund Balances (Deficit) End of Year</i>              | <u>\$109,590</u>            | <u>\$2,633</u>        | <u>\$46,223</u> | <u>\$147,772</u>      | <u>\$0</u>                           |

| Management Information Systems | Disadvantaged Pupil Impact Aid | Data Communication Grant | School Net Professional Development Grant | Ohio Reads Community Grant | Summer School | Alternative Schools | Goals 2000 Pacesetter |
|--------------------------------|--------------------------------|--------------------------|---|----------------------------|---------------|---------------------|-----------------------|
| \$21,121                       | \$104,168                      | \$28,000                 | \$4,600                                   | \$17,500                   | \$0           | \$68,117            | \$41,000              |
| 0                              | 0                              | 0                        | 0   | 0                          | 0             | 0                   | 0                     |
| 0                              | 0                              | 0                        | 0   | 0                          | 0             | 0                   | 0                     |
| 0                              | 0                              | 0                        | 0   | 0                          | 0             | 0                   | 0                     |
| 0                              | 0                              | 0                        | 0   | 0                          | 0             | 0                   | 0                     |
| 0                              | 0                              | 0                        | 0   | 0                          | 0             | 0                   | 0                     |
| 0                              | 0                              | 0                        | 0   | 0                          | 0             | 0                   | 0                     |
| 21,121                         | 104,168                        | 28,000                   | 4,600                                     | 17,500                     | 0             | 68,117              | 41,000                |
| 0                              | 104,168                        | 0                        | 0   | 20,094                     | 18,083        | 65,263              | 5,299                 |
| 0                              | 0                              | 0                        | 0   | 0                          | 0             | 0                   | 0                     |
| 0                              | 0                              | 0                        | 0   | 0                          | 0             | 0                   | 200                   |
| 0                              | 0                              | 0                        | 9,114                                     | 0                          | 0             | 0                   | 43,792                |
| 0                              | 0                              | 0                        | 0   | 0                          | 0             | 3,525               | 2,804                 |
| 0                              | 0                              | 0                        | 0   | 0                          | 0             | 0                   | 0                     |
| 0                              | 0                              | 0                        | 0   | 0                          | 0             | 0                   | 0                     |
| 0                              | 0                              | 101,696                  | 0   | 0                          | 0             | 0                   | 0                     |
| 125,247                        | 0                              | 0                        | 0   | 0                          | 0             | 0                   | 0                     |
| 0                              | 0                              | 0                        | 0   | 0                          | 0             | 0                   | 0                     |
| 0                              | 0                              | 0                        | 0   | 0                          | 0             | 0                   | 0                     |
| 0                              | 0                              | 0                        | 0   | 0                          | 0             | 0                   | 0                     |
| 125,247                        | 104,168                        | 101,696                  | 9,114                                     | 20,094                     | 18,083        | 68,788              | 52,095                |
| (104,126)                      | 0                              | (73,696)                 | (4,514)                                   | (2,594)                    | (18,083)      | (671)               | (11,095)              |
| 0                              | 0                              | 0                        | 0   | 0                          | 0             | 0                   | 0                     |
| (104,126)                      | 0                              | (73,696)                 | (4,514)                                   | (2,594)                    | (18,083)      | (671)               | (11,095)              |
| 104,126                        | 0                              | 73,696                   | 6,067                                     | 12,255                     | 18,083        | 3,525               | 14,829                |
| \$0                            | \$0                            | \$0                      | \$1,553                                   | \$9,661                    | \$0           | \$2,854             | \$3,734               |

(continued)

**Shaker Heights City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds (continued)*  
*For the Fiscal Year Ended June 30, 2003*

|   | Title VI-B        | Limited<br>English<br>Proficiency | Title I         | Title VI        | Drug<br>Free<br>Schools |
|---|-------------------|-----------------------------------|-----------------|-----------------|-------------------------|
| <b>Revenues</b>   |                   |                                   |                 |                 |                         |
| Intergovernmental                                       | \$593,631         | \$11,579                          | \$399,348       | \$75,984        | \$24,635                |
| Interest  | 0                 | 0                                 | 0               | 0               | 0                       |
| Tuition and Fees  | 0                 | 0                                 | 0               | 0               | 0                       |
| Extracurricular Activities                              | 0                 | 0                                 | 0               | 0               | 0                       |
| Contributions and Donations                             | 0                 | 0                                 | 0               | 0               | 0                       |
| Charges for Services                                    | 0                 | 0                                 | 0               | 0               | 0                       |
| Miscellaneous   | 0                 | 0                                 | 0               | 0               | 0                       |
| <i>Total Revenues</i>                                   | <u>593,631</u>    | <u>11,579</u>                     | <u>399,348</u>  | <u>75,984</u>   | <u>24,635</u>           |
| <b>Expenditures</b>                                     |                   |                                   |                 |                 |                         |
| Current:  |                   |                                   |                 |                 |                         |
| Instruction:  |                   |                                   |                 |                 |                         |
| Regular   | 0                 | 5,674                             | 0               | 58,376          | 0                       |
| Special   | 50,225            | 0                                 | 372,863         | 0               | 0                       |
| Support Services:                                       |                   |                                   |                 |                 |                         |
| Pupils  | 28,419            | 0                                 | 0               | 0               | 29,362                  |
| Instructional Staff                                     | 624,348           | 1,622                             | 12,847          | 2,464           | 0                       |
| Administration  | 0                 | 0                                 | 0               | 0               | 0                       |
| Fiscal  | 23,222            | 0                                 | 11,987          | 1,497           | 736                     |
| Business  | 0                 | 0                                 | 0               | 0               | 0                       |
| Operation and Maintenance of Plant                      | 0                 | 0                                 | 0               | 0               | 0                       |
| Central   | 0                 | 0                                 | 0               | 0               | 0                       |
| Operation of Non-Instructional Services                 | 11,816            | 0                                 | 0               | 4,916           | 1,527                   |
| Food Service Operations                                 | 0                 | 0                                 | 0               | 0               | 0                       |
| Extracurricular Activities                              | 0                 | 0                                 | 0               | 0               | 0                       |
| <i>Total Expenditures</i>                               | <u>738,030</u>    | <u>7,296</u>                      | <u>397,697</u>  | <u>67,253</u>   | <u>31,625</u>           |
| <i>Excess of Revenues Over<br/>(Under) Expenditures</i> | (144,399)         | 4,283                             | 1,651           | 8,731           | (6,990)                 |
| <b>Other Financing Sources</b>                          |                   |                                   |                 |                 |                         |
| Transfers In  | 0                 | 0                                 | 0               | 0               | 0                       |
| <i>Net Change in Fund Balances</i>                      | (144,399)         | 4,283                             | 1,651           | 8,731           | (6,990)                 |
| <i>Fund Balances (Deficit) Beginning of Year</i>        | 132,277           | 0                                 | 39,988          | 9,568           | 8,275                   |
| <i>Fund Balances (Deficit) End of Year</i>              | <u>(\$12,122)</u> | <u>\$4,283</u>                    | <u>\$41,639</u> | <u>\$18,299</u> | <u>\$1,285</u>          |

| Preschool<br>Disability | E-Rate         | Class<br>Size<br>Reduction | Goals<br>2000  | Food<br>Service | Uniform<br>School<br>Supplies | Local<br>Grants | Total<br>Nonmajor<br>Special<br>Revenue Funds |
|-------------------------|----------------|----------------------------|----------------|-----------------|-------------------------------|-----------------|---|
| \$18,268                | \$0            | \$161,933                  | \$42,067       | \$244,738       | \$0                           | \$221,600       | \$3,114,385                                   |
| 0                       | 0              | 0                          | 0              | 681             | 0                             | 15              | 3,916   |
| 0                       | 0              | 0                          | 0              | 0               | 0                             | 0               | 9,840   |
| 0                       | 0              | 0                          | 0              | 0               | 0                             | 0               | 279,017                                       |
| 0                       | 0              | 0                          | 0              | 0               | 0                             | 0               | 16,960  |
| 0                       | 0              | 0                          | 0              | 679,991         | 74,422                        | 0               | 754,413                                       |
| 0                       | 0              | 0                          | 0              | 22,910          | 0                             | 0               | 44,544  |
| <u>18,268</u>           | <u>0</u>       | <u>161,933</u>             | <u>42,067</u>  | <u>948,320</u>  | <u>74,422</u>                 | <u>221,615</u>  | <u>4,223,075</u>                              |
| 0                       | 0              | 100,987                    | 8,680          | 0               | 80,973                        | 154,260         | 734,723                                       |
| 0                       | 0              | 175                        | 32,499         | 0               | 0                             | 0               | 455,762                                       |
| 0                       | 0              | 0                          | 0              | 0               | 0                             | 71              | 58,052  |
| 18,169                  | 0              | 44,689                     | 0              | 0               | 0                             | 46,495          | 805,808                                       |
| 0                       | 0              | 0                          | 0              | 0               | 0                             | 0               | 6,329   |
| 676                     | 0              | 1,959                      | 0              | 0               | 0                             | 0               | 40,148  |
| 0                       | 0              | 0                          | 0              | 0               | 0                             | 0               | 9,758   |
| 0                       | 128,977        | 0                          | 0              | 0               | 0                             | 6,300           | 242,998                                       |
| 0                       | 0              | 0                          | 0              | 0               | 0                             | 0               | 125,247                                       |
| 0                       | 0              | 1,652                      | 2,753          | 0               | 0                             | 0               | 1,115,599                                     |
| 0                       | 0              | 0                          | 0              | 920,416         | 0                             | 0               | 920,416                                       |
| 0                       | 0              | 0                          | 0              | 0               | 0                             | 0               | 282,322                                       |
| <u>18,845</u>           | <u>128,977</u> | <u>149,462</u>             | <u>43,932</u>  | <u>920,416</u>  | <u>80,973</u>                 | <u>207,126</u>  | <u>4,797,162</u>                              |
| (577)                   | (128,977)      | 12,471                     | (1,865)        | 27,904          | (6,551)                       | 14,489          | (574,087)                                     |
| <u>0</u>                | <u>0</u>       | <u>0</u>                   | <u>0</u>       | <u>0</u>        | <u>0</u>                      | <u>0</u>        | <u>83,000</u>                                 |
| (577)                   | (128,977)      | 12,471                     | (1,865)        | 27,904          | (6,551)                       | 14,489          | (491,087)                                     |
| (1,227)                 | 128,977        | 2,102                      | 7,647          | 24,020          | 25,827                        | 83,277          | 1,056,008                                     |
| <u>(\$1,804)</u>        | <u>\$0</u>     | <u>\$14,573</u>            | <u>\$5,782</u> | <u>\$51,924</u> | <u>\$19,276</u>               | <u>\$97,766</u> | <u>\$564,921</u>                              |

**Shaker Heights City School District**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*June 30, 2003*

|   | <u>Building</u>        | <u>School Net<br/>Plus</u> | <u>Total<br/>Nonmajor<br/>Capital<br/>Projects Funds</u> |
|---|------------------------|----------------------------|--|
| <b>Assets</b>                                   |                        |                            |  |
| Equity in Pooled Cash and<br>Cash Equivalents   | <u>\$1,891,997</u>     | <u>\$81,243</u>            | <u>\$1,973,240</u>                                       |
| <br><b><i>Liabilities and Fund Balances</i></b> |                        |                            |  |
| <b>Liabilities</b>                              |                        |                            |  |
| Accounts Payable                                | \$71,444               | \$0                        | \$71,444   |
| <br><b>Fund Balances</b>                        |                        |                            |  |
| Reserved for Encumbrances                       | 455,670                | 68,761                     | 524,431  |
| Unreserved, Undesignated                        | <u>1,364,883</u>       | <u>12,482</u>              | <u>1,377,365</u>   |
| <br><i>Total Fund Balances</i>                  | <br><u>1,820,553</u>   | <br><u>81,243</u>          | <br><u>1,901,796</u>                                     |
| <br><i>Total Liabilities and Fund Balances</i>  | <br><u>\$1,891,997</u> | <br><u>\$81,243</u>        | <br><u>\$1,973,240</u>                                   |



**Shaker Heights City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Fiscal Year Ended June 30, 2003*

|  | Capital    | Building           | School Net<br>Plus | Total<br>Nonmajor<br>Capital<br>Projects Funds |
|--|------------|--------------------|--------------------|--|
| <b>Revenues</b>                        |            |                    |                    |  |
| Property Taxes                         | \$0        | \$141,401          | \$0                | \$141,401                                      |
| Intergovernmental                      | 0          | 0                  | 87,683             | 87,683   |
| Interest                               | 0          | 40,140             | 0                  | 40,140   |
| Contributions and Donations            | 0          | 57,890             | 0                  | 57,890   |
| Rentals                                | 0          | 50,000             | 0                  | 50,000   |
| <i>Total Revenues</i>                  | <u>0</u>   | <u>289,431</u>     | <u>87,683</u>      | <u>377,114</u>                                 |
| <b>Expenditures</b>                    |            |                    |                    |  |
| Capital Outlay                         | 831        | 2,037,089          | 6,440              | 2,044,360                                      |
| <i>Net Change in Fund Balances</i>     | (831)      | (1,747,658)        | 81,243             | (1,667,246)                                    |
| <i>Fund Balances Beginning of Year</i> | <u>831</u> | <u>3,568,211</u>   | <u>0</u>           | <u>3,569,042</u>                               |
| <i>Fund Balances End of Year</i>       | <u>\$0</u> | <u>\$1,820,553</u> | <u>\$81,243</u>    | <u>\$1,901,796</u>                             |

## Combining Statements – Internal Service Funds

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Internal Service Funds are established to account for the providing of goods or services by one department to other departments of the School District on a cost reimbursement basis.

*Self Insurance* - This fund accounts for employee and employer payments for medical, dental and prescription drug claims and administrative costs.

*Workers' Compensation Reserve* - This fund accounts for the costs of retrospective workers compensation claims for the fiscal years 1993, 1999, 2000, 2001, 2002 and 2003.

**Shaker Heights City School District**  
*Combining Statement of Fund Net Assets*  
*Internal Service Funds*  
*June 30, 2003*

|   | Self<br>Insurance | Workers'<br>Compensation<br>Reserve | Totals      |
|---|-------------------|-------------------------------------|-------------|
| <b>Assets</b>                                     |                   |                                     |             |
| Cash and Cash Equivalents<br>in Segrated Accounts | \$842,524         | \$450,704                           | \$1,293,228 |
| <b>Liabilities</b>                                |                   |                                     |             |
| Claims Payable                                    | 102,000           | 450,704                             | 552,704     |
| <b>Net Assets</b>                                 |                   |                                     |             |
| Unrestricted                                      | \$740,524         | \$0                                 | \$740,524   |

**Shaker Heights City School District**  
*Combining Statement of Revenues,  
Expenses and Changes in Fund Net Assets  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2003*

|                                     | Self<br>Insurance | Workers'<br>Compensation<br>Reserve | Totals      |
|-------------------------------------|-------------------|-------------------------------------|-------------|
| <b>Operating Revenues</b>           |                   |                                     |             |
| Charges for Services                | \$5,739,327       | \$146,543                           | \$5,885,870 |
| <b>Operating Expenses</b>           |                   |                                     |             |
| Purchased Services                  | 11,000            | 0                                   | 11,000      |
| Claims                              | 5,913,224         | 146,543                             | 6,059,767   |
| <i>Total Operating Expenses</i>     | 5,924,224         | 146,543                             | 6,070,767   |
| <i>Change in Net Assets</i>         | (184,897)         | 0                                   | (184,897)   |
| <i>Net Assets Beginning of Year</i> | 925,421           | 0                                   | 925,421     |
| <i>Net Assets End of Year</i>       | \$740,524         | \$0                                 | \$740,524   |

**Shaker Heights City School District**  
*Combining Statement of Cash Flows*  
*Internal Service Funds*  
For the Fiscal Year Ended June 30, 2003

|  | Self<br>Insurance | Workers'<br>Compensation<br>Reserve | Totals      |
|--|-------------------|-------------------------------------|-------------|
| <b><i>Increase (Decrease) in Cash and Cash Equivalents</i></b>   |                   |                                     |             |
| <b>Cash Flows from Operating Activities</b>  |                   |                                     |             |
| Cash Received from Transactions with Other Funds   | \$5,739,327       | \$146,543                           | \$5,885,870 |
| Cash Payments for Goods and Services   | (11,000)          | 0                                   | (11,000)    |
| Cash Payments for Claims   | (5,893,424)       | 0                                   | (5,893,424) |
| <i>Net Increase (Decrease) in Cash and Cash Equivalents</i>  | (165,097)         | 146,543                             | (18,554)    |
| <i>Cash and Cash Equivalents Beginning of Year</i>   | 1,007,621         | 304,161                             | 1,311,782   |
| <i>Cash and Cash Equivalents End of Year</i>   | \$842,524         | \$450,704                           | \$1,293,228 |
| <b><i>Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities</i></b> |                   |                                     |             |
| <i>Operating Loss</i>  | (\$184,897)       | \$0                                 | (\$184,897) |
| <b>Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities</b> |                   |                                     |             |
| Increase/(Decrease) in Liabilities:  |                   |                                     |             |
| Claims Payable   | 19,800            | 146,543                             | 166,343     |
| <i>Net Cash Provided by (Used for) Operating Activities</i>  | (\$165,097)       | \$146,543                           | (\$18,554)  |

## Combining Statement – Agency Funds

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

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

**Shaker Heights City School District**  
*Combining Statement of Changes in Assets and Liabilities*  
*All Agency Funds*  
*For the Fiscal Year Ended June 30, 2003*

|   | Beginning<br>Balance<br>06/30/02 | Additions | Deductions | Ending<br>Balance<br>06/30/03 |
|---|----------------------------------|-----------|------------|-------------------------------|
| <b>Rotary</b>                                 |                                  |           |            |                               |
| <b>Assets</b>                                 |                                  |           |            |                               |
| Equity in Pooled Cash<br>and Cash Equivalents | \$83,230                         | \$154,934 | \$127,732  | \$110,432                     |
| <b>Liabilities</b>                            |                                  |           |            |                               |
| Undistributed Monies                          | \$83,230                         | \$154,934 | \$127,732  | \$110,432                     |
| <b>Student Activities</b>                     |                                  |           |            |                               |
| <b>Assets</b>                                 |                                  |           |            |                               |
| Equity in Pooled Cash<br>and Cash Equivalents | \$96,963                         | \$365,697 | \$342,098  | \$120,562                     |
| <b>Liabilities</b>                            |                                  |           |            |                               |
| Due to Students                               | \$96,963                         | \$365,697 | \$342,098  | \$120,562                     |
| <b>Total - All Agency Funds</b>               |                                  |           |            |                               |
| <b>Assets</b>                                 |                                  |           |            |                               |
| Equity in Pooled Cash<br>and Cash Equivalents | \$180,193                        | \$520,631 | \$469,830  | \$230,994                     |
| <b>Liabilities</b>                            |                                  |           |            |                               |
| Undistributed Monies                          | \$83,230                         | \$154,934 | \$127,732  | \$110,432                     |
| Due to Students                               | 96,963                           | 365,697   | 342,098    | 120,562                       |
| <i>Total Liabilities</i>                      | \$180,193                        | \$520,631 | \$469,830  | \$230,994                     |

**Individual Fund Schedules of Revenues, Expenditures/Expenses and  
Changes in Fund Balance/Fund Equity – Budget (Non-GAAP Basis) and Actual**



**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2003*

|                              | Budgeted Amounts    |                     | Actual              | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------|---------------------|---------------------|---------------------|---|
|                              | Original            | Final               |                     |   |
| <b>Revenues</b>              |                     |                     |                     |   |
| Property Taxes               | \$46,070,645        | \$46,710,673        | \$47,608,907        | \$898,234   |
| Intergovernmental            | 20,514,999          | 20,800,000          | 21,321,267          | 521,267   |
| Interest                     | 472,505             | 479,069             | 368,785             | (110,284)   |
| Tuition and Fees             | 1,272,951           | 130,547             | 1,275,581           | 1,145,034   |
| Charges for Services         | 32,548              | 33,000              | 29,687              | (3,313)   |
| Rentals                      | 42,411              | 43,000              | 48,967              | 5,967   |
| Miscellaneous                | 70,026              | 71,000              | 93,501              | 22,501  |
| <i>Total Revenues</i>        | <u>68,476,085</u>   | <u>68,267,289</u>   | <u>70,746,695</u>   | <u>2,479,406</u>  |
| <b>Expenditures</b>          |                     |                     |                     |   |
| Current:                     |                     |                     |                     |   |
| Instruction:                 |                     |                     |                     |   |
| Regular:                     |                     |                     |                     |   |
| Salaries and Wages           | 21,864,194          | 21,840,657          | 21,840,657          | 0   |
| Fringe Benefits              | 5,970,952           | 5,822,532           | 5,822,532           | 0   |
| Purchased Services           | 370,468             | 376,681             | 376,681             | 0   |
| Materials and Supplies       | 727,682             | 718,399             | 718,399             | 0   |
| Capital Outlay - New         | 182,355             | 112,143             | 112,143             | 0   |
| Capital Outlay - Replacement | 0                   | 23,884              | 23,884              | 0   |
| Other                        | 278                 | 233                 | 233                 | 0   |
| Total Regular                | <u>29,115,929</u>   | <u>28,894,529</u>   | <u>28,894,529</u>   | <u>0</u>  |
| Special:                     |                     |                     |                     |   |
| Salaries and Wages           | 4,984,564           | 4,538,726           | 4,538,726           | 0   |
| Fringe Benefits              | 1,343,202           | 1,366,929           | 1,366,929           | 0   |
| Purchased Services           | 3,164,129           | 3,226,808           | 3,226,808           | 0   |
| Materials and Supplies       | 90,665              | 72,378              | 72,378              | 0   |
| Capital Outlay - New         | 20,024              | 4,149               | 4,149               | 0   |
| Other                        | 132                 | 0                   | 0                   | 0   |
| Total Special                | <u>9,602,716</u>    | <u>9,208,990</u>    | <u>9,208,990</u>    | <u>0</u>  |
| Vocational:                  |                     |                     |                     |   |
| Salaries and Wages           | 103,455             | 75,424              | 75,424              | 0   |
| Fringe Benefits              | 25,774              | 19,987              | 19,987              | 0   |
| Purchased Services           | 196,433             | 259,561             | 259,561             | 0   |
| Total Vocational             | <u>325,662</u>      | <u>354,972</u>      | <u>354,972</u>      | <u>0</u>  |
| Total Instruction            | <u>\$39,044,307</u> | <u>\$38,458,491</u> | <u>\$38,458,491</u> | <u>\$0</u>  |

(continued)

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2003*

|                                  | Budgeted Amounts   |                    | Actual             | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|----------------------------------|--------------------|--------------------|--------------------|---|
|                                  | Original           | Final              |                    |   |
| Support Services:                |                    |                    |                    |   |
| Pupils:                          |                    |                    |                    |   |
| Salaries and Wages               | \$3,116,483        | \$3,142,153        | \$3,142,153        | \$0   |
| Fringe Benefits                  | 820,293            | 768,002            | 768,002            | 0   |
| Purchased Services               | 646,422            | 681,521            | 681,521            | 0   |
| Materials and Supplies           | 81,690             | 72,334             | 72,334             | 0   |
| Capital Outlay - New             | 12,830             | 14,915             | 14,915             | 0   |
| Capital Outlay - Replacement     | 1,918              | 735                | 735                | 0   |
| Other                            | 203                | 165                | 165                | 0   |
| <b>Total Pupils</b>              | <b>4,679,839</b>   | <b>4,679,825</b>   | <b>4,679,825</b>   | <b>0</b>  |
| Instructional Staff:             |                    |                    |                    |   |
| Salaries and Wages               | 2,480,354          | 2,373,184          | 2,373,184          | 0   |
| Fringe Benefits                  | 1,147,110          | 1,241,184          | 1,241,184          | 0   |
| Purchased Services               | 236,682            | 207,495            | 207,495            | 0   |
| Materials and Supplies           | 121,389            | 130,721            | 130,721            | 0   |
| Capital Outlay - New             | 81,839             | 66,615             | 66,615             | 0   |
| Capital Outlay - Replacement     | 4,737              | 4,164              | 4,164              | 0   |
| Other                            | 6,192              | 6,549              | 6,549              | 0   |
| <b>Total Instructional Staff</b> | <b>4,078,303</b>   | <b>4,029,912</b>   | <b>4,029,912</b>   | <b>0</b>  |
| Board of Education:              |                    |                    |                    |   |
| Purchased Services               | 14,225             | 3,053              | 3,053              | 0   |
| Materials and Supplies           | 288                | 284                | 284                | 0   |
| Other                            | 59,248             | 41,295             | 41,295             | 0   |
| <b>Total Board of Education</b>  | <b>73,761</b>      | <b>44,632</b>      | <b>44,632</b>      | <b>0</b>  |
| Administration:                  |                    |                    |                    |   |
| Salaries and Wages               | 3,413,774          | 3,563,678          | 3,563,678          | 0   |
| Fringe Benefits                  | 1,249,482          | 1,229,566          | 1,229,566          | 0   |
| Purchased Services               | 557,936            | 563,074            | 563,074            | 0   |
| Materials and Supplies           | 233,529            | 219,137            | 219,137            | 0   |
| Capital Outlay - New             | 42,036             | 64,049             | 64,049             | 0   |
| Capital Outlay - Replacement     | 11,435             | 6,301              | 6,301              | 0   |
| Other                            | 4,791              | 9,074              | 9,074              | 0   |
| <b>Total Administration</b>      | <b>5,512,983</b>   | <b>5,654,879</b>   | <b>5,654,879</b>   | <b>0</b>  |
| Fiscal:                          |                    |                    |                    |   |
| Salaries and Wages and Wages     | 548,300            | 522,362            | 522,362            | 0   |
| Fringe Benefits                  | 174,382            | 180,616            | 180,616            | 0   |
| Purchased Services               | 263,712            | 137,883            | 137,883            | 0   |
| Materials and Supplies           | 4,858              | 109,076            | 109,076            | 0   |
| Capital Outlay - New             | 1,962              | 10,268             | 10,268             | 0   |
| Capital Outlay - Replacement     | 6,053              | 8,136              | 8,136              | 0   |
| Other                            | 768,493            | 740,061            | 740,061            | 0   |
| <b>Total Fiscal</b>              | <b>\$1,767,760</b> | <b>\$1,708,402</b> | <b>\$1,708,402</b> | <b>\$0</b>  |

(continued)

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2003*

|   | Budgeted Amounts    |                     | Actual              | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|---------------------|---------------------|---------------------|---|
|   | Original            | Final               |                     |   |
| <b>Business:</b>                                |                     |                     |                     |   |
| Salaries and Wages                              | \$418,252           | \$410,420           | \$410,420           | \$0   |
| Fringe Benefits                                 | 169,014             | 156,132             | 156,132             | 0   |
| Purchased Services                              | 51,231              | 79,937              | 79,937              | 0   |
| Materials and Supplies                          | 21,782              | 20,902              | 20,902              | 0   |
| Capital Outlay - New                            | 197                 | 0                   | 0                   | 0   |
| Capital Outlay - Replacement                    | 55,150              | 7,844               | 7,844               | 0   |
| Other   | 1,809               | 8,238               | 8,238               | 0   |
| <b>Total Business</b>                           | <b>717,435</b>      | <b>683,473</b>      | <b>683,473</b>      | <b>0</b>  |
| <b>Operation and Maintenance of Plant:</b>      |                     |                     |                     |   |
| Salaries and Wages                              | 4,472,428           | 4,773,350           | 4,773,350           | 0   |
| Fringe Benefits                                 | 1,571,736           | 1,636,161           | 1,636,161           | 0   |
| Purchased Services                              | 1,565,033           | 1,554,228           | 1,554,228           | 0   |
| Materials and Supplies                          | 564,708             | 583,696             | 583,696             | 0   |
| Capital Outlay - New                            | 27,805              | 22,731              | 22,731              | 0   |
| Capital Outlay - Replacement                    | 56,137              | 61,375              | 61,375              | 0   |
| Other   | 5,933               | 4,194               | 4,194               | 0   |
| <b>Total Operation and Maintenance of Plant</b> | <b>8,263,780</b>    | <b>8,635,735</b>    | <b>8,635,735</b>    | <b>0</b>  |
| <b>Pupil Transportation:</b>                    |                     |                     |                     |   |
| Salaries and Wages                              | 1,507,897           | 1,661,051           | 1,661,051           | 0   |
| Fringe Benefits                                 | 448,288             | 453,572             | 453,572             | 0   |
| Purchased Services                              | 1,435,249           | 1,544,355           | 1,544,355           | 0   |
| Materials and Supplies                          | 164,602             | 174,716             | 174,716             | 0   |
| Capital Outlay - New                            | 14,324              | 4,259               | 4,259               | 0   |
| Capital Outlay - Replacement                    | 1,355               | 319                 | 319                 | 0   |
| Other   | 203                 | 1,261               | 1,261               | 0   |
| <b>Total Pupil Transportation</b>               | <b>3,571,918</b>    | <b>3,839,533</b>    | <b>3,839,533</b>    | <b>0</b>  |
| <b>Central:</b>                                 |                     |                     |                     |   |
| Salaries and Wages                              | 590,313             | 589,844             | 589,844             | 0   |
| Fringe Benefits                                 | 296,937             | 262,762             | 262,762             | 0   |
| Purchased Services                              | 417,251             | 401,857             | 401,857             | 0   |
| Materials and Supplies                          | 90,971              | 81,954              | 81,954              | 0   |
| Capital Outlay - New                            | 7,570               | 2,781               | 2,781               | 0   |
| Capital Outlay - Replacement                    | 3,644               | 9,317               | 9,317               | 0   |
| Other   | 1,558               | 700                 | 700                 | 0   |
| <b>Total Central</b>                            | <b>1,408,244</b>    | <b>1,349,215</b>    | <b>1,349,215</b>    | <b>0</b>  |
| <b>Total Support Services</b>                   | <b>\$30,074,023</b> | <b>\$30,625,606</b> | <b>\$30,625,606</b> | <b>\$0</b>  |

(continued)

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2003*

|   | Budgeted Amounts |               | Actual     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|---------------|------------|---|
|   | Original         | Final         |            |   |
| Operation of Non-Instructional Services:            |                  |               |            |   |
| Community Services:                                 |                  |               |            |   |
| Salaries and Wages                                  | \$57,084         | \$35,317      | \$35,317   | \$0   |
| Fringe Benefits                                     | 16,951           | 129,812       | 129,812    | 0   |
| Purchased Services                                  | 32,298           | 33,537        | 33,537     | 0   |
| Materials and Supplies                              | 286              | 260           | 260        | 0   |
| Total Operation of Non-Instructional Services       | 106,619          | 198,926       | 198,926    | 0   |
| Extracurricular Activities:                         |                  |               |            |   |
| Academic and Subject Oriented Activities:           |                  |               |            |   |
| Salaries and Wages                                  | 161,480          | 155,823       | 155,823    | 0   |
| Fringe Benefits                                     | 33,969           | 36,088        | 36,088     | 0   |
| Purchased Services                                  | 10,332           | 9,435         | 9,435      | 0   |
| Materials and Supplies                              | 13,015           | 26,907        | 26,907     | 0   |
| Total Academic and Subject Oriented Activities      | 218,796          | 228,253       | 228,253    | 0   |
| Occupational Oriented Activities:                   |                  |               |            |   |
| Salaries and Wages                                  | 6,006            | 5,710         | 5,710      | 0   |
| Fringe Benefits                                     | 894              | 796           | 796        | 0   |
| Total Occupational Oriented Activities              | 6,900            | 6,506         | 6,506      | 0   |
| Sports Oriented Activities:                         |                  |               |            |   |
| Salaries and Wages                                  | 435,589          | 433,753       | 433,753    | 0   |
| Fringe Benefits                                     | 83,717           | 78,570        | 78,570     | 0   |
| Purchased Services                                  | 44,126           | 43,525        | 43,525     | 0   |
| Materials and Supplies                              | 32,373           | 29,490        | 29,490     | 0   |
| Capital Outlay - New                                | 2,486            | 0             | 0          | 0   |
| Capital Outlay - Replacement                        | 2,399            | 0             | 0          | 0   |
| Total Sports Oriented Activities                    | 600,690          | 585,338       | 585,338    | 0   |
| School and Public Service                           |                  |               |            |   |
| Co-Curricular Activities:                           |                  |               |            |   |
| Salaries and Wages                                  | 56,490           | 52,855        | 52,855     | 0   |
| Fringe Benefits                                     | 8,853            | 7,742         | 7,742      | 0   |
| Total School and Public Service                     |                  |               |            |   |
| Co-Curricular Activities                            | 65,343           | 60,597        | 60,597     | 0   |
| Total Extracurricular Activities                    | 891,729          | 880,694       | 880,694    | 0   |
| <i>Total Expenditures</i>                           | 70,116,678       | 70,163,717    | 70,163,717 | 0   |
| <i>Excess of Revenues Over (Under) Expenditures</i> | (\$1,640,593)    | (\$1,896,428) | \$582,978  | \$2,479,406   |

(continued)

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2003*

|                                       | <u>Budgeted Amounts</u>   |                           | <u>Actual</u>              | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|---------------------------|---------------------------|----------------------------|---|
|                                       | <u>Original</u>           | <u>Final</u>              |                            |   |
| <b>Other Financing Uses</b>           |                           |                           |                            |   |
| Operating Transfers Out               | <u>(\$294,000)</u>        | <u>(\$246,961)</u>        | <u>(\$246,961)</u>         | <u>\$0</u>  |
| <i>Net Change in Fund Balance</i>     | (1,934,593)               | (2,143,389)               | 336,017                    | 2,479,406   |
| <i>Fund Balance Beginning of Year</i> | 8,279,977                 | 8,279,977                 | 8,279,977                  | 0   |
| Prior Year Encumbrances Appropriated  | <u>1,683,712</u>          | <u>1,683,712</u>          | <u>1,683,712</u>           | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u><u>\$8,029,096</u></u> | <u><u>\$7,820,300</u></u> | <u><u>\$10,299,706</u></u> | <u><u>\$2,479,406</u></u>   |

**Shaker Heights City School District**  
*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, 2003*

|  | Budgeted Amounts |                 | Actual          | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|-----------------|-----------------|---|
|  | Original         | Final           |                 |   |
| <b>Revenues</b>                          |                  |                 |                 |   |
| Interest                                 | \$5,208          | \$14,200        | \$3,220         | (\$10,980)  |
| Tuition and Fees                         | 15,915           | 47,250          | 9,840           | (37,410)  |
| Extracurricular Activities               | 286,947          | 229,450         | 177,415         | (52,035)  |
| Contributions and Donations              | 17,980           | 42,500          | 11,117          | (31,383)  |
| Miscellaneous                            | 23,950           | 16,600          | 14,808          | (1,792)   |
| <i>Total Revenues</i>                    | <u>350,000</u>   | <u>350,000</u>  | <u>216,400</u>  | <u>(133,600)</u>  |
| <b>Expenditures</b>                      |                  |                 |                 |   |
| Current:                                 |                  |                 |                 |   |
| Instruction:                             |                  |                 |                 |   |
| Regular:                                 |                  |                 |                 |   |
| Purchased Services                       | 76,425           | 85,186          | 70,932          | 14,254  |
| Materials and Supplies                   | 43,431           | 48,410          | 32,622          | 15,788  |
| Capital Outlay - New                     | 12,802           | 14,270          | 0               | 14,270  |
| Capital Outlay - Replacement             | 25,497           | 28,420          | 20,421          | 7,999   |
| Total Instruction                        | <u>158,155</u>   | <u>176,286</u>  | <u>123,975</u>  | <u>52,311</u>   |
| Support Services:                        |                  |                 |                 |   |
| Instructional Staff:                     |                  |                 |                 |   |
| Materials and Supplies                   | 673              | 750             | 340             | 410   |
| Other                                    | 224              | 250             | 0               | 250   |
| Total Instructional Staff                | <u>897</u>       | <u>1,000</u>    | <u>340</u>      | <u>660</u>  |
| Operation and Maintenance of Plant:      |                  |                 |                 |   |
| Salaries and Wages                       | <u>179</u>       | <u>200</u>      | <u>100</u>      | <u>100</u>  |
| Total Support Services                   | <u>1,076</u>     | <u>1,200</u>    | <u>440</u>      | <u>760</u>  |
| Extracurricular Activities:              |                  |                 |                 |   |
| Co-Curricular Activities:                |                  |                 |                 |   |
| Purchased Services                       | 124,564          | 138,844         | 56,713          | 82,131  |
| Materials and Supplies                   | 49,540           | 55,220          | 28,402          | 26,818  |
| Other                                    | 14,493           | 16,155          | 3,510           | 12,645  |
| Total Co-Curricular Activities           | <u>188,597</u>   | <u>210,219</u>  | <u>88,625</u>   | <u>121,594</u>  |
| Public Service Oriented Activities:      |                  |                 |                 |   |
| Purchased Services                       | 696              | 776             | 747             | 29  |
| Materials and Supplies                   | 292              | 325             | 305             | 20  |
| Other                                    | 90               | 100             | 0               | 100   |
| Total Public Service Oriented Activities | <u>1,078</u>     | <u>1,201</u>    | <u>1,052</u>    | <u>149</u>  |
| Total Extracurricular Activities         | <u>189,675</u>   | <u>211,420</u>  | <u>89,677</u>   | <u>121,743</u>  |
| <i>Total Expenditures</i>                | <u>348,906</u>   | <u>388,906</u>  | <u>214,092</u>  | <u>174,814</u>  |
| <i>Net Change in Fund Balance</i>        | 1,094            | (38,906)        | 2,308           | 41,214  |
| <i>Fund Balance Beginning of Year</i>    | 86,567           | 86,567          | 86,567          | 0   |
| Prior Year Encumbrances Appropriated     | <u>8,906</u>     | <u>8,906</u>    | <u>8,906</u>    | <u>0</u>  |
| <i>Fund Balance End of Year</i>          | <u>\$96,567</u>  | <u>\$56,567</u> | <u>\$97,781</u> | <u>\$41,214</u>   |

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Shaker Merchandise*  
*For the Fiscal Year Ended June 30, 2003*

|   | <u>Budgeted Amounts</u> |                        | <u>Actual</u>         | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------------|------------------------|-----------------------|---|
|   | <u>Original</u>         | <u>Final</u>           |                       |   |
| <b>Revenues</b>   |                         |                        |                       |   |
| Miscellaneous   | \$20,000                | \$15,000               | \$6,826               | (\$8,174)   |
| <b>Expenditures</b>                                     |                         |                        |                       |   |
| Current:  |                         |                        |                       |   |
| Support Services:                                       |                         |                        |                       |   |
| Business:   |                         |                        |                       |   |
| Materials and Supplies                                  | 13,490                  | 13,490                 | 9,513                 | 3,977   |
| Other   | 1,102                   | 1,102                  | 541                   | 561   |
| <b>Total Expenditures</b>                               | <u>14,592</u>           | <u>14,592</u>          | <u>10,054</u>         | <u>4,538</u>  |
| <i>Excess of Revenues Over<br/>(Under) Expenditures</i> | 5,408                   | 408                    | (3,228)               | (3,636)   |
| <b>Other Financing Sources</b>                          |                         |                        |                       |   |
| Operating Transfers In                                  | <u>0</u>                | <u>5,000</u>           | <u>0</u>              | <u>(5,000)</u>  |
| <i>Net Change in Fund Balance</i>                       | 5,408                   | 5,408                  | (3,228)               | (8,636)   |
| <i>Fund Balance Beginning of Year</i>                   | 5,473                   | 5,473                  | 5,473                 | 0   |
| Prior Year Encumbrances Appropriated                    | <u>92</u>               | <u>92</u>              | <u>92</u>             | <u>0</u>  |
| <i>Fund Balance End of Year</i>                         | <u><u>\$10,973</u></u>  | <u><u>\$10,973</u></u> | <u><u>\$2,337</u></u> | <u><u>(\$8,636)</u></u>                                 |

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*School Improvement Models*  
*For the Fiscal Year Ended June 30, 2003*

|                                       | <u>Budgeted Amounts</u> |                 | <u>Actual</u> | Variance with                          |
|---------------------------------------|-------------------------|-----------------|---------------|--|
|                                       | <u>Original</u>         | <u>Final</u>    |               | Final Budget<br>Positive<br>(Negative) |
| <b>Revenues</b>                       |                         |                 |               |  |
| Intergovernmental                     | \$25,000                | \$25,000        | \$0           | (\$25,000)                             |
| <b>Expenditures</b>                   | <u>0</u>                | <u>0</u>        | <u>0</u>      | <u>0</u>                               |
| <i>Net Change in Fund Balance</i>     | 25,000                  | 25,000          | 0             | (25,000)                               |
| <i>Fund Balance Beginning of Year</i> | <u>0</u>                | <u>0</u>        | <u>0</u>      | <u>0</u>                               |
| <i>Fund Balance End of Year</i>       | <u>\$25,000</u>         | <u>\$25,000</u> | <u>\$0</u>    | <u>(\$25,000)</u>                      |



**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Athletic*  
*For the Fiscal Year Ended June 30, 2003*

|  | Budgeted Amounts |                 | Actual          | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|-----------------|-----------------|---|
|  | Original         | Final           |                 |   |
| <b>Revenues</b>                              |                  |                 |                 |   |
| Extracurricular Activities                   | \$332,100        | \$332,100       | \$101,602       | (\$230,498)   |
| Miscellaneous                                | 46,400           | 46,400          | 5,843           | (40,557)  |
| <i>Total Revenues</i>                        | <u>378,500</u>   | <u>378,500</u>  | <u>107,445</u>  | <u>(271,055)</u>  |
| <b>Expenditures</b>                          |                  |                 |                 |   |
| Current:                                     |                  |                 |                 |   |
| Support Services:                            |                  |                 |                 |   |
| Operation and Maintenance of Plant:          |                  |                 |                 |   |
| Salaries and Wages                           | 8,650            | 8,650           | 5,925           | 2,725   |
| Extracurricular Activities:                  |                  |                 |                 |   |
| Sports Oriented Activities:                  |                  |                 |                 |   |
| Salaries and Wages                           | 20,003           | 20,003          | 7,010           | 12,993  |
| Purchased Services                           | 141,538          | 141,538         | 66,970          | 74,568  |
| Materials and Supplies                       | 157,274          | 157,274         | 80,522          | 76,752  |
| Capital Outlay - New                         | 48,188           | 48,188          | 15,182          | 33,006  |
| Other  | 48,614           | 48,614          | 32,473          | 16,141  |
| <i>Total Extracurricular Activities</i>      | <u>415,617</u>   | <u>415,617</u>  | <u>202,157</u>  | <u>213,460</u>  |
| <i>Total Expenditures</i>                    | <u>424,267</u>   | <u>424,267</u>  | <u>208,082</u>  | <u>216,185</u>  |
| <i>Excess of Revenues Under Expenditures</i> | (45,767)         | (45,767)        | (100,637)       | (54,870)  |
| <b>Other Financing Sources</b>               |                  |                 |                 |   |
| Operating Transfers In                       | 71,500           | 71,500          | 83,000          | 11,500  |
| <i>Net Change in Fund Balance</i>            | 25,733           | 25,733          | (17,637)        | (43,370)  |
| <i>Fund Balance Beginning of Year</i>        | 45,861           | 45,861          | 45,861          | 0   |
| Prior Year Encumbrances Appropriated         | 9,267            | 9,267           | 9,267           | 0   |
| <i>Fund Balance End of Year</i>              | <u>\$80,861</u>  | <u>\$80,861</u> | <u>\$37,491</u> | <u>(\$43,370)</u>                                       |

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Auxiliary Services*  
*For the Fiscal Year Ended June 30, 2003*

|                                       | <u>Budgeted Amounts</u> |                    | <u>Actual</u>      | Variance with                          |
|---------------------------------------|-------------------------|--------------------|--------------------|--|
|                                       | <u>Original</u>         | <u>Final</u>       |                    | Final Budget<br>Positive<br>(Negative) |
| <b>Revenues</b>                       |                         |                    |                    |  |
| Intergovernmental                     | <u>\$1,125,000</u>      | <u>\$1,125,000</u> | <u>\$1,036,096</u> | <u>(\$88,904)</u>                      |
| <b>Expenditures</b>                   |                         |                    |                    |  |
| Intergovernmental:                    |                         |                    |                    |  |
| Salaries and Wages                    | 427,561                 | 532,515            | 443,773            | 88,742                                 |
| Fringe Benefits                       | 96,814                  | 120,578            | 120,578            | 0                                      |
| Purchased Services                    | 266,832                 | 332,332            | 330,783            | 1,549                                  |
| Materials and Supplies                | 113,983                 | 141,963            | 140,239            | 1,724                                  |
| Capital Outlay - New                  | 159,967                 | 199,235            | 197,303            | 1,932                                  |
| Other                                 | 57                      | 71                 | 71                 | 0                                      |
| <b>Total Expenditures</b>             | <u>1,065,214</u>        | <u>1,326,694</u>   | <u>1,232,747</u>   | <u>93,947</u>                          |
| <i>Net Change in Fund Balance</i>     | 59,786                  | (201,694)          | (196,651)          | 5,043                                  |
| <i>Fund Balance Beginning of Year</i> | 230,384                 | 230,384            | 230,384            | 0                                      |
| Prior Year Encumbrances Appropriated  | <u>60,214</u>           | <u>60,214</u>      | <u>60,214</u>      | <u>0</u>                               |
| <i>Fund Balance End of Year</i>       | <u>\$350,384</u>        | <u>\$88,904</u>    | <u>\$93,947</u>    | <u>\$5,043</u>                         |

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Local Professional Development*  
*For the Fiscal Year Ended June 30, 2003*

|                                       | <u>Budgeted Amounts</u> |                   | <u>Actual</u>     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|-------------------|-------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>      |                   |   |
| <b>Revenues</b>                       | \$0                     | \$0               | \$0               | \$0   |
| <b>Expenditures</b>                   |                         |                   |                   |   |
| Current:                              |                         |                   |                   |   |
| Support Services:                     |                         |                   |                   |   |
| Instructional Staff:                  |                         |                   |                   |   |
| Purchased Services                    | <u>2,006</u>            | <u>2,006</u>      | <u>2,006</u>      | <u>0</u>  |
| <i>Net Change in Fund Balance</i>     | (2,006)                 | (2,006)           | (2,006)           | 0   |
| <i>Fund Balance Beginning of Year</i> | 0                       | 0                 | 0                 | 0   |
| Prior Year Encumbrances Appropriated  | <u>2,006</u>            | <u>2,006</u>      | <u>2,006</u>      | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u><u>\$0</u></u>       | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u>                                       |

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Management Information Systems*  
*For the Fiscal Year Ended June 30, 2003*

|                                       | <u>Budgeted Amounts</u> |                   | <u>Actual</u>     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|-------------------|-------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>      |                   |   |
| <b>Revenues</b>                       |                         |                   |                   |   |
| Intergovernmental                     | \$0                     | \$21,121          | \$21,121          | \$0   |
| <b>Expenditures:</b>                  |                         |                   |                   |   |
| Current:                              |                         |                   |                   |   |
| Support Services:                     |                         |                   |                   |   |
| Central:                              |                         |                   |                   |   |
| Salaries and Wages                    | 15,679                  | 93,513            | 93,513            | 0   |
| Fringe Benefits                       | 5,321                   | 31,734            | 31,734            | 0   |
| <i>Total Expenditures</i>             | <u>21,000</u>           | <u>125,247</u>    | <u>125,247</u>    | <u>0</u>  |
| <i>Net Change in Fund Balance</i>     | (21,000)                | (104,126)         | (104,126)         | 0   |
| <i>Fund Balance Beginning of Year</i> | <u>104,126</u>          | <u>104,126</u>    | <u>104,126</u>    | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u><u>\$83,126</u></u>  | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u>                                       |

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Disadvantaged Pupil Impact Aid  
For the Fiscal Year Ended June 30, 2003*

|                                       | <u>Budgeted Amounts</u> |                        | <u>Actual</u>     | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|------------------------|-------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>           |                   |   |
| <b>Revenues</b>                       |                         |                        |                   |   |
| Intergovernmental                     | \$189,000               | \$141,979              | \$104,168         | (\$37,811)  |
| <b>Expenditures</b>                   |                         |                        |                   |   |
| Current:                              |                         |                        |                   |   |
| Instruction:                          |                         |                        |                   |   |
| Regular Instruction:                  |                         |                        |                   |   |
| Salaries and Wages                    | <u>110,000</u>          | <u>104,168</u>         | <u>104,168</u>    | <u>0</u>  |
| <i>Net Change in Fund Balance</i>     | 79,000                  | 37,811                 | 0                 | (37,811)  |
| <i>Fund Balance Beginning of Year</i> | <u>0</u>                | <u>0</u>               | <u>0</u>          | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u><u>\$79,000</u></u>  | <u><u>\$37,811</u></u> | <u><u>\$0</u></u> | <u><u>(\$37,811)</u></u>  |

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Data Communication Grant*  
*For the Fiscal Year Ended June 30, 2003*

|                                       | Budgeted Amounts |            | Actual     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|------------|------------|---|
|                                       | Original         | Final      |            |   |
| <b>Revenues</b>                       |                  |            |            |   |
| Intergovernmental                     | \$28,000         | \$28,000   | \$28,000   | \$0   |
| <b>Expenditures</b>                   |                  |            |            |   |
| Current:                              |                  |            |            |   |
| Support Services:                     |                  |            |            |   |
| Operation and Maintenance of Plant:   |                  |            |            |   |
| Purchased Services                    | 30,000           | 101,696    | 101,696    | 0   |
| <i>Net Change in Fund Balance</i>     | (2,000)          | (73,696)   | (73,696)   | 0   |
| <i>Fund Balance Beginning of Year</i> | 73,696           | 73,696     | 73,696     | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$71,696</u>  | <u>\$0</u> | <u>\$0</u> | <u>\$0</u>  |

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
School Net Professional Development Grant  
For the Fiscal Year Ended June 30, 2003*

|                                       | <u>Budgeted Amounts</u> |                   | <u>Actual</u>         | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|-------------------|-----------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>      |                       |   |
| <b>Revenues</b>                       |                         |                   |                       |   |
| Intergovernmental                     | \$4,600                 | \$4,600           | \$4,600               | \$0   |
| <b>Expenditures</b>                   |                         |                   |                       |   |
| Current:                              |                         |                   |                       |   |
| Support Services:                     |                         |                   |                       |   |
| Instructional Staff:                  |                         |                   |                       |   |
| Salaries and Wages                    | 169                     | 360               | 360                   | 0   |
| Purchased Services                    | 4,831                   | 10,307            | 9,164                 | 1,143   |
| <i>Total Expenditures</i>             | <u>5,000</u>            | <u>10,667</u>     | <u>9,524</u>          | <u>1,143</u>  |
| <i>Net Change in Fund Balance</i>     | (400)                   | (6,067)           | (4,924)               | 1,143   |
| <i>Fund Balance Beginning of Year</i> | <u>6,067</u>            | <u>6,067</u>      | <u>6,067</u>          | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u><u>\$5,667</u></u>   | <u><u>\$0</u></u> | <u><u>\$1,143</u></u> | <u><u>\$1,143</u></u>   |

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Ohio Reads Community Grant*  
*For the Fiscal Year Ended June 30, 2003*

|                                       | <u>Budgeted Amounts</u> |                   |                   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|-------------------|-------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>      | <u>Actual</u>     |   |
| <b>Revenues</b>                       |                         |                   |                   |   |
| Intergovernmental                     | \$17,500                | \$17,500          | \$17,500          | \$0   |
| <b>Expenditures</b>                   |                         |                   |                   |   |
| Current:                              |                         |                   |                   |   |
| Instruction:                          |                         |                   |                   |   |
| Regular:                              |                         |                   |                   |   |
| Salaries and Wages                    | 6,113                   | 8,000             | 8,000             | 0   |
| Purchased Services                    | 7,641                   | 10,000            | 10,000            | 0   |
| Materials and Supplies                | 10,543                  | 13,797            | 13,797            | 0   |
| <i>Total Expenditures</i>             | <u>24,297</u>           | <u>31,797</u>     | <u>31,797</u>     | <u>0</u>  |
| <i>Net Change in Fund Balance</i>     | (6,797)                 | (14,297)          | (14,297)          | 0   |
| <i>Fund Balance Beginning of Year</i> | 0                       | 0                 | 0                 | 0   |
| Prior Year Encumbrances Appropriated  | <u>14,297</u>           | <u>14,297</u>     | <u>14,297</u>     | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u><u>\$7,500</u></u>   | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u>                                       |



**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Summer School*  
*For the Fiscal Year Ended June 30, 2003*

|                                       | Budgeted Amounts       |                   | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------------|-------------------|-------------------|---|
|                                       | Original               | Final             |                   |   |
| <b>Revenues</b>                       | \$0                    | \$0               | \$0               | \$0   |
| <b>Expenditures</b>                   |                        |                   |                   |   |
| Current:                              |                        |                   |                   |   |
| Instruction:                          |                        |                   |                   |   |
| Regular:                              |                        |                   |                   |   |
| Salaries and Wages                    | <u>0</u>               | <u>18,083</u>     | <u>18,083</u>     | <u>0</u>  |
| <i>Net Change in Fund Balance</i>     | 0                      | (18,083)          | (18,083)          | 0   |
| <i>Fund Balance Beginning of Year</i> | <u>18,083</u>          | <u>18,083</u>     | <u>18,083</u>     | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u><u>\$18,083</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u>                                       |

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Alternative Schools*  
*For the Fiscal Year Ended June 30, 2003*

|                                       | <u>Budgeted Amounts</u> |                   |                   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|-------------------|-------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>      | <u>Actual</u>     |   |
| <b>Revenues</b>                       |                         |                   |                   |   |
| Intergovernmental                     | <u>\$68,117</u>         | <u>\$68,117</u>   | <u>\$68,117</u>   | <u>\$0</u>  |
| <b>Expenditures</b>                   |                         |                   |                   |   |
| Current:                              |                         |                   |                   |   |
| Instruction:                          |                         |                   |                   |   |
| Regular Instruction:                  |                         |                   |                   |   |
| Purchased Services                    | 0                       | 67,447            | 67,447            | 0   |
| Materials and Supplies                | <u>0</u>                | <u>670</u>        | <u>670</u>        | <u>0</u>  |
| Total Instruction                     | 0                       | 68,117            | 68,117            | 0   |
| Support Services:                     |                         |                   |                   |   |
| Administration:                       |                         |                   |                   |   |
| Purchased Services                    | <u>3,525</u>            | <u>3,525</u>      | <u>3,525</u>      | <u>0</u>  |
| <i>Total Expenditures</i>             | <u>3,525</u>            | <u>71,642</u>     | <u>71,642</u>     | <u>0</u>  |
| <i>Net Change in Fund Balance</i>     | 64,592                  | (3,525)           | (3,525)           | 0   |
| <i>Fund Balance Beginning of Year</i> | 0                       | 0                 | 0                 | 0   |
| Prior Year Encumbrances Appropriated  | <u>3,525</u>            | <u>3,525</u>      | <u>3,525</u>      | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u><u>\$68,117</u></u>  | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u>                                       |

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Goals 2000 Pacesetter  
For the Fiscal Year Ended June 30, 2003*

|                                       | Budgeted Amounts |          |          | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|----------|----------|---|
|                                       | Original         | Final    | Actual   |   |
| <b>Revenues</b>                       |                  |          |          |   |
| Intergovernmental                     | \$41,000         | \$41,000 | \$41,000 | \$0   |
| <b>Expenditures</b>                   |                  |          |          |   |
| Current:                              |                  |          |          |   |
| Instruction:                          |                  |          |          |   |
| Regular Instruction:                  |                  |          |          |   |
| Salaries and Wages                    | 1,694            | 3,981    | 848      | 3,133   |
| Purchased Services                    | 921              | 1,703    | 1,287    | 416   |
| Materials and Supplies                | 1,150            | 3,164    | 3,164    | 0   |
| Capital Outlay - New                  | 6                | 15       | 0        | 15  |
| Total Instruction                     | 3,771            | 8,863    | 5,299    | 3,564   |
| Support Services:                     |                  |          |          |   |
| Pupils:                               |                  |          |          |   |
| Purchased Services                    | 85               | 200      | 200      | 0   |
| Instructional Staff:                  |                  |          |          |   |
| Salaries and Wages                    | 13,200           | 31,027   | 31,027   | 0   |
| Fringe Benefits                       | 4,051            | 9,522    | 9,522    | 0   |
| Purchased Services                    | 1,355            | 3,185    | 2,863    | 322   |
| Materials and Supplies                | 1,147            | 2,696    | 1,359    | 1,337   |
| Capital Outlay - New                  | 511              | 1,200    | 1,200    | 0   |
| Total Instructional Staff             | 20,264           | 47,630   | 45,971   | 1,659   |
| Administration:                       |                  |          |          |   |
| Purchased Services                    | 1,193            | 2,804    | 2,804    | 0   |
| Total Support Services                | 21,542           | 50,634   | 48,975   | 1,659   |
| <i>Total Expenditures</i>             | 25,313           | 59,497   | 54,274   | 5,223   |
| <i>Net Change in Fund Balance</i>     | 15,687           | (18,497) | (13,274) | 5,223   |
| <i>Fund Balance Beginning of Year</i> | 18,184           | 18,184   | 18,184   | 0   |
| Prior Year Encumbrances Appropriated  | 313              | 313      | 313      | 0   |
| <i>Fund Balance End of Year</i>       | \$34,184         | \$0      | \$5,223  | \$5,223   |

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Eisenhower Grant*  
*For the Fiscal Year Ended June 30, 2003*

|   | <u>Budgeted Amounts</u> |                   | <u>Actual</u>     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------------|-------------------|-------------------|---|
|   | <u>Original</u>         | <u>Final</u>      |                   |   |
| <b>Revenues</b>                               | <u>\$0</u>              | <u>\$0</u>        | <u>\$0</u>        | <u>\$0</u>  |
| <b>Expenditures</b>                           |                         |                   |                   |   |
| Current:                                      |                         |                   |                   |   |
| Support Services:                             |                         |                   |                   |   |
| Instructional Staff:                          |                         |                   |                   |   |
| Materials and Supplies                        | 0                       | 5,242             | 5,242             | 0   |
| Fiscal Services:                              |                         |                   |                   |   |
| Other   | <u>0</u>                | <u>424</u>        | <u>424</u>        | <u>0</u>  |
| Total Support Services                        | <u>0</u>                | <u>5,666</u>      | <u>5,666</u>      | <u>0</u>  |
| Operation of Non-Instructional Services:      |                         |                   |                   |   |
| Community Services:                           |                         |                   |                   |   |
| Purchased Services                            | 2,000                   | 2,000             | 2,000             | 0   |
| Materials and Supplies                        | <u>405</u>              | <u>405</u>        | <u>405</u>        | <u>0</u>  |
| Total Operation of Non-Instructional Services | <u>2,405</u>            | <u>2,405</u>      | <u>2,405</u>      | <u>0</u>  |
| <i>Total Expenditures</i>                     | <u>2,405</u>            | <u>8,071</u>      | <u>8,071</u>      | <u>0</u>  |
| <i>Net Change in Fund Balance</i>             | (2,405)                 | (8,071)           | (8,071)           | 0   |
| <i>Fund Balance Beginning of Year</i>         | 5,730                   | 5,730             | 5,730             | 0   |
| Prior Year Encumbrances Appropriated          | <u>2,341</u>            | <u>2,341</u>      | <u>2,341</u>      | <u>0</u>  |
| <i>Fund Balance End of Year</i>               | <u><u>\$5,666</u></u>   | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u>                                       |

**Shaker Heights City School District**  
*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, 2003*

|  | <u>Budgeted Amounts</u> |                  | <u>Actual</u>    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------------|------------------|------------------|---|
|  | <u>Original</u>         | <u>Final</u>     |                  |   |
| <b>Revenues</b>                          |                         |                  |                  |   |
| Intergovernmental                        | <u>\$717,535</u>        | <u>\$814,811</u> | <u>\$720,166</u> | <u>(\$94,645)</u>                                       |
| <b>Expenditures</b>                      |                         |                  |                  |   |
| Current:                                 |                         |                  |                  |   |
| Instruction:                             |                         |                  |                  |   |
| Special Instruction:                     |                         |                  |                  |   |
| Purchased Services                       | 6,049                   | 5,741            | 5,741            | 0   |
| Materials and Supplies                   | 16,138                  | 19,943           | 19,943           | 0   |
| Capital Outlay - New                     | <u>18,290</u>           | <u>24,541</u>    | <u>24,541</u>    | <u>0</u>  |
| Total Instruction                        | <u>40,477</u>           | <u>50,225</u>    | <u>50,225</u>    | <u>0</u>  |
| Support Services:                        |                         |                  |                  |   |
| Pupils:                                  |                         |                  |                  |   |
| Salaries and Wages                       | 25,190                  | 32,143           | 32,143           | 0   |
| Instructional Staff:                     |                         |                  |                  |   |
| Salaries and Wages                       | 500,106                 | 611,046          | 611,046          | 0   |
| Fiscal:                                  |                         |                  |                  |   |
| Other                                    | <u>19,372</u>           | <u>23,222</u>    | <u>23,222</u>    | <u>0</u>  |
| Total Support Services                   | <u>544,668</u>          | <u>666,411</u>   | <u>666,411</u>   | <u>0</u>  |
| Operation of Non-Instructional Services: |                         |                  |                  |   |
| Community Services:                      |                         |                  |                  |   |
| Purchased Services                       | <u>10,055</u>           | <u>12,314</u>    | <u>12,314</u>    | <u>0</u>  |
| Total Expenditures                       | <u>595,200</u>          | <u>728,950</u>   | <u>728,950</u>   | <u>0</u>  |
| Net Change in Fund Balance               | 122,335                 | 85,861           | (8,784)          | (94,645)  |
| Fund Balance Beginning of Year           | 8,584                   | 8,584            | 8,584            | 0   |
| Prior Year Encumbrances Appropriated     | <u>200</u>              | <u>200</u>       | <u>200</u>       | <u>0</u>  |
| Fund Balance End of Year                 | <u>\$131,119</u>        | <u>\$94,645</u>  | <u>\$0</u>       | <u>(\$94,645)</u>                                       |

**Shaker Heights City School District**  
*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, 2003*

|  | Budgeted Amounts |          | Actual   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|----------|----------|---|
|  | Original         | Final    |          |   |
| <b>Revenues</b>                          |                  |          |          |   |
| Intergovernmental                        | \$18,000         | \$23,086 | \$11,579 | (\$11,507)  |
| <b>Expenditures</b>                      |                  |          |          |   |
| Current:                                 |                  |          |          |   |
| Instruction:                             |                  |          |          |   |
| Special Instruction:                     |                  |          |          |   |
| Purchased Services                       | 4,070            | 5,220    | 5,220    | 0   |
| Materials and Supplies                   | 5,848            | 7,500    | 2,454    | 5,046   |
| Total Instruction                        | 9,918            | 12,720   | 7,674    | 5,046   |
| Support Services:                        |                  |          |          |   |
| Instructional Staff:                     |                  |          |          |   |
| Purchased Services                       | 3,898            | 5,000    | 1,064    | 3,936   |
| Materials and Supplies                   | 2,722            | 3,491    | 569      | 2,922   |
| Total Instructional Staff                | 6,620            | 8,491    | 1,633    | 6,858   |
| Fiscal:                                  |                  |          |          |   |
| Other                                    | 360              | 461      | 0        | 461   |
| Total Support Services                   | 6,980            | 8,952    | 1,633    | 7,319   |
| Operation of Non-Instructional Services: |                  |          |          |   |
| Community Services:                      |                  |          |          |   |
| Purchased Services                       | 1,102            | 1,414    | 0        | 1,414   |
| <i>Total Expenditures</i>                | 18,000           | 23,086   | 9,307    | 13,779  |
| <i>Net Change in Fund Balance</i>        | 0                | 0        | 2,272    | 2,272   |
| <i>Fund Balance Beginning of Year</i>    | 0                | 0        | 0        | 0   |
| <i>Fund Balance End of Year</i>          | \$0              | \$0      | \$2,272  | \$2,272   |

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title I*  
*For the Fiscal Year Ended June 30, 2003*

|  | Budgeted Amounts |           | Actual    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|-----------|-----------|---|
|  | Original         | Final     |           |   |
| <b>Revenues</b>                          |                  |           |           |   |
| Intergovernmental                        | \$370,621        | \$389,512 | \$399,348 | \$9,836   |
| <b>Expenditures</b>                      |                  |           |           |   |
| Current:                                 |                  |           |           |   |
| Instruction:                             |                  |           |           |   |
| Special:                                 |                  |           |           |   |
| Salaries and Wages                       | 335,449          | 349,309   | 349,309   | 0   |
| Fringe Benefits                          | 67,211           | 69,988    | 69,988    | 0   |
| Materials and Supplies                   | 10,754           | 11,198    | 5,950     | 5,248   |
| Total Instruction                        | 413,414          | 430,495   | 425,247   | 5,248   |
| Support Services:                        |                  |           |           |   |
| Instructional Staff:                     |                  |           |           |   |
| Salaries and Wages                       | 5,282            | 5,500     | 5,500     | 0   |
| Purchased Services                       | 13,693           | 14,913    | 14,913    | 0   |
| Materials and Supplies                   | 2,616            | 2,070     | 0         | 2,070   |
| Total Instructional Staff                | 21,591           | 22,483    | 20,413    | 2,070   |
| Fiscal:                                  |                  |           |           |   |
| Other                                    | 19,811           | 20,630    | 11,987    | 8,643   |
| Total Support Services                   | 41,402           | 43,113    | 32,400    | 10,713  |
| Operation of Non-Instructional Services: |                  |           |           |   |
| Community Service Operations:            |                  |           |           |   |
| Purchased Services                       | 2,401            | 2,500     | 0         | 2,500   |
| <i>Total Expenditures</i>                | 457,217          | 476,108   | 457,647   | 18,461  |
| <i>Net Change in Fund Balance</i>        | (86,596)         | (86,596)  | (58,299)  | 28,297  |
| <i>Fund Balance Beginning of Year</i>    | 24,379           | 24,379    | 24,379    | 0   |
| Prior Year Encumbrances Appropriated     | 62,217           | 62,217    | 62,217    | 0   |
| <i>Fund Balance End of Year</i>          | \$0              | \$0       | \$28,297  | \$28,297  |

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title VI*  
*For the Fiscal Year Ended June 30, 2003*

|   | Budgeted Amounts |          | Actual   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|----------|----------|---|
|   | Original         | Final    |          |   |
| <b>Revenues</b>                               |                  |          |          |   |
| Intergovernmental                             | \$37,311         | \$76,142 | \$65,287 | (\$10,855)  |
| <b>Expenditures</b>                           |                  |          |          |   |
| Current:                                      |                  |          |          |   |
| Instruction:                                  |                  |          |          |   |
| Regular:                                      |                  |          |          |   |
| Salaries and Wages                            | 6,777            | 12,003   | 6,204    | 5,799   |
| Fringe Benefits                               | 2,393            | 4,275    | 4,046    | 229   |
| Purchased Services                            | 848              | 1,515    | 1,515    | 0   |
| Materials and Supplies                        | 27,362           | 48,993   | 48,993   | 0   |
| Total Instruction                             | 37,380           | 66,786   | 60,758   | 6,028   |
| Support Services:                             |                  |          |          |   |
| Administration:                               |                  |          |          |   |
| Purchased Services                            | 1,823            | 3,258    | 1,265    | 1,993   |
| Materials and Supplies                        | 840              | 1,500    | 1,199    | 301   |
| Total Administration                          | 2,663            | 4,758    | 2,464    | 2,294   |
| Fiscal:                                       |                  |          |          |   |
| Other   | 1,224            | 2,187    | 1,497    | 690   |
| Total Support Services                        | 3,887            | 6,945    | 3,961    | 2,984   |
| Operation of Non-Instructional Services:      |                  |          |          |   |
| Community Services:                           |                  |          |          |   |
| Purchased Services                            | 6,751            | 9,383    | 6,475    | 2,908   |
| Materials and Supplies                        | 1,342            | 5,077    | 5,077    | 0   |
| Total Operation of Non-Instructional Services | 8,093            | 14,460   | 11,552   | 2,908   |
| <i>Total Expenditures</i>                     | 49,360           | 88,191   | 76,271   | 11,920  |
| <i>Net Change in Fund Balance</i>             | (12,049)         | (12,049) | (10,984) | 1,065   |
| <i>Fund Balance Beginning of Year</i>         | 9,689            | 9,689    | 9,689    | 0   |
| Prior Year Encumbrances Appropriated          | 2,360            | 2,360    | 2,360    | 0   |
| <i>Fund Balance End of Year</i>               | \$0              | \$0      | \$1,065  | \$1,065   |



**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Drug Free Schools  
For the Fiscal Year Ended June 30, 2003*

|   | <u>Budgeted Amounts</u> |              | <u>Actual</u> | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------------|--------------|---------------|---|
|   | <u>Original</u>         | <u>Final</u> |               |   |
| <b>Revenues</b>                               |                         |              |               |   |
| Intergovernmental                             | \$25,383                | \$33,922     | \$30,653      | (\$3,269)   |
| <b>Expenditures</b>                           |                         |              |               |   |
| Current:                                      |                         |              |               |   |
| Support Services:                             |                         |              |               |   |
| Pupils:                                       |                         |              |               |   |
| Salaries and Wages                            | 13,410                  | 17,499       | 17,399        | 100   |
| Fringe Benefits                               | 9,218                   | 12,029       | 12,029        | 0   |
| Total Pupils                                  | 22,628                  | 29,528       | 29,428        | 100   |
| Instructional Staff:                          |                         |              |               |   |
| Purchased Services                            | 785                     | 1,025        | 0             | 1,025   |
| Fiscal:                                       |                         |              |               |   |
| Other   | 964                     | 1,258        | 736           | 522   |
| Total Support Services                        | 24,377                  | 31,811       | 30,164        | 1,647   |
| Operation of Non-Instructional Services:      |                         |              |               |   |
| Community Service Operations:                 |                         |              |               |   |
| Purchased Services                            | 153                     | 200          | 200           | 0   |
| Materials and Supplies                        | 3,461                   | 4,516        | 2,872         | 1,644   |
| Capital Outlay - Replacement                  | 9                       | 12           | 12            | 0   |
| Total Operation of Non-Instructional Services | 3,623                   | 4,728        | 3,084         | 1,644   |
| <i>Total Expenditures</i>                     | 28,000                  | 36,539       | 33,248        | 3,291   |
| <i>Net Change in Fund Balance</i>             | (2,617)                 | (2,617)      | (2,595)       | 22  |
| <i>Fund Balance Beginning of Year</i>         | 2,617                   | 2,617        | 2,617         | 0   |
| <i>Fund Balance End of Year</i>               | \$0                     | \$0          | \$22          | \$22  |

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Preschool Disability*  
*For the Fiscal Year Ended June 30, 2003*

|                                       | <u>Budgeted Amounts</u> |                   | <u>Actual</u>     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|-------------------|-------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>      |                   |   |
| <b>Revenues</b>                       |                         |                   |                   |   |
| Intergovernmental                     | \$16,654                | \$18,268          | \$18,268          | \$0   |
| <b>Expenditures</b>                   |                         |                   |                   |   |
| Current:                              |                         |                   |                   |   |
| Support Services:                     |                         |                   |                   |   |
| Instructional Staff:                  |                         |                   |                   |   |
| Salaries and Wages                    | 18,366                  | 19,938            | 19,938            | 0   |
| Fiscal:                               |                         |                   |                   |   |
| Other                                 | 634                     | 676               | 676               | 0   |
| <i>Total Expenditures</i>             | <u>19,000</u>           | <u>20,614</u>     | <u>20,614</u>     | <u>0</u>  |
| <i>Net Change in Fund Balance</i>     | (2,346)                 | (2,346)           | (2,346)           | 0   |
| <i>Fund Balance Beginning of Year</i> | <u>2,346</u>            | <u>2,346</u>      | <u>2,346</u>      | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u><u>\$0</u></u>       | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u>                                       |

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*E-Rate*  
*For the Fiscal Year Ended June 30, 2003*

|                                       | Budgeted Amounts |            | Actual     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|------------|------------|---|
|                                       | Original         | Final      |            |   |
| <b>Revenues</b>                       | \$0              | \$0        | \$0        | \$0   |
| <b>Expenditures</b>                   |                  |            |            |   |
| Current:                              |                  |            |            |   |
| Support Services:                     |                  |            |            |   |
| Operation and Maintenance of Plant:   |                  |            |            |   |
| Purchased Services                    | 0                | 128,977    | 128,977    | 0   |
| <i>Net Change in Fund Balance</i>     | 0                | (128,977)  | (128,977)  | 0   |
| <i>Fund Balance Beginning of Year</i> | 128,977          | 128,977    | 128,977    | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$128,977</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u>  |

**Shaker Heights City School District**  
*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, 2003*

|  | Budgeted Amounts |           | Actual    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|-----------|-----------|---|
|  | Original         | Final     |           |   |
| <b>Revenues</b>                          |                  |           |           |   |
| Intergovernmental                        | \$142,240        | \$176,349 | \$161,933 | (\$14,416)  |
| <b>Expenditures</b>                      |                  |           |           |   |
| Current:                                 |                  |           |           |   |
| Instruction:                             |                  |           |           |   |
| Regular:                                 |                  |           |           |   |
| Salaries and Wages                       | 66,247           | 80,624    | 80,624    | 0   |
| Fringe Benefits                          | 26,674           | 32,462    | 32,462    | 0   |
| Purchased Services                       | 6,145            | 7,479     | 0         | 7,479   |
| Total Regular                            | 99,066           | 120,565   | 113,086   | 7,479   |
| Special:                                 |                  |           |           |   |
| Purchased Services                       | 144              | 175       | 175       | 0   |
| Total Instruction                        | 99,210           | 120,740   | 113,261   | 7,479   |
| Support Services:                        |                  |           |           |   |
| Instructional Staff:                     |                  |           |           |   |
| Salaries and Wages                       | 19,554           | 25,419    | 25,419    | 0   |
| Fringe Benefits                          | 5,649            | 6,875     | 6,367     | 508   |
| Purchased Services                       | 15,661           | 17,438    | 16,927    | 511   |
| Materials and Supplies                   | 4,888            | 5,948     | 5,823     | 125   |
| Total Instructional Staff                | 45,752           | 55,680    | 54,536    | 1,144   |
| Fiscal Services:                         |                  |           |           |   |
| Other                                    | 4,206            | 5,119     | 1,959     | 3,160   |
| Total Support Services                   | 49,958           | 60,799    | 56,495    | 4,304   |
| Operation of Non-Instructional Services: |                  |           |           |   |
| Community Service Operations:            |                  |           |           |   |
| Purchased Services                       | 8,007            | 9,745     | 6,043     | 3,702   |
| <b>Total Expenditures</b>                | 157,175          | 191,284   | 175,799   | 15,485  |
| <b>Net Change in Fund Balance</b>        | (14,935)         | (14,935)  | (13,866)  | 1,069   |
| <b>Fund Balance Beginning of Year</b>    | 14,760           | 14,760    | 14,760    | 0   |
| Prior Year Encumbrances Appropriated     | 175              | 175       | 175       | 0   |
| <b>Fund Balance End of Year</b>          | \$0              | \$0       | \$1,069   | \$1,069   |

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Goals 2000*  
*For the Fiscal Year Ended June 30, 2003*

|   | Budgeted Amounts |          | Actual   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|----------|----------|---|
|   | Original         | Final    |          |   |
| <b>Revenues</b>                               |                  |          |          |   |
| Intergovernmental                             | \$22,256         | \$42,910 | \$41,970 | (\$940)   |
| <b>Expenditures</b>                           |                  |          |          |   |
| Current:                                      |                  |          |          |   |
| Instruction:                                  |                  |          |          |   |
| Regular:                                      |                  |          |          |   |
| Purchased Services                            | 2,221            | 3,750    | 1,811    | 1,939   |
| Materials and Supplies                        | 2,221            | 3,750    | 1,150    | 2,600   |
| Capital Outlay - New                          | 3,387            | 5,719    | 5,719    | 0   |
| Total Regular                                 | 7,829            | 13,219   | 8,680    | 4,539   |
| Special:                                      |                  |          |          |   |
| Materials and Supplies                        | 5,320            | 8,982    | 8,982    | 0   |
| Capital Outlay - New                          | 13,928           | 23,517   | 23,517   | 0   |
| Total Special                                 | 19,248           | 32,499   | 32,499   | 0   |
| Total Instruction                             | 27,077           | 45,718   | 41,179   | 4,539   |
| Support Services:                             |                  |          |          |   |
| Instructional Staff:                          |                  |          |          |   |
| Salaries and Wages                            | 1,591            | 2,687    | 2,687    | 0   |
| Fiscal:                                       |                  |          |          |   |
| Other   | 1,067            | 1,802    | 0        | 1,802   |
| Total Support Services                        | 2,658            | 4,489    | 2,687    | 1,802   |
| Operation of Non-Instructional Services:      |                  |          |          |   |
| Community Services:                           |                  |          |          |   |
| Purchased Services                            | 265              | 295      | 288      | 7   |
| Materials and Supplies                        | 0                | 152      | 152      | 0   |
| Total Operation of Non-Instructional Services | 265              | 447      | 440      | 7   |
| <i>Total Expenditures</i>                     | 30,000           | 50,654   | 44,306   | 6,348   |
| <i>Net Change in Fund Balance</i>             | (7,744)          | (7,744)  | (2,336)  | 5,408   |
| <i>Fund Balance Beginning of Year</i>         | 7,744            | 7,744    | 7,744    | 0   |
| <i>Fund Balance End of Year</i>               | \$0              | \$0      | \$5,408  | \$5,408   |

**Shaker Heights City School District**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Food Service*  
*For the Fiscal Year Ended June 30, 2003*

|  | Budgeted Amounts |                  | Actual          | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|------------------|-----------------|---|
|  | Original         | Final            |                 |   |
| <b>Revenues</b>                          |                  |                  |                 |   |
| Charges for Services                     | \$737,500        | \$781,000        | \$681,991       | (\$99,009)  |
| Interest                                 | 736              | 1,000            | 681             | (319)   |
| Operating Grants                         | 174,636          | 138,000          | 161,492         | 23,492  |
| Miscellaneous                            | 27,127           | 20,000           | 25,085          | 5,085   |
| <i>Total Revenues</i>                    | <u>939,999</u>   | <u>940,000</u>   | <u>869,249</u>  | <u>(70,751)</u>   |
| <b>Expenditures</b>                      |                  |                  |                 |   |
| Current:                                 |                  |                  |                 |   |
| Operation of Non-Instructional Services: |                  |                  |                 |   |
| Food Service Operations:                 |                  |                  |                 |   |
| Salaries and Wages                       | 294,100          | 301,057          | 301,057         | 0   |
| Fringe Benefits                          | 110,000          | 117,791          | 117,791         | 0   |
| Purchased Services                       | 23,114           | 23,114           | 3,374           | 19,740  |
| Materials and Supplies                   | 437,144          | 414,005          | 403,410         | 10,595  |
| Capital Outlay - Replacement             | 1,000            | 1,096            | 1,096           | 0   |
| Other                                    | 13,275           | 21,571           | 21,571          | 0   |
| <i>Total Expenditures</i>                | <u>878,633</u>   | <u>878,634</u>   | <u>848,299</u>  | <u>30,335</u>   |
| <i>Net Change in Fund Balance</i>        | 61,366           | 61,366           | 20,950          | (40,416)  |
| <i>Fund Balance Beginning of Year</i>    | 52,449           | 52,449           | 52,449          | 0   |
| Prior Year Encumbrances Appropriated     | 3,634            | 3,634            | 3,634           | 0   |
| <i>Fund Balance End of Year</i>          | <u>\$117,449</u> | <u>\$117,449</u> | <u>\$77,033</u> | <u>(\$40,416)</u>                                       |

**Shaker Heights City School District**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Uniform School Supplies*  
*For the Fiscal Year Ended June 30, 2003*

|                                       | Budgeted Amounts |           | Actual   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|-----------|----------|---|
|                                       | Original         | Final     |          |   |
| <b>Revenues</b>                       |                  |           |          |   |
| Charges for Services                  | \$125,000        | \$125,000 | \$73,580 | (\$51,420)  |
| <b>Expenditures</b>                   |                  |           |          |   |
| Current:                              |                  |           |          |   |
| Instruction:                          |                  |           |          |   |
| Regular                               |                  |           |          |   |
| Materials and Supplies                | 96,222           | 96,222    | 81,073   | 15,149  |
| <i>Net Change in Fund Balance</i>     | 28,778           | 28,778    | (7,493)  | (36,271)  |
| <i>Fund Balance Beginning of Year</i> | 24,405           | 24,405    | 24,405   | 0   |
| Prior Year Encumbrances Appropriated  | 222              | 222       | 222      | 0   |
| <i>Fund Balance End of Year</i>       | \$53,405         | \$53,405  | \$17,134 | (\$36,271)  |

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Local Grants*  
*For the Fiscal Year Ended June 30, 2003*

|                                       | Budgeted Amounts |           | Actual    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|-----------|-----------|---|
|                                       | Original         | Final     |           |   |
| <b>Revenues</b>                       |                  |           |           |   |
| Intergovernmental                     | \$419,985        | \$419,985 | \$221,600 | (\$198,385)   |
| Interest                              | 15               | 15        | 15        | 0   |
| <i>Total Revenues</i>                 | 420,000          | 420,000   | 221,615   | (198,385)   |
| <b>Expenditures</b>                   |                  |           |           |   |
| Current:                              |                  |           |           |   |
| Instruction:                          |                  |           |           |   |
| Regular:                              |                  |           |           |   |
| Salaries and Wages                    | 18,058           | 127,776   | 127,776   | 0   |
| Fringe Benefits                       | 2,721            | 9,688     | 8,764     | 924   |
| Purchased Services                    | 1,364            | 7,367     | 7,043     | 324   |
| Materials and Supplies                | 1,619            | 9,650     | 6,364     | 3,286   |
| Capital Outlay - New                  | 606              | 3,937     | 2,812     | 1,125   |
| Other                                 | 192              | 1,249     | 0         | 1,249   |
| Total Instruction                     | 24,560           | 159,667   | 152,759   | 6,908   |
| Support Services:                     |                  |           |           |   |
| Pupils:                               |                  |           |           |   |
| Purchased Services                    | 35               | 227       | 0         | 227   |
| Materials and Supplies                | 15               | 100       | 71        | 29  |
| Total Pupils                          | 50               | 327       | 71        | 256   |
| Instructional Staff:                  |                  |           |           |   |
| Salaries and Wages                    | 9,967            | 64,800    | 2,222     | 62,578  |
| Fringe Benefits                       | 1,540            | 10,014    | 0         | 10,014  |
| Purchased Services                    | 24,184           | 157,225   | 56,291    | 100,934   |
| Materials and Supplies                | 401              | 2,607     | 2,246     | 361   |
| Total Instructional Staff             | 36,092           | 234,646   | 60,759    | 173,887   |
| Operation and Maintenance of Plant:   |                  |           |           |   |
| Purchased Services                    | 969              | 6,300     | 6,300     | 0   |
| Total Support Services                | 37,111           | 241,273   | 67,130    | 174,143   |
| <i>Total Expenditures</i>             | 61,671           | 400,940   | 219,889   | 181,051   |
| <i>Net Change in Fund Balance</i>     | 358,329          | 19,060    | 1,726     | (17,334)  |
| <i>Fund Balance Beginning of Year</i> | 63,298           | 63,298    | 63,298    | 0   |
| Prior Year Encumbrances Appropriated  | 21,671           | 21,671    | 21,671    | 0   |
| <i>Fund Balance End of Year</i>       | \$443,298        | \$104,029 | \$86,695  | (\$17,334)  |



**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Bond Retirement*  
*For the Fiscal Year Ended June 30, 2003*

|  | <u>Budgeted Amounts</u> |                  |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------------|------------------|------------------|---|
|  | <u>Original</u>         | <u>Final</u>     | <u>Actual</u>    |   |
| <b>Revenues</b>                              |                         |                  |                  |   |
| Property Taxes                               | \$2,112,114             | \$2,091,803      | \$2,169,412      | \$77,609  |
| Intergovernmental                            | 281,032                 | 314,000          | 288,656          | (25,344)  |
| <i>Total Revenues</i>                        | <u>2,393,146</u>        | <u>2,405,803</u> | <u>2,458,068</u> | <u>52,265</u>   |
| <b>Expenditures</b>                          |                         |                  |                  |   |
| Current:                                     |                         |                  |                  |   |
| Support Services:                            |                         |                  |                  |   |
| Fiscal:                                      |                         |                  |                  |   |
| Purchased Services                           | 22,000                  | 22,000           | 2,357            | 19,643  |
| Other  | 40,000                  | 40,000           | 30,493           | 9,507   |
| Total Support Services                       | <u>62,000</u>           | <u>62,000</u>    | <u>32,850</u>    | <u>29,150</u>   |
| Debt Service:                                |                         |                  |                  |   |
| Principal Retirement                         | 1,885,359               | 1,885,359        | 1,885,000        | 359   |
| Interest and Fiscal Charges                  | 826,641                 | 826,641          | 826,641          | 0   |
| Total Debt Service                           | <u>2,712,000</u>        | <u>2,712,000</u> | <u>2,711,641</u> | <u>359</u>  |
| <i>Total Expenditures</i>                    | <u>2,774,000</u>        | <u>2,774,000</u> | <u>2,744,491</u> | <u>29,509</u>   |
| <i>Excess of Revenues Under Expenditures</i> | (380,854)               | (368,197)        | (286,423)        | 81,774  |
| <b>Other Financing Sources</b>               |                         |                  |                  |   |
| Operating Transfers In                       | 163,961                 | 163,961          | 163,961          | 0   |
| <i>Net Change in Fund Balance</i>            | (216,893)               | (204,236)        | (122,462)        | 81,774  |
| <i>Fund Balance Beginning of Year</i>        | <u>766,641</u>          | <u>766,641</u>   | <u>766,641</u>   | <u>0</u>  |
| <i>Fund Balance End of Year</i>              | <u>\$549,748</u>        | <u>\$562,405</u> | <u>\$644,179</u> | <u>\$81,774</u>   |

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Capital*  
*For the Fiscal Year Ended June 30, 2003*

|                                       | <u>Budgeted Amounts</u> |                     | <u>Actual</u>     | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|---------------------|-------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>        |                   |   |
| <b>Revenues</b>                       |                         |                     |                   |   |
| Miscellaneous                         | \$831                   | \$831               | \$0               | (\$831)   |
| <b>Expenditures</b>                   |                         |                     |                   |   |
| Current:                              |                         |                     |                   |   |
| Support Services:                     |                         |                     |                   |   |
| Operation and Maintenance of Plant:   |                         |                     |                   |   |
| Capital Outlay - New                  | <u>831</u>              | <u>831</u>          | <u>831</u>        | <u>0</u>  |
| <i>Net Change in Fund Balance</i>     | 0                       | 0                   | (831)             | (831)   |
| <i>Fund Balance Beginning of Year</i> | 0                       | 0                   | 0                 | 0   |
| Prior Year Encumbrances Appropriated  | <u>831</u>              | <u>831</u>          | <u>831</u>        | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u><u>\$831</u></u>     | <u><u>\$831</u></u> | <u><u>\$0</u></u> | <u><u>(\$831)</u></u>   |

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Building*  
*For the Fiscal Year Ended June 30, 2003*

|  | Budgeted Amounts   |                    | Actual             | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|--------------------|--------------------|--------------------|---|
|  | Original           | Final              |                    |   |
| <b>Revenues</b>                          |                    |                    |                    |   |
| Property Taxes                           | \$146,564          | \$125,000          | \$141,401          | \$16,401  |
| Interest                                 | 41,606             | 50,000             | 40,140             | (9,860)   |
| Miscellaneous                            | 111,830            | 125,000            | 107,890            | (17,110)  |
| <i>Total Revenues</i>                    | <u>300,000</u>     | <u>300,000</u>     | <u>289,431</u>     | <u>(10,569)</u>   |
| <b>Expenditures</b>                      |                    |                    |                    |   |
| Current:                                 |                    |                    |                    |   |
| Support Services:                        |                    |                    |                    |   |
| Operation and Maintenance of Plant:      |                    |                    |                    |   |
| Purchased Services                       | 1,610,710          | 1,917,512          | 1,917,512          | 0   |
| Materials and Supplies                   | 38,383             | 54,321             | 54,321             | 0   |
| Capital Outlay                           | 326,674            | 122,036            | 122,036            | 0   |
| Capital Outlay - Replacement             | 132,907            | 188,633            | 188,633            | 0   |
| Total Operation and Maintenance of Plant | <u>2,108,674</u>   | <u>2,282,502</u>   | <u>2,282,502</u>   | <u>0</u>  |
| Pupil Transportation:                    |                    |                    |                    |   |
| Capital Outlay - New                     | 0                  | 9,800              | 9,800              | 0   |
| Capital Outlay - Replacement             | 83,533             | 286,090            | 286,090            | 0   |
| Total Pupil Transportation               | <u>83,533</u>      | <u>295,890</u>     | <u>295,890</u>     | <u>0</u>  |
| Central:                                 |                    |                    |                    |   |
| Capital Outlay - New                     | 98,509             | 42,324             | 42,121             | 203   |
| <i>Total Expenditures</i>                | <u>2,290,716</u>   | <u>2,620,716</u>   | <u>2,620,513</u>   | <u>203</u>  |
| <i>Net Change in Fund Balance</i>        | (1,990,716)        | (2,320,716)        | (2,331,082)        | (10,366)  |
| <i>Fund Balance Beginning of Year</i>    | 2,915,315          | 2,915,315          | 2,915,315          | 0   |
| Prior Year Encumbrances Appropriated     | 790,716            | 790,716            | 790,716            | 0   |
| <i>Fund Balance End of Year</i>          | <u>\$1,715,315</u> | <u>\$1,385,315</u> | <u>\$1,374,949</u> | <u>(\$10,366)</u>                                       |

**Shaker Heights City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*School Net Plus*  
*For the Fiscal Year Ended June 30, 2003*

|                                       | <u>Budgeted Amounts</u> |               | <u>Actual</u>   | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|---------------|-----------------|---|
|                                       | <u>Original</u>         | <u>Final</u>  |                 |   |
| <b>Revenues</b>                       |                         |               |                 |   |
| Intergovernmental                     | \$51,783                | \$87,683      | \$87,683        | \$0   |
| <b>Expenditures</b>                   |                         |               |                 |   |
| Current:                              |                         |               |                 |   |
| Instruction:                          |                         |               |                 |   |
| Regular:                              |                         |               |                 |   |
| Capital Outlay                        | <u>0</u>                | <u>87,683</u> | <u>75,201</u>   | <u>12,482</u>   |
| <i>Net Change in Fund Balance</i>     | 51,783                  | 0             | 12,482          | 12,482  |
| <i>Fund Balance Beginning of Year</i> | <u>0</u>                | <u>0</u>      | <u>0</u>        | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u>\$51,783</u>         | <u>\$0</u>    | <u>\$12,482</u> | <u>\$12,482</u>   |

**Shaker Heights City School District**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Self Insurance*  
*For the Fiscal Year Ended June 30, 2003*

|                                      | Budgeted Amounts |             | Actual      | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------------------------|------------------|-------------|-------------|---|
|                                      | Original         | Final       |             |   |
| <b>Revenues</b>                      |                  |             |             |   |
| Charges for Services                 | \$6,000,000      | \$6,000,000 | \$5,739,327 | (\$260,673)   |
| <b>Expenses</b>                      |                  |             |             |   |
| Purchased Services                   | 11,000           | 11,000      | 11,000      | 0   |
| Claims                               | 6,189,000        | 6,189,000   | 5,893,428   | 295,572   |
| <i>Total Expenses</i>                | 6,200,000        | 6,200,000   | 5,904,428   | 295,572   |
| <i>Net Change in Fund Equity</i>     | (200,000)        | (200,000)   | (165,101)   | 34,899  |
| <i>Fund Equity Beginning of Year</i> | 1,007,621        | 1,007,621   | 1,007,621   | 0   |
| <i>Fund Equity End of Year</i>       | \$807,621        | \$807,621   | \$842,520   | \$34,899  |

**Shaker Heights City School District**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Workers' Compensation Reserve*  
*For the Fiscal Year Ended June 30, 2003*

|                                      | Budgeted Amounts |                  | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------------------------|------------------|------------------|------------------|---|
|                                      | Original         | Final            |                  |   |
| <b>Revenues</b>                      |                  |                  |                  |   |
| Charges for Services                 | \$200,000        | \$200,000        | \$146,543        | (\$53,457)  |
| <b>Expenses</b>                      |                  |                  |                  |   |
| Claims                               | 200,000          | 200,000          | 0                | 200,000   |
| <i>Net Change in Fund Equity</i>     | 0                | 0                | 146,543          | 146,543   |
| <i>Fund Equity Beginning of Year</i> | 304,161          | 304,161          | 304,161          | 0   |
| <i>Fund Equity End of Year</i>       | <u>\$304,161</u> | <u>\$304,161</u> | <u>\$450,704</u> | <u>\$146,543</u>  |

Statistical Section





## **Statistical Section**

The following statistical tables reflect social and economic data, financial trends and fiscal capacity of the School District.

**Shaker Heights City School District**  
*General Fund*  
*Revenues by Source and Expenditures by Function (1)*  
*Last Ten Fiscal Years*

|                                | 2003                | 2002                | 2001                | 2000                | 1999                |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Revenues</b>                |                     |                     |                     |                     |                     |
| Property Taxes                 | \$39,835,873        | \$54,293,414        | \$42,151,723        | \$41,099,368        | \$42,563,895        |
| Intergovernmental              | 21,288,085          | 21,104,292          | 16,505,145          | 14,970,356          | 14,459,135          |
| Interest                       | 344,970             | 501,808             | 734,826             | 819,302             | 810,924             |
| Tuition and Fees               | 1,275,123           | 1,536,024           | 926,828             | 1,076,931           | 995,307             |
| Contributions and Donations    | 0                   | 0                   | 0                   | 0                   | 0                   |
| Charges for Services           | 29,687              | 32,996              | 30,487              | 0                   | 0                   |
| Rentals                        | 98,967              | 43,243              | 47,510              | 50,653              | 56,880              |
| Miscellaneous                  | 92,301              | 71,750              | 76,101              | 20,093              | 159,202             |
| Other Financing Sources        | 0                   | 0                   | 244                 | 350                 | 125                 |
| <b>Total</b>                   | <b>\$62,965,006</b> | <b>\$77,583,527</b> | <b>\$60,472,864</b> | <b>\$58,037,053</b> | <b>\$59,045,468</b> |
| <b>Expenditures</b>            |                     |                     |                     |                     |                     |
| Current:                       |                     |                     |                     |                     |                     |
| Instruction:                   |                     |                     |                     |                     |                     |
| Regular                        | \$29,885,136        | \$27,981,773        | \$26,250,206        | \$26,092,946        | \$25,120,166        |
| Special                        | 8,697,554           | 7,607,235           | 7,229,599           | 6,499,476           | 6,170,717           |
| Vocational                     | 289,951             | 229,153             | 244,799             | 338,095             | 265,844             |
| Support Services:              |                     |                     |                     |                     |                     |
| Pupil                          | 4,758,959           | 4,435,831           | 4,035,949           | 4,006,461           | 3,557,365           |
| Instructional Staff            | 4,039,795           | 3,913,078           | 3,875,809           | 3,765,886           | 3,276,152           |
| Board of Education             | 44,557              | 71,907              | 57,321              | 44,778              | 61,146              |
| Administration                 | 5,531,587           | 5,296,284           | 5,100,343           | 4,839,108           | 4,519,966           |
| Fiscal                         | 1,584,756           | 1,523,559           | 1,368,575           | 1,448,829           | 1,278,091           |
| Business                       | 649,274             | 695,518             | 681,945             | 735,562             | 687,948             |
| Operation and Maintenance      |                     |                     |                     |                     |                     |
| of Plant                       | 8,536,637           | 8,427,864           | 8,028,917           | 7,357,041           | 6,732,184           |
| Pupil Transportation           | 3,659,578           | 3,515,732           | 3,264,343           | 3,194,117           | 2,755,507           |
| Central                        | 1,408,484           | 1,135,390           | 1,295,220           | 1,265,433           | 1,044,950           |
| Operation of Non-Instructional |                     |                     |                     |                     |                     |
| Services                       | 195,023             | 83,898              | 76,981              | 183,828             | 178,280             |
| Extracurricular Activities     | 859,731             | 825,984             | 766,653             | 740,718             | 708,418             |
| Capital Outlay                 | 0                   | 0                   | 0                   | 0                   | 154,399             |
| Debt Service                   | 0                   | 10,305              | 15,669              | 5,323               | 12,777              |
| Other Financing Uses           | 246,961             | 250,461             | 321,837             | 398,679             | 2,560,744           |
| <b>Total</b>                   | <b>\$70,387,983</b> | <b>\$66,003,972</b> | <b>\$62,614,166</b> | <b>\$60,916,280</b> | <b>\$59,084,654</b> |

Source: School District Financial Records.

(1) Prepared on a modified accrual basis of accounting. A schedule of revenues and expenditures for governmental activities will be presented when sufficient information is available to be able to provide comparisons.

(2) For the fiscal year 1994, Instructional expenditures were not classified by function.

N/A - Not Available

| 1998                | 1997                | 1996                | 1995                | 1994 (2)            |
|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$41,195,212        | \$41,269,488        | \$38,561,143        | \$35,766,315        | \$35,122,128        |
| 12,595,654          | 11,130,410          | 10,631,049          | 10,244,094          | 9,429,995           |
| 896,297             | 680,412             | 397,422             | 235,592             | 249,371             |
| 729,347             | 375,043             | 136,271             | 268,994             | 266,407             |
| 300                 | 0                   | 0                   | 0                   | 0                   |
| 0                   | 0                   | 52,605              | 26,673              | 0                   |
| 48,292              | 53,174              | 5,891               | 53,708              | 0                   |
| 380,356             | 35,540              | 42,036              | 54,620              | 411,273             |
| 1,806               | 30                  | 115,963             | 43,433              | 180,540             |
| <u>\$55,847,264</u> | <u>\$53,544,097</u> | <u>\$49,942,380</u> | <u>\$46,693,429</u> | <u>\$45,659,714</u> |

|                     |                     |                     |                     |                     |
|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$23,624,031        | \$21,745,023        | \$21,406,807        | \$21,548,351        | \$24,429,252        |
| 6,586,739           | 5,910,984           | 5,090,868           | 4,702,390           | N/A                 |
| 319,757             | 280,304             | 239,057             | 202,117             | N/A                 |
| 3,048,106           | 2,747,518           | 2,707,445           | 2,763,273           | 2,623,437           |
| 2,835,348           | 2,595,372           | 2,289,529           | 2,764,031           | 2,539,738           |
| 58,518              | 50,216              | 53,576              | 79,054              | 71,233              |
| 4,307,472           | 3,773,142           | 3,731,610           | 3,850,398           | 3,264,315           |
| 1,191,687           | 615,198             | 578,563             | 665,011             | 543,320             |
| 800,206             | 1,160,716           | 1,248,045           | 1,203,322           | 1,194,713           |
| 6,563,450           | 6,250,728           | 5,918,655           | 6,586,916           | 6,107,076           |
| 1,877,529           | 1,799,479           | 1,800,917           | 1,840,296           | 2,226,901           |
| 978,612             | 868,798             | 812,516             | 904,322             | 946,172             |
| 39,015              | 40,315              | 55,047              | 64,349              | 157,025             |
| 647,506             | 678,757             | 594,881             | 587,141             | 563,584             |
| 0                   | 0                   | 0                   | 0                   | 559,851             |
| 12,776              | 12,776              | 12,776              | 7,453               | 0                   |
| 487,031             | 1,342,436           | 105,789             | 127,206             | 197,726             |
| <u>\$53,377,783</u> | <u>\$49,871,762</u> | <u>\$46,646,081</u> | <u>\$47,895,630</u> | <u>\$45,424,343</u> |

**Shaker Heights City School District**  
*Property Tax Levies and Collections*  
*Last Ten Years*

| Year (1) | Total Tax Levy | Current Tax Collection | Percent of Current Taxes Collected | Delinquent Tax Collections | Total Tax Collections | Ratio of Total Tax Collections to Total Tax Levy | Outstanding Delinquent Taxes (2) | Ratio of Delinquent Taxes to Total Tax Levy |
|----------|----------------|------------------------|------------------------------------|----------------------------|-----------------------|--|----------------------------------|---|
| 2002     | \$61,031,382   | \$53,061,790           | 86.94%                             | \$2,696,283                | \$55,758,073          | 91.36%   | \$4,853,033                      | 7.95%                                       |
| 2001     | 59,395,866     | 53,242,741             | 89.64                              | 2,025,582                  | 55,268,323            | 93.05  | 4,107,206                        | 6.91  |
| 2000     | 51,218,889     | 46,518,513             | 90.82                              | 2,114,816                  | 48,633,329            | 94.95  | 3,047,657                        | 5.95  |
| 1999     | 51,196,890     | 45,983,102             | 89.82                              | 2,163,870                  | 48,146,972            | 94.04  | 2,842,481                        | 5.55  |
| 1998     | 50,424,327     | 45,702,584             | 90.64                              | 1,452,484                  | 47,155,068            | 93.52  | 3,043,317                        | 6.04  |
| 1997     | 50,453,727     | 46,020,347             | 91.21                              | 1,292,784                  | 47,313,131            | 93.78  | 2,659,658                        | 5.27  |
| 1996     | 49,997,697     | 46,268,767             | 92.54                              | 1,143,568                  | 47,412,335            | 94.83  | 2,472,180                        | 4.94  |
| 1995     | 44,221,209     | 40,282,334             | 91.09                              | 1,094,964                  | 41,377,298            | 93.57  | 2,394,040                        | 5.41  |
| 1994     | 44,856,857     | 39,999,148             | 89.17                              | 1,185,547                  | 41,184,695            | 91.81  | 3,231,136                        | 7.20  |
| 1993     | 44,270,312     | 39,774,638             | 89.84                              | 684,388                    | 40,459,026            | 91.39  | 3,560,983                        | 8.04  |

Source: Cuyahoga County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

- (1) Represents collection year. 2003 information cannot be presented because all collections have not been made by June 30.
- (2) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.

## Shaker Heights City School District

### *History of School Operating Levies*

*For the Years 1933 - 2003*

| Date  | Number of Mills |            | Number of Years | Votes For | Votes Against | % For  | Total Votes Cast | Difference |
|-------|-----------------|------------|-----------------|-----------|---------------|--------|------------------|------------|
| 11/33 | 3.0             |            | 1934            | 2,975     | 2,176         | 57.80% | 5,151            | 799        |
| 11/34 | 5.0             |            | 1935            | 3,358     | 3,633         | 48.00  | 6,991            | (275)      |
| 03/35 | 3.0             |            | 1935            | 1,791     | 1,042         | 63.20  | 2,833            | 749        |
| 11/35 | 4.0             |            | 1936            | 4,616     | 1,852         | 71.40  | 6,468            | 2,764      |
| 11/36 | 5.0             |            | 1937-39         | 5,479     | 5,323         | 50.70  | 10,802           | 156        |
| 11/38 | 5.0             |            | 1940-43         | 5,459     | 2,303         | 70.30  | 7,762            | 3,156      |
| 11/42 | 5.0             |            | 1944-47         | 5,763     | 2,309         | 71.40  | 8,072            | 3,454      |
| 11/44 | .05             |            | 1945            | 11,668    | 3,350         | 77.70  | 15,018           | 8,318      |
| 11/45 | 1.0             |            | 1946-47         | 4,736     | 1,196         | 79.80  | 5,932            | 3,540      |
| 11/46 | 6.0             | renewal    | 1948-51         | 11,445    | 2,000         | 85.10  | 13,445           | 9,445      |
| 11/47 | 3.0             |            | 1948-51         | 7,739     | 2,076         | 78.80  | 9,815            | 5,663      |
| 11/50 | 10.0            | renewal    | 1952-55         | 12,633    | 3,589         | 77.90  | 16,222           | 9,044      |
| 11/52 | 2.0             |            | 1953-55         | 15,874    | 4,145         | 79.30  | 20,019           | 11,729     |
| 11/54 | 12.0            |            | 1956-59         | 8,659     | 7,365         | 54.00  | 16,024           | 1,294      |
|       | 9.8             | renewal    |                 |           |               |        |                  |            |
|       | 2.2             | additional |                 |           |               |        |                  |            |
| 11/57 | 5.3             |            | 1958-59         | 8,365     | 4,480         | 65.10  | 12,845           | 3,885      |
| 11/58 | 17.2            | renewal    | 1960-64         | 13,802    | 4,346         | 76.10  | 18,148           | 9,456      |
| 11/59 | 3.0             |            | 1960-64         | 7,996     | 6,040         | 57.00  | 14,036           | 1,956      |
| 11/62 | 3.43            |            | 1963-64         | 12,845    | 5,616         | 69.60  | 18,461           | 7,229      |
| 05/64 | 23.63           | renewal    | 1965-69         | 9,692     | 1,872         | 83.80  | 11,564           | 7,820      |
| 05/65 | 3.8             | additional | 1966-69         | 7,970     | 2,293         | 77.70  | 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         | 61.80  | 6,197            | 1,465      |
|       | 31.33           | renewal    |                 |           |               |        |                  |            |
|       | 7.9             | additional |                 |           |               |        |                  |            |
| 05/71 | 8.9             | additional | Continuing      | 6,016     | 4,270         | 58.50  | 10,286           | 1,746      |
| 05/74 | 4.9             | additional | Continuing      | 5,814     | 2,524         | 69.70  | 8,338            | 3,290      |
| 06/76 | 5.5             | additional | Continuing      | 6,230     | 3,266         | 65.60  | 9,496            | 2,964      |
| 06/77 | 12.0            | additional | Continuing      | 4,644     | 2,683         | 63.40  | 7,327            | 1,961      |
| 06/79 | 6.0             | additional | Continuing      | 3,433     | 1,795         | 65.70  | 5,228            | 1,638      |
| 06/81 | 6.5             | additional | Continuing      | 3,805     | 2,398         | 61.30  | 6,203            | 1,407      |
| 06/82 | 6.0             | additional | Continuing      | 7,190     | 5,127         | 58.40  | 12,317           | 2,063      |
| 06/83 | 8.8             | additional | Continuing      | 4,301     | 4,572         | 48.50  | 8,873            | (271)      |
| 08/83 | 8.8             | additional | Continuing      | 5,373     | 4,546         | 54.20  | 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         | 53.50  | 6,758            | 468        |
| 05/92 | 9.8             | additional | Continuing      | 6,554     | 5,106         | 56.20  | 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         | 67.40  | 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      |

Source: Shaker Heights City School District Records

**Shaker Heights City School District**

*History of Bond Issues  
For the Years 1912 - 2003*

| <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              |

Source: Shaker Heights City School District

N/A - Not Available

**Shaker Heights City School District**  
*Property Tax Rates - Direct and Overlapping Governments*  
*(Per \$1,000 of Assessed Valuation)*  
*Last Ten Years*

| Year | School Levy | Library | County Levy | City Levy | Total Levy | Debt Service<br>Included in Total Levy |        |        |
|------|-------------|---------|-------------|-----------|------------|--|--------|--------|
|      |             |         |             |           |            | School                                 | County | Total  |
| 2003 | \$150.00    | \$4.00  | \$16.20     | \$9.90    | \$180.10   | \$2.87                                 | \$0.91 | \$3.78 |
| 2002 | 150.50      | 4.00    | 16.20       | 9.90      | 180.60     | 3.37                                   | 0.86   | 4.23   |
| 2001 | 150.50      | 4.00    | 16.20       | 9.90      | 180.60     | 3.37                                   | 0.27   | 3.64   |
| 2000 | 141.00      | 4.00    | 15.30       | 9.90      | 170.20     | 3.27                                   | 0.27   | 3.54   |
| 1999 | 139.80      | 4.00    | 15.30       | 9.90      | 169.00     | 2.07                                   | 0.72   | 2.79   |
| 1998 | 139.60      | 4.00    | 16.60       | 9.90      | 170.10     | 1.87                                   | 0.60   | 2.47   |
| 1997 | 139.80      | 3.00    | 16.60       | 9.90      | 169.30     | 2.07                                   | 0.60   | 2.67   |
| 1996 | 139.70      | 3.00    | 16.80       | 9.90      | 169.40     | 1.97                                   | 0.90   | 2.87   |
| 1995 | 131.00      | 3.00    | 16.80       | 9.90      | 160.70     | 1.97                                   | 0.87   | 2.84   |
| 1994 | 131.20      | 3.00    | 16.80       | 9.90      | 160.90     | 2.17                                   | 0.76   | 2.93   |

Source: Cuyahoga County Auditor - Data is presented on a calendar year basis because that is the manner which the information is maintained by the County Auditor.

**Shaker Heights City School District**  
*Assessed and Estimated Actual Value of Taxable Property*  
*Last Ten Years*

| Collection<br>Year | Real Property  |                               | Public Utility Property |                               |
|--------------------|----------------|-------------------------------|-------------------------|-------------------------------|
|                    | Assessed Value | Estimated<br>Actual Value (1) | Assessed Value          | Estimated<br>Actual Value (1) |
| 2003               | \$755,439,500  | \$2,158,398,571               | \$19,900,850            | \$22,614,602                  |
| 2002               | 758,473,160    | 2,167,066,171                 | 20,101,330              | 22,842,420                    |
| 2001(2)            | 753,027,040    | 2,151,505,829                 | 24,248,080              | 27,554,636                    |
| 2000               | 662,695,440    | 1,893,415,543                 | 23,622,520              | 26,843,773                    |
| 1999               | 663,126,030    | 1,894,645,800                 | 26,011,210              | 29,558,193                    |
| 1998(3)            | 661,972,460    | 1,891,349,886                 | 26,022,220              | 29,570,705                    |
| 1997               | 617,455,480    | 1,764,158,514                 | 27,287,540              | 31,008,568                    |
| 1996               | 615,519,820    | 1,758,628,057                 | 28,203,870              | 32,049,852                    |
| 1995(2)            | 619,478,020    | 1,769,937,200                 | 29,933,520              | 34,015,364                    |
| 1994               | 565,341,330    | 1,615,260,943                 | 29,420,940              | 33,432,886                    |

Source: Cuyahoga County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

- (1) This amount is calculated based on the following percentages:  
Real estate is assessed at 35 percent of actual value.  
Public utility property is assessed at 88 percent of actual value.  
Tangible personal property-inventory is assessed at: 23%-2003, 24%-2002,  
25%-1995 through 2001, and 26%-1994. For capital equipment at: 25%-1995  
through 2003, and 26%-1994.
- (2) Sexennial reappraisal year.
- (3) Triennial update year.



| Tangible Personal Property |                            | Total          |                            |       |
|----------------------------|----------------------------|----------------|----------------------------|-------|
| Assessed Value             | Estimated Actual Value (1) | Assessed Value | Estimated Actual Value (1) | Ratio |
| \$18,235,730               | \$79,285,783               | \$793,576,080  | \$2,260,298,956            | 35%   |
| 15,119,701                 | 60,478,804                 | 793,694,191    | 2,250,387,395              | 35    |
| 13,134,797                 | 52,539,188                 | 790,409,917    | 2,231,599,653              | 35    |
| 11,482,000                 | 45,928,000                 | 697,799,960    | 1,966,187,316              | 35    |
| 11,049,610                 | 44,198,440                 | 700,186,850    | 1,968,402,433              | 36    |
| 11,863,524                 | 47,454,096                 | 699,858,204    | 1,968,374,686              | 36    |
| 11,624,648                 | 46,498,592                 | 656,367,668    | 1,841,665,674              | 36    |
| 9,938,472                  | 39,753,888                 | 653,662,162    | 1,830,431,797              | 36    |
| 8,856,428                  | 35,425,712                 | 658,267,968    | 1,839,378,276              | 36    |
| 7,776,699                  | 29,910,381                 | 602,538,969    | 1,678,604,210              | 36    |

**Shaker Heights City School District**  
*Ratio of Net General Obligation Bonded Debt to  
Assessed Value and Net Bonded Debt Per Capita  
Last Ten Years*

| <u>Year</u> | <u>Net General<br/>Obligation<br/>Bonded Debt (1)</u> | <u>Assessed<br/>Value (2)</u> | <u>Population (3)</u> | <u>Ratio of Net<br/>Debt to<br/>Assessed Value</u> | <u>Net Debt<br/>Per Capita</u> |
|-------------|---|-------------------------------|-----------------------|--|--------------------------------|
| 2003        | \$14,031,071  | \$793,576,080                 | 29,405                | 1.77%  | \$477                          |
| 2002        | 15,326,921  | 793,694,191                   | 29,405                | 1.93   | 521                            |
| 2001        | 17,574,060  | 790,409,917                   | 29,405                | 2.22   | 598                            |
| 2000        | 15,619,430  | 697,799,960                   | 30,867                | 2.24   | 506                            |
| 1999        | 16,829,739  | 700,186,850                   | 30,867                | 2.40   | 545                            |
| 1998        | 8,018,677   | 699,858,204                   | 30,867                | 1.15   | 260                            |
| 1997        | 9,144,582   | 656,367,668                   | 30,867                | 1.39   | 296                            |
| 1996        | 9,554,560   | 653,662,162                   | 30,867                | 1.46   | 310                            |
| 1995        | 8,976,814   | 658,267,968                   | 30,867                | 1.36   | 291                            |
| 1994        | 9,755,516   | 602,538,969                   | 30,867                | 1.62   | 316                            |

Sources:

- (1) School District Financial Records.
- (2) Cuyahoga County Auditor.
- (3) U.S. Census of Population, 2000 and 1990 Federal Census.

**Shaker Heights City School District**

*Computation of Legal Debt Margin*

*June 30, 2003*

|   |                      |
|---|----------------------|
| Assessed Valuation  | <u>\$793,576,080</u> |
| Overall Debt Limit - 9% of Assessed Value (1)                       | <u>\$71,421,847</u>  |
| Amount of Debt Applicable to Debt Limit:                            |                      |
| School Improvement Bonds 1990                                       | 2,895,000            |
| Building Addition Bonds 1993  | 1,625,000            |
| Energy Conservation Improvement Bonds 1995                          | 444,230              |
| School Improvement Bonds 1999                                       | 6,790,000            |
| School Improvement Bonds 2000                                       | 3,081,017            |
| Less: Amount Available in Debt Service Fund                         | <u>(804,176)</u>     |
| Amount of Debt Subject to the Limit                                 | <u>14,031,071</u>    |
| Overall Debt Margin   | <u>\$57,390,776</u>  |
| Unvoted Debt Limit - .10% of Assessed Value (1)                     | \$793,576            |
| Amount of Debt Applicable   | <u>0</u>             |
| Unvoted Debt Margin   | <u>\$793,576</u>     |
| Additional Limit for Unvoted Energy Conservation Improvement Bonds: |                      |
| Debt Limit - .9% of Assessed Valuation                              | \$7,142,185          |
| Energy Conservation Improvement Bonds                               | <u>(444,230)</u>     |
| Additional Unvoted Debt Margin                                      | <u>\$6,697,955</u>   |

Source: Cuyahoga County Auditor and School District Financial Records.

(1) Ohio Bond Law sets an overall limit of 9% for all debt and 1/10 of 1% for unvoted debt.

**Shaker Heights City School District**

*Demographic Statistics*

*Last Ten Years*

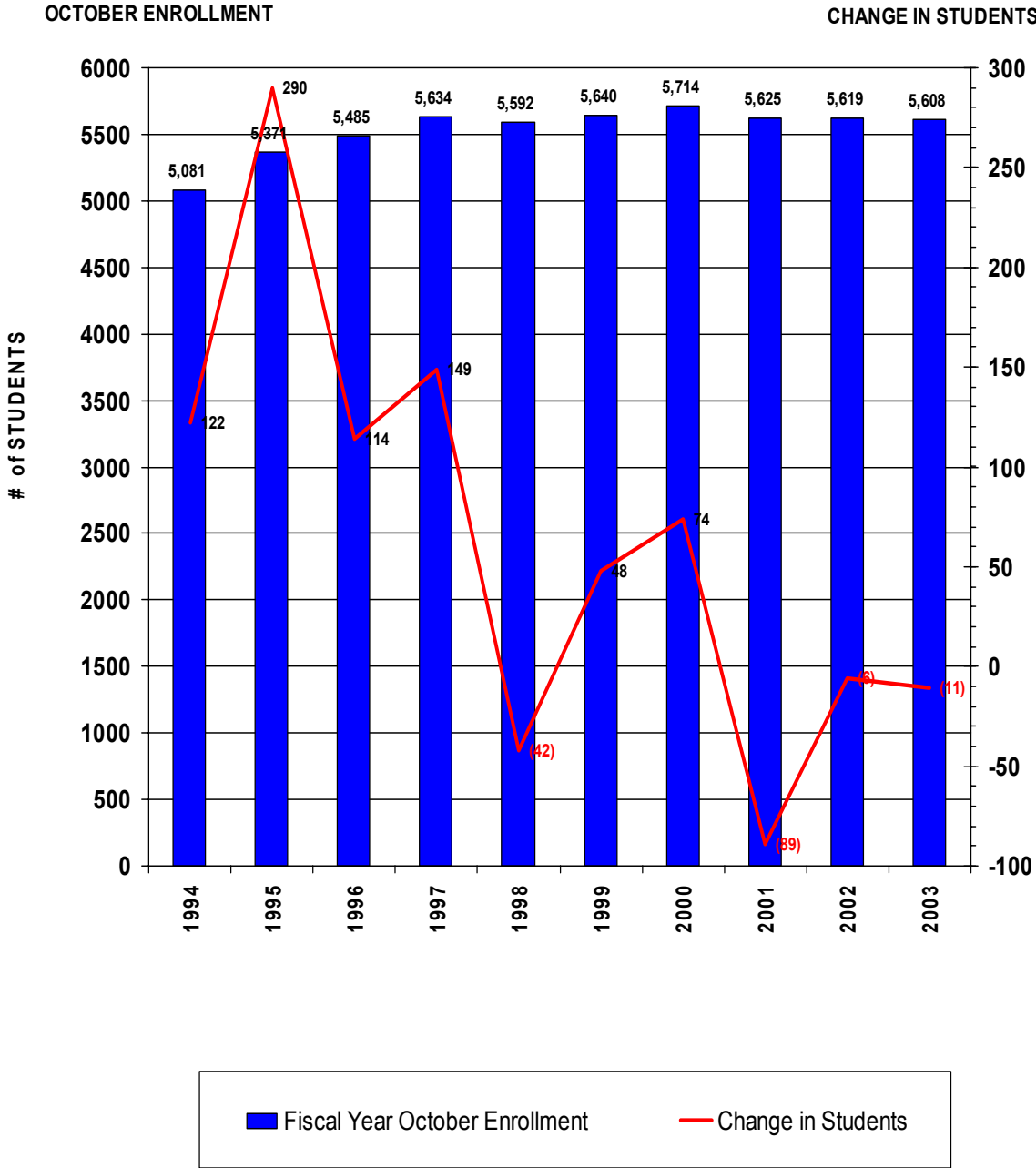
| <u>Year</u> | <u>Cuyahoga<br/>County<br/>Population</u> | <u>Shaker Heights<br/>City<br/>Population</u> | <u>School<br/>Enrollment</u> | <u>Unemployment<br/>Rate (1)</u> |
|-------------|---|---|------------------------------|----------------------------------|
| 2003        | 1,379,049                                 | 29,405  | 5,608                        | 6.7%                             |
| 2002        | 1,393,978                                 | 29,405  | 5,619                        | 4.6                              |
| 2001        | 1,380,421                                 | 29,405  | 5,625                        | 4.5                              |
| 2000        | 1,386,096                                 | 30,867  | 5,714                        | 4.5                              |
| 1999        | 1,386,096                                 | 30,867  | 5,640                        | 4.6                              |
| 1998        | 1,397,694                                 | 30,867  | 5,592                        | 4.4                              |
| 1997        | 1,398,169                                 | 30,867  | 5,634                        | 5.8                              |
| 1996        | 1,403,217                                 | 30,867  | 5,485                        | 5.2                              |
| 1995        | 1,403,239                                 | 30,867  | 5,371                        | 4.8                              |
| 1994        | 1,414,141                                 | 30,867  | 5,081                        | 5.8                              |

Source: Cuyahoga County, School District Records,  
and the City of Shaker Heights

(1) Represents Cuyahoga County.

# SHAKER HEIGHTS CITY SCHOOL DISTRICT

## ENROLLMENT SUMMARY LAST TEN FISCAL YEARS



**Shaker Heights City School District**

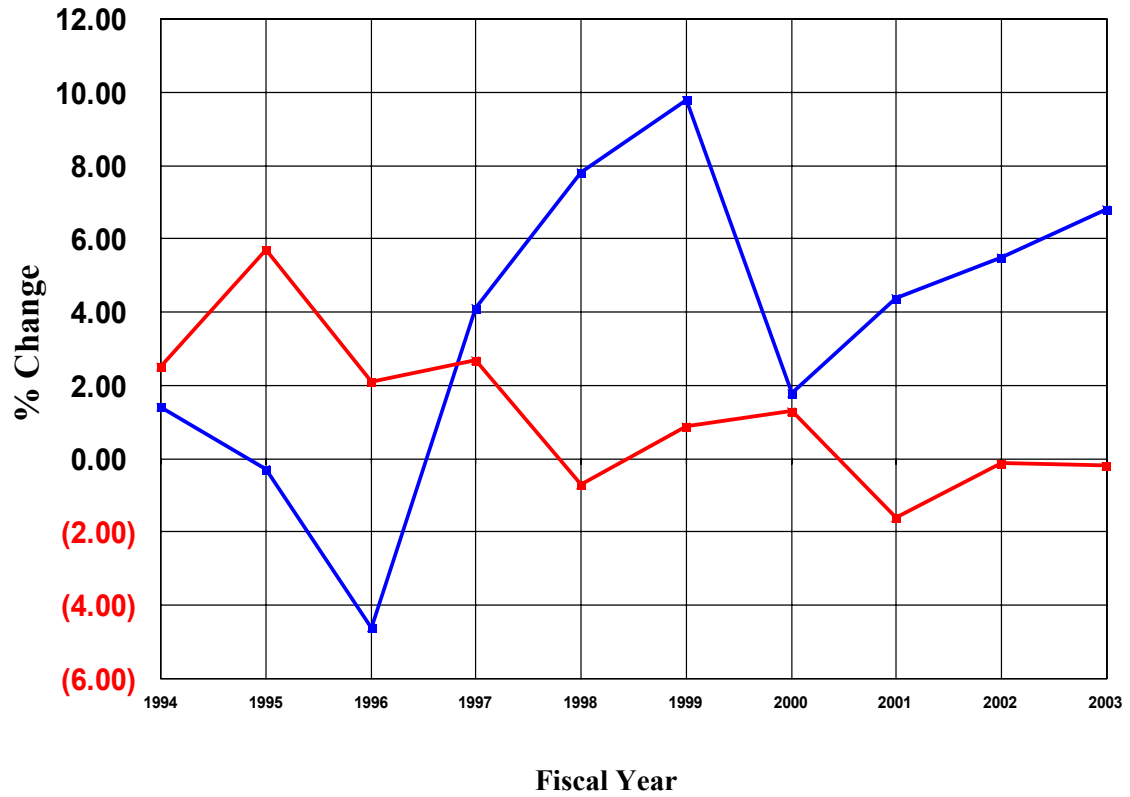
*Per Pupil Cost*

*Last Ten Fiscal Years*

| <u>Year</u> | <u>General<br/>Fund<br/>Expenditures</u> | <u>Average Daily<br/>Student<br/>Enrollment</u> | <u>Per Pupil<br/>Cost</u> |
|-------------|--|---|---------------------------|
| 2003        | \$70,387,983                             | 5,608   | \$12,551                  |
| 2002        | 66,003,972                               | 5,619   | 11,747                    |
| 2001        | 62,614,166                               | 5,625   | 11,131                    |
| 2000        | 60,916,280                               | 5,714   | 10,661                    |
| 1999        | 59,084,654                               | 5,640   | 10,476                    |
| 1998        | 53,377,783                               | 5,592   | 9,545                     |
| 1997        | 49,871,762                               | 5,634   | 8,852                     |
| 1996        | 46,646,081                               | 5,485   | 8,504                     |
| 1995        | 47,895,630                               | 5,371   | 8,917                     |
| 1994        | 45,424,343                               | 5,081   | 8,940                     |

Source: School District Financial Records.

**SHAKER HEIGHTS CITY SCHOOL DISTRICT**  
**COST PER PUPIL PERCENTAGE CHANGE**  
**LAST TEN FISCAL YEARS**



— Cost Per Pupil % Change  
— Enrollment % Change

**Shaker Heights City School District**  
*Public, Private, and Total School Enrollment by School Year*  
*Fiscal Years 1979 to 2003*

| Fiscal<br>Year | Total<br>Public<br>Enrollment (1) | Total<br>Private<br>Enrollment (2) | Total<br>Public and<br>Private | Private as a<br>Percent of<br>Public and<br>Private |
|----------------|-----------------------------------|------------------------------------|--------------------------------|---|
| 1979           | 6,156                             | 1,375                              | 7,531                          | 18.3%   |
| 1980           | 6,049                             | 1,355                              | 7,404                          | 18.3  |
| 1981           | 5,951                             | 1,236                              | 7,187                          | 17.2  |
| 1982           | 5,759                             | 1,249                              | 7,008                          | 17.8  |
| 1983           | 5,490                             | 1,216                              | 6,706                          | 18.1  |
| 1984           | 5,294                             | 1,200                              | 6,494                          | 18.5  |
| 1985           | 5,187                             | 1,160                              | 6,347                          | 18.3  |
| 1986           | 5,125                             | 1,047                              | 6,172                          | 17.0  |
| 1987           | 5,013                             | 996                                | 6,009                          | 16.6  |
| 1988           | 4,869                             | 1,009                              | 5,878                          | 17.2  |
| 1989           | 4,830                             | 964                                | 5,794                          | 16.6  |
| 1990           | 4,887                             | 916                                | 5,803                          | 15.8  |
| 1991           | 4,874                             | 846                                | 5,720                          | 14.8  |
| 1992           | 4,933                             | 873                                | 5,806                          | 15.0  |
| 1993           | 4,959                             | 869                                | 5,828                          | 14.9  |
| 1994           | 5,081                             | 911                                | 5,992                          | 15.2  |
| 1995           | 5,371                             | 964                                | 6,335                          | 15.2  |
| 1996           | 5,485                             | 1,065                              | 6,550                          | 16.3  |
| 1997           | 5,634                             | 1,071                              | 6,705                          | 16.0  |
| 1998           | 5,592                             | 983                                | 6,575                          | 15.0  |
| 1999           | 5,640                             | 1,017                              | 6,657                          | 15.3  |
| 2000           | 5,714                             | 1,079                              | 6,793                          | 15.9  |
| 2001           | 5,625                             | 1,088                              | 6,713                          | 16.2  |
| 2002           | 5,619                             | 1,104                              | 6,723                          | 16.4  |
| 2003           | 5,608                             | 897                                | 6,505                          | 13.8  |

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 2003 are based on first full week of Shaker Heights City School District October enrollment report.
- (2) Estimated from State of Ohio Transportation Report (T-1) and/or a telephone and mail survey of private and parochial schools.



**Shaker Heights City School District**  
*Computation of Direct and Overlapping General Obligation Bonded Debt*  
*December 31, 2002*

| <u>Jurisdiction</u>                 | <u>General<br/>Obligation<br/>Bonded Debt<br/>Outstanding</u> | <u>Percentage<br/>Applicable to<br/>School District (1)</u> | <u>Amount<br/>Applicable to<br/>School District</u> |
|-------------------------------------|---|---|---|
| <u>Direct:</u>                      |   |   |   |
| Shaker Heights City School District | \$14,835,247  | 100.00%   | \$14,835,247  |
| <u>Overlapping:</u>                 |   |   |   |
| Cuyahoga County                     | 200,162,636   | 2.77  | 5,544,505   |
| City of Shaker Heights              | 15,075,000  | 100.00  | 15,075,000  |
| City of Cleveland                   | 319,085,000   | 1.31  | 4,180,014   |
| Regional Transit Authority          | <u>136,310,000</u>  | 2.77  | <u>3,775,787</u>                                    |
| Total Overlapping                   | <u>670,632,636</u>  |   | <u>28,575,306</u>                                   |
| Total                               | <u>\$685,467,883</u>  |   | <u>\$43,410,553</u>                                 |

Source: Cuyahoga County Auditor - Data is presented on a calendar year basis (other than School District) because that is the manner in which information is maintained by the County Auditor.

(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. The valuations used were for the 2002 collection year.

**Shaker Heights City School District**  
*Ratio of Annual Debt Service Expenditures for  
 General Obligation Bonded Debt to General Fund Expenditures  
 Last Ten Fiscal Years*

| Year | Principal   | Interest  | Total<br>Debt<br>Service | Total<br>General Fund<br>Expenditures | Ratio of Debt<br>Service to<br>General Fund<br>Expenditures<br>(Percentage) |
|------|-------------|-----------|--------------------------|---------------------------------------|---|
| 2003 | \$1,885,000 | \$826,641 | \$2,711,641              | \$70,387,983                          | 3.85  |
| 2002 | 1,775,000   | 956,967   | 2,731,967                | 66,003,972                            | 4.14  |
| 2001 | 1,670,000   | 965,840   | 2,635,840                | 62,614,166                            | 4.21  |
| 2000 | 770,000     | 1,014,931 | 1,784,931                | 60,916,280                            | 2.93  |
| 1999 | 740,000     | 515,887   | 1,255,887                | 59,084,654                            | 2.13  |
| 1998 | 937,000     | 556,684   | 1,493,684                | 53,377,783                            | 2.80  |
| 1997 | 835,000     | 601,195   | 1,436,195                | 49,871,762                            | 2.88  |
| 1996 | 695,000     | 575,106   | 1,270,106                | 46,646,081                            | 2.72  |
| 1995 | 670,000     | 600,532   | 1,270,532                | 47,895,630                            | 2.65  |
| 1994 | 640,000     | 679,583   | 1,319,583                | 45,424,343                            | 2.91  |

Source: School District Financial Records.

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

| Year | Property<br>Value (1)<br>(Real Estate Only) | Financial<br>Institution<br>Deposits (000's)<br>Banks | Value of<br>Building<br>Permits Issued |
|------|---|---|--|
| 2003 | \$755,439,500                               | \$95,761,917  | \$10,606,000                           |
| 2002 | 758,473,160                                 | 88,346,368  | 20,633,259                             |
| 2001 | 753,027,040                                 | 61,942,764  | 25,751,459                             |
| 2000 | 662,695,440                                 | 57,021,360  | 36,382,085                             |
| 1999 | 663,126,030                                 | 56,770,353  | 1,790,370                              |
| 1998 | 661,972,460                                 | 53,941,971  | 4,224,290                              |
| 1997 | 617,455,480                                 | 27,068,211  | 2,815,440                              |
| 1996 | 615,519,820                                 | 22,458,573  | 1,605,830                              |
| 1995 | 619,478,020                                 | 20,885,453  | 679,300                                |
| 1994 | 565,341,330                                 | 21,009,421  | 1,918,270                              |

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

(1) Represents assessed value.

**Shaker Heights City School District**

*Principal Taxpayers*

*Real Estate Tax*

*December 31, 2002*

| <u>Name of Taxpayer</u>            | <u>Assessed<br/>Value (1)</u> | <u>Percent of<br/>Total<br/>Assessed Value</u> |
|------------------------------------|-------------------------------|--|
| Tower East Operating Association   | \$4,278,930                   | 0.56%  |
| Shaker Towne Center LLC            | 3,675,000                     | 0.49   |
| Oliver Family Limited              | 2,964,540                     | 0.39   |
| Somerset Point Limited Partnership | 2,496,380                     | 0.33   |
| OfficeMax Inc.                     | 2,186,170                     | 0.29   |
| Deborah Salzberg                   | 1,876,280                     | 0.25   |
| Cleveland Skating Club             | 1,418,240                     | 0.19   |
| Shaker Plaza, Limited              | 1,195,780                     | 0.16   |
| Loreth Jeanne Ablon                | 1,189,600                     | 0.16   |
| Cleveland One Limited Partnership  | <u>1,168,300</u>              | <u>0.15</u>                                    |
| Total                              | <u><u>\$22,449,220</u></u>    | <u><u>2.97%</u></u>                            |
| Total Real Estate Valuation        | <u><u>\$755,439,500</u></u>   |  |

Source: Cuyahoga County Auditor.

(1) Assessed values are for the 2003 collection year.

**Shaker Heights City School District**

*Principal Taxpayers*

*Tangible Personal Property Tax*

*December 31, 2002*

| <u>Name of Taxpayer</u>           | <u>Assessed<br/>Value (1)</u> | <u>Percent of<br/>Total<br/>Assessed Value</u> |
|-----------------------------------|-------------------------------|--|
| OfficeMax Inc.                    | \$4,638,090                   | 25.43%   |
| Qua Newco, Inc.                   | 657,570                       | 3.61   |
| Adelphia of the Midwest, Inc.     | 640,830                       | 3.51   |
| Joseph-Beth Booksellers LLC       | 468,520                       | 2.57   |
| Ganley Nissan Inc.                | 375,240                       | 2.06   |
| Wide Open West Cleveland, LLC     | 282,780                       | 1.55   |
| Heinens Inc.                      | 276,390                       | 1.52   |
| Walgreen Company                  | 240,740                       | 1.32   |
| Rite Aid of Ohio Incorporated     | 223,590                       | 1.23   |
| Revco Discount Drug Inc.          | <u>219,470</u>                | <u>1.20</u>                                    |
| Total                             | <u><u>\$8,023,220</u></u>     | <u><u>44.00%</u></u>                           |
| Total Tangible Assessed Valuation | <u><u>\$18,235,730</u></u>    |  |

Source: Cuyahoga County Auditor.

(1) Assessed values are for the 2003 collection year.

**Shaker Heights City School District**

*Principal Taxpayers*

*Public Utilities Tax*

*December 31, 2002*

| <u>Name of Taxpayer</u>                 | <u>Assessed<br/>Value (1)</u> | <u>Percent of<br/>Total<br/>Assessed Value</u> |
|---|-------------------------------|--|
| Cleveland Electric Illuminating Company | \$6,981,070                   | 35.08%   |
| Ohio Bell Telephone                     | 6,500,730                     | 32.67  |
| Allegiance Telecom of Ohio              | 2,566,060                     | 12.89  |
| East Ohio Gas Company                   | <u>1,607,630</u>              | <u>8.08</u>                                    |
| Total                                   | <u>\$17,655,490</u>           | <u>88.72%</u>                                  |
| Total Public Utility Assessed Value     | <u>\$19,900,850</u>           |  |

Source: Cuyahoga County Auditor.

(1) Assessed values are for the 2003 collection year.

**Shaker Heights City School District**

*College Admissions for All Students*

*Last Ten Years*

| <u>Class</u> | <u>Percent of<br/>Four - Year</u> | <u>Percent of<br/>Two - Year</u> | <u>Total<br/>Percent</u> |
|--------------|-----------------------------------|----------------------------------|--------------------------|
| 1994         | 89                                | 1                                | 90                       |
| 1995         | 87                                | 2                                | 89                       |
| 1996         | 88                                | 2                                | 90                       |
| 1997         | 88                                | 2                                | 90                       |
| 1998         | 84                                | 2                                | 86                       |
| 1999         | 91                                | 2                                | 93                       |
| 2000         | 82                                | 5                                | 87                       |
| 2001         | 82                                | 6                                | 88                       |
| 2002         | 82                                | 4                                | 86                       |
| 2003         | 86                                | 2                                | 88                       |

Source: Shaker Heights City School District Records

**Shaker Heights City School District**

*National Merit and National*

*Achievement Recognition*

*Last Ten Years*

| <u>Class</u> | <u>National<br/>Merit<br/>(all students)</u> | <u>National<br/>Achievement<br/>(African-<br/>American<br/>students only)</u> | <u>National<br/>Hispanic<br/>Scholars</u> | <u>Percent of<br/>Shaker<br/>Seniors<br/>Honored</u> | <u>Percent of<br/>United States<br/>Seniors<br/>Honored</u> |
|--------------|--|---|---|--|---|
| 1994         | 35   | 11  | 0   | 15   | 2   |
| 1995         | 33   | 6   | 0   | 12   | 2   |
| 1996         | 36   | 8   | 1   | 15   | 2   |
| 1997         | 46   | 11  | 2   | 17   | 2   |
| 1998         | 44   | 6   | 0   | 14   | 2   |
| 1999         | 35   | 14  | 2   | 15   | 2   |
| 2000         | 42   | 8   | 0   | 13   | 2   |
| 2001         | 42   | 5   | 0   | 13   | 2   |
| 2002         | 27   | 6   | 0   | 9  | 2   |
| 2003         | 29   | 7   | 2   | 10   | 2   |

Source: Shaker Heights City School District Records



**Shaker Heights City School District**

*Teacher Education and Experience*

*June 30, 2003*

| <u>Degree</u>       | <u>Number<br/>of<br/>Teachers</u> | <u>Percentage<br/>of<br/>Total</u> |
|---------------------|-----------------------------------|------------------------------------|
| Bachelor's Degree   | 24                                | 5.47%                              |
| Bachelor + 15       | 42                                | 9.57                               |
| Master's Degree     | 179                               | 40.77                              |
| Master's Degree +15 | 77                                | 17.54                              |
| Master's Degree +30 | 47                                | 10.71                              |
| Master's Degree +45 | 58                                | 13.21                              |
| Ph.D.               | 12                                | 2.73                               |
| Total               | <u>439</u>                        | <u>100.00%</u>                     |

| <u>Years of Shaker Experience</u> | <u>Number<br/>of<br/>Teachers</u> | <u>Percentage<br/>of<br/>Total</u> |
|-----------------------------------|-----------------------------------|------------------------------------|
| 0 - 5                             | 124                               | 28.25%                             |
| 6 - 10                            | 89                                | 20.27                              |
| 11 and Over                       | 226                               | 51.48                              |
|                                   | <u>439</u>                        | <u>100.00%</u>                     |

Source: School District Personnel Records.

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## Supplemental Information Section

## **Expenditure Flow Model**

The Ohio Expenditure Flow Model (EFM) is a reporting method based upon concepts developed by Dr. Bruce Cooper of Fordham University. The United States Chamber of Commerce funded Dr. Cooper's efforts to develop a reporting format that traces the use of money from a central board of education, through the public school system to the individual school and then to the individual classroom. This reporting format was initially developed for the New York City Public Schools.

The reporting format is now being nationally distributed by Price Waterhouse Coopers and the United States Chamber of Commerce. In 1991 the Ohio General Assembly adopted House Bill 152 which gave the State Superintendent of Public Instruction permissive authority to inspect and analyze the expenditures of each school district. The Expenditure Flow Model (EFM) was developed using Dr. Cooper's reporting format to fulfill that authority. The following pages contain the fiscal year 2003 report for our School District. The following definitions will assist in reading the report:

|             |   |
|-------------|---|
| <b>IRN</b>  | Internal Retrieval Number. This is a unique six digit number assigned by the Ohio Department of Education for every chartered school in the State of Ohio.                          |
| <b>ADM</b>  | Average Daily Membership. This is the number of students enrolled in the School District.   |
| <b>EMIS</b> | Education Management Information System. This is the data collection and reporting system developed by the Ohio Department of Education for all financial, staff, and student data. |
| <b>EFM</b>  | Expenditure Flow Model. This is Ohio's version of the national financial reporting format developed by Dr. Bruce Cooper of Fordham University.                                      |

**Shaker Heights City School District**  
*Expenditure Flow Model*  
*Building Expenditures Report*

| School                       | Year-End<br>ADM | Administration |              | Operations<br>Support |             | Staff<br>Support |              | Pupil<br>Support |  | Instruction | Totals |
|------------------------------|-----------------|----------------|--------------|-----------------------|-------------|------------------|--------------|------------------|--|-------------|--------|
|                              |                 |                |              |                       |             |                  |              |                  |  |             |        |
| High School                  |                 |                |              |                       |             |                  |              |                  |  |             |        |
| Shaker Heights High School   | 1,717           | \$1,730,080    | \$4,742,177  | \$181,040             | \$2,829,644 | \$12,036,956     | \$21,519,897 |                  |  |             |        |
| Total High School            | 1,717           | 1,730,080      | 4,742,177    | 181,040               | 2,829,644   | 12,036,956       | 21,519,897   |                  |  |             |        |
| Middle School                |                 |                |              |                       |             |                  |              |                  |  |             |        |
| Shaker Heights Middle School | 914             | 920,618        | 2,951,881    | 261,874               | 1,528,122   | 6,123,216        | 11,785,711   |                  |  |             |        |
| Total Middle School          | 914             | 920,618        | 2,951,881    | 261,874               | 1,528,122   | 6,123,216        | 11,785,711   |                  |  |             |        |
| Elementary Schools           |                 |                |              |                       |             |                  |              |                  |  |             |        |
| Boulevard Elementary School  | 381             | 288,943        | 852,328      | 98,829                | 510,308     | 2,404,684        | 4,155,092    |                  |  |             |        |
| Fernway Elementary School    | 311             | 241,186        | 676,524      | 76,676                | 399,868     | 1,857,700        | 3,251,954    |                  |  |             |        |
| Lomond Elementary School     | 511             | 352,007        | 1,163,995    | 123,507               | 623,804     | 2,818,826        | 5,082,139    |                  |  |             |        |
| Mercer Elementary School     | 372             | 280,787        | 885,802      | 230,643               | 520,085     | 2,514,891        | 4,432,208    |                  |  |             |        |
| Onaway Elementary School     | 380             | 179,761        | 890,808      | 268,017               | 573,269     | 2,327,756        | 4,239,611    |                  |  |             |        |
| Sussex Elementary School     | 7               | 359            | 8,932        | 65,102                | 68,729      | 136,830          | 279,952      |                  |  |             |        |
| Woodbury Elementary School   | 920             | 674,114        | 2,543,028    | 272,139               | 1,064,684   | 5,716,077        | 10,270,042   |                  |  |             |        |
| Total Elementary Schools     | 2,882           | 2,017,157      | 7,021,417    | 1,134,913             | 3,760,747   | 17,776,764       | 31,710,998   |                  |  |             |        |
| School Total                 | 5,513           | 4,667,855      | 14,715,475   | 1,577,827             | 8,118,513   | 35,936,936       | 65,016,606   |                  |  |             |        |
| Central Office               | 0               | 4,259,408      | 1,184,569    | 435,531               | 355,345     | 0                | 6,234,853    |                  |  |             |        |
| Expenditure Flow Model Total | 5,513           | \$8,927,263    | \$15,900,044 | \$2,013,358           | \$8,473,858 | \$35,936,936     | 71,251,459   |                  |  |             |        |
| Other Debt Service           |                 |                |              |                       |             |                  | 2,744,491    |                  |  |             |        |
| Tuition - Other Districts    |                 |                |              |                       |             |                  | 2,515,684    |                  |  |             |        |
| Non-Public                   |                 |                |              |                       |             |                  | 1,146,869    |                  |  |             |        |
| Rotary                       |                 |                |              |                       |             |                  | 6,753,115    |                  |  |             |        |
| Other Programs               |                 |                |              |                       |             |                  | 89,211       |                  |  |             |        |
| Grand Total                  |                 |                |              |                       |             |                  | \$84,500,829 |                  |  |             |        |

Average Daily Membership (ADM) Reported for District Internal Retrieval Number (IRN): 15.67\*\*\*

\*\*\* Average Daily Membership (ADM) reported by District Internal Retrieval Number (IRN) are ignored in calculating expenditures per pupil.

Source: Education Management Information System

**Shaker Heights City School District**  
*Expenditure Flow Model*  
*Expenditure Per Pupil Report*

| School                       | Average Daily Membership | Administration | Operations Support | Staff Support | Pupil Support | Instruction | Totals      |
|------------------------------|--------------------------|----------------|--------------------|---------------|---------------|-------------|-------------|
| <b>High School</b>           |                          |                |                    |               |               |             |             |
| Shaker Heights High School   | 1,717                    | \$1,008        | \$2,762            | \$105         | \$1,648       | \$7,011     | \$12,534    |
| Total High School            | 1,717                    | 1,008          | 2,762              | 105           | 1,648         | 7,011       | 12,534      |
| <b>Middle School</b>         |                          |                |                    |               |               |             |             |
| Shaker Heights Middle School | 914                      | 1,007          | 3,230              | 287           | 1,672         | 6,700       | 12,896      |
| Total Middle School          | 914                      | 1,007          | 3,230              | 287           | 1,672         | 6,700       | 12,896      |
| <b>Elementary Schools</b>    |                          |                |                    |               |               |             |             |
| Boulevard Elementary School  | 381                      | 759            | 2,239              | 260           | 1,340         | 6,316       | 10,914      |
| Ferway Elementary School     | 311                      | 775            | 2,173              | 246           | 1,284         | 5,966       | 10,444      |
| Lomond Elementary School     | 511                      | 689            | 2,278              | 242           | 1,221         | 5,516       | 9,946       |
| Mercer Elementary School     | 372                      | 755            | 2,382              | 620           | 1,398         | 6,761       | 11,916      |
| Onaway Elementary School     | 380                      | 474            | 2,348              | 706           | 1,511         | 6,134       | 11,173      |
| Sussex Elementary School     | 7                        | 49             | 1,210              | 8,821         | 9,313         | 18,541      | 37,934      |
| Woodbury Elementary School   | 920                      | 732            | 2,763              | 296           | 1,157         | 6,210       | 11,158      |
| Total Elementary Schools     | 2,882                    | 700            | 2,436              | 394           | 1,305         | 6,167       | 11,002      |
| <b>School Total</b>          |                          |                |                    |               |               |             |             |
| School Total                 | 5,513                    | 846            | 2,669              | 286           | 1,473         | 6,518       | 11,792      |
| Central Office               | 0                        | 773            | 215                | 79            | 64            | 0           | 1,131       |
| Grand Total                  | 5,513 **                 | \$1,619 **     | \$2,884 **         | \$365 **      | \$1,537 **    | \$6,518 **  | \$12,923 ** |

Average Daily Membership (ADM) Reported for District Internal Retrieval Number (IRN): 15.67\*\*\*

\*\* In addition to school and central office expenditures, the Grand Total Per Pupil Amounts include 'Total Other Facilities' expenditure and Average Daily Membership figures.

\*\*\* Average Daily Membership (ADM) reported by District Internal Retrieval Number (IRN) are ignored in calculating expenditures per pupil.

Source: Education Management Information System

## Shaker Heights City School District

### Expenditure Flow Model Percentage of School Cost Report

| School                       | Average<br>Daily<br>Membership | Administration | Operations<br>Support | Staff<br>Support | Pupil<br>Support | Instruction | Totals |
|------------------------------|--------------------------------|----------------|-----------------------|------------------|------------------|-------------|--------|
| <b>High School</b>           |                                |                |                       |                  |                  |             |        |
| Shaker Heights High School   | 1,717                          | 8%             | 22%                   | 1%               | 13%              | 56%         | 100%   |
| Total High School            | 1,717                          | 8              | 22                    | 1                | 13               | 56          | 100    |
| <b>Middle School</b>         |                                |                |                       |                  |                  |             |        |
| Shaker Heights Middle School | 914                            | 8              | 25                    | 2                | 13               | 52          | 100    |
| Total Middle School          | 914                            | 8              | 25                    | 2                | 13               | 52          | 100    |
| <b>Elementary Schools</b>    |                                |                |                       |                  |                  |             |        |
| Boulevard Elementary School  | 381                            | 7              | 21                    | 2                | 12               | 58          | 100    |
| Fernway Elementary School    | 311                            | 8              | 21                    | 2                | 12               | 57          | 100    |
| Lomond Elementary School     | 511                            | 7              | 23                    | 2                | 12               | 56          | 100    |
| Mercer Elementary School     | 372                            | 6              | 20                    | 5                | 12               | 57          | 100    |
| Onaway Elementary School     | 380                            | 4              | 21                    | 6                | 14               | 55          | 100    |
| Sussex Elementary School     | 7                              | 0              | 3                     | 23               | 25               | 49          | 100    |
| Woodbury Elementary School   | 920                            | 6              | 25                    | 3                | 10               | 56          | 100    |
| Total Elementary Schools     | 2,882                          | 6              | 22                    | 4                | 12               | 56          | 100    |
| <b>School Total</b>          |                                |                |                       |                  |                  |             |        |
| School Total                 | 5,513                          | 7              | 23                    | 2                | 13               | 55          | 100    |
| Central Office               | 0                              | 68             | 19                    | 7                | 6                | 0           | 100    |
| Grand Total                  | 5,513                          | 13%            | 22%                   | 3%               | 12%              | 50%         | 100%   |

Average Daily Membership (ADM) Reported for District Internal Retrieval Number (IRN): 15.67\*\*\*

\*\*\* Average Daily Membership (ADM) reported by District Internal Retrieval Number (IRN) are ignored in calculating expenditures per pupil.

Source: Education Management Information System







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**SHAKER HEIGHTS CITY SCHOOL DISTRICT**

**CUYAHOGA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
FEBRUARY 12, 2004**