

Shaker Heights City School District Cuyahoga County, Ohio

*Reports Issued Pursuant to
Government Auditing Standards
And OMB Circular A-133*

For the Fiscal Year Ended
June 30, 2013



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Shaker Heights City School District, Cuyahoga County, prepared by Rea & Associates, Inc., for the audit period July 1, 2012 through June 30, 2013. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

March 7, 2014

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Shaker Heights City School District

Cuyahoga County, Ohio

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December 31, 2013

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

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Shaker Heights City School District, Cuyahoga County, Ohio (the “School District”) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School District’s basic financial statements, and have issued our report thereon dated December 31, 2013.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Hea & Associates, Inc.

New Philadelphia, Ohio

December 31, 2013

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

**Independent Auditor's Report on Compliance for Each Major Federal Program;
Report on Internal Control over Compliance; and Report on the Schedule of
Expenditures of Federal Awards Required by OMB Circular A-133**

Report on Compliance for Each Major Federal Program

We have audited Shaker Heights City School District's, Cuyahoga County, Ohio (the "School District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2013. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Shaker Heights City School District
Independent Auditor's Report on Compliance for Each Major Federal Program;
Report on Internal Control over Compliance; and Report on the
Schedule of Expenditures of Federal Awards Required by OMB Circular A-133
Page 3 of 3

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the School District as of and for the year ended June 30, 2013, and have issued our report thereon dated December 31, 2013, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Rea & Associates, Inc.

New Philadelphia, Ohio

SHAKER HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
Schedule of Expenditures of Federal Awards - Cash Basis
For the Fiscal Year Ended June 30, 2013

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	CFDA Number	Grant Number	Federal Receipts	Federal Disbursements
<u>U.S. DEPARTMENT OF EDUCATION</u>				
<i>Passed through Ohio Department of Education</i>				
Title I Cluster:				
Title I Grants to Local Education Agencies	84.010	2012	\$ 196,792	\$ 134,886
	84.010	2013	887,869	885,551
School Improvement Sub A (Title I)	84.010	2012	2,043	1,593
	84.010	2013	31,149	44,825
ARRA - Title I Grants to Local Education Agencies	84.389	2012	657	0
Total Title I Cluster			1,118,510	1,066,855
Special Education Cluster:				
Special Education Grants to States	84.027	2012	73,986	80,904
	84.027	2013	933,396	953,149
Special Education Preschool Grants	84.173	2012	3,545	3,573
	84.173	2013	17,974	17,974
Total Special Education Cluster			1,028,901	1,055,600
Education Technology State Grants	84.318	2012	47	0
	84.318	2013	152	152
Total Education Technology State Grants			199	152
Improving Teacher Quality State Grant	84.367	2012	33,788	18,336
	84.367	2013	80,316	75,087
Total Improving Teacher Quality State Grant			114,104	93,423
LEP, Title III	84.365	2012	2,397	3,591
	84.365	2013	31,950	31,950
Immigrant, Title III	84.365	2012	4,405	3,223
Total Title II			38,752	38,764
ARRA - Race to the Top	84.395	2012	43,676	19,946
	84.395	2013	91,065	92,379
Total ARRA - Race to the Top			134,741	112,325
Education Jobs	84.410	2012	74,798	0
TOTAL U.S. Department of Education			2,510,005	2,367,119

(Continued)

SHAKER HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
Schedule of Expenditures of Federal Awards - Cash Basis
For the Fiscal Year Ended June 30, 2013

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	CFDA Number	Grant Number	Federal Receipts	Federal Disbursements
<u>U. S. DEPARTMENT OF AGRICULTURE</u>				
<i>Passed through Ohio Department of Education:</i>				
Child Nutrition Cluster:				
Non-Cash Assistance (Food Distribution):				
National School Lunch Program (B)	10.555	2013	\$ 85,774	\$ 85,774
Cash Assistance:				
School Breakfast Program (A)	10.553	2013	193,604	193,604
National School Lunch Program (A)	10.555	2013	749,530	749,530
<i>Cash Assistance Subtotal</i>			<u>943,134</u>	<u>943,134</u>
Total Child Nutrition Cluster			<u>1,028,908</u>	<u>1,028,908</u>
TOTAL U.S. Department of Agriculture			<u>1,028,908</u>	<u>1,028,908</u>
Total Federal Financial Assistance			<u>\$ 3,538,913</u>	<u>\$ 3,396,027</u>

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

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

*Notes to the Schedule of Expenditures of Federal Awards – Cash Basis
For The Fiscal Year Ended June 30, 2013*

Note A - Child Nutrition Cluster

Federal money commingled with state subsidy reimbursements. It is assumed federal moneys are expended first.

Note B – Food Donation Program

Program regulations do not require the School District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance and related expenditures are reported in this schedule at the value of the commodities received as assessed by the U.S. Department of Agriculture (entitlement value).

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

*Schedule of Findings and Questioned Costs
OMB Circular A-133, Section .505
For the Fiscal Year Ended June 30, 2013*

1. SUMMARY OF AUDITOR'S RESULTS

(d) (1) (i)	Type of Financial Statement Opinion	Unmodified
(d) (1) (ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (ii)	Were there any other internal control deficiencies reported at the financial statement level (GAGAS)?	No
(d) (1) (iii)	Was there any reported material non- compliance at the financial statement level (GAGAS)?	No
(d) (1) (iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d) (1) (iv)	Were there any internal control deficiencies reported for major programs which were not considered to be material?	No
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unmodified
(d) (1) (vi)	Are there any reportable findings under Section .510(a) of Circular A-133?	No
(d) (1) (vii)	Major Programs (list): ARRA – Race to the Top Child Nutrition Cluster: School Breakfast Program National School Lunch Program	CFDA # 84.395 10.553 10.555
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: All others
(d) (1) (ix)	Low Risk Auditee?	Yes

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

None noted.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None noted.

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December 31, 2013

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

Independent Accountant's Report on Applying Agreed-Upon Procedures

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedures enumerated below, which were agreed to by the Board, solely to assist the Board in evaluating whether Shaker Heights City School District has adopted an anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board amended its anti-harassment policy at its meeting on September 15, 2012 to include prohibiting harassment, intimidation, or bullying of any student "on a school bus" or by an "electronic act."

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board and is not intended to be and should not be used by anyone other than these specified parties.

Rea & Associates, Inc.

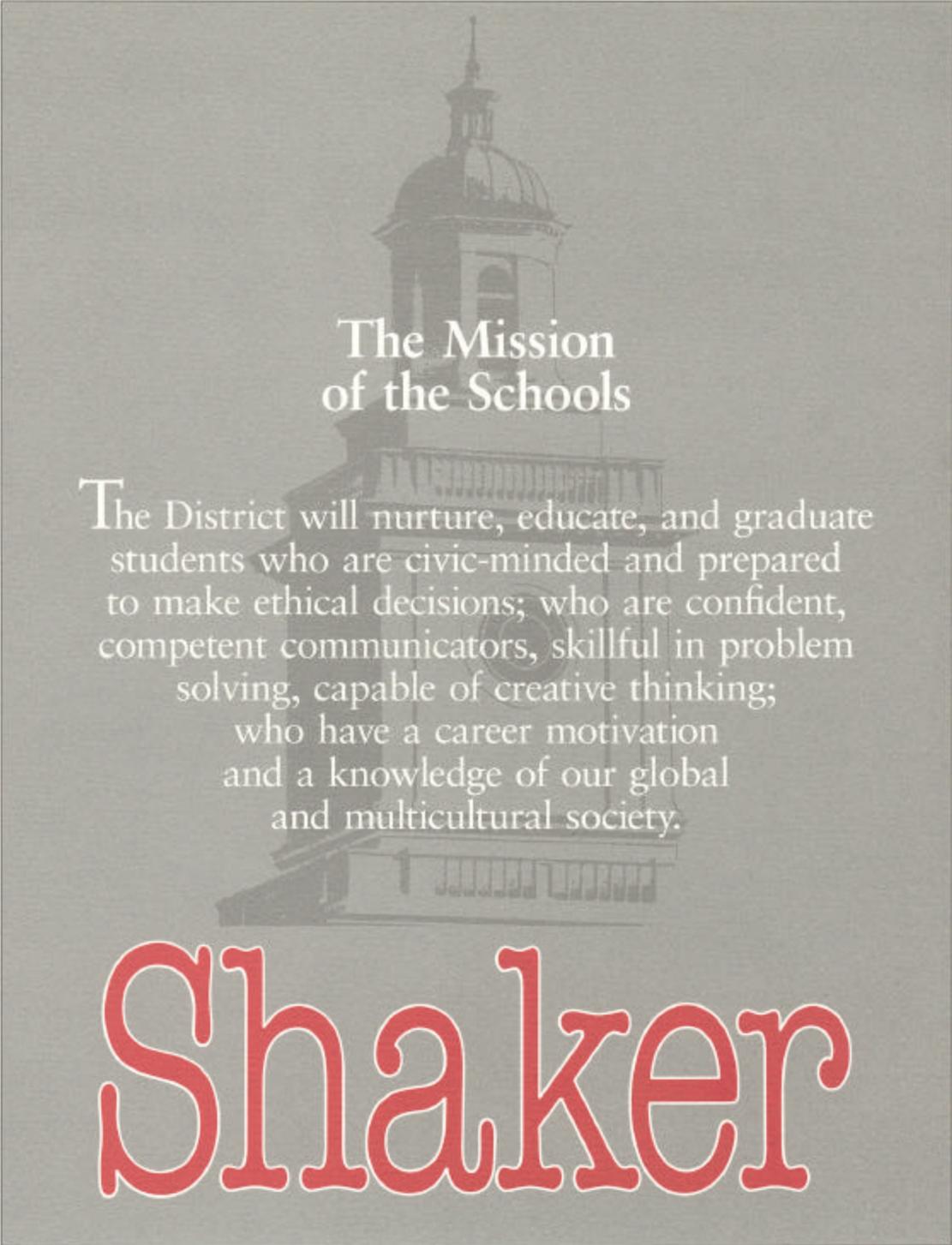
New Philadelphia, Ohio

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Shaker Heights City School District, Shaker Heights, Ohio

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2013

Issued By:
Bryan C. Christman, Treasurer
Shaker Heights City School District
15600 Parkland Drive
Shaker Heights, Ohio 44120-2599
(216) 295-4000



The Mission of the Schools

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

Shaker

INTRODUCTORY SECTION

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SHAKER HEIGHTS CITY SCHOOL DISTRICT

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

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

Bryan C. Christman
Treasurer

December 31, 2013

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

Dear Board Members and Residents:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Shaker Heights City School District for the fiscal year ended June 30, 2013. This CAFR enables the School District to comply with the Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires school districts reporting on a GAAP basis to file an unaudited annual report with the Auditor of State within 150 days of the fiscal year end.

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

Ohio law requires independent audits to be performed on all financial operations of the School District either by the Auditor of State or an independent public accounting firm, if permitted by the Auditor of State. Rea & Associates, Inc. rendered an opinion on the School District's financial statements as of June 30, 2013, and the Independent Auditors' Report on the basic financial statements is included in the financial section of this report.

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

The Shaker Heights City School District

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

MEMBERS OF THE BOARD:

NORMAN A. BLISS WILLIAM L. CLAWSON II AMY H. FULFORD REUBEN HARRIS, JR. ANNETTE TUCKER SUTHERLAND

The “school” was in the Van Sweringen real estate office at Lee Road and Shaker Boulevard, and four teachers and twenty six students constituted its population. The first school board looked ahead, planned well, worked hard and got off on the right foot. It had to, for along with the rapid construction of new homes came a tremendous growth in the school population. Today, there are over 5,400 students in the Shaker schools.

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

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

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

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

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

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

The Shaker Heights City School District is one of 611 school districts in the State of Ohio and one of 31 school districts in Cuyahoga County. The School District is the 56th largest in student enrollment in Ohio, with an enrollment of 5,423 students for the 2012-2013 academic year, and projected enrollment for fiscal year 2014 of 5,420 students. The School District offers general education, special education, and vocational education academic programs. The School District covers approximately 7.5 square miles, including all of the City of Shaker Heights and a portion of the City of Cleveland in the Shaker Square area, and is located approximately ten miles southeast of downtown Cleveland.

Organizational Structure

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

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

The Reporting Entity

The School District has reviewed its reporting entity definition in order to insure conformance with the 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 Ohio Schools' Council Association (OSC), the Lakeshore Northeast Ohio Computer Association (LNOCA), now known as the North Coast Council (NCC), and the Shaker Heights Public Library. NCC and OSC are jointly-governed organizations whose relationships to the School District are described in Note 21 to the accompanying financial statements. The Shaker Heights Public Library is a related organization and is described in Note 20 to the accompanying financial statements.

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

Economic Condition and Outlook

The School District serves 28,448 residents in the City of Shaker Heights, and 3,911 for the City of Cleveland. The community is primarily residential in nature with a diverse base of residents working largely in professional capacities. The School District is a mature, fully developed inner ring suburb whose economic strength is largely dependent upon the strength of the Northeast Ohio economy. According to the Ohio Department of Taxation, the average federal adjusted gross income per return for residents of the School District filing returns for calendar year 2011 was \$111,619, compared to the averages of \$66,744 for all Ohio school districts and \$57,478 for all districts in Cuyahoga County.

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

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

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

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

The Shaker Square shopping district, which lies in the Cleveland portion of the School District, was purchased and redeveloped in 2001 and 2002. The School District, in accordance with a tri-party agreement between the developer and the City of Cleveland, receives 25 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. Although, the 2004 sale to a new local owner reinvigorated the enthusiasm about the Shaker Square potential and long-term prospects for success, the recession impacted commercial retail operations which are now improving.

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

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

- Construction of a new \$5 million City Fire Station in the Shaker Towne Centre area;
- Redevelopment of commercial properties in the Shaker Towne Centre complex including \$3 million of facade and other improvements;
- \$13 million of public improvements completed in early 2008 at the Shaker Towne Centre including the reconfiguration and narrowing of Chagrin Boulevard; the addition of angled, on-street parking on Chagrin Boulevard; the construction of Center Street - a new road through Shaker Towne Centre which connects Chagrin Boulevard with Van Aken Boulevard; utility work to upgrade sewers, electric and telephone lines; public art and streetscape work on Chagrin Boulevard; and streetscape work on Lee Road between Chagrin Boulevard and City Hall.
- Building of 16 cluster townhouses known as Sussex Courts - Phase I on the north side of Chagrin Boulevard at Farnsleigh Road;
- Building of 30 cluster townhouses known as Sussex Courts - Phase II on the south side of Chagrin Boulevard at Farnsleigh Road;
- Development of 16 new residential condominiums entitled South Park Row on vacant land in the Warwick Road area;
- Construction of a new stand-alone retail bank branch building at Shaker Towne Centre;
- Shaker Common Shops (\$3.0 million) involved the purchase and major renovation of 35,000 square feet of historic retail buildings opposite Shaker Towne Center; and
- Razing of certain residential properties adjacent to the Shaker Towne Centre and the construction of a new residential project entitled Avalon Station. Phase 1 (begun in November 2005 and completed in 2007) of the project (\$12 million) includes 51 loft condominiums and a 90-car parking garage with a landscaped roof. When complete the project will consist of three 4-story buildings with approximately 160 loft condominiums and 17 townhomes as well as ground floor retail space in two buildings. Unfortunately, the recession has since 2007 delayed development beyond Phase 1.

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

- Adopting the Intermodal Transit Center Program Plan in June 2010, the goals of which include improving transportation access and circulation in the Warrensville/Van Aken commercial district; supporting and enhancing the City’s economic development and smart growth and sustainability goals; and improving RTA’s transit infrastructure to attract new ridership. The project, fully funded at \$18.5 million, began right-of-way acquisition in 2012,

roadway construction bidding in fall 2013, and is expected to begin construction in early 2014.

- Reconstructing Lee Road, a major north-south thoroughfare, from border to border, including replacing five sewer lines.
- Replacing a mechanical traffic signalization system with a computer-coordinated system.
- Developing in conjunction with the Greater Cleveland Regional Transit Authority the transit oriented development plan (\$3.0 million) for the rapid transit station at Van Aken and Lee.

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

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

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

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

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

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

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

Some of the additional business brought into the City through these efforts include: a bakery, a yoga studio, a running apparel store, a State of Ohio license bureau, new dental offices, new adult day care, wallpaper store, law firm, and an educational software firm.

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

Although the 2006 departure from the City by OfficeMax and its headquarters left a significant hole in the commercial backbone of the City, the void was short-lived. In the fall of 2006, the University Hospitals Corporation announced its purchase of the OfficeMax headquarters building and the relocation of as many as 900 full-time administrative and corporate office employees to such facility. Such relocation (which was completed in 2008) is subject to a temporary income tax sharing arrangement with the City of Cleveland, from which the employees relocated.

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. These local initiatives, combined with Cleveland's economic growth, provide for a stable and desirable economic condition for our School District. The favorable economic condition has resulted in School District tax levy success including:

- A 60 percent voter approval of a continuing 9.4 mill operating levy in March 2000;
- A 65 percent voter approval of a continuing 9.6 mill operating levy in May 2003;
- A 68 percent voter approval of a \$23.5 million capital improvement bond issue in November 2004;
- A 60 percent voter approval of a continuing 9.9 mill operating levy in May 2006; and
- A 58 percent voter approval of a continuing 9.9 mill operating levy in May 2010.

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

Long-Term Financial Planning

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

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

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

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

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

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

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

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

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

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

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

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

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

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

BUDGET

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

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

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

APPROPRIATIONS

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

BUDGET MODIFICATION

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

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

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

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

2013 Major Initiatives

Academic Achievement

With the support of faculty, parents, and local residents, our students continued to excel in academics, the arts, athletics, and community service. Approximately 8 percent of the Class of 2013 earned honors in the National Merit, National Achievement, and National Hispanic 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.

More than one third of eligible students at Shaker Heights High School took one or more Advanced Placement (AP) classes again this year. On the basis of their outstanding performance on Advanced Placement examinations, 140 Shaker students were named AP Scholars in 2013.

Shaker Heights students continue to be sought after by colleges. Members of the Class of 2013 were accepted into more than 229 colleges, including some of the most selective in the nation. Approximately 66% of graduating seniors plan to attend a 4-year college and 15% plan to attend a 2-year college.

Technology

Our computer network serves students, teachers, and staff in a wide variety of applications for instruction and business. We have more than 26 servers and approximately 1,600 workstations in 12 buildings, running over a fiber network. Our network also supports a variety of enterprise systems such as our phone system, transportation tracking, time cards, security systems, and other business products. In the 2012-2013 school year, the second phase of the District's wireless network was engineered and installed, completing the network for K-6 buildings. This network provides online access for instructional efforts, using both district-owned equipment and student- and staff-owned equipment.

We continue to add classroom tools such as student response systems and document cameras. With the completion of the wireless network, mobile carts are being set up in all buildings. Teachers will be able to sign out the carts for classroom activities. It is anticipated that more carts will be added in subsequent years. Funding for these tools is provided through grant monies, Red & White and PTO funds, as well as District funds. Teachers use these classroom tools to encourage student engagement by incorporating the use of visual materials, video sources, and web information that can be used interactively in daily classroom activities. In the 2012-2013 school year, the technology staff also began identifying needs for online testing that will begin in the 2014-2015 school year, reviewing requirements for equipment, and planning for updating and adding devices for testing as well as instruction.

Software supports our focus on student achievement, particularly in mathematics with the use of Pearson Successmaker in grades K-8 and Aleks and Cognitive Tutor in the upper grades. A number of tools for teachers (AIMSweb, MAP—Measure of Academic Progress) provide data to inform instructional efforts. We provide a variety of online database resources for journals, encyclopedias, and other learning resources to support our curricula. All buildings also have access to Discoverystreaming and BrainPop, online video databases which allow teachers to choose short video clips to illustrate concepts as they teach. A growing number of teachers are using the Moodle course management system, which allows teachers to develop online courses, using this resource to post class materials, conduct online discussions, provide online activities, and more. We expect teacher use of this resource to continue to grow.

Capital Improvements

Repairs and preventative maintenance continued throughout the District with interior and exterior painting; carpet and tile replacement; floor refinishing; some roof restorations; masonry tuck pointing; sidewalk repairs; asphalt repairs and seal coating; and preventative maintenance upgrades to electrical, HVAC, mechanical, and plumbing systems. All fluorescent fixtures in the District were changed from T12 to T8 to conform to House Bill 264. Safety lockdown devices were installed in all buildings. At the Middle School, repairs were made to seating in the auditorium, and new blinds were installed in A wing. At the High School, improvements were made to the Science Lab, and upgrades were made to the planetarium. Continual upgrades are being made to the security monitoring system at the High School, and the High School's air conditioning chiller unit was replaced.

Current and Future Initiatives

The School District continues to study, plan, and implement instructional initiatives aimed at improving the academic achievement of all students. Revised foci include: an emphasis on continuous improvement, reviewing data more regularly and using this data to guide decisions, as well as closing the achievement and opportunity gaps. The activities being implemented can be found in the District's Strategic Plan, which was adopted in 2011. The District is in the preparation phases for the development of a Five-Year Strategic Plan with implementation expected to begin in August of

2014. Current instructional initiatives include efforts to increase parental and community engagement, involvement and support; adoption of the International Baccalaureate Programme from preschool through 12th grade; expansion of the World Language programs at the upper elementary and middle school levels; implementation of the Common Core and State Standards; preparation for new state assessments; increased emphasis on professional learning for all groups of staff with an initial emphasis on teachers and administrators; early intervention for behavioral and academic needs; and extended-day and extended-year programming for students. In order to facilitate greater cohesion and alignment of the curriculum, comprehensive curriculum guides will be developed with the first expected implementation to be Mathematics in August of 2014. Collaboration with local universities, the City of Shaker Heights, the Shaker Heights Public Library, the Shaker Heights Youth Center, and other local agencies concerned with the welfare of youth continue to be an area of strength.

Building Improvement Plans

The Shaker Heights City School District maintains an ongoing commitment to the philosophy of continuous improvement. All school principals revise their school improvement plans annually based on achievement data and climate survey results. The plans are developed in consultation with faculty members, the District administrative team, and the superintendent. Each plan includes educational goals, performance measures, strategies, resource allocation, assignment of responsibility, and timelines for completion. The plans reflect both District and building-level instructional priorities and are monitored through frequent data review.

2011-2014 Strategic Plan

On April 12, 2011, the Board of Education approved a two-year Strategic Plan. The plan is the work of a broad-based committee of Board members, residents, and educators. The document is based on considerable public input and a thorough review of existing data and plans.

The plan is organized around three major focus areas:

Student Experience

- Build relationships among faculty, staff, students, and their families that foster the belief within students that they can achieve excellence and advocate for their own success.
- Provide a safe learning community that is welcoming, inclusive, respectful, and engaging, which embraces diversity and fosters enriched learning experiences for all.
- Ensure that the District offers academic, enrichment, and co-curricular activities that are diverse, relevant, and accessible to all students.

Curriculum, Instruction, and Assessment

- Provide ongoing support for collegial collaboration and consistent use of best research-based teaching practices.
- Develop a globally competitive curriculum and employ best research-based practices for instruction and assessment that reflect high expectations for all students.
- Employ an integrated set of instructional strategies and learning opportunities to remove race, socioeconomic status, and disability as predictors of achievement.

Collaboration, Communication, and Involvement

- Engage all parents as active partners in student success.
- Engage the Shaker community as partners in student success.
- Build community confidence and pride in our schools through effective communication.

Each of the focus areas has associated performance objectives and detailed work plans. Supporting all of the goals are "integrated themes": technology, organizational efficiency, professional development, and data management. Progress toward goals will be audited annually.

The District's implementation of the Strategic Plan was reviewed and assessed by an external evaluator in August of 2012 and in August of 2013. The Year One and Year Two Independent Progress Reports included several commendations for the work completed in the first and second year of the plan. The major recommendation was to extend the plan into a third year commencing in June of 2014.

The Strategic Plan and the Year One and Year Two Progress Reports can be found at www.shaker.org/strategicplanning/asp.

International Baccalaureate

After a year of careful study, the District began pursuing adoption of the International Baccalaureate Programme at the elementary, middle, and high school levels during the 2008-2009 school year. Full program implementation will make Shaker the only K-12 International Baccalaureate district in Greater Cleveland. This program is especially in demand among international families who are relocating to Cleveland to work in higher education, health care, and research.

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

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

Woodbury, the Middle School, and the High School cleared the first hurdle in the authorization process last spring by earning Middle Years Programme Candidate School status. Work has continued at the middle grades unifying the instructional approaches in grades 5-12 with greater emphasis being placed on 21st century skills, international awareness, and higher expectations for all students. Efforts have included encouraging students to think globally, internalizing the "learner profile", and benefitting fully from thematic units of instruction developed by the staff. Staff members at grades 5-12 are working together to prepare for authorization of the International Baccalaureate Middle Years Programme. Preparation for the implementation of the required tenth grade Personal Project is underway with a small pilot being implemented this school year through the High School Advisory Program. Beginning with the 2014-2015 school year, all tenth grade students will participate in the Personal Project. The authorization visit for the Middle Years Programme is expected to occur in the spring of 2015.

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, 2012. 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.

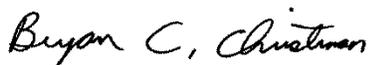
ASBO Certificate - The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2012 to the Shaker Heights City School District. This award certifies that the Comprehensive Annual Financial Report substantially conformed to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. The award is granted only after an intensive review of the financial report by an expert panel of certified public accountants and practicing school business officials. We believe that the Comprehensive Annual Financial Report for the current year ended June 30, 2013, which will be submitted to ASBO for review, continues to conform to ASBO's principles and standards.

Auditor of State Award – The School District was awarded the *Auditor of State Award with Distinction*, which recognizes excellence in financial reporting for the School District's Comprehensive Annual Financial Report for the fiscal year ended 2012. The School District has received this award, as well as the State's Excellence in Financial Reporting Award, for numerous years consecutively.

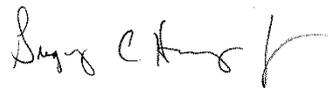
Acknowledgments

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

Respectfully submitted,



Bryan C. Christman
Treasurer



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

Shaker Heights City School District

Principal Officials

June 30, 2013

Board of Education

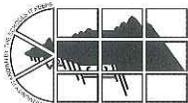
Ms. Annette Tucker Sutherland President
Mr. William L. Clawson II Vice-President
Mr. Norman A. Bliss.....Member
Mrs. Amy H. FulfordMember
Mr. Reuben Harris, Jr.Member

Administration

Mark Freeman.Superintendent

Bryan C. Christman Treasurer

SHAKER HEIGHTS CITY SCHOOL DISTRICT



www.shaker.org

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



ATTENDANCE ZONES

Shaker Heights City School District



Street	School	Street	School	Street	School	Street	School
Aberdeen	3250-3343	Courtland	2833-3160	Holmwood	26650-22949	N. Moreland	2523-2680
Albion	3000-3097	Courtland O.	2619-2626	Huntington	2869-2939	North Park	18201-20350
Aldersyde	3112-3148	Coventry	2555-2878	Ingleside	2998-3166	Norwood	3270-3365
	1520-16306	Cranlyn	2662-2749	Inverness	3260-3400		3450-3680
	16605-17450			Kemper	3430-3727		
Almar	20417-21411	Daleford	3255-3397	Kendall	2679-2767	Onaway	14149-16115
Ardmore	3256-3366		3425-3727	Kenmore	2501-2662	Oxford	& 3174-3209
Ardoon	13415-13808	Dorchester	3255-3400	Kenyon	2532-2585		18801-19101
Asby	3354-3467	Douglas	22029-22775	Kingsley	2501-2662	Palmerston	3518-3726
	3341	Drexmore	13300-14817	Landon	2680-2767		
Ashford	3093-3121	Drummond	2821-2951	Lansmere	3256-3370	Rawnsdale	3611-3726
Ashley	2671-2755	Dryden	2700-2730	Larchmere	12725,	Riedham	3547-3728
Ashwood	3026-3113	Duffield	23349-24235	Latimore	12733-14706	Rife Court	if any
	3122-14316			Laurel	3544-3725	Ripley	2952-3051
Attleboro	2755-2975	East 127th	2461, 65, 69	Laureldale	3070-3175	Rochester	2664-2742
	3150	only		Lee	23149-24296	Rocklyn	3608-3728
	3021	East 135th	3120-3149	Leighton	2812-2945	Rolliston	21825-22732
Avalon	3259-3396	East 137th	3156-3228	Leyton	3255-3429	Rye	18203-18705
	3430-3727	East 140th	3202-3246	Lindholm	3074-3328	Scottsdale	17302-20330
		E. Belvoir O.	2960-3020	Litchfield	2665-2750	Sebor	2124-3161
Becket	2966-3097	Eaton	2670-2796	Livinston	3586-3734	Sedgewick	2830-2957
	3116-3166		2824-3030	Lomond	2848-3003	Shaker Blvd.	13400-18450
Belvoir	14003-14206	Edgerton	2658	Ludgate	17300-20149	Shelburne	18501-19713
Berwyn	2661-3230	Elsmere	3255-3369	Ludlow	16614-17126	Shelby	2724-2736
Boyce	17426-17720	Enderby	3252-3310	Lyman Blvd.	3521-3746	Sherrington	37121-18329
	2938-2960	Endicott	2646-2750	Lynnfield	3029-3193	Sherbrooke	2711-2781
Braemar	3256-3365	Fairhill	12700-13800	Lynnton	23130-24275	Somersett	3115-3330
Brantley	20620-21376	Fairmount	3538-20201	Lynton	2-56	Southington	2690-2933
Brighton	2841-3008	Falmouth	2841-3199	Malvern	19751-20101	Southpark	14475 & 3022
Broxton	2820-2979	Farnsleigh	20770-20975	Manchester	2839-3031	Southwood	13500-14215
Bryden	23201-23451	Ferway	16601-17829	Marchmont	19650-20201	S. Moreland	2804-3052
Byron	20499-22926	Ferway	18000-18300	Maynard	3280-3365	South Park	2725-20001
		Fontenay	15611-16507	McCauley	21925-22600	S. Woodland	13210-13804
Calverton	21925-22700	Glencain	3255-3395	Menlo	3434-3472	odd	14101-17355
Canterbury	22303-22905	Glengary	2849-3025	Meriverton	3542-3753	even	14100-17200
Carlton	2885-3035	Green	2899-2951	Montgomery	3284-3375	Wadsworth	2680-2721
Chedbourne	2796-2990	Green	2662-3190	Morley	2888-3200	Warrensville Center Road	2880-3024
		Grenway	3255-3369	Newell	18309-18726	even	2671-3755
	15706-16106	Griffing	13108-13204	Nicholas	16313-16501	even	3076-3755
Chagrin	16112-16114	Haddam	2634-2695	Normandy	3516-3727	even	18028-20020
		Hadleigh	4180-4187	Northwood	12806	odd	18675-19901
	17302-20013	Halburton	20899-20975			odd	2994-3341
	20825-20875	Halworth	20676-20960			odd	2800-2949
Chalfant	3255-3396	Hampton	2843-2988			odd	15500-17200
Chelton	3517-3742	Hazelmere	23350-24250			odd	17401-17717
Cheshire	2531-2590	Helen	3401-3465			odd	17402-17802
Chesterton	2680-2791	Hermitage	23655-24270			odd	18028-20020
		Hildana	3511-3742			odd	18203-18705
Claremont	2896-3024	Hilbrook	16722-17010			odd	18675-19901
Claridge O.	3774					odd	2994-3341
Claythorne	2683-2765 & 20900-21520					odd	2800-2949
						odd	15500-17200
Clayton	3315-3400					odd	17401-17717
Colby	20725-21307					odd	17402-17802
Colton	3412-3471					odd	18028-20020
Colwyn	3338-3397					odd	18203-18705
Corby	13507-13714					odd	18675-19901
Cormier	13302-13810					odd	2994-3341
Courtland	2627-2799					odd	2800-2949
						odd	15500-17200
						odd	17401-17717
						odd	17402-17802
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						odd	



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Shaker Heights City
School District, Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

Association of School Business Officials International



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

Shaker Heights City School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2012*

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



A handwritten signature in black ink, appearing to read 'Ron McCulley', written over a horizontal line.

Ron McCulley, CPPB, RSBO
President

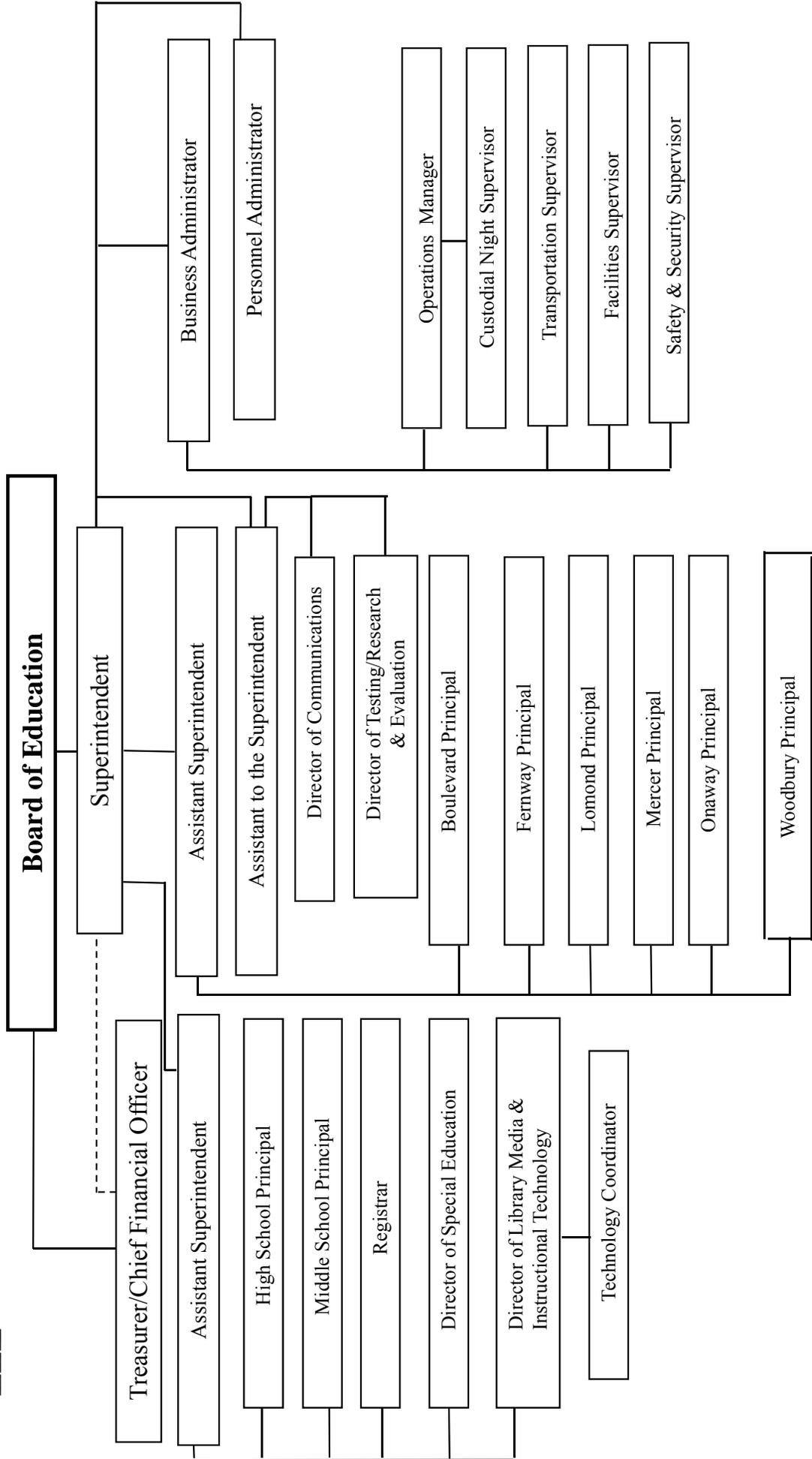
A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director



SHAKER HEIGHTS CITY SCHOOL DISTRICT

ORGANIZATIONAL CHART



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FINANCIAL SECTION

December 31, 2013

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

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Shaker Heights City School District, Cuyahoga County, Ohio, (the "School District") as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Shaker Heights City School District, Cuyahoga County, Ohio, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* on pages 5 through 15 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2013 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering School District's internal control over financial reporting and compliance.

Rea & Associates, Inc.

New Philadelphia, Ohio

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Shaker Heights City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013

The discussion and analysis of the Shaker Heights City School District's (the "School District") financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2013. The intent of this discussion and analysis is to look at the School District's performance as a whole; readers should also review the transmittal and notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2013 are as follows:

- Net position increased \$3,616,789, which represents a 7.4% increase from 2012.
- Capital assets increased \$4,143,796 during fiscal year 2013.
- During the year, outstanding debt increased from \$22,465,533 to \$25,060,578 due to principal payments made by the School District offset by a new refunding bond and a capital improvement and equipment bond.

Using this Annual Report

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

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While the basic financial statements contain the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2013?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

Shaker Heights City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

The major funds financial statements begin on page 18. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions; however, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund and building fund.

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

Proprietary Fund The School District maintains two proprietary funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the School District's various functions. The School District uses the internal service funds to account for payments, administrative costs and reserves of the School District's self-insured prescription drug, health and dental coverage plans, and the State's retrospective rating workers' compensation plan, and is reported separately as the School District's proprietary funds. Because this service predominately benefits governmental functions, it has been included within the governmental activities in the government-wide financial statements. The proprietary fund financial statements begin on page 23.

Reporting the School District's Fiduciary Responsibilities

The School District acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in an agency fund. The School District's fiduciary activities are reported in separate Statements of Fiduciary Assets and Liabilities on page 26. These activities are excluded from the School District's other financial statements because the assets cannot be utilized by the School District to finance its operations.

Shaker Heights City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for fiscal year 2013 compared to fiscal year 2012:

Table 1
Net Position

	Governmental Activities	
	2013	2012
Assets		
Current and Other Assets	\$ 112,696,009	\$ 112,024,971
Capital Assets	37,167,529	33,023,733
<i>Total Assets</i>	149,863,538	145,048,704
Liabilities		
Other Liabilities	64,949,678	65,588,369
Long-Term Liabilities	32,710,798	30,874,062
<i>Total Liabilities</i>	97,660,476	96,462,431
Net Position		
Net Investment in Capital Assets	13,553,310	11,315,889
Restricted	5,332,698	5,550,411
Unrestricted	33,317,054	31,719,973
<i>Total Net Position</i>	\$ 52,203,062	\$ 48,586,273

At year end, capital assets represented 24.8% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, equipment, and vehicles. Net investment in capital assets was \$13,553,310 at June 30, 2013. These capital assets are used to provide services to students and are not available for future spending. Although the School District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the School District's net position, \$5,332,698 or 10.2%, represents resources that are subject to external restrictions on how they may be used. The balance of government-wide unrestricted net position of \$33,317,054 may be used to meet the government's ongoing obligations to students and creditors.

Total current and other assets showed a net increase of \$671,038 with a substantial increase in pooled cash and investments of \$1,703,142, which was partially offset by a decrease in taxes receivable of \$711,604.

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

Shaker Heights City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013

Total liabilities increased \$1,198,045, primarily due to principal payments, offset by a new refunding bond and capital improvement and equipment bond.

Table 2 shows the changes in net position for fiscal year 2013 and 2012.

Table 2
Changes in Net Position

	Governmental Activities	
	2013	2012
Revenues		
<i>Program Revenues:</i>		
Charges for Services	\$ 2,911,871	\$ 2,670,982
Operating Grants	5,087,485	6,264,972
Capital Grants	152,620	74,937
<i>Total Program Revenues</i>	<u>8,151,976</u>	<u>9,010,891</u>
<i>General Revenues:</i>		
Property Taxes	65,933,054	67,463,918
Grants and Entitlements Not Restricted	23,839,415	23,319,363
Other	582,309	708,187
<i>Total General Revenues</i>	<u>90,354,778</u>	<u>91,491,468</u>
<i>Total Revenues</i>	<u>98,506,754</u>	<u>100,502,359</u>
Program Expenses		
Instruction:		
Regular	34,461,051	34,798,586
Special	12,397,536	12,002,923
Vocational	73,704	150,353
Student Intervention Services	94	58,630
Other	42,270	8,693
Support Services:		
Pupils	5,556,492	5,594,025
Instructional Staff	7,540,608	7,880,942
Board of Education	65,876	18,470
Administration	5,815,470	5,911,138
Fiscal	2,443,694	2,645,931
Business	1,085,086	1,043,044
Operation and Maintenance of Plant	13,142,708	12,347,748
Pupil Transportation	4,674,160	4,456,181
Central	1,683,000	1,754,818
Operation of Non-Instructional Services:		
Food Service Operations	1,855,816	1,820,200
Other	1,598,259	1,428,394
Extracurricular Activities	1,331,012	1,268,779
Debt Service:		
Interest and Fiscal Charges	937,911	1,000,513
Issuance Costs	185,218	0
<i>Total Expenses</i>	<u>94,889,965</u>	<u>94,189,368</u>
<i>Increase (Decrease) in Net Position</i>	3,616,789	6,312,991
<i>Net Position at Beginning of Year</i>	<u>48,586,273</u>	<u>42,273,282</u>
<i>Net Position at End of Year</i>	<u>\$ 52,203,062</u>	<u>\$ 48,586,273</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013

Overall revenue decreased \$1,995,605, due to the loss of grant monies. Program expenses increased from \$94.2 million to \$94.9 million, which represents a .74% increase from fiscal year 2012.

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

Table 3
Governmental Activities

	Total Cost of Service		Net Cost of Service	
	2013	2012	2013	2012
Instruction:				
Regular	\$ 34,461,051	\$ 34,798,586	\$ 33,118,818	\$ 32,395,942
Special	12,397,536	12,002,923	10,741,657	10,493,563
Vocational	73,704	150,353	73,704	150,353
Student Intervention Services	94	58,630	(17)	790
Other	42,270	8,693	12,719	8,693
Support Services:				
Pupils	5,556,492	5,594,025	5,556,492	5,594,025
Instructional Staff	7,540,608	7,880,942	6,091,287	6,411,615
Board of Education	65,876	18,470	65,876	18,470
Administration	5,815,470	5,911,138	5,785,396	5,891,138
Fiscal	2,443,694	2,645,931	2,413,802	2,631,531
Business	1,085,086	1,043,044	1,085,086	1,043,006
Operation and Maintenance of Plant	13,142,708	12,347,748	13,132,215	12,304,068
Pupil Transportation	4,674,160	4,456,181	4,557,364	4,380,750
Central	1,683,000	1,754,818	1,663,283	1,721,818
Operation of Non-Instructional Services:				
Food Service Operations	1,855,816	1,820,200	2,873	126
Other	1,598,259	1,428,394	128,821	(17,840)
Extracurricular Activities	1,331,012	1,268,779	1,185,484	1,149,916
Debt Service:				
Interest and Fiscal Charges	937,911	1,000,513	937,911	1,000,513
Issuance Costs	185,218	0	185,218	0
<i>Total Expenses</i>	\$ 94,889,965	\$ 94,189,368	\$ 86,737,989	\$ 85,178,477

The School District's cost of services increased \$700,597 due to an increase in expenses related for various school building renovation projects completed in 2013.

The dependence upon general revenues for governmental activities is apparent. Over 91% of governmental activities are supported through taxes and other general revenues; such revenues are 92% of total governmental revenues. The community, as a whole, is by far the primary support for the School District students.

Shaker Heights City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013

Governmental Funds

Information about the School District's major funds starts on page 18. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$111,386,156 and expenditures and other financing uses of \$111,672,827 for fiscal year 2013. The net change in fund balances for the fiscal year was a decrease of \$286,671 for all governmental funds with the most significant decrease in the general fund.

The general fund's net change in fund balance for fiscal year 2013 was a decrease of \$824,796. This decrease is primarily due to the expiration of federal stimulus grants in fiscal year 2012. In fiscal year 2013, expenditures previously paid for with these grant monies were paid by the general fund.

The fund balance of the building fund increased by \$307,690. This increase can be attributed to the new debt proceeds partially offset by capital improvements and equipment purchases and a transfer in to help cover principal payments on short-term debt.

General Fund Budgeting Highlights

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

During the course of fiscal year 2013, the School District did amend its general fund budget a few times. The School District uses site-based budgeting and budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, actual budget basis revenue was \$1,522,454 higher than the final budget basis revenue of \$87,302,393, due to an underestimation of state funding and tax collections.

Final expenditure appropriations of \$96,114,358 were \$2,366,317 higher than the actual expenditures of \$93,748,041, as cost savings were recognized for wages and benefits.

Shaker Heights City School District
Cuyahoga County, Ohio
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Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2013, the School District had \$37,167,529 invested in capital assets. Table 4 shows fiscal year 2013 balances compared with 2012.

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

	Governmental Activities	
	2013	2012
Land	\$ 943,600	\$ 943,600
Construction in Progress	2,057,834	824,500
Land Improvements	1,825,818	1,952,428
Buildings and Improvements	25,936,516	23,852,509
Equipment	5,078,680	4,151,897
Vehicles	1,325,081	1,298,799
<i>Totals</i>	<u>\$ 37,167,529</u>	<u>\$ 33,023,733</u>

The \$4,143,796 increase in capital assets was attributable to additional purchases exceeding depreciation and disposals in the current year. During fiscal year 2013, the School District substantially completed the stadium and athletic field project and the middle school auditorium roof replacement. Additional projects included wireless system improvements, a chiller replacement, energy efficient lighting and building control upgrades. The School District also began a science lab improvement project during the fiscal year. See Note 11 for more information about the capital assets of the School District.

Debt

At June 30, 2013, the School District had \$25,060,578 in debt outstanding. Table 5 summarizes bonds outstanding.

(Table 5)
Outstanding Debt at Year End

	Governmental Activities	
	2013	2012
School Improvement Bonds - 2005	\$ 924,207	\$ 6,450,566
School Improvement Refunding Bonds - 2005	201,368	372,335
School Improvement Bonds - 2007	6,004,352	6,349,763
School Improvement Refunding Bonds - 2007	2,749,972	3,081,355
School Improvement Refunding Bonds - 2007	1,558,348	1,745,151
School Improvement Bonds - 2008	4,229,745	4,466,363
Capital Improvement & Equipment Bond - 2012	4,170,000	0
School Improvement Refunding Bonds - 2012	5,222,586	0
<i>Total</i>	<u>\$ 25,060,578</u>	<u>\$ 22,465,533</u>

Shaker Heights City School District
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Outstanding debt increased \$2,595,045 in fiscal year 2013. During fiscal year 2013, the School District issued \$4,170,000 of capital improvement and equipment bonds and partially refunded 2005 school improvement bonds. See Note 19 for additional details.

School District Outlook

The School District has continued to maintain the highest standards of service to its 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 reductions over the last several fiscal years in the State's various funding programs, the School District was able to maintain its educational program uninterrupted by the financial shock inflicted as a result of the State's most recent budget crisis. Because the School District relies heavily upon its local taxpayer base, the impact of the State's most recent budget crisis did not play as significant a role in the funding picture for the School District as it did 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 and Audit Committee (F&A Committee) in October 2002 by the Board of Education paved the way for a new era in the School District's financial management function. By creating the F&A Committee, the Board added an ongoing mechanism designed to provide additional financial insight and oversight to complement the School District's internal financial management. The F&A Committee consists of nine community members (two of which are Board members). The backgrounds of the members are primarily concentrated in business and financial management. The F&A Committee's charter includes the twin objectives of monitoring the financial affairs of the School District and serving as the primary contact for the School District's external financial auditors.

Because of its long history of strong community support at the ballot box, coupled with the continuous City efforts targeted toward maintaining the housing stock (thereby helping to maintain and improve the City's tax base), the School District has a strong financial outlook. The Board of Education and administration closely monitor its revenues and expenditures in accordance with its financial forecast. 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 for fiscal year 2013 shows the School District students achieving 22 out of 26 indicators 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 continues to be unwavering as demonstrated by the most recent operating levy in May of 2010, wherein a 9.9 mill levy was passed with a 58.3% margin in the wake of a national, State and local economic recession. Additionally, the community approved a \$23.5 million bond issue for purposes of School District capital needs with a 67.7% margin in November 2004. 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.

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

State School Funding

The DeRolph Case and The Governor's Blue Ribbon Task Force

In December 1991, the Ohio Coalition for Equity and Adequacy of School Funding, representing over 550 Ohio school districts filed a lawsuit, *DeRolph vs. Ohio* that became synonymous with the State-wide attempt to accomplish public school funding reform in Ohio. The plaintiffs were successful in winning both at the local Perry County Common Pleas level in 1994, and in the subsequent appeals process which led to an unprecedented four Ohio Supreme Court rulings that upheld the lower court ruling that the Ohio system of funding was unconstitutional in that it was neither "adequate" nor "equitable." Unfortunately, the plaintiffs were unsuccessful in forcing the State of Ohio to comply with the Ohio Supreme Court orders and in fact were denied a last ditch effort in October 2003, when the United States Supreme Court denied the plaintiffs motion to be heard. As of the date of these financial statements, the consensus opinion is that the *DeRolph* case is over and done.

Past DeRolph, the State continued to struggle with the development of a constitutional school funding system primarily through the work of the then Governor's Blue Ribbon Task Force on Financing Student Success. The recommendations of the Task Force, which had failed to reach consensus on school funding improvements to provide a system that would be predictable, affordable, spend money effectively, and support student achievement, were only partially adopted and incorporated into House Bill No. 66, the State's budget bill for the fiscal years 2006 and 2007.

Tax Reform-House Bill No. 66

House Bill No. 66 (H.B. 66), the State's biennial budget for fiscal years 2006 and 2007, was enacted in June 2005. This legislation adopted sweeping changes in the State's tax structure. The most significant provisions impacting the School District were the elimination of the Cost of Doing Business factor (CODB) portion of the State Formula Aid calculation, and the elimination of the tangible personal property tax.

The CODB was phased-out over fiscal years 2006 and 2007. H.B. 66, however, provided for a "guarantee", or a floor (the fiscal 2005 State Formula Aid amount) below which school districts' funding would not fall during that biennium. Absent the continuation of that biennial "guarantee", the School District would lose approximately \$2 million per year.

H.B. 66 eliminated the tangible personal property tax. The tax had previously generated about \$2 million per year for the School District. The phase-out for the tangible personal property taxpayer began with the 2006 tax collection year, in which approximately 75% of the traditional amount was payable, followed by 50% and 25% in tax collection years 2007 and 2008, respectively, with no tax due in tax collection year 2009.

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For the Fiscal Year Ended June 30, 2013

At the same time the tangible personal property tax phase-out occurred, the phase-in of the H.B. 66 personal property tax loss reimbursement mechanism began to make payments to school districts to help offset the loss of personal property tax collections. The reimbursement payments coincided with the phase-out, and in essence approximate the reciprocal percentage of the phase-out tax payment percentage (i.e. 25%, 50%, 75%, and 100% for the tax collection years 2006, 2007, 2008, and 2009, respectively). After a second 100% reimbursement year in tax collection year 2010, the reimbursement payments were to be phased-out over the ensuing seven years.

The Fiscal 2008 and 2009 Biennial State Budget

The tax reform provisions of House Bill No. 66 were continued in the 2008-2009 State biennial budget which was passed in June 2007. Additionally, the budget bill provided for the continuation of the State Foundation Formula Aid “guarantee” through the end of the biennium.

However, due to the State budget crisis, the Governor twice implemented mid-term budget reductions in 2008 resulting in peripheral budget reductions to Ohio school district funding, but left the primary school districts State Foundation Funding untouched.

The Fiscal 2010 and 2011 Biennial State Budget and the OEBM

After conducting a series of public forums in 2008 first to gather input about the desired attributes of a world class educational system, and then about financing such educational system, Governor Strickland developed and proposed the Ohio Evidence-Based Model Education Program (OEBM), most of which was incorporated into the fiscal 2010-2011 biennial State budget, House Bill No. 1. The OEBM represented a significant overhaul to the historical per pupil funding model utilized by the State, and was scheduled to be phased-in over the ensuing ten to twelve years. The State of Ohio utilized approximately \$8 billion of the Federal Stimulus package (American Recovery and Reinvestment Act, aka ARRA) to fill its budgetary hole for the 2010-2011 biennium, under which the School District's State Foundation funding continued to be subject to the guarantee with a one percent reduction during each of the two fiscal years of the biennium.

The Fiscal 2012 and 2013 Biennial State Budget

In November 2010, Governor Strickland lost his bid for re-election. Facing an \$8 billion budget deficit for the fiscal 2012 and 2013 biennial budget, Governor Kasich and the General Assembly repealed the OEBM, reinstated a modified per pupil funding model, and implemented substantial budget reductions including not replacing the State Foundation payments that were funded utilizing ARRA funds during fiscal years 2010 and 2011, and accelerating the phase-out of the public utility and the tangible personal property tax reimbursement payments. As a result, the School District has lost revenue totaling \$21 million during the 2012 – 2019 years, including \$8 million over the 2012 and 2013 biennium.

The Fiscal 2013 and 2014 Biennial State Budget

In June 2013, the Ohio General Assembly approved Substitute House Bill No. 59, the State's 2014 and 2015 biennial budget bill, which incorporated a new school funding formula that is anticipated to result in net increases in funding for the School District in both fiscal years 2014 and 2015. House Bill No. 59, also eliminated the State's subsidy of the 12.5% rollback credit for all future tax levies, but continues the subsidy for all of the School District's existing levies.

Shaker Heights City School District
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Management's Discussion and Analysis
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The long-term impact of the outcome of these and other issues on the School District is unknown at this time. Consequently, all of the School District's financial abilities will be called upon to meet the challenges the future will bring. The School District's Board and management team continue to carefully and prudently plan in order to provide the resources required to meet the future needs of its students.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, 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.

Shaker Heights City School District
Cuyahoga County, Ohio
Statement of Net Position
June 30, 2013

	Governmental Activities
Assets	
Equity in Pooled Cash and Investments	\$ 37,281,028
Receivables:	
Accrued Interest	36,581
Accounts	44,682
Intergovernmental	1,014,335
Property Taxes	74,069,306
Prepaid Items	31,267
Deferred Charges	218,810
Nondepreciable Capital Assets	3,001,434
Depreciable Capital Assets (Net)	34,166,095
<i>Total Assets</i>	149,863,538
Liabilities	
Accounts Payable	636,883
Accrued Wages and Benefits	8,163,130
Contracts Payable	160,275
Intergovernmental Payable	2,347,021
Matured Compensated Absences Payable	933,824
Accrued Interest Payable	31,822
Unearned Revenue	52,676,723
Long Term Liabilities:	
Due Within One Year	4,427,015
Due In More Than One Year	28,283,783
<i>Total Liabilities</i>	97,660,476
Net Position	
Net Investment in Capital Assets	13,553,310
Restricted For:	
Capital Outlay	833,627
Debt Service	3,258,334
Set Asides	353,070
Other Purposes	887,667
Unrestricted	33,317,054
<i>Total Net Position</i>	\$ 52,203,062

See accompanying notes to the basic financial statements.

Shaker Heights City School District
Cuyahoga County, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2013

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction:					
Regular	\$ 34,461,051	\$ 1,222,949	\$ 68,749	\$ 50,535	\$ (33,118,818)
Special	12,397,536	626,206	1,029,673	0	(10,741,657)
Vocational	73,704	0	0	0	(73,704)
Student Intervention Services	94	0	111	0	17
Other	42,270	5,700	23,851	0	(12,719)
Support Services:					
Pupils	5,556,492	0	0	0	(5,556,492)
Instructional Staff	7,540,608	0	1,449,321	0	(6,091,287)
Board of Education	65,876	0	0	0	(65,876)
Administration	5,815,470	0	30,074	0	(5,785,396)
Fiscal	2,443,694	15,492	14,400	0	(2,413,802)
Business	1,085,086	0	0	0	(1,085,086)
Operation and Maintenance of Plant	13,142,708	10,493	0	0	(13,132,215)
Pupil Transportation	4,674,160	14,711	0	102,085	(4,557,364)
Central	1,683,000	0	19,717	0	(1,663,283)
Operation of Non-Instructional Services:					
Food Service Operations	1,855,816	873,289	979,654	0	(2,873)
Other	1,598,259	0	1,469,438	0	(128,821)
Extracurricular Activities	1,331,012	143,031	2,497	0	(1,185,484)
Debt Service:					
Interest and Fiscal Charges	937,911	0	0	0	(937,911)
Issuance Costs	185,218	0	0	0	(185,218)
Total	\$ 94,889,965	\$ 2,911,871	\$ 5,087,485	\$ 152,620	(86,737,989)

General Revenues

Property Taxes Levied for:

General Purposes

63,408,623

Debt Service

2,524,431

Grants and Entitlements Not Restricted to Specific Programs

23,839,415

Investment Earnings

124,229

Miscellaneous

458,080

Total General Revenues

90,354,778

Change in Net Position

3,616,789

Net Position Beginning of Year

48,586,273

Net Position End of Year

\$ 52,203,062

See accompanying notes to the basic financial statements.

Shaker Heights City School District
Cuyahoga County, Ohio
Balance Sheet
Governmental Funds
June 30, 2013

	General	Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Investments	\$ 24,808,050	\$ 1,787,869	\$ 3,375,987	\$ 29,971,906
Restricted Cash and Investments	353,070	0	0	353,070
Receivables:				
Accrued Interest	36,581	0	0	36,581
Accounts	37,286	1,066	6,330	44,682
Interfund	34,744	0	0	34,744
Intergovernmental	125,571	0	688,024	813,595
Property Taxes	71,334,242	0	2,735,064	74,069,306
Prepaid Items	31,267	0	0	31,267
<i>Total Assets</i>	<u>\$ 96,760,811</u>	<u>\$ 1,788,935</u>	<u>\$ 6,805,405</u>	<u>\$ 105,355,151</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$ 397,250	\$ 0	\$ 162,933	\$ 560,183
Accrued Wages and Benefits	7,760,214	0	402,916	8,163,130
Contracts Payable	118,525	41,750	0	160,275
Intergovernmental Payable	2,199,393	0	147,628	2,347,021
Matured Compensated Absences Payable	933,824	0	0	933,824
Interfund Payable	0	0	34,744	34,744
Deferred Revenue	62,475,334	0	2,733,551	65,208,885
<i>Total Liabilities</i>	<u>73,884,540</u>	<u>41,750</u>	<u>3,481,772</u>	<u>77,408,062</u>
Fund Balances				
Nonspendable	31,267	0	0	31,267
Restricted	353,070	1,747,185	3,509,395	5,609,650
Assigned	7,186,555	0	0	7,186,555
Unassigned	15,305,379	0	(185,762)	15,119,617
<i>Total Fund Balances</i>	<u>22,876,271</u>	<u>1,747,185</u>	<u>3,323,633</u>	<u>27,947,089</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 96,760,811</u>	<u>\$ 1,788,935</u>	<u>\$ 6,805,405</u>	<u>\$ 105,355,151</u>

See accompanying notes to the basic financial statements.

Shaker Heights City School District
Cuyahoga County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2013

Total Governmental Fund Balances		\$ 27,947,089
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		37,167,529
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property Taxes	\$ 12,063,452	
Intergovernmental	468,710	
Total	12,532,162	12,532,162
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		5,491,292
In the statement of activities, bond issuance costs are amortized over the term of the bonds, whereas in governmental funds a bond issuance expenditure is reported when bonds are issued.		218,810
In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, an interest expenditure is not reported.		(31,822)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds	(24,140,000)	
Capital Appreciation Bonds	(289,891)	
Bond Premium	(923,139)	
Refunding Loss	544,079	
Accretion of Interest - Capital Appreciation Bonds	(251,627)	
Compensated Absences	(6,061,420)	
Total	(31,121,998)	(31,121,998)
 <i>Net Position of Governmental Activities</i>		 \$ 52,203,062

See accompanying notes to the basic financial statements.

Shaker Heights City School District
Cuyahoga County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2013

	General	Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Property and Other Local Taxes	\$ 63,197,572	\$ 0	\$ 2,515,637	\$ 65,713,209
Intergovernmental	23,458,302	0	5,242,424	28,700,726
Investment Income	124,298	2,085	1,218	127,601
Tuition and Fees	1,546,677	0	0	1,546,677
Extracurricular Activities	87,017	0	153,524	240,541
Rentals	49,338	0	0	49,338
Charges for Services	195,627	0	873,287	1,068,914
Contributions and Donations	30,703	150,535	50,426	231,664
Miscellaneous	352,383	52,371	42,365	447,119
<i>Total Revenues</i>	<u>89,041,917</u>	<u>204,991</u>	<u>8,878,881</u>	<u>98,125,789</u>
Expenditures				
Current:				
Instruction:				
Regular	35,666,981	56,656	156,975	35,880,612
Special	11,759,943	0	957,597	12,717,540
Vocational	73,704	0	0	73,704
Student Intervention Services	0	0	94	94
Other	9,541	0	24,036	33,577
Support Services:				
Pupils	5,755,271	0	0	5,755,271
Instructional Staff	6,992,390	157,350	1,301,854	8,451,594
Board of Education	65,876	0	0	65,876
Administration	5,894,461	0	17,475	5,911,936
Fiscal	2,368,150	0	57,622	2,425,772
Business	1,026,069	34,855	0	1,060,924
Operation and Maintenance of Plant	12,298,650	0	10,036	12,308,686
Pupil Transportation	4,444,158	336,622	0	4,780,780
Central	1,640,547	0	44,040	1,684,587
Extracurricular Activities	1,016,782	0	316,654	1,333,436
Operation of Non-Instructional Services:				
Food Service Operations	0	0	1,855,816	1,855,816
Other	46,925	0	1,506,325	1,553,250
Capital Outlay	566,999	3,527,661	0	4,094,660
Debt Service:				
Principal Retirement	0	0	1,780,000	1,780,000
Interest and Fiscal Charges	41,266	12,500	742,487	796,253
Issuance Costs	0	0	185,218	185,218
<i>Total Expenditures</i>	<u>89,667,713</u>	<u>4,125,644</u>	<u>8,956,229</u>	<u>102,749,586</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(625,796)</u>	<u>(3,920,653)</u>	<u>(77,348)</u>	<u>(4,623,797)</u>
Other Financing Sources (Uses)				
Proceeds of General Obligation Bonds	0	1,000,000	3,170,000	4,170,000
Proceeds of Refunding Bonds	0	0	4,994,310	4,994,310
Premium on Debt Issuance	0	0	666,714	666,714
Payment to Refunded Bond Escrow Agent	0	0	(5,503,241)	(5,503,241)
Insurance Recoveries	1,000	8,343	0	9,343
Transfers In	0	3,220,000	200,000	3,420,000
Transfers Out	(200,000)	0	(3,220,000)	(3,420,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(199,000)</u>	<u>4,228,343</u>	<u>307,783</u>	<u>4,337,126</u>
<i>Net Change in Fund Balance</i>	<u>(824,796)</u>	<u>307,690</u>	<u>230,435</u>	<u>(286,671)</u>
<i>Fund Balances Beginning of Year</i>	<u>23,701,067</u>	<u>1,439,495</u>	<u>3,093,198</u>	<u>28,233,760</u>
<i>Fund Balances End of Year</i>	<u>\$ 22,876,271</u>	<u>\$ 1,747,185</u>	<u>\$ 3,323,633</u>	<u>\$ 27,947,089</u>

See accompanying notes to the basic financial statements.

Shaker Heights City School District
Cuyahoga County, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2013*

Net Change in Fund Balances - Total Governmental Funds	\$	(286,671)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		
Capital Asset Additions	\$ 6,083,507	
Current Year Depreciation	<u>(1,918,924)</u>	4,164,583
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
		(20,787)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property Taxes	219,846	
Intergovernmental	<u>143,158</u>	363,004
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
General Obligation Bonds	1,780,000	
Payment to Refunded Bond Escrow Agent	<u>5,503,241</u>	7,283,241
Debt proceeds issued in the governmental funds that increase long-term in the statement of net assets are not reported as revenues.		
Capital Improvement Bonds	(4,170,000)	
Refunding Bonds	<u>(4,994,310)</u>	(9,164,310)
Premiums on bonds and bond issuance costs related to the issuance of bonds are amortized over the life of the issuance in the statement of activities.		
Premium on Refunding Bond		(666,714)
Issuance costs are reported as an expenditure when paid in the governmental funds, but are deferred on the statement of net position.		
		(99,253)
In the statement of activities, interest is accrued on outstanding bonds, and bond premium and bond issuance costs and the gain/loss on refunding are amortized over the term of the bonds, whereas in governmental funds, an interest expenditure is reported when bonds are issued.		
Accrued Interest Payable	4,857	
Amortization of Premium on Bonds	87,609	
Amortization of Refunding Loss	<u>(53,921)</u>	38,545
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		
		1,492,492
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		593,609
Accretion on capital appreciation bonds is an expenditure in the governmental funds, but is allocated as an expense over the life of the bonds.		
		<u>(80,950)</u>
<i>Change in Net Assets of Governmental Activities</i>	<u>\$</u>	<u>3,616,789</u>

See accompanying notes to the basic financial statements.

Shaker Heights City School District
Cuyahoga County, Ohio
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property and Other Local Taxes	\$ 62,513,928	\$ 62,513,928	\$ 63,219,362	\$ 705,434
Intergovernmental	23,201,579	22,916,465	23,441,050	524,585
Investment Income	226,908	225,000	152,607	(72,393)
Tuition and Fees	1,391,643	1,372,000	1,395,880	23,880
Rentals	46,617	46,000	49,338	3,338
Charges for Services	68,000	68,000	175,252	107,252
Contributions and Donations	100	0	7,979	7,979
Miscellaneous	165,793	161,000	383,379	222,379
<i>Total Revenues</i>	<u>87,614,568</u>	<u>87,302,393</u>	<u>88,824,847</u>	<u>1,522,454</u>
Expenditures				
Current:				
Instruction:				
Regular	37,131,145	36,218,751	35,126,560	1,092,191
Special	13,081,119	13,565,377	13,565,377	0
Vocational	442,656	353,704	353,704	0
Student Intervention Services	88	0	0	0
Other	0	9,441	9,441	0
Support Services:				
Pupils	5,847,065	5,928,969	5,928,969	0
Instructional Staff	6,425,115	7,463,418	7,154,264	309,154
Board of Education	19,650	92,876	92,876	0
Administration	6,098,565	5,946,725	5,946,725	0
Fiscal	2,886,152	2,618,967	2,380,933	238,034
Business	1,201,745	1,213,652	1,213,652	0
Operation and Maintenance of Plant	14,213,565	13,570,263	13,261,911	308,352
Pupil Transportation	4,740,975	4,688,852	4,688,852	0
Central	2,005,047	1,816,022	1,816,022	0
Extracurricular Activities	1,019,045	998,685	998,685	0
Operation of Non-Instructional Services:				
Other	57,816	47,166	47,166	0
Capital Outlay	902,834	1,540,224	1,121,638	418,586
Debt Service:				
Interest and Fiscal Charges	41,760	41,266	41,266	0
<i>Total Expenditures</i>	<u>96,114,342</u>	<u>96,114,358</u>	<u>93,748,041</u>	<u>2,366,317</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(8,499,774)</u>	<u>(8,811,965)</u>	<u>(4,923,194)</u>	<u>3,888,771</u>
Other Financing Sources (Uses)				
Insurance Recoveries	0	0	76,000	76,000
Transfers Out	(400,000)	(400,000)	(205,000)	195,000
<i>Total Other Financing Sources (Uses)</i>	<u>(400,000)</u>	<u>(400,000)</u>	<u>(129,000)</u>	<u>271,000</u>
<i>Net Change in Fund Balance</i>	(8,899,774)	(9,211,965)	(5,052,194)	4,159,771
<i>Fund Balance Beginning of Year</i>	17,356,023	17,356,023	17,356,023	0
Prior Year Encumbrances Appropriated	6,150,538	6,150,538	6,150,538	0
<i>Fund Balance End of Year</i>	<u>\$ 14,606,787</u>	<u>\$ 14,294,596</u>	<u>\$ 18,454,367</u>	<u>\$ 4,159,771</u>

See accompanying notes to the basic financial statements.

Shaker Heights City School District
Cuyahoga County, Ohio
Statement of Fund Net Position
Proprietary Funds
June 30, 2013

	<i>Governmental Activities- Internal Service Fund</i>
Assets	
<i>Current Assets</i>	
Equity in Pooled Cash and Investments	\$ 6,956,052
Intergovernmental Receivable	200,740
<i>Total Current Assets</i>	7,156,792
Liabilities	
<i>Current Liabilities</i>	
Accounts Payable	76,700
Claims Payable	1,374,821
<i>Total Current Liabilities</i>	1,451,521
<i>Long-Term Liabilities</i>	
Claims Payable -Net of Current Portion	213,979
<i>Total Long-Term Liabilities</i>	213,979
<i>Total Liabilities</i>	1,665,500
Net Position	
Unrestricted	5,491,292
<i>Total Net Position</i>	\$ 5,491,292

See accompanying notes to the basic financial statements.

Shaker Heights City School District
Cuyahoga County, Ohio
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2013

	<i>Governmental Activities- Internal Service Fund</i>
Operating Revenue	
Charges for Services	\$ 10,300,457
Other	200,740
<i>Total Operating Revenues</i>	10,501,197
Operating Expenses	
Purchased Services	1,731,038
Claims	7,247,868
Other	29,799
<i>Total Operating Expenses</i>	9,008,705
<i>Change in Net Position</i>	1,492,492
<i>Net Position Beginning of Year</i>	3,998,800
<i>Net Position End of Year</i>	\$ 5,491,292

See accompanying notes to the basic financial statements.

Shaker Heights City School District
Cuyahoga County, Ohio
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2013

	<i>Governmental Activities- Internal Service Fund</i>
Cash Flows From Operating Activities	
Cash Received from Interfund Services Provided	\$ 10,300,457
Cash Paid for Goods and Services	(1,773,837)
Cash Paid for Claims	(7,412,568)
	1,114,052
<i>Net Cash Provided By (Used For) Operating Activities</i>	1,114,052
<i>Net Increase (Decrease) in Cash and Investments</i>	1,114,052
<i>Cash and Investments Beginning of Year</i>	5,842,000
<i>Cash and Investments End of Year</i>	\$ 6,956,052
 Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities	
Operating Income (Loss)	\$ 1,492,492
(Increase) Decrease Assets:	
Intergovernmental Receivable	(200,740)
Increase (Decrease) in Liabilities:	
Accounts Payable	(13,000)
Claims Payable	(164,700)
	(378,440)
<i>Total Adjustments</i>	(378,440)
<i>Net Cash Provided By (Used For) Operating Activities</i>	\$ 1,114,052

See accompanying notes to the basic financial statements.

Shaker Heights City School District
Cuyahoga County, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2013

Assets	
Equity in Pooled Cash and Investments	\$ 365,559
Accounts Receivable	<u>294</u>
<i>Total Assets</i>	<u><u>\$ 365,853</u></u>
Liabilities	
Accounts Payable	\$ 1,500
Undistributed Monies	224,018
Due to Students	<u>140,335</u>
<i>Total Liabilities</i>	<u><u>\$ 365,853</u></u>

See accompanying notes to the basic financial statements.

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Note 1 - Description of the School District

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

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

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

Reporting Entity

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

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

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

The School District is associated with a related organization and two jointly governed organizations. These organizations are the Shaker Heights Public Library, the Ohio Schools' Council Association and the North Coast Council. These organizations are presented in Notes 20 and 21 to the basic financial statements.

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Note 2 - Summary of Significant Accounting Policies

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

Basis of Presentation

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

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

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

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

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Fund Accounting

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

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

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

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

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

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

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

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

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

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 position. The statement of activities presents increases (i.e. revenues) and decreases (i.e. expenses) in total net position.

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and 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 these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its internal service funds activities.

Basis of Accounting

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

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

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/Unearned Revenue Deferred/unearned 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, 2013, but which were levied to finance fiscal year 2014 operations, have been recorded as deferred/unearned revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred/unearned 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.

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.

Budgetary Data

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

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

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

Cash and Investments

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

During fiscal year 2013, investments were limited to STAR Ohio (the State Treasury Asset Reserve of Ohio), commercial paper, federal farm credit bank notes, federal home loan mortgage notes and U.S. Treasury notes.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2013.

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

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2013 amounted to \$124,298, which includes \$64,395 assigned from other School District funds.

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2013, 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.

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Restricted Assets

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

Capital Assets

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

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

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

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

Interfund Balances

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

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Compensated Absences

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

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

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

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

Bond Issuance Costs

On government-wide statements, bond issuance costs are deferred and amortized over the term of the applicable bonds using the effective interest method. Within the governmental fund statements, bond issuance costs are expended when incurred.

As permitted by State Statute, the School District paid bond issuance costs from the bond proceeds and therefore does not consider that portion of debt to be capital-related debt. That portion of the debt was offset against the unamortized bond issuance costs which were included in the determination of unrestricted net position. Reporting both within the same element of net position prevents one classification from being overstated while another is understated by the same amount.

Bond Premium

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

Gain/Loss on Refunding

On the government-wide financial statements, the difference between the reacquisition price (the funds required to refund the old debt) and the net carrying amount of the old debt, the deferred amount on refunding, is being amortized as a component of interest expense. This deferred amount is amortized over the life of the old or new debt, whichever is shorter.

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Accrued Liabilities and Long-Term Obligations

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

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

Net Position

Net position represent the difference between assets and liabilities. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Net position restricted for other purposes include resources restricted for local grants received from private foundations and individuals, school site sales revenue and expenditures for field trips, assemblies, and other activity costs, the operation of the Shaker Heights merchandise account and extracurricular activities.

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

Fund Balance

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

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

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

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies and authorized purchase commitments by the School District Board of Education. The Board of Education has, by resolution, authorized the Treasurer to assign fund balance. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

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

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

Internal Activity

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

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

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

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 the self-insurance and workers' compensation programs. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. Any revenues and expenses not meeting the definitions of operating are reported as nonoperating.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred in fiscal year 2013.

Estimates

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

Implementation of New Accounting Policies

For the fiscal year ended June 30, 2013, the School District has implemented Governmental Accounting Standard Board (GASB) Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements," GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34," GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements," and GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position."

GASB Statement No. 60 improves financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. The implementation of GASB Statement No. 60 did not have an effect on the financial statements of the School District.

GASB Statement No. 61 improves guidance for including, presenting and disclosing information about component units and equity interest transactions of a financial reporting entity. The implementation of GASB Statement No. 61 did not have an effect on the financial statements of the School District.

GASB Statement No. 62 incorporated into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. The implementation of GASB Statement No. 62 did not have an effect on the financial statements of the School District.

GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. It also amends the net asset reporting requirements in GASB Statement No. 34 by incorporating deferred outflows and inflows into the definitions and renaming the residual measure as net position, rather than net assets.

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Note 3 - Fund Balances

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

	General Fund	Building Fund	Nonmajor Governmental Funds	Total
Nonspendable for:				
Prepays	\$ 31,267	\$ 0	\$ 0	\$ 31,267
Total Nonspendable	31,267	0	0	31,267
Restricted for:				
Food Service	0	0	262,683	262,683
Athletics and Music	0	0	81,155	81,155
Non-Public Schools	0	0	272,884	272,884
Student Intervention	0	0	19,830	19,830
Math Enrichment	0	0	46,078	46,078
Special Instruction	0	0	18,078	18,078
Other Purposes	0	0	1,069	1,069
Debt Service Payments	0	0	2,807,618	2,807,618
Capital Improvements	0	1,747,185	0	1,747,185
Budget Stabilization-BWC Refund	353,070	0	0	353,070
Total Restricted	353,070	1,747,185	3,509,395	5,609,650
Assigned for:				
Uniform School Supplies	821	0	0	821
Public School Support	90,105	0	0	90,105
Shaker Merchandise	2,664	0	0	2,664
Subsequent Year Appropriations	2,381,066	0	0	2,381,066
Encumbrances:				
Instruction	2,173,774	0	0	2,173,774
Student Support	1,978,220	0	0	1,978,220
Operation of Non-Instructional	241	0	0	241
Extracurricular	20,821	0	0	20,821
Capital Outlay	538,843	0	0	538,843
Total Assigned	7,186,555	0	0	7,186,555
Unassigned (Deficit)	15,305,379	0	(185,762)	15,119,617
Total Fund Balance (Deficit)	\$ 22,876,271	\$ 1,747,185	\$ 3,323,633	\$ 27,947,089

Shaker Heights City School District
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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Note 4 – Fund Deficits

Fund balances at June 30, 2013, included the following individual fund deficits:

	<u>Fund Balance</u>
Nonmajor Governmental Funds:	
Parent Mentor Grant	\$ 178
Title VI-B	109,815
Title I	75,207
Preschool Disability	562

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

Note 5 - Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Advances in and advances out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
5. Some funds are included in the general fund (GAAP), but have separate legally adopted budgets (budget).

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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

	General Fund
GAAP Basis	\$ (824,796)
Net Adjustment for Revenue Accruals	172,655
Net Adjustment for Expenditure Accruals	666,055
Funds Budgeted Elsewhere **	(34,334)
Adjustment for Encumbrances	(5,031,774)
Budget Basis	\$ (5,052,194)

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

Note 6 - Deposits and Investments

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

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

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

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

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

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

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

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

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

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

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

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

Deposits At fiscal year-end, the carrying amount of the School District's deposits was \$17,636,649 and the bank balance was \$18,434,829. Of the bank balance:

1. \$14,259,688 of the bank balance was covered by depository insurance; and
2. \$4,175,141 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: Investments are reported at fair value. As of June 30, 2013, the School District had the following investments:

Standard & Poors Rating	Investment	Fair Value	Maturity (in years)		% Total Investments
			0 - 1	2 - 3	
AAAm	STAR Ohio	\$ 16,428	\$ 16,428	\$ 0	0.08%
N/A	US Treasury Notes	2,001,960	2,001,960	0	10.01%
AAA	Commercial Paper	5,993,300	5,993,300	0	29.95%
AAA	Federal Home Loan Mortgage	4,001,210	2,001,860	1,999,350	20.00%
AAA	Federal Farm Credit Bank	7,996,490	3,001,490	4,995,000	39.96%
	Totals	<u>\$ 20,009,388</u>	<u>\$ 13,015,038</u>	<u>\$ 6,994,350</u>	<u>100.00%</u>

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

STAROhio is an investment pool operated by the Ohio State Treasurer. It is unclassified since it is not evidenced by securities that exist in physical or book entry form. Ohio law requires STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The weighted average of maturity of the portfolio held by STAROhio as of June 30, 2013, is 58 days.

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Credit Risk: The School District's investments at June 30, 2013 are rated as shown above by Standard & Poor's. Federal money markets are exempt from ratings since explicitly guaranteed by a U.S. Government Agency. The School District's policy on Credit Risk allows only for those investments as stated within the Ohio Revised Code.

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

Note 7 - Property Taxes

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar year 2013 represents collections of calendar year 2012 taxes. Real property taxes received in calendar year 2013 were levied after April 1, 2012, on the assessed value listed as of January 1, 2012, 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 semiannually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2013 represents collections of calendar year 2012 taxes. Public utility real and tangible personal property taxes received in calendar year 2013 became a lien December 31, 2011, were levied after April 1, 2012 and are collected in 2013 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.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phased out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property was eliminated in calendar year 2009, and the tax on telephone and telecommunications property was eliminated in calendar year 2010. The tax was phased out by reducing the assessment rate on the property each year. The bill replaced the revenue lost by the School District due to the phasing out of the tax. In calendar years 2006-2010, the School District was fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements are being phased out. On June 30, 2011, House Bill No. 153 was signed into law, which further reduced the amounts of these reimbursements.

The School District receives property taxes from Cuyahoga County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2013, are available to finance fiscal year 2013 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

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Accrued property taxes receivable includes real property and public utility property taxes which are measurable as of June 30, 2013, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed personal property tax and 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, 2013 was \$8,955,966 in the general fund and \$373,165 in the bond retirement debt service fund. The amount available as an advance at June 30, 2012, was \$8,977,756 in the general fund and \$390,085 in the bond retirement debt service fund.

On an 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 2013 taxes were collected are:

	2012 Second Half Collections		2013 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$ 846,136,350	98.64%	\$ 780,338,410	98.41%
Public Utility Personal Property	11,663,830	1.36%	12,585,450	1.59%
	\$ 857,800,180	100.00%	\$ 792,923,860	100.00%
Tax rate per \$1,000 assessed valuation	\$ 180.13		\$ 212.33	

Note 8 – Receivables

Receivables at June 30, 2013, consisted of taxes, interfund, accounts (rent and student fees), accrued interest on investments and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables except for delinquent property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. A summary of the principal items of intergovernmental receivables reported on the balance sheet are as follows:

	Amount
General Fund	\$ 125,571
Non-Major Governmental Funds:	
Food Service	35,293
Alternative Schools	1,069
Race to the Top	120,952
Title VI-B	249,165
Title I (Sub-A)	23,851
Title I	186,484
Class Size Reduction	71,210
	\$ 813,595

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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Note 9 - Set-Asides

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year end and carried forward to be used for the same purposes in future years. In prior years, the School District was also required to set aside money for budget stabilization. At June 30, 2013, only the unspent portion of certain workers' compensation refunds continues to be set-aside.

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

	Capital Improvement	Budget Stabilization
Set Aside Restricted Balance June 30, 2012	\$ 0	\$ 353,070
Current Year Set-Aside Requirement	902,046	0
Current Year Qualifying Expenditures	(2,442,863)	0
Total	\$ (1,540,817)	\$ 353,070
Balance Carried Forward to Fiscal Year 2014	\$ 0	\$ 353,070
Set Aside Balance June 30, 2013	\$ 0	\$ 353,070

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

Note 10 – Contingencies

Grants

The School District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2013.

Litigation

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

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Notes to the Basic Financial Statements
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Note 11 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2013, was as follows:

	Balance 6/30/12	Additions	Reductions	Balance 6/30/13
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 943,600	\$ 0	\$ 0	\$ 943,600
Construction in progress	824,500	2,039,167	(805,833)	2,057,834
	<u>1,768,100</u>	<u>2,039,167</u>	<u>(805,833)</u>	<u>3,001,434</u>
<i>Capital Assets, being depreciated:</i>				
Land Improvements	3,708,728	0	0	3,708,728
Buildings and Improvements	36,723,428	2,844,738	0	39,568,166
Equipment	16,496,335	1,633,956	(208,178)	17,922,113
Vehicles	4,242,239	371,479	0	4,613,718
	<u>61,170,730</u>	<u>4,850,173</u>	<u>(208,178)</u>	<u>65,812,725</u>
Total Capital Assets, being depreciated				
Less Accumulated Depreciation:				
Land Improvements	(1,756,300)	(126,610)	0	(1,882,910)
Buildings and Improvements	(12,870,919)	(760,731)	0	(13,631,650)
Equipment	(12,344,438)	(686,386)	187,391	(12,843,433)
Vehicles	(2,943,440)	(345,197)	0	(3,288,637)
	<u>(29,915,097)</u>	<u>(1,918,924)</u>	<u>187,391</u>	<u>(31,646,630)</u>
Total Accumulated Depreciation				
Total Capital Assets being depreciated, net				
	<u>31,255,633</u>	<u>2,931,249</u>	<u>(20,787)</u>	<u>34,166,095</u>
Governmental Activities Capital				
Assets, Net	<u>\$ 33,023,733</u>	<u>\$ 4,970,416</u>	<u>\$ (826,620)</u>	<u>\$ 37,167,529</u>

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Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 66,400
Special	6,705
Other Instruction	8,693
Support Services:	
Pupil	743
Instructional Staff	150,104
Administration	11,361
Fiscal	7,055
Business	62,453
Operation and Maintenance of Plant	1,190,975
Pupil Transportation	295,046
Central Services	999
Food Service Operations	18,599
Non-instructional	92,575
Extracurricular Activities	7,216
Total Depreciation	\$ 1,918,924

Note 12 - Risk Management

Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2013, the School District contracted with Indiana Insurance Company for property and inland marine insurance. General liability coverage is provided by Indiana Insurance Company with a \$1,000,000 single occurrence limit, a \$2,000,000 aggregate and no deductible. Vehicles, including school buses, are covered by 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 \$10,000,000 umbrella policy with Indiana Insurance Company that covers both general liability and vehicle policies, and foreign travel coverage with the AIG World Source. Settled claims have not exceeded this commercial coverage in any of the past three years and there has not been a significant reduction in coverage from the prior year.

Workers' Compensation

The School District participates in the State Workers' Compensation retrospective rating and payment system. Once the School District receives notice of the 2013 claims paid by the Bureau of Workers' Compensation, the School District will reimburse the State for claims paid on the School District's behalf. This plan involves the payment of a minimum premium for administrative services and stop-loss coverage plus the actual claims cost for injured employees. The balance of claims payable at June 30, 2013, 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, 2013, was \$700,000.

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Changes in claims activity for fiscal years 2012 and 2013 are as follows:

		<u>Balance at Beginning</u>	<u>Current Year Provision</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>
2012	\$	600,000	\$ 313,646	\$ 213,646	\$ 700,000
2013	\$	700,000	\$ 218,239	\$ 218,239	\$ 700,000

Employee Health Benefits

The School District is self-insured for prescription drug, medical and dental insurance. Express Scripts, the third party administrator of the program, processes the claims for the School District's prescription drug program. Monthly funding rates for prescription drug insurance are \$304.37 for family coverage and \$114.63 for single coverage. The program utilizes a \$7 retail prescription deductible for generic drugs and a \$25 deductible for non-generic drugs.

Anthem Blue Cross/Blue Shield, the third party administrator, processes the claims for the School District's medical and dental program. Monthly funding rates for medical insurance are \$1,061.23 for family coverage and \$403.51 for single coverage. Monthly funding rates for dental insurance are \$109.71 for family coverage and \$38.23 for single coverage. The School District has stop loss coverage that begins at \$150,000 per family per year and a calculated aggregate maximum stop loss coverage for the 2013 plan year (January through December) that begins at \$6,959,647.

The claims liability of \$888,800 reported in the self insurance fund at June 30, 2013 for employee medical, dental and drug coverage was estimated by an independent health actuary and is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in claims activity for fiscal years 2012 and 2013 are as follows:

		<u>Balance at Beginning</u>	<u>Current Year Provision</u>	<u>Premiums and Claim Payments</u>	<u>Balance at End of Year</u>
2012	\$	1,295,300	\$ 7,434,788	\$ 7,676,588	\$ 1,053,500
2013	\$	1,053,500	\$ 7,029,629	\$ 7,194,329	\$ 888,800

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Note 13 - Other Employee Benefits

Compensated Absences

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

Health Care Benefits

The School District's primary health insurance carrier is Anthem Blue Cross/Blue Shield. In addition, medical health insurance is also offered to employees through Kaiser Permanente. The plan has a \$20 office visit co-pay. Kaiser health individual coverage is \$512.84 per month while family coverage for a family of two is \$1,025.68 and for a family of three or more is \$1,538.52.

Life Insurance

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

Note 14 - Pension Plans

A. School Employees Retirement System

Plan Description - The School District contributes to the School Employees Retirement System of Ohio ("SERS"), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per 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 can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at www.ohsers.org under Employers/Audit Resources.

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Funding Policy - Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14% 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 2013, 13.05% and .05% of annual covered salary was the portion used to fund pension obligations and death benefits, respectively. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amount of 10% for plan members and 14% for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contributions for pension obligations and death benefits to SERS for the fiscal years ended June 30, 2013, 2012 and 2011 were \$2,144,717, \$1,961,761 and \$1,791,274, respectively; 69% has been contributed for fiscal year 2013 and 100% for the fiscal years 2012 and 2011.

B. State Teachers Retirement System

Plan Description - The School District participates in the State Teachers Retirement System of Ohio ("STRS Ohio"), a cost-sharing, multiple-employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a publicly-available, stand-alone financial report that may be obtained by writing to STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3371, by calling (888) 227-7877, or by visiting the STRS Ohio website at www.strsoh.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. 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 a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by 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 member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. 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. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years of 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.

Funding Policy - For fiscal year 2013, plan members were required to contribute 10% of their annual covered salaries. The School District was required to contribute 14%; 13% was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employer contributions. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

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The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2013, 2012 and 2011 were \$4,580,944, \$4,696,142 and \$4,878,369, respectively; 81% has been contributed for fiscal year 2013 and 100% for the fiscal years 2012 and 2011. Contributions to the DC and Combined Plans for fiscal year 2013 were \$268,804 made by the School District and \$192,003 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2013, certain members of the Board of Education have elected social security. The Board's liability is 6.2% of wages paid.

Note 15 - Postemployment Benefits

A. School Employees Retirement System

Plan Description – The School District participates in two cost-sharing, multiple employer defined benefit OPEB plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage and traditional indemnity plans. A prescription drug plan is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code Section 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B monthly premium for calendar year 2013 was \$104.90 for most participants, but could be as high as \$335.70 per month depending on their income. SERS' reimbursement to retirees was \$45.50. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746. It is also posted on SERS' website at www.ohsers.org under Employers/Audit Resources.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2013, .16% of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2.0% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2013, the actuarially determined amount was \$20,525.

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Active members do not contribute to the postemployment benefit plans. The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The School District's contributions for health care (including surcharge) for the fiscal years ended June 30, 2013, 2012, and 2011 were \$240,185, \$301,258, and \$217,631, respectively; 69% has been contributed for fiscal year 2013 and 100% for fiscal years 2012 and 2011.

The Retirement Board, acting with advice of the actuary, allocates a portion of the current employer contribution to the Medicare B Fund. For fiscal year 2013, the actuarially required allocation was 0.74% of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2013, 2012, and 2011 were \$121,152, \$116,310, and \$115,664, respectively; 69% has been contributed for fiscal year 2013 and 100% for fiscal years 2012 and 2011.

B. State Teachers Retirement System

Plan Description - The School District contributes to the cost sharing, multiple-employer defined benefit Health Plan (the "Plan") administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the financial report of STRS. Interested parties can view the most recent Comprehensive Annual Financial Report by visiting www.strsoh.org or by requesting a copy by calling toll-free (888) 227-7877.

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2013, STRS Ohio allocated employer contributions equal to 1% of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2013, 2012, and 2011 were \$352,380, \$361,242, and \$396,679, respectively; 81% has been contributed for fiscal year 2013 and 100% for fiscal years 2012 and 2011.

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Notes to the Basic Financial Statements
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Note 16 – Contractual Commitments and Significant Encumbrances

A. Contractual Commitments

As a result of projects that were in progress at June 30, 2013, the School District had the following outstanding contractual commitments at fiscal year-end:

	Contract Amount	Expenditures as of June 30, 2013	Amount Remaining on Contract
Boulevard Parking Lot	\$ 89,350	\$ 79,763	\$ 9,587
Stadium and Athletic Fields	1,597,889	1,533,973	63,916
Science Room Improvements	615,995	233,116	382,879
School Busses	695,125	0	695,125

B. Encumbrance Commitments

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

Fund	Amount
General	\$ 4,711,899
Building	862,243
Nonmajor Governmental	573,357
	\$ 6,147,499

Note 17 – Interfund Transfers and Balances

Transfers

Transfers made during fiscal year 2013 were as follows:

	Transfers In	Transfers Out
General	\$ 0	\$ 200,000
Building	3,220,000	0
Nonmajor Governmental:		
Athletics	200,000	0
Bond Retirement	0	3,220,000
	\$ 3,420,000	\$ 3,420,000

The general fund transferred unrestricted balances to support programs and projects in the athletic fund. The bond retirement fund transferred bond proceeds to building fund, which enabled the building fund to repay a fund liability for outstanding notes.

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Interfund Balances

Interfund loans receivable and payable consisted of the following at June 30, 2013, as reported on the fund statement:

	Interfund Receivable	Interfund Payable
General	\$ 34,744	\$ 0
Nonmajor Governmental:		
Race to The Top	0	1,316
Title VI-B	0	19,753
Title I (Sub-A)	0	13,675
	\$ 34,744	\$ 34,744

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

Note 18 – Fund Obligations

The School District’s note activity, including amounts outstanding and interest rates, is as follows:

	Outstanding June 30, 2012	Additions	Deletions	Outstanding June 30, 2013
2% School Facilities Improvement Note, Series 2012	\$ 0	\$ 3,220,000	\$ 3,220,000	\$ 0

During July 2012, the School District issued a school facilities improvement note for \$3,220,000 for the improvements to the high school stadium and energy efficient improvements to various school buildings, which includes interest of 2%. The note matured in October 2012.

Note 19 – Long-Term Obligations

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

Debt Issue	Transfer Interest Rate	Original Issue Amount	Fiscal Year of Maturity
<i>General Obligation Bonds:</i>			
School Improvement - 2005	3.00 - 4.50%	\$ 9,999,995	2026
School Improvement Refunding - 2005	3.00 - 4.50%	1,324,999	2014
School Improvement - 2007	4.00 - 24.70%	8,498,960	2026
School Improvement Refunding - 2007	4.00 - 24.70%	3,769,983	2020
School Improvement Refunding - 2007	4.00 - 24.70%	1,931,639	2020
School Improvement - 2008	4.0 - 4.50%	4,999,999	2025
Capital Improvement - 2012	2.0 - 2.50%	4,170,000	2027
Building Improvement Refunding - 2012	2.0 - 2.50%	4,994,310	2025

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Changes in long-term obligations of the School District during fiscal year 2013 were as follows:

	Outstanding 6/30/12	Additions	Reductions	Refunding	Outstanding 6/30/13	Amounts Due in One Year
Governmental Activities:						
<i>General Obligation Bonds:</i>						
School Improvement Bonds - 2005						
Serial Bonds	\$ 6,360,000	\$ 0	\$ 455,000	\$ 4,995,000	\$ 910,000	\$ 455,000
Unamortized Premium	90,566	0	76,359	0	14,207	0
Total School Improvement Bonds - 2005	<u>6,450,566</u>	<u>0</u>	<u>531,359</u>	<u>4,995,000</u>	<u>924,207</u>	<u>455,000</u>
School Improvement Refunding Bonds - 2005						
Serial Bonds	360,000	0	170,000	0	190,000	190,000
Unamortized Premium	31,444	0	2,466	0	28,978	0
Unamortized Accounting Loss	(19,109)	0	(1,499)	0	(17,610)	0
Total School Improvement Refunding Bonds - 2005	<u>372,335</u>	<u>0</u>	<u>170,967</u>	<u>0</u>	<u>201,368</u>	<u>190,000</u>
School Improvement Bonds - 2007						
Serial Bonds	6,185,000	0	360,000	0	5,825,000	370,000
Capital Appreciation Bonds	23,960	0	0	0	23,960	0
Accretion on Capital Appreciation Bonds	55,704	20,892	0	0	76,596	0
Unamortized Premium	85,099	0	6,303	0	78,796	0
Total School Improvement Bonds - 2007	<u>6,349,763</u>	<u>20,892</u>	<u>366,303</u>	<u>0</u>	<u>6,004,352</u>	<u>370,000</u>
School Improvement Refunding Bonds - 2007						
Serial Bonds	3,085,000	0	345,000	0	2,740,000	360,000
Capital Appreciation Bonds	9,983	0	0	0	9,983	0
Accretion on Capital Appreciation Bonds	23,210	8,705	0	0	31,915	0
Unamortized Premium	55,499	0	7,400	0	48,099	0
Unamortized Accounting Loss	(92,337)	0	(12,312)	0	(80,025)	0
Total School Improvement Refunding Bonds - 2007	<u>3,081,355</u>	<u>8,705</u>	<u>340,088</u>	<u>0</u>	<u>2,749,972</u>	<u>360,000</u>
School Improvement Refunding Bonds - 2007						
Serial Bonds	1,680,000	0	200,000	0	1,480,000	210,000
Capital Appreciation Bonds	16,639	0	0	0	16,639	0
Accretion on Capital Appreciation Bonds	38,683	14,508	0	0	53,191	0
Unamortized Premium	57,398	0	7,653	0	49,745	0
Unamortized Accounting Loss	(47,569)	0	(6,342)	0	(41,227)	0
Total School Improvement Refunding Bonds - 2007	<u>1,745,151</u>	<u>14,508</u>	<u>201,311</u>	<u>0</u>	<u>1,558,348</u>	<u>210,000</u>
School Improvement Bonds - 2008						
Serial Bonds	4,200,000	0	250,000	0	3,950,000	260,000
Capital Appreciation Bonds	119,999	0	0	0	119,999	0
Accretion on Capital Appreciation Bonds	53,080	18,780	0	0	71,860	0
Unamortized Premium	93,284	0	5,398	0	87,886	0
Total School Improvement Bonds - 2008	<u>4,466,363</u>	<u>18,780</u>	<u>255,398</u>	<u>0</u>	<u>4,229,745</u>	<u>260,000</u>
Capital Improvement & Equipment Bonds - 2012						
Energy Conservation	0	2,340,000	0	0	2,340,000	130,000
Stadium Improvements	0	830,000	0	0	830,000	75,000
Buses	0	1,000,000	0	0	1,000,000	90,000
Total Capital Improvement & Equipment Bonds-2012	<u>0</u>	<u>4,170,000</u>	<u>0</u>	<u>0</u>	<u>4,170,000</u>	<u>295,000</u>
School Improvement Refunding Bonds - 2012						
Serial Bonds	0	4,875,000	0	0	4,875,000	60,000
Capital Appreciation Bonds	0	119,310	0	0	119,310	0
Accretion on Capital Appreciation Bonds	0	18,065	0	0	18,065	0
Unamortized Premium	0	666,714	51,286	0	615,428	0
Unamortized Accounting Loss	0	(438,985)	(33,768)	0	(405,217)	0
Total School Improvement Refunding Bonds - 2012	<u>0</u>	<u>5,240,104</u>	<u>17,518</u>	<u>0</u>	<u>5,222,586</u>	<u>60,000</u>
Total General Obligation Bonds	<u>22,465,533</u>	<u>9,472,989</u>	<u>1,882,944</u>	<u>4,995,000</u>	<u>25,060,578</u>	<u>2,200,000</u>
<i>Other Long-term Obligations:</i>						
Compensated Absences	6,655,029	376,336	969,945	0	6,061,420	852,194
Claims Payable	1,753,500	7,247,869	7,412,569	0	1,588,800	1,374,821
Total Governmental Activities	<u>\$30,874,062</u>	<u>\$17,097,194</u>	<u>\$10,265,458</u>	<u>\$ 4,995,000</u>	<u>\$32,710,798</u>	<u>\$ 4,427,015</u>

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On April 5, 2005, the School District issued \$9,999,995 in general obligation bonds for various school facility improvements. The general obligation bonds included serial and capital appreciation bonds in the amount of \$9,795,000 and \$204,995, respectively. The bonds were issued for a ten year period with a final maturity at December 15, 2025. Serial bonds remained outstanding at June 30, 2013. These bonds will be retired with a voted property tax levy from the debt service fund. On October 30, 2012, \$4,995,000 of these bonds were refunded.

On April 5, 2005, the School District issued \$1,324,999 in general obligation bonds to refund the 1993 building addition bonds. The general obligation bonds included serial and capital appreciation bonds in the amount of \$1,230,000 and \$94,999, respectively. The bonds were issued for a twenty-two year period with a final maturity at December 15, 2013. The bonds will be retired from the debt service fund.

The serial bonds remained outstanding at June 30, 2013. The capital appreciation bonds matured in 2012.

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

The serial and capital appreciation remained outstanding at June 30, 2013. The capital appreciation bonds were originally sold at a discount of \$156,040, which is being accreted annually until the point of maturity of the capital appreciation bonds, which is 2016.

The maturity amount of the outstanding capital appreciation bonds at June 30, 2013 is \$180,000. The accretion recorded for 2013 was \$20,892, for a total outstanding bond liability of \$100,556 at June 30, 2013.

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

The serial and capital appreciation bonds remained outstanding at June 30, 2013. The capital appreciation bonds were originally sold at a discount of \$65,017, which is being accreted annually until the point of maturity of the capital appreciation bonds, which is 2016.

The maturity amount of the outstanding capital appreciation bonds at June 30, 2013 is \$75,000. The accretion recorded for 2013 was \$8,705, for a total outstanding bond liability of \$41,898 at June 30, 2013.

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

The serial and capital appreciation remained outstanding at June 30, 2013. The capital appreciation bonds were originally sold at a discount of \$108,361, which is being accreted annually until the point of maturity of the capital appreciation bonds, which is 2016.

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The maturity amount of the outstanding capital appreciation bonds at June 30, 2013 is \$125,000. The accretion recorded for 2013 was \$14,508, for a total outstanding bond liability of \$69,830 at June 30, 2013.

On November 25, 2008, the School District issued \$4,999,999 in school improvement bonds with interest rates varying from 4.00 to 4.50%. These bonds were issued to defease bond anticipation notes of \$5,000,000 maturing on December 2, 2008. The bond issue included serial and capital appreciation bonds in the amounts \$4,880,000, and \$119,999, respectively. The bonds will be retired with a voted property tax levy from the debt service fund with serial portion maturing in fiscal year 2025.

The serial and capital appreciation remained outstanding at June 30, 2013. The capital appreciation bonds were originally sold at a discount of \$185,001, which is being accreted annually until the point of maturity of the capital appreciation bonds, which is 2018.

The maturity amount of the outstanding capital appreciation bonds at June 30, 2013 is \$305,000. The accretion recorded for 2013 was \$18,780, for a total outstanding bond liability of \$191,859 at June 30, 2013.

On October 30, 2012, the School District issued \$4,170,000 in general obligation bonds for various school facility improvements and equipment. The bonds were issued for a ten year period with a final maturity at December 15, 2022. These bonds will be retired with a voted property tax levy from the debt service fund.

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

The serial and capital appreciation remained outstanding at June 30, 2013. The capital appreciation bonds were originally sold at a discount of \$375,690, which is being accreted annually until the point of maturity of the capital appreciation bonds, which is 2016.

The maturity amount of the outstanding capital appreciation bonds at June 30, 2013 is \$495,000. The accretion recorded for 2013 was \$18,065, for a total outstanding bond liability of \$137,375 at June 30, 2013.

Compensated absences will be paid from the General fund.

The School District's overall debt margin was \$49,110,187 with an unvoted debt margin of \$792,924 at June 30, 2013.

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Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2013 are as follows:

Fiscal Year Ending June 30,	Serial Bonds		Capital Appreciation Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 2,200,000	\$ 978,177	\$ 0	\$ 0	\$ 2,200,000	\$ 978,177
2015	2,075,000	900,078	0	0	2,075,000	900,078
2016	1,740,000	622,968	50,582	329,418	1,790,582	952,386
2017	2,175,000	561,469	0	0	2,175,000	561,469
2018	1,900,000	496,718	119,999	185,001	2,019,999	681,719
2019 - 2023	9,050,000	1,529,206	119,310	375,690	9,169,310	1,904,896
2024 - 2027	5,000,000	280,317	0	0	5,000,000	280,317
Total	<u>\$ 24,140,000</u>	<u>\$ 5,368,933</u>	<u>\$ 289,891</u>	<u>\$ 890,109</u>	<u>\$ 24,429,891</u>	<u>\$ 6,259,042</u>

Note 20 - Related Organization

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

Note 21 - Jointly Governed Organizations

Ohio Schools' Council Association

The Ohio Schools' Council Association (Council) is a jointly governed organization among 161 school districts. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each district supports the Council by paying an annual participation fee. Each school district member's superintendent serves as a representative of the Assembly. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The Council operates under a nine-member Board of Directors (the Board). The Board is the policy making authority of the Council. The Board meets monthly from September through June. The Board appoints an Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Board and Assembly and carrying out such other responsibilities as designated by the Board. In fiscal year 2013, the School District paid \$1,194 to the Council. Financial information can be obtained by contacting Dr. William Zelei, the Executive Director of the Ohio Schools' Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

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

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

North Coast Council

The North Coast Council (NCC) formerly known as Lakeshore Northeast Ohio Computer Association 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 NCC include accounting, payroll, inventory, career guidance services, handicapped student tracking, pupil scheduling, attendance reporting and grade reporting. Each school is represented on the NCC Board of Directors by its superintendent. Each year, the Board of Directors elects a Chairman, a Vice Chairman and a Recording Secretary. The Treasurer of the fiscal agent is a nonvoting, ex-officio member of the Board of Directors. The Cuyahoga County Educational Service Center serves as the fiscal agent of LNOCA. Each school district supports NCC based upon a per pupil charge dependent upon the software packages used. In fiscal year 2013, the School District paid \$164,189 to NCC. Financial information can be obtained by contacting the Treasurer of the fiscal agent at 5811 West Canal Road, Valley View, Ohio 44125.

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Combining and Individual Fund Statements and Schedules

Combining Statements - Nonmajor Governmental Funds

Nonmajor Special Revenue Funds:

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

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

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

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

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

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

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

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

Education Jobs – This fund accounts for compensation and other expenses, such as support services, necessary to retain existing employees, to recall or rehire former employees, and to hire new employees, in order to provide early childhood elementary or secondary educational and related services.

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

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

Combining Statements - Nonmajor Governmental Funds

Nonmajor Special Revenue Funds (continued)

Title II-D – This fund accounts for and reports restricted Federal grant monies used for technology.

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

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

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

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

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

Nonmajor Debt Service Fund

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

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

Shaker Heights City School District
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

	Nonmajor Special Revenue Funds	Nonmajor Bond Retirement Fund	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Investments	\$ 941,534	\$ 2,434,453	\$ 3,375,987
Receivables:			
Property Taxes	0	2,735,064	2,735,064
Accounts	6,330	0	6,330
Intergovernmental	688,024	0	688,024
<i>Total Assets</i>	<u>\$ 1,635,888</u>	<u>\$ 5,169,517</u>	<u>\$ 6,805,405</u>
Liabilities			
Accounts Payable	\$ 162,933	\$ 0	\$ 162,933
Accrued Wages and Benefits	402,916	0	402,916
Interfund Payable	34,744	0	34,744
Intergovernmental Payable	147,628	0	147,628
Deferred Revenue	371,652	2,361,899	2,733,551
<i>Total Liabilities</i>	<u>1,119,873</u>	<u>2,361,899</u>	<u>3,481,772</u>
Fund Balances			
Restricted	701,777	2,807,618	3,509,395
Unassigned (Deficit)	(185,762)	0	(185,762)
<i>Total Fund Balances</i>	<u>516,015</u>	<u>2,807,618</u>	<u>3,323,633</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 1,635,888</u>	<u>\$ 5,169,517</u>	<u>\$ 6,805,405</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2013

	Nonmajor Special Revenue Funds	Nonmajor Bond Retirement Fund	Total Nonmajor Governmental Funds
Revenues			
Property and Other Local Taxes	\$ 0	\$ 2,515,637	\$ 2,515,637
Intergovernmental	4,861,311	381,113	5,242,424
Investment Income	1,218	0	1,218
Extracurricular Activities	153,524	0	153,524
Contributions and Donations	50,426	0	50,426
Charges for Services	873,287	0	873,287
Miscellaneous	42,365	0	42,365
<i>Total Revenues</i>	<u>5,982,131</u>	<u>2,896,750</u>	<u>8,878,881</u>
Expenditures			
Current:			
Instruction:			
Regular	156,975	0	156,975
Special	957,597	0	957,597
Student Intervention Services	94	0	94
Other	24,036	0	24,036
Support Services:			
Instructional Staff	1,301,854	0	1,301,854
Administration	17,475	0	17,475
Fiscal	14,400	43,222	57,622
Operation and Maintenance of Plant	10,036	0	10,036
Central	44,040	0	44,040
Operation of Non-Instructional Services:			
Food Service Operations	1,855,816	0	1,855,816
Other	1,506,325	0	1,506,325
Extracurricular Activities	316,654	0	316,654
Debt Service:			
Principal Retirement	0	1,780,000	1,780,000
Interest and Fiscal Charges	0	742,487	742,487
Issuance Costs	0	185,218	185,218
<i>Total Expenditures</i>	<u>6,205,302</u>	<u>2,750,927</u>	<u>8,956,229</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(223,171)</u>	<u>145,823</u>	<u>(77,348)</u>
Other Financing Sources			
Proceeds of General Obligation Bonds	0	3,170,000	3,170,000
Proceeds of Refunding Bonds	0	4,994,310	4,994,310
Premium on Debt Issuance	0	666,714	666,714
Payment to Refunded Bond Escrow Agent	0	(5,503,241)	(5,503,241)
Transfers In	200,000	0	200,000
Transfers Out	0	(3,220,000)	(3,220,000)
<i>Total Other Financing Sources (Uses)</i>	<u>200,000</u>	<u>107,783</u>	<u>307,783</u>
<i>Net Change in Fund Balances</i>	(23,171)	253,606	230,435
<i>Fund Balances Beginning of Year</i>	<u>539,186</u>	<u>2,554,012</u>	<u>3,093,198</u>
<i>Fund Balances End of Year</i>	<u>\$ 516,015</u>	<u>\$ 2,807,618</u>	<u>\$ 3,323,633</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2013

	Food Service	Local Grants	Athletics	Auxiliary Services	Data Communications	Alternative Schools	Parent Mentor Grant
Assets							
Equity in Pooled Cash and Investments	\$ 256,439	\$ 48,520	\$ 81,429	\$ 547,008	\$ 0	\$ 0	\$ 596
Receivables:							
Accounts	4,650	0	1,680	0	0	0	0
Intergovernmental	35,293	0	0	0	0	1,069	0
<i>Total Assets</i>	<u>\$ 296,382</u>	<u>\$ 48,520</u>	<u>\$ 83,109</u>	<u>\$ 547,008</u>	<u>\$ 0</u>	<u>\$ 1,069</u>	<u>\$ 596</u>
Liabilities							
Accounts Payable	\$ 0	\$ 0	\$ 1,333	\$ 161,600	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits	0	0	0	96,579	0	0	0
Interfund Payable	0	0	0	0	0	0	0
Intergovernmental Payable	33,699	2,442	621	15,945	0	0	774
Deferred Revenue	0	0	0	0	0	0	0
<i>Total Liabilities</i>	<u>33,699</u>	<u>2,442</u>	<u>1,954</u>	<u>274,124</u>	<u>0</u>	<u>0</u>	<u>774</u>
Fund Balances							
Restricted	262,683	46,078	81,155	272,884	0	1,069	0
Unassigned (Deficit)	0	0	0	0	0	0	(178)
<i>Total Fund Balances</i>	<u>262,683</u>	<u>46,078</u>	<u>81,155</u>	<u>272,884</u>	<u>0</u>	<u>1,069</u>	<u>(178)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 296,382</u>	<u>\$ 48,520</u>	<u>\$ 83,109</u>	<u>\$ 547,008</u>	<u>\$ 0</u>	<u>\$ 1,069</u>	<u>\$ 596</u>

<u>Race to the Top</u>	<u>Title VI-B</u>	<u>Title II-D</u>	<u>Title I School Improvement</u>	<u>Limited English Proficiency</u>	<u>Title I</u>	<u>Preschool Disability</u>	<u>Class Size Reduction</u>	<u>Totals</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,314	\$ 0	\$ 5,228	\$ 941,534
0	0	0	0	0	0	0	0	6,330
<u>120,952</u>	<u>249,165</u>	<u>0</u>	<u>23,851</u>	<u>0</u>	<u>186,484</u>	<u>0</u>	<u>71,210</u>	<u>688,024</u>
<u>\$ 120,952</u>	<u>\$ 249,165</u>	<u>\$ 0</u>	<u>\$ 23,851</u>	<u>\$ 0</u>	<u>\$ 188,798</u>	<u>\$ 0</u>	<u>\$ 76,438</u>	<u>\$ 1,635,888</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 162,933
1,638	153,730	0	904	0	150,065	0	0	402,916
1,316	19,753	0	13,675	0	0	0	0	34,744
947	64,085	0	33	0	27,456	562	1,064	147,628
<u>97,221</u>	<u>121,412</u>	<u>0</u>	<u>4,675</u>	<u>0</u>	<u>86,484</u>	<u>0</u>	<u>61,860</u>	<u>371,652</u>
<u>101,122</u>	<u>358,980</u>	<u>0</u>	<u>19,287</u>	<u>0</u>	<u>264,005</u>	<u>562</u>	<u>62,924</u>	<u>1,119,873</u>
19,830	0	0	4,564	0	0	0	13,514	701,777
<u>0</u>	<u>(109,815)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(75,207)</u>	<u>(562)</u>	<u>0</u>	<u>(185,762)</u>
<u>19,830</u>	<u>(109,815)</u>	<u>0</u>	<u>4,564</u>	<u>0</u>	<u>(75,207)</u>	<u>(562)</u>	<u>13,514</u>	<u>516,015</u>
<u>\$ 120,952</u>	<u>\$ 249,165</u>	<u>\$ 0</u>	<u>\$ 23,851</u>	<u>\$ 0</u>	<u>\$ 188,798</u>	<u>\$ 0</u>	<u>\$ 76,438</u>	<u>\$ 1,635,888</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For Fiscal Year Ended June 30, 2013

	Food Service	Local Grants	Athletics	Auxiliary Services	Data Communications	Alternative Schools	Parent Mentor Grant
Revenues							
Intergovernmental	\$ 979,367	\$ 0	\$ 0	\$ 1,405,742	\$ 14,400	\$ 38,357	\$ 24,838
Investment Income	287	501	0	430	0	0	0
Extracurricular Activities	0	0	153,524	0	0	0	0
Contributions and Donations	0	47,929	2,497	0	0	0	0
Charges for Services	873,287	0	0	0	0	0	0
Miscellaneous	41,333	825	207	0	0	0	0
<i>Total Revenues</i>	<u>1,894,274</u>	<u>49,255</u>	<u>156,228</u>	<u>1,406,172</u>	<u>14,400</u>	<u>38,357</u>	<u>24,838</u>
Expenditures							
Current:							
Instruction:							
Regular	0	17,937	0	0	0	37,288	0
Special	0	0	0	0	0	0	0
Student Intervention Services	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Support Services:							
Instructional Staff	0	38,203	0	0	0	0	24,455
Administration	0	0	0	0	0	0	0
Fiscal	0	0	0	0	14,400	0	0
Operation and Maintenance of Plant	0	0	10,036	0	0	0	0
Central	0	16,000	0	0	0	0	0
Operation of Non-Instructional Services:							
Food Service	1,855,816	0	0	0	0	0	0
Other	0	0	0	1,472,923	0	0	0
Extracurricular Activities	0	1,590	315,064	0	0	0	0
<i>Total Expenditures</i>	<u>1,855,816</u>	<u>73,730</u>	<u>325,100</u>	<u>1,472,923</u>	<u>14,400</u>	<u>37,288</u>	<u>24,455</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>38,458</u>	<u>(24,475)</u>	<u>(168,872)</u>	<u>(66,751)</u>	<u>0</u>	<u>1,069</u>	<u>383</u>
Other Financing Sources							
Transfers In	0	0	200,000	0	0	0	0
<i>Net Change in Fund Balances</i>	38,458	(24,475)	31,128	(66,751)	0	1,069	383
<i>Fund Balances (Deficit)</i>							
<i>Beginning of Year</i>	<u>224,225</u>	<u>70,553</u>	<u>50,027</u>	<u>339,635</u>	<u>0</u>	<u>0</u>	<u>(561)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 262,683</u>	<u>\$ 46,078</u>	<u>\$ 81,155</u>	<u>\$ 272,884</u>	<u>\$ 0</u>	<u>\$ 1,069</u>	<u>\$ (178)</u>

Race to the Top	Title VI-B	Title II-D	Title I School Improvement	Limited English Proficiency	Title I	Preschool Disability	Class Size Reduction	Totals
\$ 121,158	\$ 1,061,149	\$ 152	\$ 50,325	\$ 31,950	\$ 1,026,132	\$ 17,974	\$ 89,767	\$ 4,861,311
0	0	0	0	0	0	0	0	1,218
0	0	0	0	0	0	0	0	153,524
0	0	0	0	0	0	0	0	50,426
0	0	0	0	0	0	0	0	873,287
0	0	0	0	0	0	0	0	42,365
121,158	1,061,149	152	50,325	31,950	1,026,132	17,974	89,767	5,982,131
0	11,151	152	0	0	90,447	0	0	156,975
0	92,676	0	0	29,781	835,140	0	0	957,597
0	94	0	0	0	0	0	0	94
0	0	0	24,036	0	0	0	0	24,036
67,198	885,507	0	23,318	74	169,129	16,928	77,042	1,301,854
17,475	0	0	0	0	0	0	0	17,475
0	0	0	0	0	0	0	0	14,400
0	0	0	0	0	0	0	0	10,036
28,040	0	0	0	0	0	0	0	44,040
0	0	0	0	0	0	0	0	1,855,816
0	8,203	0	0	0	8,200	0	16,999	1,506,325
0	0	0	0	0	0	0	0	316,654
112,713	997,631	152	47,354	29,855	1,102,916	16,928	94,041	6,205,302
8,445	63,518	0	2,971	2,095	(76,784)	1,046	(4,274)	(223,171)
0	0	0	0	0	0	0	0	200,000
8,445	63,518	0	2,971	2,095	(76,784)	1,046	(4,274)	(23,171)
11,385	(173,333)	0	1,593	(2,095)	1,577	(1,608)	17,788	539,186
\$ 19,830	\$ (109,815)	\$ 0	\$ 4,564	\$ 0	\$ (75,207)	\$ (562)	\$ 13,514	\$ 516,015

Combining Statements – Internal Service Funds

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

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

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

Shaker Heights City School District
Cuyahoga County, Ohio
Combining Statement of Fund Net Position
Internal Service Funds
June 30, 2013

	<i>Self Insurance</i>	<i>Workers' Compensation Reserve</i>	<i>Total</i>
Assets			
<i>Current Assets</i>			
Equity in Pooled Cash and Investments	\$ 6,256,052	\$ 700,000	\$ 6,956,052
Intergovernmental Receivable	0	200,740	200,740
<i>Total Current Assets</i>	<u>6,256,052</u>	<u>900,740</u>	<u>7,156,792</u>
Liabilities			
<i>Current Liabilities</i>			
Accounts Payable	76,700	0	76,700
Claims Payable	888,800	486,021	1,374,821
<i>Total Current Liabilities</i>	<u>965,500</u>	<u>486,021</u>	<u>1,451,521</u>
<i>Long-Term Liabilities</i>			
Claims Payable - Net of Current Portion	0	213,979	213,979
<i>Total Long-Term Liabilities</i>	<u>0</u>	<u>213,979</u>	<u>213,979</u>
<i>Total Liabilities</i>	<u>965,500</u>	<u>700,000</u>	<u>1,665,500</u>
Net Position			
Unrestricted	5,290,552	200,740	5,491,292
<i>Total Net Position</i>	<u>\$ 5,290,552</u>	<u>\$ 200,740</u>	<u>\$ 5,491,292</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2013

	<i>Self Insurance</i>	<i>Workers' Compensation Reserve</i>	<i>Total</i>
Operating Revenue			
Charges for Services	\$ 10,082,219	\$ 218,238	\$ 10,300,457
Other	0	200,740	200,740
<i>Total Operating Revenues</i>	<u>10,082,219</u>	<u>418,978</u>	<u>10,501,197</u>
Operating Expenses			
Purchased Services	1,731,038	0	1,731,038
Claims	7,029,630	218,238	7,247,868
Other	29,799	0	29,799
<i>Total Operating Expenses</i>	<u>8,790,467</u>	<u>218,238</u>	<u>9,008,705</u>
<i>Change in Net Position</i>	1,291,752	200,740	1,492,492
<i>Net Position Beginning of Year</i>	<u>3,998,800</u>	<u>0</u>	<u>3,998,800</u>
<i>Net Position End of Year</i>	<u>\$ 5,290,552</u>	<u>\$ 200,740</u>	<u>\$ 5,491,292</u>

Shaker Heights City School District
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2013

	<u>Self Insurance</u>	<u>Workers' Compensation Reserve</u>	<u>Totals</u>
Cash Flows From Operating Activities			
Cash Received from Interfund Services Provided	\$ 10,082,219	\$ 218,238	\$ 10,300,457
Cash Paid for Goods and Services	(1,773,837)	0	(1,773,837)
Cash Paid for Claims	(7,194,330)	(218,238)	(7,412,568)
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>1,114,052</u>	<u>0</u>	<u>1,114,052</u>
<i>Net Increase (Decrease) in Cash and Investments</i>	1,114,052	0	1,114,052
<i>Cash and Investments Beginning of Year</i>	<u>5,142,000</u>	<u>700,000</u>	<u>5,842,000</u>
<i>Cash and Investments End of Year</i>	<u>\$ 6,256,052</u>	<u>\$ 700,000</u>	<u>\$ 6,956,052</u>
Reconciliation of Operating Income to Net Cash Provided By Operating Activities			
Operating Income (Loss)	\$ 1,291,752	\$ 200,740	\$ 1,492,492
Adjustments:			
(Increase) Decrease Assets:			
Intergovernmental Receivable	0	(200,740)	(200,740)
Increase (Decrease) in Liabilities:			
Accounts Payable	(13,000)	0	(13,000)
Claims Payable	(164,700)	0	(164,700)
<i>Total Adjustments</i>	<u>(177,700)</u>	<u>(200,740)</u>	<u>(378,440)</u>
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>\$ 1,114,052</u>	<u>\$ 0</u>	<u>\$ 1,114,052</u>

Combining Statements - Fiduciary Funds

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

Agency Funds

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

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

Shaker Heights City School District
Cuyahoga County, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended June 30, 2013

	Balance 6/30/2012	Additions	Deletions	Balance 6/30/2013
<u>Rotary</u>				
Assets				
Equity in Pooled Cash and Investments	\$ 196,377	\$ 184,782	\$ 157,256	\$ 223,903
Accounts Receivable	0	115	0	115
Total Assets	<u>\$ 196,377</u>	<u>\$ 184,897</u>	<u>\$ 157,256</u>	<u>\$ 224,018</u>
Liabilities				
Undistributed Monies	\$ 196,377	\$ 27,641	0	\$ 224,018
Total Liabilities	<u>\$ 196,377</u>	<u>\$ 27,641</u>	<u>\$ 0</u>	<u>\$ 224,018</u>
<u>Student Activities</u>				
Assets				
Equity in Pooled Cash and Investments	\$ 132,065	\$ 277,166	\$ 267,575	\$ 141,656
Accounts Receivable	0	179	0	179
Total Assets	<u>\$ 132,065</u>	<u>\$ 277,345</u>	<u>\$ 267,575</u>	<u>\$ 141,835</u>
Liabilities				
Accounts Payable	\$ 420	\$ 1,500	\$ 420	\$ 1,500
Due to Students	131,645	8,690	0	140,335
Total Liabilities	<u>\$ 132,065</u>	<u>\$ 10,190</u>	<u>\$ 420</u>	<u>\$ 141,835</u>
<u>Totals</u>				
Assets				
Equity in Pooled Cash and Investments	\$ 328,442	\$ 461,948	\$ 424,831	\$ 365,559
Accounts Receivable	0	294	0	294
Total Assets	<u>\$ 328,442</u>	<u>\$ 462,242</u>	<u>\$ 424,831</u>	<u>\$ 365,853</u>
Liabilities				
Accounts Payable	\$ 420	\$ 1,500	\$ 420	\$ 1,500
Undistributed Monies	196,377	27,641	0	224,018
Due to Students	131,645	8,690	0	140,335
Total Liabilities	<u>\$ 328,442</u>	<u>\$ 37,831</u>	<u>\$ 420</u>	<u>\$ 365,853</u>

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

SHAKER HEIGHTS CITY SCHOOL DISTRICT
Cuyahoga County, Ohio

Funds being reported as part of the General Fund

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

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

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

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

Major Building Fund

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

Shaker Heights City School District
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Uniform School Supplies
 For the Fiscal Year Ended June 30, 2013*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Tuition and Fees	\$ 114,500	\$ 88,102	\$ (26,398)
Miscellaneous	15,500	0	(15,500)
<i>Total Revenues</i>	<u>130,000</u>	<u>88,102</u>	<u>(41,898)</u>
Expenditures			
Current:			
Instruction:			
Regular	<u>130,000</u>	<u>88,861</u>	<u>41,139</u>
<i>Net Change in Fund Balance</i>	0	(759)	(759)
<i>Fund Balance Beginning of Year</i>	<u>759</u>	<u>759</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 759</u>	<u>\$ 0</u>	<u>\$ (759)</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, 2013*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Investment Income	\$ 100	\$ 69	\$ (31)
Tuition and Fees	64,000	54,351	(9,649)
Extracurricular Activities	147,600	83,369	(64,231)
Contributions and Donations	27,200	22,724	(4,476)
Miscellaneous	11,100	40,403	29,303
<i>Total Revenues</i>	<u>250,000</u>	<u>200,916</u>	<u>(49,084)</u>
Expenditures			
Current:			
Instruction:			
Regular	165,638	142,768	22,870
Support Services:			
Instructional Staff	829	829	0
Administration	35,018	35,018	0
Operation and Maintenance of Plant	497	497	0
Pupil Transportation	358	358	0
Extracurricular Activities	57,856	57,856	0
<i>Total Expenditures</i>	<u>260,196</u>	<u>237,326</u>	<u>22,870</u>
<i>Net Change in Fund Balance</i>	(10,196)	(36,410)	(26,214)
<i>Fund Balance Beginning of Year</i>	110,670	110,670	0
Prior Year Encumbrances Appropriated	10,197	10,197	0
<i>Fund Balance End of Year</i>	<u>\$ 110,671</u>	<u>\$ 84,457</u>	<u>\$ (26,214)</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, 2013*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Miscellaneous	\$ 15,000	\$ 6,107	\$ (8,893)
Expenditures			
Current:			
Support Services:			
Business	20,000	12,117	7,883
<i>Excess of Revenues Over (Under) Expenditures</i>	(5,000)	(6,010)	(1,010)
Other Financing Sources (Uses)			
Transfers In	5,000	5,000	0
<i>Net Change in Fund Balance</i>	0	(1,010)	(1,010)
<i>Fund Balance Beginning of Year</i>	3,674	3,674	0
<i>Fund Balance End of Year</i>	\$ 3,674	\$ 2,664	\$ (1,010)

Shaker Heights City School District
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Fringe Benefits
 For the Fiscal Year Ended June 30, 2013*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Miscellaneous	\$ 250,000	\$ 141,326	\$ (108,674)
Expenditures			
Current:			
Support Services:			
Fiscal	334,805	183,924	150,881
<i>Net Change in Fund Balance</i>	(84,805)	(42,598)	42,207
<i>Fund Balance Beginning of Year</i>	1,398,332	1,398,332	0
Prior Year Encumbrances Appropriated	134,805	134,805	0
<i>Fund Balance End of Year</i>	<u>\$ 1,448,332</u>	<u>\$ 1,490,539</u>	<u>\$ 42,207</u>

Shaker Heights City School District
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Building
 For the Fiscal Year Ended June 30, 2013*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Investment Income	\$ 5,000	\$ 2,085	\$ (2,915)
Contributions and Donations	50,000	150,535	100,535
Miscellaneous	52,000	51,305	(695)
<i>Total Revenues</i>	<u>107,000</u>	<u>203,925</u>	<u>96,925</u>
Expenditures			
Current:			
Instruction:			
Regular	59,236	59,236	0
Support Services:			
Instructional Staff	157,350	157,350	0
Business	34,855	34,855	0
Pupil Transportation	1,031,747	1,031,747	0
Capital Outlay	3,974,099	3,815,271	158,828
Debt Service:			
Interest and Fiscal Charges	12,500	12,500	0
<i>Total Expenditures</i>	<u>5,269,787</u>	<u>5,110,959</u>	<u>158,828</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(5,162,787)</u>	<u>(4,907,034)</u>	<u>255,753</u>
Other Financing Sources (Uses)			
Proceeds of General Obligation Bonds	1,000,000	1,000,000	0
Insurance Recoveries	20,000	8,343	(11,657)
Transfers In	3,220,000	3,220,000	0
<i>Total Other Financing Sources (Uses)</i>	<u>4,240,000</u>	<u>4,228,343</u>	<u>(11,657)</u>
<i>Net Change in Fund Balance</i>	(922,787)	(678,691)	244,096
<i>Fund Balance Beginning of Year</i>	894,531	894,531	0
Prior Year Encumbrances Appropriated	709,787	709,787	0
<i>Fund Balance End of Year</i>	<u>\$ 681,531</u>	<u>\$ 925,627</u>	<u>\$ 244,096</u>

Shaker Heights City School District
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual*
Food Service
For the Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 820,000	\$ 963,339	\$ 143,339
Investment Income	500	287	(213)
Charges for Services	1,134,500	873,287	(261,213)
Miscellaneous	145,000	36,683	(108,317)
<i>Total Revenues</i>	<u>2,100,000</u>	<u>1,873,596</u>	<u>(226,404)</u>
Expenditures			
Current:			
Support Services:			
Business	262,504	0	262,504
Operation of Non-Instructional Services:			
Food Service Operations	2,166,317	2,166,317	0
<i>Total Expenditures</i>	<u>2,428,821</u>	<u>2,166,317</u>	<u>262,504</u>
<i>Net Change in Fund Balance</i>	(328,821)	(292,721)	36,100
<i>Fund Balance Beginning of Year</i>	3	3	0
Prior Year Encumbrances Appropriated	328,821	328,821	0
<i>Fund Balance End of Year</i>	<u>\$ 3</u>	<u>\$ 36,103</u>	<u>\$ 36,100</u>

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, 2013*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Investment Income	\$ 501	\$ 501	\$ 0
Contributions and Donations	29,405	47,929	18,524
Miscellaneous	825	825	0
<i>Total Revenues</i>	<u>30,731</u>	<u>49,255</u>	<u>18,524</u>
Expenditures			
Current:			
Instruction:			
Regular	16,832	16,832	0
Support Services:			
Instructional Staff	68,757	38,759	29,998
Central	16,000	16,000	0
Extracurricular Activities	1,590	1,590	0
<i>Total Expenditures</i>	<u>103,179</u>	<u>73,181</u>	<u>29,998</u>
<i>Net Change in Fund Balance</i>	(72,448)	(23,926)	48,522
<i>Fund Balance Beginning of Year</i>	69,673	69,673	0
Prior Year Encumbrances Appropriated	2,775	2,775	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 48,522</u>	<u>\$ 48,522</u>

Shaker Heights City School District
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual*
 Athletics
 For the Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Extracurricular Activities	\$ 120,000	\$ 151,849	\$ 31,849
Contributions and Donations	0	2,497	2,497
Miscellaneous	90,000	202	(89,798)
<i>Total Revenues</i>	<u>210,000</u>	<u>154,548</u>	<u>(55,452)</u>
Expenditures			
Current:			
Support Services:			
Business	26,771	0	26,771
Operation and Maintenance of Plant	10,136	10,136	0
Extracurricular Activities	328,448	328,448	0
<i>Total Expenditures</i>	<u>365,355</u>	<u>338,584</u>	<u>26,771</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(155,355)</u>	<u>(184,036)</u>	<u>(28,681)</u>
Other Financing Sources (Uses)			
Transfers In	140,000	200,000	60,000
<i>Total Other Financing Sources (Uses)</i>	<u>140,000</u>	<u>200,000</u>	<u>60,000</u>
<i>Net Change in Fund Balance</i>	(15,355)	15,964	31,319
<i>Fund Balance Beginning of Year</i>	36,425	36,425	0
Prior Year Encumbrances Appropriated	15,357	15,357	0
<i>Fund Balance End of Year</i>	<u>\$ 36,427</u>	<u>\$ 67,746</u>	<u>\$ 31,319</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, 2013*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 1,411,692	\$ 1,411,692	\$ 0
Investment Income	430	430	0
Payment in Lieu of Taxes	69	0	(69)
<i>Total Revenues</i>	<u>1,412,191</u>	<u>1,412,122</u>	<u>(69)</u>
Expenditures			
Current:			
Operation of Non-Instructional Services:			
Community Services	<u>1,895,968</u>	<u>1,759,169</u>	<u>136,799</u>
<i>Net Change in Fund Balance</i>	(483,777)	(347,047)	136,730
<i>Fund Balance Beginning of Year</i>	361,150	361,150	0
Prior Year Encumbrances Appropriated	<u>122,697</u>	<u>122,697</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 70</u>	<u>\$ 136,800</u>	<u>\$ 136,730</u>

Shaker Heights City School District
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Data Communications
 For the Fiscal Year Ended June 30, 2013*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 14,400	\$ 14,400	\$ 0
Expenditures			
Current:			
Support Services:			
Fiscal	14,400	14,400	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 0	\$ 0

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, 2013*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 39,375	\$ 38,306	\$ (1,069)
Expenditures			
Current:			
Instruction:			
Regular	37,288	37,288	0
<i>Net Change in Fund Balance</i>	2,087	1,018	(1,069)
<i>Fund Balance Beginning of Year</i>	(1,018)	(1,018)	0
<i>Fund Balance End of Year</i>	\$ 1,069	\$ 0	\$ (1,069)

Shaker Heights City School District
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Parent Mentor Grant
 For the Fiscal Year Ended June 30, 2013*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 25,000	\$ 24,838	\$ (162)
Expenditures			
Current:			
Support Services:			
Instructional Staff	25,826	25,067	759
<i>Net Change in Fund Balance</i>	(826)	(229)	597
<i>Fund Balance Beginning of Year</i>	826	826	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 597	\$ 597

Shaker Heights City School District
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual*
 Education Jobs
 For the Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 74,798	\$ 74,798	\$ 0
<i>Net Change in Fund Balance</i>	74,798	74,798	0
<i>Fund Balance Beginning of Year</i>	(74,798)	(74,798)	0
<i>Fund Balance End of Year</i>	<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*
Race to the Top
For the Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 255,693	\$ 134,741	\$ (120,952)
Expenditures			
Current:			
Support Services:			
Instructional Staff	177,476	73,570	103,906
Administration	23,958	15,828	8,130
Central	30,525	28,942	1,583
<i>Total Expenditures</i>	231,959	118,340	113,619
<i>Net Change in Fund Balance</i>	23,734	16,401	(7,333)
<i>Fund Balance Beginning of Year</i>	(23,766)	(23,766)	0
Prior Year Encumbrances Appropriated	32	32	0
<i>Fund Balance End of Year</i>	\$ 0	\$ (7,333)	\$ (7,333)

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, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 1,256,547	\$ 1,007,382	\$ (249,165)
Expenditures			
Current:			
Instruction:			
Regular	20,000	19,349	651
Special	136,946	131,960	4,986
Student Intervention Services	94	94	0
Support Services:			
Instructional Staff	1,095,543	921,930	173,613
Operation of Non-Instructional Services:			
Community Services	10,884	10,131	753
<i>Total Expenditures</i>	<u>1,263,467</u>	<u>1,083,464</u>	<u>180,003</u>
<i>Net Change in Fund Balance</i>	(6,920)	(76,082)	(69,162)
<i>Fund Balance Beginning of Year</i>	<u>6,920</u>	<u>6,920</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ (69,162)</u>	<u>\$ (69,162)</u>

Shaker Heights City School District
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual*
 Title II-D
 For the Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 199	\$ 199	\$ 0
Expenditures			
Current:			
Instruction:			
Regular	152	152	0
<i>Net Change in Fund Balance</i>	47	47	0
<i>Fund Balance Beginning of Year</i>	(47)	(47)	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 0	\$ 0

Shaker Heights City School District
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Title I School Improvement
 For the Fiscal Year Ended June 30, 2013*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 57,043	\$ 33,192	\$ (23,851)
Expenditures			
Current:			
Instruction:			
Other	23,099	23,099	0
Support Services:			
Instructional Staff	33,494	28,818	4,676
<i>Total Expenditures</i>	<u>56,593</u>	<u>51,917</u>	<u>4,676</u>
<i>Net Change in Fund Balance</i>	450	(18,725)	(19,175)
<i>Fund Balance Beginning of Year</i>	<u>(450)</u>	<u>(450)</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ (19,175)</u>	<u>\$ (19,175)</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, 2013*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 38,752	\$ 38,752	\$ 0
Expenditures			
Current:			
Instruction:			
Special	38,693	38,693	0
Support Services:			
Instructional Staff	74	74	0
<i>Total Expenditures</i>	<u>38,767</u>	<u>38,767</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(15)	(15)	0
<i>Fund Balance Beginning of Year</i>	<u>15</u>	<u>15</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<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*
 Title I
 For the Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 1,271,802	\$ 1,085,318	\$ (186,484)
Expenditures			
Current:			
Instruction:			
Regular	118,814	93,949	24,865
Special	882,204	761,023	121,181
Support Services:			
Instructional Staff	189,736	165,017	24,719
Operation of Non-Instructional Services:			
Community Services	18,483	18,480	3
<i>Total Expenditures</i>	<u>1,209,237</u>	<u>1,038,469</u>	<u>170,768</u>
<i>Net Change in Fund Balance</i>	62,565	46,849	(15,716)
<i>Fund Balance Beginning of Year</i>	(83,221)	(83,221)	0
Prior Year Encumbrances Appropriated	<u>20,656</u>	<u>20,656</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ (15,716)</u>	<u>\$ (15,716)</u>

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, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 21,519	\$ 21,519	\$ 0
Expenditures			
Current:			
Support Services:			
Instructional Staff	21,548	21,548	0
<i>Net Change in Fund Balance</i>	(29)	(29)	0
<i>Fund Balance Beginning of Year</i>	29	29	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 0	\$ 0

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, 2013*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 185,314	\$ 114,104	\$ (71,210)
Expenditures			
Current:			
Support Services:			
Instructional Staff	134,345	89,536	44,809
Operation of Non-Instructional Services:			
Community Services	35,517	16,999	18,518
<i>Total Expenditures</i>	169,862	106,535	63,327
<i>Net Change in Fund Balance</i>	15,452	7,569	(7,883)
<i>Fund Balance Beginning of Year</i>	(18,207)	(18,207)	0
Prior Year Encumbrances Appropriated	2,755	2,755	0
<i>Fund Balance End of Year</i>	\$ 0	\$ (7,883)	\$ (7,883)

Shaker Heights City School District
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Bond Retirement
 For the Fiscal Year Ended June 30, 2013*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property and Other Local Taxes	\$ 2,492,929	\$ 2,532,557	\$ 39,628
Intergovernmental	376,000	381,113	5,113
<i>Total Revenues</i>	<u>2,868,929</u>	<u>2,913,670</u>	<u>44,741</u>
Expenditures			
Current:			
Support Services:			
Fiscal	46,546	43,222	3,324
Debt Service:			
Principal Retirement	5,093,250	5,000,000	93,250
Interest and Fiscal Charges	742,487	742,487	0
Issuance Costs	5,623,968	185,218	5,438,750
<i>Total Expenditures</i>	<u>11,506,251</u>	<u>5,970,927</u>	<u>5,535,324</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(8,637,322)</u>	<u>(3,057,257)</u>	<u>5,580,065</u>
Other Financing Sources (Uses)			
Proceeds of General Obligation Bonds	3,220,000	3,170,000	(50,000)
Proceeds of Refunding Bonds	5,000,000	4,994,310	(5,690)
Premium on Debt Issuance	690,000	688,288	(1,712)
Discount on Debt Issuance	0	(21,574)	(21,574)
Payment to Refunded Bond Escrow Agent	0	(5,503,241)	(5,503,241)
<i>Total Other Financing Sources (Uses)</i>	<u>8,910,000</u>	<u>3,327,783</u>	<u>(5,582,217)</u>
<i>Net Change in Fund Balance</i>	272,678	270,526	(2,152)
<i>Fund Balance Beginning of Year</i>	2,157,677	2,157,677	0
Prior Year Encumbrances Appropriated	6,250	6,250	0
<i>Fund Balance End of Year</i>	<u>\$ 2,436,605</u>	<u>\$ 2,434,453</u>	<u>\$ (2,152)</u>

Shaker Heights City School District
*Schedule of Revenues, Expenditures, and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Self Insurance
 For the Fiscal Year Ended June 30, 2013*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating Revenues			
Charges for Services	\$ 11,750,000	\$ 10,082,219	\$ (1,667,781)
Operating Expenses			
Purchased services	1,781,738	1,744,038	37,700
Claims	9,188,464	7,194,330	1,994,134
Other	29,799	29,799	0
<i>Total Operating Expenses</i>	<u>11,000,001</u>	<u>8,968,167</u>	<u>2,031,834</u>
<i>Net Change in Fund Equity</i>	749,999	1,114,052	364,053
<i>Fund Equity Beginning of Year</i>	<u>5,142,000</u>	<u>5,142,000</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$ 5,891,999</u>	<u>\$ 6,256,052</u>	<u>\$ 364,053</u>

Shaker Heights City School District
*Schedule of Revenues, Expenditures, and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Workers' Compensation Reserve
 For the Fiscal Year Ended June 30, 2013*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating Revenues			
Charges for Services	\$ 300,000	\$ 218,238	\$ (81,762)
Operating Expenses			
Claims	300,000	218,238	81,762
<i>Net Change in Fund Equity</i>	0	0	0
<i>Fund Equity Beginning of Year</i>	700,000	700,000	0
<i>Fund Equity End of Year</i>	\$ 700,000	\$ 700,000	\$ 0

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STATISTICAL SECTION

Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	S-2 - S-13
Revenue Capacity These schedules contain information to help the reader understand and assess the factors affecting the School District's ability to generate its most significant local revenue source(s), the property tax.	S-14 - S-26
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	S-27 - S-31
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	S-32 - S-34
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	S-36 - S-48

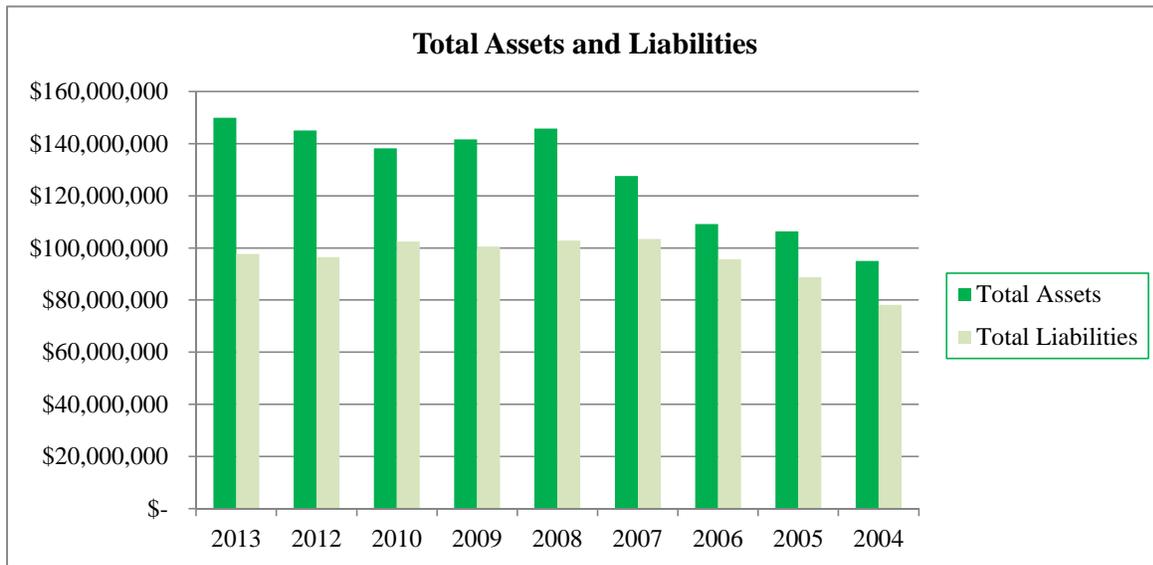
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant fiscal year. The School District implemented GASB Statement No. 34 in 2003; schedules presenting government-wide information include information beginning in that fiscal year.

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

Shaker Heights City School District (Cuyahoga County, Ohio)

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

	2013	2012	2011	2010
Governmental Activities:				
Net Investment in Capital Assets	\$ 13,553,310	\$ 11,315,889	\$ 11,398,071	\$ 10,070,839
Restricted for:				
Capital Outlay	833,627	1,439,495	1,098,470	1,531,066
Debt Service	3,258,334	2,991,077	2,354,956	2,359,850
Set Asides	353,070	353,070	353,070	353,070
Other Purposes	887,667	766,769	871,703	830,467
Unrestricted	33,317,054	31,719,973	26,197,012	20,608,691
Total Governmental Activities				
Net Position	<u>\$ 52,203,062</u>	<u>\$ 48,586,273</u>	<u>\$ 42,273,282</u>	<u>\$ 35,753,983</u>



Source: School District financial records.

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 8,401,734	\$ 8,694,425	\$ 4,632,987	\$ 2,204,521	\$ 4,100,033	\$ 2,500,547
1,525,468	99,381	400,300	1,655,509	678,855	1,543,825
2,644,458	2,853,551	2,455,559	2,263,055	1,400,799	868,760
353,070	353,070	353,070	353,070	353,070	353,070
792,242	390,160	797,215	544,543	608,066	305,712
<u>27,407,164</u>	<u>30,568,922</u>	<u>15,628,893</u>	<u>6,438,744</u>	<u>10,355,170</u>	<u>11,215,209</u>
<u>\$ 41,124,136</u>	<u>\$ 42,959,509</u>	<u>\$ 24,268,024</u>	<u>\$ 13,459,442</u>	<u>\$ 17,495,993</u>	<u>\$ 16,787,123</u>

Shaker Heights City School District (Cuyahoga County, Ohio)

Changes in Net Position of Governmental Activities

Last Ten Fiscal Years

(accrual basis of accounting)

	2013	2012	2011	2010*
Expenses				
Instruction:				
Regular	\$ 34,461,051	\$ 34,798,586	\$ 35,281,264	\$ 37,085,280
Special	12,397,536	12,002,923	11,964,327	13,428,305
Vocational	73,704	150,353	228,758	139,800
Student Intervention Services	94	58,630	67,198	19,489
Other	42,270	8,693	0	0
Support Services:				
Pupils	5,556,492	5,594,025	5,552,562	6,109,276
Instructional Staff	7,540,608	7,880,942	7,168,686	7,847,850
Board of Education	65,876	18,470	17,368	22,044
Administration	5,815,470	5,911,138	6,106,215	6,143,839
Fiscal	2,443,694	2,645,931	2,086,303	1,815,190
Business	1,085,086	1,043,044	952,606	933,149
Operation and Maintenance of Plant	13,142,708	12,347,748	13,466,665	14,220,532
Pupil Transportation	4,674,160	4,456,181	4,602,302	4,795,694
Central	1,683,000	1,754,818	1,917,495	1,990,523
Operation of Non-Instructional Services	1,598,259	1,428,394	1,220,198	1,327,646
Food Service Operations	1,855,816	1,820,200	1,945,696	1,951,783
Extracurricular Activities	1,331,012	1,268,779	1,249,690	1,296,624
Interest and Fiscal Charges	937,911	1,000,513	1,106,286	1,227,205
Issuance Costs	185,218	0	0	0
Total Expenses	94,889,965	94,189,368	94,933,619	100,354,229

Program Revenues

Charges for Services and Sales

Instruction:				
Regular	1,222,949	1,226,867	754,595	1,559,258
Special	626,206	414,873	171,178	187,379
Vocational	0	0	3,471	2,101
Other	5,700	0	0	0
Support Services:				
Pupils	0	0	85,442	91,479
Instructional Staff	0	0	88,670	91,968
Board of Education	0	0	0	336
Administration	0	0	0	93,031
Fiscal	15,492	0	0	26,440
Business	0	0	0	12,975
Operation and Maintenance of Plant	10,493	10,708	285,446	303,580
Pupil Transportation	14,711	17,560	67,464	66,566
Central	0	0	28,892	30,003
Operation of Non-Instruction Services	0	0	797	755
Food Service Operations	873,289	888,162	912,327	815,170
Extracurricular Activities	143,031	112,812	139,488	196,635
Operating Grants, Contributions and Interest				
Instruction:				
Regular	68,749	1,175,777	1,463,608	502,626
Special	1,029,673	1,094,487	805,930	1,037,972
Vocational	0	0	0	0
Student Intervention Services	111	57,840	162,215	31,087
Other	23,851	0	0	0
Support Service:				
Pupils	0	0	50,739	43,226
Instructional Staff	1,449,321	1,469,327	1,741,042	1,774,381
Board of Education	0	0	0	0
Administration	30,074	20,000	0	0
Fiscal	14,400	14,400	0	16,000
Business	0	38	0	0

2009	2008	2007	2006	2005	2004
\$ 35,379,158	\$ 34,107,481	\$ 33,772,290	\$ 35,310,361	\$ 32,924,168	\$ 32,864,526
11,824,756	11,332,475	10,931,104	10,607,843	10,647,502	10,008,927
242,656	225,025	249,179	261,197	365,419	242,694
0	0	0	0	0	0
0	0	0	0	0	0
5,442,866	5,495,125	5,183,166	5,375,507	5,238,920	5,169,180
6,661,050	5,714,875	5,011,630	5,578,777	5,352,258	5,203,618
18,690	29,232	16,097	19,423	12,936	81,020
6,002,432	5,995,614	5,413,913	6,436,016	6,251,458	6,098,561
2,195,814	1,959,745	2,502,091	1,851,290	1,957,648	1,641,345
931,242	995,011	831,094	923,004	899,420	636,841
13,059,730	12,623,322	11,044,168	11,863,117	10,369,547	10,509,814
4,169,665	3,989,689	3,732,632	4,243,701	4,429,933	4,065,825
1,444,784	1,670,621	1,665,801	1,548,776	1,537,060	1,488,606
1,207,237	1,140,592	1,374,292	1,425,671	1,057,019	1,202,617
1,726,334	1,518,386	1,236,661	1,311,946	1,029,189	921,209
1,170,726	1,230,898	1,213,896	1,241,147	1,294,801	1,332,974
1,277,952	1,282,207	1,002,654	1,015,691	781,322	775,725
0	0	0	0	0	0
<u>92,755,092</u>	<u>89,310,298</u>	<u>85,180,668</u>	<u>89,013,467</u>	<u>84,148,600</u>	<u>82,243,482</u>
789,813	855,900	638,404	692,997	971,608	63,746
202,415	224,936	158,673	178,796	148,714	1,211,647
4,247	4,720	3,799	4,193	0	1,187
0	0	0	0	0	0
102,981	114,444	78,661	88,616	9,913	0
80,033	88,939	55,156	63,556	0	0
551	613	236	355	0	0
129,968	127,938	82,913	97,895	0	0
29,030	32,260	36,415	31,050	0	0
16,925	18,990	11,474	15,372	19	0
300,135	258,411	160,269	275,039	146,592	150,000
78,983	87,773	60,331	74,288	905	0
29,493	32,775	24,249	24,904	0	0
98,902	103,118	100,717	893	0	0
800,042	710,786	738,586	750,790	793,978	701,537
110,980	123,035	175,780	172,196	227,586	414,131
754,782	1,000,038	860,207	901,271	528,306	657,616
925,126	817,586	601,971	62,697	808,425	692,085
3,037	2,011	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
88,617	79,562	26,600	36,837	24,560	0
1,450,387	1,321,093	1,418,048	1,743,256	1,438,595	1,038,916
0	261	0	0	0	0
0	63,392	2,458	15,781	0	0
24,000	41,381	30,618	3,657	5,737	21,271
0	8,015	0	0	0	0

(continued)

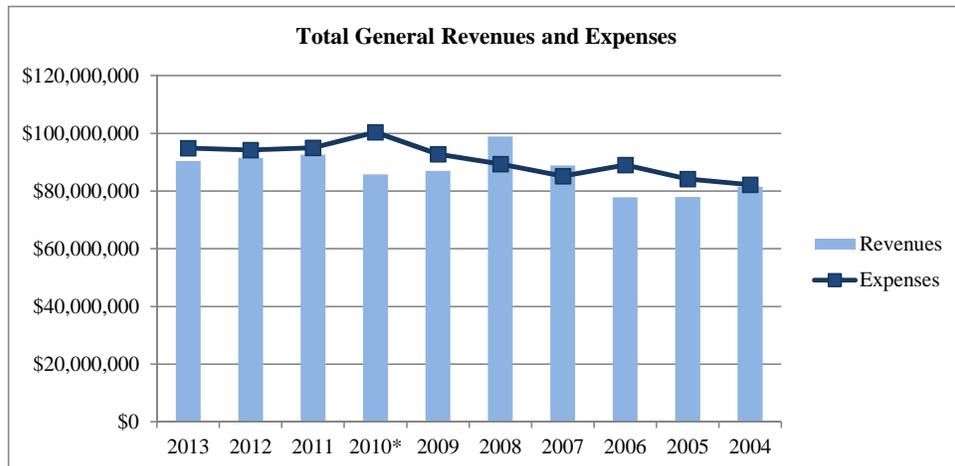
Shaker Heights City School District (Cuyahoga County, Ohio)

Changes in Net Position of Governmental Activities

Last Ten Fiscal Years

(accrual basis of accounting)

	2013	2012	2011	2010*
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	15,906	72	45,507
Central	19,717	33,000	5,000	11,409
Operation of Non-Instruction Services				
Food Service Operations	979,654	931,912	754,440	751,596
Other	1,469,438	1,446,234	1,189,003	1,294,234
Extracurricular Activities	2,497	6,051	3,290	3,020
Capital Grants and Contributions				
Instruction:				
Regular	50,535	0	0	30,040
Support Service:				
Instructional Staff	0	0	0	49,911
Business	0	0	0	3,829
Operation and Maintenance of Plant	0	32,972	79,489	33,878
Pupil Transportation	102,085	41,965	0	124,521
<i>Total Program Revenues</i>	<u>8,151,976</u>	<u>9,010,891</u>	<u>8,792,598</u>	<u>9,230,913</u>
Net Expense	<u>(86,737,989)</u>	<u>(85,178,477)</u>	<u>(86,141,021)</u>	<u>(91,123,316)</u>
General Revenues				
Property Taxes Levied for:				
General Purposes	63,408,623	64,805,875	63,904,018	56,751,088
Debt Service	2,524,431	2,658,043	2,755,119	2,960,050
Capital Outlay	0	0	0	0
Grants and Entitlements not Restricted to Specific Programs	23,839,415	23,319,363	25,301,197	25,155,226
Investment Earnings	124,229	193,986	291,878	532,965
Unrestricted Contributions and Donations	0	0	1,090	0
Gain on Sale of Capital Assets	0	0	18,750	21,600
Miscellaneous	458,080	514,201	388,268	332,234
<i>Total General Revenues</i>	<u>90,354,778</u>	<u>91,491,468</u>	<u>92,660,320</u>	<u>85,753,163</u>
Extraordinary Item				
Decrease in Delinquent Property Taxes	0	0	0	0
<i>Total General Revenues and Extraordinary Item</i>	<u>90,354,778</u>	<u>91,491,468</u>	<u>92,660,320</u>	<u>85,753,163</u>
<i>Change in Net Position</i>	<u>\$ 3,616,789</u>	<u>\$ 6,312,991</u>	<u>\$ 6,519,299</u>	<u>\$ (5,370,153)</u>



*Includes immaterial amounts reclassified for comparison purposes.

2009	2008	2007	2006	2005	2004
164,634	134,036	58,973	65,717	79,378	0
56,487	37,404	0	0	0	0
22,315	41,050	26,758	15,973	15,154	0
687,159	609,352	454,616	426,452	391,333	0
1,304,659	1,311,538	1,224,791	1,272,795	1,196,573	1,345,919
19,027	22,008	6,848	20,874	39,074	85,681
0	0	0	0	47,670	0
0	0	0	0	0	0
0	0	0	0	0	0
276,391	802,694	49,102	142,150	34,282	444,511
0	0	0	0	20,997	0
<u>8,551,119</u>	<u>9,076,059</u>	<u>7,086,653</u>	<u>7,178,400</u>	<u>6,929,399</u>	<u>6,828,247</u>
<u>(84,203,973)</u>	<u>(80,234,239)</u>	<u>(78,094,015)</u>	<u>(81,835,067)</u>	<u>(77,219,201)</u>	<u>(75,415,235)</u>
56,984,545	69,184,729	60,456,905	51,230,820	51,902,593	56,520,406
3,154,120	3,494,170	3,211,409	2,475,501	1,604,046	2,110,278
0	0	0	206,688	519,804	323,065
25,102,989	24,004,932	23,496,372	22,583,373	22,989,562	22,160,812
1,303,054	1,831,239	1,625,920	1,147,810	622,591	169,849
0	0	0	0	1,225	0
0	0	0	5,250	0	0
<u>423,892</u>	<u>410,654</u>	<u>111,991</u>	<u>149,074</u>	<u>288,250</u>	<u>205,201</u>
<u>86,968,600</u>	<u>98,925,724</u>	<u>88,902,597</u>	<u>77,798,516</u>	<u>77,928,071</u>	<u>81,489,611</u>
<u>(4,600,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>82,368,600</u>	<u>98,925,724</u>	<u>88,902,597</u>	<u>77,798,516</u>	<u>77,928,071</u>	<u>81,489,611</u>
<u>\$ (1,835,373)</u>	<u>\$ 18,691,485</u>	<u>\$ 10,808,582</u>	<u>\$ (4,036,551)</u>	<u>\$ 708,870</u>	<u>\$ 6,074,376</u>

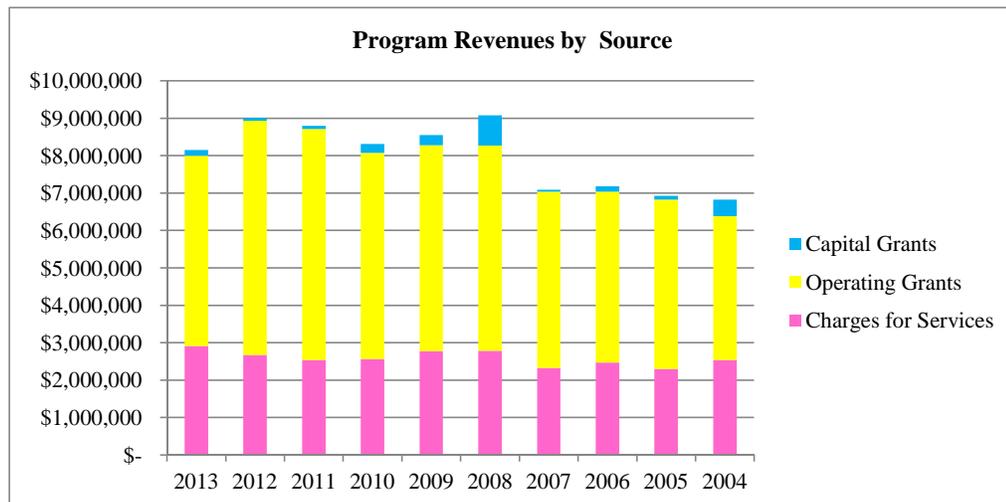
Shaker Heights City School District (Cuyahoga County, Ohio)

Program Revenues of Governmental Activities by Function

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2013	2012	2011	2010
Governmental Activities				
Instruction:				
Regular	\$ 1,342,233	\$ 2,402,644	\$ 2,218,203	\$ 1,177,111
Special	1,655,879	1,509,360	977,108	1,225,351
Vocational	0	0	3,471	2,101
Student Intervention	111	57,840	162,215	31,087
Other	29,551	0	0	0
Support Services:				
Pupils	0	0	136,181	134,705
Instructional Staff	1,449,321	1,469,327	1,829,712	1,916,260
Board of Education	0	0	0	336
Administration	30,074	20,000	0	93,031
Fiscal	29,892	14,400	0	42,440
Business	0	38	0	16,804
Operation and Maintenance of Plant	10,493	43,680	364,935	337,458
Pupil Transportation	116,796	75,431	67,536	236,594
Central	19,717	33,000	33,892	41,412
Operation of Non-Instructional Services				
Food Services	1,852,943	1,820,074	1,666,767	1,566,766
Other	1,469,438	1,446,234	1,189,800	1,294,989
Extracurricular Activities	145,528	118,863	142,778	199,655
Total Program Revenues	\$ 8,151,976	\$ 9,010,891	\$ 8,792,598	\$ 8,316,100



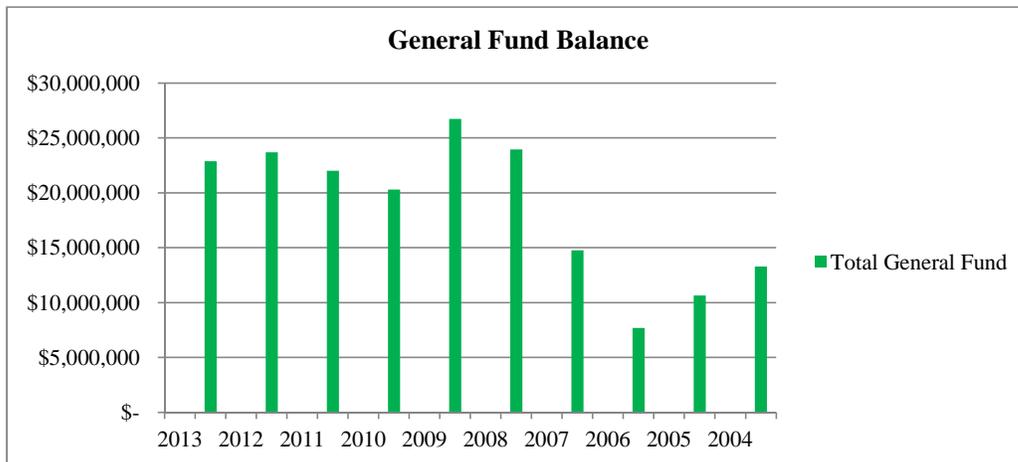
Source: School District financial records.

2009	2008	2007	2006	2005	2004
\$ 1,544,595	\$ 1,855,938	\$ 1,498,611	\$ 1,594,268	\$ 1,547,584	\$ 721,362
1,127,541	1,042,522	760,644	241,493	957,139	1,903,732
7,284	6,731	3,799	4,193	0	1,187
0	0	0	0	0	0
0	0	0	0	0	0
191,598	194,006	105,261	125,453	34,473	0
1,530,420	1,410,032	1,473,204	1,806,812	1,438,595	1,038,916
551	874	236	355	0	0
129,968	191,330	85,371	113,676	0	0
53,030	73,641	67,033	34,707	5,737	21,271
16,925	27,005	11,474	15,372	19	0
741,160	1,195,141	268,344	482,906	260,252	594,511
135,470	125,177	60,331	74,288	21,902	0
51,808	73,825	51,007	40,877	15,154	0
1,487,201	1,320,138	1,193,202	1,177,242	1,185,311	701,537
1,403,561	1,414,656	1,325,508	1,273,688	1,196,573	1,345,919
130,007	145,043	182,628	193,070	266,660	499,812
<u>\$ 8,551,119</u>	<u>\$ 9,076,059</u>	<u>\$ 7,086,653</u>	<u>\$ 7,178,400</u>	<u>\$ 6,929,399</u>	<u>\$ 6,828,247</u>

Shaker Heights City School District (Cuyahoga County, Ohio)

Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2013	2012	2011	2010
General Fund				
Reserved	N/A	N/A	N/A	N/A
Unreserved	N/A	N/A	N/A	N/A
Nonspendable	31,267	268,580	382,367	231,117
Restricted	353,070	353,070	353,070	353,070
Committed	0	0	0	0
Assigned	7,186,555	8,801,392	4,455,388	3,988,294
Unassigned	15,305,379	14,278,025	16,822,882	15,721,703
Total General Fund	22,876,271	23,701,067	22,013,707	20,294,184
All Other Governmental Funds				
Reserved	N/A	N/A	N/A	N/A
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	N/A	N/A	N/A	N/A
Debt Service Funds	N/A	N/A	N/A	N/A
Capital Projects Funds	N/A	N/A	N/A	N/A
Nonspendable	0	15,688	14,913	26,884
Restricted	5,256,580	4,694,602	5,611,699	7,407,491
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	(185,762)	(177,597)	(59,717)	(12,179)
Total All Other Governmental Funds	5,070,818	4,532,693	5,566,895	7,422,196
Total Governmental Funds	\$ 27,947,089	\$ 28,233,760	\$ 27,580,602	\$ 27,716,380



Source: School District financial records.

Note: The School District implemented GASB 54 during 2011.

2009	2008	2007	2006	2005	2004
\$ 14,483,565	\$ 10,969,494	\$ 9,753,040	\$ 8,511,681	\$ 8,725,818	\$ 10,987,610
12,263,251	12,978,966	5,023,594	(828,306)	1,917,235	2,285,249
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
<u>26,746,816</u>	<u>23,948,460</u>	<u>14,776,634</u>	<u>7,683,375</u>	<u>10,643,053</u>	<u>13,272,859</u>
1,967,505	2,500,917	3,676,195	2,796,510	2,335,692	1,324,079
204,836	125,845	248,532	439,345	264,879	85,919
2,050,073	1,996,267	2,045,247	1,904,007	1,171,864	965,905
4,905,551	6,057,373	6,035,783	2,964,790	8,910,495	416,890
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
<u>9,127,965</u>	<u>10,680,402</u>	<u>12,005,757</u>	<u>8,104,652</u>	<u>12,682,930</u>	<u>2,792,793</u>
<u>\$ 35,874,781</u>	<u>\$ 34,628,862</u>	<u>\$ 26,782,391</u>	<u>\$ 15,788,027</u>	<u>\$ 23,325,983</u>	<u>\$ 16,065,652</u>

Shaker Heights City School District (Cuyahoga County, Ohio)

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	2013	2012	2011	2010
Revenues:				
Property Taxes	\$ 65,713,209	\$ 65,451,694	\$ 64,583,285	\$ 59,520,754
Intergovernmental	28,700,726	30,069,477	31,223,034	31,186,078
Investment Income	127,601	201,222	292,491	533,281
Tuition and Fees	1,546,677	1,463,358	1,280,795	1,309,955
Extracurricular Activities	240,541	208,345	187,388	180,539
Contributions and Donations	231,664	149,103	144,487	258,879
Charges for Services	1,068,914	954,513	975,774	919,843
Rentals	49,338	44,805	93,813	152,526
Miscellaneous	447,119	424,503	388,268	332,234
<i>Total Revenues</i>	<u>98,125,789</u>	<u>98,967,020</u>	<u>99,169,335</u>	<u>94,394,089</u>
Expenditures:				
Current:				
Instruction:				
Regular	35,880,612	35,959,722	35,974,858	36,986,263
Special	12,717,540	12,300,518	12,238,846	13,431,681
Vocational	73,704	150,353	256,888	148,774
Student Intervention	94	58,630	135,860	27,498
Other	33,577	0	0	0
Support services:				
Pupils	5,755,271	5,819,423	5,662,710	6,022,897
Instructional Staff	8,451,594	7,934,389	7,425,293	7,658,963
Board of Education	65,876	18,470	17,368	22,044
Administration	5,911,936	5,931,338	6,095,570	6,176,169
Fiscal	2,425,772	2,636,142	2,076,537	1,798,079
Business	1,060,924	1,015,279	892,163	866,581
Operation and Maintenance of Plant	12,308,686	12,190,201	12,653,515	13,334,421
Pupil Transportation	4,780,780	4,553,453	4,366,501	4,405,761
Central	1,684,587	1,738,851	1,909,388	1,975,604
Operation of Non-Instructional Services				
Food Service Operations	1,855,816	1,821,836	1,970,089	1,952,226
Other	1,553,250	1,309,863	1,274,679	1,422,655
Extracurricular Activities	1,333,436	1,284,671	1,263,758	1,294,898
Capital Outlay	4,094,660	1,023,865	1,329,425	1,455,100
Debt Service:				
Principal Retirement	1,780,000	1,639,999	2,484,995	2,979,017
Interest and fiscal charges	796,253	1,016,556	1,276,670	1,215,459
Bond issuance costs	185,218	0	0	0
<i>Total Expenditures</i>	<u>102,749,586</u>	<u>98,403,559</u>	<u>99,305,113</u>	<u>103,174,090</u>
Excess of Revenues Over (Under)				
Expenditures	(4,623,797)	563,461	(135,778)	(8,780,001)
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	21,600
Insurance Recoveries	9,343	89,697	0	0
General Obligation Bonds Issued	4,170,000	0	0	0
General Obligation Bond Premium	0	0	0	0
General Obligation Notes Issued	0	0	0	600,000
Refunding Notes Issued	0	0	0	0
Refunding Bonds Issued	4,994,310	0	0	0
Premium on Debt Issuance	666,714	0	0	0
Current Refunding	0	0	0	0
Payment to Refunded Bond Escrow Agent'	(5,503,241)	0	0	0
Transfers In	3,420,000	380,000	400,000	475,000
Transfers Out	(3,420,000)	(380,000)	(400,000)	(475,000)
<i>Total Other Financing Sources (Uses)</i>	<u>4,337,126</u>	<u>89,697</u>	<u>0</u>	<u>621,600</u>
<i>Net Change in Fund Balance</i>	<u>\$ (286,671)</u>	<u>\$ 653,158</u>	<u>\$ (135,778)</u>	<u>\$ (8,158,401)</u>
Debt Service as a Percentage of				
Noncapital Expenditures	2.86%	2.77%	3.87%	4.15%

Source: School District financial records..

	2009	2008	2007	2006	2005	2004
\$	61,957,201	\$ 65,224,344	\$ 62,405,545	\$ 54,190,185	\$ 53,655,836	\$ 58,039,121
	30,598,762	29,558,547	27,980,088	27,216,734	27,269,185	25,877,126
	1,308,766	1,844,670	1,625,920	1,147,810	622,591	169,849
	1,531,239	1,661,400	1,142,301	1,275,721	1,061,636	1,288,125
	169,428	171,779	211,365	216,236	225,611	254,088
	293,449	822,575	74,405	193,730	104,820	594,335
	908,080	801,769	825,197	834,854	865,476	747,618
	165,751	149,690	146,800	144,129	146,592	156,653
	423,892	410,654	111,991	149,074	288,250	300,965
	<u>97,356,568</u>	<u>100,645,428</u>	<u>94,523,612</u>	<u>85,368,473</u>	<u>84,239,997</u>	<u>87,427,880</u>
	34,473,074	33,666,620	33,917,868	34,957,392	33,016,459	31,014,952
	11,725,813	11,338,941	10,986,330	10,567,581	10,740,864	9,844,459
	238,210	222,870	247,794	256,939	365,264	236,759
	0	0	0	0	0	0
	0	0	0	0	0	0
	5,467,430	5,424,438	5,185,243	5,351,841	5,335,372	5,173,505
	6,606,883	5,643,430	4,944,882	5,521,803	5,503,732	5,052,264
	18,690	29,232	16,097	19,423	12,969	80,848
	5,920,108	5,901,551	5,358,212	5,827,818	6,409,117	6,082,455
	2,181,027	1,630,945	2,453,694	1,838,791	2,009,811	1,633,900
	903,256	906,739	767,079	911,179	932,775	630,972
	12,124,552	12,186,506	10,347,581	11,247,987	10,247,849	9,682,083
	4,191,598	4,191,485	3,951,396	4,453,502	4,372,503	3,841,783
	1,357,533	1,620,601	1,628,239	1,485,332	1,538,769	1,335,852
	1,725,336	1,512,621	1,234,851	1,310,623	1,053,939	921,209
	1,090,029	1,418,516	1,174,103	1,296,494	1,144,380	1,258,577
	1,156,763	1,217,636	1,202,682	1,230,648	1,331,621	1,330,480
	3,463,331	7,388,359	5,313,843	4,503,634	1,575,538	2,060,855
	7,185,976	2,300,000	2,200,000	1,154,230	1,205,000	1,130,000
	1,281,044	1,198,467	909,172	971,212	760,280	773,595
	107,962	0	188,041	0	154,830	0
	<u>101,218,615</u>	<u>97,798,957</u>	<u>92,027,107</u>	<u>92,906,429</u>	<u>87,711,072</u>	<u>82,084,548</u>
	(3,862,047)	2,846,471	2,496,505	(7,537,956)	(3,471,075)	5,343,332
	0	0	0	0	0	0
	0	0	0	0	0	0
	4,999,999	0	14,200,582	0	11,324,994	0
	107,967	0	310,117	0	191,387	0
	0	5,000,000	0	0	570,000	0
	500,000	500,000	500,000	570,000	0	0
	0	0	0	0	0	0
	0	0	0	0	0	0
	(500,000)	(500,000)	(570,000)	(570,000)	0	0
	0	0	(5,942,840)	0	(1,354,975)	0
	475,000	175,000	125,000	287,192	281,912	252,711
	(475,000)	(175,000)	(125,000)	(287,192)	(281,912)	(252,711)
	5,107,966	5,000,000	8,497,859	0	10,731,406	0
\$	<u>1,245,919</u>	<u>7,846,471</u>	<u>10,994,364</u>	<u>(7,537,956)</u>	<u>7,260,331</u>	<u>5,343,332</u>
	8.81%	3.92%	3.80%	2.40%	2.28%	2.38%

Shaker Heights City School District (Cuyahoga County, Ohio)
History of School Operating Levies
For the Years 1933 - 2013

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

Source: Shaker Heights City School District Records.

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Shaker Heights City School District (Cuyahoga County, Ohio)

Assessed and Estimated Actual Value of Taxable Property

Last Ten Collection Years

Collection Year	Real Property			Tangible Personal Property	
	Residential/ Agricultural	Commercial/ Industrial/PU	Estimated Actual Value	Assessed Value	Estimated Actual Value
2013	\$ 702,161,380	\$ 78,177,030	\$ 2,229,538,314	\$ 0	\$ 0
2012	765,520,980	80,615,370	2,417,532,429	0	0
2011	775,613,180	81,686,000	2,449,426,229	756,680	12,106,880
2010	776,507,350	85,280,280	2,462,250,371	1,533,160	24,530,560
2009	837,960,590	87,981,190	2,645,547,943	2,081,828	33,309,248
2008	839,801,250	86,307,100	2,646,023,857	3,243,846	51,901,536
2007	843,012,950	90,658,920	2,667,633,914	8,670,762	69,366,096
2006	758,082,460	89,889,340	2,422,776,571	10,227,037	54,544,197
2005	760,446,580	92,028,820	2,435,644,000	10,874,112	47,278,748
2004	766,529,040	93,225,960	2,456,442,857	13,995,216	60,848,765

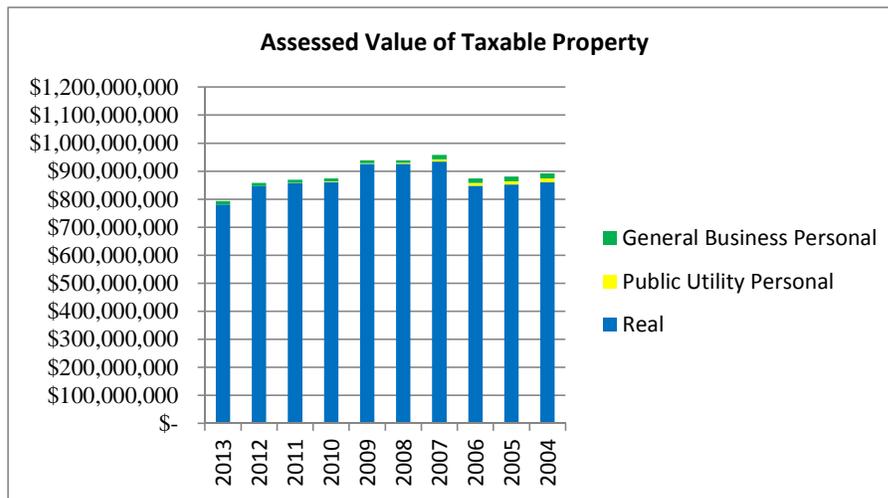
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

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

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

Source: Office of the County Auditor, Portage County, Ohio.

Tangible Personal Property		Total			
Public Utility					
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Full Tax Rate Per \$1,000 of Assessed Value	Weighted Average Tax Rate
\$ 12,585,450	\$ 14,301,648	\$ 792,923,860	\$ 2,243,839,962	\$ 212.33	95.31
11,663,830	13,254,352	857,800,180	2,430,786,781	180.13	90.32
11,271,270	12,808,261	869,327,130	2,474,341,370	180.13	89.61
11,018,560	12,521,091	874,339,350	2,499,302,022	170.60	79.86
10,337,780	11,747,477	938,361,388	2,690,604,668	170.60	74.92
9,871,720	11,217,864	939,223,916	2,709,143,257	170.30	74.27
15,113,730	17,174,693	957,456,362	2,754,174,703	170.30	75.27
15,778,790	17,930,443	873,977,627	2,495,251,212	160.50	72.51
17,529,940	19,920,386	880,879,452	2,502,843,134	159.20	71.05
17,827,640	20,258,682	891,577,856	2,537,550,304	158.90	71.46



Shaker Heights City School District (Cuyahoga County, Ohio)

Property Tax Rates - Direct and Overlapping Governments

(per \$1,000 of assessed value)

Last Ten Years

	2013	2012	2011	2010
Unvoted Millage				
Operating	\$ 4.100000	\$ 4.100000	\$ 4.100000	\$ 4.100000
Voted Millage - by levy				
All Prior to 1977 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	11.334686	10.405171	10.296773	10.281400
Commercial/Industrial	22.637648	22.029873	21.735116	20.939300
Tangible/Public Utility Personal	58.530000	58.530000	58.530000	58.530000
1977 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	2.957748	2.715192	2.686908	2.682900
Commercial/Industrial	5.000916	4.866648	4.801536	4.625700
Tangible/Public Utility Personal	12.000000	12.000000	12.000000	12.000000
1979 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	1.478874	1.357596	1.343454	1.341500
Commercial/Industrial	2.500458	2.433324	2.400768	2.312900
Tangible/Public Utility Personal	6.000000	6.000000	6.000000	6.000000
1981 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	2.449467	2.248591	2.225165	2.221800
Commercial/Industrial	3.215147	3.128827	3.086967	2.973900
Tangible/Public Utility Personal	6.500000	6.500000	6.500000	6.500000
1982 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	2.264754	2.079030	2.057370	2.054300
Commercial/Industrial	2.967912	2.888226	2.849580	2.745300
Tangible/Public Utility Personal	6.000000	6.000000	6.000000	6.000000
1983 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	3.780964	3.470896	3.434737	3.429600
Commercial/Industrial	5.009646	4.875147	4.809922	4.633800
Tangible/Public Utility Personal	8.800000	8.800000	8.800000	8.800000
1986 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	3.423803	3.143025	3.110280	3.105600
Commercial/Industrial	4.731360	4.604333	4.542728	4.376400
Tangible/Public Utility Personal	7.500000	7.500000	7.500000	7.500000

	2009	2008	2007	2006	2005	2004
\$	4.100000	\$ 4.100000	\$ 4.100000	\$ 4.100000	\$ 4.100000	\$ 4.100000
	9.510423	9.474953	9.458097	10.483601	10.463467	10.366424
	20.472975	20.074093	19.841787	20.940688	20.105874	20.117697
	58.530000	58.530000	58.530000	58.530000	58.530000	58.530000
	2.481732	2.472480	2.468076	2.735676	2.730420	2.705088
	4.522704	4.434588	4.383276	4.626036	4.441620	4.444236
	12.000000	12.000000	12.000000	12.000000	12.000000	12.000000
	1.240866	1.236240	1.234038	1.367838	1.365210	1.352544
	2.261352	2.217294	2.191638	2.313018	2.220810	2.222118
	6.000000	6.000000	6.000000	6.000000	6.000000	6.000000
	2.055242	2.047585	2.043938	2.265556	2.261207	2.240232
	2.907710	2.851063	2.818075	2.974153	2.855593	2.857270
	6.500000	6.500000	6.500000	6.500000	6.500000	6.500000
	1.900260	1.893180	1.889814	2.094720	2.090694	2.071302
	2.684106	2.631816	2.601366	2.745438	2.635992	2.637540
	6.000000	6.000000	6.000000	6.000000	6.000000	6.000000
	3.172453	3.160634	3.155011	3.497094	3.490379	3.458004
	4.530610	4.442346	4.390945	4.634133	4.449394	4.452008
	8.800000	8.800000	8.800000	8.800000	8.800000	8.800000
	2.872770	2.862068	2.856975	3.166748	3.160665	3.131348
	4.278938	4.195575	4.147028	4.376708	4.202235	4.204710
	7.500000	7.500000	7.500000	7.500000	7.500000	7.500000

(continued)

Shaker Heights City School District (Cuyahoga County, Ohio)

Property Tax Rates - Direct and Overlapping Governments

(per \$1,000 of assessed value)

Last Ten Years

	2013	2012	2011	2010
1989 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	5.656295	5.192442	5.138346	5.130700
Commercial/Industrial	7.518795	7.316935	7.219043	6.954700
Tangible/Public Utility Personal	9.800000	9.800000	9.800000	9.800000
1990 School Improvement Bonds (\$10,000,000)	0.269789	0.246694	0.253336	0.855177
1992 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	7.064830	6.485464	6.417902	6.408300
Commercial/Industrial	8.448247	8.221426	8.111431	7.814500
Tangible/Public Utility Personal	9.800000	9.800000	9.800000	9.800000
1995 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	6.824924	6.265235	6.199968	6.190700
Commercial/Industrial	8.100013	7.882548	7.777087	7.492400
Tangible/Public Utility Personal	8.700000	8.700000	8.700000	8.700000
1996 School Improvement Bonds (\$12,700,000)	1.011067	0.988696	0.982822	0.913267
2000 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	7.924350	7.274500	7.198717	7.188000
Commercial/Industrial	8.977188	8.736172	8.619292	8.303700
Tangible/Public Utility Personal	9.400000	9.400000	9.400000	9.400000
2003 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	9.140246	8.390688	8.303280	8.290900
Commercial/Industrial	9.600000	9.600000	9.600000	9.599300
Tangible/Public Utility Personal	9.600000	9.600000	9.600000	9.600000
2004 School Improvement Bonds (\$23,500,000)	2.319144	2.364610	2.363842	2.201556
2006 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	9.900000	9.825780	9.723424	9.708900
Commercial/Industrial	9.900000	9.900000	9.900000	9.899300
Tangible/Public Utility Personal	9.900000	9.900000	9.900000	9.900000
2010 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	9.900000	9.900000	9.900000	0.000000
Commercial/Industrial	9.900000	9.900000	9.900000	0.000000
Tangible/Public Utility Personal	9.900000	9.900000	9.900000	0.000000
Total Voted Millage by type of property				
Residential/Agricultural	87.700941	82.353610	81.636324	72.004600
Commercial/Industrial	112.107330	109.983459	108.953470	96.641200
Tangible/Public Utility Personal	176.030000	176.030000	176.030000	166.500000

2009	2008	2007	2006	2005	2004
4.745973	4.728294	4.719886	5.231642	5.221597	5.173165
6.799838	6.667361	6.590216	6.955217	6.677955	6.681885
9.800000	9.800000	9.800000	9.800000	9.800000	9.800000
0.713425	0.747118	0.779070	0.840387	0.874516	0.888694
5.927824	5.905745	5.895239	6.534444	6.521900	6.461414
7.640403	7.491561	7.404880	7.815000	7.503468	7.507888
9.800000	9.800000	9.800000	9.800000	9.800000	9.800000
5.726531	5.705199	5.695055	6.312546	6.300427	6.241989
7.325478	7.182764	7.099661	7.492875	7.194187	7.198424
8.700000	8.700000	8.700000	8.700000	8.700000	8.700000
0.777312	0.808272	1.052726	1.248007	1.274561	1.281306
6.649015	6.624246	6.612468	7.329434	7.315362	7.247513
8.118780	7.960616	7.868514	8.304308	7.973268	7.977959
9.400000	9.400000	9.400000	9.400000	9.400000	9.400000
7.669229	7.640659	7.626701	8.454058	8.437824	8.359565
9.385517	9.202675	9.096202	9.600000	9.289114	9.294586
9.600000	9.600000	9.600000	9.600000	9.600000	9.600000
2.479263	2.114610	1.838204	1.681606	0.320923	0.000000
8.980934	8.947481	8.931572	0.000000	0.000000	0.000000
9.678814	9.490259	9.380458	0.000000	0.000000	0.000000
9.900000	9.900000	9.900000	0.000000	0.000000	0.000000
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
66.903252	66.368764	66.256870	63.243357	61.829152	60.978588
94.577225	92.512011	91.484046	86.547574	82.019510	81.766321
166.500000	166.200000	166.200000	156.400000	155.100000	154.800000

(continued)

Shaker Heights City School District (Cuyahoga County, Ohio)

Property Tax Rates - Direct and Overlapping Governments

(per \$1,000 of assessed value)

Last Ten Years

	2013	2012	2011	2010
Total Millage by type of property				
Residential/Agricultural	91.800941	86.453610	85.736324	76.104600
Commercial/Industrial	116.207330	114.083459	113.053470	100.741200
Tangible/Public Utility Personal	180.130000	180.130000	180.130000	170.600000
Total Weighted Average Tax Rate	<u>95.310000</u>	<u>90.320000</u>	<u>89.610000</u>	<u>79.860000</u>
Overlapping Rates by Taxing District				
City of Shaker Heights Charter & Inside Millage	9.900000	9.900000	9.900000	9.900000
City of Cleveland Charter & Inside Millage	12.700000	12.700000	12.700000	12.700000
Shaker Heights Public Library Voted Millage				
Effective Millage Rates				
Residential/Agricultural	4.000000	4.000000	4.000000	4.000000
Commercial/Industrial	4.000000	4.000000	4.000000	4.000000
Tangible/Public Utility Personal	4.000000	4.000000	4.000000	4.000000
Cuyahoga County Voted Millage				
Effective Millage Rates				
Residential/Agricultural	13.220000	13.118223	13.186600	13.178900
Commercial/Industrial	12.996764	12.784540	12.841200	12.845700
Tangible/Public Utility Personal	13.220000	13.320000	13.320000	13.320000
Cleveland Metro Parks				
Effective Millage Rates				
Residential/Agricultural	1.850000	1.818768	1.810600	1.806800
Commercial/Industrial	1.791705	1.735404	1.724300	1.724900
Tangible/Public Utility Personal	1.850000	1.850000	1.850000	1.850000

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

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

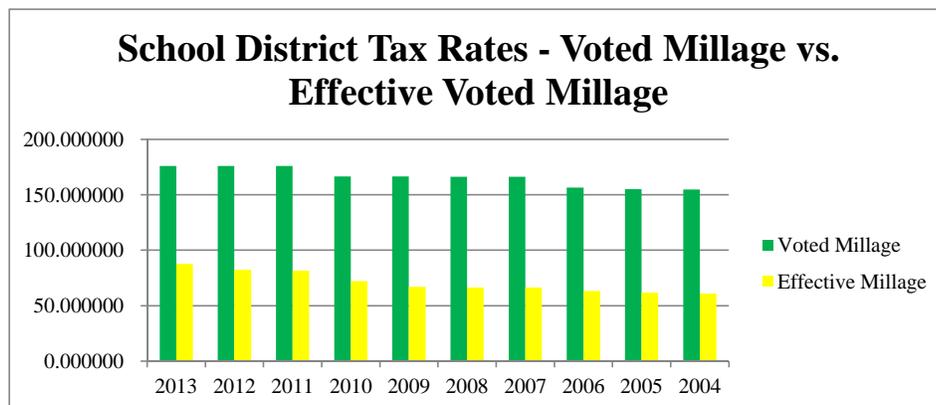
The City School District's basic property tax may be increased only by a majority vote of the City School District's residents.

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

Source: Ohio Department of Taxation.

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

2009	2008	2007	2006	2005	2004
71.003252	70.468764	70.356870	67.343357	65.929152	65.078588
98.677225	96.612011	95.584046	90.647574	86.119510	85.866321
170.600000	170.300000	170.300000	160.500000	159.200000	158.900000
74.920000	74.270000	75.270000	72.510000	71.050000	71.460000
9.900000	9.900000	9.900000	9.900000	9.900000	9.900000
12.700000	12.700000	12.700000	12.700000	12.700000	12.700000
4.000000	3.183608	3.177948	3.522524	3.515760	3.483152
4.000000	3.834448	3.790084	4.000000	3.870464	3.872744
4.000000	4.000000	4.000000	4.000000	4.000000	4.000000
16.150600	14.355800	14.351600	14.172700	13.424600	13.442800
15.489300	15.121000	15.171600	15.281400	14.662400	14.736300
16.250000	16.350000	16.350000	16.450000	16.450000	16.450000
1.669800	1.672000	1.671500	1.846500	1.845700	1.166100
1.717100	1.712500	1.718700	1.850000	1.839700	1.316600
1.850000	1.850000	1.850000	1.850000	1.850000	1.550000



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

Collection Year (1)	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections	Total Tax Collection	Percent of Total Tax Collections to Current Tax Levy (2)	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Current Tax Levy
2012	\$ 77,587,212	\$ 72,488,048	93.43%	\$ 3,203,044	\$ 75,691,092	97.56%	\$ 9,675,933	12.47%
2011	77,995,834	72,449,988	92.89%	2,838,906	75,288,894	96.53%	9,500,248	12.18%
2010	70,060,762	65,437,178	93.40%	3,141,184	68,578,362	97.88%	9,976,749	14.24%
2009	70,182,682	65,751,724	93.69%	3,168,086	68,919,810	98.20%	8,703,272	12.40%
2008	70,633,574	66,607,428	94.30%	5,596,275	72,203,703	102.22%	5,949,390	8.42%
2007	71,622,535	66,645,731	93.05%	3,687,456	70,333,187	98.20%	13,982,682	19.52%
2006	70,402,802	59,713,108	84.82%	2,763,300	62,476,408	88.74%	6,529,128	9.27%
2005	68,357,014	58,502,023	85.58%	2,924,281	61,426,304	89.86%	6,005,534	8.79%
2004	69,712,232	60,204,426	86.36%	2,955,133	63,159,559	90.60%	6,152,166	8.83%
2003	60,781,197	52,442,163	86.28%	2,755,165	55,197,328	90.81%	5,823,933	9.58%

Source: Office of the Fiscal Officer - Data is presented on a calendar year basis because that is the manner in which the information .

(1)Represents collection year. 2013 information cannot be presented because all collections have not yet been made.

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

Shaker Heights City School District (Cuyahoga County, Ohio)

Principal Taxpayers - Real Property Taxes

2013 and 2004 (1)

Name of Taxpayer	2013	
	Assessed Valuation	Percent of Real Assessed Value
Shaker MZL LLC	\$ 3,411,460	0.44%
University Hospitals	2,450,000	0.31%
Tower East Operating Association	2,428,870	0.31%
Oliver Family Limited	2,348,290	0.30%
Shaker Heights Country Club	2,181,350	0.28%
Kirt Montlack, LTD	1,976,450	0.25%
Coral Shaker Square LLC	1,768,080	0.23%
The Residences at Avalon Station	1,355,540	0.17%
Salzberg, Deborah SUC TR	1,309,810	0.17%
Shaker Plaza LTD	1,304,630	0.17%
Total	<u>\$ 20,534,480</u>	<u>2.63%</u>

Total Assessed Valuation

\$ 780,338,410

Name of Taxpayer	2004	
	Assessed Valuation	Percent of Real Assessed Value
Tower East Operating Association	\$ 5,906,590	0.69%
Shaker Square of Ohio LLC	4,975,340	0.58%
Shaker Towne Center LLC	3,748,500	0.44%
Somerset Point Limited Partnership	2,678,620	0.31%
OfficeMax Incorporated	2,295,480	0.27%
Oliver Family Limited	2,275,000	0.26%
Deborah Salzberg	1,913,800	0.22%
Livingston Park Apartments Limited Partnership	1,720,120	0.20%
Shaker Heights Country Club	1,575,820	0.18%
Cleveland Skating Club	1,492,000	0.17%
	<u>\$ 28,581,270</u>	<u>3.32%</u>

Total Assessed Valuation

\$ 859,755,000

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

(1) The amounts presented represent the assessed values upon which 2013 and 2004 collections were based.

Shaker Heights City School District (Cuyahoga County, Ohio)

Principal Taxpayers - Public Utilities Tax
2013 and 2004 (1)

Name of Taxpayer	2013	
	Assessed Valuation	Percent of Real Assessed Value
Cleveland Electric Illuminating Company	\$ 10,068,380	80.00%
East Ohio Gas Company	1,830,550	14.53%
American Transmission Systems, Inc.	686,520	5.45%
Total	\$ 12,585,450	99.98%
<i>Total Assessed Valuation</i>	<u><u>\$ 12,585,450</u></u>	
Name of Taxpayer	2004	
	Assessed Valuation	Percent of Real Assessed Value
Cleveland Electric Illuminating Company	\$ 7,259,920	40.72%
Ohio Bell Telephone Company	7,110,150	39.88%
East Ohio Gas Company	1,455,730	8.17%
American Transmission Systems, Inc.	837,310	4.70%
Total	\$ 16,663,110	93.47%
<i>Total Assessed Valuation</i>	<u><u>\$ 17,827,640</u></u>	

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

(1) The amounts presented represent the assessed values upon which 2013 and 2004 collections were based.

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

Net General Bonded Debt									
Collection Year	Population (1)	Estimated Actual Value	Net General Bonded Debt	Ratio of Net General Bonded Debt to Estimated Actual Value	Net Bonded Debt Per Capita	Notes	Total Debt	Percentage of Total Debt to Personal Income (2)	Total Debt Per Capita
2013	28,039	\$ 2,243,839,962	\$ 22,252,960	0.99%	\$ 794	\$ 0	\$ 22,252,960	1.64%	\$ 794
2012	28,366	2,430,786,781	19,911,521	0.82%	702	0	19,911,521	1.46%	702
2011	28,448	2,474,341,370	22,010,774	0.89%	774	0	22,010,774	1.62%	774
2010	29,405	2,499,302,022	23,256,208	0.93%	791	600,000	23,856,208	1.96%	811
2009	29,405	2,690,604,668	25,439,703	0.95%	865	500,000	25,939,703	2.13%	882
2008	29,405	2,709,143,257	22,800,324	0.84%	775	5,500,000	28,300,324	2.33%	962
2007	29,405	2,754,174,702	25,568,925	0.93%	870	570,000	26,138,925	2.15%	889
2006	29,405	2,495,251,212	19,333,502	0.77%	657	570,000	19,903,502	1.64%	677
2005	29,405	2,502,843,134	21,246,073	0.85%	723	570,000	21,816,073	1.79%	742
2004	29,405	2,537,550,304	12,338,465	0.49%	420	0	12,338,465	1.01%	420

(1) Estimate obtained from the United States Census Bureau website.
(2) Personal income can be found on S - 34.

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

	2013	2012	2011
Total Assessed Valuation	\$ 792,923,860	\$ 857,800,180	\$ 869,327,130
Less Railroad and Telephone Property Valuation	0	0	0
Less General Business Tangible Personal Valuation	0	0	(756,680)
Total Assessed Valuation used to Calculate Legal Debt Margin (1)	<u>\$ 792,923,860</u>	<u>\$ 857,800,180</u>	<u>\$ 868,570,450</u>
Debt Limit - 9% of Assessed Value (2)	<u>\$ 71,363,147</u>	<u>\$ 77,202,016</u>	<u>\$ 78,171,341</u>
Amount of Debt Outstanding			
General Obligation Bonds	25,060,578	22,465,533	23,680,580
Energy Conservation Improvement Bonds	0	0	0
Bus Acquisition Bond Anticipation Note	0	0	600,000
Bond Anticipation Note	0	0	0
Less: Amount Available in Debt Service	(2,807,618)	(2,554,012)	(2,269,806)
Total	<u>22,252,960</u>	<u>19,911,521</u>	<u>22,010,774</u>
Exemptions:			
Energy Conservation Improvement Bonds	0	0	0
Bus Acquisition Bond Anticipation Note	0	0	(600,000)
Amount of Debt Subject to Limit	<u>22,252,960</u>	<u>19,911,521</u>	<u>21,410,774</u>
Overall Debt Margin	<u>\$ 49,110,187</u>	<u>\$ 57,290,495</u>	<u>\$ 56,760,567</u>
Legal Debt Margin as a Percentage of Debt Limit	68.82%	74.21%	72.61%
Unvoted Legal Debt Limit - .10% of Assessed Value (1)	\$ 792,924	\$ 857,800	\$ 868,570
Amount of Debt Subject to Limit	0	0	0
Unvoted Debt Margin	<u>\$ 792,924</u>	<u>\$ 857,800</u>	<u>\$ 868,570</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	100.00%	100.00%
Additional Limit for Unvoted Energy Conservation Improvement Bonds:			
Debt Limit - 1% of Assessed Valuation	\$ 7,929,239	\$ 8,578,002	\$ 8,693,271
Energy Conservation Improvement Bonds	0	0	0
Additional Unvoted Debt Margin	<u>\$ 7,929,239</u>	<u>\$ 8,578,002</u>	<u>\$ 8,693,271</u>

Source: Cuyahoga County Fiscal Officer and School District Financial Records

- (1) The definition of tax valuation for the purpose of calculating the debt margin was modified by HB530, effective 3/30/06, to exclude tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations.
- (2) Ohio Bond Law sets a limit of 9 percent for overall debt and 1/10 of 1 percent for unvoted debt.

2010	2009	2008	2007	2006 (1)	2005	2004
\$ 874,339,350	\$ 938,361,388	\$ 939,223,916	\$ 957,456,362	\$ 873,977,627	\$ 880,879,452	\$ 891,577,856
0	(2,390,110)	(3,206,440)	0	0	0	0
(1,533,160)	(2,081,828)	(3,243,846)	(5,428,020)	0	0	0
<u>\$ 872,806,190</u>	<u>\$ 933,889,450</u>	<u>\$ 932,773,630</u>	<u>\$ 952,028,342</u>	<u>\$ 873,977,627</u>	<u>\$ 880,879,452</u>	<u>\$ 891,577,856</u>
\$ 78,552,557	\$ 84,050,051	\$ 83,949,627	\$ 85,682,551	\$ 78,657,986	\$ 79,279,151	\$ 80,242,007
25,565,575	28,044,592	25,230,569	28,008,859	21,586,229	22,533,616	13,413,544
0	0	0	0	0	159,230	304,230
600,000	500,000	500,000	570,000	570,000	570,000	0
0	0	5,000,000	0	0	0	0
(2,309,367)	(2,604,889)	(2,430,245)	(2,439,934)	(2,252,727)	(1,446,773)	(1,379,309)
<u>23,856,208</u>	<u>25,939,703</u>	<u>28,300,324</u>	<u>26,138,925</u>	<u>19,903,502</u>	<u>21,816,073</u>	<u>12,338,465</u>
0	0	0	0	0	(159,230)	0
(600,000)	(500,000)	(500,000)	(570,000)	(570,000)	(570,000)	0
<u>23,256,208</u>	<u>25,439,703</u>	<u>27,800,324</u>	<u>25,568,925</u>	<u>19,333,502</u>	<u>21,086,843</u>	<u>12,338,465</u>
<u>\$ 55,296,349</u>	<u>\$ 58,610,348</u>	<u>\$ 56,149,303</u>	<u>\$ 60,113,626</u>	<u>\$ 59,324,484</u>	<u>\$ 58,192,308</u>	<u>\$ 67,903,542</u>
70.39%	69.73%	66.88%	70.16%	75.42%	73.40%	84.62%
\$ 872,806	\$ 933,889	\$ 932,774	\$ 952,028	\$ 873,978	\$ 880,879	\$ 891,578
0	0	0	0	0	(159,230)	0
<u>\$ 872,806</u>	<u>\$ 933,889</u>	<u>\$ 932,774</u>	<u>\$ 952,028</u>	<u>\$ 873,978</u>	<u>\$ 721,649</u>	<u>\$ 891,578</u>
100.00%	100.00%	100.00%	100.00%	100.00%	81.92%	100.00%
\$ 8,743,394	\$ 9,383,614	\$ 9,392,239	\$ 9,574,564	\$ 8,739,776	\$ 8,808,795	\$ 8,915,779
0	0	0	0	0	(159,230)	(304,230)
<u>\$ 8,743,394</u>	<u>\$ 9,383,614</u>	<u>\$ 9,392,239</u>	<u>\$ 9,574,564</u>	<u>\$ 8,739,776</u>	<u>\$ 8,649,565</u>	<u>\$ 8,611,549</u>

Shaker Heights City School District (Cuyahoga County, Ohio)
 Computation of Direct & Overlapping General Obligation Bonded Debt
 June 30, 2013

	<u>Debt Outstanding</u>	<u>Percent Overlapping (1)</u>	<u>Amount Applicable to Shaker Heights City School District</u>
Direct:			
Shaker Heights City School District	\$ 22,252,960	100.00%	\$ 22,252,960
Overlapping:			
City of Shaker Heights	19,355,000	100.00%	19,355,000
City of Cleveland	26,150,000	0.88%	230,120
Regional Transit Authority	13,895,000	2.87%	398,787
Cuyahoga County	233,216,646	2.87%	6,693,318
Total Overlapping	<u>292,616,646</u>		<u>26,677,224</u>
Total Direct and Overlapping	<u>\$ 314,869,606</u>		<u>\$ 48,930,184</u>

Source: Ohio Municipal Advisory Council

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

Shaker Heights City School District (Cuyahoga County, Ohio)

*History of Bond Issues
For the Years 1912 - 2013*

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

Source: Shaker Heights City School District.

N/A - Not Available

Note: Excludes refunding bonds issued.

Shaker Heights City School District (Cuyahoga County, Ohio)

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

<u>Year</u>	<u>Property Value (1) (Real Estate Only)</u>	<u>Financial Institution Deposits (000's) Banks</u>	<u>Value of Building Permits Issued (2)</u>
2013	\$ 780,338,410	\$ 78,170,736	\$ 18,209,737
2012	846,136,350	74,277,632	17,546,910
2011	857,299,180	57,887,646	18,513,543
2010	861,787,630	65,192,480	12,832,253
2009	925,941,780	168,829,043	13,570,377
2008	926,108,350	159,000,767	22,193,823
2007	933,671,870	161,139,482	12,992,828
2006	847,971,800	110,547,665	23,288,638
2005	852,475,400	105,769,931	26,855,317
2004	859,755,000	97,238,973	15,419,905

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

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

Shaker Heights City School District (Cuyhoga County, Ohio)

Principal Employers

2012 and 2005

2012			
Employer	Nature of Business or Activity	Number of FTE's	Number of W-2's
University Hospitals	Hospital administration	942	1,200
Shaker Heights City School District	Government entity	795	1,387
City of Shaker Heights	Government entity	415	493
Hathaway Brown School	School	210	425
Laurel School	School	170	275
Center for Dialysis Care	Health care	100	177
University School (Shaker campus)	School	100	149
Heinens	Supermarket	71	186
Equity Engineering Group	Engineering	59	77
Total		2,862	4,369
Total Employment within the School District	(1)	<u>n/a</u>	<u>n/a</u>

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

Source: Employer survey

(1) Information not available.

(2) Information prior to 2005 is not available.

Shaker Heights City School District (Cuyahoga County, Ohio)

Demographic Statistics

Last Ten Years

Year	Cuyahoga County Population	Shaker Heights City Population	Personal Income	Per Capita Personal Income	School Enrollment	Cuyahoga County Unemployment Rate
2013	1,280,122	28,448	\$ 1,359,359,232	\$ 47,784	5,423	8.0%
2012	1,280,122	28,448	1,359,359,232	47,784	5,446	8.0%
2011	1,280,122	28,448	1,359,359,232	47,784	5,490	8.6%
2010	1,363,888	29,405	1,216,014,370	41,354	5,484	9.7%
2009	1,363,888	29,405	1,216,014,370	41,354	5,542	10.2%
2008	1,363,888	29,405	1,216,014,370	41,354	5,482	7.4%
2007	1,363,888	29,405	1,216,014,370	41,354	5,577	6.3%
2006	1,363,888	29,405	1,216,014,370	41,354	5,628	9.6%
2005	1,363,888	29,405	1,216,014,370	41,354	5,734	6.6%
2004	1,363,888	29,405	1,216,014,370	41,354	5,623	6.6%

Sources: U.S. Census of Population
 Years 2011 - 2012 The 2010 Federal Census
 Years 2003 - 2010 The 2000 Federal Census
 Unemployment data from February 2012

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Shaker Heights City School District (Cuyahoga County, Ohio)

Building Statistics by Function/Program

Last Ten Fiscal Years

	2013	2012	2011	2010
Boulevard Elementary School				
Constructed in 1914				
Total Building Square Footage	48,000	48,000	48,000	48,000
Enrollment Grades K - 4	360	360	358	352
Student Capacity	544	544	544	544
Regular Instruction Classrooms	22	22	22	22
Special Instruction Classrooms	2	2	2	2
Fernway Elementary School				
Constructed in 1927				
Total Building Square Footage	29,925	29,925	29,925	29,925
Enrollment Grades K - 4	344	356	357	357
Student Capacity	366	366	366	366
Regular Instruction Classrooms	15	15	15	15
Special Instruction Classrooms	2	2	2	2
Lomond Elementary School				
Constructed in 1928				
Total Building Square Footage	65,075	65,075	65,075	65,075
Enrollment Grades K - 4	457	490	473	502
Student Capacity	620	620	620	620
Regular Instruction Classrooms	25	25	26	26
Special Instruction Classrooms	3	3	2	2
Mercer Elementary School				
Constructed in 1952				
Total Building Square Footage	70,640	70,640	70,640	70,640
Enrollment Grades K - 4	381	362	411	424
Student Capacity	590	590	590	590
Regular Instruction Classrooms	24	24	24	24
Special Instruction Classrooms	4	4	4	4
Onaway Elementary School				
Constructed in 1923				
Total Building Square Footage	63,700	63,700	63,700	63,700
Enrollment Grades K - 4	412	433	411	427
Student Capacity	606	606	606	606
Regular Instruction Classrooms	23	23	23	23
Special Instruction Classrooms	5	5	5	5
Woodbury Elementary School				
Constructed in 1918				
Total Building Square Footage	138,350	138,350	138,350	138,350
Enrollment Grades 5 - 6	823	850	855	827
Student Capacity	900	900	900	900
Regular Instruction Classrooms	41	41	41	41
Special Instruction Classrooms	8	8	8	8

2009	2008	2007	2006	2005	2004
48,000	48,000	48,000	48,000	48,000	48,000
339	340	360	393	424	384
544	544	544	544	544	544
22	22	22	21	21	21
2	2	2	3	3	3
29,925	29,925	29,925	29,925	29,925	29,925
342	333	324	313	312	300
366	366	366	366	366	366
15	15	15	16	17	17
2	2	2	1	0	0
65,075	65,075	65,075	65,075	65,075	65,075
497	512	526	518	538	512
620	620	620	620	620	620
26	26	26	25	25	25
2	2	2	3	3	3
70,640	70,640	70,640	70,640	70,640	70,640
425	432	411	411	432	414
590	590	590	590	590	590
24	24	24	25	25	25
4	4	4	3	3	3
63,700	63,700	63,700	63,700	63,700	63,700
424	414	418	360	370	371
606	606	606	606	606	606
23	23	23	24	24	24
5	5	5	4	4	4
138,350	138,350	138,350	138,350	138,350	138,350
843	785	816	833	834	865
900	900	900	900	900	900
42	42	42	43	43	43
7	7	7	6	6	6

(continued)

Shaker Heights City School District (Cuyahoga County, Ohio)

Building Statistics by Function/Program

Last Ten Fiscal Years

	2013	2012	2011	2010
Shaker Heights Middle School				
Constructed in 1957				
Total Building Square Footage	133,400	133,400	133,400	133,400
Enrollment - Grades 7 - 8	868	850	873	823
Student Capacity	1,000	1,000	1,000	1,000
Regular Instruction Classrooms	26	26	26	26
Special Instruction Classrooms	7	7	7	7
Shaker Heights High School				
Constructed in 1930				
Total Building Square Footage	314,400	314,400	314,400	314,400
Enrollment - Grades 9 - 12	1,778	1,745	1,752	1,772
Student Capacity	2,000	2,000	2,000	2,000
Regular Instruction Classrooms	51	50	52	52
Special Instruction Classrooms	9	10	8	8
Sussex Pre-School (1)				
Constructed in 1922				
Total Building Square Footage	0	0	0	0
Enrollment - Grades Pre - K	0	0	0	0
Student Capacity	0	0	0	0

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

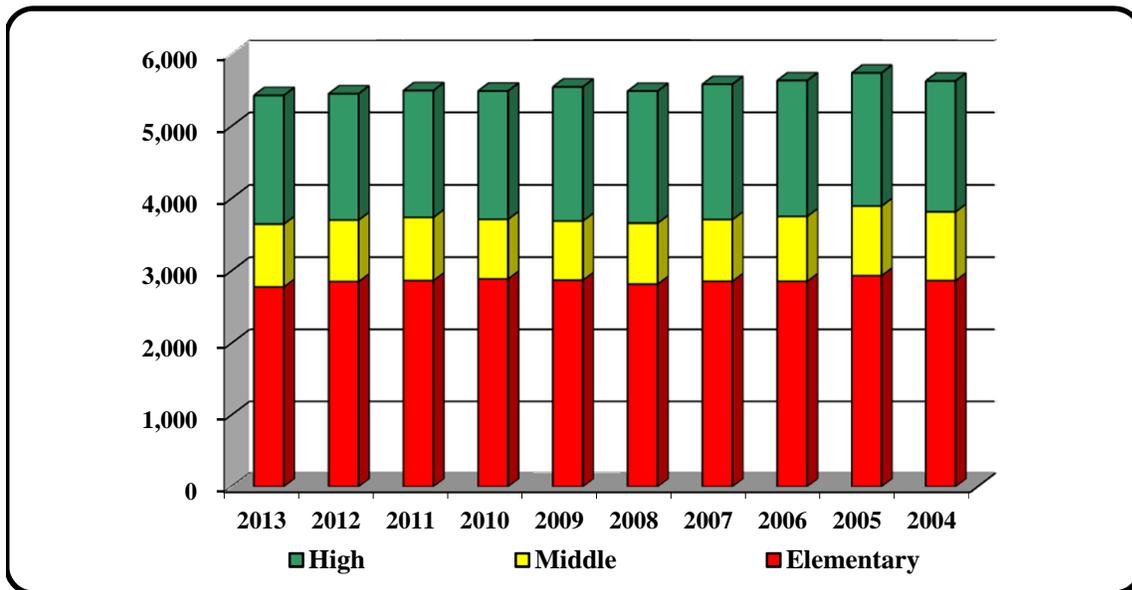
2009	2008	2007	2006	2005	2004
133,400	133,400	133,400	133,400	133,400	133,400
818	843	852	900	964	954
1,000	1,000	1,000	1,000	1,000	1,000
27	27	27	27	27	27
6	6	6	6	6	6
314,400	314,400	304,400	304,400	304,400	304,400
1,854	1,823	1,870	1,876	1,838	1,805
2,000	2,000	2,000	2,000	2,000	2,000
52	52	52	52	52	52
8	8	8	8	8	8
0	0	0	33,000	33,000	33,000
0	0	0	24	22	18
0	0	0	30	30	30

Shaker Heights City School District (Cuyahoga County, Ohio)

Enrollment Statistics

Last Ten Fiscal Years

Fiscal Year	Elementary Schools	Middle School	High School	Total
2013	2,777	868	1,778	5,423
2012	2,851	850	1,745	5,446
2011	2,865	873	1,752	5,490
2010	2,889	823	1,772	5,484
2009	2,870	818	1,854	5,542
2008	2,816	843	1,823	5,482
2007	2,855	852	1,870	5,577
2006	2,855	897	1,876	5,628
2005	2,932	962	1,840	5,734
2004	2,864	950	1,809	5,623

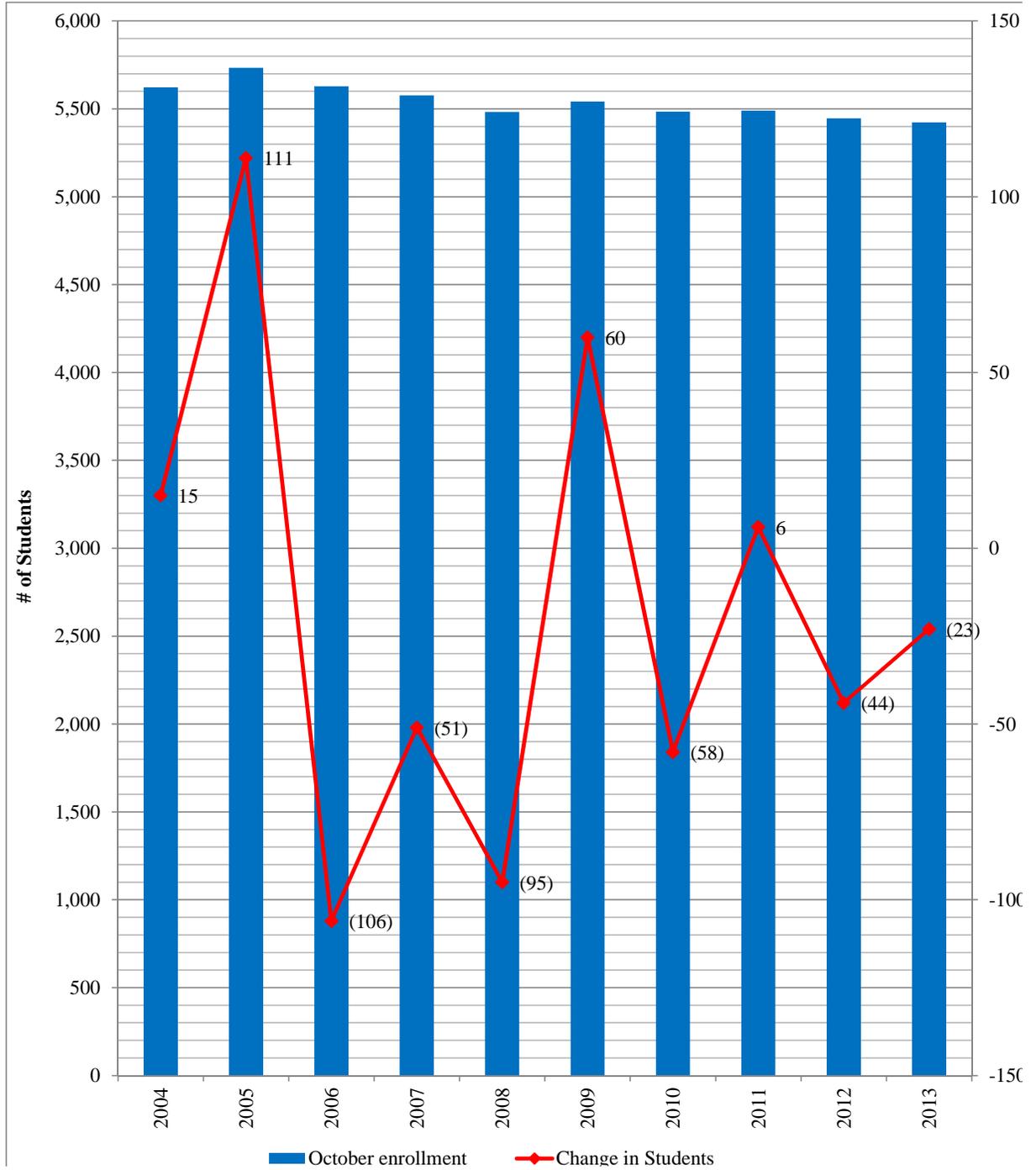


Source: School District Records.

Shaker Heights City School District (Cuyahoga County, Ohio)
Enrollment Summary
Last Ten Fiscal Years

October Enrollment

Change in Students



Shaker Heights City School District (Cuyahoga County, Ohio)
Public, Community School, Private and Total School Enrollment by School Year
Fiscal Years 1979 to 2013

Fiscal Year	Total Public Enrollment (1)	Total Community School Enrollment (2)	Total Private Enrollment (3)	Total Enrollment	Private and Community School as a Percent of Total
2013	5,423	94	997	6,514	16.7%
2012	5,444	102	992	6,538	16.7%
2011	5,490	78	989	6,557	16.3%
2010	5,484	60	1,100	6,644	17.5%
2009	5,542	41	1,159	6,742	17.8%
2008	5,482	46	1,180	6,708	18.3%
2007	5,577	56	1,174	6,807	18.1%
2006	5,628	55	1,130	6,813	17.4%
2005	5,734	76	1,123	6,933	17.3%
2004	5,623	46	956	6,625	15.1%
2003	5,608	21	897	6,526	14.1%
2002	5,619	9	1,104	6,732	16.5%
2001	5,625	n/a	1,088	6,713	16.2%
2000	5,714	n/a	1,079	6,793	15.9%
1999	5,640	n/a	1,017	6,657	15.3%
1998	5,592	n/a	983	6,575	15.0%
1997	5,634	n/a	1,071	6,705	16.0%
1996	5,485	n/a	1,065	6,550	16.3%
1995	5,371	n/a	964	6,335	15.2%
1994	5,081	n/a	911	5,992	15.2%
1993	4,959	n/a	869	5,828	14.9%
1992	4,933	n/a	873	5,806	15.0%
1991	4,874	n/a	846	5,720	14.8%
1990	4,887	n/a	916	5,803	15.8%
1989	4,830	n/a	964	5,794	16.6%
1988	4,869	n/a	1,009	5,878	17.2%
1987	5,013	n/a	996	6,009	16.6%
1986	5,125	n/a	1,047	6,172	17.0%
1985	5,187	n/a	1,160	6,347	18.3%
1984	5,294	n/a	1,200	6,494	18.5%
1983	5,490	n/a	1,216	6,706	18.1%
1982	5,759	n/a	1,249	7,008	17.8%
1981	5,951	n/a	1,236	7,187	17.2%
1980	6,049	n/a	1,355	7,404	18.3%
1979	6,156	n/a	1,375	7,531	18.3%

Source: Shaker Heights City School District Records

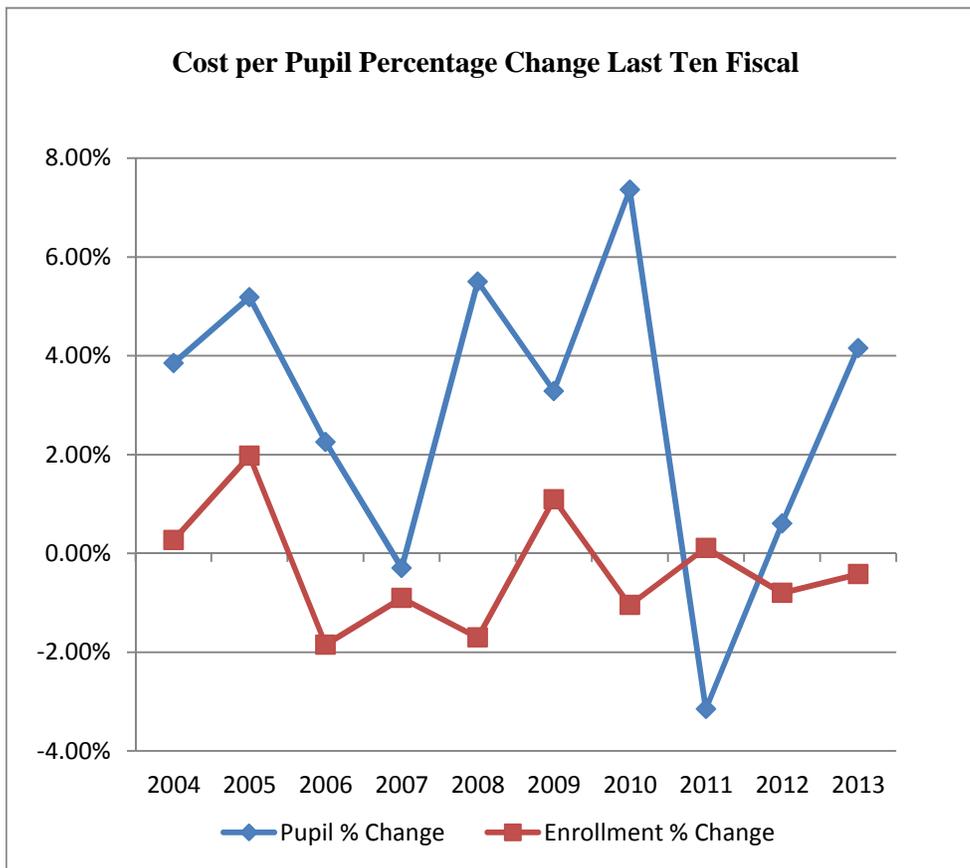
- (1) Figures for fiscal year 1979 through 1982 are based on Shaker Heights City School District Racial Ethnic Reports. Figures for 1983 through 2013 are based on first full week of Shaker Heights City School District October enrollment report.
- (2) FTE pupils attending Community Schools from State of Ohio Community School Deduction Summary report for respective year, with 2002 as the first year of record.
- (3) Estimated from State of Ohio District Enrollment by Nonpublic Schools Report and/or telephone and mail survey of private and parochial schools.

n/a - Information not available

Shaker Heights City School District

*Per Pupil Cost
Last Ten Fiscal Years*

Year	General Fund Expenditures	Average Daily Student Enrollment	Per Pupil Cost
2013	\$ 89,667,713	5,423	\$ 16,535
2012	86,457,215	5,446	15,875
2011	86,633,665	5,490	15,780
2010	89,355,922	5,484	16,294
2009	84,112,470	5,542	15,177
2008	80,555,178	5,482	14,694
2007	77,679,215	5,577	13,928
2006	78,621,894	5,628	13,970
2005	78,336,642	5,734	13,662
2004	73,034,370	5,623	12,989



Source: School District Records.

Shaker Heights City School District (Cuyahoga County, Ohio)

School District Employees by Function/Program

Last Ten Fiscal Years

Function/Program	2013	2012	2011
Regular Instruction			
Elementary Classroom Teachers	148.0	151.2	158.1
Middle School Classroom Teachers	61.5	60.5	60.5
High School Classroom Teachers	113.2	110.8	114.5
Special Instruction			
Preschool Teachers	3.0	3.0	3.0
Elementary Classroom Teachers	23.5	22.8	21.2
Gifted Education Teachers	8.0	8.0	8.0
Middle School Classroom Teachers	7.6	6.9	6.7
High School Classroom Teachers	11.3	9.8	9.8
Special Ed Teachers - Stimulus	0.0	0.0	1.7
Vocational Instruction			
High School Classroom Teachers	0.0	0.0	0.0
Pupil Support Services			
Teacher Aides	94.1	86.8	83.8
Tutors	31.7	33.0	25.9
Tutors - Stimulus	0.0	0.0	6.9
Guidance Counselors	11.4	10.8	10.8
Librarians and Library Technicians	8.0	7.6	8.0
Psychologists	9.4	9.4	8.8
Psychologists - Stimulus	0.0	0.0	1.0
Speech & Language Pathologists	5.6	5.6	5.0
Speech & Language Pathologists - Stimulus	0.0	0.0	0.6
Nurse	8.3	8.2	8.4
Other Professional	0.8	0.8	1.8
Administrators			
Elementary	9.0	9.0	9.0
Middle School	3.0	3.0	3.0
High School	5.0	5.0	5.0
Districtwide (Certificated & Classified)	16.0	16.0	15.0
Operation of Plant			
Custodians	58.0	58.0	58.0
Maintenance and Groundskeeping	14.0	14.0	14.0
Pupil Transportation			
Bus Drivers	29.8	28.3	28.3
Mechanics	3.0	3.0	3.0
Food Service Program (1)			
Elementary Cooks	0.0	0.0	0.0
Middle School Cooks	0.0	0.0	0.0
High School Cooks	0.0	0.0	0.0
Other			
Supervisor/Administrator classification	33.8	31.0	32.0
OAPSE	54.0	53.8	53.8
Security	20.4	20.4	20.4
Data Processing	4.0	4.0	4.0
Total Employees	<u>795.4</u>	<u>780.7</u>	<u>790.0</u>

Method: Using 1.0 for each full-time employee and 0.1 for each part time and seasonal employee.
The count is performed on September 1 of each year.

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

* Increase due to reclassification of employee status effective in Fiscal 2008.

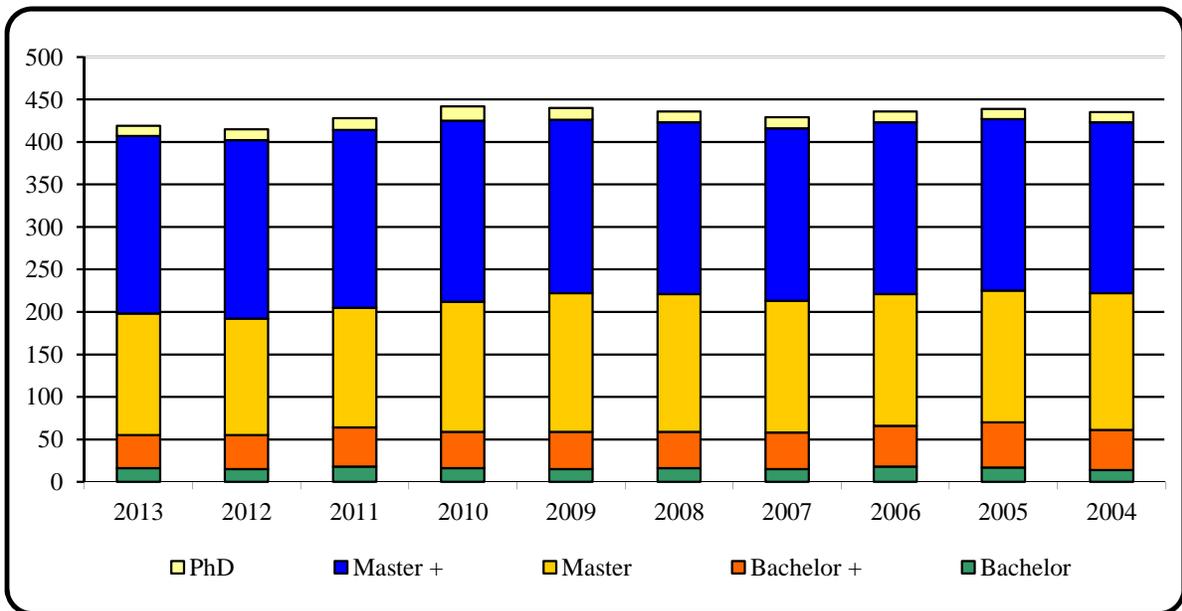
Source: School District Records.

2010	2009	2008	2007	2006	2005	2004
158.4	158.0	159.4	152.0	156.0	162.1	154.2
61.4	61.1	58.0	58.8	62.7	62.7	65.0
124.3	124.4	122.3	116.5	128.4	128.4	130.1
3.0	3.0	3.0	3.0	2.0	2.0	0.0
21.5	22.0	21.2	22.2	21.0	18.0	22.0
8.0	8.0	8.0	8.0	8.0	8.0	8.0
6.6	7.3	10.1	9.6	8.2	6.2	5.0
9.4	9.0	8.8	9.4	6.4	6.4	6.2
1.7	0.0	0.0	0.0	0.0	0.0	0.0
1.0	1.0	1.0	1.0	1.0	1.0	0.9
86.9	79.4	71.6	66.0	61.5	58.2	62.1
30.5	30.9	33.9	37.7	47.6	51.6	55.4
6.1	0.0	0.0	0.0	0.0	0.0	0.0
10.5	10.5	11.0	11.0	10.0	11.0	11.0
9.4	10.4	9.4	9.0	9.0	9.4	8.5
8.8	9.0	8.0	8.8	6.4	6.4	6.4
1.0	0.0	0.0	0.0	0.0	0.0	0.0
6.0	6.0	6.0	6.0	6.4	6.4	6.8
0.6	0.0	0.0	0.0	0.0	0.0	0.0
8.4	8.4	8.4	8.4	7.2	7.2	7.3
1.8	1.4	1.4	5.0	3.5	3.0	3.0
9.0	9.0	9.0	9.0	9.0	9.0	9.0
3.0	3.0	3.0	3.0	4.0	4.0	4.0
5.0	5.0	6.0	6.0	6.0	6.0	6.0
15.0	15.0	15.0	16.0	16.0	16.0	16.0
59.0	59.0	58.6	59.6	68.0	65.0	66.0
15.0	15.0	14.0	14.0	19.0	19.0	17.0
28.9	28.6	28.9	27.5	28.5	36.0	32.5
3.0	3.0	4.0	4.0	4.0	5.0	3.0
12.3	10.3	12.3	9.9	8.1	4.7	3.1
4.9	4.2	5.2	4.9	5.0	4.0	5.8
6.7	7.1	4.8	4.8	6.1	4.4	4.0
33.0	32.4	30.4	29.4	30.4	30.4	32.1
53.1	54.5	53.9	53.9	52.9	53.8	53.8
19.6	19.4	17.4	8.0	8.0	8.0	7.0
4.0	4.0	3.0	4.0	5.0	5.0	5.0
<u>836.8</u>	<u>819.3</u>	<u>807.0</u>	<u>786.4</u>	<u>815.3</u>	<u>818.3</u>	<u>816.1</u>

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

Degree	2013	2012	2011	2010
Bachelor	16	15	18	16
Bachelor +15	39	40	46	43
Master	143	137	141	153
Master +15	99	99	98	95
Master +30	41	36	36	40
Master +45	69	75	75	78
PhD	12	13	14	17
Total	419	415	428	442

Years of Experience	2013	2012	2011	2010
0 - 5	55	53	54	100
6 - 10	72	72	75	94
11 and Over	292	290	299	248
Total	419	415	428	442



Source: School District Records.

2009	2008	2007	2006	2005	2004
15	16	15	18	17	14
44	43	43	48	53	47
163	162	155	155	155	161
89	87	88	88	91	86
43	48	48	48	46	49
72	67	67	66	65	66
14	13	13	13	12	12
<u>440</u>	<u>436</u>	<u>429</u>	<u>436</u>	<u>439</u>	<u>435</u>
90	86	84	106	123	122
92	100	96	90	80	85
<u>258</u>	<u>250</u>	<u>249</u>	<u>240</u>	<u>236</u>	<u>228</u>
<u>440</u>	<u>436</u>	<u>429</u>	<u>436</u>	<u>439</u>	<u>435</u>

Shaker Heights City School (Cuyahoga County, Ohio)

College Admissions for All Students

Last Ten School Years

<u>Class</u>	<u>Percent of Four - Year</u>	<u>Percent of Two - Year</u>	<u>Total Percent</u>
2013	65	15	80
2012	65	26	91
2011	78	14	92
2010	65	15	80
2009	73	14	87
2008	75	10	85
2007	88	2	90
2006	87	2	89
2005	88	2	90
2004	88	3	91

Source: School District Records

Note: In 2008, the data collection procedure for college admission was modified which affects the validity of comparisons of new data with past years. The percentage of seniors admitted to a four-year college was 75 percent and the percentage of those admitted to two-year colleges was 10 percent. This set of numbers deviates from past years, possibly because of data collection changes and/or because of changes in the economy that affect students' decisions whether to apply and, if so, where.

Shaker Heights City School (Cuyahoga County, Ohio)

National Merit and National Achievement Recognition

Last Ten School Years

<u>Class</u>	<u>National Merit (all students)</u>	<u>National Achievement (African-American students only)</u>	<u>National Hispanic Scholars</u>	<u>Percent of Shaker Seniors Honored</u>	<u>Percent of United States Seniors Honored</u>
2013	31	2	3	8 %	1 %
2012	36	3	3	10 %	1 %
2011	24	4	2	8 %	2 %
2010	36	6	0	11 %	2 %
2009	33	6	2	11 %	2 %
2008	36	5	1	11 %	2 %
2007	37	5	1	11 %	2 %
2006	37	4	1	11 %	2 %
2005	34	6	2	11 %	2 %
2004	34	6	0	14 %	2 %

Source: School District Records

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Dave Yost • Auditor of State

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
MARCH 20, 2014**