



Dave Yost • Auditor of State

SHAKER HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
JUNE 30, 2017

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**SHAKER HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

<u>FEDERAL GRANTOR/ Pass Through Grantor Program Title</u>	Grant Year	Pass Through Entity Identifying Number	Federal CFDA Number	Expenditures	Non-Cash Expenditures
U.S. DEPARTMENT OF AGRICULTURE					
<i>Passed Through Ohio Department of Education:</i>					
Child Nutrition Cluster:					
Non-Cash Assistance (Food Distribution):					
National School Lunch Program	2017	N/A	10.555	\$ -	\$ 92,602
Cash Assistance:					
School Breakfast Program	2017	N/A	10.553	184,040	-
National School Lunch Program	2017	N/A	10.555	618,318	-
Total Cash Assistance				<u>802,358</u>	<u>-</u>
Total Child Nutrition Cluster				<u>802,358</u>	<u>92,602</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE				<u>802,358</u>	<u>92,602</u>
U.S. DEPARTMENT OF EDUCATION					
<i>Passed Through Ohio Department of Education:</i>					
Special Education Cluster (IDEA):					
Special Education - Grants to States (IDEA, Part B)	2016	N/A	84.027	206,522	-
Special Education - Grants to States (IDEA, Part B)	2017	N/A	84.027	1,144,345	-
Total Special Education - Grants to States (IDEA, Part B)				<u>1,350,867</u>	<u>-</u>
Special Education - Preschool Grants (IDEA Preschool)	2017	N/A	84.173	16,027	-
Total Special Education - Preschool Grants (IDEA Preschool)				<u>16,027</u>	<u>-</u>
Total Special Education Cluster (IDEA)				<u>1,366,894</u>	<u>-</u>
Title I, Part A:					
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)	2016	N/A	84.010	101,914	-
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)	2017	N/A	84.010	662,842	-
Total Title I, Part A				<u>764,756</u>	<u>-</u>
Supporting Effective Instruction State Grants	2016	N/A	84.367	1,343	-
Supporting Effective Instruction State Grants	2017	N/A	84.367	110,713	-
Total Supporting Effective Instruction State Grants				<u>112,056</u>	<u>-</u>
Title III, English Language Acquisition Grant	2016	N/A	84.365	4,589	-
Title III, English Language Acquisition Grant	2017	N/A	84.365	26,782	-
Total Title III, English Language Acquisition Grant				<u>31,371</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF EDUCATION				<u>2,275,077</u>	<u>-</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE				<u>\$ 3,077,435</u>	<u>\$ 92,602</u>

The accompanying notes are an integral part of this schedule.

**SHAKER HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Shaker Heights City School District's (the District's) under programs of the federal government for the year ended June 30, 2017. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Schedule, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Schedule.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - CHILD NUTRITION CLUSTER

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

NOTE D – FOOD DONATION PROGRAM

The District reports commodities consumed on the Schedule at the fair value. The Government allocated donated food commodities to the program that benefitted from the use of those donated food commodities.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Shaker Heights City School District, Cuyahoga County, (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 25, 2018.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large loop at the end of the last name.

Dave Yost
Auditor of State
Columbus, Ohio

January 25, 2018



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited the Shaker Heights City School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Shaker Heights City School District's major federal programs for the year ended June 30, 2017. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal programs.

Management's Responsibility

The District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for the District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect the major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, the Shaker Heights City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the 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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. 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 federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement 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 would not necessarily 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.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Shaker Heights City School District (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated January 25, 2018. We conducted our audit to opine on the District's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule 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, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State
Columbus, Ohio

January 25, 2018

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**SHAKER HEIGHTS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2017**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Program's Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Program:	Title I, Part A, CFDA #84.010
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

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Shaker Heights City School District Shaker Heights, Ohio

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2017

SHAKER HEIGHTS CITY SCHOOL DISTRICT
SHAKER HEIGHTS, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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



The Mission of the Schools

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

Shaker

INTRODUCTORY SECTION

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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

January 25, 2018

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, 2017. This CAFR enables the School District to comply with the Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires school districts reporting on a GAAP basis to file an unaudited annual report with the Auditor of State within 150 days of the fiscal year end.

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

Ohio law requires independent audits to be performed on all financial operations of the School District either by the Auditor of State or an independent public accounting firm, if permitted by the Auditor of State. The Auditor of State rendered an opinion on the School District's financial statements as of June 30, 2017, and the Independent Auditor's Report on the basic financial statements is included in the financial section of this report.

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

The Shaker Heights City School District

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

The "school" was in the Van Sweringen real estate office at Lee Road and Shaker Boulevard, and four teachers and 26 students constituted its population. The first school board looked ahead, planned well, worked hard and got off on the right foot. It had to, for along with the rapid construction of new homes came a tremendous growth in the school population. Today, there are nearly 5,000 students in the Shaker schools.

MEMBERS OF THE BOARD: WILLIAM L. CLAWSON II TODD C. DAVIDSON ALEX LISTON DYKEMA JEFFREY ISAACS ANNETTE TUCKER SUTHERLAND

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 614 school districts in the State of Ohio and one of 31 school districts in Cuyahoga County. The School District is the 61st largest in student enrollment in Ohio, with an enrollment of 5,111 full time equivalent students for the 2016-2017 academic year, and projected enrollment for fiscal year 2018 of 5,000 students. The School District offers general education, special education, and vocational education academic programs. The School District covers approximately 7.5 square miles, including all of the City of Shaker Heights and a portion of the City of Cleveland in the Shaker Square area, and is located approximately ten miles southeast of downtown Cleveland.

Organizational Structure

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

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

The Reporting Entity

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

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

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

Economic Condition and Outlook

The School District serves 27,448 residents in the City of Shaker Heights, and 4,082 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 2015 was \$133,000, compared to the averages of \$78,257 for all Ohio school districts and \$65,921 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 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 2016 NBA Champion Cleveland Cavaliers), Progressive Field (home of the 2016 MLB American League Champion 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 JACK (formerly known as 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. In all, 29 projects with more than \$3.5 billion in investment have opened or are scheduled to open in the city center from 2016 to 2018 including the addition of 1,500 hotel rooms; the conversion of 1 million square feet of commercial space into about 3,300 residential units; and the addition of 350,000 square feet of office space. Some of the projects include:

- Renovation of Public Square—a \$50 million, 15 month renovation of the 10-acre public green space located in center city Cleveland completed in 2016. The renovation follows a trend in major American cities to link park construction with economic redevelopment goals, with the expectation of helping unleash a strong surge in residential and commercial construction in center city Cleveland.
- Construction of a new \$275 million 600-room, 32-story Hilton Cleveland Downtown Hotel located next to the Cleveland Convention Center, which is the first major hotel built in the city since 1991, and the largest, opened in 2016.
- Conversion of historic office buildings into the \$40 million, 180-room Drury Hotel and the \$50 million, 122-room Kimpton Schofield Hotel both of which opened in 2016.
- Flats East Bank \$395 million development project, the first phase which opened in 2014, included a 150-room Aloft Hotel; a 480,000-square-foot, 18-story office tower opened for the accounting firm founded in Cleveland, Ernst & Young; restaurants; and a fitness center. The second phase, opened in 2015, is anchored by a rental apartment building with about 240 units, and ground-floor restaurants and businesses.
- Renovation/conversion of the 21-story Standard Building on Ontario Street, which opened in 1925, into 250 residences;
- \$22 million renovation of the 98-year-old, nearly million-square-foot Renaissance Cleveland Hotel, with close to 500 rooms.
- Located next door to the Renaissance hotel is Terminal Tower, the 52-story office building that has been a signature of Cleveland's skyline since it opened in 1930, now being converted into 300 apartments.
- A few blocks away is the Metropolitan at the 9, a \$275 million mixed-use project that converted an empty 45-year-old office building into a 155-room Marriott Metropolitan Hotel, 150 rental apartments, and retail space and restaurants; and
- Located around the corner from the Metropolitan, Heinen's Fine Foods in 2015 opened a 33,000-square-foot grocery store, the first such supermarket in downtown Cleveland.

2016 events that shone an international spotlight on Cleveland included the long-awaited National Basketball Association Championship won by the Cleveland Cavaliers, led by LeBron James, who grew up in nearby Akron; the Major League Baseball American League Championship won by the Cleveland Indians; and the Republican National Convention held in downtown Cleveland in July.

Cleveland is emerging as one of the country's principal centers of biomedical innovation and development, centered on the Cleveland Clinic and Case Western Reserve University. The city counts 25,000 jobs and 700 companies — 400 more than a decade ago — that are involved in health and medical research, biomedical device design, information technology and other related activities.

After decades of decline, Cleveland's population reached nearly 386,000 in 2016 but is expected to level off or rise as a result of the new development completed or underway. The increase in apartment construction corresponds with a spurt in residents living in center city Cleveland, who now number 14,000, up from 6,000 in 2002. City demographers project that the number of downtown residents could climb to 20,000 by 2020.

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, home of the world-renowned Cleveland Orchestra, the expanded Cleveland Museum of Art, Case Western Reserve University, and University Hospitals of Cleveland and the Cleveland Clinic, world-renowned medical research, teaching and treatment facilities and the two largest employers in Cuyahoga County. Significant numbers of Shaker Heights residents work in the medical, cultural, and educational institutions in nearby University Circle.

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

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

The City has historically permitted development only pursuant to carefully developed and implemented general plans. In 2001, the City adopted a Strategic Investment Plan (SIP) which identified areas of the City for commercial and residential development and redevelopment which has resulted in numerous projects including:

- 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. Although the development of Phase II was delayed due to the recession, in 2014 a request for proposals for Avalon Station Phase II resulted in the selection of a developer to build market rate for sale townhomes in the Shaker Towne Centre area.

The City's significant project currently underway is the Van Aken District. This major project spans approximately 20 acres and sits at the beginning of the Van Aken light rail connecting Shaker Heights to Terminal Tower in Downtown Cleveland. The Van Aken district redevelopment will create a gathering place for residents with unique retail shops and restaurants, high quality rental apartments, and second and third floor office space. The first phase of the Van Aken district, on schedule to open in summer 2018, includes 102 apartments and 65,000 square feet of office space over approximately 100,000 square feet of first floor retail. Phase 1A of the Van Aken district is another 200 apartments to be built in a City-owned parking lot on Farnsleigh Road that overlooks Shaker Heights Country Club. It also includes a proposed grocery anchored mixed use development on a 3-acre property owned by the City of Shaker Heights on the southeast corner of Warrensville and Farnsleigh Roads. Phase 2 includes an office tower. The City will contribute \$6.2 million toward the project. The development and use agreement for this project was approved by Council in 2016. The demolition of the former 1960's shopping center occurred in 2016. Construction began in 2017.

The developer of the Van Aken district has also purchased and renovated a shopping center just south of the new construction, to which a number of retail tenants from the 1960's center were relocated. This retail strip has also attracted new tenants to Shaker Heights, all of which will complement the new development.

Additional redevelopment in the area includes a new private pre-school and a climbing gym. Both of these businesses are being built on property deeded to the City in lieu of tax foreclosure and whose buildings were demolished with County grant funds.

As a precursor to the Van Aken District redevelopment project, construction was completed in 2015 on the \$18 million reconfiguration of the Warrensville/VanAken/Chagrin intersection where four major highways intersected at various angles. This project, adopted in April 2008, set the stage for a 50-acre transit-oriented mixed use district and has improved safety at the intersection for motorists and pedestrians. The City contributed \$2.3 million of the \$18 million project total. Other partners include the State of Ohio, Cuyahoga County, the Greater Cleveland Regional Transit Authority, and the Northeast Ohio Areawide Coordinating Agency. Grants totaling \$1 million were received for additional streetscape improvements in the area.

An integral part of the financing of the Van Aken redevelopment project included the granting of two tri-party Tax Increment Financing (TIF) agreements which were granted in 2016. The terms of the 30-year agreements call for a substantial portion of the taxes generated from the increased property value of the projects to be dedicated to repay certain aspects of the project financings. The School District will receive 74% (its normal percentage) of the property taxes attributable to the increased value from the Shaker Plaza TIF, and 18% of the property taxes attributable to the increase value from the Van Aken Plaza TIF.

Other City development projects completed include:

- 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, completed in 2016.
- The City is also working to establish the Moreland Innovation Zone in the one-quarter-mile radius around the Chagrin-Lee intersection where residents and businesses leverage the opportunities created by high-speed fiber. This project would build off the City's earlier Entrepreneurial Housing Project, where the City redeveloped two vacant foreclosed properties as nine units of affordable rental housing for entrepreneurs.
- The City received grant funds (\$688,000) to complete the Lake to Lakes multipurpose trail to connect the Shaker Lakes to Lake Erie, with our partners the cities of Cleveland and Cleveland Heights. The final leg of the trail through Shaker Heights and Cleveland Heights was completed in 2016.
- Construction along the Lee/Lomond intersection streetscape improvements, also funded with \$150,000 in grant dollars was completed in 2015.

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

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

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

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

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

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

In accordance with the Economic Development Plan, the City invested \$500,000 in a City-owned building that was formerly a car dealership to house the Shaker LaunchHouse (SLH), a public-private partnership that fostered 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. After the SLH vacated the premises at the end of their lease, the non-profit Shaker Heights Development Corporation (SHDC) assumed that space for use as its offices and as "The Dealership", which offers co-working space for entrepreneurs and businesses as well as programming presented by the Economic Community Development Institute (ECDI). The SHDC is investing in buildings on Lee Road, having partnered with some local investors to purchase a former plant nursery which will house a local doggie day care facility. When the City receives commercial property it partners with the Cuyahoga County Land Bank to demolish the vacant building with Cuyahoga County grant dollars, then deeds the land to SHDC to redevelop, enabling additional revitalization of this commercial corridor.

In addition to commercial property development, the City is also pursuing 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. Conditions continue to improve following the impact of the 2008-2009 recession and mortgage crisis and subsequent anemic recovery.

Shaker's City Council adopted the 2016 Housing and Neighborhood Plan which serves as an update to the 2001 Housing Preservation Plan. The goals of the 2016 Plan are:

- Attract New Residents to Shaker Heights, Increase Demand for Houses, and Increase Property Values
- Preserve Existing High Quality Housing, and
- Increase Cohesiveness, Desirability, Attractiveness, and Stability in the Neighborhoods

New and updated housing that meets the needs of Millennials and empty nesters includes a market rate, for sale townhome project under construction in the Moreland neighborhood, the Townhomes of Van Aken, which features a blend of new housing and upgraded energy-efficient housing to capitalize on the location's proximity to transit. The Shaker Renovator Program sells houses obtained by the City through donations and foreclosures for \$1 to approved rehabbers who upgrade them and sell them to owner-occupants. The City's partnership with the Cleveland Restoration Society's Heritage Home Loan Program resulted in almost \$800,000 of reinvestment in 15 homes, including bathroom updates.

The Moreland Rising Project was developed to create a new market in a desirable, cohesive neighborhood. The project is a City and neighborhood-led collaboration with arts, business and development partners to explore new ways for neighbors to connect with each other, catalyze entrepreneurship along the Chagrin-Lee corridor, and encourage innovative housing designs that set the standards for years to come. The City sponsored a design competition in 2016 seeking architects and builders with innovative ideas for high quality, energy-efficient, owner-occupied housing for middle income housing to be built on City-owned vacant lots in the neighborhood. Negotiations with the teams began in 2017 for construction in late 2017 and 2018.

The School District and City were able to weather the financial storm resulting from the economic downturn and are now well positioned to once again prosper and thrive. Despite the recession-resulting loss of \$165 million or 17.2% of the School District's property tax base from its 2007 high of \$957 million, the property tax base has begun to recover (\$817 million in 2017) and will be primed to grow at an enhanced rate as a result of the commercial redevelopment undertaken by the City of Shaker Heights. These local initiatives, combined with Cleveland's economic development, provide for a stable and desirable economic condition and outlook for our School District. This favorable economic outlook combined with the unwavering community support for the School District has resulted in repeated tax levy success over the last 15 years including a capital improvement bond issue in 2004 and operating levies in 2000, 2003, 2006, 2010 and most recently a 6.9 mill levy in May 2014, all but one (58% in 2010) of which passed with a 60% or higher margin.

In May 2017, voters in the School District passed with a 67.8% margin a combined issue including a \$30 million bond issue and a 1.25 mill continuing permanent improvement levy to improve and renovate school buildings throughout the School District. The estimated average annual levy for debt charges on the bond issue will be at a rate of 2.50 mills, and will commence in tax collection year 2018.

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 related to the funding provided and the effective, efficient management of those funds. It follows that the School District's purposes can best be achieved through prudent fiscal management.

Due to resource limitations, there is sometimes a temptation to operate so that fiscal concerns overshadow the educational program. Recognizing this, it is essential that the Board take specific action to make certain that education remains central and that fiscal management contributes to the educational program. This concept is incorporated into Board operations and into all aspects of School District management and operation.

As trustees of the community's investment in facilities, materials and operational funds, the Board has a fiduciary 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 Board expects that the Superintendent and the Treasurer keep it informed through both oral and written reports –on the fiscal management of the School District.

With the cooperation of the Treasurer and assistance from other designated personnel, the Superintendent is expected to develop an efficient and effective procedure for fiscal accounting, purchasing and the protection of plant, grounds, materials and equipment through prudent and economical operation, maintenance and insurance.

The Board seeks to achieve the following goals to:

- 1. engage in thorough advance planning, with staff and community involvement, in order to develop budgets and to guide expenditures to achieve the greatest educational returns for the dollars expended;*
- 2. establish levels of funding that provide high quality education for the School District's students;*
- 3. use the best available techniques for budget development and management;*
- 4. provide timely and appropriate information to all staff with fiscal management responsibilities; and*
- 5. establish 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 *BUDGET PLANNING (Five-Year Forecast)*, reads as follows:

Budget planning is an integral part of program planning so that the annual operating budget may effectively express and implement all programs and activities of the School District. Budget planning is a year-round process involving broad participation by administrators, teachers and other personnel throughout the School District.

The Superintendent and the Treasurer, in consultation with the Board are responsible for preparing the five-year forecast for the Board's approval. The forecast is for the current fiscal year and four years beyond.

The five-year forecast is prepared twice a year and filed with the Ohio Department of Education. The initial filing is due on or before October 31 and an update by May 31. The five-year forecast is updated as often as necessary in order to communicate significant changes in the School District's financial position.

Policy DB, titled *ANNUAL BUDGET AND APPROPRIATIONS MEASURES/BUDGET MODIFICATION AUTHORITY*, reads as follows:

BUDGET

The purpose of the annual tax budget is to identify adequate financial resources for the education program and to provide a basis for accountability in fiscal management. The School District budget is also the legal basis for the establishment of tax rates.

The annual tax budget is regulated and controlled by State law and requirements of the county budget commission. The Board may establish additional budget requirements for funds at its disposal.

The Treasurer, the Superintendent and their staffs are responsible for the preparation of the annual budget and presentation of the budget to the Board for adoption.

APPROPRIATIONS

As permitted by law, at the start of the fiscal year, the Board may pass a temporary appropriations measure to provide for meeting the ordinary expenses of the School District until such time as the Board approves the annual appropriations resolution for the year, which is not later than October 1. If by October 1 the county budget commission has not certified all amended certificates of estimated resources to the Board of Education (or submitted a certification that no amended certificates are necessary), the Board can delay action on the annual appropriation measure until such time as the certificates are received.

The Treasurer files both the temporary and final appropriations measures at the proper times with the office of the County Auditor.

The Superintendent/designee notifies each school administrator and/or department head of the allocations approved for expenditure.

BUDGET MODIFICATION

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 transfers of funds permitted by law from major fund to major fund require Board approval and may require approval from the Court of Common Pleas.

TRANSFERS AMONG CATEGORIES

It is the responsibility of the Superintendent and the Treasurer to examine the appropriations categories and make the necessary recommendations to the Board.

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

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

2016-2017 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. The Class of 2017 included 33 National Merit Semifinalists and Commended students. 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. The School District's four-year graduation rate rose to 92 percent in 2016

and 94 percent in 2017, from 82 percent in 2012. Nearly 43 percent of eleventh graders enrolled in at least one AP or IB course, a significant increase over the previous year. Nearly 83 percent of tested eleventh graders in 2015-16 earned a score of 3 or higher on at least one AP exam, or a score of 4 or higher on at least one IB exam. Based on PSAT results, more than 79 percent of tested tenth graders were on track to be college and career ready, up significantly from the previous year. In 2017, three-quarters of High School freshmen scored proficient or higher on the state English exam, an increase in 13 percentage points from the previous year. In 2016-17, nearly 93 percent scored proficient or higher on the state geometry exam, an increase over the previous year. Since 2011-2012, the number of students taking at least one IB course has nearly doubled. Shaker Heights students continue to outperform the state and national averages on SAT and ACT scores by significant margins. Shaker Heights students continue to be sought after by colleges. Members of the Class of 2017 were accepted into more than 896 colleges and universities, including Ivy League institutions and other elite colleges. Collectively, they earned \$5.4 million in scholarships. More than 60 percent of graduating seniors plan to attend a 4-year college, and approximately 12 percent plan to attend a 2-year college. Three graduating seniors earned prestigious Ohio State Eminence Scholarships for academics, service and leadership.

Technology

Our computer network serves students, teachers, and staff in a wide variety of applications for instruction and business. Our server infrastructure has been consolidated utilizing server virtualization software. Our network also supports a variety of enterprise systems such as our phone system, transportation tracking, time cards, security systems, and other business products. Upgrades to the district's phone system as well as Wide and Local Area Network hardware were planned for in the 2016-2017 school year with implementation scheduled for the 2017-2018 school year.

Shaker, during the 2016-2017 school year, continued to build capacity with staff and students in the use of G Suite for Education (formerly Google Apps for Education). Faculty and staff have been provided with myriad of professional learning opportunities around the use of the software tools provided by G Suite. Specifically, the district embarked on a teacher device program which has provided licensed teachers with an opportunity to learn about the G Suite apps, be provided with a district-issued Chromebook in exchange for agreeing to successfully complete the Google Level One Certified Teacher examination. In addition to teacher Chromebook purchases, Shaker also increased its overall count of Chromebooks district-wide through a refresh of older, underperforming portable devices.

Various tools for teachers (AIMSweb+, MAP-Measure of Academic Progress) provide data to inform instructional efforts. We provide a variety of online database resources including journals, encyclopedias, and other learning resources to support our curricula. All buildings also have access to Discovery Streaming and BrainPop, online video databases which allow teachers to choose short video clips to illustrate concepts as they teach.

Business and Operations

Transportation Services

Over the 2016-2017 school year, the department safely transported approximately 2,000 students daily, over 4,500 miles daily, including more than 1,800 field trips. The garage team of three mechanics maintained excellent fleet service of buses, utility vehicles and utility vans at a high rate of operational efficiency. The department continued its transportation efficiency efforts by using group and /or corner stops and using substitute bus drivers to drive field trips instead of using a bus charter service.

The department also increased time for driver training by outsourcing bus-wash service (rather than use training hours to wash buses). The transportation department continued its fleet rotation plan with the cost-effective purchase of three new school buses under the Ohio Schools Council (OSC) bus procurement program. The department reviewed new bus software technologies for fleet maintenance management and a GPS bus location App for parents to know the location and arrival time of school buses. The transportation department expects to field this new technology in the next year.

Human Resources (HR)

The HR Department continued to provide excellent personnel support for the certified, classified and administrative staff. For example, HR coordinated customer service training for all clerical staff and school security monitors and piloted the use of wire-less kiosks to measure customer satisfaction at the main office, High School and Middle School. In October, 2016, HR held its second-annual, Classified Job Fair at the Stephanie Tubbs Jones Community Building, in partnership with the HR Office of the City of Shaker Heights. The HR department improved its retention effort by developing a plan to measure the new employee experience across the initial months of hire to the first year.

The HR department also partnered with the Office of Professional Development to develop cultural proficiency classes. It continued its Wellness Campaign with a wellness fair in October 2016 which included a new wellness logo, flu shots, and the start of Weight Watchers at Work and yoga classes for personal fitness. As a special project, the HR department developed a plan for a recruiting partnership with a university college of education to attract a more diverse faculty. Pending university-donor support, the district expects to formalize an agreement in the next year.

Food Services

The 2016-2017 financial school year ended with positive flow through the bottom line; solely due to an increase in reimbursable and catering sales over our budget. For the first time, the Food Services Department added fresh food vending machines to the Middle School, High School and Administration building. Earnings from these new vending machines steadily increased over the school year as more people became aware of this food option. During the spring 2017, the department reviewed and piloted the use of a “touch-code” scanner payment system for students and expects to field this technology in the future. In July 2017, the School District renewed a one-year, contract agreement with AVI Fresh, Inc. for the operation and management of the School District’s food service program.

Buildings and Grounds Maintenance and Warehouse Operations

During the 2016-2017 school year, the most significant capital repair projects were the replacement of the Middle School flat roof and the replacement of the Middle School cafeteria ceiling. A thermal imaging scan of the Middle School roof determined that the flat roof sections were completely saturated with water and needed immediate replacement. The Middle School cafeteria ceiling was in need of replacement due to the leaks that were occurring from the roof. The plaster was removed and a new drop ceiling with LED light fixtures was installed. Smaller capital projects included repair of the vestibule side-entrances at Woodbury school and the replacement of 1300 feet of sidewalk in front of Woodbury school. As a result of this work, students, staff and visitors have much safer walking pads and entrances at the Woodbury school. Similar projects are planned for the other schools.

The Service Center continued its annual summer process to make interior and exterior repairs and improvements throughout the School District, including HVAC, electrical and plumbing upgrades; roof repairs; masonry work; and flooring projects. The Service Center cut over-time (OT) costs by an additional \$69,000 for 2016-2017 for a total of \$139,000 over the past two years. The School District also continued to save under the new copier account management (Meritech) and the Service Center continues to work with schools to cut paper waste and reduce color copies. Warehouse logistics operations (shipping and receiving), inventory control, and procurement support for the School District continued on track. As it looks toward the 2017-2018 school year, the Service Center staff is well positioned to continue its work to provide a safe, high-quality campus environment for students and staff.

Capital Planning

The highlight of the 2016-2017 master planning year was the public approval of a \$30M capital bond and permanent-improvement levy - nearly 68% of voters approved the bond measure and levy. The school year started off with a 19-member team from the Facilities Executive Committee which conducted a tour of OFCC schools at Painesville and Strongsville in July 2016. A community engagement process considered many options to include the replacement of the Middle School. Various site options, analysis and conceptual renderings were presented for public consideration. The Board of Education held discussions with the Shaker Heights City Council in October 2016. A community attitude survey was completed in December 2016. The district Finance and Audit Committee rendered its recommendation on the capital plan in January 2017. A classroom furniture fair was conducted for students and staff in February 2017 as the district took steps to procure and pilot new “flexible classroom” furniture across 10 classrooms (delivery date set

for fall 2017). The district provided tours of the facilities to members of the board of education, finance and audit committee, and city council to enhance their understanding of capital repair needs.

Over the entire school year, the business department completed numerous design reviews, construction studies, and information requests. Information was published through board updates, staff briefings and community meetings. For public transparency, the district maintained a web page and virtual record of these key actions at: <http://www.shaker.org/MeetingMinutes1.aspx>

Overall, it was a very successful year as the master planning process advanced with the public's strong support of a capital fund. As the department enters the 2017-18 year, the district will next develop the specific capital projects and construction schedules accordingly. The major work will be performed during the summer construction period of June – August over the next 3-to-5 years.

Safety and Security Services

The Safety and Security Department continued to advance and raise safety awareness. For example, each school PTO received a safety briefing from the district security supervisor. For the first time, the district achieved exterior video-surveillance of every building in the district. On the inside of schools and offices, panic buttons were/will be installed in all the reception areas for use by the clerical staff in an emergency.

The department also added floor-mounted radios to its two security vehicles. This improvement provides mobile communications support for the safety of the district. Expanding its use of technology, the department fielded a security App which allows staff, parents and students access to safety and security protocols. This App mirrors the security flip charts that are located in every classroom and office throughout the district. The security department expects to field a visitor-management system at the Administration building, Woodbury school, and the Middle School next year.

Current and Future Initiatives

School Improvement Plans

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

2014–2019 Strategic Plan

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

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

Our Aspirations:

Excellence – Equity – Exploration

Our Mission:

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

Our Vision:

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

Core Values:

We believe:

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

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

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

The implementation of the Strategic Plan has been both fruitful and challenging. The staff and faculty have worked very hard and numerous accomplishments reflect these efforts. These include, but are not limited to:

- Established a protocol and practice for tri-annual Strategic Plan Chats for school leadership teams and Cabinet teams
- Established core professional learning criteria and multi-year program for new teachers
- Established an Equity Task Force comprised of students, staff, and community members
- Began the second cohort of teachers participating in Cultivating Skillful Instruction, a program focused on developing teacher leaders
- Established two years of consistent measures for Strategic Plan Initiatives
- Hired a Coordinator of Family and Community Engagement
- Planned for and opened Shaker's First Class, an all-day preschool program for two cohorts of three year old students
- Implemented tools to allow all stakeholders to have easier access to Board of Education policies and regulations
- Developed a District Employee Handbook aligned to Board Policies
- Implemented Recruitment Fairs for various categories of District staff
- Implemented a Master Planning Process
- Planned for and implemented MyLearningPlan, a professional learning tracking software program used for registering, approval, and feedback purposes
- Transitioned the entire district to Google Suite for Education
- Created a process for ongoing Policy development and revision
- Provided professional learning in the area of Customer Service to classified staff
- Developed feedback tools using the District Website and kiosks in several main offices in the District
- Organized a Communications Advisory Committee
- Developed and implemented a formal communication strategy that includes the active use of differentiated communications vehicles and strategies

- Implemented a revised new teacher orientation program and increased support for teachers in their first 4 years in the profession
- Revised the new staff orientation program
- Expanded professional learning in the areas of Cultural Proficiency

The Strategic Plan can be found at www.shaker.org/strategicplanning.aspx.

The Year Two Progress Report can be found at <https://goo.gl/6LBbmt>.

The Year Three Progress Report can be found at <https://goo.gl/zGC15Y>.

International Baccalaureate Programme

Shaker is the only PreK-12 International Baccalaureate district in Greater Cleveland. Shaker is one of eight districts in the country to provide all of its students with a fully-authorized International Baccalaureate education from pre-kindergarten through graduation.

International Baccalaureate is an internationally recognized educational program with a rigorous curriculum. International Baccalaureate features a global focus and emphasizes creative problem solving, hands-on projects, inquiry-based learning, and community service.

The International Baccalaureate Programme is especially in demand among international families who are relocating to Cleveland to work in higher education, health care, and research.

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

As of August 2013 (and reauthorized by 2017), all five of Shaker's K-4 elementary schools have been authorized as International Baccalaureate World Schools following intensive site inspections by representatives of the International Baccalaureate Organization. The schools were required to demonstrate that they have collaboratively developed and are consistently teaching the globally-focused interdisciplinary units, using inquiry and problem-solving strategies as instructional approaches, as well as meeting rigorous requirements for student assessment.

Though the Middle Years Programme has been fully authorized as of 2015, work continues at the middle grades to unify the instructional approaches in grades 5-12, with greater emphasis being placed on 21st century skills, inquiry-based approaches to learning, international awareness, and higher expectations for all students. Efforts have included encouraging students to think globally, internalizing the "learner profile", and benefitting fully from thematic units of instruction developed by the staff. All tenth grade students are required to execute a Personal Project and implementation of this requirement is underway at the High School.

Awards

GFOA Certificate of Achievement - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Shaker Heights City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016. 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, 2016 to the Shaker Heights City School District. This award certifies that the Comprehensive Annual Financial Report substantially conformed to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. The award is granted only after an intensive review of the financial report by an expert panel of certified public accountants and practicing school business officials. We believe our current report, which will be submitted to ASBO for review, continues to conform to ASBO's principles and standards.

Auditor of State Award – The School District was awarded the *Auditor of State Award with Distinction*, which recognizes excellence in financial reporting for the School District's Comprehensive Annual Financial Report for the fiscal year ended 2016. The School District has received this award, as well as the State's Excellence in Financial Reporting Award, for numerous consecutive years.

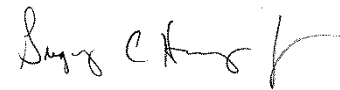
Acknowledgments

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

Respectfully submitted,



Bryan C. Christman
Treasurer



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

Shaker Heights City School District

Principal Officials

June 30, 2017

Board of Education

- Mr. Alex Liston DykemaPresident
- Mr. Jeffrey Isaacs..... Vice President
- Mr. William L. Clawson II Member
- Dr. Todd C. Davidson..... Member
- Ms. Annette Tucker Sutherland Member

Administration

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

Mr. Bryan C. Christman..... Treasurer

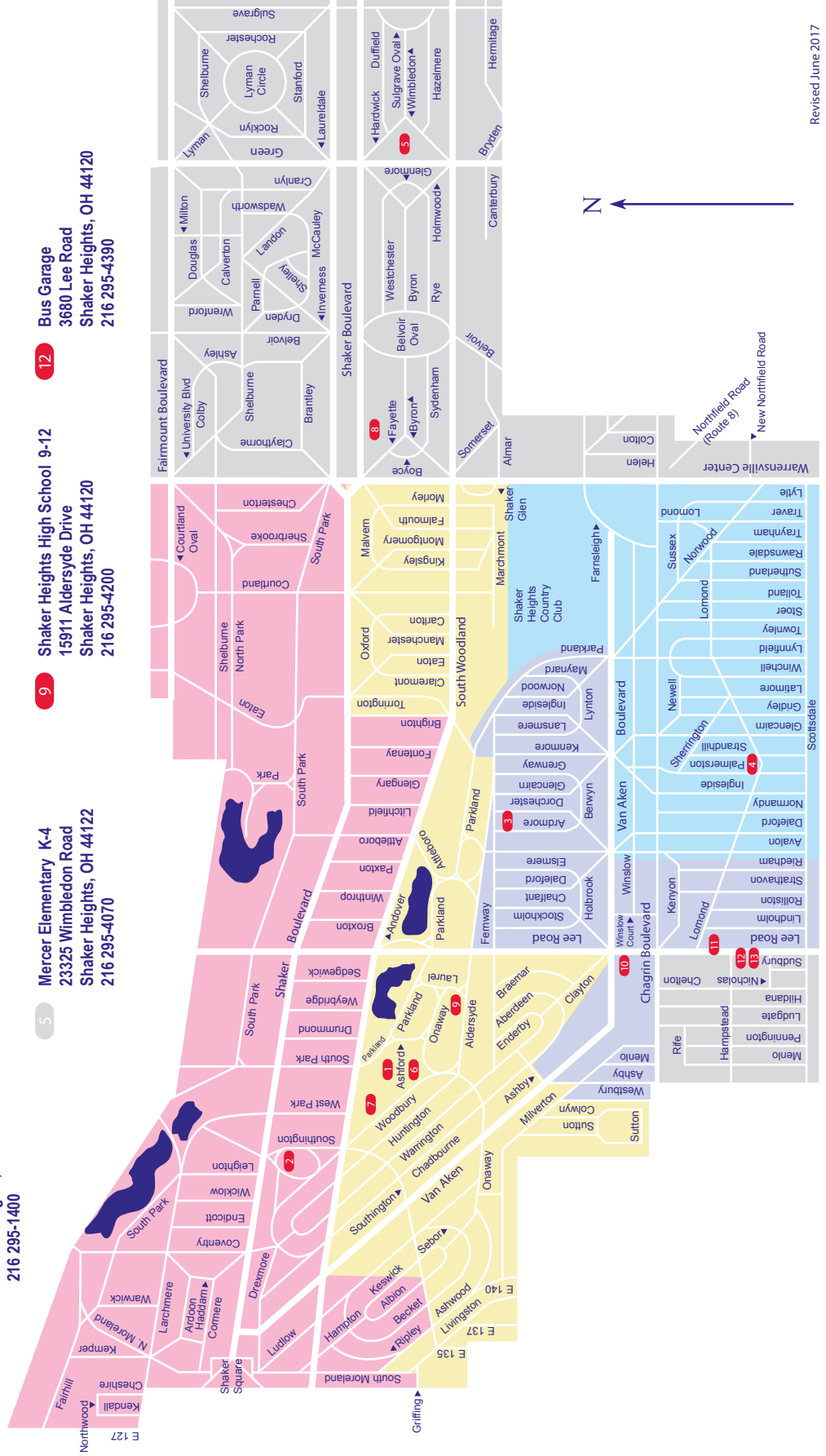


Shaker Heights Schools

www.shaker.org

- 2** Boulevard Elementary K-4
14900 Drexmore Road
Shaker Heights, OH 44120
216 295-4020
- 3** Fernway Elementary K-4
17420 Fernway Road
Shaker Heights, OH 44120
216 295-4040
- 4** Lomond Elementary K-4
17917 Lomond Boulevard
Shaker Heights, OH 44122
216 295-4050
- 5** Mercer Elementary K-4
23325 Wimbledon Road
Shaker Heights, OH 44122
216 295-4070
- 6** Onaway Elementary K-4
3115 Woodbury Road
Shaker Heights, OH 44120
216 295-4080
- 7** Woodbury Elementary 5-6
15400 South Woodland Road
Shaker Heights, OH 44120
216 295-4150
- 8** Shaker Heights Middle School 7-8
20600 Shaker Boulevard
Shaker Heights, OH 44122
216 295-4100
- 9** Shaker Heights High School 9-12
15911 Aldersyde Drive
Shaker Heights, OH 44120
216 295-4200
- 10** Innovation Center
3450 Lee Road
Shaker Heights, OH 44120
216 295-6275
- 11** Data/DLMO
3617 Lee Road
Shaker Heights, OH 44120
216 295-4844
- 12** Service Center
3654 Lee Road
Shaker Heights, OH 44120
216 295-4307
- 12** Bus Garage
3680 Lee Road
Shaker Heights, OH 44120
216 295-4390

- 1** Shaker Heights City Schools
15600 Parkland Drive
Shaker Heights, OH 44120
216 295-1400



ATTENDANCE ZONES

Shaker Heights City School District



Street	School	Street	School	Street	School	Street	School	Street	School
Aberdeen	3250-3343	Courtland	2833-3160	Holmwood	26650-22949	N. Moreland	2523-2680	Strandhill	3573-3726
Albion	3000-3097	Courtland O.	2619-2626	Huntington	2869-2939	North Park	18201-20350	Strathavon	3544-3728
Aldersyde	3112-3148	Coventry	2555-2878	Inglerside	2998-3166	Norwood	3270-3365	Sudbury	3690-3741
Almar	15520-16306	Cranlyn	2662-2749	Inverness	3260-3400	Onaway	3450-3680	Sulgrave	2668-2744
Ardmore	16605-17450	Daleford	3255-3397	Kemper	3430-3727	Onaway	14149-16115	Sulsex	19605-20035
Ardoon	3256-3366	Dorchester	3425-3727	Kendall	2679-2767	Oxford	& 3174-3209	Sutherland	3552-3726
Ashby	13415-13808	Douglas	3255-3400	Kenmore	2501-2662	Palmerston	18801-19101	Sutton Place	1-30
Ashford	3354-3467	Drexmore	22029-22775	Kenmore	2501-2662	Park Drive	3518-3726	Sutton Road	3275-3400
Ashley	3341	Drummond	13300-14817	Kenyon	2532-2585	Parkland	18000-18680	Sydenham	20600-21375
Ashwood	3093-3121	Dryden	2821-2951	Keswick	3256-3399	Parnell	15601-17916	Tolland	3524-3726
Attleboro	2671-2755	Duffield	2700-2730	Kingsley	16618-17124	Paxton	15601-17916	Torrington	2846-3051
Avalon	3026-3113	East 127th	23349-24235	Landon	2991-3082	Pennington	21749-22300	Townley	3519-3726
Becket	3122-14316	East 135th	2461, 65, 69 only	Lansmere	3100-3139	Rawnsdale	2820-2971	Traver	3571-3726
Belvoir	2755-2975	East 137th	3120-3149	Larchmere	2886-3200	Riedham	3545-3750	Traymore	2657
Berwyn	3021	East 140th	3156-3228	Latimore	2680-2767	Rife Court	3611-3726	Traynham	3612-3726
Boice	3259-3396	E. Belvoir O.	3202-3246	Laurel	12733-14706	Rockchester	3547-3728	University	20550-20749
Braemar	3430-3727	Eaton	2960-3020	Laureldale	3544-3725	Rochester	if any	Van Aken	2650
Branley	2966-3097	Edgerton	2670-2796	Lee	3070-3175	Rocklyn	2952-3051	Warrensville Center Road	2800-2949
Brighton	3116-3166	Elmsere	2824-3030	Leighton	3074-3328	Rolliston	2664-2742	Wadsworth	15500-17200
Broxton	14003-14206	Enderby	2658	Lindholm	3070-3175	Rye	3608-3728	Warrensburg	17401-17717
Bryden	2661-3230	Endicott	3255-3369	Ludgate	23149-24296	Scottsdale	21825-22732	Warwick	17402-17802
Bryden	17426-17720	Fairhill	2646-2750	Ludlow	2812-2945	Sebor	17302-20330	Westchester	18028-20020
Bryden	2938-2960	Fairmount	12700-13800	Lyman Blvd.	3074-3328	Sedgewick	17302-20330	Westport	18203-18705
Bryden	3256-3365	Falmouth	3538-20201	Lyman Circle	2665-2750	Shaker Blvd.	16622-17130	Wicklough	18675-19901
Bryden	20620-21376	Famsleigh	20600-24150	Lynnfield	2665-2750	Shelburne	16622-17130	Wimbledon	2994-3341
Bryden	2841-3008	Farmway	2841-3199	Lynton	3586-3734	Shelley	15516-16510	Winchell	2880-2949
Bryden	2820-2979	Fentonay	20770-20975	Malvern	2848-3003	Sherrington	2124-3161	Winthrop	15000-17200
Bryden	23201-23451	Fontenay	16601-17829	Manchester	3033-3231	Sherrington	2830-2957	Wintlow	17401-17717
Bryden	20499-22926	Fontenay	15611-16507	Marchmont	17300-20149	Shelburne	13400-18450	Woodbury	17402-17802
Calverton	21925-22700	Glencairn	3255-3395	Maynard	16614-17126	Shelburne	18501-19713	Woodbury	18028-20020
Canterbury	22303-22905	Glenngary	3443-3726	McCauley	3521-3746	Shelley	20649-24300	Woodbury	18203-18705
Carlton	2885-3035	Glenmore	2849-2951	Menlo	3029-3193	Shelley	18600-20200	Woodbury	18675-19901
Chadbourne	2796-2930	Green	2662-3190	Milverson	23130-24275	Shelley	1-12	Woodbury	2994-3341
Chadbourne	2976-3317	Greenway	3255-3369	Montgomery	3434-3472	Shelley	18200-20301	Woodbury	2520-2593
Chagrins	15706-16106	Grieff	13108-13204	Morley	21925-22600	Shelley	18200-20301	Woodbury	14504-14505
Chagrins	16112-16114	Haddam	2634-2695	Newell	3434-3472	Shelley	20450-24139	Woodbury	14504-14505
Chagrins	17302-20013	Hadleigh	4180-4187	Nicholas	3542-3753	Shelley	2724-2736	Woodbury	3370-3458
Chagrins	20825-20875	Halburton	20676-20960	Northwood	3380-3479	Shelley	1921-18329	Woodbury	21811-22725
Chagrins	3255-3396	Hampton	2843-2988	Normandy	2838-3175	Shelley	17921-18329	Woodbury	21811-22725
Chagrins	3517-3742	Hardwick	23126-23399	Northwood	2888-3200	Shelley	3115-3330	Woodbury	2831-2953
Chagrins	2531-2590	Hazelmere	23350-24250	Northwood	18309-18726	Shelley	2690-2933	Woodbury	2865-2931
Chagrins	2680-2791	Helen	3401-3465	Northwood	16313-16501	Shelley	13500-14215	Woodbury	2846-2750
Claremont	2896-3024	Hermitage	23655-24270	Northwood	3516-3727	Shelley	14475 & 3022	Woodbury	2846-2750
Claremont	3774	Hildana	3511-3742	Northwood	12806	Shelley	18000-20200	Woodbury	2846-2750
Claremont	2683-2765 &	Holbrook	16722-17010	Northwood	12806	Shelley	18500-20201	Woodbury	2846-2750
Claythorne	20900-21520	Holbrook	16722-17010	Northwood	12806	Shelley	2725-20001	Woodbury	2846-2750
Clayton	3315-3400	Holbrook	16722-17010	Northwood	12806	Shelley	14101-17355	Woodbury	2846-2750
Colby	20725-21307	Holbrook	16722-17010	Northwood	12806	Shelley	14101-17355	Woodbury	2846-2750
Colton	3412-3471	Holbrook	16722-17010	Northwood	12806	Shelley	14101-17355	Woodbury	2846-2750
Colwyn	3338-3397	Holbrook	16722-17010	Northwood	12806	Shelley	14101-17355	Woodbury	2846-2750
Corby	13507-13714	Holbrook	16722-17010	Northwood	12806	Shelley	14101-17355	Woodbury	2846-2750
Corby	13507-13714	Holbrook	16722-17010	Northwood	12806	Shelley	14101-17355	Woodbury	2846-2750
Cormere	13302-13810	Holbrook	16722-17010	Northwood	12806	Shelley	14101-17355	Woodbury	2846-2750
Courtland	2627-2799	Holbrook	16722-17010	Northwood	12806	Shelley	14101-17355	Woodbury	2846-2750

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



Government Finance Officers Association

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

Presented to

**Shaker Heights City School District
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Shaker Heights City School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2016.**

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 'Anthony N. Dragona', written over a horizontal line.

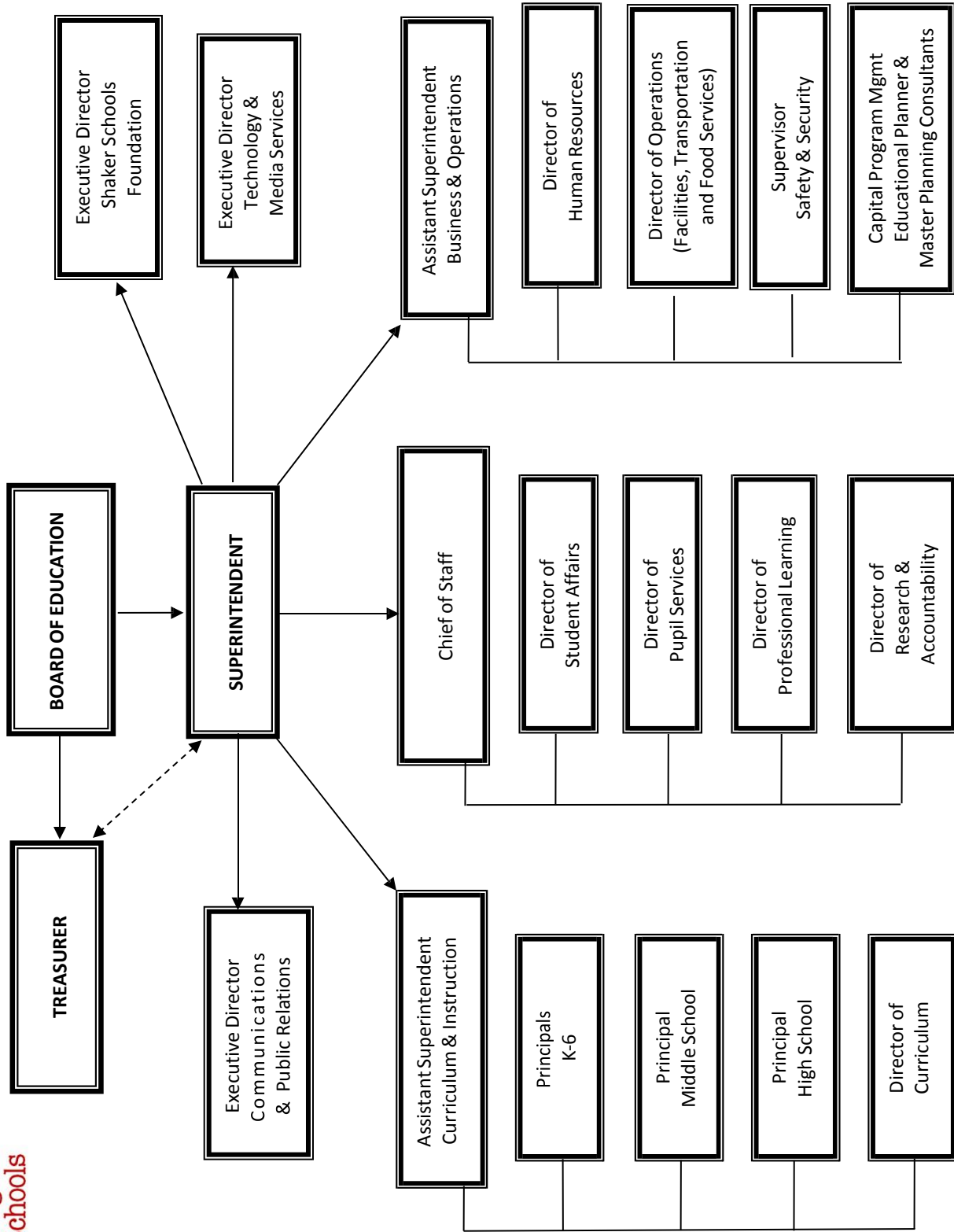
Anthony N. Dragona, Ed.D., RSBA
President

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

John D. Musso, CAE
Executive Director



ORGANIZATIONAL CHART
2016-17



FINANCIAL SECTION



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Shaker Heights City School District, Cuyahoga County, Ohio (the District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Shaker Heights City School District, Cuyahoga County, Ohio, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the 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 this presentation to include *management's discussion and analysis*, and schedules of net pension liabilities and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2018, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Dave Yost
Auditor of State
Columbus, Ohio

January 25, 2018

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Shaker Heights City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017

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, 2017. 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 2017 are as follows:

- Net position decreased \$9,538,690, which represents a 24% decrease from 2016.
- Capital assets increased \$433,839 during fiscal year 2017.
- During the fiscal year, outstanding debt decreased from \$19,547,786 to \$17,320,364 due to principal payments.

Using this Annual Report

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

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While the basic financial statements contain the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2017?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include all assets, deferred outflow of resources, liabilities, and deferred inflow of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

Shaker Heights City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017

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 20. 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 25.

Reporting the School District's Fiduciary Responsibilities

The School District acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in an agency fund. The School District's fiduciary activities are reported in a separate Statement of Fiduciary Assets and Liabilities on page 28. 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.

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Cuyahoga County, Ohio
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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 2017 compared to fiscal year 2016:

Table 1
Net Position

	Governmental Activities	
	2017	2016
Assets		
Current and Other Assets	\$ 140,701,216	\$ 131,723,786
Capital Assets	35,801,220	35,367,381
<i>Total Assets</i>	176,502,436	167,091,167
Deferred Outflows of Resources		
Deferred Charge on Refunding	585,644	667,940
Pension	30,664,729	12,963,036
<i>Total Deferred Outflows of Resources</i>	31,250,373	13,630,976
Liabilities		
Other Liabilities	12,683,629	10,784,341
Long-Term Liabilities	183,477,442	153,971,115
<i>Total Liabilities</i>	196,161,071	164,755,456
Deferred Inflows of Resources		
Property Taxes and Other	60,127,714	46,183,384
Payment in Lieu of Taxes	104,000	104,000
Pension	1,278,452	10,059,041
<i>Total Deferred Inflows of Resources</i>	61,510,166	56,346,425
Net Position		
Net Investment in Capital Assets	20,192,334	18,406,114
Restricted	6,531,658	7,069,771
Unrestricted	(76,642,420)	(65,855,623)
<i>Total Net Position</i>	\$ (49,918,428)	\$ (40,379,738)

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

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

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

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

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

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

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

At year end, capital assets represented 20% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, equipment, and vehicles. Net investment in capital assets was \$20,192,334 at June 30, 2017. 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, \$6,531,658 represents resources that are subject to external restrictions on how they may be used. The deficit balance of government-wide unrestricted net position of \$76,642,420, which is primarily due to GASB 68.

Total assets showed a net increase of \$9,411,269 with a \$4.8 million increase in pooled cash and investments; taxes receivable increased due to a new levy passed in May, 2017. Expenses increased due to wages and benefits, operation and maintenance increased due to various maintenance projects. Intergovernmental receivable decreased \$299,313 as a result of fewer grants receivable.

The increase in capital assets was attributed to additions, particularly construction in progress for a major roofing project, exceeding depreciation expense during the current year.

Current liabilities increased \$1,899,288 from fiscal year 2016. Accounts payable increased \$595,077 as a result of the timing of purchases made by the School District. Contracts payable increased \$825,930 from permanent improvement projects. Changes in net pension liability, deferred outflows of resources and eferred inflows of resources for pension were all due to changes in the pension plans as it pertains to GASB 68. Changes in property tax levied for next year increased due to a passage of a new levy in May 2017, as well as increase in estimated taxes to be collected.

In order to further understand what makes up the changes in net position for the current year, the following tables gives readers further details regarding the results of activities for 2017 and 2016.

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Table 2
Changes in Net Position

	Governmental Activities	
	2017	2016
Revenues		
<i>Program Revenues:</i>		
Charges for Services	\$ 2,852,711	\$ 2,947,023
Operating Grants	7,966,563	8,100,434
Capital Grants	88,714	127,937
<i>Total Program Revenues</i>	<u>10,907,988</u>	<u>11,175,394</u>
<i>General Revenues:</i>		
Property Taxes	61,559,239	77,123,346
Grants and Entitlements Not Restricted	25,402,285	25,768,793
Payments in Lieu of Taxes	122,973	122,905
Other	577,338	986,237
<i>Total General Revenues</i>	<u>87,661,835</u>	<u>104,001,281</u>
<i>Total Revenues</i>	<u>98,569,823</u>	<u>115,176,675</u>
Program Expenses		
<i>Instruction:</i>		
Regular	43,332,594	39,924,216
Special	15,712,484	13,486,639
Career Technical Education (fka Vocational)	352,363	225,278
Student Intervention Services	382,525	388,948
Other	446,397	474,197
<i>Support Services:</i>		
Pupils	7,489,537	6,605,357
Instructional Staff	4,955,704	4,642,768
Board of Education	26,022	28,377
Administration	6,940,852	6,278,130
Fiscal	2,618,670	2,522,825
Business	757,710	783,194
Operation and Maintenance of Plant	12,675,113	11,231,757
Pupil Transportation	4,900,743	4,537,054
Central	1,804,959	1,550,074
<i>Operation of Non-Instructional Services:</i>		
Food Service Operations	1,788,322	1,888,483
Community Services	1,686,053	1,761,972
Extracurricular Activities	1,688,888	1,621,109
<i>Debt Service:</i>		
Interest and Fiscal Charges	549,577	667,486
<i>Total Expenses</i>	<u>108,108,513</u>	<u>98,617,864</u>
<i>Increase (Decrease) in Net Position</i>	<u>(9,538,690)</u>	<u>16,558,811</u>
<i>Net Position at Beginning of Year</i>	<u>(40,379,738)</u>	<u>(56,938,549)</u>
<i>Net Position at End of Year</i>	<u>\$ (49,918,428)</u>	<u>\$ (40,379,738)</u>

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Overall revenue decreased \$16,606,852, due to a decrease in property tax from the amount available as an advance resulting from timing of payments due.

Program expenses increased from \$98.6 million to \$108.1 million, which represents a 10% increase from fiscal year 2016. Expenses in regular instruction, special instruction, pupils, administration, and central increased primarily from increases in wages and benefits; operations and maintenance increased due to various maintenance projects.

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	
	2017	2016	2017	2016
Instruction:				
Regular	\$ 43,332,594	\$ 39,924,216	\$ 42,043,349	\$ 38,185,083
Special	15,712,484	13,486,639	11,278,242	8,953,594
Career Technical Education (fka Vocational)	352,363	225,278	305,734	183,654
Student Intervention Services	382,525	388,948	285,996	239,546
Other	446,397	474,197	430,797	474,122
Support Services:				
Pupils	7,489,537	6,605,357	7,273,494	6,457,055
Instructional Staff	4,955,704	4,642,768	4,810,264	4,490,754
Board of Education	26,022	28,377	26,022	11,700
Administration	6,940,852	6,278,130	6,924,450	6,148,537
Fiscal	2,618,670	2,522,825	2,281,601	2,522,825
Business	757,710	783,194	757,710	781,410
Operation and Maintenance of Plant	12,675,113	11,231,757	12,673,344	11,229,010
Pupil Transportation	4,900,743	4,537,054	4,339,443	3,987,919
Central	1,804,959	1,550,074	1,804,959	1,550,074
Operation of Non-Instructional Services:				
Food Service Operations	1,788,322	1,888,483	44,684	120,496
Community Services	1,686,053	1,761,972	(56,966)	111,047
Extracurricular Activities	1,688,888	1,621,109	1,427,825	1,328,158
Debt Service:				
Interest and Fiscal Charges	549,577	667,486	549,577	667,486
<i>Total Expenses</i>	\$ 108,108,513	\$ 98,617,864	\$ 97,200,525	\$ 87,442,470

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The dependence upon general revenues for governmental activities is apparent. Nearly 90% of governmental activities are supported through taxes and other general revenues; such revenues are 89% of total governmental revenues. The community, as a whole, is by far the primary support for the School District students.

Governmental Funds

Information about the School District's major funds starts on page 20. These funds are accounted for using the modified accrual basis of accounting. The net change in fund balances for the fiscal year was a decrease of \$6,857,797 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 2017 was a decrease of \$5,415,813. This decrease is primarily due to the decrease in property tax revenues from the amount available for advance, resulting from timing of payments due.

The fund balance of the building fund decreased by \$1,158,179. This decrease can be attributed to the timing of revenue to cover improvement projects, the majority of the revenue was received in prior years.

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 2017, the School District amended its general fund budget. The School District uses site-based budgeting and budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, actual budget basis revenue was \$6,480,144 lower than the final budget basis revenue of \$105,751,903. Taxes and state funding were lower than estimated.

Final expenditure appropriations of \$102,068,445 were \$2,467,911 higher than the actual expenditures of \$99,600,534, as cost savings were recognized for wages and benefits.

There were no significant differences in other financing sources and uses.

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Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2017, the School District had \$35,801,220 invested in capital assets, net of depreciation. Table 4 shows fiscal year 2017 balances compared with 2016.

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

	Governmental Activities	
	2017	2016
Land	\$ 943,600	\$ 943,600
Construction in Progress	950,002	352,027
Land Improvements	2,134,872	1,551,909
Buildings and Improvements	26,484,747	26,321,836
Equipment	4,214,407	5,051,639
Vehicles	1,073,592	1,146,370
<i>Totals</i>	\$ 35,801,220	\$ 35,367,381

The \$433,839 increase in capital assets was attributable to additions exceeding depreciation and disposals in the current year. See Note 11 for more information about the capital assets of the School District.

Debt

At June 30, 2017, the School District had \$17,320,364 in debt outstanding. Table 5 summarizes bonds outstanding.

Table 5
Outstanding Debt at Year End

	Governmental Activities	
	2017	2016
School Improvement Bonds - 2007	\$ 855,000	\$ 1,260,000
School Improvement Refunding Bonds - 2007	1,313,499	1,720,899
School Improvement Refunding Bonds - 2007	754,133	991,786
School Improvement Bonds - 2008	1,244,688	1,516,333
Capital Improvement & Equipment Bond - 2012	2,925,000	3,245,000
School Improvement Refunding Bonds - 2012	4,415,639	4,931,651
School Facilities Improvement Refunding Bonds - 2015	5,812,405	5,882,117
	\$ 17,320,364	\$ 19,547,786

Outstanding debt decreased \$2,227,422 in fiscal year 2017 primarily due to principal payments. See Note 18 for more information about outstanding debt.

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School District Outlook

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

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

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.

While the School District's most recent State report card results for fiscal year 2017 do not appear to be favorable, the results were not unexpected given the continuing changes in State measurement criteria and cut scores. The School District continues to work to improve its performance with respect to the State's educational criteria while continuing to emphasize other criteria that it believes to be critical to providing a well-rounded education, which are highlighted in the School District report *Measuring What Matters-Fall 2017*.

As the preceding information shows, the School District heavily depends on its residential property taxpayers. Our community's support continues to be unwavering as demonstrated by the most recent operating levy in May of 2014, wherein a 6.9 mill levy was passed with a 61.2% margin in the wake of a national, State and local economic recession, as well as a facilities measure providing for a \$30 million bond issue and a 1.25 mill permanent improvement levy that was approved by the community with a 67.8% margin in May 2017. 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
Cuyahoga County, Ohio
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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 five-year financial plan. State law retards the growth of income generated by local levies rendering revenue relatively constant. This lack of revenue growth, however, forces the School District to come back to the voters from time to time and ask for additional financial support.

State School Funding

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

- The school funding case known as *DeRolph vs Ohio*, which became synonymous with the State-wide attempt to accomplish public school funding reform in Ohio, was initially ruled on in 1994 and upheld by the Ohio Supreme Court an unprecedented four times. Unfortunately, the plaintiffs were unsuccessful in forcing the State of Ohio to comply with the Ohio Supreme Court orders and in fact were denied a last ditch effort in October 2003, when the United States Supreme Court denied the plaintiffs motion to be heard. As of the date of these financial statements, the consensus opinion is that *DeRolph* case is over and done.
- Past DeRolph, the State continued to struggle with the development of a constitutional school funding system primarily through the work of the then Governor's Blue Ribbon Task Force on Financing Student Success. The recommendation of the Task Force, which had failed to reach consensus on school funding improvements to provide a system that would be predictable, affordable, spend money effectively, and support student achievement, were only partially adopted and incorporated into House Bill No. 66, the State's budget bill for the fiscal year 2006 and 2007.
- House Bill No. 66 (H.B. 66), the State's biennial budget for fiscal years 2006 and 2007, was enacted in June 2005. This legislation adopted sweeping changes in the State's tax structure. The most significant provisions impacting the School District were the elimination of the Cost of Doing Business Factor (CODB) portion of the State Formula Aid calculation, and the elimination of the tangible personal property tax. The CODB was phased-out over fiscal years 2006 and 2007. H.B. 66, however, provided for a "guarantee", or a floor (the fiscal year 2004 State Formula Aid amount) below which school districts' funding would not fall during that biennium. Absent the continuation of the biennial "guarantee", the School District would lose approximately \$2 million per year. H.B. 66 eliminated the tangible personal property tax; the tax had previously generated about \$2 million per year for the School District. The phase-out for the tangible personal property taxpayer began with the 2006 tax collection year, in which approximately 75% of the traditional amount was payable, followed by 50% and 25% in tax collection years 2007 and 2008, respectively, with no tax due in collection year 2009. At the same time the tangible personal property tax phase-out occurred, the phase-out of the H.B. 66 personal property tax loss reimbursement mechanism began to make payments to school districts to help offset the loss of personal property tax collections. The reimbursement payments coincided with the phase-out, and in essence approximate the reciprocal percentage of the phase-out tax payment percentage (i.e. 25%, 50%, 75% and 100% for the tax collection years 2006, 2007, 2008, and 2009, respectively). After a second 100% reimbursement year in tax collection year 2010, the reimbursement payments were to be phased-out over the ensuing seven years.

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- The tax reform provision of H.B. 66 was continued in the 2008-2009 State biennial budget which was passed in 2007. Additionally, the budget bill provided for the continuation of the State Foundation Formula Aid “guarantee” through the end of the biennium. However, due to the State budget crisis, the Governor twice implemented mid-term budget reductions in 2008 resulting in peripheral budget reductions to the Ohio school district funding, but left the primary school districts State Foundation Funding untouched.
- After conducting a series of public forums in 2008 to first gather input about the desired attributes of a world class educational system, and then about financing such educational system, Governor Strickland developed and proposed the Ohio Evidenced-Based Model Education Program (OEBM), most of which was incorporated into the fiscal year 2010-2011 biennial State budget, House Bill No. 1. The OEBM represented a significant overhaul to the historical per pupil funding model utilized by the State, and was scheduled to be phased-in over the ensuing ten to twelve years. The State of Ohio utilized approximately \$8 billion of the Federal Stimulus package (American Recovery and Reinvestment Act, aka ARRA) to fill its budgetary hole for the 2010-2011 biennium, under which the School District’s State Foundation Funding continued to be subject to the guarantee with a 1% reduction during each of the two fiscal years of the biennium.
- In November 2010, Governor Strickland lost his bid for re-election. Facing an \$8 billion budget deficit for the fiscal year 2012 and 2013 biennial budget, Governor Kasich and the General Assembly repealed the OEBM, reinstated a modified per pupil funding model, and implemented substantial budget reductions including not replacing the State Foundation payments that were funded utilizing ARRA funds during fiscal years 2010 and 2011, and accelerating the phase-out of the public utility and the tangible personal property tax reimbursement payments. As a result, the School District has lost revenue totaling \$21 million during the 2012 – 2019 years, including \$8 million over the 2012 and 2013 biennium.
- In June 2013, the General Assembly approved Substitute House Bill No. 59, the State’s 2014 and 2015 biennial budget bill, which incorporated a new school funding formula that resulted in increases in funding for the School District in both fiscal year 2014 and 2015. House Bill No. 59, also eliminated the State’s subsidy of the 12.5% rollback credit for all future tax levies, but continued the subsidy for all of the school district’s existing levies.
- In June 2015, the General Assembly approved and the Governor signed Substitute House Bill No. 64, the State’s 2016 and 2017 biennial budget bill, which incorporated adjustments to the previous biennium’s new school funding formula that resulted in increases in funding for the School District in both fiscal years 2016 and projected for 2017. House Bill No. 64, as impacted by the Governor’s line item vetoes, also reinstated the phase-out of the tangible personal property reimbursement for those districts that were still receiving such payments. The School District was not affected by such provision given it had lost all such reimbursements in the 2012-2013 biennial budget legislation.
- In June 2017, the General Assembly approved and the Governor signed Substitute House Bill No. 49, the State’s 2018 and 2019 biennial budget bill, which incorporated minimal adjustments to the previous biennium’s school funding formula.

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

Contacting the School District's Financial Management

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

Shaker Heights City School District
Cuyahoga County, Ohio
Statement of Net Position
June 30, 2017

	Governmental Activities
Assets	
Equity in Pooled Cash and Investments	\$ 58,940,697
Restricted Cash and Investments	353,070
Receivables:	
Accrued Interest	57,342
Accounts	119,611
Intergovernmental	627,833
Property Taxes	80,379,373
Prepaid Items	223,290
Nondepreciable Capital Assets	1,893,602
Depreciable Capital Assets (Net)	33,907,618
<i>Total Assets</i>	176,502,436
Deferred Outflows of Resources	
Deferred Charges on Refunding	585,644
Pension	30,664,729
<i>Total Deferred Outflows of Resources</i>	31,250,373
Liabilities	
Accounts Payable	782,709
Accrued Wages and Benefits	8,895,383
Contracts Payable	1,109,456
Intergovernmental Payable	1,639,835
Matured Compensated Absences Payable	256,246
Long Term Liabilities:	
Due Within One Year	3,256,223
Due in More Than One Year:	
Net Pension Liability (Note 14)	158,588,185
Other Amounts	21,633,034
<i>Total Liabilities</i>	196,161,071
Deferred Inflows of Resources	
Property Taxes Levied for the Next Year	60,127,714
Pension	1,278,452
Payment in Lieu of Taxes for the Next Year	104,000
<i>Total Deferred Inflows of Resources</i>	61,510,166
Net Position	
Net Investment in Capital Assets	20,192,334
Restricted For:	
Capital Outlay	1,366,516
Debt Service	3,988,776
Set Asides	353,070
Other Purposes	823,296
Unrestricted	(76,642,420)
<i>Total Net Position</i>	\$ (49,918,428)

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, 2017

	Program Revenues				Net (Expense)
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
Governmental Activities					
Instruction:					
Regular	\$ 43,332,594	\$ 781,493	\$ 507,752	\$ 0	\$ (42,043,349)
Special	15,712,484	574,237	3,860,005	0	(11,278,242)
Career Technical Education (fka Vocational)	352,363	0	46,629	0	(305,734)
Student Intervention Services	382,525	0	96,529	0	(285,996)
Other	446,397	0	15,600	0	(430,797)
Support Services:					
Pupils	7,489,537	0	216,043	0	(7,273,494)
Instructional Staff	4,955,704	0	145,440	0	(4,810,264)
Board of Education	26,022	0	0	0	(26,022)
Administration	6,940,852	14,681	1,721	0	(6,924,450)
Fiscal	2,618,670	322,669	14,400	0	(2,281,601)
Business	757,710	0	0	0	(757,710)
Operation and Maintenance of Plant	12,675,113	1,769	0	0	(12,673,344)
Pupil Transportation	4,900,743	78,698	393,888	88,714	(4,339,443)
Central	1,804,959	0	0	0	(1,804,959)
Operation of Non-Instructional Services:					
Food Service Operations	1,788,322	822,854	920,784	0	(44,684)
Community Services	1,686,053	0	1,743,019	0	56,966
Extracurricular Activities	1,688,888	256,310	4,753	0	(1,427,825)
Debt Service:					
Interest and Fiscal Charges	549,577	0	0	0	(549,577)
Total	\$ 108,108,513	\$ 2,852,711	\$ 7,966,563	\$ 88,714	(97,200,525)
General Revenues					
Property Taxes Levied for:					
General Purposes					59,568,298
Debt Service					1,990,941
Grants and Entitlements Not Restricted to Specific Programs					25,402,285
Payments in Lieu of Taxes					122,973
Investment Earnings					158,736
Miscellaneous					418,602
Total General Revenues					87,661,835
<i>Change in Net Position</i>					(9,538,690)
<i>Net Position Beginning of Year</i>					(40,379,738)
<i>Net Position End of Year</i>					\$ (49,918,428)

See accompanying notes to the basic financial statements.

Shaker Heights City School District
Cuyahoga County, Ohio
Balance Sheet
Governmental Funds
June 30, 2017

	General	Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Investments	\$ 49,056,424	\$ 415,339	\$ 4,584,362	\$ 54,056,125
Restricted Cash and Investments	353,070	0	0	353,070
Receivables:				
Accrued Interest	57,342	0	0	57,342
Accounts	115,038	4,573	0	119,611
Interfund	7,107	0	0	7,107
Intergovernmental	292,184	0	335,649	627,833
Property Taxes	76,445,921	0	3,933,452	80,379,373
Prepaid Items	222,612	0	678	223,290
<i>Total Assets</i>	<u>\$ 126,549,698</u>	<u>\$ 419,912</u>	<u>\$ 8,854,141</u>	<u>\$ 135,823,751</u>
Liabilities				
Accounts Payable	\$ 408,748	\$ 0	\$ 373,961	\$ 782,709
Accrued Wages and Benefits	8,466,753	0	428,630	8,895,383
Contracts Payable	1,041,160	68,296	0	1,109,456
Intergovernmental Payable	1,565,807	0	74,028	1,639,835
Matured Compensated Absences Payable	214,371	0	41,875	256,246
Interfund Payable	0	0	7,107	7,107
<i>Total Liabilities</i>	<u>11,696,839</u>	<u>68,296</u>	<u>925,601</u>	<u>12,690,736</u>
Deferred Inflows of Resources				
Property Taxes Levied for the Next Year	56,882,303	0	3,245,411	60,127,714
Payment in Lieu of Taxes for the Next Year	104,000	0	0	104,000
Unavailable Revenue	8,217,194	0	360,361	8,577,555
<i>Total Deferred Inflows of Resources</i>	<u>65,203,497</u>	<u>0</u>	<u>3,605,772</u>	<u>68,809,269</u>
Fund Balances				
Nonspendable	222,612	0	678	223,290
Restricted	353,070	351,616	4,458,907	5,163,593
Committed	1,173,937	0	0	1,173,937
Assigned	5,251,332	0	0	5,251,332
Unassigned	42,648,411	0	(136,817)	42,511,594
<i>Total Fund Balances</i>	<u>49,649,362</u>	<u>351,616</u>	<u>4,322,768</u>	<u>54,323,746</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 126,549,698</u>	<u>\$ 419,912</u>	<u>\$ 8,854,141</u>	<u>\$ 135,823,751</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, 2017

Total Governmental Fund Balances		\$ 54,323,746
<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.		35,801,220
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Intergovernmental	\$ 81,864	
Property Taxes	<u>8,495,691</u>	8,577,555
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.		3,485,572
In the statement of activities, a gain/loss on the refunding of bonds is amortized over the term of the bonds, whereas in governmental funds a refunding gain/loss is reported when bonds are issued.		585,644
The net pension liability is not due and payable in the current period therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows - Pension	30,664,729	
Deferred Inflows - Pension	(1,278,452)	
Net Pension Liability	<u>(158,588,185)</u>	(129,201,908)
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	(15,740,000)	
Capital Appreciation Bonds	(239,309)	
Bond Premium	(985,321)	
Accretion of Interest - Capital Appreciation Bonds	(355,734)	
Compensated Absences	<u>(6,169,893)</u>	<u>(23,490,257)</u>
<i>Net Position of Governmental Activities</i>		<u><u>\$ (49,918,428)</u></u>

See accompanying notes to the basic financial statements.

Shaker Heights City School District
Cuyahoga County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2017

	General	Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Property and Other Local Taxes	\$ 58,716,764	\$ 0	\$ 1,966,414	\$ 60,683,178
Intergovernmental	28,126,580	0	5,243,127	33,369,707
Investment Income	159,753	4,713	10,054	174,520
Tuition and Fees	927,465	0	0	927,465
Extracurricular Activities	189,248	0	158,364	347,612
Rentals	88,781	0	0	88,781
Charges for Services	666,001	0	773,921	1,439,922
Contributions and Donations	21,907	88,714	25,814	136,435
Payment in Lieu of Taxes	122,973	0	0	122,973
Miscellaneous	335,150	75,228	53,600	463,978
<i>Total Revenues</i>	<u>89,354,622</u>	<u>168,655</u>	<u>8,231,294</u>	<u>97,754,571</u>
Expenditures				
Current:				
Instruction:				
Regular	39,338,011	41,227	436,648	39,815,886
Special	13,275,197	821	1,492,590	14,768,608
Career Technical Education (fka Vocational)	352,363	0	0	352,363
Student Intervention Services	274,120	0	108,405	382,525
Other	390,823	0	17,519	408,342
Support Services:				
Pupils	6,821,949	0	200,104	7,022,053
Instructional Staff	4,239,594	0	147,560	4,387,154
Board of Education	26,022	0	0	26,022
Administration	6,478,177	0	0	6,478,177
Fiscal	2,672,368	0	72,565	2,744,933
Business	699,631	0	0	699,631
Operation and Maintenance of Plant	10,350,571	37,740	9,866	10,398,177
Pupil Transportation	4,318,286	305,913	0	4,624,199
Central	1,715,662	0	0	1,715,662
Extracurricular Activities	1,182,858	7,424	330,766	1,521,048
Operation of Non-Instructional Services:				
Food Service Operations	0	0	1,788,322	1,788,322
Community Services	50,250	0	1,807,143	1,857,393
Capital Outlay	2,073,678	827,798	0	2,901,476
Debt Service:				
Principal Retirement	225,000	95,000	1,865,000	2,185,000
Interest and Fiscal Charges	50,875	13,450	473,611	537,936
<i>Total Expenditures</i>	<u>94,535,435</u>	<u>1,329,373</u>	<u>8,750,099</u>	<u>104,614,907</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(5,180,813)</u>	<u>(1,160,718)</u>	<u>(518,805)</u>	<u>(6,860,336)</u>
Other Financing Sources (Uses)				
Insurance Recoveries	0	2,539	0	2,539
Transfers In	0	0	235,000	235,000
Transfers Out	(235,000)	0	0	(235,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(235,000)</u>	<u>2,539</u>	<u>235,000</u>	<u>2,539</u>
<i>Net Change in Fund Balance</i>	(5,415,813)	(1,158,179)	(283,805)	(6,857,797)
<i>Fund Balances Beginning of Year</i>	<u>55,065,175</u>	<u>1,509,795</u>	<u>4,606,573</u>	<u>61,181,543</u>
<i>Fund Balances End of Year</i>	<u>\$ 49,649,362</u>	<u>\$ 351,616</u>	<u>\$ 4,322,768</u>	<u>\$ 54,323,746</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, 2017*

Net Change in Fund Balances - Total Governmental Funds	\$	(6,857,797)
 <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.		
Capital Asset Additions	\$ 3,127,250	
Current Year Depreciation	<u>(2,678,271)</u>	448,979
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
		(15,140)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property Taxes	753,078	
SERS Reimbursement	(52,889)	
Intergovernmental	<u>59,635</u>	759,824
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
General Obligation Bonds		2,185,000
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows		
		7,918,472
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities		
		(12,476,380)
In the statement of activities, interest is accrued on outstanding bonds, and bond premium and gain/loss on refunding are amortized over the term of the bonds, whereas in governmental funds, an interest expenditure is reported when bonds are issued.		
Accrued Interest Payable	28,235	
Amortization of Premium on Bonds	126,051	
Amortization of Refunding Loss	<u>(82,296)</u>	71,990
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.		
		(1,097,971)
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		(392,038)
Accretion on capital appreciation bonds is an expenditure in the governmental funds, but is allocated as an expense over the life of the bonds in the statement of activities.		
		<u>(83,629)</u>
<i>Change in Net Position of Governmental Activities</i>	<u>\$</u>	<u>(9,538,690)</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, 2017

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget Over (Under)
Revenues				
Property and Other Local Taxes	\$ 72,009,425	\$ 72,725,975	\$ 68,813,847	\$ (3,912,128)
Intergovernmental	29,981,699	30,266,376	27,944,553	(2,321,823)
Investment Income	505,636	512,173	620,735	108,562
Tuition and Fees	1,510,115	1,524,396	1,028,097	(496,299)
Extracurricular Activities	51,286	51,965	65,326	13,361
Rentals	92,466	93,388	88,781	(4,607)
Charges for Services	238,000	238,000	345,956	107,956
Payment in Lieu of Taxes	122,973	122,973	122,973	0
Miscellaneous	214,147	216,657	241,491	24,834
<i>Total Revenues</i>	<u>104,725,747</u>	<u>105,751,903</u>	<u>99,271,759</u>	<u>(6,480,144)</u>
Expenditures				
Current:				
Instruction:				
Regular	40,305,032	41,141,142	40,214,699	926,443
Special	16,553,176	16,204,360	14,476,274	1,728,086
Career Technical Education (fka Vocational)	1,173,690	972,739	972,739	0
Student Intervention Services	278,414	274,140	274,140	0
Other	433,134	419,075	419,075	0
Support Services:				
Pupils	6,448,227	6,883,942	6,883,942	0
Instructional Staff	4,833,273	4,315,366	4,315,366	0
Board of Education	30,144	26,022	26,022	0
Administration	6,269,713	6,510,749	6,510,749	0
Fiscal	2,921,161	2,848,877	2,578,761	270,116
Business	797,932	1,039,039	1,039,039	0
Operation and Maintenance of Plant	11,184,017	10,655,706	10,655,706	0
Pupil Transportation	4,539,906	4,606,616	4,606,616	0
Central	1,822,189	1,867,224	1,867,224	0
Extracurricular Activities	962,268	1,175,595	1,175,595	0
Operation of Non-Instructional Services:				
Community Services	46,347	50,500	50,500	0
Capital Outlay	1,520,667	2,801,478	3,258,212	(456,734)
Debt Service:				
Principal Retirement	172,399	225,000	225,000	0
Interest and Fiscal Charges	88,302	50,875	50,875	0
<i>Total Expenditures</i>	<u>100,379,991</u>	<u>102,068,445</u>	<u>99,600,534</u>	<u>2,467,911</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>4,345,756</u>	<u>3,683,458</u>	<u>(328,775)</u>	<u>(4,012,233)</u>
Other Financing Sources (Uses)				
Transfers Out	(260,000)	(260,000)	(245,000)	15,000
<i>Net Change in Fund Balance</i>	4,085,756	3,423,458	(573,775)	(3,997,233)
<i>Fund Balance Beginning of Year</i>	35,534,460	35,534,460	35,534,460	0
Prior Year Encumbrances Appropriated	5,679,655	5,679,655	5,679,655	0
<i>Fund Balance End of Year</i>	<u>\$ 45,299,871</u>	<u>\$ 44,637,573</u>	<u>\$ 40,640,340</u>	<u>\$ (3,997,233)</u>

See accompanying notes to the basic financial statements.

Shaker Heights City School District
Cuyahoga County, Ohio
Statement of Fund Net Position
Proprietary Fund
June 30, 2017

	Governmental Activities - Internal Service Funds
Assets	
<i>Current Assets</i>	
Equity in Pooled Cash and Investments	\$ 4,884,572
<i>Total Assets</i>	4,884,572
Liabilities	
<i>Current Liabilities</i>	
Claims Payable	202,518
<i>Total Current Liabilities</i>	202,518
<i>Long-Term Liabilities</i>	
Claims Payable - net of Current Portion	1,196,482
<i>Total Long-Term Liabilities</i>	1,196,482
<i>Total Liabilities</i>	1,399,000
Net Position	
Unrestricted	3,485,572
<i>Total Net Position</i>	\$ 3,485,572

See accompanying notes to the basic financial statements.

Shaker Heights City School District
Cuyahoga County, Ohio
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2017

	Governmental Activities - Internal Service Funds
Operating Revenues	
Charges for Services	\$ 10,712,258
Other	170,570
<i>Total Operating Revenues</i>	10,882,828
Operating Expenses	
Purchased Services	1,617,228
Claims	10,319,488
Other	44,083
<i>Total Operating Expenses</i>	11,980,799
<i>Operating Income (Loss)</i>	(1,097,971)
<i>Net Position Beginning of Year</i>	4,583,543
<i>Net Position End of Year</i>	\$ 3,485,572

See accompanying notes to the basic financial statements.

Shaker Heights City School District
Cuyahoga County, Ohio
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2017

	<u>Governmental Activities - Internal Service Funds</u>
Cash Flows From Operating Activities	
Cash Received from Interfund Services Provided	\$ 10,882,828
Cash Paid for Goods and Services	(1,661,311)
Cash Paid for Claims	(10,017,967)
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>(796,450)</u>
 <i>Net Increase (Decrease) in Cash and Investments</i>	 (796,450)
 <i>Cash and Investments, Beginning of Year</i>	 <u>5,681,022</u>
 <i>Cash and Investments, End of Year</i>	 <u>\$ 4,884,572</u>
 Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities	
Operating Income (Loss)	\$ (1,097,971)
Increase (Decrease) in Liabilities:	
Claims Payable	<u>301,521</u>
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>\$ (796,450)</u>

See accompanying notes to the basic financial statements.

Shaker Heights City School District
Cuyahoga County, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2017

	<u>Agency</u>
Assets	
Equity in Pooled Cash and Investments	\$ 474,638
Accounts Receivable	462
<i>Total Assets</i>	<u>\$ 475,100</u>
Liabilities	
Accounts Payable	\$ 472
Undistributed Monies	261,747
Due to Students	212,881
<i>Total Liabilities</i>	<u>\$ 475,100</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, 2017

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 Connect. These organizations are presented in Notes 19 and 20 to the basic financial statements.

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

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 fiscal 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, 2017

Fund Accounting

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

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

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

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

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

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

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

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

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Measurement Focus

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

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

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

Basis of Accounting

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

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

Shaker Heights City School District
Cuyahoga County, Ohio
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For the Fiscal Year Ended June 30, 2017

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

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

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes, payments in lieu of taxes, pension, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2017, but which were levied to finance fiscal year 2018 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue may include delinquent property taxes, intergovernmental grants, and miscellaneous revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 14).

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

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

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Budgetary Data

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

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

Cash and Investments

To improve cash management, all cash received by the School District is pooled. Monies for all funds, including the proprietary fund, are maintained in this pool. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" in the basic financial statements.

During fiscal year 2017, investments were limited to Federal Farm Credit Bank (FFCB) securities, Federal Home Loan Bank (FHLB) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal National Mortgage Association (FNMA) securities, commercial paper, certificates of deposit, money market accounts and the State Treasury Asset Reserve of Ohio (STAR Ohio), the State Treasurer's Investment Pool.

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

During fiscal year 2017, the School District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of 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 has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

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For the fiscal year 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statute, interest earnings are allotted to the general fund unless the Board of Education has, by resolution, specified funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2017 amounted to \$159,753 which includes \$31,272 assigned from other School District funds.

For purposes of the statement of cash flows and for presentation on the statement of net position, 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.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2017, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Restricted Assets

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

Capital Assets

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

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The School District was able to estimate the historical cost for the initial reporting of capital assets by backtrending (i.e., estimating the current replacement cost of the capital asset to be capitalized and using an appropriate price-level index to deflate the cost of the acquisition year or estimated acquisition year.) Donated capital assets are recorded at their acquisition value 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:

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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.

Compensated Absences

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

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

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

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

Pensions

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

Bond Premium

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

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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, compensated absences and net pension liability that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Bonds are recognized as a liability on the fund financial statements when due.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. At June 30, 2017, there was no net position restricted by enabling legislation.

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

Fund Balance

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

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

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

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

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Notes to the Basic Financial Statements
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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.

Operating Revenues and Expenses

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

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred in fiscal year 2017.

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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

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, 2017, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures*, GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14* and GASB Statement No. 82, *Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73*.

GASB Statement No. 77 requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. These changes were incorporated in the School District's fiscal year 2017 financial statements; however, there was no effect on beginning net position.

GASB Statement No. 78 amends the scope of GASB Statement No. 68 to exclude certain multiple-employer defined benefit pension plans provided to employees of state and local governments on the basis that obtaining the measurements and other information required by GASB Statement No. 68 was not feasible. The implementation of GASB Statement No. 78 did not have an effect on the financial statements of the School District.

GASB Statement No. 80 amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the School District.

GASB Statement No. 82 improves consistency in the application of pension accounting. These changes were incorporated in the School District's fiscal year 2017 financial statements; however, there was no effect on beginning net position.

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Notes to the Basic Financial Statements
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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	\$ 222,612	\$ 0	\$ 678	\$ 223,290
Total Nonspendable	222,612	0	678	223,290
Restricted for:				
Food Service	0	0	337,895	337,895
Athletics	0	0	188,268	188,268
Non-Public Schools	0	0	202,379	202,379
Math Enrichment	0	0	19,949	19,949
Special Instruction	0	0	137	137
Debt Service Payments	0	0	3,710,279	3,710,279
Capital Improvements	0	351,616	0	351,616
Budget Stabilization-BWC Refund	353,070	0	0	353,070
Total Restricted	353,070	351,616	4,458,907	5,163,593
Committed to:				
Capital Outlay	1,173,937	0	0	1,173,937
Total Committed	1,173,937	0	0	1,173,937
Assigned for:				
Uniform School Supplies	28,148	0	0	28,148
Public School Support	141,720	0	0	141,720
Shaker Merchandise	29,021	0	0	29,021
Subsequent Year Appropriations	550,000	0	0	550,000
Encumbrances:				
Instruction	3,062,710	0	0	3,062,710
Student Support	1,439,483	0	0	1,439,483
Operation of Non-Instructional	250	0	0	250
Total Assigned	5,251,332	0	0	5,251,332
Unassigned (Deficit)	42,648,411	0	(136,817)	42,511,594
Total Fund Balance (Deficit)	\$ 49,649,362	\$ 351,616	\$ 4,322,768	\$ 54,323,746

Shaker Heights City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 4 – Fund Deficits

Fund balances at June 30, 2017, included the following individual fund deficits:

	<u>Fund Balance</u>
Nonmajor Governmental Funds:	
Parent Mentor Grant	\$ 877
Title VI-B	127,893
Title I	6,337
Preschool Disability	1,207
Class Size Reduction	34

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

Note 5 - Budgetary Basis of Accounting

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

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

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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	\$ (5,415,813)
Net Adjustment for Revenue Accruals	10,658,103
Net Adjustment for Expenditure Accruals	1,358,346
Funds Budgeted Elsewhere **	(44,862)
Adjustment for Encumbrances	(7,129,549)
Budget Basis	\$ (573,775)

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

Note 6 - Deposits and Investments

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

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
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);
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 40% 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.

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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.

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 \$1,880,366. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, as of June 30, 2017, \$2,683,729 of the School District's bank balance of \$2,935,113 was exposed to custodial risk as discussed below, while \$251,384 was covered by the Federal Deposit Insurance Corporation (FDIC), which includes \$1,384 held in a STAR Plus account.

Investments: As of June 30, 2017, the School District had the following investments:

Rating	Investment	Measurement Amount	Maturity (in months)			% Total Investments
			0 - 12	13-36	>36	
AAAm	STAR Ohio	\$ 1,133,904	\$ 1,133,904	\$ 0	\$ 0	1.96%
N/A	Money Market	22,690	22,690	0	0	0.04%
N/A	Negotiable Certificates of Deposit	5,915,641	1,488,872	3,684,646	742,123	10.22%
N/A	Commercial Paper	16,172,779	16,172,779	0	0	27.94%
AA+	Federal Home Loan Bank	3,328,219	364,888	2,963,331	0	5.75%
AA+	Federal Home Loan Mortgage Corporation	12,124,192	0	12,124,192	0	20.94%
AA-	Federal National Mortgage Association	15,988,418	2,820,324	4,229,852	8,938,242	27.62%
AA+	Federal Farm Credit Bank	3,201,723	0	0	3,201,723	5.53%
	Totals	<u>\$ 57,887,566</u>	<u>\$ 22,003,457</u>	<u>\$ 23,002,021</u>	<u>\$ 12,882,088</u>	<u>100.00%</u>

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above table identifies the School District's recurring fair value measurements as of June 30, 2017. As discussed further in Note 2, STAR Ohio is reported at its share price. All other investments of the School District are valued using quoted market prices (Level 1 inputs).

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

STAR Ohio is an investment pool operated by the Ohio State Treasurer. It is unclassified since it is not evidenced by securities that exist in physical or book entry form. Ohio law requires STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The weighted average of maturity of the portfolio held by STAR Ohio as of June 30, 2017, is 45 days.

Credit Risk: The School District's investments at June 30, 2017 are rated as shown above by S&P Global Ratings. Federal money markets are exempt from ratings since they are 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 2017 represents collections of calendar year 2016 taxes. Real property taxes received in calendar year 2017 were levied after April 1, 2016, on the assessed value listed as of January 1, 2016, the lien date. Assessed values for real property taxes are established by State law at 35 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 year 2017 represents collections of calendar year 2016 taxes. Public utility real and tangible personal property taxes received in calendar year 2017 became a lien December 31, 2015, were levied after April 1, 2016 and are collected in 2017 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Cuyahoga County. The Fiscal Officer 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, 2017, are available to finance fiscal year 2017 operations. The amount available as an advance at June 30, 2017 in the general and bond retirement funds was \$11,346,424 and \$409,554, respectively. The amount available for advance at June 30, 2016, in the general and bond retirement funds was \$21,320,534 and \$770,941, respectively. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

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Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2017 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources.

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

The assessed values upon which the fiscal year 2017 taxes were collected are:

	2016 Second Half Collections		2017 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$ 803,307,940	98.21%	\$ 801,483,780	98.10%
Public Utility Personal Property	14,677,340	1.79%	15,510,410	1.90%
	\$ 817,985,280	100.00%	\$ 816,994,190	100.00%
Tax rate per \$1,000 assessed valuation	\$ 186.73		\$ 186.73	

Note 8 – Receivables

Receivables at June 30, 2017, consisted of taxes, accounts (rent and student fees), interfund, accrued interest on investments and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables except for delinquent property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Note 9 - Set-Asides

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year end and carried forward to be used for the same purposes in future years. In prior years, the School District was also required to set aside money for budget stabilization. At June 30, 2017, 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.

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	Capital Improvement	Budget Stabilization
Set Aside Restricted Balance June 30, 2016	\$ 0	\$ 353,070
Current Year Set-Aside Requirement	908,472	0
Current Year Qualifying Expenditures	(1,835,476)	0
Total	\$ (927,004)	\$ 353,070
Balance Carried Forward to Fiscal Year 2018	\$ 0	\$ 353,070
Set Aside Balance June 30, 2017	\$ 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, 2017.

Litigation

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

School District Funding

School district foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2017 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2017 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the School District.

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Note 11 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2017, was as follows:

	Balance 6/30/16	Additions	Reductions	Adjustments	Balance 6/30/17
Governmental Activities					
<i>Capital Assets, not being depreciated:</i>					
Land	\$ 943,600	\$ 0	\$ 0	\$ 0	\$ 943,600
Construction in progress	352,027	1,655,765	0	(1,057,790)	950,002
Total Capital Assets, not being depreciated	1,295,627	1,655,765	0	(1,057,790)	1,893,602
<i>Capital Assets, being depreciated:</i>					
Land Improvements	3,806,954	48,795	0	660,558	4,516,307
Buildings and Improvements	42,606,308	681,485	0	397,232	43,685,025
Equipment	20,419,592	435,292	(531,938)	0	20,322,946
Vehicles	4,865,401	305,913	(210,338)	0	4,960,976
Total Capital Assets, being depreciated	71,698,255	1,471,485	(742,276)	1,057,790	73,485,254
Less Accumulated Depreciation:					
Land Improvements	(2,255,045)	(126,390)	0	0	(2,381,435)
Buildings and Improvements	(16,284,472)	(915,806)	0	0	(17,200,278)
Equipment	(15,367,953)	(1,257,384)	516,798	0	(16,108,539)
Vehicles	(3,719,031)	(378,691)	210,338	0	(3,887,384)
Total Accumulated Depreciation	(37,626,501)	(2,678,271)	727,136	0	(39,577,636)
Total Capital Assets being depreciated, net	34,071,754	(1,206,786)	(15,140)	1,057,790	33,907,618
Governmental Activities Capital Assets, Net	<u>\$ 35,367,381</u>	<u>\$ 448,979</u>	<u>\$ (15,140)</u>	<u>\$ 0</u>	<u>\$ 35,801,220</u>

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Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 1,110,292
Special	10,524
Other Instruction	8,693
Support Services:	
Pupil	1,519
Instructional Staff	298,809
Administration	8,375
Fiscal	6,556
Business	44,536
Operation and Maintenance of Plant	424,358
Pupil Transportation	366,130
Central Services	1,482
Food Service Operations	195,351
Non-instructional	25,095
Extracurricular Activities	176,551
Total Depreciation	\$ 2,678,271

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 2017, the School District contracted with Argonaut Insurance Company for property, inland marine, vehicle, umbrella and general liability insurance coverage. General liability coverage includes a \$1,000,000 single occurrence limit, a \$3,000,000 aggregate with a \$1,000 deductible. Coverage for vehicles, including school buses, have a \$1,000 deductible for both comprehensive and collision with a \$1,000,000 per accident combined single limit of liability. The School District also has a \$10,000,000 umbrella policy that covers both general liability and vehicle policies. The School District also has coverages provided by Travelers and other insurance companies that include foreign travel, cyber liability, crime and fiduciary obligations. Settled claims have not exceeded the School District's 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 Bureau of Workers' Compensation individual retrospective rating and payment system for claims years prior to calendar 2015. Such plan requires the payment of an annual minimum premium for administrative services and stop-loss coverage plus the actual claims cost for injured employees. The School District reimburses the State Bureau of Workers' Compensation for claims paid on the School District's behalf for all open individual retrospective claims years in the calendar year following the State's payment of the claims.

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The School District switched from an “individual retrospective” to a “group retrospective” rating plan effective January 1, 2016 and thus there are no reserves for claim year 2016. The balance of claims payable at June 30, 2017, represents an estimate of the liability for unpaid claims costs provided by Workers’ Compensation for open claim years through calendar 2015. The claims liability reported in the internal service funds for the Workers’ Compensation retrospective rating and payment system at June 30, 2017, was \$500,000.

Changes in claims activity for fiscal years 2016 and 2017 are as follows:

	<u>Balance at</u> <u>Beginning</u>	<u>Current Year</u> <u>Provision</u>	<u>Claims</u> <u>Payments</u>	<u>Balance at</u> <u>End of Year</u>
2016	\$ 811,065	\$ 0	\$ 306,586	\$ 504,479
2017	\$ 504,479	\$ 170,569	\$ 175,048	\$ 500,000

Employee Health Benefits

The School District is self-insured for prescription drug, medical and dental insurance. Express Scripts, the pharmacy benefit manager of the program, processes the claims for the School District’s prescription drug program. Monthly funding rates for prescription drug insurance are \$327.12 for family coverage and \$123.21 for single coverage. The program utilizes a \$7 retail prescription deductible for generic drugs, a \$25 deductible for preferred name brand drugs and a \$50 deductible for non-preferred 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 \$1,254.90 for family coverage and \$477.15 for single coverage. Monthly funding rates for dental insurance are \$111.24 for family coverage and \$38.76 for single coverage. The School District has stop loss coverage that begins at \$200,000 per family per year and a calculated aggregate maximum stop loss coverage for the 2017 plan year (January through December) that begins at \$8,733,299.

The claims liability of \$899,000 reported in the self-insurance fund at June 30, 2017 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 2016 and 2017 are as follows:

	<u>Balance at</u> <u>Beginning</u>	<u>Current Year</u> <u>Provision</u>	<u>Premiums and</u> <u>Claim Payments</u>	<u>Balance at</u> <u>End of Year</u>
2016	\$ 506,000	\$ 8,738,274	\$ 8,651,274	\$ 593,000
2017	\$ 593,000	\$ 10,148,918	\$ 9,842,918	\$ 899,000

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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, which requires a \$20 office visit co-pay.

Life Insurance

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

Note 14 – Defined Benefit Pension Plans

Net Pension Liability

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

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

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

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

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

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

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

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Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2017, the allocation to pension, death benefits, and Medicare B was 14 percent. SERS did not allocate any employer contributions to the Health Care Fund for fiscal year 2017.

The School District's contractually required contribution to SERS was \$2,288,433 for fiscal year 2017. Of this amount, \$191,880 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation was 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Members are eligible to retire at age 60 with five years of qualifying service credit, or at age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate goes to the DC Plan and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2017, plan members were required to contribute 14 percent of their annual covered salary. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2017 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$5,630,039 for fiscal year 2017. Of this amount, \$998,859 is reported as an intergovernmental payable.

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

The net pension liability was measured as of July 1, 2016, and the total pension liability used to calculate the net pension liability was determined by an independent actuarial valuation as of that date. The School District's employer allocation percentage of the net pension liability was based on the employer's share of employer contributions in the pension plan relative to the total employer contributions of all participating employers. Following is information related to the proportionate share and pension expense:

	<u>STRS</u>	<u>SERS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$ 121,113,265	\$ 37,474,920	\$ 158,588,185
Proportion of the Net Pension Liability:			
Current Measurement Date	0.36182360%	0.51201700%	
Prior Measurement Date	<u>0.35595127%</u>	<u>0.51126850%</u>	
Change in Proportionate Share	<u>0.00587233%</u>	<u>0.00074850%</u>	
Pension Expense	\$ 8,792,011	\$ 3,684,369	\$ 12,476,380

Deferred outflows/inflows of resources represent the effect of changes in the net pension liability due to the difference between projected and actual investment earnings, differences between expected and actual actuarial experience, changes in assumptions and changes in the School District's proportion of the collective net pension liability. The deferred outflows and deferred inflows are to be included in pension expense over current and future periods. The difference between projected and actual investment earnings is recognized in pension expense using a straight line method over a five year period beginning in the current year. Deferred outflows

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and deferred inflows resulting from changes in sources other than differences between projected and actual investment earnings are amortized over the average expected remaining service lives of all members (both active and inactive) using the straight line method. Employer contributions to the pension plan subsequent to the measurement date are also required to be reported as a deferred outflow of resources.

At June 30, 2017, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	STRS	SERS	Total
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	\$ 4,893,558	\$ 505,448	\$ 5,399,006
Net Difference between Projected and Actual Earnings on Pension Plan Investments	10,055,653	3,091,137	13,146,790
Changes of Assumptions	0	2,501,656	2,501,656
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	1,487,326	211,479	1,698,805
School District Contributions Subsequent to the Measurement Date	5,630,039	2,288,433	7,918,472
Total Deferred Outflows of Resources	\$ 22,066,576	\$ 8,598,153	\$ 30,664,729
Deferred Inflows of Resources			
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	\$ 852,636	\$ 425,816	\$ 1,278,452

\$7,918,472 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	STRS	SERS	Total
Fiscal Year Ending June 30:			
2018	\$ 2,454,530	\$ 1,403,837	\$ 3,858,367
2019	2,454,528	1,401,608	3,856,136
2020	6,313,165	2,189,886	8,503,051
2021	4,361,678	888,573	5,250,251
	\$ 15,583,901	\$ 5,883,904	\$ 21,467,805

Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities,

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retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2016, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including Inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	3.00 percent
Investment Rate of Return	7.50 percent net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

Mortality rates among active members were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates and 110 percent of female rates. Mortality among disabled members were based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period ending July 1, 2010 to June 30, 2015. The assumed rate of inflation, payroll growth assumption and assumed real wage growth were reduced in the June 30, 2016 actuarial valuation. The rates of withdrawal, retirement and disability updated to reflect recent experience and mortality rates were also updated.

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

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Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	100.00 %	

Discount Rate The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the School District's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School District's Proportionate Share of the Net Pension Liability	\$ 49,614,459	\$ 37,474,920	\$ 27,313,621

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Projected Salary Increase	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.75 percent, net of investment expenses, including inflation
Cost-of-Living Adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA commences on the fifth anniversary of the retirement date

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Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and no set back from age 90 and above.

Actuarial assumptions used in the June 30, 2016, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return*</u>
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	<u>1.00</u>	<u>3.00</u>
Total	<u>100.00 %</u>	<u>7.61 %</u>

*10-year annualized geometric nominal returns, which include the real rate of return and inflation of 2.50 percent and does not include investment expenses. The total fund long-term expected return reflects diversification among the asset classes and therefore is not a weighted average return of the individual asset classes.

Discount Rate The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2016. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2016.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the School District's proportionate share of the net pension liability as of June 30, 2016, calculated using the current period discount rate assumption of 7.75 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

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	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's Proportionate Share of the Net Pension Liability	\$ 160,949,688	\$ 121,113,265	\$ 87,508,894

Changes Between Measurement Date and Report Date In March 2017, the STRS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of June 30, 2017. The most significant change is a reduction in the discount rate from 7.75 percent to 7.45 percent. In April 2017, the STRS Board voted to suspend cost of living adjustments granted on or after July 1, 2017. Although the exact amount of these changes is not known, the overall decrease to School District's net pension liability is expected to be significant.

Note 15 - Postemployment Benefits

School Employees Retirement System

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2017, SERS did not allocate any employer contributions to the Health Care fund. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2017, this amount was \$23,500. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2017, the School District's surcharge obligation was \$251,987.

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For fiscal years 2016 and 2017, SERS did not allocate employer contributions to the Health Care fund. The School District's contributions for health care for the fiscal year ended June 30, 2015, was \$393,030. The full amount has been contributed for fiscal year 2015.

State Teachers Retirement System

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal years 2017, 2016 and 2015, STRS did not allocate any employer contributions to post-employment health care; therefore, the School District did not contribute to health care in the last three fiscal years.

Note 16 – Significant Commitments

Contractual Commitments

As a result of projects that were in progress at June 30, 2017, the School District had the following outstanding contractual commitments at fiscal year-end:

	Contract Amount	Expenditures as of June 30, 2017	Amount Remaining on Contract
Middle School Cafeteria Ceiling	\$ 115,000	\$ 0	\$ 115,000
Middle School Roof	1,559,703	950,002	609,701
	\$ 1,674,703	\$ 950,002	\$ 724,701

Encumbrance Commitments

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

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Fund	Amount
General	\$ 5,709,258
Building	86,360
Nonmajor Governmental	419,179
	\$ 6,214,797

Based on timing of when contracts are encumbered, contractual commitments identified above may or may not be included in the outstanding encumbrance commitments previously disclosed in this note.

Note 17 – Interfund Balances

Interfund Loans

Interfund loans receivable and payable consisted of the following at June 30, 2017, as reported on the fund statement:

	Interfund Receivable	Interfund Payable
General	\$ 7,107	\$ 0
Nonmajor Governmental:		
Title VI-B	0	1,387
Title I	0	2,695
Class Size Reduction	0	3,025
	\$ 7,107	\$ 7,107

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.

Interfund transactions between governmental funds are eliminated on the government-wide financial statements.

Transfers

Transfers made during fiscal year 2017 were as follows:

	Transfers In	Transfers Out
General	\$ 0	\$ 235,000
Nonmajor Governmental:		
Athletics	235,000	0
	\$ 235,000	\$ 235,000

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

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Note 18– Long-Term Obligations

Changes in long-term obligations of the School District during fiscal year 2017 were as follows:

	Balance 6/30/16	Additions	Reductions	Balance 6/30/17	Amounts Due in One Year
Governmental Activities:					
<i>General Obligation Bonds:</i>					
School Improvement Bonds - 2007					
Serial Bonds	1,260,000	0	405,000	855,000	420,000
School Improvement Refunding Bonds - 2007					
Serial Bonds	1,695,000	0	400,000	1,295,000	410,000
Unamortized Premium	25,899	0	7,400	18,499	0
Total School Improvement Refunding Bonds - 2007	<u>1,720,899</u>	<u>0</u>	<u>407,400</u>	<u>1,313,499</u>	<u>410,000</u>
School Improvement Refunding Bonds - 2007					
Serial Bonds	965,000	0	230,000	735,000	235,000
Unamortized Premium	26,786	0	7,653	19,133	0
Total School Improvement Refunding Bonds - 2007	<u>991,786</u>	<u>0</u>	<u>237,653</u>	<u>754,133</u>	<u>235,000</u>
School Improvement Bonds - 2008					
Serial Bonds	1,255,000	0	300,000	955,000	0
Capital Appreciation Bonds	119,999	0	0	119,999	119,999
Accretion on Capital Appreciation Bonds	141,334	28,355	0	169,689	169,689
Total School Improvement Bonds - 2008	<u>1,516,333</u>	<u>28,355</u>	<u>300,000</u>	<u>1,244,688</u>	<u>289,688</u>
Capital Improvement & Equipment Bonds - 2012					
Energy Conservation	1,930,000	0	145,000	1,785,000	145,000
Stadium Improvements	595,000	0	80,000	515,000	80,000
Buses	720,000	0	95,000	625,000	100,000
Total Capital Improvement & Equipment Bonds-2012	<u>3,245,000</u>	<u>0</u>	<u>320,000</u>	<u>2,925,000</u>	<u>325,000</u>
School Improvement Refunding Bonds - 2012					
Serial Bonds	4,220,000	0	520,000	3,700,000	510,000
Capital Appreciation Bonds	119,310	0	0	119,310	0
Accretion on Capital Appreciation Bonds	130,771	55,274	0	186,045	0
Unamortized Premium	461,570	0	51,286	410,284	0
Total School Improvement Refunding Bonds - 2012	<u>4,931,651</u>	<u>55,274</u>	<u>571,286</u>	<u>4,415,639</u>	<u>510,000</u>
School Improvement Refunding Bonds - 2015					
Serial Bonds	5,285,000	0	10,000	5,275,000	10,000
Unamortized Premium	597,117	0	59,712	537,405	0
Total School Improvement Refunding Bonds - 2015	<u>5,882,117</u>	<u>0</u>	<u>69,712</u>	<u>5,812,405</u>	<u>10,000</u>
Total General Obligation Bonds	<u>19,547,786</u>	<u>83,629</u>	<u>2,311,051</u>	<u>17,320,364</u>	<u>2,199,688</u>
<i>Net Pension Liability:</i>					
STRS	98,374,519	22,738,746	0	121,113,265	0
SERS	29,173,476	8,301,444	0	37,474,920	0
Total Net Pension Liability	<u>127,547,995</u>	<u>31,040,190</u>	<u>0</u>	<u>158,588,185</u>	<u>0</u>
<i>Other Long-term Obligations:</i>					
Compensated Absences	5,777,855	669,574	277,536	6,169,893	854,017
Claims Payable	1,097,479	1,043,164	741,643	1,399,000	202,518
Total Governmental Activities	<u>\$ 153,971,115</u>	<u>\$ 32,836,557</u>	<u>\$ 3,330,230</u>	<u>\$ 183,477,442</u>	<u>\$ 3,256,223</u>

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

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. On March 5, 2015, \$3,600,000 of these bonds were refunded. The capital appreciation bonds matured in fiscal year 2016.

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 capital appreciation bonds matured in fiscal year 2016.

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 capital appreciation bonds matured in fiscal year 2016.

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

The serial and capital appreciation remained outstanding at June 30, 2017. 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 is \$305,000.

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

On October 30, 2012, the School District issued \$4,994,310 in general obligation bonds to refund a portion of the 2005 school improvement bonds. The general obligation bonds included serial and capital appreciation bonds in the amount of \$4,875,000 and \$119,310, respectively. The bonds were issued for a thirteen year period with a final maturity at December 15, 2025. As of June 30, 2017, \$2,720,000 of the defeased debt is outstanding.

The serial and capital appreciation bonds remained outstanding at June 30, 2017. The capital appreciation bonds were originally sold at a discount of \$375,690, which is being accreted annually until the point of maturity of the capital appreciation bonds, which is 2020. The maturity amount of the outstanding capital appreciation bonds is \$495,000.

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

On March 11, 2015, the School District issued \$5,345,000 in general obligation bonds to refund a portion of the 2007 and 2009 school improvement bonds in the amounts of \$3,600,000 and \$1,885,000, respectively. The bonds were issued for an eleven year period with a final maturity at December 15, 2025. As of June 30, 2017, \$5,485,000 of the defeased debt is outstanding.

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

General obligation bonds will be paid from the general fund, debt service fund or the building fund. Compensated absences will be paid from the general fund. The School District pays obligations related to employee compensation from the fund benefitting from their service, which has historically been the general fund.

The School District's overall debt margin was \$58,823,455 with an unvoted debt margin of \$801,484 at June 30, 2017.

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Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2017 are as follows:

Fiscal Year Ending June 30,	Serial Bonds		Capital Appreciation Bonds		Total	
	Principal	Interest	Principal	Accretion	Principal	Interest/Accretion
2018	\$ 1,910,000	\$ 706,464	\$ 119,999	\$ 185,001	\$ 2,029,999	\$ 891,465
2019	2,270,000	638,767	0	0	2,270,000	638,767
2020	1,810,000	417,382	119,310	375,690	1,929,310	793,072
2021	1,610,000	359,585	0	0	1,610,000	359,585
2022	1,625,000	227,435	0	0	1,625,000	227,435
2023 - 2027	6,335,000	432,107	0	0	6,335,000	432,107
2028	180,000	2,250	0	0	180,000	2,250
Total	\$ 15,740,000	\$ 2,783,990	\$ 239,309	\$ 560,691	\$ 15,979,309	\$ 3,344,681

Note 19 - Related Organization

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

Note 20 - Jointly Governed Organizations

Ohio Schools' Council Association

The Ohio Schools' Council Association (Council) is a jointly governed regional council of governments with members numbering over 200 school districts, located in 33 counties and serving over 500,000 students. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each district supports the Council by paying an annual participation fee. Each school district member's superintendent serves as a representative of the Assembly. The Council operates under a nine-member Board of Directors (the Board). The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The 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 2017, the School District paid \$1,178 to the Council. Financial information can be obtained by contacting Dr. William Zelei, the Executive Director of the Ohio Schools' Council at 6393 Oak Tree Boulevard, Suite 377, Independence, Ohio 44131.

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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, which was renewed effective April 1, 2016. There are currently 157 participants in the program. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings beginning in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

The School District also participates in the Council's electricity group purchase program. The Council's last program, which began in September 2009 and ran through May 2011, provided as much as 25% in generation cost savings to 250 school districts in the First Energy territory. The Council's current program, Power 4 Schools, a partnership between the Council, the Ohio Association of School Business Officials (OASBO), the Ohio School Board's Association (OSBA) and the Buckeye Association of School Administrators (BASA), provided for a fixed per kilowatt-hour for electricity generation until May 2014, when it was converted to a new fixed price (\$0.0518/kwh effective June 2017 through the end of the agreement) or percent off the Price to Compare (PTC), whichever provides the greatest savings until December 2019.

Connect

Connect is a jointly governed computer service bureau known as an Information Technology Center (ITC) that was formed for the purpose of providing data services to its twenty-nine member school districts. Major areas of service provided by Connect include accounting, payroll, inventory, career guidance services, handicapped student tracking, pupil scheduling, attendance reporting and grade reporting. Connect operates as a Council of Governments (COG), whereby the Educational Service Center of Cuyahoga County (ESCCC), the Educational Service Center of Lorain County (ESCLC), the Educational Service Center of Medina County (ESCMC), and the Ohio Schools Council (OSC) (collectively referred to as the Member-Owners) became the Member-Owners responsible for governance, accountability and financial liability of the ITC. Integral to the transaction, all financial obligations of the 29 member school districts have been transferred to the new Member-Owners in consideration for their relinquishment of control of the ITC. The new membership agreement for participating school districts establishes an initial "Minimum Purchase Requirement" defined as purchasing at least one core service for a minimum of three years. This applies to current ITC members and any new members that join at a future date. The membership agreement also removes requirements to pay outstanding debts and obligations when a member withdraws from the ITC after the Minimum Purchase Requirement. There is no financial buy-in required for future members to join Connect, and there is intent required to withdraw. Instead, after the minimum purchase requirement is satisfied, members can withdraw at any time with sixty (60) days advance notice, and no financial obligation outside of direct costs incurred for services provided.

The ESCCC continues to serve as the fiscal agent of Connect. Participating school districts pay for services provided by the ITC based upon a per pupil charge dependent upon the software packages and services used. In fiscal year 2017, the School District paid \$136,073 to Connect. Financial information can be obtained by contacting the Treasurer of the fiscal agent at 6393 Oak Tree Boulevard, Suite 377, Independence, Ohio 44131.

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For the Fiscal Year Ended June 30, 2017

Note 21 – Tax Abatements

The School District and other local governments located within the School District's boundaries have entered into tax abatement agreements in order to retain or attract new industry, preserve or increase employment and revitalize the local economy. These tax abatements also affect the School District's revenue stream, as they mean that the School District is foregoing or reducing tax revenue it is otherwise entitled to collect. All agreements are in effect prior to the reduction of taxes and are granted for the purpose of economic assistance or development. The amount of the abatement is a reduction of the taxable assessed valuation thus reducing the recipient's tax bill. The School District's fiscal year 2017 taxes abated amounted to \$1,262,017.

Note 22 – Subsequent Event

On December 28, 2017, the School District issued bond anticipation notes in the amount of \$9.9 million with a coupon interest rate of 3.00 percent, a net interest rate of 1.933 percent, and a yield of 1.4 percent. The proceeds are to be used for capital projects and were authorized by the \$30 million bond issue approved by the District voters in May 2017. The anticipation notes mature on July 12, 2018.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>State Teachers Retirement System (STRS)</i>				
Contractually Required Contribution	\$ 5,630,039	\$ 5,523,392	\$ 5,229,267	\$ 4,672,563
Contributions in Relation to the Contractually Required Contribution	<u>(5,630,039)</u>	<u>(5,523,392)</u>	<u>(5,229,267)</u>	<u>(4,672,563)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
School District's Covered Payroll	\$ 40,214,564	\$ 39,452,800	\$ 37,351,907	\$ 35,942,792
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	13.00%
<i>School Employees Retirement System (SERS)</i>				
Contractually Required Contribution	\$ 2,288,433	\$ 2,471,979	\$ 2,278,930	\$ 2,314,892
Contributions in Relation to the Contractually Required Contribution	<u>(2,288,433)</u>	<u>(2,471,979)</u>	<u>(2,278,930)</u>	<u>(2,314,892)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
School District's Covered Payroll	\$ 16,345,950	\$ 17,656,993	\$ 17,290,819	\$ 16,701,962
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	13.18%	13.86%

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 4,580,944	\$ 4,696,142	\$ 4,878,369	\$ 5,129,640	\$ 4,928,534	\$ 4,855,357
<u>(4,580,944)</u>	<u>(4,696,142)</u>	<u>(4,878,369)</u>	<u>(5,129,640)</u>	<u>(4,928,534)</u>	<u>(4,855,357)</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 35,238,031	\$ 36,124,169	\$ 37,525,915	\$ 39,458,769	\$ 37,911,800	\$ 37,348,900
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%
\$ 2,265,869	\$ 2,078,071	\$ 1,906,938	\$ 1,951,653	\$ 1,439,155	\$ 1,357,660
<u>(2,265,869)</u>	<u>(2,078,071)</u>	<u>(1,906,938)</u>	<u>(1,951,653)</u>	<u>(1,439,155)</u>	<u>(1,357,660)</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 16,371,886	\$ 15,450,342	\$ 15,170,549	\$ 14,413,981	\$ 14,625,559	\$ 13,825,458
13.84%	13.45%	12.57%	13.54%	9.84%	9.82%

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

	2017	2016	2015	2014
<i>State Teachers Retirement System (STRS)</i>				
School District's Proportion of the Net Pension Liability	0.36182360%	0.35595127%	0.36092189%	0.36092189%
School District's Proportionate Share of the Net Pension Liability	\$121,113,265	\$ 98,374,519	\$ 87,788,694	\$ 104,573,318
School District's Covered Payroll	\$ 39,452,800	\$ 37,351,907	\$ 35,942,792	\$ 35,238,031
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	306.98%	263.37%	244.25%	296.76%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.80%	72.10%	74.70%	69.30%
<i>School Employees Retirement System (SERS)</i>				
School District's Proportion of the Net Pension Liability	0.51201700%	0.51126850%	0.52540800%	0.52540800%
School District's Proportionate Share of the Net Pension Liability	\$ 37,474,920	\$ 29,173,476	\$ 26,590,600	\$ 31,244,327
School District's Covered Payroll	\$ 17,656,993	\$ 17,290,819	\$ 16,701,962	\$ 16,371,886
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	212.24%	168.72%	159.21%	190.84%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.98%	69.16%	71.70%	65.52%

(1) Information prior to 2014 is not available.

The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

Notes:

School Employees Retirement System (SERS)

Changes of Benefit Terms: None.

Changes of Assumptions: Amounts reported in 2017 reflect an adjustment of the rates of withdrawal, retirement and disability to more closely reflect actual experience and the expectation of retired life mortality was based on RP-2014 Blue Collar Mortality Tables and RP-2000 Disabled Mortality Table. The following reductions were also made to the actuarial assumptions:

- Discount rate from 7.75% to 7.50%
- Assumed rate of inflation from 3.25% to 3.00%
- Payroll growth assumption from 4.00% to 3.50%
- Assumed real wage growth from 0.75% to 0.50%

Combining Statements and Individual Fund Schedules

Combining Statements - Nonmajor Governmental Funds

Nonmajor Special Revenue Funds:

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

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

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

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

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

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

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

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

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.

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.

Nonmajor Capital Projects Fund

Capital projects funds account for the acquisition, construction or improvement of capital facilities other than those financed by proprietary funds.

Permanent Improvement Fund - The permanent improvement capital projects fund accounts for all transactions related to the acquiring, constructing or improving facilities.

Shaker Heights City School District
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017

	Nonmajor Special Revenue Funds	Bond Retirement Fund	Permanent Improvement Fund	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Investments	\$ 1,283,625	\$ 3,300,737	\$ 0	\$ 4,584,362
Receivables:				
Intergovernmental	335,649	0	0	335,649
Property Taxes	0	3,442,452	491,000	3,933,452
Prepaid Items	678	0	0	678
<i>Total Assets</i>	<u>\$ 1,619,952</u>	<u>\$ 6,743,189</u>	<u>\$ 491,000</u>	<u>\$ 8,854,141</u>
Liabilities				
Accounts Payable	\$ 373,961	\$ 0	\$ 0	\$ 373,961
Accrued Wages and Benefits	428,630	0	0	428,630
Intergovernmental Payable	74,028	0	0	74,028
Matured Compensated Absences Payable	41,875	0	0	41,875
Interfund Payable	7,107	0	0	7,107
<i>Total Liabilities</i>	<u>925,601</u>	<u>0</u>	<u>0</u>	<u>925,601</u>
Deferred Inflows of Resources				
Property Taxes Levied for the Next Year	0	2,754,411	491,000	3,245,411
Unavailable Revenue	81,864	278,497	0	360,361
<i>Total Deferred Inflows of Resources</i>	<u>81,864</u>	<u>3,032,908</u>	<u>491,000</u>	<u>3,605,772</u>
Fund Balances				
Nonspendable	678	0	0	678
Restricted	748,626	3,710,281	0	4,458,907
Unassigned	(136,817)	0	0	(136,817)
<i>Total Fund Balances</i>	<u>612,487</u>	<u>3,710,281</u>	<u>0</u>	<u>4,322,768</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 1,619,952</u>	<u>\$ 6,743,189</u>	<u>\$ 491,000</u>	<u>\$ 8,854,141</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2017

	Nonmajor Special Revenue Funds	Bond Retirement Fund	Permanent Improvement Fund	Total Nonmajor Governmental Funds
Revenues				
Property and Other Local Taxes	\$ 0	\$ 1,966,414	\$ 0	\$ 1,966,414
Intergovernmental	4,904,582	338,545	0	5,243,127
Investment Income	10,054	0	0	10,054
Extracurricular Activities	158,364	0	0	158,364
Charges for Services	773,921	0	0	773,921
Contributions and Donations	25,814	0	0	25,814
Miscellaneous	53,600	0	0	53,600
<i>Total Revenues</i>	<u>5,926,335</u>	<u>2,304,959</u>	<u>0</u>	<u>8,231,294</u>
Expenditures				
Current:				
Instruction:				
Regular	436,648	0	0	436,648
Special	1,492,590	0	0	1,492,590
Student Intervention Services	108,405	0	0	108,405
Other	17,519	0	0	17,519
Support Services:				
Pupils	200,104	0	0	200,104
Instructional Staff	147,560	0	0	147,560
Fiscal	14,400	58,165	0	72,565
Operation and Maintenance of Plant	9,866	0	0	9,866
Extracurricular Activities	330,766	0	0	330,766
Operation of Non-Instructional Services:				
Food Service Operations	1,788,322	0	0	1,788,322
Community Services	1,807,143	0	0	1,807,143
Debt Service:				
Principal Retirement	0	1,865,000	0	1,865,000
Interest and Fiscal Charges	0	473,611	0	473,611
<i>Total Expenditures</i>	<u>6,353,323</u>	<u>2,396,776</u>	<u>0</u>	<u>8,750,099</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(426,988)</u>	<u>(91,817)</u>	<u>0</u>	<u>(518,805)</u>
Other Financing Sources (Uses)				
Transfers In	235,000	0	0	235,000
<i>Net Change in Fund Balance</i>	(191,988)	(91,817)	0	(283,805)
<i>Fund Balances Beginning of Year</i>	<u>804,475</u>	<u>3,802,098</u>	<u>0</u>	<u>4,606,573</u>
<i>Fund Balances End of Year</i>	<u>\$ 612,487</u>	<u>\$ 3,710,281</u>	<u>\$ 0</u>	<u>\$ 4,322,768</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2017

	Food Service	Local Grants	Athletics	Auxiliary Services	Data Communications
Assets					
Equity in Pooled Cash and Investments	\$ 533,217	\$ 19,949	\$ 194,680	\$ 535,779	\$ 0
Receivables:					
Intergovernmental	10,587	0	71	2,540	0
Prepaid Items	0	0	12	177	0
<i>Total Assets</i>	<u>\$ 543,804</u>	<u>\$ 19,949</u>	<u>\$ 194,763</u>	<u>\$ 538,496</u>	<u>\$ 0</u>
Liabilities					
Accounts Payable	\$ 202,131	\$ 0	\$ 6,264	\$ 163,118	\$ 0
Accrued Wages and Benefits	0	0	0	120,482	0
Intergovernmental Payable	3,778	0	221	15,252	0
Matured Compensated Absences Payable	0	0	0	37,088	0
Interfund Payable	0	0	0	0	0
<i>Total Liabilities</i>	<u>205,909</u>	<u>0</u>	<u>6,485</u>	<u>335,940</u>	<u>0</u>
Deferred Inflows of Resources					
Unavailable Revenue	0	0	0	0	0
Fund Balances					
Nonspendable	0	0	12	177	0
Restricted	337,895	19,949	188,266	202,379	0
Unassigned	0	0	0	0	0
<i>Total Fund Balances</i>	<u>337,895</u>	<u>19,949</u>	<u>188,278</u>	<u>202,556</u>	<u>0</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 543,804</u>	<u>\$ 19,949</u>	<u>\$ 194,763</u>	<u>\$ 538,496</u>	<u>\$ 0</u>

Alternative Schools	Parent Mentor Grant	Title VI-B	Limited English Proficiency	Title I	Preschool Disability	Class Size Reduction	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,283,625
0	672	105,982	137	183,364	2,873	29,423	335,649
0	8	300	20	156	5	0	678
<u>\$ 0</u>	<u>\$ 680</u>	<u>\$ 106,282</u>	<u>\$ 157</u>	<u>\$ 183,520</u>	<u>\$ 2,878</u>	<u>\$ 29,423</u>	<u>\$ 1,619,952</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,448	\$ 373,961
0	1,043	189,399	0	114,575	3,131	0	428,630
0	514	37,912	0	15,707	610	34	74,028
0	0	4,787	0	0	0	0	41,875
0	0	1,387	0	2,695	0	3,025	7,107
<u>0</u>	<u>1,557</u>	<u>233,485</u>	<u>0</u>	<u>132,977</u>	<u>3,741</u>	<u>5,507</u>	<u>925,601</u>
<u>0</u>	<u>0</u>	<u>690</u>	<u>0</u>	<u>56,880</u>	<u>344</u>	<u>23,950</u>	<u>81,864</u>
0	8	300	20	156	5	0	678
0	0	0	137	0	0	0	748,626
0	(885)	(128,193)	0	(6,493)	(1,212)	(34)	(136,817)
<u>0</u>	<u>(877)</u>	<u>(127,893)</u>	<u>157</u>	<u>(6,337)</u>	<u>(1,207)</u>	<u>(34)</u>	<u>612,487</u>
<u>\$ 0</u>	<u>\$ 680</u>	<u>\$ 106,282</u>	<u>\$ 157</u>	<u>\$ 183,520</u>	<u>\$ 2,878</u>	<u>\$ 29,423</u>	<u>\$ 1,619,952</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2017

	Food Service	Local Grants	Athletics	Auxiliary Services	Data Communications
Revenues					
Intergovernmental	\$ 916,728	\$ 0	\$ 0	\$ 1,721,088	\$ 14,400
Investment Income	4,056	7	0	5,991	0
Extracurricular Activities	0	2,904	155,460	0	0
Charges for Services	773,921	0	0	0	0
Contributions and Donations	0	25,714	100	0	0
Miscellaneous	48,934	51	4,615	0	0
<i>Total Revenues</i>	<u>1,743,639</u>	<u>28,676</u>	<u>160,175</u>	<u>1,727,079</u>	<u>14,400</u>
Expenditures					
Current:					
Instruction:					
Regular	0	12,547	0	0	0
Special	0	27,050	0	0	0
Student Intervention Services	0	0	0	0	0
Other	0	0	0	0	0
Support Services:					
Pupils	0	25,000	0	0	0
Instructional Staff	0	13,294	0	0	0
Fiscal	0	0	0	0	14,400
Operation and Maintenance of Plant	0	0	9,866	0	0
Extracurricular Activities	0	1,350	329,416	0	0
Operation of Non-Instructional Services:					
Food Service Operations	1,788,322	0	0	0	0
Community Services	0	0	0	1,784,846	0
<i>Total Expenditures</i>	<u>1,788,322</u>	<u>79,241</u>	<u>339,282</u>	<u>1,784,846</u>	<u>14,400</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(44,683)</u>	<u>(50,565)</u>	<u>(179,107)</u>	<u>(57,767)</u>	<u>0</u>
Other Financing Sources (Uses)					
Transfers In	0	0	235,000	0	0
<i>Net Change in Fund Balance</i>	(44,683)	(50,565)	55,893	(57,767)	0
<i>Fund Balances Beginning of Year</i>	382,578	70,514	132,385	260,323	0
<i>Fund Balances End of Year</i>	<u>\$ 337,895</u>	<u>\$ 19,949</u>	<u>\$ 188,278</u>	<u>\$ 202,556</u>	<u>\$ 0</u>

Alternative Schools	Parent Mentor Grant	Title VI-B	Limited English Proficiency	Title I	Preschool Disability	Classroom Size Reduction	Total Nonmajor Special Revenue Funds
\$ 40,255	\$ 25,000	\$ 1,244,281	\$ 27,019	\$ 784,384	\$ 18,510	\$ 112,917	\$ 4,904,582
0	0	0	0	0	0	0	10,054
0	0	0	0	0	0	0	158,364
0	0	0	0	0	0	0	773,921
0	0	0	0	0	0	0	25,814
0	0	0	0	0	0	0	53,600
<u>40,255</u>	<u>25,000</u>	<u>1,244,281</u>	<u>27,019</u>	<u>784,384</u>	<u>18,510</u>	<u>112,917</u>	<u>5,926,335</u>
40,255	0	0	0	383,846	0	0	436,648
0	0	1,264,870	25,164	155,922	19,584	0	1,492,590
0	0	108,405	0	0	0	0	108,405
0	0	17,519	0	0	0	0	17,519
0	0	0	0	175,104	0	0	200,104
0	26,117	859	0	0	0	107,290	147,560
0	0	0	0	0	0	0	14,400
0	0	0	0	0	0	0	9,866
0	0	0	0	0	0	0	330,766
0	0	0	0	0	0	0	1,788,322
0	0	6,484	0	8,600	0	7,213	1,807,143
<u>40,255</u>	<u>26,117</u>	<u>1,398,137</u>	<u>25,164</u>	<u>723,472</u>	<u>19,584</u>	<u>114,503</u>	<u>6,353,323</u>
<u>0</u>	<u>(1,117)</u>	<u>(153,856)</u>	<u>1,855</u>	<u>60,912</u>	<u>(1,074)</u>	<u>(1,586)</u>	<u>(426,988)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>235,000</u>
<u>0</u>	<u>(1,117)</u>	<u>(153,856)</u>	<u>1,855</u>	<u>60,912</u>	<u>(1,074)</u>	<u>(1,586)</u>	<u>(191,988)</u>
<u>0</u>	<u>240</u>	<u>25,963</u>	<u>(1,698)</u>	<u>(67,249)</u>	<u>(133)</u>	<u>1,552</u>	<u>804,475</u>
<u>\$ 0</u>	<u>\$ (877)</u>	<u>\$ (127,893)</u>	<u>\$ 157</u>	<u>\$ (6,337)</u>	<u>\$ (1,207)</u>	<u>\$ (34)</u>	<u>\$ 612,487</u>

Combining Statements – Internal Service Funds

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

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

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

Shaker Heights City School District
Cuyahoga County, Ohio
Combining Statement of Fund Net Position
Internal Service Funds
June 30, 2017

	Self Insurance	Workers' Compensation Reserve	Total Internal Service
Assets			
<i>Current Assets</i>			
Equity in Pooled Cash and Investments	\$ 4,384,572	\$ 500,000	\$ 4,884,572
<i>Total Assets</i>	<u>4,384,572</u>	<u>500,000</u>	<u>4,884,572</u>
Liabilities			
<i>Current Liabilities</i>			
Claims Payable	0	202,518	202,518
<i>Total Current Liabilities</i>	<u>0</u>	<u>202,518</u>	<u>202,518</u>
<i>Long-Term Liabilities</i>			
Claims Payable - net of Current Portion	899,000	297,482	1,196,482
<i>Total Long-Term Liabilities</i>	<u>899,000</u>	<u>297,482</u>	<u>1,196,482</u>
<i>Total Liabilities</i>	<u>899,000</u>	<u>500,000</u>	<u>1,399,000</u>
Net Position			
Unrestricted	3,485,572	0	3,485,572
<i>Total Net Position</i>	<u>\$ 3,485,572</u>	<u>\$ 0</u>	<u>\$ 3,485,572</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, 2017

	Self Insurance	Workers' Compensation Reserve	Total Internal Service
Operating Revenues			
Charges for Services	\$ 10,712,258	\$ 0	\$ 10,712,258
Other	0	170,570	170,570
<i>Total Operating Revenues</i>	<u>10,712,258</u>	<u>170,570</u>	<u>10,882,828</u>
Operating Expenses			
Purchased Services	1,617,228	0	1,617,228
Claims	10,148,918	170,570	10,319,488
Other	44,083	0	44,083
<i>Total Operating Expenses</i>	<u>11,810,229</u>	<u>170,570</u>	<u>11,980,799</u>
<i>Operating Income (Loss)</i>	(1,097,971)	0	(1,097,971)
<i>Net Position Beginning of Year</i>	<u>4,583,543</u>	<u>0</u>	<u>4,583,543</u>
<i>Net Position End of Year</i>	<u>\$ 3,485,572</u>	<u>\$ 0</u>	<u>\$ 3,485,572</u>

Shaker Heights City School District
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2017

	Self Insurance	Workers' Compensation Reserve	Total Internal Service
Cash Flows From Operating Activities			
Cash Received from Interfund Services Provided	\$ 10,712,258	\$ 170,570	\$ 10,882,828
Cash Paid for Goods and Services	(1,661,311)	0	(1,661,311)
Cash Paid for Claims	(9,842,918)	(175,049)	(10,017,967)
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>(791,971)</u>	<u>(4,479)</u>	<u>(796,450)</u>
<i>Net Increase (Decrease) in Cash and Investments</i>	(791,971)	(4,479)	(796,450)
<i>Cash and Investments Beginning of Year</i>	<u>5,176,543</u>	<u>504,479</u>	<u>5,681,022</u>
<i>Cash and Investments End of Year</i>	<u>\$ 4,384,572</u>	<u>\$ 500,000</u>	<u>\$ 4,884,572</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities			
Operating Income (Loss)	\$ (1,097,971)	\$ 0	\$ (1,097,971)
Adjustments:			
Increase (Decrease) in Liabilities:			
Claims Payable	<u>306,000</u>	<u>(4,479)</u>	<u>301,521</u>
<i>Total Adjustments</i>	<u>306,000</u>	<u>(4,479)</u>	<u>301,521</u>
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>\$ (791,971)</u>	<u>\$ (4,479)</u>	<u>\$ (796,450)</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 is the School District's only fiduciary fund type:

Agency Funds

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

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

Shaker Heights City School District
Cuyahoga County, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended June 30, 2017

	Balance 6/30/2016	Additions	Deletions	Balance 6/30/2017
<u>Rotary</u>				
Assets				
Equity in Pooled Cash and Investments	\$ 247,502	\$ 221,552	\$ 207,408	\$ 261,646
Accounts Receivable	0	200	0	200
Total Assets	<u>\$ 247,502</u>	<u>\$ 221,752</u>	<u>\$ 207,408</u>	<u>\$ 261,846</u>
Liabilities				
Accounts Payable	\$ 619	\$ 99	\$ 619	\$ 99
Undistributed Monies	246,883	16,590	1,726	261,747
Total Liabilities	<u>\$ 247,502</u>	<u>\$ 16,689</u>	<u>\$ 2,345</u>	<u>\$ 261,846</u>
 <u>Student Managed Activities</u>				
Assets				
Equity in Pooled Cash and Investments	\$ 198,605	\$ 266,516	\$ 252,129	\$ 212,992
Accounts Receivable	0	262	0	262
Total Assets	<u>\$ 198,605</u>	<u>\$ 266,778</u>	<u>\$ 252,129</u>	<u>\$ 213,254</u>
Liabilities				
Accounts Payable	\$ 114	\$ 373	\$ 114	\$ 373
Due to Students	198,491	14,390	0	212,881
Total Liabilities	<u>\$ 198,605</u>	<u>\$ 14,763</u>	<u>\$ 114</u>	<u>\$ 213,254</u>
 <u>Totals</u>				
Assets				
Equity in Pooled Cash and Investments	\$ 446,107	\$ 488,068	\$ 459,537	\$ 474,638
Accounts Receivable	0	462	0	462
Total Assets	<u>\$ 446,107</u>	<u>\$ 488,530</u>	<u>\$ 459,537</u>	<u>\$ 475,100</u>
Liabilities				
Accounts Payable	\$ 733	\$ 472	\$ 733	\$ 472
Undistributed Monies	246,883	16,590	1,726	261,747
Due to Students	198,491	14,390	0	212,881
Total Liabilities	<u>\$ 446,107</u>	<u>\$ 31,452</u>	<u>\$ 2,459</u>	<u>\$ 475,100</u>

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

SHAKER HEIGHTS CITY SCHOOL DISTRICT
Cuyahoga County, Ohio

Funds being reported as part of the General Fund

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

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

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

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

Major Building Fund

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

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Uniform School Supplies
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Tuition and Fees	\$ 130,000	\$ 75,768	\$ (54,232)
Expenditures			
Current:			
Instruction:			
Regular	130,729	67,345	63,384
<i>Net Change in Fund Balance</i>	(729)	8,423	9,152
<i>Fund Balance Beginning of Year</i>	12,532	12,532	0
Prior Year Encumbrances Appropriated	729	729	0
<i>Fund Balance End of Year</i>	<u>\$ 12,532</u>	<u>\$ 21,684</u>	<u>\$ 9,152</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Public School Support
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Investment Income	\$ 1,017	\$ 1,017	\$ 0
Tuition and Fees	62,782	62,782	0
Extracurricular Activities	160,351	123,922	(36,429)
Contributions and Donations	21,907	21,907	0
Miscellaneous	28,944	28,944	0
<i>Total Revenues</i>	<u>275,001</u>	<u>238,572</u>	<u>(36,429)</u>
Expenditures			
Current:			
Instruction:			
Regular	118,016	118,016	0
Support Services:			
Administration	149,599	15,330	134,269
Pupil Transportation	31,444	31,444	0
Extracurricular Activities	38,007	38,007	0
<i>Total Expenditures</i>	<u>337,066</u>	<u>202,797</u>	<u>134,269</u>
<i>Net Change in Fund Balance</i>	(62,065)	35,775	97,840
<i>Fund Balance Beginning of Year</i>	64,704	64,704	0
Prior Year Encumbrances Appropriated	12,066	12,066	0
<i>Fund Balance End of Year</i>	<u>\$ 14,705</u>	<u>\$ 112,545</u>	<u>\$ 97,840</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Shaker Merchandise
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Customer Sales and Services	\$ 0	\$ (19)	\$ (19)
Miscellaneous	\$ 15,000	\$ 4,798	\$ (10,202)
<i>Total Revenues</i>	<u>15,000</u>	<u>4,779</u>	<u>(10,221)</u>
Expenditures			
Current:			
Support Services:			
Business	<u>20,010</u>	<u>3,421</u>	<u>16,589</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(5,010)</u>	<u>1,358</u>	<u>6,368</u>
Other Financing Sources (Uses)			
Transfers In	<u>5,000</u>	<u>10,000</u>	<u>5,000</u>
<i>Net Change in Fund Balance</i>	(10)	11,358	11,368
<i>Fund Balance Beginning of Year</i>	17,654	17,654	0
Prior Year Encumbrances Appropriated	<u>10</u>	<u>10</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 17,654</u>	<u>\$ 29,022</u>	<u>\$ 11,368</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Fringe Benefits
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Charges for Services	\$ 99,157	\$ 322,688	\$ 223,531
Miscellaneous	150,843	87,758	(63,085)
<i>Total Revenues</i>	<u>250,000</u>	<u>410,446</u>	<u>160,446</u>
Expenditures			
Current:			
Support Services:			
Administration	227	227	0
Fiscal	908,068	455,191	452,877
<i>Total Expenditures</i>	<u>908,295</u>	<u>455,418</u>	<u>452,877</u>
<i>Net Change in Fund Balance</i>	(658,295)	(44,972)	613,323
<i>Fund Balance Beginning of Year</i>	1,647,761	1,647,761	0
Prior Year Encumbrances Appropriated	108,295	108,295	0
<i>Fund Balance End of Year</i>	<u>\$ 1,097,761</u>	<u>\$ 1,711,084</u>	<u>\$ 613,323</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Building
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Investment Income	\$ 4,713	\$ 4,713	\$ 0
Contributions and Donations	88,714	88,714	0
Miscellaneous	159,033	75,159	(83,874)
<i>Total Revenues</i>	<u>252,460</u>	<u>168,586</u>	<u>(83,874)</u>
Expenditures			
Current:			
Instruction:			
Regular	41,227	41,227	0
Special	408,818	821	407,997
Support Services:			
Operation and Maintenance of Plant	37,740	37,740	0
Pupil Transportation	305,913	305,913	0
Central	0	0	0
Extracurricular Activities	7,424	7,424	0
Capital Outlay	1,132,786	1,132,786	0
Debt Service:			
Principal Retirement	95,000	95,000	0
Interest and Fiscal Charges	13,450	13,450	0
<i>Total Expenditures</i>	<u>2,042,358</u>	<u>1,634,361</u>	<u>407,997</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(1,789,898)</u>	<u>(1,465,775)</u>	<u>324,123</u>
Other Financing Sources (Uses)			
Insurance Recoveries	2,539	2,539	0
<i>Net Change in Fund Balance</i>	(1,787,359)	(1,463,236)	324,123
<i>Fund Balance Beginning of Year</i>	746,458	746,458	0
Prior Year Encumbrances Appropriated	1,042,359	1,042,359	0
<i>Fund Balance End of Year</i>	<u>\$ 1,458</u>	<u>\$ 325,581</u>	<u>\$ 324,123</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Food Service
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Intergovernmental	\$ 1,015,101	\$ 819,132	\$ (195,969)
Investment Income	1,968	4,056	2,088
Charges for Services	906,663	773,921	(132,742)
Miscellaneous	76,268	48,934	(27,334)
<i>Total Revenues</i>	<u>2,000,000</u>	<u>1,646,043</u>	<u>(353,957)</u>
Expenditures			
Current:			
Operation of Non-Instructional Services:			
Food Service Operations	2,155,244	1,823,700	331,544
<i>Net Change in Fund Balance</i>	(155,244)	(177,657)	(22,413)
<i>Fund Balance Beginning of Year</i>	218,649	218,649	0
Prior Year Encumbrances Appropriated	155,244	155,244	0
<i>Fund Balance End of Year</i>	<u>\$ 218,649</u>	<u>\$ 196,236</u>	<u>\$ (22,413)</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Local Grants
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Investment Income	\$ 21	\$ 7	\$ (14)
Extracurricular Activities	8,709	2,904	(5,805)
Contributions and Donations	77,119	25,714	(51,405)
Miscellaneous	153	51	(102)
<i>Total Revenues</i>	<u>86,002</u>	<u>28,676</u>	<u>(57,326)</u>
Expenditures			
Current:			
Instruction:			
Regular	22,817	15,523	7,294
Special	38,650	27,050	11,600
Support Services:			
Pupils	35,721	25,000	10,721
Instructional Staff	22,342	13,294	9,048
Extracurricular Activities	1,929	1,350	579
<i>Total Expenditures</i>	<u>121,459</u>	<u>82,217</u>	<u>39,242</u>
<i>Net Change in Fund Balance</i>	(35,457)	(53,541)	(18,084)
<i>Fund Balance Beginning of Year</i>	70,388	70,388	0
Prior Year Encumbrances Appropriated	<u>125</u>	<u>125</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 35,056</u>	<u>\$ 16,972</u>	<u>\$ (18,084)</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Athletics
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Extracurricular Activities	\$ 184,269	\$ 155,460	\$ (28,809)
Contributions and Donations	1,219	100	(1,119)
Miscellaneous	1,512	4,615	3,103
<i>Total Revenues</i>	<u>187,000</u>	<u>160,175</u>	<u>(26,825)</u>
Expenditures			
Current:			
Support Services:			
Business	92,718	0	92,718
Operation and Maintenance of Plant	9,913	9,913	0
Extracurricular Activities	383,596	383,594	2
<i>Total Expenditures</i>	<u>486,227</u>	<u>393,507</u>	<u>92,720</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(299,227)</u>	<u>(233,332)</u>	<u>65,895</u>
Other Financing Sources (Uses)			
Transfers In	238,000	235,000	(3,000)
<i>Net Change in Fund Balance</i>	(61,227)	1,668	62,895
<i>Fund Balance Beginning of Year</i>	96,390	96,390	0
Prior Year Encumbrances Appropriated	36,221	36,221	0
<i>Fund Balance End of Year</i>	<u>\$ 71,384</u>	<u>\$ 134,279</u>	<u>\$ 62,895</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Auxiliary Services
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Intergovernmental	\$ 1,749,910	\$ 1,721,088	\$ (28,822)
Investment Income	6,091	5,991	(100)
<i>Total Revenues</i>	<u>1,756,001</u>	<u>1,727,079</u>	<u>(28,922)</u>
Expenditures			
Current:			
Operation of Non-Instructional Services:			
Community Services	<u>2,121,011</u>	<u>1,967,926</u>	<u>153,085</u>
<i>Net Change in Fund Balance</i>	(365,010)	(240,847)	124,163
<i>Fund Balance Beginning of Year</i>	338,989	338,989	0
Prior Year Encumbrances Appropriated	<u>55,249</u>	<u>55,249</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 29,228</u>	<u>\$ 153,391</u>	<u>\$ 124,163</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Data Communications
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget Over (Under)
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
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Alternative Schools
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Intergovernmental	\$ 47,102	\$ 42,357	\$ (4,745)
Expenditures			
Current:			
Instruction:			
Regular	41,000	40,255	745
<i>Net Change in Fund Balance</i>	6,102	2,102	(4,000)
<i>Fund Balance Beginning of Year</i>	(2,102)	(2,102)	0
<i>Fund Balance End of Year</i>	\$ 4,000	\$ 0	\$ (4,000)

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Parent Mentor Grant
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Intergovernmental	\$ 52,663	\$ 27,066	\$ (25,597)
Expenditures			
Current:			
Support Services:			
Instructional Staff	25,598	25,001	597
<i>Net Change in Fund Balance</i>	27,065	2,065	(25,000)
<i>Fund Balance Beginning of Year</i>	(2,065)	(2,065)	0
<i>Fund Balance End of Year</i>	\$ 25,000	\$ 0	\$ (25,000)

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Title VI-B
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Intergovernmental	\$ 1,771,062	\$ 1,514,026	\$ (257,036)
Expenditures			
Current:			
Instruction:			
Special	1,556,108	1,235,982	320,126
Student Intervention Services	(119,198)	108,405	(227,603)
Other	401	0	401
Operation of Non-Instructional Services:			
Community Services	19,212	9,267	9,945
<i>Total Expenditures</i>	<u>1,456,523</u>	<u>1,353,654</u>	<u>102,869</u>
<i>Net Change in Fund Balance</i>	314,539	160,372	(154,167)
<i>Fund Balance Beginning of Year</i>	(168,049)	(168,049)	0
Prior Year Encumbrances Appropriated	<u>3,504</u>	<u>3,504</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 149,994</u>	<u>\$ (4,173)</u>	<u>\$ (154,167)</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Title I School Improvement
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Intergovernmental	\$ 55,000	\$ 0	\$ (55,000)
<i>Net Change in Fund Balance</i>	55,000	0	(55,000)
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$ 55,000	\$ 0	\$ (55,000)

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Limited English Proficiency
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Intergovernmental	\$ 42,542	\$ 34,324	\$ (8,218)
Expenditures			
Current:			
Instruction:			
Special	34,390	31,372	3,018
Support Services:			
Instructional Staff	200	0	200
<i>Total Expenditures</i>	<u>34,590</u>	<u>31,372</u>	<u>3,218</u>
<i>Net Change in Fund Balance</i>	7,952	2,952	(5,000)
<i>Fund Balance Beginning of Year</i>	<u>(2,952)</u>	<u>(2,952)</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 5,000</u>	<u>\$ 0</u>	<u>\$ (5,000)</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Title I
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Intergovernmental	\$ 1,188,142	\$ 848,290	\$ (339,852)
Expenditures			
Current:			
Instruction:			
Regular	641,059	371,960	269,099
Special	31,462	211,672	(180,210)
Support Services:			
Pupils	204,579	172,711	31,868
Instructional Staff	56,451	0	56,451
Operation of Non-Instructional Services:			
Community Services	13,362	8,600	4,762
<i>Total Expenditures</i>	<u>946,913</u>	<u>764,943</u>	<u>181,970</u>
<i>Net Change in Fund Balance</i>	241,229	83,347	(157,882)
<i>Fund Balance Beginning of Year</i>	<u>(86,224)</u>	<u>(86,224)</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 155,005</u>	<u>\$ (2,877)</u>	<u>\$ (157,882)</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Preschool Disability
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Intergovernmental	\$ 20,000	\$ 16,028	\$ (3,972)
Expenditures			
Current:			
Instruction:			
Special	20,000	16,028	3,972
<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
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Class Size Reduction
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Intergovernmental	\$ 187,802	\$ 118,254	\$ (69,548)
Expenditures			
Current:			
Support Services:			
Pupils	4,907	0	4,907
Instructional Staff	97,716	107,291	(9,575)
Operation of Non-Instructional Services:			
Community Services	40,956	7,213	33,743
<i>Total Expenditures</i>	<u>143,579</u>	<u>114,504</u>	<u>29,075</u>
<i>Net Change in Fund Balance</i>	44,223	3,750	(40,473)
<i>Fund Balance Beginning of Year</i>	(10,804)	(10,804)	0
Prior Year Encumbrances Appropriated	<u>1,586</u>	<u>1,586</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 35,005</u>	<u>\$ (5,468)</u>	<u>\$ (40,473)</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Miscellaneous Federal Grants
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Intergovernmental	\$ 50,000	\$ 0	\$ (50,000)
<i>Net Change in Fund Balance</i>	50,000	0	(50,000)
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$ 50,000	\$ 0	\$ (50,000)

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Bond Retirement
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues			
Property and Other Local Taxes	\$ 2,271,816	\$ 2,327,811	\$ 55,995
Intergovernmental	330,401	338,545	8,144
Miscellaneous	50,000	0	(50,000)
<i>Total Revenues</i>	<u>2,652,217</u>	<u>2,666,356</u>	<u>14,139</u>
Expenditures			
Current:			
Support Services:			
Fiscal	166,638	58,165	108,473
Debt Service:			
Principal Retirement	1,865,000	1,865,000	0
Interest and Fiscal Charges	473,613	473,613	0
<i>Total Expenditures</i>	<u>2,505,251</u>	<u>2,396,778</u>	<u>108,473</u>
<i>Net Change in Fund Balance</i>	146,966	269,578	122,612
<i>Fund Balance Beginning of Year</i>	3,025,909	3,025,909	0
Prior Year Encumbrances Appropriated	<u>5,250</u>	<u>5,250</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 3,178,125</u>	<u>\$ 3,300,737</u>	<u>\$ 122,612</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenses, and Changes in Fund Net Position -
Self Insurance
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget Over (Under)
Operating Revenues			
Charges for Services	\$ 12,500,000	\$ 10,712,258	\$ (1,787,742)
Operating Expenses			
Purchased Services	1,617,228	1,617,228	0
Claims	10,338,689	9,842,918	495,771
Other	44,083	44,083	0
<i>Total Operating Expenses</i>	<u>12,000,000</u>	<u>11,504,229</u>	<u>495,771</u>
<i>Change in Net Position</i>	500,000	(791,971)	(1,291,971)
<i>Net Position Beginning of Year</i>	<u>5,176,542</u>	<u>5,176,542</u>	<u>0</u>
<i>Net Position End of Year</i>	<u>\$ 5,676,542</u>	<u>\$ 4,384,571</u>	<u>\$ (1,291,971)</u>

Shaker Heights City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenses, and Changes in Fund Net Position -
Workers' Compensation Reserve
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget Over (Under)
Operating Revenues			
Charges for Services	\$ 300,000	\$ 170,570	\$ (129,430)
Operating Expenses			
Claims	325,001	175,049	149,952
<i>Change in Net Position</i>	(25,001)	(4,479)	20,522
<i>Net Position Beginning of Year</i>	504,479	504,479	0
<i>Net Position End of Year</i>	\$ 479,478	\$ 500,000	\$ 20,522

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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-15 - 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-49

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

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

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

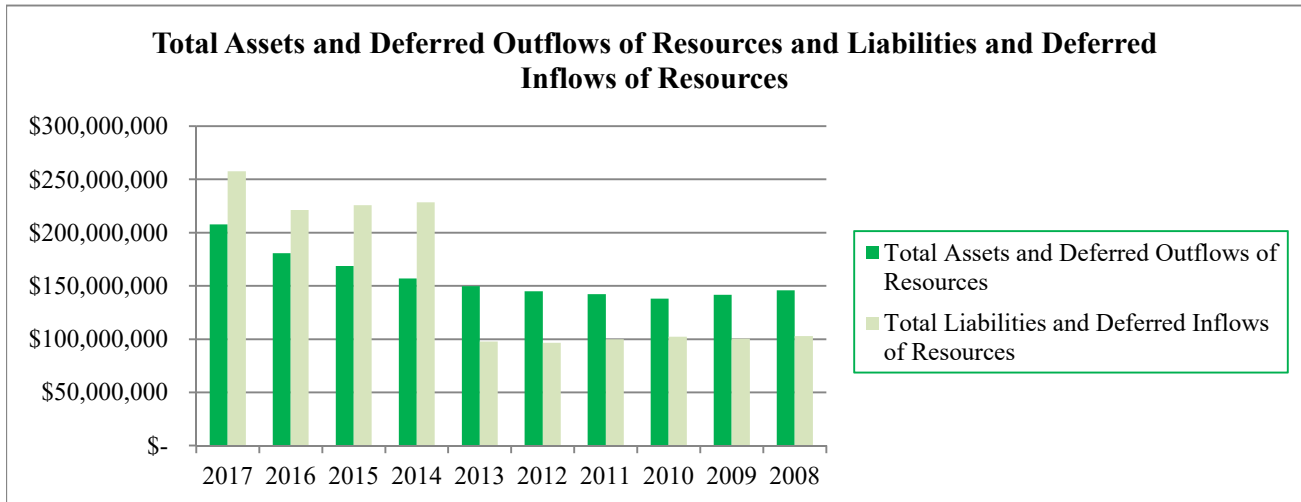
Shaker Heights City School District (Cuyahoga County, Ohio)

Net Position by Component

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2017	2016	2015	2014
Governmental Activities:				
Net Investment in Capital Assets	\$ 20,192,334	\$ 18,406,114	\$ 18,703,093	\$ 15,783,429
Restricted for:				
Capital Outlay	1,366,516	1,793,321	2,620,380	2,970,535
Debt Service	3,988,776	4,027,833	3,601,996	3,447,258
Set Asides	353,070	353,070	353,070	353,070
Other Purposes	823,296	895,547	905,278	719,875
Unrestricted	<u>(76,642,420)</u>	<u>(65,855,623)</u>	<u>(83,122,366)</u>	<u>(94,875,293)</u>
Total Governmental Activities				
Net Position	<u>\$ (49,918,428)</u>	<u>\$ (40,379,738)</u>	<u>\$ (56,938,549)</u>	<u>\$ (71,601,126)</u>



Source: School District financial records.

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 13,553,310	\$ 11,315,889	\$ 11,398,071	\$ 10,070,839	\$ 8,401,734	\$ 8,694,425
833,627	1,439,495	1,098,470	1,531,066	1,525,468	99,381
3,258,334	2,991,077	2,354,956	2,359,850	2,644,458	2,853,551
353,070	353,070	353,070	353,070	353,070	353,070
887,667	766,769	871,703	830,467	792,242	390,160
<u>33,317,054</u>	<u>31,719,973</u>	<u>26,197,012</u>	<u>20,608,691</u>	<u>27,407,164</u>	<u>30,568,922</u>
<u>\$ 52,203,062</u>	<u>\$ 48,586,273</u>	<u>\$ 42,273,282</u>	<u>\$ 35,753,983</u>	<u>\$ 41,124,136</u>	<u>\$ 42,959,509</u>

Shaker Heights City School District (Cuyahoga County, Ohio)

Changes in Net Position of Governmental Activities

Last Ten Fiscal Years

(accrual basis of accounting)

	2017	2016	2015	2014**
Expenses				
Instruction:				
Regular	\$ 43,332,594	\$ 39,924,216	\$ 37,934,442	\$ 34,580,662
Special	15,712,484	13,486,639	14,015,953	15,645,258
Career Technical Education (fka Vocational)	352,363	225,278	89,183	114,533
Student Intervention Services	382,525	388,948	279,587	187,160
Other	446,397	474,197	328,772	217,011
Support Services:				
Pupils	7,489,537	6,605,357	6,346,453	5,812,143
Instructional Staff	4,955,704	4,642,768	3,972,704	3,775,660
Board of Education	26,022	28,377	37,703	35,491
Administration	6,940,852	6,278,130	5,641,359	5,904,079
Fiscal	2,618,670	2,522,825	2,510,802	2,581,225
Business	757,710	783,194	858,370	780,306
Operation and Maintenance of Plant	12,675,113	11,231,757	10,537,744	11,269,156
Pupil Transportation	4,900,743	4,537,054	4,416,402	5,044,428
Central	1,804,959	1,550,074	1,536,158	1,497,140
Operation of Non-Instructional Services:				
Food Service Operations	1,788,322	1,888,483	1,797,004	1,800,930
Community Services	1,686,053	1,761,972	1,579,096	1,463,402
Extracurricular Activities	1,688,888	1,621,109	1,892,552	2,064,830
Interest and Fiscal Charges	549,577	667,486	722,584	1,027,810
Issuance Costs	0	0	61,000	0
<i>Total Expenses</i>	<u>108,108,513</u>	<u>98,617,864</u>	<u>94,557,868</u>	<u>93,801,224</u>
Program Revenues				
Charges for Services and Sales				
Instruction:				
Regular	781,493	1,319,311	1,178,700	1,188,561
Special	574,237	297,890	569,851	637,025
Career Technical Education (fka Vocational)	0	0	0	0
Other	0	75	5,250	5,175
Support Services:				
Pupils	0	0	0	0
Instructional Staff	0	0	0	0
Board of Education	0	0	0	0
Administration	14,681	15,524	17,723	18,201
Fiscal	322,669	115,193	41,723	38,187
Business	0	0	0	0
Operation and Maintenance of Plant	1,769	1,958	8,252	15,359
Pupil Transportation	78,698	76,253	27,968	18,496
Central	0	0	0	0
Operation of Non-Instruction Services:				
Community Services	0	0	0	0
Food Service Operations	822,854	835,367	872,826	942,432
Extracurricular Activities	256,310	285,452	192,984	143,509
Operating Grants, Contributions and Interest				
Instruction:				
Regular	507,752	341,875	120,967	180,152
Special	3,860,005	4,233,399	4,107,133	3,858,976
Career Technical Education (fka Vocational)	46,629	41,624	43,444	44,456
Student Intervention Services	96,529	149,402	172,335	304,165
Other	15,600	0	21,416	0
Support Services:				
Pupils	216,043	148,302	115,244	58,871
Instructional Staff	145,440	144,980	299,430	271,907
Board of Education	0	0	0	0
Administration	1,721	1,153	1,746	3,968

2013	2012	2011	2010*	2009	2008
\$ 34,461,051	\$ 34,798,586	\$ 35,281,264	\$ 37,085,280	\$ 35,379,158	\$ 34,107,481
12,397,536	12,002,923	11,964,327	13,428,305	11,824,756	11,332,475
73,704	150,353	228,758	139,800	242,656	225,025
94	58,630	67,198	19,489	0	0
42,270	8,693	0	0	0	0
5,556,492	5,594,025	5,552,562	6,109,276	5,442,866	5,495,125
7,540,608	7,880,942	7,168,686	7,847,850	6,661,050	5,714,875
65,876	18,470	17,368	22,044	18,690	29,232
5,815,470	5,911,138	6,106,215	6,143,839	6,002,432	5,995,614
2,443,694	2,645,931	2,086,303	1,815,190	2,195,814	1,959,745
1,085,086	1,043,044	952,606	933,149	931,242	995,011
13,142,708	12,347,748	13,466,665	14,220,532	13,059,730	12,623,322
4,674,160	4,456,181	4,602,302	4,795,694	4,169,665	3,989,689
1,683,000	1,754,818	1,917,495	1,990,523	1,444,784	1,670,621
1,855,816	1,820,200	1,945,696	1,951,783	1,726,334	1,518,386
1,598,259	1,428,394	1,220,198	1,327,646	1,207,237	1,140,592
1,331,012	1,268,779	1,249,690	1,296,624	1,170,726	1,230,898
937,911	1,000,513	1,106,286	1,227,205	1,277,952	1,282,207
185,218	0	0	0	0	0
94,889,965	94,189,368	94,933,619	100,354,229	92,755,092	89,310,298
1,222,949	1,226,867	754,595	1,559,258	789,813	855,900
626,206	414,873	171,178	187,379	202,415	224,936
0	0	3,471	2,101	4,247	4,720
5,700	0	0	0	0	0
0	0	85,442	91,479	102,981	114,444
0	0	88,670	91,968	80,033	88,939
0	0	0	336	551	613
0	0	0	93,031	129,968	127,938
15,492	0	0	26,440	29,030	32,260
0	0	0	12,975	16,925	18,990
10,493	10,708	285,446	303,580	300,135	258,411
14,711	17,560	67,464	66,566	78,983	87,773
0	0	28,892	30,003	29,493	32,775
0	0	797	755	98,902	103,118
873,289	888,162	912,327	815,170	800,042	710,786
143,031	112,812	139,488	196,635	110,980	123,035
68,749	1,175,777	1,463,608	502,626	754,782	1,000,038
1,029,673	1,094,487	805,930	1,037,972	925,126	817,586
0	0	0	0	3,037	2,011
111	57,840	162,215	31,087	0	0
23,851	0	0	0	0	0
0	0	50,739	43,226	88,617	79,562
1,449,321	1,469,327	1,741,042	1,774,381	1,450,387	1,321,093
0	0	0	0	0	261
30,074	20,000	0	0	0	63,392

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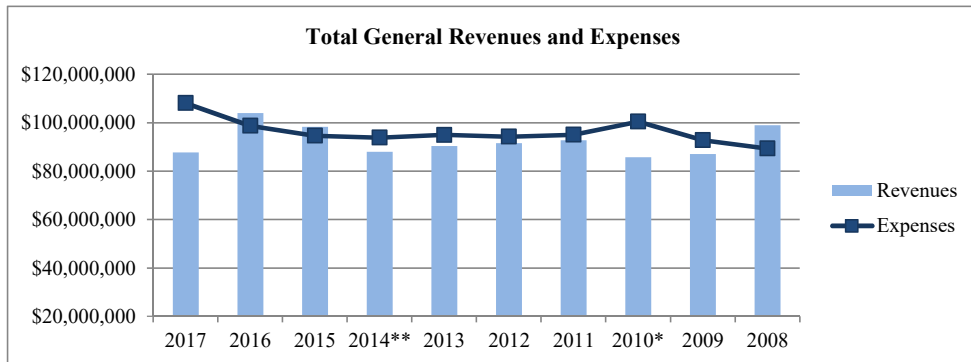
Shaker Heights City School District (Cuyahoga County, Ohio)

Changes in Net Position of Governmental Activities

Last Ten Fiscal Years

(accrual basis of accounting)

	2017	2016	2015	2014**
Fiscal	14,400	14,400	14,400	14,400
Business	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	393,888	434,255	514,785	500,586
Central	0	0	0	0
Operation of Non-Instruction Services				
Food Service Operations	920,784	932,620	1,604,904	978,098
Community Services	1,743,019	1,650,925	970,556	1,471,119
Extracurricular Activities	4,753	7,499	2,806	2,717
Capital Grants and Contributions				
Instruction:				
Regular	0	77,947	108,900	110,313
Special	0	1,756	0	0
Support Service:				
Instructional Staff	0	7,034	0	0
Business	0	1,784	15,400	0
Operation and Maintenance of Plant	0	789	0	0
Pupil Transportation	88,714	38,627	0	75,000
Total Program Revenues	<u>10,907,988</u>	<u>11,175,394</u>	<u>11,028,743</u>	<u>10,881,673</u>
Net Expense	<u>(97,200,525)</u>	<u>(87,442,470)</u>	<u>(83,529,125)</u>	<u>(82,919,551)</u>
General Revenues				
Property Taxes Levied for:				
General Purposes	59,568,298	74,574,871	70,813,771	61,323,747
Debt Service	1,990,941	2,548,475	2,353,929	2,253,696
Grants and Entitlements not Restricted to Specific Programs	25,402,285	25,768,793	24,060,541	23,882,775
Payment in Lieu of Taxes	122,973	122,905	0	0
Investment Earnings	158,736	704,297	267,160	141,545
Unrestricted Contributions and Donations	0	0	0	0
Gain on Sale of Capital Assets	0	0	0	0
Miscellaneous	418,602	281,940	696,301	343,790
Total General Revenues	<u>87,661,835</u>	<u>104,001,281</u>	<u>98,191,702</u>	<u>87,945,553</u>
Extraordinary Item				
Decrease in Delinquent Property Taxes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total General Revenues and Extraordinary Item	<u>87,661,835</u>	<u>104,001,281</u>	<u>98,191,702</u>	<u>87,945,553</u>
Change in Net Position	<u>\$ (9,538,690)</u>	<u>\$ 16,558,811</u>	<u>\$ 14,662,577</u>	<u>\$ 5,026,002</u>



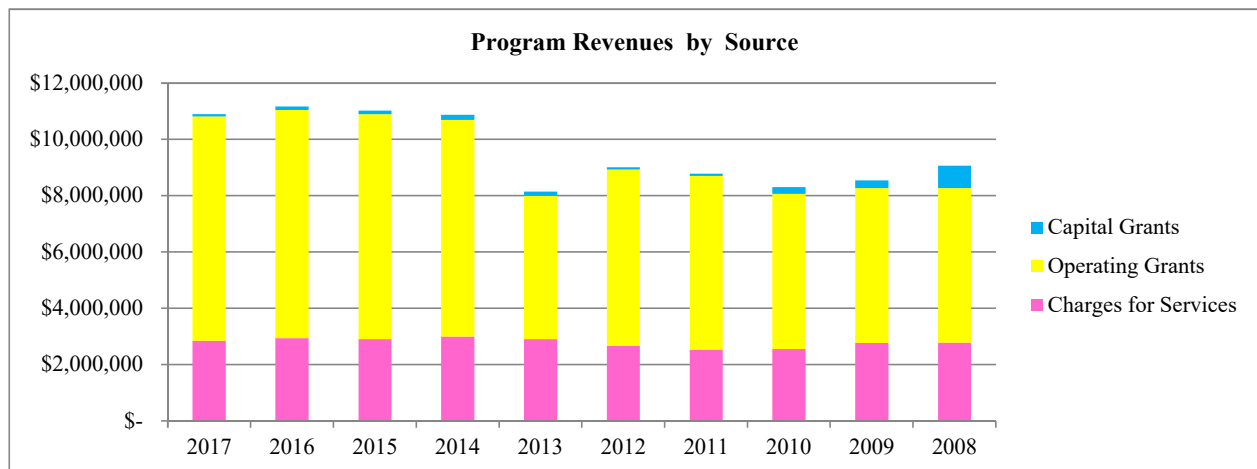
*Includes immaterial amounts reclassified for comparison purposes.

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

2013	2012	2011	2010*	2009	2008
14,400	14,400	0	16,000	24,000	41,381
0	38	0	0	0	8,015
0	0	0	0	164,634	134,036
0	15,906	72	45,507	56,487	37,404
19,717	33,000	5,000	11,409	22,315	41,050
979,654	931,912	754,440	751,596	687,159	609,352
1,469,438	1,446,234	1,189,003	1,294,234	1,304,659	1,311,538
2,497	6,051	3,290	3,020	19,027	22,008
50,535	0	0	30,040	0	0
0	0	0	0	0	0
0	0	0	49,911	0	0
0	0	0	3,829	0	0
0	32,972	79,489	33,878	276,391	802,694
102,085	41,965	0	124,521	0	0
8,151,976	9,010,891	8,792,598	9,230,913	8,551,119	9,076,059
(86,737,989)	(85,178,477)	(86,141,021)	(91,123,316)	(84,203,973)	(80,234,239)
63,408,623	64,805,875	63,904,018	56,751,088	56,984,545	69,184,729
2,524,431	2,658,043	2,755,119	2,960,050	3,154,120	3,494,170
23,839,415	23,319,363	25,301,197	25,155,226	25,102,989	24,004,932
0	0	0	0	0	0
124,229	193,986	291,878	532,965	1,303,054	1,831,239
0	0	1,090	0	0	0
0	0	18,750	21,600	0	0
458,080	514,201	388,268	332,234	423,892	410,654
90,354,778	91,491,468	92,660,320	85,753,163	86,968,600	98,925,724
0	0	0	0	(4,600,000)	0
90,354,778	91,491,468	92,660,320	85,753,163	82,368,600	98,925,724
\$ 3,616,789	\$ 6,312,991	\$ 6,519,299	\$ (5,370,153)	\$ (1,835,373)	\$ 18,691,485

Shaker Heights City School District (Cuyahoga County, Ohio)
Program Revenues of Governmental Activities by Function
Last Ten Fiscal Years
(Accrual Basis of Accounting)

<i>Governmental Activities</i>	2017	2016	2015	2014*
<i>Instruction:</i>				
Regular	\$ 1,289,245	\$ 1,739,133	\$ 1,408,567	\$ 1,479,026
Special	4,434,242	4,533,045	4,676,984	4,496,001
Career Technical Education (fka Vocational)	46,629	41,624	43,444	0
Student Intervention	96,529	149,402	172,335	304,165
Other	15,600	75	26,666	49,631
<i>Support Services:</i>				
Pupils	216,043	148,302	115,244	58,871
Instructional Staff	145,440	152,014	299,430	271,907
Board of Education	0	16,677	0	0
Administration	16,402	129,593	19,469	22,169
Fiscal	337,069	0	56,123	52,587
Business	0	1,784	15,400	0
Operation and Maintenance of Plant	1,769	2,747	8,252	15,359
Pupil Transportation	561,300	549,135	542,753	594,082
Central	0	0	0	0
<i>Operation of Non-Instructional Services</i>				
Food Services	1,743,638	1,767,987	2,477,730	1,920,530
Community Services	1,743,019	1,650,925	970,556	1,471,119
Extracurricular Activities	261,063	292,951	195,790	146,226
<i>Total Program Revenues</i>	<u><u>\$ 10,907,988</u></u>	<u><u>\$ 11,175,394</u></u>	<u><u>\$ 11,028,743</u></u>	<u><u>\$ 10,881,673</u></u>



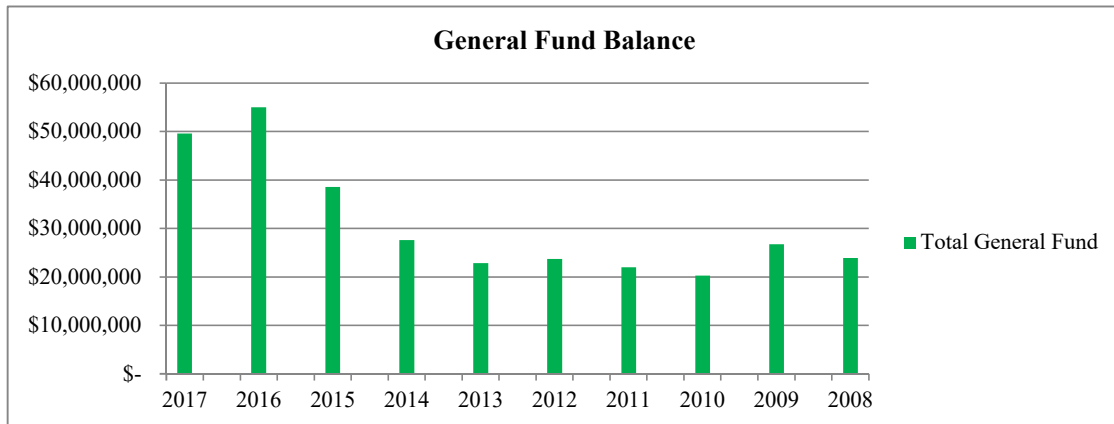
Source: School District financial records.

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

2013	2012	2011	2010	2009	2008
\$ 1,342,233	\$ 2,402,644	\$ 2,218,203	\$ 1,177,111	\$ 1,544,595	\$ 1,855,938
1,655,879	1,509,360	977,108	1,225,351	1,127,541	1,042,522
0	0	3,471	2,101	7,284	6,731
111	57,840	162,215	31,087	0	0
29,551	0	0	0	0	0
0	0	136,181	134,705	191,598	194,006
1,449,321	1,469,327	1,829,712	1,916,260	1,530,420	1,410,032
0	0	0	336	551	874
30,074	20,000	0	93,031	129,968	191,330
29,892	14,400	0	42,440	53,030	73,641
0	38	0	16,804	16,925	27,005
10,493	43,680	364,935	337,458	741,160	1,195,141
116,796	75,431	67,536	236,594	135,470	125,177
19,717	33,000	33,892	41,412	51,808	73,825
1,852,943	1,820,074	1,666,767	1,566,766	1,487,201	1,320,138
1,469,438	1,446,234	1,189,800	1,294,989	1,403,561	1,414,656
145,528	118,863	142,778	199,655	130,007	145,043
<u>\$ 8,151,976</u>	<u>\$ 9,010,891</u>	<u>\$ 8,792,598</u>	<u>\$ 8,316,100</u>	<u>\$ 8,551,119</u>	<u>\$ 9,076,059</u>

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

	2017	2016	2015	2014
General Fund				
Reserved	N/A	N/A	N/A	N/A
Unreserved	N/A	N/A	N/A	N/A
Nonspendable	\$ 222,612	\$ 85,528	\$ 178,918	\$ 36,928
Restricted	353,070	353,070	353,070	353,070
Committed	1,173,937	435,416	0	0
Assigned	5,251,332	5,325,822	7,062,924	4,248,345
Unassigned	42,648,411	48,865,339	31,016,687	22,990,573
Total General Fund	49,649,362	55,065,175	38,611,599	27,628,916
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	678	0	0	0
Restricted	4,810,523	6,185,448	6,819,790	6,827,709
Unassigned	(136,817)	(69,080)	(94,269)	(75,088)
Total All Other Governmental Funds	4,674,384	6,116,368	6,725,521	6,752,621
Total Governmental Funds	\$ 54,323,746	\$ 61,181,543	\$ 45,337,120	\$ 34,381,537



Source: School District financial records.

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

2013	2012	2011	2010	2009	2008
N/A	N/A	N/A	N/A	\$ 14,483,565	\$ 10,969,494
N/A	N/A	N/A	N/A	12,263,251	12,978,966
\$ 31,267	\$ 268,580	\$ 382,367	\$ 231,117	N/A	N/A
353,070	353,070	353,070	353,070	N/A	N/A
0	0	0	0	N/A	N/A
7,186,555	8,801,392	4,455,388	3,988,294	N/A	N/A
15,305,379	14,278,025	16,822,882	15,721,703	N/A	N/A
<u>22,876,271</u>	<u>23,701,067</u>	<u>22,013,707</u>	<u>20,294,184</u>	<u>26,746,816</u>	<u>23,948,460</u>
N/A	N/A	N/A	N/A	1,967,505	2,500,917
N/A	N/A	N/A	N/A	204,836	125,845
N/A	N/A	N/A	N/A	2,050,073	1,996,267
N/A	N/A	N/A	N/A	4,905,551	6,057,373
0	15,688	14,913	26,884	N/A	N/A
5,256,580	4,694,602	5,611,699	7,407,491	N/A	N/A
(185,762)	(177,597)	(59,717)	(12,179)	N/A	N/A
<u>5,070,818</u>	<u>4,532,693</u>	<u>5,566,895</u>	<u>7,422,196</u>	<u>9,127,965</u>	<u>10,680,402</u>
<u>\$ 27,947,089</u>	<u>\$ 28,233,760</u>	<u>\$ 27,580,602</u>	<u>\$ 27,716,380</u>	<u>\$ 35,874,781</u>	<u>\$ 34,628,862</u>

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

	2017	2016	2015	2014
Revenues:				
Property and Other Local Taxes	\$ 60,683,178	\$ 76,996,894	\$ 72,624,434	\$ 68,568,000
Intergovernmental	33,369,707	33,845,112	32,008,748	31,842,442
Investment Income	174,520	714,497	269,281	142,123
Tuition and Fees	927,465	1,318,415	1,467,937	1,575,618
Extracurricular Activities	347,612	359,198	289,637	230,233
Rentals	88,781	86,023	86,023	82,619
Charges for Services	1,439,922	1,118,740	1,009,713	1,066,505
Contributions and Donations	136,435	225,224	159,922	204,250
Payment in Lieu of Taxes	122,973	122,905	0	0
Miscellaneous	463,978	330,216	756,480	391,056
<i>Total Revenues</i>	<u>97,754,571</u>	<u>115,117,224</u>	<u>108,672,175</u>	<u>104,102,846</u>
Expenditures:				
Current:				
Instruction:				
Regular	39,815,886	38,783,485	38,212,432	36,387,066
Special	14,768,608	13,489,001	14,297,783	15,649,050
Career Technical Education (fka Vocational)	352,363	225,278	89,183	114,533
Student Intervention	382,525	398,299	287,621	187,160
Other	408,342	459,335	316,600	205,434
Support Services:				
Pupils	7,022,053	6,612,062	6,531,094	5,834,027
Instructional Staff	4,387,154	4,353,812	4,355,570	3,793,805
Board of Education	26,022	28,377	37,703	35,491
Administration	6,478,177	6,388,501	6,001,378	5,887,217
Fiscal	2,744,933	2,578,829	2,548,226	2,597,966
Business	699,631	752,438	845,929	771,414
Operation and Maintenance of Plant	10,398,177	10,351,040	10,601,066	11,069,951
Pupil Transportation	4,624,199	4,541,336	4,081,712	5,375,679
Central	1,715,662	1,572,126	1,609,192	1,512,182
Extracurricular Activities	1,521,048	1,509,295	1,362,333	1,266,029
Operation of Non-Instructional Services				
Food Service Operations	1,788,322	1,814,071	1,797,004	1,800,930
Community Services	1,857,393	1,628,083	1,595,409	1,698,692
Capital Outlay	2,901,476	1,006,601	447,920	519,015
Debt Service:				
Principal Retirement	2,185,000	1,850,582	2,075,000	2,200,000
Interest and Fiscal Charges	537,936	930,250	625,728	765,120
Bond Issuance Costs	0	0	61,000	0
<i>Total Expenditures</i>	<u>104,614,907</u>	<u>99,272,801</u>	<u>97,779,883</u>	<u>97,670,761</u>
Excess of Revenues Over (Under)				
Expenditures	(6,860,336)	15,844,423	10,892,292	6,432,085
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
Insurance Recoveries	2,539	0	0	2,363
General Obligation Bonds Issued	0	0	0	0
General Obligation Bond Premium	0	0	0	0
General Obligation Notes Issued	0	0	0	0
Refunding Notes Issued	0	0	0	0
Refunding Bonds Issued	0	0	5,345,000	0
Premium on Debt Issuance	0	0	716,541	0
Current Refunding	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	(5,998,250)	0
Transfers In	235,000	225,000	210,000	2,672,528
Transfers Out	(235,000)	(225,000)	(210,000)	(2,672,528)
<i>Total Other Financing Sources (Uses)</i>	<u>2,539</u>	<u>0</u>	<u>63,291</u>	<u>2,363</u>
<i>Net Change in Fund Balance</i>	<u>\$ (6,857,797)</u>	<u>\$ 15,844,423</u>	<u>\$ 10,955,583</u>	<u>\$ 6,434,448</u>

Debt Service as a Percentage of				
Noncapital Expenditures	2.68%	2.83%	2.81%	3.15%

Source: School District financial records.

	2013	2012	2011	2010	2009	2008
\$	65,713,209	\$ 65,451,694	\$ 64,583,285	\$ 59,520,754	\$ 61,957,201	\$ 65,224,344
	28,700,726	30,069,477	31,223,034	31,186,078	30,598,762	29,558,547
	127,601	201,222	292,491	533,281	1,308,766	1,844,670
	1,546,677	1,463,358	1,280,795	1,309,955	1,531,239	1,661,400
	240,541	208,345	187,388	180,539	169,428	171,779
	49,338	44,805	93,813	152,526	165,751	149,690
	1,068,914	954,513	975,774	919,843	908,080	801,769
	231,664	149,103	144,487	258,879	293,449	822,575
	0	0	0	0	0	0
	447,119	424,503	388,268	332,234	423,892	410,654
	<u>98,125,789</u>	<u>98,967,020</u>	<u>99,169,335</u>	<u>94,394,089</u>	<u>97,356,568</u>	<u>100,645,428</u>
	35,880,612	35,959,722	35,974,858	36,986,263	34,473,074	33,666,620
	12,717,540	12,300,518	12,238,846	13,431,681	11,725,813	11,338,941
	73,704	150,353	256,888	148,774	238,210	222,870
	94	58,630	135,860	27,498	0	0
	33,577	0	0	0	0	0
	5,755,271	5,819,423	5,662,710	6,022,897	5,467,430	5,424,438
	8,451,594	7,934,389	7,425,293	7,658,963	6,606,883	5,643,430
	65,876	18,470	17,368	22,044	18,690	29,232
	5,911,936	5,931,338	6,095,570	6,176,169	5,920,108	5,901,551
	2,425,772	2,636,142	2,076,537	1,798,079	2,181,027	1,630,945
	1,060,924	1,015,279	892,163	866,581	903,256	906,739
	12,308,686	12,190,201	12,653,515	13,334,421	12,124,552	12,186,506
	4,780,780	4,553,453	4,366,501	4,405,761	4,191,598	4,191,485
	1,684,587	1,738,851	1,909,388	1,975,604	1,357,533	1,620,601
	1,333,436	1,284,671	1,263,758	1,294,898	1,156,763	1,217,636
	1,855,816	1,821,836	1,970,089	1,952,226	1,725,336	1,512,621
	1,553,250	1,309,863	1,274,679	1,422,655	1,090,029	1,418,516
	4,094,660	1,023,865	1,329,425	1,455,100	3,463,331	7,388,359
	1,780,000	1,639,999	2,484,995	2,979,017	7,185,976	2,300,000
	796,253	1,016,556	1,276,670	1,215,459	1,281,044	1,198,467
	185,218	0	0	0	107,962	0
	<u>102,749,586</u>	<u>98,403,559</u>	<u>99,305,113</u>	<u>103,174,090</u>	<u>101,218,615</u>	<u>97,798,957</u>
	(4,623,797)	563,461	(135,778)	(8,780,001)	(3,862,047)	2,846,471
	0	0	0	21,600	0	0
	9,343	89,697	0	0	0	0
	4,170,000	0	0	0	4,999,999	0
	0	0	0	0	107,967	0
	0	0	0	600,000	0	5,000,000
	0	0	0	0	500,000	500,000
	4,994,310	0	0	0	0	0
	666,714	0	0	0	0	0
	0	0	0	0	(500,000)	(500,000)
	(5,503,241)	0	0	0	0	0
	3,420,000	380,000	400,000	475,000	475,000	175,000
	(3,420,000)	(380,000)	(400,000)	(475,000)	(475,000)	(175,000)
	4,337,126	89,697	0	621,600	5,107,966	5,000,000
\$	<u>(286,671)</u>	<u>653,158</u>	<u>(135,778)</u>	<u>(8,158,401)</u>	<u>1,245,919</u>	<u>7,846,471</u>
	2.67%	2.77%	3.87%	4.15%	8.81%	3.92%

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Shaker Heights City School District (Cuyahoga County, Ohio)
History of School Operating Levies
For the Years 1933 - 2017

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

Source: Shaker Heights City School District Records.

Shaker Heights City School District (Cuyahoga County, Ohio)

Assessed and Estimated Actual Value of Taxable Property

Last Ten Collection Years

Collection Year	Real Property			Tangible Personal Property	
	Residential/ Agricultural	Commercial/ Industrial/PU	Estimated Actual Value	Assessed Value	Estimated Actual Value
2017	\$ 729,004,600	\$ 72,479,180	\$ 2,289,953,657	\$ 0	\$ 0
2016	730,582,810	72,725,130	2,295,165,543	0	0
2015	696,083,470	72,451,880	2,195,815,286	0	0
2014	701,293,730	77,608,500	2,225,434,943	0	0
2013	702,161,380	78,177,030	2,229,538,314	0	0
2012	765,520,980	80,615,370	2,417,532,429	0	0
2011	775,613,180	81,686,000	2,449,426,229	756,680	12,106,880
2010	776,507,350	85,280,280	2,462,250,371	1,533,160	24,530,560
2009	837,960,590	87,981,190	2,645,547,943	2,081,828	33,309,248
2008	839,801,250	86,307,100	2,646,023,857	3,243,846	51,901,536

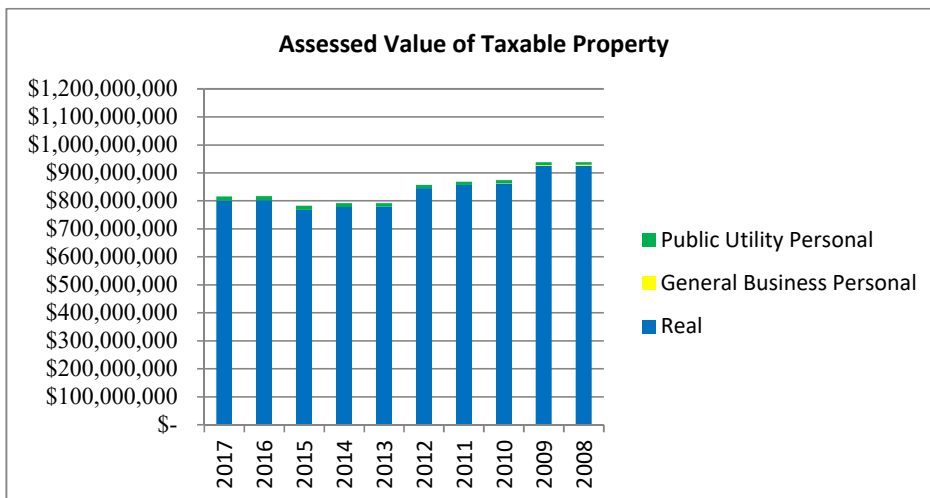
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

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 12.5% for 2007, 6.25% for 2008 and zero for 2009.

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

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

Tangible Personal Property		Total			
Public Utility					
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Full Tax Rate Per \$1,000 of Assessed Value	Weighted Average Tax Rate
\$ 15,510,410	\$ 17,625,466	\$ 816,994,190	\$ 2,307,579,123	\$ 186.73	99.42
14,677,340	16,678,795	817,985,280	2,311,844,338	186.73	99.18
14,404,410	16,368,648	782,939,760	2,212,183,933	186.83	103.27
13,746,470	15,620,989	792,648,700	2,241,055,931	179.93	95.74
12,585,450	14,301,648	792,923,860	2,243,839,962	179.93	95.61
11,663,830	13,254,352	857,800,180	2,430,786,781	179.93	95.74
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



Shaker Heights City School District (Cuyahoga County, Ohio)

Property Tax Rates - Direct and Overlapping Governments

(per \$1,000 of assessed value)

Last Ten Years

	2017	2016	2015	2014
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	10.905017	10.884766	11.435650	11.356927
Commercial/Industrial	24.153692	24.133558	23.820013	22.956754
Tangible/Public Utility Personal	58.530000	58.530000	58.530000	58.530000
1977 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	2.845644	2.840352	2.984100	2.963556
Commercial/Industrial	5.335824	5.331384	5.262120	5.071416
Tangible/Public Utility Personal	12.000000	12.000000	12.000000	12.000000
1979 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	1.422822	1.420176	1.492050	1.481778
Commercial/Industrial	2.667912	2.665692	2.631060	2.535708
Tangible/Public Utility Personal	6.000000	6.000000	6.000000	6.000000
1981 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	2.356614	2.352233	2.471281	2.454270
Commercial/Industrial	3.430453	3.427600	3.383075	3.259822
Tangible/Public Utility Personal	6.500000	6.500000	6.500000	6.500000
1982 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	2.178894	2.174844	2.284920	2.269194
Commercial/Industrial	3.166668	3.164034	3.122928	3.009750
Tangible/Public Utility Personal	6.000000	6.000000	6.000000	6.000000
1983 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	3.637638	3.630880	3.814642	3.788382
Commercial/Industrial	5.345120	5.340676	5.271297	5.080266
Tangible/Public Utility Personal	8.800000	8.800000	8.800000	8.800000
1986 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	3.294000	3.287880	3.454290	3.430515
Commercial/Industrial	5.048205	5.044005	4.978478	4.798058
Tangible/Public Utility Personal	7.500000	7.500000	7.500000	7.500000
1989 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	5.441862	5.431758	5.706667	5.667389
Commercial/Industrial	8.022290	8.015616	7.911491	7.624782
Tangible/Public Utility Personal	9.800000	9.800000	9.800000	9.800000

	2013	2012	2011	2010	2009	2008
	\$ 4.100000	\$ 4.100000	\$ 4.100000	\$ 4.100000	\$ 4.100000	\$ 4.100000
	11.334686	10.405171	10.296773	10.281400	9.510423	9.474953
	22.637648	22.029873	21.735116	20.939300	20.472975	20.074093
	58.530000	58.530000	58.530000	58.530000	58.530000	58.530000
	2.957748	2.715192	2.686908	2.682900	2.481732	2.472480
	5.000916	4.866648	4.801536	4.625700	4.522704	4.434588
	12.000000	12.000000	12.000000	12.000000	12.000000	12.000000
	1.478874	1.357596	1.343454	1.341500	1.240866	1.236240
	2.500458	2.433324	2.400768	2.312900	2.261352	2.217294
	6.000000	6.000000	6.000000	6.000000	6.000000	6.000000
	2.449467	2.248591	2.225165	2.221800	2.055242	2.047585
	3.215147	3.128827	3.086967	2.973900	2.907710	2.851063
	6.500000	6.500000	6.500000	6.500000	6.500000	6.500000
	2.264754	2.079030	2.057370	2.054300	1.900260	1.893180
	2.967912	2.888226	2.849580	2.745300	2.684106	2.631816
	6.000000	6.000000	6.000000	6.000000	6.000000	6.000000
	3.780964	3.470896	3.434737	3.429600	3.172453	3.160634
	5.009646	4.875147	4.809922	4.633800	4.530610	4.442346
	8.800000	8.800000	8.800000	8.800000	8.800000	8.800000
	3.423803	3.143025	3.110280	3.105600	2.872770	2.862068
	4.731360	4.604333	4.542728	4.376400	4.278938	4.195575
	7.500000	7.500000	7.500000	7.500000	7.500000	7.500000
	5.656295	5.192442	5.138346	5.130700	4.745973	4.728294
	7.518795	7.316935	7.219043	6.954700	6.799838	6.667361
	9.800000	9.800000	9.800000	9.800000	9.800000	9.800000

(continued)

Shaker Heights City School District (Cuyahoga County, Ohio)
Property Tax Rates - Direct and Overlapping Governments
(per \$1,000 of assessed value)
Last Ten Years

	2017	2016	2015	2014
1990 School Improvement Bonds (\$10,000,000)	0.000000	0.000000	0.000000	0.000000
1992 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	6.796986	6.784364	7.127736	7.078677
Commercial/Industrial	9.013991	9.006494	8.889492	8.567336
Tangible/Public Utility Personal	9.800000	9.800000	9.800000	9.800000
1995 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	6.566186	6.553988	6.885702	6.838304
Commercial/Industrial	8.642432	8.635246	8.523068	8.214192
Tangible/Public Utility Personal	8.700000	8.700000	8.700000	8.700000
1996 School Improvement Bonds (\$12,700,000)	1.030306	1.027469	1.046836	1.036074
2000 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	7.623926	7.609770	7.994916	7.939889
Commercial/Industrial	9.400000	9.400000	9.400000	9.103731
Tangible/Public Utility Personal	9.400000	9.400000	9.400000	9.400000
2003 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	8.793725	8.777395	9.221645	9.158170
Commercial/Industrial	9.600000	9.600000	9.600000	9.600000
Tangible/Public Utility Personal	9.600000	9.600000	9.600000	9.600000
2004 School Improvement Bonds (\$23,500,000)	2.269694	2.272531	2.353164	2.363926
2006 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	9.440600	9.423068	9.900000	9.900000
Commercial/Industrial	9.900000	9.900000	9.900000	9.900000
Tangible/Public Utility Personal	9.900000	9.900000	9.900000	9.900000
2010 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	9.440600	9.423068	9.900000	9.900000
Commercial/Industrial	9.900000	9.900000	9.900000	9.900000
Tangible/Public Utility Personal	9.900000	9.900000	9.900000	9.900000
2014 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	6.579812	6.567593	6.900000	0.000000
Commercial/Industrial	6.900000	6.900000	6.900000	0.000000
Tangible/Public Utility Personal	6.900000	6.900000	6.900000	0.000000

2013	2012	2011	2010	2009	2008
0.269789	0.246694	0.253336	0.855177	0.713425	0.747118
7.064830	6.485464	6.417902	6.408300	5.927824	5.905745
8.448247	8.221426	8.111431	7.814500	7.640403	7.491561
9.800000	9.800000	9.800000	9.800000	9.800000	9.800000
6.824924	6.265235	6.199968	6.190700	5.726531	5.705199
8.100013	7.882548	7.777087	7.492400	7.325478	7.182764
8.700000	8.700000	8.700000	8.700000	8.700000	8.700000
1.011067	0.988696	0.982822	0.913267	0.777312	0.808272
7.924350	7.274500	7.198717	7.188000	6.649015	6.624246
8.977188	8.736172	8.619292	8.303700	8.118780	7.960616
9.400000	9.400000	9.400000	9.400000	9.400000	9.400000
9.140246	8.390688	8.303280	8.290900	7.669229	7.640659
9.600000	9.600000	9.600000	9.599300	9.385517	9.202675
9.600000	9.600000	9.600000	9.600000	9.600000	9.600000
2.319144	2.364610	2.363842	2.201556	2.479263	2.114610
9.900000	9.825780	9.723424	9.708900	8.980934	8.947481
9.900000	9.900000	9.900000	9.899300	9.678814	9.490259
9.900000	9.900000	9.900000	9.900000	9.900000	9.900000
9.900000	9.900000	9.900000	0.000000	0.000000	0.000000
9.900000	9.900000	9.900000	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

(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

	2017	2016	2015	2014
Total Voted Millage by type of property				
Effective Millage Rates				
Residential/Agricultural	90.624326	90.462135	94.973599	87.627051
Commercial/Industrial	123.826587	123.764305	122.893022	113.021815
Tangible/Public Utility Personal	<u>182.630000</u>	<u>182.630000</u>	<u>182.730000</u>	<u>175.830000</u>
Total Millage by type of property				
Effective Millage Rates				
Residential/Agricultural	94.724326	94.562135	99.073599	91.727051
Commercial/Industrial	127.926587	127.864305	126.993022	117.121815
Tangible/Public Utility Personal	<u>186.730000</u>	<u>186.730000</u>	<u>186.830000</u>	<u>179.930000</u>
Total Weighted Average Tax Rate	<u>99.416548</u>	<u>99.176746</u>	<u>103.271743</u>	<u>95.743116</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	3.814384	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	17.939065	17.925244	18.164311	17.263900
Commercial/Industrial	18.117612	18.167551	18.122743	17.129160
Tangible/Public Utility Personal	18.180000	18.180000	18.180000	17.280000
Cleveland Metro Parks				
Effective Millage Rates				
Residential/Agricultural	2.711249	2.711903	2.750000	2.750000
Commercial/Industrial	2.741624	2.750000	2.736822	2.704560
Tangible/Public Utility Personal	2.750000	2.750000	2.750000	2.750000

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.

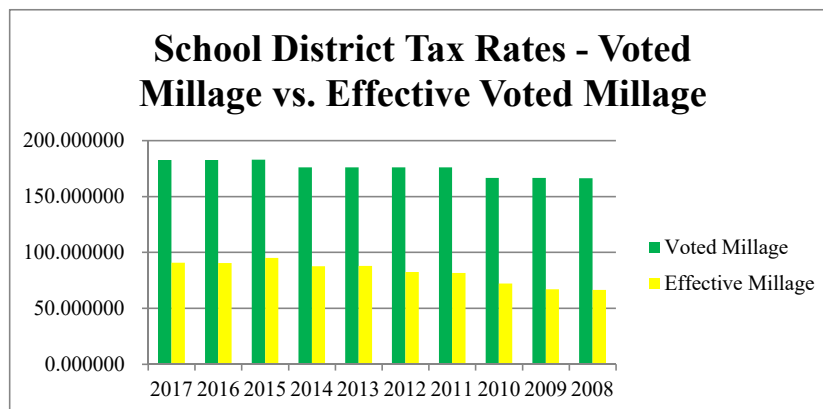
The City School District's basic property tax may be increased only by a majority vote of the City School District's residents.

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.

2013	2012	2011	2010	2009	2008
87.700941	82.353610	81.636324	72.004600	66.903252	66.368764
112.107330	109.983459	108.953470	96.641200	94.577225	92.512011
<u>176.030000</u>	<u>176.030000</u>	<u>176.030000</u>	<u>166.500000</u>	<u>166.500000</u>	<u>166.200000</u>
91.800941	86.453610	85.736324	76.104600	71.003252	70.468764
116.207330	114.083459	113.053470	100.741200	98.677225	96.612011
<u>180.130000</u>	<u>180.130000</u>	<u>180.130000</u>	<u>170.600000</u>	<u>170.600000</u>	<u>170.300000</u>
<u>95.609226</u>	<u>90.323994</u>	<u>89.609195</u>	<u>79.864120</u>	<u>74.920000</u>	<u>74.270000</u>
9.900000	9.900000	9.900000	9.900000	9.900000	9.900000
12.700000	12.700000	12.700000	12.700000	12.700000	12.700000
4.000000	4.000000	4.000000	4.000000	4.000000	3.183608
4.000000	4.000000	4.000000	4.000000	4.000000	3.834448
4.000000	4.000000	4.000000	4.000000	4.000000	4.000000
16.433492	16.303602	16.363076	15.878600	16.150600	14.355800
16.167194	15.913978	15.962230	15.533900	15.489300	15.121000
16.450000	16.450000	16.550000	16.250000	16.250000	16.350000
1.850000	1.818768	1.810600	1.806800	1.669800	1.672000
1.791705	1.735404	1.724300	1.724900	1.717100	1.712500
1.850000	1.850000	1.850000	1.850000	1.850000	1.850000



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

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
2017	\$ 81,237,659	\$ 77,260,906	95.10%	\$ 2,487,459	\$ 79,748,365	98.17%	\$ 8,495,691	10.46%
2016	81,398,279	77,885,956	95.69%	2,401,869	80,287,825	98.64%	7,742,613	9.51%
2015	80,969,200	77,078,636	95.20%	2,926,304	80,004,940	98.81%	7,616,161	9.41%
2014	75,793,048	71,269,220	94.03%	3,227,679	74,496,899	98.29%	7,072,895	9.33%
2013	76,227,182	71,419,872	93.69%	2,890,214	74,310,086	97.49%	10,798,880	14.17%
2012	77,587,212	72,488,048	93.43%	3,203,044	75,691,092	97.56%	9,675,933	12.47%
2011	77,995,834	72,449,988	92.89%	2,838,906	75,288,894	96.53%	9,500,248	12.18%
2010	70,060,762	65,437,178	93.40%	3,141,184	68,578,362	97.88%	9,976,749	14.24%
2009	70,182,682	65,751,724	93.69%	3,168,086	68,919,810	98.20%	8,703,272	12.40%
2008	70,633,574	66,607,428	94.30%	5,596,275	72,203,703	102.22%	5,949,390	8.42%

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

(1)Represents collection year.

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

Shaker Heights City School District (Cuyahoga County, Ohio)
Principal Taxpayers - Real Property Taxes
 2017 and 2008 (1)

Name of Taxpayer	2017	
	Assessed Valuation	Percent of Real Assessed Value
Shaker MZL LLC	\$ 4,106,080	0.51%
Oliver Family Limited	2,301,320	0.29%
Kirt Montlack, LTD	1,956,810	0.24%
Coral Shaker Square LLC	1,921,010	0.24%
E2G Properties LLC	1,914,130	0.24%
The Residences at Avalon Station	1,493,680	0.19%
Van Aken Shopping Center, LTD.	1,349,120	0.17%
Shaker Plaza LTD	1,343,760	0.17%
16500 Chagrin Boulevard Holdings LLC	1,332,080	0.17%
Shaker Heights Country Club	1,163,760	0.15%
Total	\$ 18,881,750	2.37%
<i>Total Assessed Valuation</i>	<i>\$ 801,483,780</i>	

Name of Taxpayer	2008	
	Assessed Valuation	Percent of Real Assessed Value
University Hospitals	\$ 4,764,340	0.51%
Tower East Operating Association	3,781,820	0.41%
Shaker Towne Center LLC	2,653,140	0.29%
Coral Shaker Square LLC	2,025,630	0.22%
Deborah Salzberg	1,921,220	0.21%
Oliver Family Limited	1,901,100	0.21%
Kirt Montlack, LTD	1,811,440	0.20%
Sunrise Shaker Heights	1,248,350	0.13%
Gator Shaker Heights, LLC	1,184,440	0.13%
Transcon Builders Incorporated	1,129,530	0.12%
Total	\$ 22,421,010	2.43%
<i>Total Assessed Valuation</i>	<i>\$ 926,108,350</i>	

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

(1) The amounts presented represent the assessed values upon which 2017 and 2008 collections were based.

Shaker Heights City School District (Cuyahoga County, Ohio)
Principal Taxpayers - Public Utilities Tax
 2017 and 2008 (1)

Name of Taxpayer	2017	
	Assessed Valuation	Percent of Real Assessed Value
Cleveland Electric Illuminating Company	\$ 10,931,210	70.48%
American Transmission Systems, Inc.	2,487,720	16.04%
East Ohio Gas Company	2,091,480	13.48%
Total	<u>\$ 15,510,410</u>	<u>100.00%</u>
<i>Total Assessed Valuation</i>	<u>\$ 15,510,410</u>	
Name of Taxpayer	2008	
	Assessed Valuation	Percent of Real Assessed Value
Cleveland Electric Illuminating Company	7,612,720	77.11%
East Ohio Gas Company	1,570,230	15.91%
American Transmission Systems, Inc.	688,770	6.98%
Total	<u>\$ 9,871,720</u>	<u>100.00%</u>
<i>Total Assessed Valuation</i>	<u>\$ 9,871,720</u>	

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

(1) The amounts presented represent the assessed values upon which 2017 and 2008 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

Collection Year	Population (1)	Estimated Actual Value	Net General Bonded Debt			Notes	Total Debt	Personal Income (1)	Total Debt Per Capita
			Net General Bonded Debt	Ratio of Net General Bonded Debt to Estimated Actual Value	Net Bonded Debt Per Capita				
2017	27,448	\$ 2,307,579,123	\$ 13,331,588	0.58%	\$ 486	\$ 0	\$ 13,331,588	1,413,132,832	\$ 486
2016	27,646	2,311,844,338	15,745,688	0.68%	570	0	15,745,688	1,372,623,900	570
2015	27,790	2,212,183,933	18,353,228	0.83%	660	0	18,353,228	1,358,041,720	660
2014	27,935	2,241,055,931	20,203,564	0.90%	723	0	20,203,564	1,374,821,025	723
2013	28,039	2,243,839,962	22,797,039	1.02%	813	0	22,797,039	1,359,359,232	813
2012	28,366	2,430,786,781	19,911,521	0.82%	702	0	19,911,521	1,359,359,232	702
2011	28,448	2,474,341,370	22,010,774	0.89%	774	0	22,010,774	1,359,359,232	774
2010	29,405	2,499,302,022	23,856,208	0.95%	811	600,000	24,456,208	1,216,014,370	832
2009	29,405	2,690,604,668	25,939,703	0.96%	882	500,000	26,439,703	1,216,014,370	899
2008	29,405	2,709,143,257	28,300,324	1.04%	962	5,500,000	33,800,324	1,216,014,370	1,149

Source:

(1) Population and Personal income can be found on S - 35.

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

	2017	2016	2015
Total Assessed Valuation (3)	\$ 801,483,780	\$ 803,307,940	\$ 768,535,350
Less Railroad and Telephone Property Valuation	0	0	0
Less General Business Tangible Personal Valuation	0	0	0
Total Assessed Valuation used to Calculate Legal Debt Margin (1)	<u>\$ 801,483,780</u>	<u>\$ 803,307,940</u>	<u>\$ 768,535,350</u>
Debt Limit - 9% of Assessed Value (2)	<u>\$ 72,133,540</u>	<u>\$ 72,297,715</u>	<u>\$ 69,168,182</u>
Amount of Debt Outstanding			
General Obligation Bonds	17,320,364	19,547,786	21,741,217
Bus Acquisition Bond Anticipation Note	0	0	0
Bond Anticipation Note	0	0	0
Less: Amount Available in Debt Service	<u>(3,988,776)</u>	<u>(3,802,098)</u>	<u>(3,387,989)</u>
Total	13,331,588	15,745,688	18,353,228
Exemptions:			
Bus Acquisition Bond Anticipation Note	<u>0</u>	<u>0</u>	<u>0</u>
Amount of Debt Subject to Limit	<u>13,331,588</u>	<u>15,745,688</u>	<u>18,353,228</u>
Overall Debt Margin	<u>\$ 58,801,952</u>	<u>\$ 56,552,027</u>	<u>\$ 50,814,954</u>
Legal Debt Margin as a Percentage of Debt Limit	81.52%	78.22%	73.47%
Unvoted Legal Debt Limit - .10% of Assessed Value (1)	\$ 801,484	\$ 803,308	\$ 768,535
Amount of Debt Subject to Limit	0	0	0
Unvoted Debt Margin	<u>\$ 801,484</u>	<u>\$ 803,308</u>	<u>\$ 768,535</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	<u>\$ 8,014,838</u>	<u>\$ 8,033,079</u>	<u>\$ 7,685,354</u>
Additional Unvoted Debt Margin	<u>\$ 8,014,838</u>	<u>\$ 8,033,079</u>	<u>\$ 7,685,354</u>

Source: Cuyahoga County Fiscal Officer and School District Financial Records

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

2014	2013	2012	2011	2010	2009	2008
\$ 778,902,230	\$ 780,338,410	\$ 846,136,350	\$ 869,327,130	\$ 874,339,350	\$ 938,361,388	\$ 939,223,916
0	0	0	0	0	(2,390,110)	(3,206,440)
0	0	0	(756,680)	(1,533,160)	(2,081,828)	(3,243,846)
<u>\$ 778,902,230</u>	<u>\$ 780,338,410</u>	<u>\$ 846,136,350</u>	<u>\$ 868,570,450</u>	<u>\$ 872,806,190</u>	<u>\$ 933,889,450</u>	<u>\$ 932,773,630</u>
\$ 70,101,201	\$ 70,230,457	\$ 76,152,272	\$ 78,171,341	\$ 78,552,557	\$ 84,050,051	\$ 83,949,627
23,397,172	25,604,657	22,465,533	23,680,580	25,565,575	28,044,592	25,230,569
0	0	0	600,000	600,000	500,000	500,000
0	0	0	0	0	0	5,000,000
(3,193,608)	(2,807,618)	(2,554,012)	(2,269,806)	(2,309,367)	(2,604,889)	(2,430,245)
20,203,564	22,797,039	19,911,521	22,010,774	23,856,208	25,939,703	28,300,324
0	0	0	(600,000)	(600,000)	(500,000)	(500,000)
20,203,564	22,797,039	19,911,521	21,410,774	23,256,208	25,439,703	27,800,324
<u>\$ 49,897,637</u>	<u>\$ 47,433,418</u>	<u>\$ 56,240,751</u>	<u>\$ 56,760,567</u>	<u>\$ 55,296,349</u>	<u>\$ 58,610,348</u>	<u>\$ 56,149,303</u>
71.18%	67.54%	73.85%	72.61%	70.39%	69.73%	66.88%
\$ 778,902	\$ 780,338	\$ 846,136	\$ 868,570	\$ 872,806	\$ 933,889	\$ 932,774
0	0	0	0	0	0	0
<u>\$ 778,902</u>	<u>\$ 780,338</u>	<u>\$ 846,136</u>	<u>\$ 868,570</u>	<u>\$ 872,806</u>	<u>\$ 933,889</u>	<u>\$ 932,774</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
\$ 7,789,022	\$ 7,803,384	\$ 8,461,364	\$ 8,693,271	\$ 8,743,394	\$ 9,383,614	\$ 9,392,239
<u>\$ 7,789,022</u>	<u>\$ 7,803,384</u>	<u>\$ 8,461,364</u>	<u>\$ 8,693,271</u>	<u>\$ 8,743,394</u>	<u>\$ 9,383,614</u>	<u>\$ 9,392,239</u>

Shaker Heights City School District (Cuyahoga County, Ohio)
Computation of Direct & Overlapping General Obligation Bonded Debt
 June 30, 2017

	<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	\$ 17,320,364	100.00%	\$ 17,320,364
Overlapping:			
City of Shaker Heights	15,031,300	100.00%	15,031,300
City of Cleveland	112,315,000	0.86%	965,909
Regional Transit Authority	140,323,087	2.96%	4,153,563
Cuyahoga County	163,760,000	2.96%	4,847,296
Total Overlapping	<u>431,429,387</u>		<u>24,998,068</u>
Total Direct and Overlapping	<u>\$ 448,749,751</u>		<u>\$ 42,318,432</u>

Source: Ohio Municipal Advisory Council

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

Shaker Heights City School District (Cuyahoga County, Ohio)

*History of Bond Issues
For the Years 1912 - 2017*

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 (2)</u>	<u>Value of Building Permits Issued (3)</u>
2017	\$ 801,483,780	\$ 52,132,210	\$ 79,123,687
2016	803,307,940	49,466,393	23,589,838
2015	768,535,350	49,174,840	17,053,130
2014	778,902,230	81,141,520	23,356,174
2013	780,338,410	78,170,736	18,209,737
2012	846,136,350	74,277,632	17,546,910
2011	857,299,180	57,887,646	18,513,543
2010	861,787,630	65,192,480	12,832,253
2009	925,941,780	168,829,043	13,570,377
2008	926,108,350	159,000,767	22,193,823

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

- (1) Represents assessed value.
- (2) 2015 - 2017 data is from the Federal Deposit Insurance Corporation (FDIC). Previous years' data was from the Federal Reserve Bank of Cleveland.
- (3) 2017 amount includes permits issued for the Van Aken District Project and the Townhomes of Van Aken.
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

2016 and 2007

2016			
Employer	Nature of Business or Activity	Number of FTE's	Number of W-2's
Shaker Heights City School District	Government entity	841	1,482
University Hospitals	Hospital administration	800	1,369
City of Shaker Heights	Government entity	329	574
Hathaway Brown School	School	196	540
Laurel School	School	167	331
Protem Home Care Inc	Medical Entity	150	331
Center for Dialysis Care	Health care	110	191
University School (Shaker campus)	School	101	194
Equity Engineering Group	Engineering	90	105
Heinens	Supermarket	65	197
Total		2,849	5,314
Total Employment within the School District		<u>n/a</u>	<u>n/a</u>

2007			
Employer	Nature of Business or Activity	Number of FTE's	Number of W-2's
University Hospitals	Hospital administration	950	n/a
Shaker Heights City School District	Government entity	786	n/a
City of Shaker Heights	Government entity	395	n/a
Hathaway Brown School	School	210	n/a
Laurel School	School	154	n/a
Heinens	Supermarket	115	n/a
University School (Shaker campus)	School	100	n/a
Total		2,710	n/a
Total Employment within the School District		<u>n/a</u>	<u>n/a</u>

Source: Employer survey

(n/a) Information not available.
2016 most recent information available

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Shaker Heights City School District (Cuyahoga County, Ohio)

Demographic Statistics

Last Ten Years

Year	Cuyahoga County Population (1)	Shaker Heights City Population (1)	Personal Income	Per Capita Personal Income (1)	School Enrollment	Cuyahoga County Unemployment Rate (2)
2017	1,249,352	27,448	\$ 1,413,132,832	\$ 51,484	5,111	5.4%
2016	1,255,921	27,646	1,372,623,900	49,650	5,260	5.0%
2015	1,259,828	27,790	1,358,041,720	48,868	5,377	6.7%
2014	1,263,154	27,935	1,374,821,025	49,215	5,343	7.9%
2013	1,280,122	28,039	1,359,359,232	47,784	5,423	8.0%
2012	1,280,122	28,366	1,359,359,232	47,784	5,446	8.0%
2011	1,280,122	28,448	1,359,359,232	47,784	5,490	8.6%
2010	1,363,888	29,405	1,216,014,370	41,354	5,484	9.7%
2009	1,363,888	29,405	1,216,014,370	41,354	5,542	10.2%
2008	1,363,888	29,405	1,216,014,370	41,354	5,482	7.4%

Sources:

(1) Years 2008 - 2010 from the 2000 Federal Census, years 2011 - 2017 from the 2010 Federal Census as, updated annually by the U. S. Census Bureau

(2) From the U. S. Department of Labor

Shaker Heights City School District (Cuyahoga County, Ohio)

Building Statistics by Function/Program

Last Ten Fiscal Years

	2017	2016	2015	2014
Boulevard Elementary School				
Constructed in 1914				
Total Building Square Footage	48,000	48,000	48,000	48,000
Enrollment Grades K - 4	357	348	351	355
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	336	329	352	339
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	410	437	428	449
Student Capacity	620	620	620	620
Regular Instruction Classrooms	25	25	25	25
Special Instruction Classrooms	3	3	3	3
Mercer Elementary School				
Constructed in 1952				
Total Building Square Footage	70,640	70,640	70,640	70,640
Enrollment Grades K - 4	345	342	355	341
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	392	392	409	423
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	744	782	838	821
Student Capacity	900	900	900	900
Regular Instruction Classrooms	41	41	41	41
Special Instruction Classrooms	8	8	8	8

2013	2012	2011	2010	2009	2008
48,000	48,000	48,000	48,000	48,000	48,000
360	360	358	352	339	340
544	544	544	544	544	544
22	22	22	22	22	22
2	2	2	2	2	2
29,925	29,925	29,925	29,925	29,925	29,925
344	356	357	357	342	333
366	366	366	366	366	366
15	15	15	15	15	15
2	2	2	2	2	2
65,075	65,075	65,075	65,075	65,075	65,075
457	490	473	502	497	512
620	620	620	620	620	620
25	25	26	26	26	26
3	3	2	2	2	2
70,640	70,640	70,640	70,640	70,640	70,640
381	362	411	424	425	432
590	590	590	590	590	590
24	24	24	24	24	24
4	4	4	4	4	4
63,700	63,700	63,700	63,700	63,700	63,700
412	433	411	427	424	414
606	606	606	606	606	606
23	23	23	23	23	23
5	5	5	5	5	5
138,350	138,350	138,350	138,350	138,350	138,350
823	850	855	827	843	785
900	900	900	900	900	900
41	41	41	41	42	42
8	8	8	8	7	7

(continued)

Shaker Heights City School District (Cuyahoga County, Ohio)

Building Statistics by Function/Program

Last Ten Fiscal Years

	2017	2016	2015	2014
Shaker Heights Middle School				
Constructed in 1957				
Total Building Square Footage	133,400	133,400	133,400	133,400
Enrollment - Grades 7 - 8	802	830	848	860
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	1,725	1,800	1,796	1,755
Student Capacity	2,000	2,000	2,000	2,000
Regular Instruction Classrooms	49	49	49	49
Special Instruction Classrooms	11	11	11	11
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

Source: School District Records.

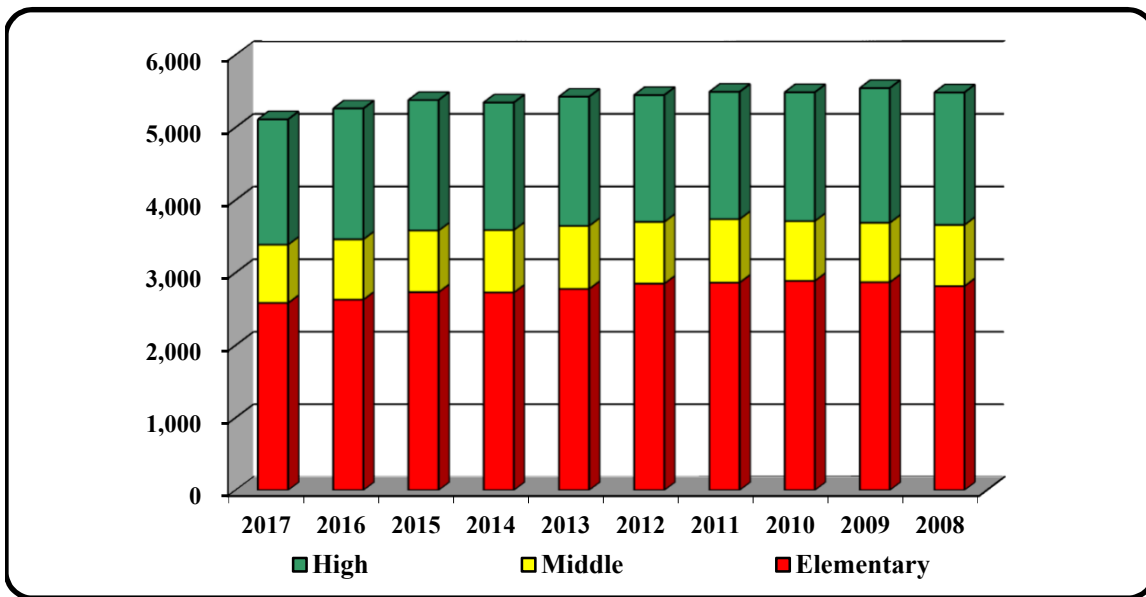
2013	2012	2011	2010	2009	2008
133,400	133,400	133,400	133,400	133,400	133,400
868	850	873	823	818	843
1,000	1,000	1,000	1,000	1,000	1,000
26	26	26	26	27	27
7	7	7	7	6	6
314,400	314,400	314,400	314,400	314,400	314,400
1,778	1,745	1,752	1,772	1,854	1,823
2,000	2,000	2,000	2,000	2,000	2,000
51	50	52	52	52	52
9	10	8	8	8	8
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0

Shaker Heights City School District (Cuyahoga County, Ohio)

Enrollment Statistics

Last Ten Fiscal Years

Fiscal Year	Elementary Schools	Middle School	High School	Total
2017	2,584	803	1,724	5,111
2016	2,630	830	1,800	5,260
2015	2,733	848	1,796	5,377
2014	2,728	860	1,755	5,343
2013	2,777	868	1,778	5,423
2012	2,851	850	1,745	5,446
2011	2,865	873	1,752	5,490
2010	2,889	823	1,772	5,484
2009	2,870	818	1,854	5,542
2008	2,816	843	1,823	5,482



Source: School District Records.

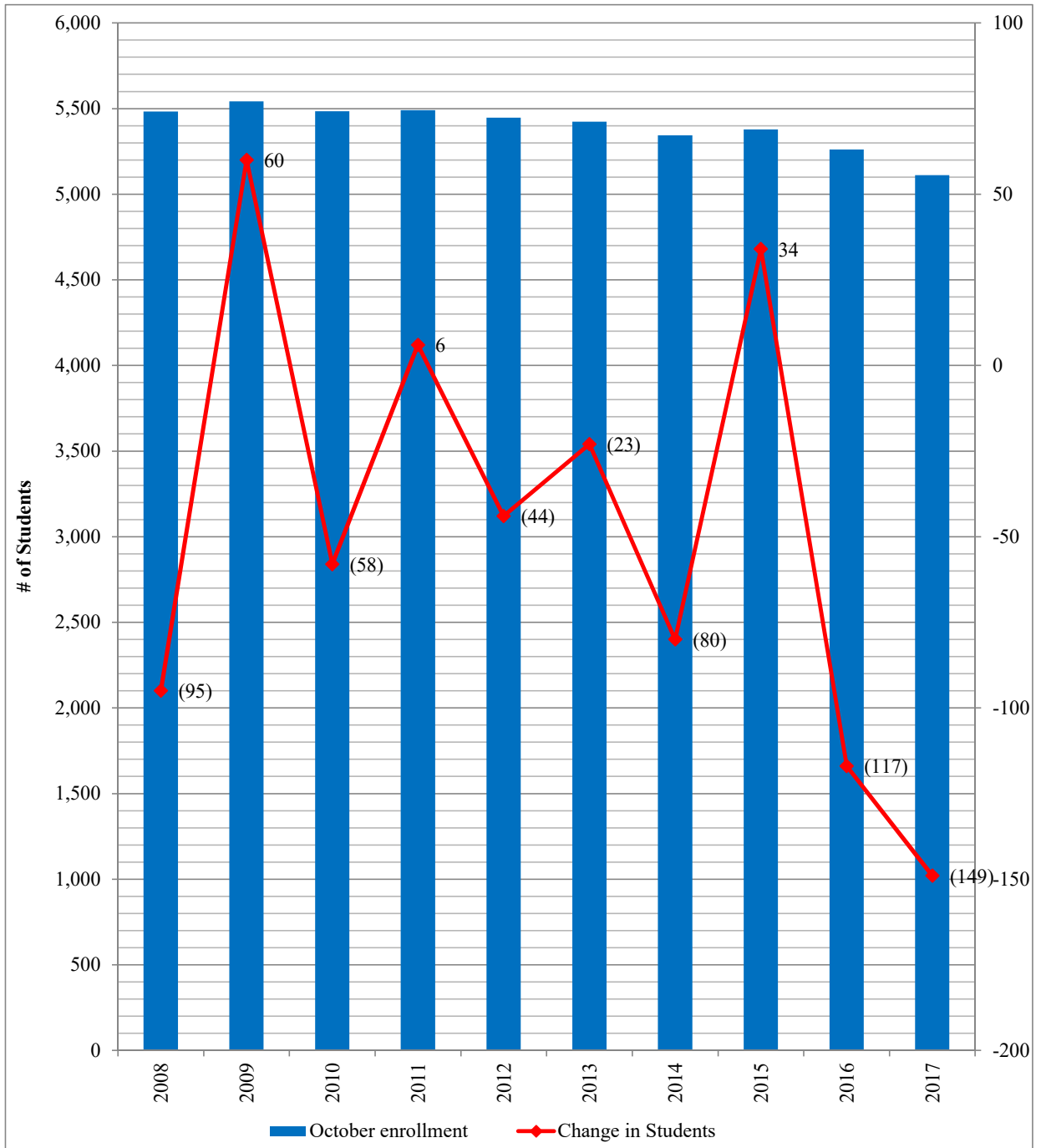
Shaker Heights City School District (Cuyahoga County, Ohio)

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 2017

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
2017	5,111	75	938	6,124	16.5%
2016	5,260	82	1,004	6,346	17.1%
2015	5,377	88	968	6,433	16.4%
2014	5,343	103	951	6,397	16.5%
2013	5,423	94	997	6,514	16.7%
2012	5,446	102	992	6,540	16.7%
2011	5,490	78	989	6,557	16.3%
2010	5,484	60	1,100	6,644	17.5%
2009	5,542	41	1,159	6,742	17.8%
2008	5,482	46	1,180	6,708	18.3%
2007	5,577	56	1,174	6,807	18.1%
2006	5,628	55	1,130	6,813	17.4%
2005	5,734	76	1,123	6,933	17.3%
2004	5,623	46	956	6,625	15.1%
2003	5,608	21	897	6,526	14.1%
2002	5,619	9	1,104	6,732	16.5%
2001	5,625	n/a	1,088	6,713	16.2%
2000	5,714	n/a	1,079	6,793	15.9%
1999	5,640	n/a	1,017	6,657	15.3%
1998	5,592	n/a	983	6,575	15.0%
1997	5,634	n/a	1,071	6,705	16.0%
1996	5,485	n/a	1,065	6,550	16.3%
1995	5,371	n/a	964	6,335	15.2%
1994	5,081	n/a	911	5,992	15.2%
1993	4,959	n/a	869	5,828	14.9%
1992	4,933	n/a	873	5,806	15.0%
1991	4,874	n/a	846	5,720	14.8%
1990	4,887	n/a	916	5,803	15.8%
1989	4,830	n/a	964	5,794	16.6%
1988	4,869	n/a	1,009	5,878	17.2%
1987	5,013	n/a	996	6,009	16.6%
1986	5,125	n/a	1,047	6,172	17.0%
1985	5,187	n/a	1,160	6,347	18.3%
1984	5,294	n/a	1,200	6,494	18.5%
1983	5,490	n/a	1,216	6,706	18.1%
1982	5,759	n/a	1,249	7,008	17.8%
1981	5,951	n/a	1,236	7,187	17.2%
1980	6,049	n/a	1,355	7,404	18.3%
1979	6,156	n/a	1,375	7,531	18.3%

Source: Shaker Heights City School District Records

- (1) Figures for fiscal year 1979 through 1982 are based on Shaker Heights City School District Racial Ethnic Reports. Figures for 1983 through 2017 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.

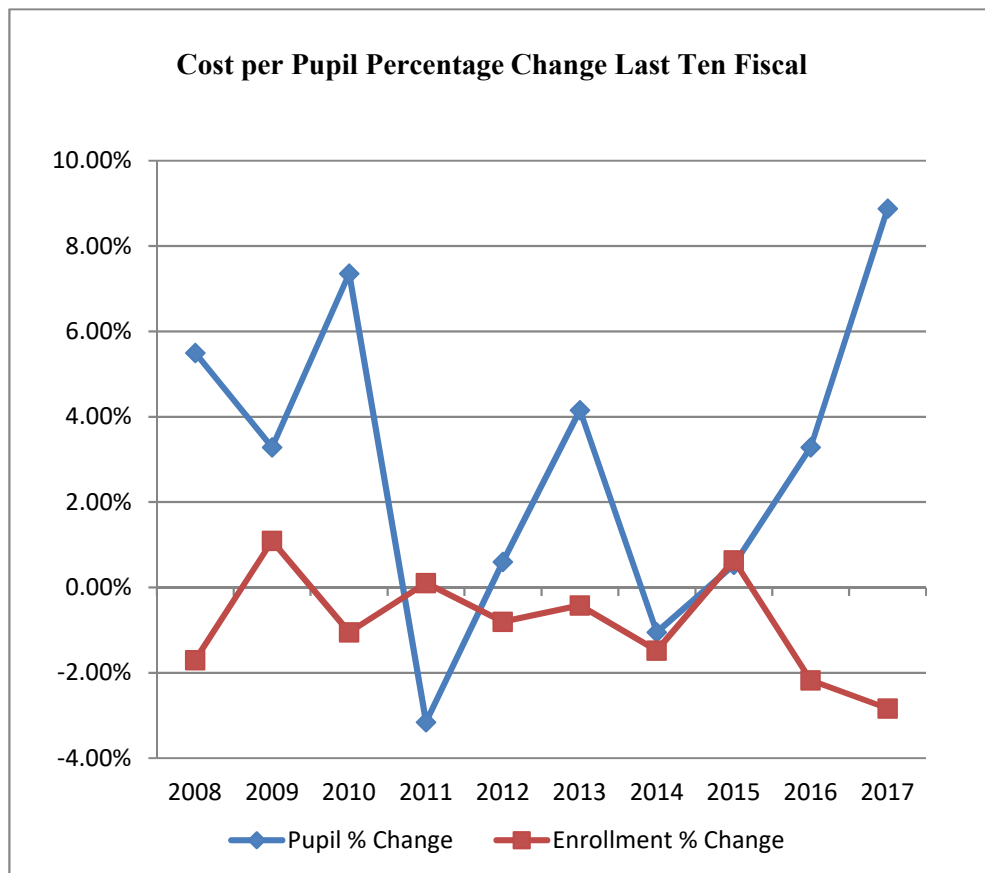
n/a - Information not available

Shaker Heights City School District

Per Pupil Cost

Last Ten Fiscal Years

Year	General Fund Expenditures	Average Daily Student Enrollment	Per Pupil Cost
2017	\$ 94,535,435	5,111	\$ 18,496
2016	89,358,843	5,260	16,988
2015	88,440,272	5,377	16,448
2014	87,416,531	5,343	16,361
2013	89,667,713	5,423	16,535
2012	86,457,215	5,446	15,875
2011	86,633,665	5,490	15,780
2010	89,355,922	5,484	16,294
2009	84,112,470	5,542	15,177
2008	80,555,178	5,482	14,694



Source: School District Records.

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

Function/Program	2017	2016	2015	2014
Regular Instruction				
Elementary Classroom Teachers	165.700	167.058	156.756	148.671
Middle School Classroom Teachers	58.925	59.325	60.125	58.725
High School Classroom Teachers	110.925	111.625	109.825	115.425
	<u>335.550</u>	<u>338.008</u>	<u>326.706</u>	<u>322.821</u>
Special Instruction				
Preschool Teachers	5.000	3.000	3.000	3.000
Elementary Classroom Teachers	23.000	23.500	22.500	21.500
Gifted/Enrichment Teachers	8.000	8.000	8.000	8.000
Middle School Classroom Teachers	10.000	9.000	8.200	7.600
High School Classroom Teachers	14.200	14.200	13.200	16.600
Special Ed Teachers-Stimulus	0.000	0.000	0.000	0.000
	<u>60.200</u>	<u>57.700</u>	<u>54.900</u>	<u>56.700</u>
Vocational Instruction				
High School Classroom Teachers	0.000	0.000	0.000	0.000
	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
Pupil Support Services				
Teacher Aides	105.675	104.620	105.140	100.815
Tutors	0.000	33.397	35.880	33.160
Tutors-Stimulus	36.850	0.000	0.000	0.000
Guidance Counselors	12.000	12.000	12.000	11.000
Librarians and Library Technicians	8.000	8.000	8.000	8.000
Psychologists	9.780	8.778	8.896	9.422
Psychologists-Stimulus	0.000	0.000	0.000	0.000
Speech & Lang.Pathologists	0.000	5.600	5.600	5.600
Speech & Lang.Pathologists-Stimulus	5.600	0.000	0.000	0.000
Nurse	8.860	8.930	8.630	8.360
Other Professional	1.000	1.000	1.000	0.800
	<u>187.765</u>	<u>182.325</u>	<u>185.146</u>	<u>177.157</u>
Administrators				
Elementary	9.000	9.000	9.000	9.000
Middle School	3.000	3.000	3.000	3.000
High School	5.000	5.000	5.000	5.000
Districtwide (Certificated & Classified)	18.000	17.500	16.200	15.000
	<u>35.000</u>	<u>34.500</u>	<u>33.200</u>	<u>32.000</u>
Operation of Plant				
Custodians	57.000	57.000	55.000	55.000
Maintenance and Groundskeeping	14.000	14.000	14.000	14.000
	<u>71.000</u>	<u>71.000</u>	<u>69.000</u>	<u>69.000</u>
Pupil Transportation				
Bus Drivers	31.250	30.625	28.500	29.750
Mechanics	3.000	3.000	3.000	3.000
	<u>34.250</u>	<u>33.625</u>	<u>31.500</u>	<u>32.750</u>
Food Service Program (a)				
Elementary Cooks	0.000	0.000	0.000	0.000
Middle School Cooks	0.000	0.000	0.000	0.000
High School Cooks	0.000	0.000	0.000	0.000
	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
Other				
Supervisor/Administrator classification	37.859	35.850	36.750	33.550
OAPSE	53.800	53.533	53.000	54.000
Security	21.500	22.125	21.750	19.750
Data Processing	4.000	4.000	4.000	4.000
	<u>117.159</u>	<u>115.508</u>	<u>115.500</u>	<u>111.300</u>
Total Employees	<u>840.924</u>	<u>832.666</u>	<u>815.952</u>	<u>801.728</u>

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

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

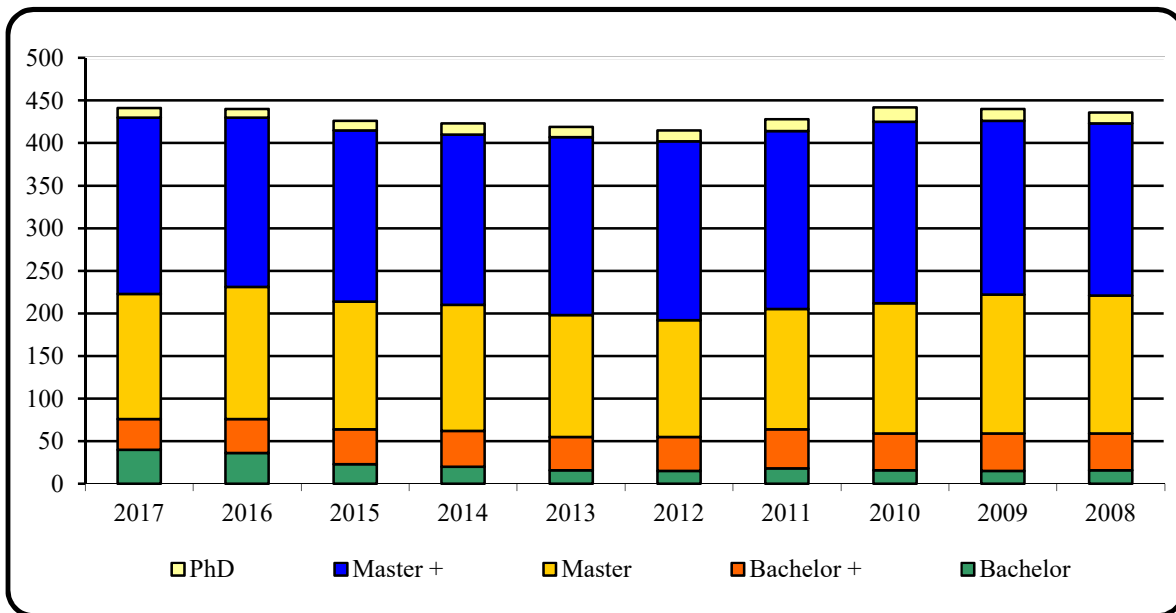
Source: School District Records.

2013	2012	2011	2010	2009	2008
148.031	151.231	158.151	158.411	158.000	159.384
61.460	60.460	60.460	61.385	61.060	57.985
113.150	110.820	114.550	124.325	124.400	122.275
322.641	322.511	333.161	344.121	343.460	339.644
3.000	3.000	3.000	3.000	3.000	3.000
23.500	22.750	21.250	21.500	22.000	21.170
8.000	8.000	8.000	8.000	8.000	8.000
7.550	6.925	6.725	6.600	7.340	10.100
11.250	9.825	9.825	9.400	9.000	8.800
0.000	0.000	1.700	1.700	0.000	0.000
53.300	50.500	50.500	50.200	49.340	51.070
0.000	0.000	0.000	1.000	1.000	1.000
0.000	0.000	0.000	1.000	1.000	1.000
94.090	86.805	83.805	86.900	79.400	71.550
31.711	32.981	25.861	30.500	30.900	33.948
0.000	0.000	6.900	6.100	0.000	0.000
11.400	10.800	10.800	10.500	10.500	11.000
8.000	7.600	8.000	9.400	10.400	9.400
9.372	9.365	8.765	8.800	9.000	7.995
0.000	0.000	1.000	1.000	0.000	0.000
5.600	5.600	5.000	6.000	6.000	6.000
0.000	0.000	0.600	0.600	0.000	0.000
8.260	8.200	8.400	8.400	8.400	8.371
0.800	0.800	1.800	1.800	1.400	1.400
169.233	162.151	160.931	170.000	156.000	149.664
9.000	9.000	9.000	9.000	9.000	9.000
3.000	3.000	3.000	3.000	3.000	3.000
5.000	5.000	5.000	5.000	5.000	6.000
16.000	16.000	15.000	15.000	15.000	15.000
33.000	33.000	32.000	32.000	32.000	33.000
57.000	58.000	58.000	59.000	59.000	58.625
15.000	14.000	14.000	15.000	15.000	14.000
72.000	72.000	72.000	74.000	74.000	72.625
29.750	28.250	28.250	28.900	28.600	28.875
3.000	3.000	3.000	3.000	3.000	4.000
32.750	31.250	31.250	31.900	31.600	32.875
0.000	0.000	0.000	12.300	10.300	12.270
0.000	0.000	0.000	4.900	4.200	5.200
0.000	0.000	0.000	6.700	7.100	4.810
0.000	0.000	0.000	23.900	21.600	22.280
33.750	31.020	32.020	33.000	32.400	30.420
54.000	53.800	53.800	53.100	54.500	53.880
20.380	20.375	20.375	19.600	19.400	17.425
4.000	4.000	4.000	4.000	4.000	3.000
112.130	109.195	110.195	109.700	110.300	104.725
795.054	780.607	790.037	836.821	819.300	806.883

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

Degree	2017	2016	2015	2014
Bachelor	40	36	23	20
Bachelor +15	36	40	41	42
Master	147	155	150	148
Master +15	99	97	95	96
Master +30	51	47	46	36
Master +45	57	55	60	68
PhD	11	10	11	13
Total	441	440	426	423

Years of Experience	2017	2016	2015	2014
0 - 5	100	106	74	63
6 - 10	88	88	84	68
11 and Over	253	246	268	292
Total	441	440	426	423



Source: School District Records.

2013	2012	2011	2010	2009	2008
16	15	18	16	15	16
39	40	46	43	44	43
143	137	141	153	163	162
99	99	98	95	89	87
41	36	36	40	43	48
69	75	75	78	72	67
12	13	14	17	14	13
<u>419</u>	<u>415</u>	<u>428</u>	<u>442</u>	<u>440</u>	<u>436</u>
55	53	54	100	90	86
72	72	75	94	92	100
292	290	299	248	258	250
<u>419</u>	<u>415</u>	<u>428</u>	<u>442</u>	<u>440</u>	<u>436</u>

Shaker Heights City School (Cuyahoga County, Ohio)

College Admissions for All Students

Last Ten School Years

<u>Class</u>	<u>Percent of Four - Year</u>	<u>Percent of Two - Year</u>	<u>Total Percent</u>
2017	68	15	83
2016	68	15	83
2015	70	16	86
2014	68	11	79
2013	65	15	80
2012	65	26	91
2011	78	14	92
2010	65	15	80
2009	73	14	87
2008	75	10	85

Source: School District Records

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) (1)</u>	<u>National Hispanic Scholars</u>	<u>Percent of Shaker Seniors Honored</u>	<u>Percent of United States Seniors Honored</u>
2017	21	0	0	5 %	1 %
2016	27	0	0	7 %	1 %
2015	32	3	0	9 %	1 %
2014	26	4	2	8 %	1 %
2013	31	2	3	8 %	1 %
2012	36	3	3	10 %	1 %
2011	24	4	2	8 %	2 %
2010	36	6	0	11 %	2 %
2009	33	6	2	11 %	2 %
2008	36	5	1	11 %	2 %

Source: School District Records

(1) National Achievement program was discontinued after 2015.

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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
FEBRUARY 6, 2018