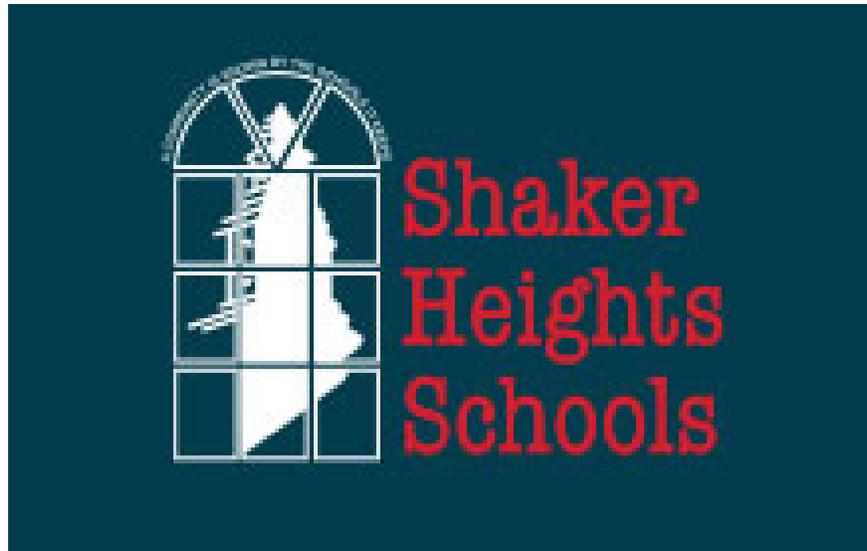


**SHAKER HEIGHTS  
CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**



**ANNUAL  
COMPREHENSIVE FINANCIAL REPORT**

**FOR THE  
FISCAL YEAR ENDED JUNE 30, 2022**





88 East Broad Street  
Columbus, Ohio 43215  
IPAReport@ohioauditor.gov  
(800) 282-0370

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

We have reviewed the *Independent Auditor’s Report* of Shaker Heights City School District, Cuyahoga County, prepared by Zupka & Associates, for the audit period July 1, 2021 through June 30, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

**Finding For Recovery – Employee Overpayments**

During fiscal year 2022, the District discovered a past payroll processing error which resulted in 25 teachers receiving improper step increases dating between fiscal years 2016 through 2022. Additionally, overtime calculation errors for 3 bus drivers were also identified resulting in overpayments dating back to fiscal year 2020.

To recover these overpayments, and to help minimize financial distress to impacted employees, District management, prepared formalized repayment agreements to recover the overpayments over a period of time.

To date, repayment agreements have been executed for 24 of the 25 impacted teachers and 1 of 3 of the impacted bus drivers. The following 3 individuals, however, have yet to enter into formal repayment agreements with the District.

<u>Name</u>	<u>Position</u>	<u>Amount Overpaid</u>
Jevette Collier	Teacher	\$13,994
Sheila Campbell	Bus Driver	2,929
Felita Clemons	Bus Driver	<u>3,645</u>
Total		<u>\$20,568</u>

Board of Education  
Shaker Heights City School District  
15600 Parkland Drive  
Shaker Heights, Ohio 44120  
Page -2-

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code § 117.28, Findings for Recovery for public money illegally expended are hereby issued against the aforementioned individuals for the amounts stated above and in favor of the Shaker Heights City School District's General Fund.

School treasurers are liable for a loss of public funds that result from a treasurer's negligence or other wrongful act under Ohio Rev. Code §§ 3313.31 and 3313.25(B)(1). In accordance with the forgoing facts, and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public money illegally expended is hereby issued jointly and severally against Bryan Christman, Treasurer and his bonding company, Travelers Casualty and Surety Company of America in the amount of \$6,574 and in favor of the Shaker Heights City School District's General Fund.

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



Keith Faber  
Auditor of State  
Columbus, Ohio

**June 12, 2023**

ANNUAL  
COMPREHENSIVE FINANCIAL REPORT

OF THE

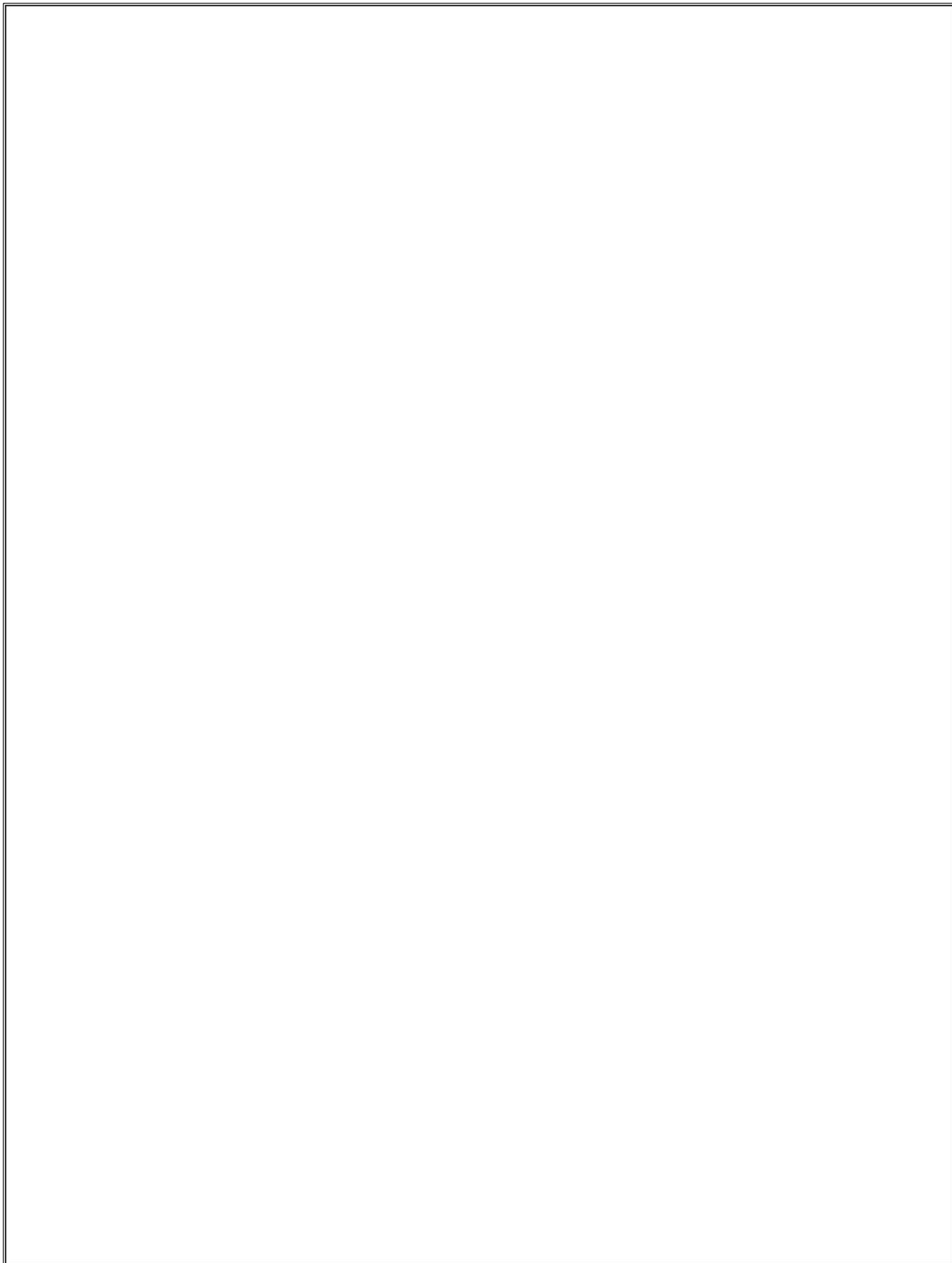
SHAKER HEIGHTS  
CITY SCHOOL DISTRICT

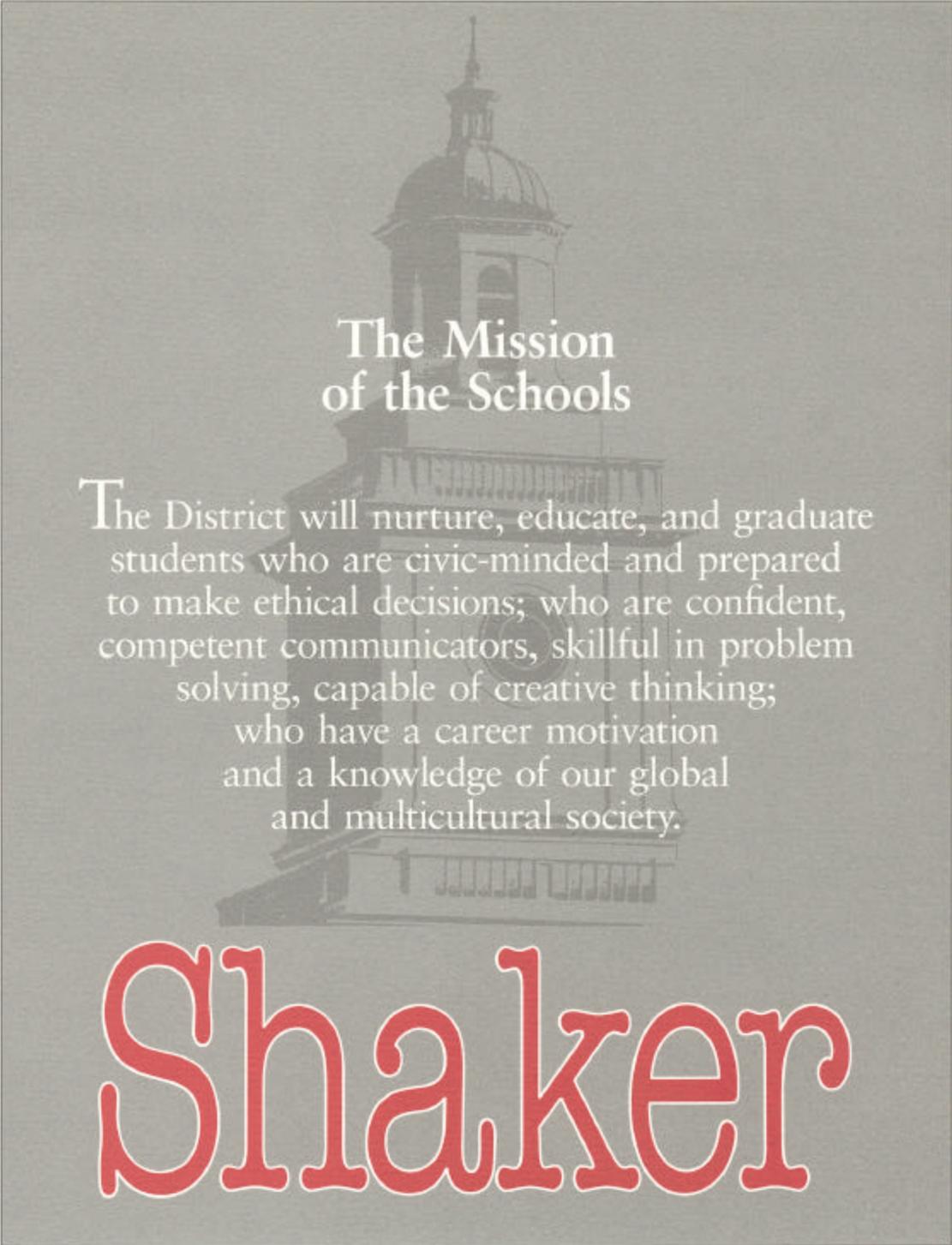
CUYAHOGA COUNTY, OHIO

FOR THE

FISCAL YEAR ENDED JUNE 30, 2022

ISSUED BY  
TREASURER'S OFFICE  
MR. 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



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

ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

TABLE OF CONTENTS

Table of Contents .....	i-iv
 <b>I. INTRODUCTORY SECTION</b>	
Letter of Transmittal .....	v-xx
List of Principal Officials .....	xxi
District Map .....	xxii
Attendance Zones.....	xxiii
GFOA Certificate of Achievement for Excellence in Financial Reporting .....	xxiv
ASBO Certificate of Excellences in Financial Reporting .....	xxv
Organizational Chart .....	xxvi
 <b>II. FINANCIAL SECTION</b>	
INDEPENDENT AUDITOR’S REPORT .....	1-4
MANAGEMENT’S DISCUSSION AND ANALYSIS.....	5-17
 BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Position .....	19
Statement of Activities.....	20
 Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	21
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities.....	22
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds .....	23
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	24
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) General Fund .....	25
Statement of Net Position - Proprietary Funds .....	26
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds.....	27
Statement of Cash Flows - Proprietary Funds.....	28
Notes to the Basic Financial Statements.....	29-73

**II. FINANCIAL SECTION- (Continued)**

REQUIRED SUPPLEMENTARY INFORMATION:

Schedules of the District’s Proportionate Share of the Net Pension Liability:	
School Employees Retirement System (SERS) of Ohio .....	76-77
State Teachers Retirement System (STRS) of Ohio .....	78-79
Schedules of District Pension Contributions:	
School Employees Retirement System (SERS) of Ohio .....	80-81
State Teachers Retirement System (STRS) of Ohio .....	82-83
Schedules of the District’s Proportionate Share of the Net OPEB Liability/Asset:	
School Employees Retirement System (SERS) of Ohio .....	84-85
State Teachers Retirement System (STRS) of Ohio .....	86-87
Schedules of District OPEB Contributions:	
School Employees Retirement System (SERS) of Ohio .....	88-89
State Teachers Retirement System (STRS) of Ohio .....	90-91
Notes to the Required Supplementary Information .....	92-94

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES:

Combining Balance Sheet - Nonmajor Governmental Funds.....	97
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds.....	98
Fund Descriptions - Nonmajor Special Revenue Funds .....	99-100
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	102-105
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds.....	106-109
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Nonmajor Special Revenue Funds:	
Food Service Fund .....	110
Local Grants Fund .....	111
Rotary Fund .....	112
Internal Services Rotary Fund.....	113
Student Activities Fund.....	114
Athletics Fund.....	115
Auxiliary Services Fund .....	116
Data Communications Fund .....	117
Student Wellness and Success Fund .....	118
Parents Mentor Group Fund.....	119
Elementary and Secondary School Emergency Relief (ESSER) Fund .....	120
Title VI-B Fund .....	121
Title III Fund.....	122
Title I Fund .....	123
Title IV-A Fund .....	124
Preschool Disability Fund.....	125
Title II-A Fund.....	126
Miscellaneous Federal Grants Fund.....	127
Uniform School Supplies Fund.....	128
Public School Support Fund .....	129
Shaker Merchandise Fund.....	130
Fringe Benefits Fund.....	131

**II. FINANCIAL SECTION- (Continued)**

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES - (Continued):

Fund Descriptions - Nonmajor Debt Service Fund.....	132
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Nonmajor Debt Service Fund:	
Bond Retirement Fund .....	133
Fund Descriptions - Nonmajor Capital Projects Funds .....	134
Combining Balance Sheet - Nonmajor Capital Projects Funds .....	135
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds.....	136
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Nonmajor Capital Projects Funds:	
Permanent Improvement Fund .....	137
Building Fund .....	138
Fund Descriptions - Internal Service Funds .....	139
Combining Statement of Net Position - Internal Service Funds.....	140
Combining Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds.....	141
Combining Statement of Cash Flows - Internal Service Funds.....	142
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Internal Service Funds:	
Self-Insurance Fund .....	143
Workers' Compensation Reserve Fund .....	144

SUPPLEMENTAL SCHEDULES:

Background .....	146-147
Statement of Net Position - Including GASB 68 and GASB 75.....	148
Statement of Net Position - Excluding GASB 68 and GASB 75.....	149
Statement of Activities - Including GASB 68 and GASB 75.....	150
Statement of Activities - Excluding GASB 68 and GASB 75.....	151

**III. STATISTICAL SECTION**

Table of Contents.....	S-1
Net Position by Component - Last Ten Fiscal Years (Accrual Basis of Accounting) .....	S-2 - S-3
Changes in Net Position - Last Ten Fiscal Years (Accrual Basis of Accounting) .....	S-4 - S-7
Program Revenues of Governmental Activities By Function - Last Ten Fiscal Years (Accrual Basis of Accounting) .....	S-8 - S-9

### III. STATISTICAL SECTION - (Continued)

Fund Balances, Governmental Funds - Last Ten Fiscal Years (Modified Accrual Basis of Accounting) .....	S-10 - S-11
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years (Modified Accrual Basis of Accounting) .....	S-12 - S-13
History of School Operating Levies - For the Years 1933 - 2022 .....	S-14
Assessed and Estimated Actual Value of Taxable Property - Last Ten Collection (Fiscal) Years .....	S-16 - S-17
Property Tax Rates – Direct and Overlapping Governments – Last Ten Years .....	S-18 - S-23
Property Tax Levies and Collections – Real, Personal and Public Utility Property - Last Ten Collection (Calendar) Years .....	S-24
Principal Property Tax Payers - Real Estate Taxes - 2022 and 2013 .....	S-25
Principal Property Tax Payers - Public Utility Taxes - 2022 and 2013 .....	S-26
Ratio of Net Bonded Debt to Personal Income and Debt Per Capita - Last Ten Fiscal Years .....	S-27
Computation of Legal Debt Margin - Last Ten Fiscal Years .....	S-28 - S-29
Computation of Direct and Overlapping Debt - June 30, 2022.....	S-30
History of Bond Issues - For the Years 1912 - 2022 .....	S-31
Property Value, Financial Institution Deposits, and Value of Building Permits Issued - Last Ten Years .....	S-32
Principal Employers - 2021 and 2012 .....	S-33
Demographic Statistics - Last Ten Years .....	S-34
Building Statistics By Function/Program - Last Ten Fiscal Years .....	S-36 - S39
Enrollment Statistics - Last Ten Years .....	S-40
Enrollment Summary - Last Ten Years .....	S-41
Public, Community School, Private and Total School Enrollment By School Year - Fiscal Years 1979 To 2022 .....	S-42
Per Pupil Cost - Last Ten Fiscal Years .....	S-43
School District Employees by Function/Program - Last Ten Fiscal Years .....	S-44
Full-Time Equivalent Certified School District Teachers by Education - Last Ten Fiscal Years...	S-45
College Admissions for All Students - Last Ten School Years .....	S-46
National Merit and Achievement Recognition - Last Ten School Years .....	S-47

# INTRODUCTORY SECTION

**THIS PAGE IS INTENTIONALLY LEFT BLANK**



# SHAKER HEIGHTS CITY SCHOOL DISTRICT

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

David Glasner, Ph.D.  
Superintendent of Schools

Bryan C. Christman  
Treasurer

January 26, 2023

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 Annual Comprehensive Financial Report (ACFR) of the Shaker Heights City School District (School District) for the fiscal year ended June 30, 2022. This ACFR 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 (IPA) if permitted by the Auditor of State. The IPA firm James G. Zupka, CPA, Inc. rendered an opinion on the School District's financial statements as of June 30, 2022, 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 this letter.

## 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

MEMBERS OF THE BOARD:  
ALISON BIBB-CARSON

LORA COVER

JEFFREY ISAACS

EMMITT R. JOLLY

HEATHER WEINGART

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 4,700 students in the Shaker schools.

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

- 1914 - **Boulevard School**, at Drexmore and Southington Roads. *A new wing was added to this facility in 1990.*
- 1918 - **Woodbury Elementary**, on South Woodland at Woodbury Road. *Originally used as the Senior High School until 1931, then renamed Woodbury Junior High. In 1985 it was converted to an upper elementary school that serves students in grades five and six.*
- 1922 - **Malvern School**, at Malvern and Falmouth Roads. *Sold to the City of Shaker Heights, it now houses a private school.*
- 1922 - **Sussex School**, on Sussex at Norwood Road. *Sold to the City of Shaker Heights, it serves as a center for several preschools and the Shaker Family Center, a non-profit organization serving families with young children. The School District's Pre-K program for children with disabilities was relocated there in the fall of 1999, but then relocated to Onaway School in the fall of 2006.*
- 1923 - **Onaway School**, at Onaway and Woodbury Roads. *A new classroom wing was added to this facility in 1990.*
- 1924 - **Moreland School**, at Van Aken Boulevard (then known as Moreland Boulevard and Lee Road). *Sold to the City of Shaker Heights and serves as the community's main library.*
- 1927 - **Fernway School**, at Fernway and Ardmore Roads. *Fernway was completely renovated and expanded in 2020 after experiencing severe damage from a 2018 fire.*
- 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 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 607 school districts in the State of Ohio and one of 31 school districts in Cuyahoga County. The School District is the 66<sup>th</sup> largest in student enrollment in Ohio, with an enrollment of 4,595 full time equivalent students for the 2021-2022 academic year, and projected enrollment for fiscal year 2023 of 4,500 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 four organizations, the Ohio Schools’ Council Association (OSC), Connect and NEOnet Information Technology Centers (ITC’s), and the Shaker Heights Public Library. Connect, NEOnet and OSC are jointly-governed organizations whose relationships to the School District are described in Note 19 to the accompanying financial statements. The Shaker Heights Public Library is a related organization and is described in Note 18 to the accompanying financial statements.

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

### **Economic Condition and Outlook**

The School District serves 28,970 residents in the City of Shaker Heights, and 3,813 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 2020 was \$137,243, compared to the averages of \$90,622 for all Ohio school districts and \$72,305 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 the 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, Rocket Mortgage FieldHouse (fka Quicken Loans Arena) (home of the 2016 NBA Champion Cleveland Cavaliers), Progressive Field (home of the 2022 American League Central Champs and the 2016 MLB American League Champion Cleveland Guardians (fka the Indians)) and First Energy Stadium (home of the NFL Cleveland Browns).

Further enhancing Shaker Heights' proximity and easy access to downtown Cleveland are other 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 in the city center since 2016 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 included:

- **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 followed 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, EY (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 nearly 500 rooms.
- 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.

The most recent economic development projects include:

- **ROCKET MORTGAGE FIELDHOUSE** (fka Quicken Loans Arena) **TRANSFORMATION PROJECT**-The much-needed \$185 million renovation of the 26 year-old Quicken Loans Arena (now known as Rocket Mortgage FieldHouse) was a collaborative effort between the City of Cleveland, Cuyahoga County, and the Cleveland Cavaliers. The renovation has transformed the publicly-owned venue into a modernized world-class sports and entertainment showplace for Cleveland and the entire Northeast Ohio region. The renovations were completed and the facility opened in October 2019. The renovated FieldHouse hosted the NBA All-Star Game in February 2022.

- **THE LUMEN AT PLAYHOUSE SQUARE**-Playhouse Square construction of a new 34-story residential tower consisting of 318 apartments was completed in 2020. This project is the first in many years to replace a surface parking lot, representing the kind of development that is highly desirable in Downtown Cleveland.
- **TERMINAL TOWER**- 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, for which the middle floors were redeveloped by K&D from office space to over 300 apartments, which was completed in 2020.
- **MAY COMPANY BUILDING**-Bedrock Real Estate restored this Public Square landmark, adding 300 apartments to the Downtown market, was completed in early 2021.
- **WATERFRONT DEVELOPMENT**-Cumberland Development completed the 16 unit apartment complex, Harbor Verandas overlooking North Coast Harbor at the end of 2018, providing a glimpse of what the much larger scale Harbor View lakefront development will look like. Flats East Bank Developer Scott Wolstein's plan for the Kenect apartment complex, part of the third phase of development overlooking the Cuyahoga River, has been revised to a 229 market-rate apartment seven story building with an estimated cost of \$84.4 million, but is still in the planning phase. In May 2021, the Cleveland Browns' co-owners Jimmy and Dee Haslam announced a bold new concept for improving Cleveland's downtown lakefront to better capitalize on its proximity to Lake Erie, preliminarily estimated to cost in excess of \$229 million.
- **THE NUCLEUS**-The \$350 million mixed-use project from Stark Enterprises, which was originally to break ground in 2019, has experienced project delays (and currently on hold), will add 400,000 square feet of Class A office space, 250 dwelling units, and 80,000 square feet of retail space when fully realized.
- **THE BEACON**-Stark Enterprise has completed The Beacon, a new 29-story tower with 187 apartments that began leasing units in late 2019, was the first residential high-rise to be built in downtown Cleveland since 1974.
- **THE ATHLON AT THE CLEVELAND ATHLETIC CLUB**-The landmark Cleveland Athletic Club reopened in 2020 as a mixed-use complex with 167 apartments, 8,000 square feet of office space, 8,000 square feet of retail space, and a restored 20-meter swimming pool.
- **NASA GLENN RESEARCH CENTER**-A \$33.8 million Aerospace Communications Facility was constructed at NASA Glenn Research Center. The Communications Facility, which was completed in late 2022, will support NASA's missions to Mars and beyond.
- **CLEVELAND FOUNDATION**-The century-old organization is constructing a new headquarters and civic district on 1.2 acres in MidTown alongside the historic Dunham Tavern Museum, expected to open in early 2023. In the summer of 2022, the Foundation announced Phase II to construct an innovation district building next to their HQ which is aimed at uplifting Eastside neighborhoods.
- **SHERWIN-WILLIAMS**-The 1866-founded Cleveland paint manufacturer broke ground in October 2021, with an expected completion date by the end of 2024, on a new 1-million-square-foot headquarters building just west of Public Square in downtown. In addition, in October 2021, they broke ground for the construction of a new research and development center in Brecksville.
- **121 LARCHMERE**-Just west of the School District boundary, a \$23 million four-story 88-unit apartment complex was completed in 2021.
- **THE CITY CLUB APARTMENTS**, which will consist of 304 units in a 23-story building estimated to cost between \$85 and \$100 million and located in downtown Cleveland at 720 Euclid Avenue, is under construction after groundbreaking in December 2021.
- A \$100 million renovation & expansion of the **ROCK & ROLL HALL OF FAME AND MUSEUM** will add 50,000 square feet of programming space and a new band shell overlooking Lake Erie, is scheduled to break ground in spring 2023.
- **The Opportunity Corridor**, which opened to traffic in November 2021, is a linear project in Cleveland, Ohio, with a boulevard that connects Interstate 77 and I-490 to the University Circle neighborhood, with the stated purpose to improve the roadway network within a historically under-served, economically depressed area within the City of Cleveland and to also support planned

economic development in an area known as the “Forgotten Triangle” due to the lack of economic activity.

- The 100-year-old **Cleveland Museum of Natural History** as part of its ongoing \$150 million expansion, recently gave facelifts to its courtyard, main lobby and auditorium, and is also adding a new 50,000-square-foot wing that will welcome guests with new educational opportunities and signature collection items like human ancestor, Lucy, and moon rocks upon completion in 2024.

The international spotlight shone brightly on Cleveland events in 2016 that 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 Guardians (fka the Indians); and the Republican National Convention held in downtown Cleveland in July. Cleveland’s opportunities to shine continued in 2021 and 2022 when other major events held in Cleveland included the NFL Draft during the last week of April 2021, the Rock and Roll Hall of Fame Induction Ceremony which was held on October 30, 2021 at the newly renovated Rocket Mortgage FieldHouse, and the NBA All-Star game which was also held at the Rocket Mortgage FieldHouse in February 2022.

Cleveland continues to emerge 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 is nearly 373,000 (2020) but is expected to rise as a result of the new developments completed or underway. The increase in apartment construction corresponds with a spurt in residents living in center city Cleveland, who now number nearly 20,000, up from 6,000 in 2002, with a target of 30,000 downtown residents by 2030.

Only five miles southeast of Shaker Heights, the Chagrin Highlands development next to Interstate 271, including the relocation from downtown Cleveland of the (previously listed Fortune 500 company) Eaton Corporation’s operational headquarters and University Hospitals’ Ahuja Medical Center, has only served to enhance Shaker Heights as an ideal residential location. Begun in July 2021 with an expected completion in 2023, UH’s \$200 million expansion of the Ahuja Medical Center, which includes a second five-floor hospital tower and a two-floor sports medicine complex, will further enhance the area development.

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 (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. The property’s financial condition languished post the 2008 Great Recession and was further exacerbated by the COVID-19 pandemic, resulting in the Square lenders commencing foreclosure proceedings in the fall of 2021. Fortunately, in October 2021 two nonprofits—the Cleveland Neighborhood Progress, along with Burten Bell Carr Development of Cleveland, reached an agreement in principle to purchase the Square, and took possession of the property in August 2022. The purchase was primarily funded by \$12 million of loans (half forgivable) from the City of Cleveland used to payoff the mortgage. The purchase by the nonprofits keeps

the property under local ownership, quickly addresses maintenance concerns and launches an effort to determine the long-term direction and eventual ownership of the property.

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 residential and commercial projects since the SIP was adopted.

Supplementing the SIP, 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 proposed 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, and 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. 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.

In furtherance of the overall strategy, an update to the Economic Development Plan was approved by City Council in April 2011, which provided for two financial incentive programs to spur economic development in Shaker Heights by implementing a Forgivable Loan Program and a Shaker SEEDs Microfinance Revolving Loan Program.

The City’s most significant recent project is the **Van Aken District (VAD)**. 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 initial step in the overall project plan included the developer purchasing and performing minor renovations to a shopping center (Shaker Plaza) 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. The development and use agreement for the VAD project, which called for a \$6.2 million contribution by the City, was approved by City Council in 2016. The former 1960’s shopping center was demolished in 2016 and construction began in 2017 with initial occupancy in the summer of 2018 and full occupancy in 2019. The first phase of the VAD included 103 apartments and 60,000 square feet of office space over approximately 100,000 square feet of first floor retail, and a 350-space parking garage. The VAD redevelopment has created a gathering place for residents with unique retail shops and restaurants, high quality rental apartments, and second and third floor office space. In late August 2022, the developer RMS broke ground on Phase 2 of the VAD, a 228-unit apartment building nearly 200-foot-tall with twin-towers located on the north side of Farnsleigh Road between Van Aken Boulevard and Tuttle Road that overlooks Shaker Heights Country Club. Construction is expected to take just under two years. The City also approved the Phase 3 (the “Office Corner”) lease agreement for the northwest corner of Warrensville Center Road and Chagrin Boulevard for the development of mixed-use office space, street-level retail and a parking structure on the City-owned commercial parcel. Phase 4, consisting of the future redevelopment of Shaker Plaza, is planned for after the completion of Phases 2 and 3.

Additional redevelopment in the area includes a new private pre-school that opened in January 2018 and a climbing gym, which broke ground in 2018 and opened in the Spring of 2019. Both of these businesses were built on property deeded to the City in-lieu-of tax foreclosure and whose buildings were demolished with County grant funds. In August 2022, the City entered into a preliminary agreement with Columbus-based Metropolitan Holdings Limited and Shaker Heights mainstay RDL Architects to develop the City-owned 2.4-acre property located at the southeast corner of Warrensville and Farnsleigh Roads that was formerly occupied by the Qua Buick-Pontiac dealership. The proposed project, estimated at \$47 million, would consist of a 142 market-rate and affordable rental unit mixed-use development, with RDL Architects planning to design the project, then move in as the office-end anchor tenant, in 18,000 square feet of non-residential space.

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 76% (approximating its normal percentage) of the property taxes attributable to the increased value from the Shaker Plaza TIF, 18% of the property taxes attributable to the increased value from the Van Aken Plaza TIF, and 25% of the property taxes attributable to the increase value from the later phases of the Van Aken District project.

Other projects completed in accordance with the City's Economic Development Plan include:

- 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;
- 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;
- Razing of certain residential properties adjacent to the Shaker Towne Centre and the construction of a new residential project entitled Avalon Station. The project (\$12 million), which was completed in 2007, includes 51 loft condominiums and a 90-car parking garage with a landscaped roof.
- 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;
- Establishing 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;
- 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 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. After the SLH vacated the premises, 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;
- The SHDC is also investing in buildings on Lee Road, having partnered with some local investors to purchase a former plant nursery which now houses a local doggie day care facility;
- The City partners with the Cuyahoga County Land Bank to demolish abandoned or sub-par vacant commercial buildings, then deeds the land to SHDC to redevelop;
- Construction of HarborChase of Shaker Heights, a 106,698-square-foot assisted living and memory care community consisting of a three-story building offering 108 licensed senior living units including 80 apartments for assisted living and 28 units for memory care residents. Construction broke ground in July 2021, with expected occupancy in early 2023.

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. In furtherance of City goals, the City adopted the 2016 Housing and Neighborhood Plan that serves as an update to the 2001 Housing Preservation Plan. The goals of the 2016 Plan are to attract new residents, 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 constructed 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 which construction was completed in late 2018.

The statewide closure of schools by Ohio Governor DeWine in mid-March 2020 resulted in significant changes in the delivery of education as well as all other services provided by the School District. Because there were minimal to no in-person activities undertaken during the spring closure through the end of the 2019-2020 school year, certain expenditures were not incurred resulting in net budget savings for Fiscal 2020. Fiscal 2021 brought on a multitude of adjustments by all staff and students to adapt to a school year that began in full remote-learning mode, followed by alternatives of in-person and/or virtual learning and teaching including a combination of synchronous and asynchronous virtual learning. As during the end of Fiscal 2020, the Fiscal 2021 year combination of full remote and/or hybrid status resulted in favorable budget variances primarily due to the reduction in certain expenditures. While the continuation of COVID-19 into Fiscal 2021 and beyond has and will require the incurrence of additional expenditures to address the learning and teaching adjustments, net of reimbursement of some of such expenditures from Federal Coronavirus Relief and ESSER/ARP funds, the remainder will be borne by the School District's General Fund. The long-term impact of COVID-19 on the School District given the need for extended learning loss programs is unknown at this time. However, despite the COVID-19 pandemic, the School District is well-positioned to prosper and thrive.

The School District has nearly recovered its post 2008 recession-related loss of \$165 million or 17.2% of the School District's property tax base, and post COVID-19 is 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 20 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 of which passed with a 58% or higher margin. And 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 provide funding to improve and renovate school buildings throughout the School District. The School District is currently in the process of creating a long-term facility plan that supports education equity, addresses the School District's needs, and supports student learning. See the subsection entitled "**Planning for the Future of Shaker's Facilities**" below under the **2021-2022 Major Initiatives** section.

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 November 30. The second filing, and update, is due 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 Fiscal Officer.*

*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.

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.

## **2021-22 Major Initiatives**

### Academic Achievement

The School District is continuing to return to pre-pandemic achievement levels. In the overall achievement area on the State Report Card, Shaker's performance index jumped significantly from 2021 and continues to inch back to pre-pandemic levels. In the area of gap-closing, the School District earned five stars from the state, meaning that the School District significantly exceeded state standards. In the area of early literacy, the percentage of third-graders demonstrating reading proficiency rose significantly from 2021. Additionally, the School District continues to build capacity to support social-emotional learning strategies and positive school culture and climate. The Class of 2022 includes 17 National Merit Semifinalists, the second largest number of Semifinalists among Northeast Ohio public high schools and the fourth largest in the state. These accomplishments again place 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 stood at nearly 94 percent in 2022, up from 82 percent in 2012 and significantly above the statewide average. Approximately 20 percent of 2022 graduates earned a diploma with honors, with 10 percent earning an IB Diploma through the International Baccalaureate Diploma Programme. Shaker Heights students continue to outperform their peers statewide, nationally and internationally on IB and Advanced Place (AP) tests. Washington Post columnist Jay Mathews placed Shaker Heights in the top 3 percent of school districts in the nation based on participating in honors-level courses such as AP and IB.

### 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.

The School District is in the process of assessing its cybersecurity maturity. Shaker has adopted the Center for Internet Security Version 8 controls to guide its work. These controls are aligned with

the NIST cybersecurity framework and used by many organizations in a variety of sectors. Most notably, the School District has implemented two-factor authentication for all faculty and staff access to Google Workspace and remote IT access to all servers and all Virtual Private Network (VPN) connections.

Various tools for teachers 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.

## Business and Operations

### **Transportation Services**

During the 2021-2022 school year, the Transportation Department (Transportation) safely transported approximately 1,403 students to and from school, traveling over 3,224 miles daily (as reported during the required annual measurement date). Transportation also safely transported 1,282 academic and athletic field trips, traveling over 51,920 miles throughout the school year. Transportation continued its efficiency efforts by using group and/or corner stops and utilizing substitute bus drivers to drive field trips instead of using contracted school bus services. The Transportation Maintenance team, consisting of four (4) full time mechanics, continued to provide preventative maintenance and emergency services to 50 school buses and 30 other School District vehicles, while maintaining our record of a 100% passage rate for the annual and spot inspections with the State of Ohio Highway Patrol.

Transportation continued its fleet rotation plan with the cost-effective purchase of two (2) new school buses through the Ohio Schools Council (OSC) school bus procurement program. Wanting to reduce our carbon footprint and become more environmentally friendly, Transportation also researched and purchased our first electric school bus, which is expected to be delivered in 2023. During the 2021-2022 school year, Transportation completed the installation of new surveillance equipment on all buses. The new surveillance equipment consists of four (4) fish eye cameras that rotate 360 degrees and a dash cam. This surveillance equipment has enabled us to help protect the safety of our students and our drivers. It also helped us with contact tracing related to COVID.

### **Human Resources (HR)**

The 2021-2022 school year our restructured human resources department alignment has increased our efficiency and effectiveness. Our increased alignment has allowed our department to not only specialize in different aspects of human resources, but has further enhanced our responsiveness to the needs of our employees.

HR has continued making progress towards the full implementation of PowerSchool Unified Talent, a platform that customizes, streamlines, and automates processes that previously were complex and time consuming. This new structure has established a framework for certified, classified, and administrative staff. It provides easy access to data and people management for the entire School District. The PowerSchool Unified Talent-Applicant Tracking platforms has been fully implemented and used to post open positions within the School District. Once an applicant applies for a position, if selected for an interview, they go through the automated process to schedule their interview with the hiring team. If recommended for hire, the hiring team sends a recommendation through the applicant tracking system to HR. The Human Resources Team would then begin the hiring/onboarding process through PowerSchool Unified Talent-Records. Records seamlessly provides all necessary onboarding paperwork through a checklist to the new hire. Once the new hire completes the online documents they are then routed directly to the appropriate departments (e.g. the W-4 form is electronically sent to Payroll).

HR continues to combat challenges of securing substitutes for our classrooms. Last school year, the School District increased the daily substitute rate from \$102.50 to \$140.00 per day, which has impacted our competitiveness with neighboring school districts. We are also looking to increase the

paraprofessional rate from \$102.50 to \$128.88 per day. Additionally, as a recruitment tool we continue to collaborate with Rachel Wixey & Associates to host Shaker Substitute Job Fairs. Our most recent Substitute Paraprofessional and Substitute Teacher Job Fair was held during the winter of 2022.

### **Food Services**

The 2021-2022 school year ended with food service seeing a significant increase in revenue. With all students in person and the National Free Meal Waiver in place, more students used the School District's food services than in previous years. The food service department operated well in the positive for the year. No new equipment was needed during this school year. AVI's contract was up for re-bidding, and the district retained AVI as their Food Service Management Company.

### **Buildings and Grounds Maintenance and Warehouse Operations**

During the 2021-2022 school year, the department Transitioned from COVID-19 lockdowns and strict protocols, to a more sustainable posture of continuing high standards of cleanliness and efficiency. We continued to have unique challenges in logistical support for the School District given the national labor shortages and rising cost of goods and services. During this period, we completed numerous capital projects to include HVAC upgrades, parking lot repairs and paving, building envelope repairs and maintenance, and classroom renovations. The department also completed numerous smaller projects such as asbestos abatements, ceiling repairs, mechanical equipment repairs, sidewalks, HVAC, electrical and plumbing upgrades, roof repairs, and masonry work. The department also completed 3,324 work orders during the year, which approximates 13 work orders per day.

The Service Center continues to monitor overtime and work toward accountability of all overtime hours. The Inventory control and procurement support for the School District continued on track. As we look toward the 2022-2023 school year, the department will focus on implementing best practices in facilities care. Our focus will continue to be on establishing and maintaining high standards in all areas of our facilities.

### **Safety and Security Services**

The Safety and Security Department (Security) provides Safety and Security services to all 8 schools in our School District. We provide security to all school sporting events, dances, school plays. We continued to advance and raise safety awareness for students, staff and our community. In these efforts, our Security Department has incorporated Navigate 360/ALICE, SafeSchool Helpline, and Handle with Care into our safety program. We maintain a strong relationship with our Police Department and First Ring. We continue to expand the video-surveillance portion of our Security program as well. We have updated our surveillance servers and added new cameras where needed. We have electronic visitor-management systems implemented at every school building. Security also continues to monitor and adjust our building's required Emergency Operation Plan (EOP). Security also provides training to staff on EOPs, our Navigate app and now ALICE training through Navigate's e-learning safety modules. Through Navigate, we ensure each school is in compliance with all State-mandated Safety drills.

### **Planning for the Future of Shaker's Facilities**

The School District is in the process of creating a long-term facility plan that supports education equity, addresses the School District's needs and supports student learning. The Forward Together Initiative brings together the School District, the city of Shaker Heights and the Shaker Heights Public Library to create a Joint Facilities Master Plan that meets the needs of the community. The School District's goal is to establish a long-term facilities plan that will provide learning spaces and comfort to support educational equity and project-based learning. The *Forward Together* Vision Plan can be viewed at <https://forwardtogethershaker.com/>.

The School District's long-term facilities master plan will align with the facilities needs for the City and Library through Forward Together. The School District will coordinate planning with the Ohio

Facilities Construction Commission, which will allow for co-funding by the state. Our long-term facilities planning web page can be viewed at <https://www.shaker.org/facilitiesplan.aspx>.

## Current and Future Initiatives

### **District Strategic Plan**

On March 10, 2020, the Shaker Heights Board of Education adopted the 2020-2025 Strategic Plan, which was built on the foundation of two bedrock principles: Educational Equity and the International Baccalaureate Programme. The plan was adopted after receiving input from a variety of stakeholders throughout the School District. The Board believes this plan sets a strong direction that will inform School District priorities and positively impact student learning for years to come. In December 2022, the School District published its second Strategic Plan Annual Report, a document that tracks progress on meeting the plan’s goals and objectives.

### **Detracking and Equity Work**

In furtherance of its Educational Equity objective, the School District established an Office of Diversity, Equity and Inclusion. During the 2020-2021 school year the School District focused on integrating leveled courses across Woodbury, Shaker Heights Middle School, and Shaker Heights High School. Historically, underrepresented students of color—typically Black and Hispanic students—were tracked into lower-level classes, which negatively impacted their educational outcomes. Removing segregated “tracks” has been shown to reduce the opportunity gap in schools by universally raising expectations and providing rigorous instruction for all learners. In order to successfully integrate courses in grades 5-12, all students must experience high-quality math and literacy instruction PreK-4. To that end, the School District adopted Bridges into Mathematics conceptual curriculum that was implemented in 2021-2022 to provide a strong foundation of mathematical concepts and processes. Additionally, the School District reprioritized generalized “skills support teachers” into Literacy Specialists who will collaborate to co-teach literacy development in alignment with the science of reading. Literacy Specialists provide direct services to learners who are struggling as well as support the adoption of more science-based reading strategies. Professional learning for secondary teachers will be focused on supporting this transition as well, particularly around Universal Design for Learning, identifying and reflecting upon biases, and enhancing differentiation practices to accommodate a wider range of learners in class.

### **The Inquiry, Innovation and Imagination (i3) Initiative**

The Shaker Schools Foundation continues to grow and expand the School District’s groundbreaking i3 Initiative, which reinforces the School District’s goal of preparing all students to solve problems, think critically and become productive members of the global workforce. The initiative supports increased integration of design learning experiences, STEAM curriculum from Pre-K to Grade 12, and accessibility to and use of 21st century technology and tools across classrooms. To that end, Design Labs have been developed at Boulevard and Lomond elementary schools to support curricular experiences related to i3, and IB Coordinators at each elementary school are developing Design Projects to be integrated into units of inquiry for every PK-4 learner. Additional Design space has been created at Woodbury Middle School and the High School for innovative learning experiences ranging from engineering to motorcycle repair. Additionally, the School District continues to collaborate with the Shaker Schools Foundation to expand Career and Technical Education (CTE) programs. Enrollment in CTE programs increased 15 percent in 2021-2022.

### **International Baccalaureate Programme**

Shaker Heights was the first school district in Greater Cleveland, and one of only seven public districts across North America, to be recognized as a PreK-12 International Baccalaureate (IB) Continuum District. IB, an internationally recognized educational program with a rigorous curriculum, 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. 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. 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. Shaker has synchronized its 5-year accreditation cycle so that all programs conducted the self-study and evaluation process in 2021-2022. In the fall of 2022, IB representatives visited schools and met with staff as part of an 18-month evaluation process.

## 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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. 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 Annual Comprehensive 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, 2021 to the Shaker Heights City School District. This award certifies that the Annual Comprehensive 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 has in past years been awarded the *Auditor of State Award with Distinction*, which recognizes excellence in financial reporting for the School District's Annual Comprehensive Financial Report. The School District has received this award, and or its predecessor award known as the State's Excellence in Financial Reporting Award, for numerous years including for the fiscal year ended June 30, 2021.

## Acknowledgments

The publication of this ACFR 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 Consulting Services Division of Julian & Grube for their assistance in preparing and reviewing this financial report.

Respectfully submitted,



Bryan C. Christman  
Treasurer



David Glasner, Ph.D.  
Superintendent of Schools

**Shaker Heights City School District**

**Principal Officials**

**June 30, 2022**

**Board of Education**

Dr. Emmitt Jolly.....President  
Ms. Heather Weingart..... Vice President  
Ms. Alison Bibb-Carson ..... Member  
Ms. Lora Cover ..... Member  
Mr. Jeffrey Isaacs..... Member

**Administration**

Dr. David Glasner... .. Superintendent

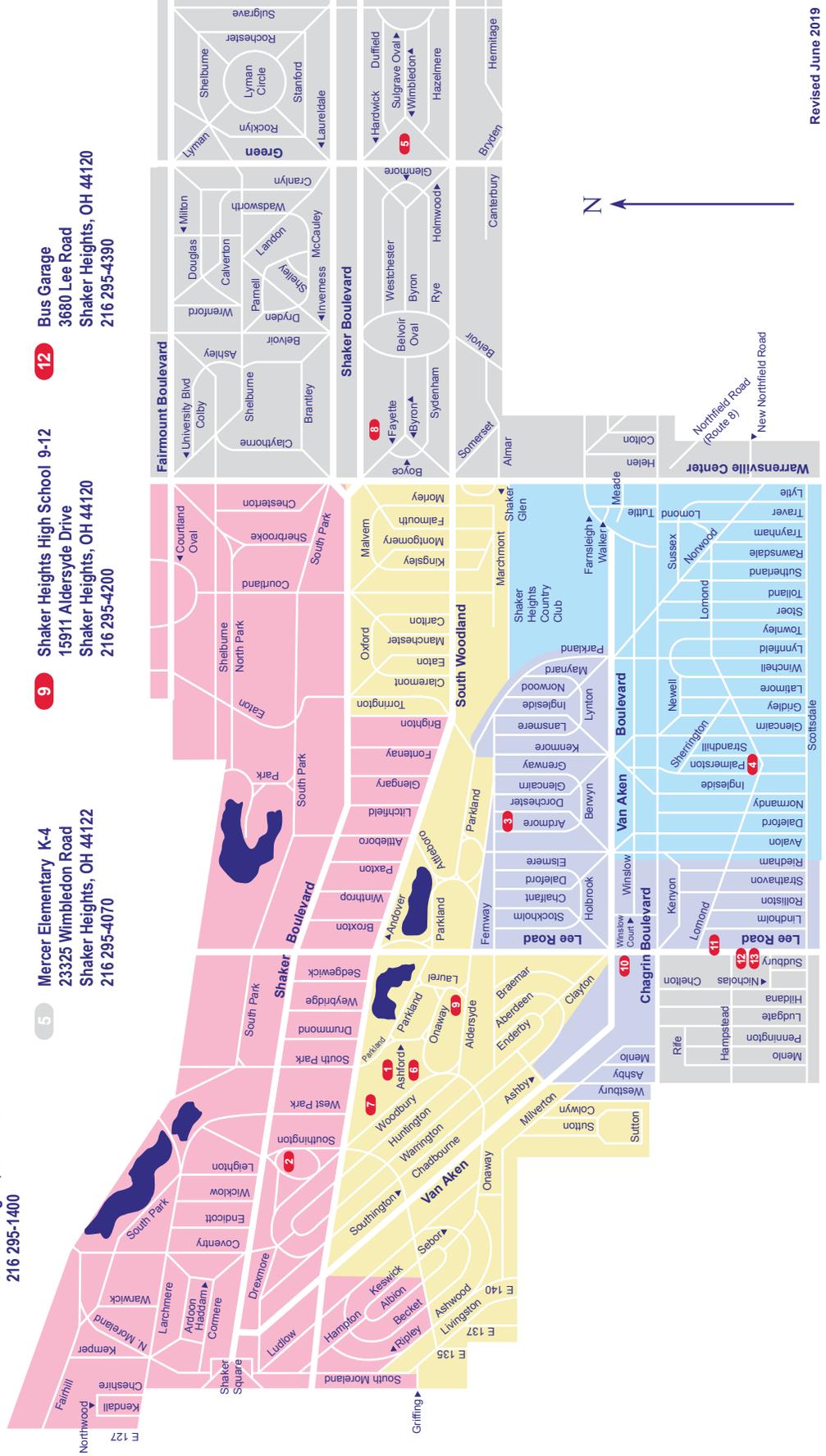
Mr. Bryan C. Christman..... Treasurer



# Shaker Heights Schools

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







Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Shaker Heights Board of Education  
Ohio**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO



The Certificate of Excellence in Financial Reporting  
is presented to

## Shaker Heights City School District

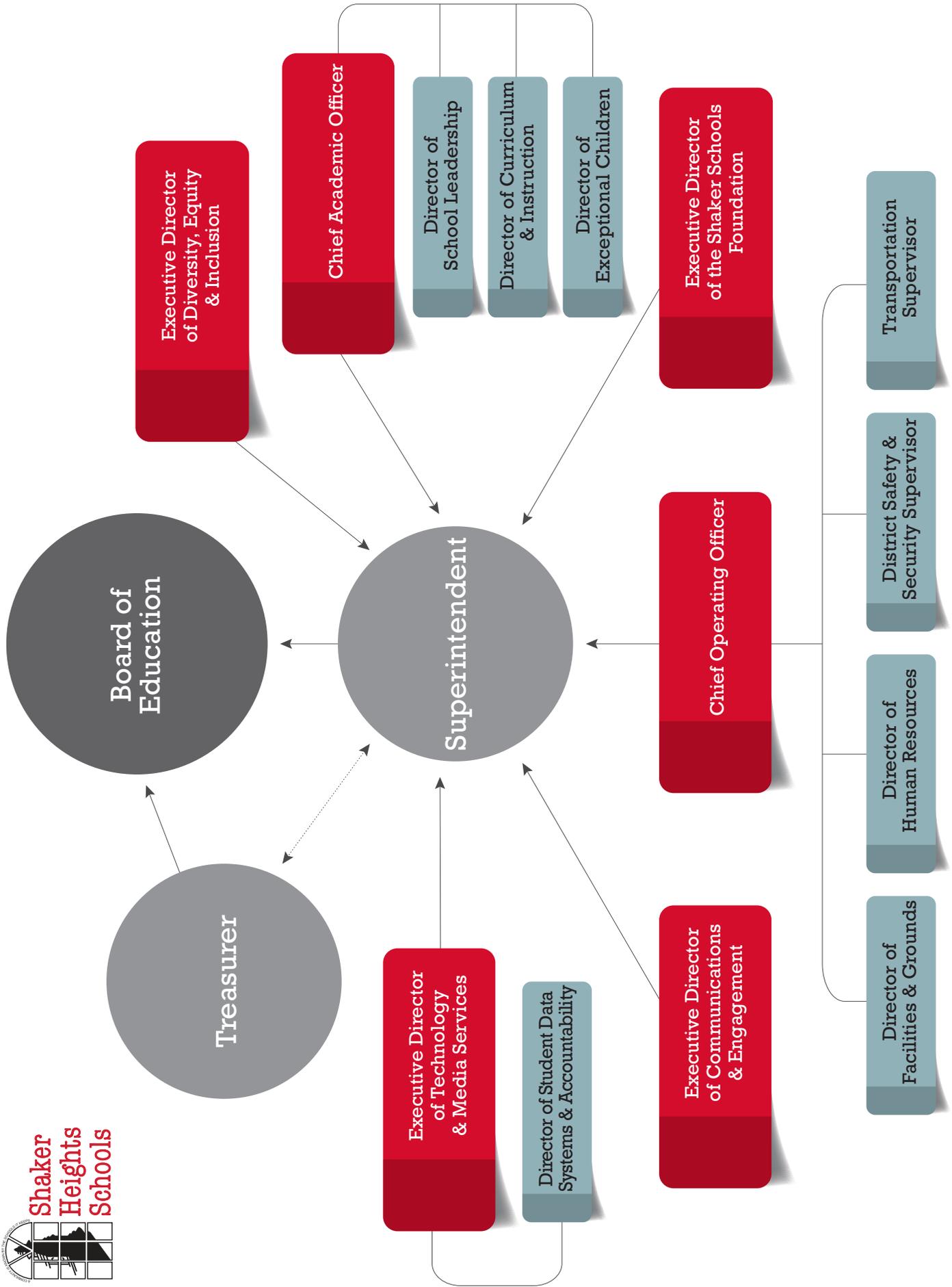
for its Annual Comprehensive Financial Report  
for the Fiscal Year Ended June 30, 2021.

The district report meets the criteria established for  
ASBO International's Certificate of Excellence in Financial Reporting.



William A. Sutter  
President

David J. Lewis  
Executive Director



# FINANCIAL SECTION

**THIS PAGE IS INTENTIONALLY LEFT BLANK**

## INDEPENDENT AUDITOR'S REPORT

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

To the Members of the Board of Education:

### Report on the Financial Statements

#### *Opinions*

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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Emphasis of Matter***

As discussed in Note 3 to the basic financial statements, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. As discussed in Note 21 to the basic financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. Our opinion is not modified with respect to these matters.

***Required Supplementary Information***

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

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, and the entity-wide accrual statements reporting with and without GASB 68 and GASB 75 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, and the entity-wide accrual statements reporting with and without GASB 68 and GASB 75 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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.



Zupka & Associates  
Certified Public Accountants

January 26, 2023

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(UNAUDITED)

The management's discussion and analysis of the Shaker Heights City School District's (the "School District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for fiscal year 2022 are as follows:

- In total, net position of governmental activities increased \$16,830,641 which represents a 518.76% increase from June 30, 2021's net position.
- General revenues accounted for \$100,899,421 in revenue or 86.55% of all revenues. Program specific revenues in the form of charges for services and sales, operating grants and contributions and capital grants and contributions accounted for \$15,678,039 or 13.45% of total revenues of \$116,577,460.
- The School District had \$99,746,819 in expenses related to governmental activities; \$15,678,039 of these expenses were offset by program specific charges for services and operating and capital grants and contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) were adequate to provide for these programs.
- The School District has one major fund: the general fund. The general fund had \$100,276,866 in revenues and other financing sources, \$97,719,317 in expenditures and other financing uses. The general fund's fund balance increased \$2,557,549 from \$62,197,592 to \$64,755,141.

**Using these Basic Financial Statements**

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

The *statement of net position* and *statement of activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other nonmajor funds presented in total in one column. The School District has one major fund: the general fund.

**Reporting the District as a Whole**

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

While this document contains 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 2022?" The statement of net position and the statement of activities answer this question. These statements include *all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(UNAUDITED)

These two statements report the School District's *net position* and changes in that 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 restricting revenue growth, facility conditions, required educational programs and other factors.

In the statement of net position and the statement of activities, the governmental activities include the School District's programs and services, including instruction, support services, operation and maintenance of facilities, pupil transportation, extracurricular activities, and food service operations.

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

***Fund Financial Statements***

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental fund is the general fund.

***Governmental Funds***

Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund financial 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 basic financial statements.

***Proprietary Funds***

The District maintains a proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District's internal service funds account for employee benefits self-insurance and Bureau of Workers' Compensation (BWC) retro claims.

***Notes to the Basic Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

***Required Supplementary Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the School District's net pension liability and net OPEB liability/asset.

**The District as a Whole**

The statement of net position provides the perspective of the School District as a whole.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(UNAUDITED)

The table below provides a summary of the School District's net position at June 30, 2022 and June 30, 2021. The amounts at June 30, 2021 have been restated as described in Note 3.

**Table 1  
Net Position**

	Governmental Activities <u>2022</u>	Restated Governmental Activities <u>2021</u>	<u>Change</u>
<b><u>Assets</u></b>			
Current and other assets	\$ 174,354,896	\$ 173,255,199	\$ 1,099,697
Net OPEB asset	7,759,045	6,394,076	1,364,969
Capital assets, net	<u>74,796,869</u>	<u>74,611,076</u>	<u>185,793</u>
Total assets	<u>256,910,810</u>	<u>254,260,351</u>	<u>2,650,459</u>
<b><u>Deferred Outflows of Resources</u></b>			
Unamortized deferred loss on debt refunding	220,798	284,440	(63,642)
Pension	24,592,199	20,455,050	4,137,149
OPEB	<u>2,970,960</u>	<u>3,693,152</u>	<u>(722,192)</u>
Total deferred outflows of resources	<u>27,783,957</u>	<u>24,432,642</u>	<u>3,351,315</u>
<b><u>Liabilities</u></b>			
Current liabilities	16,377,778	16,172,601	205,177
Long-term liabilities:			
Due within one year	3,587,526	3,399,971	187,555
Due in more than one year:			
Net pension liability	64,110,819	119,838,137	(55,727,318)
Net OPEB liability	8,651,185	10,635,807	(1,984,622)
Other amounts	<u>36,586,119</u>	<u>40,198,799</u>	<u>(3,612,680)</u>
Total liabilities	<u>129,313,427</u>	<u>190,245,315</u>	<u>(60,931,888)</u>
<b><u>Deferred Inflows of Resources</u></b>			
Property taxes and PILOTs levied for next year	66,980,035	67,776,464	(796,429)
Leases	876,102	955,149	(79,047)
Pension	51,692,239	2,130,067	49,562,172
OPEB	<u>15,757,923</u>	<u>14,341,598</u>	<u>1,416,325</u>
Total deferred inflows of resources	<u>135,306,299</u>	<u>85,203,278</u>	<u>50,103,021</u>
<b><u>Net Position</u></b>			
Net investment in capital assets	44,249,176	43,636,862	612,314
Restricted	13,769,427	11,499,077	2,270,350
Unrestricted	<u>(37,943,562)</u>	<u>(51,891,539)</u>	<u>13,947,977</u>
Total net position	<u>\$ 20,075,041</u>	<u>\$ 3,244,400</u>	<u>\$ 16,830,641</u>

The net pension liability (NPL) is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions— an Amendment of GASB Statement 27" and the net OPEB liability/asset is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). 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 OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and net OPEB asset.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(UNAUDITED)

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability/asset*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the School District's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB 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 and other postemployment benefits. GASB noted that the unfunded portion of this 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 District is not responsible for certain key factors affecting the balance of these liabilities. 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 Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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 retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *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 retirement system is responsible for the administration of the pension and OPEB plans.

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 or the net OPEB liability/asset. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities 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 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 and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the School District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability/asset, respectively, not accounted for as deferred inflows/outflows.

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2022, the School District's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$20,075,041.

Assets of the District increased approximately \$3.9 million. Current and other assets increased primarily due to an increase in equity in pooled and cash equivalents.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(UNAUDITED)**

At year-end, capital assets represented 29.11% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, equipment, vehicles and intangible right to use assets. Net investment in capital assets at June 30, 2022, was \$44,249,176. These capital assets are used to provide services to the 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.

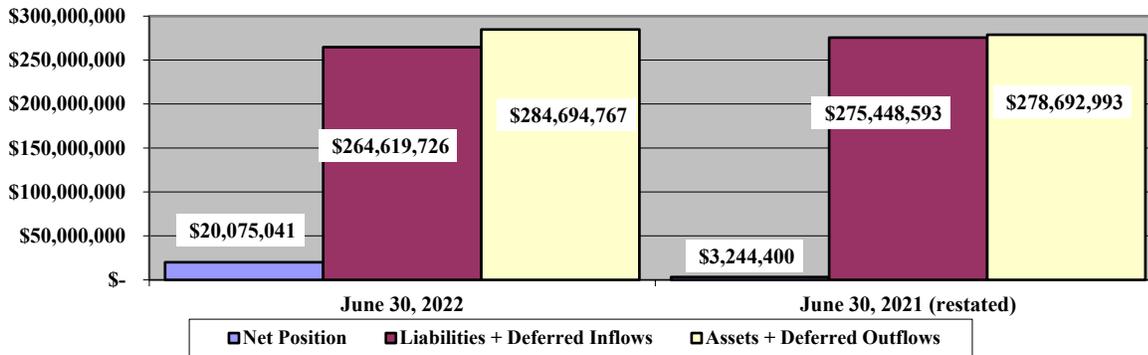
Deferred outflows of resources increased approximately \$3.4 million due to pension system related amounts.

The net pension liability decreased approximately \$55.7 million and deferred inflows of resources related to pension increased approximately \$49.6 million. These changes were the result of changes at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS). Net investment income on investments at both pension systems exceeded estimates for the fiscal year 2021 measurement that are used for the fiscal year 2022 reporting which caused a large increase in their respective fiduciary net positions.

A portion of the School District's net position, \$13,769,427, represents resources that are subject to external restriction on how they may be used. Of the restricted net position, \$5,415,835 is restricted for capital projects and \$5,429,327 is restricted for debt service. The remaining balance of unrestricted net position is (\$37,943,562).

The graph below shows the School District's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2022 and June 30, 2021. The amounts at June 30, 2021 have been restated as described in Note 3.

**Governmental Activities**



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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(UNAUDITED)

The table below shows the change in net position for fiscal years 2022 and 2021.

**Table 2  
Change in Net Position**

	Governmental Activities <u>2022</u>	Governmental Activities <u>2021</u>	<u>Change</u>
<b><u>Revenues</u></b>			
Program revenues:			
Charges for services and sales	\$ 3,328,888	\$ 2,556,493	\$ 772,395
Operating grants and contributions	12,273,823	8,232,555	4,041,268
Capital grants and contributions	<u>75,328</u>	<u>405,225</u>	<u>(329,897)</u>
Total program revenues	<u>15,678,039</u>	<u>11,194,273</u>	<u>4,483,766</u>
General revenues:			
Property taxes	78,036,042	76,997,567	1,038,475
Payment in lieu of taxes	542,011	469,549	72,462
Grants and entitlements	23,627,220	25,517,794	(1,890,574)
Investment earnings	(1,789,364)	98,290	(1,887,654)
Other	<u>483,512</u>	<u>2,326,833</u>	<u>(1,843,321)</u>
Total general revenues	<u>100,899,421</u>	<u>105,410,033</u>	<u>(4,510,612)</u>
Total revenues	<u>116,577,460</u>	<u>116,604,306</u>	<u>(26,846)</u>
<b><u>Expenses</u></b>			
Program expenses:			
Instruction:			
Regular	38,950,971	49,549,401	(10,598,430)
Special	13,952,816	16,552,354	(2,599,538)
Vocational	422,236	381,738	40,498
Student intervention	-	172,716	(172,716)
Other	118,042	5,698	112,344
Support services:			
Pupil	6,831,932	7,934,878	(1,102,946)
Instructional staff	4,989,674	5,589,623	(599,949)
Board of education	38,058	30,496	7,562
Administration	6,683,325	7,093,683	(410,358)
Fiscal	2,721,459	4,902,387	(2,180,928)
Business	947,686	911,983	35,703
Operations and maintenance	12,424,174	10,656,128	1,768,046
Pupil transportation	3,564,524	2,981,478	583,046
Central	2,294,692	1,828,569	466,123
Operations of non-instructional services:			
Food service operations	2,139,161	1,044,181	1,094,980
Other non-instructional services	751,842	1,020,713	(268,871)
Extracurricular activities	1,896,656	1,509,494	387,162
Interest and fiscal charges	<u>1,019,571</u>	<u>1,087,646</u>	<u>(68,075)</u>
Total expenses	<u>99,746,819</u>	<u>113,253,166</u>	<u>(13,506,347)</u>
Change in net position	16,830,641	3,351,140	13,479,501
Net position at beginning of year	<u>3,244,400</u>	<u>(106,740)</u>	<u>3,351,140</u>
Net position at end of year	<u>\$ 20,075,041</u>	<u>\$ 3,244,400</u>	<u>\$ 16,830,641</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(UNAUDITED)**

**Governmental Activities**

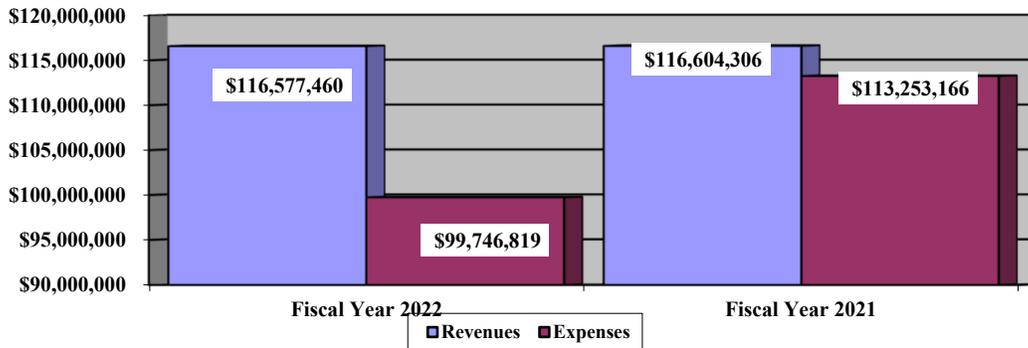
Net position of the School District's governmental activities increased \$16,830,641. Total governmental expenses of \$99,746,819 were offset by program revenues of \$15,678,039 and general revenues of \$100,899,421. Program revenues supported 15.72% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes and unrestricted grants and entitlements from the State. These revenue sources account for 87.67% of total governmental revenue. The most significant increases were in the areas of property taxes and operating grants and contributions. The increase in property taxes was due to an increase in collections compared to the previous year. The increase in operating grants and contributions was the result of Elementary and Secondary School Emergency Relief (ESSER) funds from the federal government. The most significant decrease was in earnings on investments. Earnings on investments went negative due to a decrease in fair value of the School District's portfolio due to rising interest rates in the market.

Overall, expenses of the governmental activities decreased approximately \$13.5 million. This decrease is primarily the result of a decrease in pension expense. Pension expense decreased approximately \$15.9 million. This decrease was the result of a decrease in expenses incurred at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS) due to an increase in net investment income on investments compared to previous years.

The graph below presents the School District's governmental activities revenue and expenses for fiscal years 2022 and 2021.

**Governmental Activities - Revenues and Expenses**



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table 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 grants and entitlements.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(UNAUDITED)

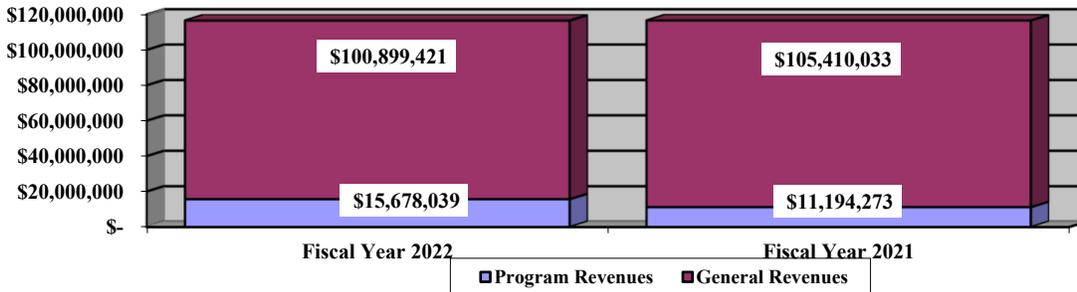
**Table 3  
Governmental Activities**

	Total Cost of Services <u>2022</u>	Net Cost of Services <u>2022</u>	Total Cost of Services <u>2021</u>	Net Cost of Services <u>2021</u>
<b>Program expenses</b>				
Instruction:				
Regular	\$ 38,950,971	\$ 34,195,249	\$ 49,549,401	\$ 46,020,562
Special	13,952,816	10,148,650	16,552,354	12,599,549
Vocational	422,236	356,603	381,738	325,224
Student intervention	-	-	172,716	107,508
Other	118,042	117,592	5,698	5,698
Support services:				
Pupil	6,831,932	5,901,163	7,934,878	7,492,630
Instructional staff	4,989,674	4,645,686	5,589,623	4,976,936
Board of education	38,058	38,058	30,496	30,496
Administration	6,683,325	6,423,123	7,093,683	6,952,446
Fiscal	2,721,459	2,707,059	4,902,387	4,639,428
Business	947,686	947,686	911,983	911,983
Operations and maintenance	12,424,174	11,066,452	10,656,128	10,131,063
Pupil transportation	3,564,524	3,176,755	2,981,478	2,648,236
Central	2,294,692	2,271,012	1,828,569	1,828,569
Operations of non-instructional services:				
Food service operations	2,139,161	(677,143)	1,044,181	151,976
Other non-instructional services	751,842	232,378	1,020,713	768,496
Extracurricular activities	1,896,656	1,498,886	1,509,494	1,380,447
Interest and fiscal charges	<u>1,019,571</u>	<u>1,019,571</u>	<u>1,087,646</u>	<u>1,087,646</u>
<b>Total</b>	<b><u>\$ 99,746,819</u></b>	<b><u>\$ 84,068,780</u></b>	<b><u>\$ 113,253,166</u></b>	<b><u>\$ 102,058,893</u></b>

The dependence upon tax and other general revenues for governmental activities is apparent as 83.86% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 84.28%. The School District's taxpayers and unrestricted grants and entitlements are the primary support for District's students.

The graph below presents the School District's governmental activities revenue for fiscal years 2022 and 2021.

**Governmental Activities - General and Program Revenues**



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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(UNAUDITED)

**The School District's Funds**

The School District's governmental funds reported a combined fund balance of \$77,997,892, which is higher than last year's total of \$75,440,323.

The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2022 and 2021.

	Fund Balance <u>June 30, 2022</u>	Fund Balance <u>June 30, 2021</u>	<u>Change</u>	Percentage <u>Change</u>
General	\$ 64,755,141	\$ 62,197,592	\$ 2,557,549	4.11 %
Other Governmental	<u>13,242,751</u>	<u>13,242,731</u>	<u>20</u>	0.00 %
Total	<u>\$ 77,997,892</u>	<u>\$ 75,440,323</u>	<u>\$ 2,557,569</u>	3.39 %

**General Fund**

During fiscal year 2022, the School District's general fund balance increased \$2,557,549.

The table that follows assists in illustrating the financial activities of the general fund.

	2022 <u>Amount</u>	2021 <u>Amount</u>	<u>Change</u>	Percentage <u>Change</u>
<b><u>Revenues and</u></b>				
<b><u>Revenues</u></b>				
Taxes	\$ 72,299,267	\$ 71,411,327	\$ 887,940	1.24 %
Tuition and fees	1,472,639	1,004,607	468,032	46.59 %
Earnings on investments	(1,842,302)	98,290	(1,940,592)	(1,974.35) %
Intergovernmental	26,152,085	27,908,585	(1,756,500)	(6.29) %
Other revenues	<u>2,127,228</u>	<u>4,093,496</u>	<u>(1,966,268)</u>	(48.03) %
Total	<u>\$ 100,208,917</u>	<u>\$ 104,516,305</u>	<u>\$ (4,307,388)</u>	(4.12) %
<b><u>Expenditures</u></b>				
Instruction	\$ 54,457,521	\$ 56,824,076	\$ (2,366,555)	(4.16) %
Support services	40,429,019	39,541,513	887,506	2.24 %
Non-instructional services	586,171	668,208	(82,037)	(12.28) %
Extracurricular activities	1,216,747	1,059,569	157,178	14.83 %
Facilities acquisition and construction	138,051	202,750	(64,699)	(31.91) %
Debt service	<u>541,808</u>	<u>382,575</u>	<u>159,233</u>	41.62 %
Total	<u>\$ 97,369,317</u>	<u>\$ 98,678,691</u>	<u>\$ (1,309,374)</u>	(1.33) %

Overall revenues of the general fund decreased \$4,307,388 or 4.12%. Earnings on investments went negative due to a decrease in fair value of the School District's portfolio due to rising interest rates in the market. Intergovernmental revenues decreased due to a change in the state foundation funding model. Other revenues decreased due to a decrease in miscellaneous revenues received in the general fund.

Expenditures decreased \$1,309,374 or 1.33%. The main decreases was in the area of instruction. This decrease was due to movement of expenditures to the Elementary and Secondary School Emergency Relief (ESSER) fund.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(UNAUDITED)

***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 2022, the School District amended its general fund estimated revenue budget. For the general fund, original revenues were \$97,823,724. Final revenues and other sources were \$97,991,346. Actual revenues and other financing sources of \$102,110,286 were \$4,118,940 higher than the final budgeted amounts and \$4,286,562 higher than the original budgeted amounts.

General fund actual expenditures of \$102,693,409 were \$4,706,218 lower than original and final appropriations (appropriated expenditures plus other financing uses) of \$107,399,627.

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of fiscal year 2022, the School District had \$74,796,869 invested in land, construction in progress, land improvements, buildings and improvements, equipment, vehicles and intangible right to use assets. This entire amount is reported in governmental activities.

The table that follows shows June 30, 2022 balances compared to June 30, 2021. The balances at June 30, 2021 have been restated as described in Note 3.

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

	Governmental Activities	
	2022	2021 (restated)
Land	\$ 943,600	\$ 943,600
Construction in progress	464,759	45,263
Land improvements	2,952,843	2,825,893
Buildings and improvements	61,397,689	61,725,203
Equipment	8,006,419	8,108,212
Vehicles	993,684	897,966
Intangible right to use assets	37,875	64,950
Total	\$ 74,796,869	\$ 74,611,087

The overall increase of \$185,782 is the result of depreciation expense of \$3,575,279, disposals net of accumulated depreciation/amortization of \$167,207 and additions of \$3,928,268. See Note 10 to the basic financial statements for detail on the District's capital assets.

***Debt Administration***

At June 30, 2022 the School District had \$32,724,783 in general obligation bonds, leases payable and notes payable-finance purchases outstanding. Of this total, \$2,938,042 is due within one year and \$29,786,741 is due in more than one year.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(UNAUDITED)

The table below summarizes the bonds outstanding. The amounts at June 30, 2021 have been restated as described in Note 3.

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

	Governmental Activities <u>2022</u>	Restated Governmental Activities <u>2021</u>
School Improvement Refunding Bonds - 2012	\$ 1,898,854	\$ 2,415,140
School Facilities Improvement Refunding Bonds - 2015	3,788,845	4,653,557
School Improvement Bond - 2018	17,354,301	18,522,160
School Improvement Bond - 2018	8,295,000	8,320,000
Capital Improvement & Equipment Bonds - 2012	1,220,000	1,575,000
Leases payable	39,158	64,950
Notes payable - finance purchase	<u>128,625</u>	<u>245,756</u>
Total	<u>\$ 32,724,783</u>	<u>\$ 35,796,563</u>

At June 30, 2022, the School District's overall legal debt margin was \$59,315,286 with an unvoted debt margin of \$937,584.

See Note 16 to the basic financial statements for detail on the School District's debt administration.

***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. The most recent example of an impact to the School District's finances was the onset of COVID-19 in March 2020. The statewide closure of schools by Governor DeWine in mid-March 2020 resulted in significant changes in the delivery of education as well as all other services provided by the School District. Because there were minimal to no in-person activities undertaken during the spring closure through the end of the 2019-2020 school year, certain expenditures were not incurred resulting in net budget savings for Fiscal 2020. Fiscal 2021 brought on a multitude of adjustments by all staff and students to adapt to a school year that began in full remote learning mode, followed by alternatives of in-person and/or virtual learning and teaching including a combination of synchronous and asynchronous virtual learning. Fiscal 2021 with its combination of full remote and/or hybrid status, similar to the end of Fiscal 2020, resulted in favorable budget variances primarily due to the reduction in certain expenditures. Beginning with the 2021-2022 school year, the School District returned to full in-person learning and remained so for the entire school year. While the direct impacts from COVID-19 have mostly dissipated, the impact beyond Fiscal 2022 will require the incurrence of additional expenditures to address the learning and teaching adjustments, net of reimbursement of some of such expenditures from Federal Coronavirus Relief and ESSER/ARP funds, the remainder of which will be borne by the School District's General Fund. The long-term impact of COVID-19 on the School District given the need for extended learning loss programs is unknown at this time.

Despite such negative impacts of COVID-19 and the fluctuations in the State's various funding programs during the unpredictable biennial budget cycles (including the State's COVID-19 budget reduction at the end of Fiscal 2020), 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 woes did not play as significant a role in the funding picture for the School District as it has for many districts throughout the State. While the State funding during the biennial periods since 2013 have 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.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(UNAUDITED)

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.

Prior to fiscal year 2020, the School District had continued to show steady improvement in student achievement as measured by the 2019 State Report Card data which showed Shaker students had improved in 18 of 21 state-required academic measurements over the prior three years. Additionally, for the second consecutive year, the District had earned an "A" in the report card component that measures the percentage of students who graduate from high school in four or five years. In addition to numerous other educational relief provisions, the State's COVID-19 emergency legislation provided for the suspension of the issuance of ratings on district report cards for the 2019-2020 and the 2020-2021 school years. Additionally, for fiscal years 2022 and beyond, letter grades are replaced by a five-star rating system, including an overall star rating beginning with the fiscal year 2023 Report Card. While the School District continues to work to improve its performance, it achieved a four-star rating in the Graduation component and a five-star rating in the Gap Closing component on the Fiscal 2022 Report Card.

Even with the impact of COVID-19, the School District maintains its unwavering commitment to its current five-year 2020-2025 Strategic Plan (located at <https://www.shaker.org/StrategicPlan.aspx>) adopted in March 2020 that was built on the foundation of two bedrock principles: Educational Equity and the International Baccalaureate Program. The Strategic Plan incorporates efforts to improve its performance with respect to the State's educational criteria while emphasizing other criteria that it believes to be critical to providing a well-rounded education. Such other criteria are highlighted in the School District's Measuring What Matters report located at <https://www.shaker.org/MeasuringWhatMatters.aspx> as well as in the District's first annual Strategic Plan Annual Report 2020/2021 report for the 2020-2025 Strategic Plan located at <https://www.shaker.org/StrategicPlan.aspx>.

The School District relies heavily on its residential property taxpayers. However, because of its favorable financial results and position, the School District has been able to avoid requesting a new operating levy for more than eight years (last operating levy in 2014), and per its November 2022 five-year forecast, does not project needing to request such until 2024, making for a full ten years since its last operating levy.

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.

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.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(UNAUDITED)

***Planning for the Future of Shaker's Facilities***

Together the City of Shaker Heights, the Shaker Heights City School District, and the Shaker Heights Public Library are jointly funding and leading a process, referred to as Forward Together, to develop a Facilities Master Plan. With limited resources and high expectations, it is important to leverage and strengthen current relationships and seek new ways to collaborate creatively about the current and future state of community facilities. The community came together in 2019 with Phase One, Public Engagement Visioning and Preparation, with the goal to develop a shared vision for our facilities. Phase Two, Educational Visioning, has turned the ideas, input, and priorities gathered from the public into Phase Three, Developing a Facilities Master Plan, culminating in Phase Four, Finalizing the Recommendations and the Plan. The School District continues to engage in the facilities planning process. The Forward Together Vision Plan can be viewed at <https://forwardtogethershaker.com/>.

***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 again, such funding is subject to significant fluctuations from one biennium to the next. The evolution of school funding in Ohio has been a long and tortuous road to what appears to be the beginning of a new era. The saga of modern school funding reform began with the school funding case known as *DeRolph vs Ohio*. *DeRolph*, 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. The school funding reform process took many twists and turns since 1994, but in June 2021, the Ohio General Assembly adopted the Fair School Funding Plan (FSFP) in which funding is driven by a base cost methodology that incorporates the four components identified as necessary to the education process, the effects of which are to be implemented over a six-year period. The Base Cost is currently calculated for two years using a statewide average from historical actual data. However, the General Assembly did not commit to continuing beyond the new 2022-2023 biennium. The FSFP included a significant change from prior funding models wherein the State now directly funds most all scholarship transfer payments and thus such deductions no longer pass through the public Districts' funding calculations. Under the provisions of the new plan, the Shaker District would appear to receive relatively minor net increases in funding under a fully-implemented FSFP, with a portion of such funding being subject to a growing "guarantee".

While the School District has been the beneficiary of additional funding during previous biennial budget cycles, the long-term impact of the outcome of the new FSFP and other related 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 Mr. Bryan C. Christman, Treasurer, Shaker Heights School District, 15600 Parkland Drive, Shaker Heights, Ohio 44120, or email at [christman\\_b@shaker.org](mailto:christman_b@shaker.org).

**THIS PAGE IS INTENTIONALLY LEFT BLANK**

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

STATEMENT OF NET POSITION  
JUNE 30, 2022

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents	\$ 88,130,909
Restricted equity in pooled cash and cash equivalents	353,070
Receivables:	
Property taxes	82,314,863
Payment in lieu of taxes	542,011
Accounts	141,965
Accrued interest	87,769
Intergovernmental	1,827,164
Leases	902,615
Prepayments	54,530
Net OPEB asset	7,759,045
Capital assets:	
Nondepreciable capital assets	1,408,359
Depreciable capital assets, net	73,388,510
Capital assets, net	74,796,869
Total assets	256,910,810
<b>Deferred outflows of resources:</b>	
Unamortized deferred charges on debt refunding	220,798
Pension	24,592,199
OPEB	2,970,960
Total deferred outflows of resources	27,783,957
<b>Liabilities:</b>	
Accounts payable	558,915
Contracts payable	224,974
Accrued wages and benefits payable	7,867,491
Compensated absences payable	455,719
Intergovernmental payable	171,921
Pension and postemployment benefits payable	1,529,626
Accrued interest payable	45,391
Claims payable	1,892,200
Payroll withholdings payable	2,592,289
Accrued vacation payable	1,039,252
Long-term liabilities:	
Due within one year	3,587,526
Due in more than one year:	
Net pension liability	64,110,819
Net OPEB liability	8,651,185
Other amounts due in more than one year	36,586,119
Total liabilities	129,313,427
<b>Deferred inflows of resources:</b>	
Property taxes levied for the next fiscal year	66,524,571
Payment in lieu of taxes levied for the next fiscal year	455,464
Leases	876,102
Pension	51,692,239
OPEB	15,757,923
Total deferred inflows of resources	135,306,299
<b>Net position:</b>	
Net investment in capital assets	44,249,176
Restricted for:	
Capital projects	5,415,835
Debt service	5,429,327
State funded programs	505,098
Federally funded programs	301,638
Food service operations	826,016
Student activities	566,751
Other purposes	724,762
Unrestricted (deficit)	(37,943,562)
Total net position	\$ 20,075,041

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, 2022

	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
<b>Governmental activities:</b>					
Instruction:					
Regular	\$ 38,950,971	\$ 1,646,390	\$ 3,084,604	\$ 24,728	\$ (34,195,249)
Special	13,952,816	551,448	3,252,718	-	(10,148,650)
Vocational	422,236	30,953	34,680	-	(356,603)
Other	118,042	-	450	-	(117,592)
Support services:					
Pupil	6,831,932	80,866	849,903	-	(5,901,163)
Instructional staff	4,989,674	-	343,988	-	(4,645,686)
Board of education	38,058	-	-	-	(38,058)
Administration	6,683,325	27,829	232,373	-	(6,423,123)
Fiscal	2,721,459	-	14,400	-	(2,707,059)
Business	947,686	-	-	-	(947,686)
Operations and maintenance	12,424,174	131,430	1,226,292	-	(11,066,452)
Pupil transportation	3,564,524	3,230	384,539	-	(3,176,755)
Central	2,294,692	-	23,680	-	(2,271,012)
Operation of non-instructional services:					
Food service operations	2,139,161	260,088	2,556,216	-	677,143
Other non-instructional services	751,842	282,385	237,079	-	(232,378)
Extracurricular activities	1,896,656	314,269	32,901	50,600	(1,498,886)
Interest and fiscal charges	1,019,571	-	-	-	(1,019,571)
<b>Totals</b>	<b>\$ 99,746,819</b>	<b>\$ 3,328,888</b>	<b>\$ 12,273,823</b>	<b>\$ 75,328</b>	<b>(84,068,780)</b>
<b>General revenues:</b>					
Property taxes levied for:					
General purposes					73,141,065
Debt service					3,883,389
Capital outlay					1,011,588
Payments in lieu of taxes					542,011
Grants and entitlements not restricted to specific programs					23,627,220
Investment earnings					(1,789,364)
Miscellaneous					483,512
<b>Total general revenues</b>					<b>100,899,421</b>
Change in net position					16,830,641
<b>Net position at beginning of year</b>					<b>3,244,400</b>
<b>Net position at end of year</b>					<b>\$ 20,075,041</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents	\$ 70,476,856	\$ 13,155,584	\$ 83,632,440
Receivables:			
Property taxes	77,130,809	5,184,054	82,314,863
Payment in lieu of taxes	542,011	-	542,011
Accounts	141,290	675	141,965
Accrued interest	87,769	-	87,769
Intergovernmental	238,645	1,588,519	1,827,164
Leases	902,615	-	902,615
Prepayments	54,530	-	54,530
Due from other funds	640,096	-	640,096
Restricted assets:			
Equity in pooled cash and cash equivalents	353,070	-	353,070
Total assets	<u>\$ 150,567,691</u>	<u>\$ 19,928,832</u>	<u>\$ 170,496,523</u>
<b>Liabilities:</b>			
Accounts payable	\$ 416,771	\$ 142,144	\$ 558,915
Contracts payable	187,030	37,944	224,974
Accrued wages and benefits payable	7,411,252	456,239	7,867,491
Compensated absences payable	455,719	-	455,719
Intergovernmental payable	165,351	6,570	171,921
Pension and postemployment benefits payable	1,426,930	102,696	1,529,626
Due to other funds	-	640,096	640,096
Payroll withholdings payable	2,592,289	-	2,592,289
Total liabilities	<u>12,655,342</u>	<u>1,385,689</u>	<u>14,041,031</u>
<b>Deferred inflows of resources:</b>			
Property taxes levied for the next fiscal year	62,319,072	4,205,499	66,524,571
Payment in lieu of taxes levied for the next fiscal year	455,464	-	455,464
Delinquent property tax revenue not available	9,223,388	609,354	9,832,742
Intergovernmental revenue not available	236,570	485,539	722,109
Accrued interest not available	46,612	-	46,612
Leases	876,102	-	876,102
Total deferred inflows of resources	<u>73,157,208</u>	<u>5,300,392</u>	<u>78,457,600</u>
<b>Fund balances:</b>			
Nonspendable:			
Prepayments	54,530	-	54,530
Restricted:			
Debt service	-	6,042,713	6,042,713
Capital projects	-	5,172,955	5,172,955
Food service operations	-	826,016	826,016
Non-public schools	-	9,469	9,469
State funded programs	-	495,354	495,354
Federally funded programs	-	973	973
Extracurricular	-	566,751	566,751
Budget stabilization - BWC refund	353,070	-	353,070
Other purposes	-	371,692	371,692
Assigned:			
Student instruction	1,271,173	-	1,271,173
Student and staff support	3,548,177	-	3,548,177
Extracurricular activities	64,479	-	64,479
Facilities acquisition and construction	17,771	-	17,771
Subsequent year's appropriations	3,243,472	-	3,243,472
Shaker Merchandise	24,842	-	24,842
Unassigned (deficit)	56,177,627	(243,172)	55,934,455
Total fund balances	<u>64,755,141</u>	<u>13,242,751</u>	<u>77,997,892</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 150,567,691</u>	<u>\$ 19,928,832</u>	<u>\$ 170,496,523</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, 2022

<b>Total governmental fund balances</b>		\$	77,997,892
<i>Amounts reported for governmental activities on 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.			74,796,869
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	9,832,742	
Accrued interest receivable		46,612	
Intergovernmental receivable		722,109	
Total		722,109	10,601,463
Internal service funds are 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 on the statement of net position.			2,209,729
Unamortized premiums on bonds issued are not recognized in the funds.			(1,447,000)
Unamortized amounts on refundings are not recognized in the funds.			220,798
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(45,391)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.			
Deferred outflows - pension		24,592,199	
Deferred inflows - pension		(51,692,239)	
Net pension liability		(64,110,819)	
Deferred outflows - OPEB		2,970,960	
Deferred inflows - OPEB		(15,757,923)	
Net OPEB asset		7,759,045	
Net OPEB liability		(8,651,185)	
Total		(8,651,185)	(104,889,962)
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		(29,890,000)	
Direct borrowings		(1,220,000)	
Leases payable		(39,158)	
Notes payable - finance purchase		(128,625)	
Compensated absences		(7,052,322)	
Accrued vacation payable		(1,039,252)	
Total		(39,369,357)	(39,369,357)
<b>Net position of governmental activities</b>		\$	20,075,041

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, 2022

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
Property taxes	\$ 72,299,267	\$ 4,845,063	\$ 77,144,330
Intergovernmental	26,152,085	9,909,431	36,061,516
Investment earnings	(1,842,302)	8,403	(1,833,899)
Tuition and fees	1,472,639	2,278	1,474,917
Extracurricular	72,441	462,015	534,456
Rental income	130,148	-	130,148
Charges for services	929,279	260,088	1,189,367
Contributions and donations	20,979	124,204	145,183
Payment in lieu of taxes	542,011	-	542,011
Miscellaneous	432,370	75,014	507,384
Total revenues	<u>100,208,917</u>	<u>15,686,496</u>	<u>115,895,413</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	39,898,856	3,361,652	43,260,508
Special	14,003,651	1,490,273	15,493,924
Vocational	422,236	-	422,236
Other	132,778	450	133,228
Support services:			
Pupil	7,281,395	359,275	7,640,670
Instructional staff	4,477,878	431,876	4,909,754
Board of education	38,058	-	38,058
Administration	7,127,612	236,593	7,364,205
Fiscal	2,706,206	87,838	2,794,044
Business	984,468	-	984,468
Operations and maintenance	11,724,667	1,235,517	12,960,184
Pupil transportation	3,708,540	66,697	3,775,237
Central	2,380,195	23,680	2,403,875
Operation of non-instructional services:			
Food service operations	-	2,157,681	2,157,681
Other non-instructional services	586,171	255,468	841,639
Extracurricular activities	1,216,747	742,445	1,959,192
Facilities acquisition and construction	138,051	2,108,631	2,246,682
Debt service:			
Principal retirement	497,923	2,375,000	2,872,923
Interest and fiscal charges	43,885	1,105,592	1,149,477
Total expenditures	<u>97,369,317</u>	<u>16,038,668</u>	<u>113,407,985</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,839,600</u>	<u>(352,172)</u>	<u>2,487,428</u>
<b>Other financing sources (uses):</b>			
Sale/loss of assets	67,949	2,192	70,141
Transfers in	-	350,000	350,000
Transfers (out)	(350,000)	-	(350,000)
Total other financing sources (uses)	<u>(282,051)</u>	<u>352,192</u>	<u>70,141</u>
Net change in fund balances	2,557,549	20	2,557,569
<b>Fund balances at beginning of year</b>	<u>62,197,592</u>	<u>13,242,731</u>	<u>75,440,323</u>
<b>Fund balances at end of year</b>	<u>\$ 64,755,141</u>	<u>\$ 13,242,751</u>	<u>\$ 77,997,892</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, 2022

<b>Net change in fund balances - total governmental funds</b>	\$	2,557,569
<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	\$ 3,928,268	
Current year depreciation	<u>(3,575,279)</u>	
Total		352,989
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(167,207)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	891,712	
Earnings on investments	46,612	
Intergovernmental	<u>(19,707)</u>	
Total		918,617
Repayment of bond, direct borrowing, note and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
		2,872,923
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
Change in accrued interest payable	(5,309)	
Amortization of bond premiums	198,857	
Amortization of deferred charges	<u>(63,642)</u>	
Total		129,906
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension		9,067,949
OPEB		280,785
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.		
Pension		1,234,346
OPEB		930,289
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		(404,680)
Internal service funds used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		
		<u>(942,845)</u>
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>16,830,641</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes	\$ 69,634,820	\$ 68,036,127	\$ 72,706,124	\$ 4,669,997
Intergovernmental	25,052,239	26,655,754	26,150,009	(505,745)
Investment earnings	465,850	641,000	486,263	(154,737)
Tuition and fees	1,293,297	1,214,000	1,349,968	135,968
Extracurricular	2,735	-	2,855	2,855
Rental income	139,996	94,000	146,131	52,131
Charges for services	708,345	776,000	739,384	(36,616)
Payment in lieu of taxes	455,464	455,464	455,464	-
Miscellaneous	70,978	118,001	74,088	(43,913)
Total revenues	<u>97,823,724</u>	<u>97,990,346</u>	<u>102,110,286</u>	<u>4,119,940</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	42,667,513	42,358,878	40,994,319	1,364,559
Special	15,590,072	17,676,909	14,853,524	2,823,385
Vocational	701,207	668,079	668,079	-
Other	214,287	204,163	204,163	-
Support services:				
Pupil	7,937,777	7,659,667	7,562,759	96,908
Instructional staff	4,988,019	4,877,628	4,752,362	125,266
Board of education	43,264	41,220	41,220	-
Administration	7,518,088	7,337,211	7,162,898	174,313
Fiscal	2,926,289	2,611,142	2,788,037	(176,895)
Business	1,381,576	1,207,112	1,316,304	(109,192)
Operations and maintenance	13,943,267	13,428,733	13,284,522	144,211
Pupil transportation	4,624,198	4,615,793	4,405,729	210,064
Central	2,599,282	2,534,289	2,476,480	57,809
Operation of non-instructional services				
Other non-instructional services	110,233	105,025	105,025	-
Extracurricular activities	1,365,890	1,287,149	1,301,359	(14,210)
Facilities acquisition and construction	43,090	41,054	41,054	-
Debt service:				
Principal	355,000	355,000	355,000	-
Interest and fiscal charges	30,575	30,575	30,575	-
Total expenditures	<u>107,039,627</u>	<u>107,039,627</u>	<u>102,343,409</u>	<u>4,696,218</u>
Excess of expenditures over revenues	<u>(9,215,903)</u>	<u>(9,049,281)</u>	<u>(233,123)</u>	<u>8,816,158</u>
<b>Other financing sources (uses):</b>				
Transfers (out)	(360,000)	(360,000)	(350,000)	10,000
Sale of capital assets	-	1,000	-	(1,000)
Total other financing sources (uses)	<u>(360,000)</u>	<u>(359,000)</u>	<u>(350,000)</u>	<u>9,000</u>
Net change in fund balance	(9,575,903)	(9,408,281)	(583,123)	8,825,158
<b>Fund balance at beginning of year</b>	61,641,806	61,641,806	61,641,806	-
<b>Prior year encumbrances appropriated</b>	5,018,252	5,018,252	5,018,252	-
<b>Fund balance at end of year</b>	<u>\$ 57,084,155</u>	<u>\$ 57,251,777</u>	<u>\$ 66,076,935</u>	<u>\$ 8,825,158</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2022

	<b>Governmental Activities - Internal Service Funds</b>
<b>Assets:</b>	
<i>Current assets:</i>	
Equity in pooled cash and cash equivalents	\$ 4,498,469
	4,498,469
Total assets	4,498,469
<b>Liabilities:</b>	
<i>Current liabilities:</i>	
Claims payable	2,038,024
Total current liabilities	2,038,024
<i>Long-term liabilities:</i>	
Claims payable - net of current portion	250,716
Total long-term liabilities	250,716
Total liabilities	2,288,740
<b>Net position:</b>	
Unrestricted	2,209,729
Total net position	\$ 2,209,729

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<b>Governmental Activities - Internal Service Funds</b>
<b>Operating revenues:</b>	
Charges for services	\$ 12,313,545
Total operating revenues	12,313,545
 <b>Operating expenses:</b>	
Purchased services	1,332,838
Claims	11,896,240
Other	27,312
Total operating expenses	13,256,390
 Change in net position	(942,845)
 <b>Net position at beginning of year</b>	3,152,574
 <b>Net position at end of year</b>	\$ 2,209,729

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<b>Governmental Activities - Internal Service Funds</b>
<b>Cash flows from operating activities:</b>	
Cash received from charges for services	\$ 12,313,545
Cash payments for purchased services	(1,332,838)
Cash payments for claims	(11,664,584)
Cash payments for other expenses	(27,312)
Net cash used in operating activities	(711,189)
Net change in cash and cash equivalents	(711,189)
<b>Cash and cash equivalents at beginning of year</b>	5,209,658
<b>Cash and cash equivalents at end of year</b>	<b>\$ 4,498,469</b>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (942,845)
Changes in assets and liabilities:	
Claims payable	231,656
Net cash used in operating activities	<b>\$ (711,189)</b>

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, 2022

**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT**

The Shaker Heights City School District (the “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.

**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.

**A. 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, St. 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 state budget legislation provides certain per pupil amounts of 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 within state expenditure requirements. This activity is reflected in a special revenue fund and as a governmental activity of the School District. In accordance with new optional provisions beginning with the State's 2018-2019 biennial budget, Hathaway-Brown, Laurel, and beginning with the 2019-2020 school year University Schools elected to receive such funds directly from the State. They continue to employ School District employees through a third party contract agreement which is accounted for in a School District special revenue fund.

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

The School District is associated with a related organization and three jointly governed organizations. These organizations are the Shaker Heights Public Library, the Ohio Schools' Council Association and Connect. These organizations are presented in Notes 18 and 19 to the basic financial statements.

**B. 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.

**C. 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

The following is the School District's major governmental fund:

*General Fund* The general fund is the operating fund of the School District and is used to account for 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.

Other governmental funds of the School District are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects and (c) financial resources that are restricted, committed or assigned to expenditure for principal and interest.

*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 the following four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that has certain characteristics. The School District does not have any fiduciary funds.

**D. 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

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.

**E. 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.

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 6). 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 assets 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, for pension and OPEB. 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 and OPEB plans are explained in Notes 13 and 14.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

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 assets 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, OPEB and unavailable revenue. Property taxes and payment in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2021, but which were levied to finance fiscal year 2022 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. The deferred inflow of resources for leases is related to the lease receivable and is being amortized to lease revenue in a systematic and rational manner over the term of the lease. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 13 and 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.

**F. Budgetary Data**

All funds, other than custodial 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.

**G. 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 cash equivalents" in 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, 2022

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

During fiscal year 2022, investments were limited to commercial paper, Federal Farm Credit Bank (FFCB) securities, Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal National Mortgage Association (FNMA) securities, negotiable certificates of deposit, various municipal bonds, U.S. Treasury bills, U.S. Treasury notes, U.S. Government 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. Nonparticipating investment contracts, such as repurchase agreements and nonnegotiable certificates of deposits, are reported at cost.

During the year 2022, 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.

For the fiscal year 2022, 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 \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 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 2022 amounted to (\$1,842,302) which includes (\$413,147) 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.

**H. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2022, 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.

**I. Restricted Assets**

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either 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.

**J. Capital Assets**

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

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 \$2,000. 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/amortized. Improvements are depreciated over the remaining useful lives of the related capital the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives
Land Improvements	5 - 60 years
Buildings and Improvements	50 -100 years
Equipment	5 - 20 years
Vehicles	8 - 10 years
Intangible Right to Use Assets	
Buildings and equipment	3 - 5 years

The School District is reporting intangible right to use assets related to leased buildings and equipment. The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease term or the useful life of the underlying asset.

**K. Interfund Balances**

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

**L. 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

**M. Pensions and Other Postemployment Benefits (OPEB)**

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

**N. 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.

**O. 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 proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

**P. 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, 2022, 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.

**Q. 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

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

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

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

**R. 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.

**S. 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

**T. 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.

**U. 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.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For fiscal year 2022, the School District has implemented GASB Statement No. 87, "Leases", GASB Implementation Guide 2019-3, "Leases", GASB Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period", GASB Implementation Guide 2020-1, "Implementation Guide Update - 2020", GASB Statement No. 92, "Omnibus 2020", GASB Statement No. 93, "Replacement of Interbank Offered Rates", GASB Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32" and certain paragraphs of GASB Statement No. 99, "Omnibus 2022".

GASB Statement No. 87 and GASB Implementation Guide 2019-3 enhance the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

These changes were incorporated in the School District's fiscal year 2022 financial statements. The School District recognized \$955,149 in governmental activities in leases receivable at July 1, 2021, due to the implementation of GASB 87; however, this entire amount was offset by deferred inflows of resources for leases. The School District also recognized \$64,950 in governmental activities in leases payable at July 1, 2021; however, this entire amount was offset by the intangible asset, right to use lease - buildings and equipment. The School District also recognized \$245,745 in governmental activities in notes payable - finance purchase at July 1, 2021; however, this entire amount was offset by equipment capital assets. These did not have an effect on the beginning net position.

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. GASB Statement No. 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. GASB Statement No. 89 also reiterates that financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The implementation of GASB Statement No. 89 did not have an effect on the financial statements of the District.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

GASB Implementation Guide 2020-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2020-1 did not have an effect on the financial statements of the School District.

GASB Statement No. 92 enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of GASB Statement No. 92 did not have an effect on the financial statements of the School District.

GASB Statement No. 93 establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The implementation of GASB Statement No. 93 did not have an effect on the financial statements of the School District.

GASB Statement No. 97 is to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The implementation of GASB Statement No. 97 did not have an effect on the financial statements of the School District.

GASB Statement No. 99 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the School District.

**B. Deficit Fund Balances**

Fund balances at June 30, 2022 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
Miscellaneous state grants	\$ 2,276
ESSER	88,217
Title VI-B	54,822
Title I	77,991
IDEA Preschool	1,253
Title II-A	18,613

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 4 - 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 the 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, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the fair 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 and two hundred seventy days, respectively, 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 4 - DEPOSITS AND INVESTMENTS – (Continued)**

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

**Cash on Hand** - At June 30, 2022 the School District had \$550 in undeposited cash on hand, which is included as part of “Equity in Pooled Cash and Cash Equivalents.”

**Deposits** - The carrying amount of School District deposits at June 30, 2022 was \$2,707,297. At year-end, \$4,098,890 of the School District’s bank balance of \$4,348,890 was exposed to custodial credit risk. Although the securities were held by the pledging financial institutions’ trust department in the School District’s name and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

**Custodial Credit Risk** Custodial credit risk for deposits is the risk that in the event of a bank failure, the School District will not be able to recover deposits or collateral securities that are in possession of an outside party.

The School District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by:

- Eligible securities pledged to the School District and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured; or
- Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS required the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

THIS SPACE INTENTIONALLY LEFT BLANK

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

*Investments* As of June 30, 2022, the School District had the following investments and maturities:

<u>Measurement/Investment Type:</u>	<u>Measurement Value</u>	<u>Investment Maturities</u>				
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>	<u>Greater than 24 months</u>
<i>Fair value:</i>						
Commercial paper	\$ 30,245,854	\$ 29,757,974	\$ 487,880	\$ -	\$ -	\$ -
FFCB	3,449,660	-	-	770,280	952,230	1,727,150
FHLB	19,177,981	-	-	1,449,520	2,611,326	15,117,135
FHLMC	2,251,282	-	-	962,190	-	1,289,092
FNMA	937,960	-	-	-	-	937,960
Municipal bonds	4,589,740	-	-	1,488,561	602,218	2,498,961
Negotiable CDs	9,789,400	2,483,636	2,705,720	1,216,967	1,470,243	1,912,834
U.S. Treasury bills	1,998,980	1,998,980	-	-	-	-
U.S. Treasury notes	8,761,377	990,820	554,033	1,312,250	4,926,538	977,736
U.S. Government money market	25,842	25,842	-	-	-	-
<i>Amortized Cost:</i>						
STAR Ohio	4,548,056	4,548,056	-	-	-	-
<b>Total</b>	<b>\$ 85,776,132</b>	<b>\$ 39,805,308</b>	<b>\$ 3,747,633</b>	<b>\$ 7,199,768</b>	<b>\$ 10,562,555</b>	<b>\$ 24,460,868</b>

The weighted average of maturity of investments is 1.25 years.

The School District's investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The School District's investments in commercial paper, federal agency securities (FFCB, FHLB, FHLMC, FNMA), U.S. Treasury bonds, U.S. Treasury bills, U.S. Treasury notes, negotiable CD's and municipal bonds are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

*Interest Rate Risk:* As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the School District's investment policy limits investment portfolio maturities to five years or less.

*Credit Risk:* The School District's investments in U.S. Treasury bills and commercial paper were rated P-1 and A-1 by Moody's Investor Services and Standard & Poor's, respectively. The School District's investments in federal agency securities and U.S. Treasury notes were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The municipal bonds were rated from SP-1+ to AAA by Standard & Poor's. Standard & Poor's has assigned STAR Ohio and the U.S. Government money market an AAAM money market rating. Ohio Law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The School District's investment policy does not specifically address credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the 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. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the School District's name. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

*Concentration of Credit Risk:* The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2022:

<u>Measurement/Investment type</u>	<u>Measurement Value</u>	<u>% of Total</u>
<i>Fair value:</i>		
Commercial paper	\$ 30,245,854	35.27
FFCB	3,449,660	4.02
FHLB	19,177,981	22.37
FHLMC	2,251,282	2.62
FNMA	937,960	1.09
Negotiable CD's	4,589,740	5.35
Municipal bonds	9,789,400	11.41
U.S. Treasury bills	1,998,980	2.33
U.S. Treasury notes	8,761,377	10.21
U.S. Government money market	25,842	0.03
<i>Amortized Cost:</i>		
STAR Ohio	4,548,056	5.30
Total	<u>\$ 85,776,132</u>	<u>100.00</u>

***Reconciliation of Cash and Investments to the Statement of Net Position*** The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2022:

<u>Cash and investments per note</u>	
Cash on hand	\$ 550
Carrying amount of deposits	2,707,297
Investments	<u>85,776,132</u>
Total	<u>\$ 88,483,979</u>
<u>Cash and investments per statement of net position</u>	
Governmental activities	<u>\$ 88,483,979</u>

THIS SPACE INTENTIONALLY LEFT BLANK

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 5 - INTERFUND BALANCES**

**A. Interfund Loans**

Interfund loans receivable and payable consisted of the following at June 30, 2022, as reported on the fund statement:

	Due from Other Funds	Due to Other Funds
General	\$ 640,096	\$ -
Nonmajor Governmental:		
Miscellaneous state grants	-	1,721
ESSER	-	296,150
Title VI-B	-	169,297
Title III	-	1,425
Title I	-	112,662
Title IV-A	-	28,449
IDEA Preschool Grant	-	1,900
Title II-A	-	28,492
	\$ 640,096	\$ 640,096

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.

**B. Transfers**

Transfers made during fiscal year 2022 were as follows:

	Transfers In	Transfers Out
General	\$ -	\$ 350,000
Nonmajor Governmental:		
Athletics	350,000	-
Total	\$ 350,000	\$ 350,000

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

**NOTE 6 - 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 2022 represents collections of calendar year 2021 taxes. Real property taxes received in calendar year 2022 were levied after April 1, 2021, on the assessed value listed as of January 1, 2021, 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 6 - PROPERTY TAXES – (Continued)**

Public utility property tax revenue received in calendar year 2022 represents collections of calendar year 2021 taxes. Public utility real and tangible personal property taxes received in calendar year 2022 became a lien December 31, 2020, were levied after April 1, 2021 and are collected in 2022 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 County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2022, are available to finance fiscal year 2023 operations. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2022, 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 2022 taxes were collected are:

	2021 Second Half Collections		2022 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 860,861,620	97.71	\$ 916,039,550	97.70
Public utility personal	<u>20,175,570</u>	<u>2.29</u>	<u>21,544,590</u>	<u>2.30</u>
Total	<u>\$ 881,037,190</u>	<u>100.00</u>	<u>\$ 937,584,140</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$ 189.18		\$ 189.18	

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2022, consisted of property taxes, payment in lieu of taxes, accounts (payment in lieu of taxes and fees), intergovernmental grants and leases. 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 and leases 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.

**Leases Receivable** The School District is reporting leases receivable of \$902,615 in the general fund. For fiscal year 2022, the District recognized lease revenue of \$79,047, which is reported in rental income, and interest revenue of \$46,257.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 7 - RECEIVABLES - (Continued)**

The School District has entered into a lease agreement for building space rental as follows:

<u>Lease</u>	<u>Lease Commencement Date</u>	<u>Years</u>	<u>Lease End Date</u>	<u>Payment Method</u>
Ludlow School w/ PEP	2013	20	2033	Monthly

Lease payments will be paid into the general fund. The following is a schedule of future lease payments under the lease agreement:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 53,000	\$ 43,931	\$ 96,931
2024	57,696	41,174	98,870
2025	62,671	38,176	100,847
2026	67,941	34,923	102,864
2027	73,522	31,400	104,922
2028 - 2032	463,426	93,509	556,935
2033 - 2034	124,359	3,662	128,021
Total	<u>\$ 902,615</u>	<u>\$ 286,775</u>	<u>\$ 1,189,390</u>

**NOTE 8 - 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, 2022, 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.

	<u>Capital Improvements</u>	<u>Budget Stabilization</u>
Set-aside balance June 30, 2021	\$ -	\$ 353,070
Current year set-aside requirement	816,234	-
Current year offsets	<u>(1,026,188)</u>	<u>-</u>
Total	<u>\$ (209,954)</u>	<u>\$ 353,070</u>
Balance carried forward to fiscal year 2023	<u>\$ -</u>	<u>\$ 353,070</u>
Set-aside balance June 30, 2022	<u>\$ -</u>	<u>\$ 353,070</u>

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 9 - CONTINGENCIES**

**A. Grants**

The School District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2022.

**B. 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.

**C. Foundation Funding**

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the School District, which can extend past the fiscal year-end. As of the date of this report, all ODE adjustments for fiscal year 2022 have been finalized.

THIS SPACE INTENTIONALLY LEFT BLANK

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 10 - CAPITAL ASSETS**

Due to the implementation of GASB Statement No. 87 (see Note 3.A for detail), the School District has reported capital assets for the right to use leased buildings and equipment which are reflected in the schedule below. Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

	Restated Balance 06/30/21	Additions	Deductions	Balance 06/30/22
<b>Governmental activities:</b>				
<i>Capital assets, not being depreciated/amortized:</i>				
Land	\$ 943,600	\$ -	\$ -	\$ 943,600
Construction in progress	45,263	464,759	(45,263)	464,759
Total capital assets, not being depreciated/amortized	<u>988,863</u>	<u>464,759</u>	<u>(45,263)</u>	<u>1,408,359</u>
<i>Capital assets, being depreciated/amortized:</i>				
Land improvements	5,757,369	302,183	-	6,059,552
Building and improvements	82,697,822	1,455,470	-	84,153,292
Equipment	27,084,003	1,505,772	(432,716)	28,157,059
Vehicles	5,725,977	245,347	(315,308)	5,656,016
Intangible right to use assets:				
Buildings	48,191	-	-	48,191
Equipment	16,759	-	-	16,759
Total capital assets, being depreciated/amortized	<u>121,330,121</u>	<u>3,508,772</u>	<u>(748,024)</u>	<u>124,090,869</u>
<i>Less: accumulated depreciation/amortization</i>				
Land improvements	(2,931,476)	(175,233)	-	(3,106,709)
Building and improvements	(20,972,619)	(1,782,984)	-	(22,755,603)
Equipment	(18,975,791)	(1,440,358)	265,509	(20,150,640)
Vehicles	(4,828,011)	(149,629)	315,308	(4,662,332)
Intangible right to use assets:				
Buildings	-	(23,132)	-	(23,132)
Equipment	-	(3,943)	-	(3,943)
Total accumulated depreciation/amortization	<u>(47,707,897)</u>	<u>(3,575,279)</u>	<u>580,817</u>	<u>(50,702,359)</u>
Governmental activities capital assets, net	<u>\$ 74,611,087</u>	<u>\$ 398,252</u>	<u>\$ (212,470)</u>	<u>\$ 74,796,869</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 10 - CAPITAL ASSETS - (Continued)**

Depreciation/amortization expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 1,844,670
Special	7,906
<u>Support Services:</u>	
Pupil	945
Instructional staff	501,484
Administration	37,678
Fiscal	6,360
Business	8,620
Operations and maintenance	734,590
Pupil transportation	165,633
Central	553
<u>Operation of non-instructional services:</u>	
Food service operations	36,960
Other non-instructional services	10,797
Extracurricular activities	<u>219,083</u>
Total depreciation/amortization expense	<u>\$ 3,575,279</u>

**NOTE 11 - RISK MANAGEMENT**

**A. Property and Liability**

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2022, the School District contracted with Liberty Mutual Insurance Company for property, inland marine, vehicle, umbrella and general liability insurance coverage. The primary property coverage has a building and contents limit of \$223 million with a \$10,000 deductible. General liability coverage includes a \$1,000,000 single occurrence limit, a \$3,000,000 aggregate with either a \$1,000 or \$10,000 deductible, depending on the liability category. 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.

**B. 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 11 - RISK MANAGEMENT – (Continued)**

The School District switched from an “individual retrospective” to a “group retrospective” rating plan effective January 1, 2015 and thus there are no reserves for claim years after calendar 2014. The balance of claims payable at June 30, 2022, represents an estimate of the liability for unpaid claims costs provided by Workers’ Compensation for open claim years through calendar 2014. The claims liability reported in the internal service funds for the Workers’ Compensation retrospective rating and payment system at June 30, 2022, was \$396,540.

Changes in claims activity for fiscal years 2021 and 2022 are as follows:

	<u>Beginning of Year</u>	<u>Current Provision</u>	<u>Claims Payment</u>	<u>Balance at End of Year</u>
2022	\$ 439,084	\$ -	\$ (42,544)	\$ 396,540
2021	500,000	-	(60,916)	439,084

**C. Employee Health Benefits**

The School District is self-insured for prescription drug, medical and dental insurance. Express Scripts (through the District’s Medical Mutual of Ohio contract), 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 \$377.84 for family coverage and \$142.32 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.

Medical Mutual of Ohio, the third-party administrator, processes the claims for the School District’s medical program. Monthly funding rates for medical insurance are \$1,521.88 for family coverage and \$578.68 for single coverage. Anthem Blue Cross/Blue Shield, the third-party administrator, processes the claims for the School District’s dental program. 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 for medical and prescription drug that begins at \$200,000 per family per year and a calculated aggregate maximum stop loss coverage for the 2022 plan year (January through December) for claims of \$12,198,963.

The claims liability of \$1,892,200 reported in the self-insurance fund at June 30, 2022 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 2021 and 2022 are as follows:

	<u>Beginning of Year</u>	<u>Current Provision</u>	<u>Claims Payment</u>	<u>Balance at End of Year</u>
2022	\$ 1,618,000	\$ 11,896,240	\$ (11,622,040)	\$ 1,892,200
2021	1,067,000	11,274,260	(10,723,260)	1,618,000

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 12 - OTHER EMPLOYEE BENEFITS**

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Year-round employees earn up to twenty-four days of vacation per year, depending upon length of service and employee group. Vacation days are credited to employees on July 1, who can carryover five vacation days into the next fiscal year. Accumulated unused vacation time is paid to 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 either unrestricted or limited by the terms of negotiated agreements.

**A. Health Care Benefits**

The School District's primary health insurance carrier was Medical Mutual of Ohio beginning January 1, 2018. The School District health insurance plan continues to require a \$20 office visit co-pay; a \$250/\$500 deductible; and a \$250/\$500 coinsurance for a \$500/\$1,000 in-network out-of-pocket maximum.

**B. Life Insurance**

Life insurance is offered to employees through Anthem Life Insurance Company. The Superintendent receives \$450,000 for \$69.30 per month; the Treasurer receives \$150,000 coverage for \$23.10 per month; administrators, supervisors, other non-bargaining employees, certified teachers and support teachers, classified clerical and paraprofessional employees receive \$50,000 coverage for \$7.70 per month, and custodial and security employees receive \$40,000 for \$6.16 per month.

**NOTE 13 - DEFINED BENEFIT PENSION PLANS**

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

***Net Pension Liability/Net OPEB Liability/Asset***

The net pension liability/asset and the net OPEB liability/asset reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB 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/OPEB liability (asset) represent the District's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability (asset) 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 these estimates annually.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients.

The remainder of this note includes the required pension disclosures. See Note 14 for the required OPEB disclosures.

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

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

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

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire 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; or 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 years of service; 2.2% for the first thirty years of service and 2.5% for years of service credit over 30. Final average salary is the average of the highest three years of salary.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0%. In 2021, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2022.

Funding Policy - Plan members are required to contribute 10.00% of their annual covered salary and the District is required to contribute 14.00% 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 10.00% for plan members and 14.00% 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, 2022, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2022, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School District's contractually required contribution to SERS was \$2,349,487 for fiscal year 2022. Of this amount, \$132,525 is reported as pension and postemployment benefits payable.

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

Plan Description - Licensed teachers participate in STRS, 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 website at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans: a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined (CO) 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 is 2.20% of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0% to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five year of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2026, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

The DC Plan allows members to place all of their member contributions and 9.53% of the 14% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47% of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12% of the 14% member rate goes to the DC Plan and the remaining 2% 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 and after termination of employment.

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. New members must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2022 employer and employee contribution rate of 14% was equal to the statutory maximum rates. For fiscal year 2022, the full employer contribution was allocated to pension.

The School District's contractually required contribution to STRS was \$6,718,462 for fiscal year 2022. Of this amount, \$1,116,316 is reported as pension and postemployment benefits payable.

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

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the projected contributions of all participating entities.

Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.480893200%	0.363817330%	
Proportion of the net pension liability current measurement date	<u>0.462321200%</u>	<u>0.368003121%</u>	
Change in proportionate share	<u>-0.018572000%</u>	<u>0.004185791%</u>	
Proportionate share of the net pension liability	\$ 17,058,312	\$ 47,052,507	\$ 64,110,819
Pension expense	\$ (1,094,559)	\$ (139,787)	\$ (1,234,346)

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 1,646	\$ 1,453,696	\$ 1,455,342
Changes of assumptions	359,198	13,053,209	13,412,407
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	-	656,501	656,501
Contributions subsequent to the measurement date	2,349,487	6,718,462	9,067,949
Total deferred outflows of resources	<u>\$ 2,710,331</u>	<u>\$ 21,881,868</u>	<u>\$ 24,592,199</u>
	SERS	STRS	Total
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 442,391	\$ 294,923	\$ 737,314
Net difference between projected and actual earnings on pension plan investments	8,785,528	40,550,254	49,335,782
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	955,630	663,513	1,619,143
Total deferred inflows of resources	<u>\$ 10,183,549</u>	<u>\$ 41,508,690</u>	<u>\$ 51,692,239</u>

\$9,067,949 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, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2023	\$ (2,842,959)	\$ (6,554,226)	\$ (9,397,185)
2024	(2,194,241)	(5,838,018)	(8,032,259)
2025	(2,088,882)	(5,988,628)	(8,077,510)
2026	(2,696,623)	(7,964,412)	(10,661,035)
Total	<u>\$ (9,822,705)</u>	<u>\$ (26,345,284)</u>	<u>\$ (36,167,989)</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

*Actuarial Assumptions - SERS*

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

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

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, 2021, are presented below:

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	3.00%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.50% to 18.20%
COLA or ad hoc COLA:	
Current measurement date	2.00%
Prior measurement date	2.50%
Investment rate of return:	
Current measurement date	7.00% net of system expenses
Prior measurement date	7.50% net of system expenses
Discount rate:	
Current measurement date	7.00%
Prior measurement date	7.50%
Actuarial cost method	Entry age normal (level percent of payroll)

In 2021, Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

In the prior measurement date, the mortality rates were based on 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% of male rates, and 110% of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

The most recent experience study was completed for the five-year period ended June 30, 2020.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	2.00 %	(0.33) %
US Equity	24.75	5.72
Non-US Equity Developed	13.50	6.55
Non-US Equity Emerging	6.75	8.54
Fixed Income/Global Bonds	19.00	1.14
Private Equity	11.00	10.03
Real Estate/Real Assets	16.00	5.41
Multi-Asset Strategy	4.00	3.47
Private Debt/Private Credit	3.00	5.28
Total	<u>100.00 %</u>	

**Discount Rate** - The total pension liability was calculated using the discount rate of 7.00%. 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 (7.00%). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.00%, 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 (6.00%), or one percentage point higher (8.00%) than the current rate.

	Current		
	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
School District's proportionate share of the net pension liability	\$ 28,380,841	\$ 17,058,312	\$ 7,509,528

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

*Actuarial Assumptions - STRS*

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2021, actuarial valuation are presented below:

	June 30, 2021	June 30, 2020
Inflation	2.50%	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.00%, net of investment expenses, including inflation	7.45%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.45%
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%

For the June 30, 2021, actuarial valuation, post-retirement mortality rates are based on the RP-2014 Annuitant Mortality Tables with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Tables, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Tables with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

STRS Ohio's 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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return *
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	100.00 %	

\*10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described previously. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2021.

**Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following table represents the net pension liability as of June 30, 2021, calculated using the current period discount rate assumption of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
School District's proportionate share of the net pension liability	\$ 88,111,735	\$ 47,052,507	\$ 12,357,547

**Changes Between Measurement Date and Reporting Date** - STRS approved a one-time 3.00% cost-of-living adjustment to eligible benefit recipients effective July 1, 2022. It is unknown what the effect this change will have on the net pension liability.

**NOTE 14 - DEFINED BENEFIT OPEB PLANS**

**Net OPEB Liability/Asset**

See Note 13 for a description of the net OPEB liability (asset).

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

**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 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, 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 pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2022, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2022, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2022, the School District's surcharge obligation was \$280,785.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$280,785 for fiscal year 2022. Of this amount, \$280,785 is reported as pension and postemployment benefits payable.

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

Plan Description - The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered 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 partial reimbursement of monthly Medicare Part B premiums. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary 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. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2022, STRS did not allocate any employer contributions to post-employment health care.

***OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

The net OPEB liability/asset was measured as of June 30, 2021, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability/asset was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

Following is information related to the proportionate share and OPEB expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.489379000%	0.363817000%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.457110200%</u>	<u>0.368003121%</u>	
Change in proportionate share	<u>-0.032268800%</u>	<u>0.004186121%</u>	
Proportionate share of the net OPEB liability	\$ 8,651,185	\$ -	\$ 8,651,185
Proportionate share of the net OPEB asset	\$ -	\$ (7,759,045)	\$ (7,759,045)
OPEB expense	\$ (394,298)	\$ (535,991)	\$ (930,289)

At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 92,214	\$ 276,280	\$ 368,494
Changes of assumptions	1,357,165	495,612	1,852,777
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	288,567	180,337	468,904
Contributions subsequent to the measurement date	<u>280,785</u>	<u>-</u>	<u>280,785</u>
Total deferred outflows of resources	<u>\$ 2,018,731</u>	<u>\$ 952,229</u>	<u>\$ 2,970,960</u>
	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 4,308,679	\$ 1,421,601	\$ 5,730,280
Net difference between projected and actual earnings on OPEB plan investments	187,953	2,150,672	2,338,625
Changes of assumptions	1,184,709	4,628,845	5,813,554
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>1,666,867</u>	<u>208,597</u>	<u>1,875,464</u>
Total deferred inflows of resources	<u>\$ 7,348,208</u>	<u>\$ 8,409,715</u>	<u>\$ 15,757,923</u>

\$280,785 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2023.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2023	\$ (1,269,883)	\$ (2,113,365)	\$ (3,383,248)
2024	(1,271,201)	(2,059,547)	(3,330,748)
2025	(1,183,371)	(2,032,958)	(3,216,329)
2026	(1,020,442)	(953,991)	(1,974,433)
2027	(608,212)	(305,035)	(913,247)
Thereafter	(257,153)	7,410	(249,743)
Total	\$ (5,610,262)	\$ (7,457,486)	\$ (13,067,748)

***Actuarial Assumptions - SERS***

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). 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.

THIS SPACE INTENTIONALLY LEFT BLANK

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2021 are presented below:

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	3.00%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.50% to 18.20%
Investment rate of return:	
Current measurement date	7.00% net of investment expense, including inflation
Prior measurement date	7.50% net of investment expense, including inflation
Municipal bond index rate:	
Current measurement date	1.92%
Prior measurement date	2.45%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Current measurement date	2.27%
Prior measurement date	2.63%
Medical trend assumption:	
Current measurement date	
Medicare	5.125 to 4.400%
Pre-Medicare	6.750 to 4.400%
Prior measurement date	
Medicare	5.25 to 4.75%
Pre-Medicare	7.00 to 4.75%

In 2021, Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

In the prior measurement date, the mortality rates were based on 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% of male rates, and 110% of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

The most recent experience study was completed for the five-year period ended June 30, 2020.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2015 through 2020 and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2020 five-year experience study, are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.33) %
US Equity	24.75	5.72
Non-US Equity Developed	13.50	6.55
Non-US Equity Emerging	6.75	8.54
Fixed Income/Global Bonds	19.00	1.14
Private Equity	11.00	10.03
Real Estate/Real Assets	16.00	5.41
Multi-Asset Strategy	4.00	3.47
Private Debt/Private Credit	3.00	5.28
Total	<u>100.00 %</u>	

**Discount Rate** - The discount rate used to measure the total OPEB liability at June 30, 2021 was 2.27%. The discount rate used to measure total OPEB liability prior to June 30, 2021 was 2.63%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50% of projected covered payroll each year, which includes a 1.50% payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2020 and the June 30, 2021 total OPEB liability. The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate is 1.92% at June 30, 2021 and 2.45% at June 30, 2020.

**Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates** - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability, what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.27%) and higher (3.27%) than the current discount rate (2.27%). Also shown is what the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.40%) and higher (7.75% decreasing to 5.40%) than the current rate (6.75% decreasing to 4.40%).

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

	1% Decrease	Current Discount Rate	1% Increase
School District's proportionate share of the net OPEB liability	\$ 10,719,865	\$ 8,651,185	\$ 6,998,576
	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB liability	\$ 6,660,704	\$ 8,651,185	\$ 11,309,857

**Actuarial Assumptions - STRS**

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2021, actuarial valuation, compared with June 30, 2020, are presented below:

	June 30, 2021		June 30, 2020	
Inflation	2.50%		2.50%	
Projected salary increases	12.50% at age 20 to 2.50% at age 65		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.00%, net of investment expenses, including inflation		7.45%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discount rate of return	7.00%		7.45%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	5.00%	4.00%	5.00%	4.00%
Medicare	-16.18%	4.00%	-6.69%	4.00%
Prescription Drug				
Pre-Medicare	6.50%	4.00%	6.50%	4.00%
Medicare	29.98%	4.00%	11.87%	4.00%

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Tables with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Tables with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

**Assumption Changes Since the Prior Measurement Date** - The discount rate was adjusted to 7.00% from 7.45% for the June 30, 2021 valuation.

**Benefit Term Changes Since the Prior Measurement Date** - The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return *
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
<b>Total</b>	<b>100.00 %</b>	

\*10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**Discount Rate** - The discount rate used to measure the total OPEB asset was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on health care fund investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2021.

**Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate** - The following table represents the net OPEB asset as of June 30, 2021, calculated using the current period discount rate assumption of 7.00%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease	Current Discount Rate	1% Increase
	School District's proportionate share of the net OPEB asset	\$ 6,547,434	\$ 7,759,045

	1% Decrease	Current Trend Rate	1% Increase
	School District's proportionate share of the net OPEB asset	\$ 8,730,153	\$ 7,759,045

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 15 - SIGNIFICANT COMMITMENTS**

**A. Contractual Commitments**

As a result of projects that were in progress at June 30, 2022, the School District had the following outstanding contractual commitments at fiscal year-end:

	Contract Amount	Expenditures as of June 30, 2022	Amount Remaining on Contract
Gardiner	\$ 347,715	\$ (275,615)	\$ 72,100
HMH Restoration	249,500	(127,670)	121,830
	\$ 597,215	\$ (403,285)	\$ 193,930

**B. 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:

Fund	Amount
General	\$ 4,749,437
Nonmajor Governmental	228,004
	\$ 4,977,441

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 16 - LONG-TERM OBLIGATIONS**

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

Debt Issue	Interest Rate	Original Issue Amount	Fiscal Year of Maturity
<i>General Obligation Bonds:</i>			
School Improvement - 2008	4.00 - 4.50%	\$ 4,999,999	2026
School Improvement Refunding - 2012	2.00 - 21.00%	4,994,310	2026
School Improvement Refunding - 2015	3.98%	5,345,000	2026
School Improvement Bond - 2018	2.25 - 5.00%	20,100,000	2034
School Improvement Bond - 2018	2.00 - 2.75%	8,395,000	2038
Capital Improvement - 2012	2.00 - 2.50%	4,170,000	2028

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 16 - LONG-TERM OBLIGATIONS - (Continued)**

***School Improvement Refunding Bonds - 2012*** 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, 2022, \$1,810,000 of the defeased debt is outstanding. The serial bonds remained outstanding at June 30, 2022. The capital appreciation bonds were originally sold at a discount of \$375,690, which was being accreted annually until the point of maturity of the capital appreciation bonds, which was 2020. The maturity amount of the outstanding capital appreciation bonds was \$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.

***School Improvement Refunding Bonds - 2015*** On March 11, 2015, the School District issued \$5,345,000 in general obligation bonds to refund a portion of the 2007 and 2009 school improvement bonds in the amounts of \$3,600,000 and \$1,885,000, respectively. The bonds were issued for an eleven year period with a final maturity at December 15, 2025. As of June 30, 2022, \$3,720,000 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.

***School Improvement Bonds - 2018*** On April 11, 2018, the School District issued \$20,100,000 in school improvement bonds for the purpose of constructing, adding to, renovating, remodeling, furnishing, equipping and otherwise improving School District buildings. The bonds will be retired with a voted property tax levy from the debt service fund maturing in fiscal year 2034.

On April 25, 2018, the School District issued \$8,395,000 in school improvement bonds for the purpose of constructing, adding to, renovating, remodeling, furnishing, equipping and otherwise improving School District buildings. The bonds will be retired with a voted property tax levy from the debt service fund maturing in fiscal year 2038.

***Capital Improvement & Equipment Bonds - 2012*** 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.

The School District's overall debt margin was \$59,315,286 with an unvoted debt margin of \$937,584 at June 30, 2022.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 16 - LONG-TERM OBLIGATIONS – (Continued)**

Due to the implementation of GASB Statement No. 87 (see Note 3.A for detail), the School District has reported obligations for leases payable and note payable - finance purchase which are reflected in the schedule below. Changes in the School District's long-term obligation during fiscal year 2022 were as follows:

	Restated Balance <u>06/30/21</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>06/30/22</u>	Amount Due in <u>One Year</u>
<b>Governmental Activities:</b>					
<u>General Obligation Bonds</u>					
School Improvement Refunding Bonds - 2012					
Serial Bonds	\$ 2,210,000	\$ -	\$ (465,000)	\$ 1,745,000	\$ 455,000
Unamortized Premium	205,140	-	(51,286)	153,854	-
Total School Improvement Refunding Bonds - 2012	<u>2,415,140</u>	<u>-</u>	<u>(516,286)</u>	<u>1,898,854</u>	<u>455,000</u>
School Improvement Refunding Bonds - 2015					
Serial Bonds	4,355,000	-	(805,000)	3,550,000	835,000
Unamortized Premium	298,557	-	(59,712)	238,845	-
Total School Improvement Refunding Bonds - 2015	<u>4,653,557</u>	<u>-</u>	<u>(864,712)</u>	<u>3,788,845</u>	<u>835,000</u>
School Improvement Bonds - 2018					
Serial Bonds	17,380,000	-	(1,080,000)	16,300,000	1,120,000
Unamortized Premium	1,142,160	-	(87,859)	1,054,301	-
Total School Improvement Bonds - 2018	<u>18,522,160</u>	<u>-</u>	<u>(1,167,859)</u>	<u>17,354,301</u>	<u>1,120,000</u>
School Improvement Bonds - 2018					
Serial Bonds	8,320,000	-	(25,000)	8,295,000	25,000
Total General Obligation Bonds	<u>33,910,857</u>	<u>-</u>	<u>(2,573,857)</u>	<u>31,337,000</u>	<u>2,435,000</u>
<i>Direct Borrowings:</i>					
<u>Capital Improvement &amp; Equipment Bonds - 2012</u>					
Energy Conservation	1,180,000	-	(160,000)	1,020,000	160,000
Stadium Improvements	180,000	-	(90,000)	90,000	90,000
Buses	215,000	-	(105,000)	110,000	110,000
Total Direct Borrowings	<u>1,575,000</u>	<u>-</u>	<u>(355,000)</u>	<u>1,220,000</u>	<u>360,000</u>
<i>Net Pension/OPEB Liability:</i>					
Pension	119,838,137	-	(55,727,318)	64,110,819	-
OPEB	10,635,807	-	(1,984,622)	8,651,185	-
Total Net Pension/OPEB Liability	<u>130,473,944</u>	<u>-</u>	<u>(57,711,940)</u>	<u>72,762,004</u>	<u>-</u>
<i>Other Long-term Obligations:</i>					
Compensated Absences	7,363,134	-	(310,812)	7,052,322	503,660
Leases payable	64,950	-	(25,792)	39,158	27,144
Notes payable - finance purchase	245,756	-	(117,131)	128,625	115,898
Claims Payable	439,084	-	(42,544)	396,540	145,824
Total All Governmental Activities Long-Term Liabilities	<u>\$ 174,072,725</u>	<u>\$ -</u>	<u>\$ (61,137,076)</u>	<u>\$ 112,935,649</u>	<u>\$ 3,587,526</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 16 - LONG-TERM OBLIGATIONS – (Continued)**

General obligation bonds will be paid from the general fund and debt service fund. Compensated absences will be paid from the general fund. There is no repayment schedule for the net pension liability and net OPEB asset/liability; however, employer pension and OPEB contributions are primarily made from the General Fund. For additional information related to the net pension liability and net OPEB asset/liability see Notes 13 and 14.

Principal and interest requirements to retire the general obligation bonds and direct borrowings outstanding at June 30, 2022 are as follows:

Fiscal Year Ending June 30	Serial Bonds			Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 2,435,000	\$ 1,029,025	\$ 3,464,025	\$ 360,000	\$ 23,425	\$ 383,425
2024	2,485,000	958,589	3,443,589	165,000	18,175	183,175
2025	2,535,000	884,891	3,419,891	170,000	14,825	184,825
2026	2,585,000	800,282	3,385,282	170,000	11,000	181,000
2027	1,280,000	721,264	2,001,264	175,000	6,687	181,687
2028 - 2032	7,275,000	2,745,531	10,020,531	180,000	2,250	182,250
2033 - 2037	9,230,000	1,168,598	10,398,598	-	-	-
2038	2,065,000	34,589	2,099,589	-	-	-
<b>Total</b>	<b>\$ 29,890,000</b>	<b>\$ 8,342,769</b>	<b>\$ 38,232,769</b>	<b>\$ 1,220,000</b>	<b>\$ 76,362</b>	<b>\$ 1,296,362</b>

**Leases Payable** The School District has entered into lease agreements for the use of right to use buildings and equipment. Due to the implementation of GASB Statement No. 87, the School District will report an intangible capital asset and corresponding liability for the future scheduled payments under the leases. The lease payments will be paid from the general fund.

The School District has entered into a lease agreement for a building and equipment at varying years and terms as follows:

Lease	Lease Commencement Date	Years	Lease End Date	Payment Method
3620 Lee Road	2020	3	2023	Monthly
Postage machine	2020	5	2025	Quarterly

The following is a schedule of future lease payments under the lease agreements:

Fiscal Year	Principal	Interest	Total
2023	\$ 27,144	\$ 2,960	\$ 30,104
2024	5,984	1,570	7,554
2025	4,713	791	5,504
2026	1,317	60	1,377
<b>Total</b>	<b>\$ 39,158</b>	<b>\$ 5,381</b>	<b>\$ 44,539</b>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 16 - LONG-TERM OBLIGATIONS – (Continued)**

*Notes payable - finance purchase* The School District entered into finance purchase agreements for copiers and scanning equipment.

The following is a schedule of future payments under the agreements:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 115,898	\$ 3,784	\$ 119,682
2024	12,483	130	12,613
2025	<u>244</u>	<u>1</u>	<u>245</u>
Total	<u>\$ 128,625</u>	<u>\$ 3,915</u>	<u>\$ 132,540</u>

**NOTE 17 - 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).

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.

	<u>General fund</u>
Budget basis	\$ (583,123)
Net adjustment for revenue accruals	(2,749,523)
Net adjustment for expenditure accruals	608,673
Net adjustment for other sources/uses	67,949
Funds budgeted elsewhere	(122,501)
Adjustment for encumbrances	<u>5,336,074</u>
GAAP basis	<u>\$ 2,557,549</u>

\*\* 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 18 - 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 Director, at 16500 Van Aken Boulevard, Shaker Heights, Ohio 44120.

**NOTE 19 - 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 266 school districts and related school organizations, located in 37 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 2022, the School District paid membership fees of \$1,225 to the Council. Financial information can be obtained by contacting the Executive Director of the Ohio Schools' Council at 6393 Oak Tree Boulevard, Suite 377, Independence, Ohio 44131.

***Utility Purchase Programs***

The School District participates in the natural gas purchase program. This three-year program, which goes through June 30, 2022, allows the School District to purchase natural gas at reduced rates (currently at \$0.34/dekatherm lower than the Dominion East Ohio's current Standard Service Offer (SSO). Constellation New Energy (fka Compass Energy) is the supplier and program manager. There are currently 165 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 previous program, which included 256 members, Power 4 Schools, a partnership between the Council, the Ohio Association of School Business Officials (OASBO), the Ohio School Boards 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 provided the greatest savings through December 2019. The 2022 renewal rate was \$.03130/kwh.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 19 - JOINTLY GOVERNED ORGANIZATIONS – (Continued)**

*Connect and NEOnet*

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 then 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 Northeast Ohio (ESCNEO), 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 then current 26 member school districts were 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 ESCNEO 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 2022, the School District paid \$169,794 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.

Effective August 2018, the School District obtains its fiscal services from NEOnet, an ITC with offices located in Cuyahoga Falls. Other services continue to be provided by Connect. In fiscal year 2022, the School District paid \$60,832 to NEOnet, in connection with providing fiscal services primarily for the eFinancePlus software package.

**NOTE 20 - 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 2022 taxes abated amounted to \$851,584.

**NOTE 21 - COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During fiscal year 2022, the School District received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the School District. The impact on the School District’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

The School District’s investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

THIS PAGE IS INTENTIONALLY LEFT BLANK

REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY  
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST NINE YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
School District's proportion of the net pension liability	0.46232120%	0.48089320%	0.49716260%	0.48332460%
School District's proportionate share of the net pension liability	\$ 17,058,312	\$ 31,807,289	\$ 29,746,110	\$ 27,680,895
School District's covered payroll	\$ 15,528,600	\$ 17,108,571	\$ 17,144,733	\$ 16,377,252
School District's proportionate share of the net pension liability as a percentage of its covered payroll	109.85%	185.91%	173.50%	169.02%
Plan fiduciary net position as a percentage of the total pension liability	82.86%	68.55%	70.85%	71.36%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
0.51450510%	0.51201700%	0.51126850%	0.52408000%	0.52540800%
\$ 30,740,543	\$ 37,474,920	\$ 29,173,476	\$ 26,590,600	\$ 31,244,327
\$ 16,345,950	\$ 17,656,993	\$ 17,290,819	\$ 16,701,962	\$ 16,371,886
188.06%	212.24%	168.72%	159.21%	190.84%
69.50%	62.98%	69.16%	71.70%	65.52%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY  
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST NINE FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
School District's proportion of the net pension liability	0.368003121%	0.36381733%	0.36346793%	0.37192815%
School District's proportionate share of the net pension liability	\$ 47,052,507	\$ 88,030,848	\$ 80,378,748	\$ 81,778,649
School District's covered payroll	\$ 43,507,143	\$ 44,180,929	\$ 42,666,300	\$ 42,267,521
School District's proportionate share of the net pension liability as a percentage of its covered payroll	108.15%	199.25%	188.39%	193.48%
Plan fiduciary net position as a percentage of the total pension liability	87.78%	75.48%	77.40%	77.31%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
0.36269628%	0.36182360%	0.35595127%	0.36092189%	0.36092189%
\$ 86,159,279	\$ 121,113,265	\$ 98,374,519	\$ 87,788,694	\$ 104,573,318
\$ 40,214,564	\$ 39,452,800	\$ 37,351,907	\$ 35,942,792	\$ 35,238,031
214.25%	306.98%	263.37%	244.25%	296.76%
75.30%	66.80%	72.10%	74.70%	69.30%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF SCHOOL DISTRICT PENSION CONTRIBUTIONS  
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

	LAST TEN FISCAL YEARS			
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 2,349,487	\$ 2,174,004	\$ 2,395,200	\$ 2,314,539
Contributions in relation to the contractually required contribution	<u>(2,349,487)</u>	<u>(2,174,004)</u>	<u>(2,395,200)</u>	<u>(2,314,539)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	\$ 16,782,050	\$ 15,528,600	\$ 17,108,571	\$ 17,144,733
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 2,210,929	\$ 2,288,433	\$ 2,471,979	\$ 2,278,930	\$ 2,314,892	\$ 2,265,869
<u>(2,210,929)</u>	<u>(2,288,433)</u>	<u>(2,471,979)</u>	<u>(2,278,930)</u>	<u>(2,314,892)</u>	<u>(2,265,869)</u>
<u>\$ -</u>					
\$ 16,377,252	\$ 16,345,950	\$ 17,656,993	\$ 17,290,819	\$ 16,701,962	\$ 16,371,886
13.50%	14.00%	14.00%	13.18%	13.86%	13.84%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF SCHOOL DISTRICT PENSION CONTRIBUTIONS  
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

	LAST TEN FISCAL YEARS			
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 6,718,462	\$ 6,091,000	\$ 6,185,330	\$ 5,973,282
Contributions in relation to the contractually required contribution	<u>(6,718,462)</u>	<u>(6,091,000)</u>	<u>(6,185,330)</u>	<u>(5,973,282)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	\$ 47,989,014	\$ 43,507,143	\$ 44,180,929	\$ 42,666,300
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 5,917,453	\$ 5,630,039	\$ 5,523,392	\$ 5,229,267	\$ 4,672,563	\$ 4,580,944
<u>(5,917,453)</u>	<u>(5,630,039)</u>	<u>(5,523,392)</u>	<u>(5,229,267)</u>	<u>(4,672,563)</u>	<u>(4,580,944)</u>
<u>\$ -</u>					
\$ 42,267,521	\$ 40,214,564	\$ 39,452,800	\$ 37,351,907	\$ 35,942,792	\$ 35,238,031
14.00%	14.00%	14.00%	14.00%	13.00%	13.00%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF  
THE NET OPEB LIABILITY  
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST SIX FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
School District's proportion of the net OPEB liability	0.45711020%	0.48937900%	0.50941500%	0.49068860%
School District's proportionate share of the net OPEB liability	\$ 8,651,185	\$ 10,635,807	\$ 12,810,726	\$ 13,613,027
School District's covered payroll	\$ 15,528,600	\$ 1,710,857	\$ 17,144,733	\$ 16,377,152
School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	55.71%	621.67%	74.72%	83.12%
Plan fiduciary net position as a percentage of the total OPEB liability	18.17%	18.17%	15.57%	13.57%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>
0.52036490%	0.51747342%
\$ 13,965,227	\$ 14,749,907
\$ 16,345,950	\$ 17,656,993
85.44%	83.54%
12.46%	11.49%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF  
THE NET OPEB LIABILITY/ASSET  
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST SIX FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
School District's proportion of the net OPEB liability/asset	0.368003121%	0.36381700%	0.36346800%	0.37192815%
School District's proportionate share of the net OPEB liability/(asset)	\$ (7,759,045)	\$ (6,394,076)	\$ (6,019,902)	\$ (5,976,506)
School District's covered payroll	\$ 43,507,143	\$ 44,180,929	\$ 42,666,300	\$ 42,267,521
School District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	17.83%	-14.47%	-14.11%	-14.14%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	174.73%	182.10%	174.70%	176.00%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>
0.36269628%	0.36182360%
\$ 14,151,070	\$ 19,350,420
\$ 40,214,564	\$ 39,452,800
35.19%	49.05%
47.10%	37.30%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF SCHOOL DISTRICT OPEB CONTRIBUTIONS  
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

	LAST TEN FISCAL YEARS			
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 280,785	\$ 269,942	\$ 268,779	\$ 396,288
Contributions in relation to the contractually required contribution	<u>(280,785)</u>	<u>(269,942)</u>	<u>(268,779)</u>	<u>(396,288)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	\$ 16,782,050	\$ 15,528,600	\$ 17,108,571	\$ 17,144,733
Contributions as a percentage of covered payroll	1.67%	1.74%	1.57%	2.31%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 348,557	\$ 251,987	\$ 255,839	\$ 393,030	\$ 276,412	\$ 240,185
<u>(348,557)</u>	<u>(251,987)</u>	<u>(255,839)</u>	<u>(393,030)</u>	<u>(276,412)</u>	<u>(240,185)</u>
<u>\$ -</u>					
\$ 16,377,252	\$ 16,345,950	\$ 17,656,993	\$ 17,290,819	\$ 16,701,962	\$ 16,371,886
2.13%	1.54%	1.45%	2.27%	1.65%	1.47%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF SCHOOL DISTRICT OPEB CONTRIBUTIONS  
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

	LAST TEN FISCAL YEARS			
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	\$ 47,989,014	\$ 43,507,143	\$ 44,180,929	\$ 42,666,300
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ -	\$ -	\$ -	\$ -	\$ 359,428	\$ 352,380
-	-	-	-	(359,428)	(352,380)
<u>\$ -</u>					
\$ 42,267,521	\$ 40,214,564	\$ 39,452,800	\$ 37,351,907	\$ 35,942,792	\$ 35,238,031
0.00%	0.00%	0.00%	0.00%	1.00%	1.00%

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

PENSION

---

*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

*Changes in benefit terms :*

- There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017.
- For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2019.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2021.
- For fiscal year 2022, SERS changed from a Cost of Living Adjustment (COLA) of 2.5% to 2.0%.

*Changes in assumptions :*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016.
- For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table.

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

*Changes in benefit terms :*

- There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017.
- For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2019.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2021.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2022.

(Continued)

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

---

PENSION (CONTINUED)

---

*Changes in assumptions :*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017.
- For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation, (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00% and (b) the discount rate of return was reduced from 7.45% to 7.00%.

---

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

---

*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

*Changes in benefit terms :*

- There were no changes in benefit terms from the amounts reported for fiscal years 2014-2022.

*Changes in assumptions :*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.
- For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375%-4.75% to a range of 5.25%-4.75% and Pre-Medicare were changed from a range of 7.25%-4.75% to a range of 7.00%-4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%.
- For fiscal year 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.22% to 2.63% and (b) the municipal bond index rate decreased from 3.13% to 2.45%.
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table.

(Continued)

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

---

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

*Changes in benefit terms :*

- There were no changes in benefit terms from the amounts previously reported for fiscal year 2017.
- For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.
- For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.
- For fiscal year 2020, STRS increased the subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.
- For fiscal year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.
- For fiscal year 2022, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

*Changes in assumptions :*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in health care cost trend rates from 6.00%-11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.
- For fiscal year 2020, health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.
- For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For fiscal year 2022, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.

COMBINING STATEMENTS AND  
INDIVIDUAL FUND SCHEDULES

THIS PAGE IS INTENTIONALLY LEFT BLANK

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

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2022

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund - Bond Retirement</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$ 2,309,117	\$ 5,749,170	\$ 5,097,297	\$ 13,155,584
Receivables:				
Property taxes	-	4,097,147	1,086,907	5,184,054
Accounts	675	-	-	675
Intergovernmental	1,588,519	-	-	1,588,519
Total assets	<u>\$ 3,898,311</u>	<u>\$ 9,846,317</u>	<u>\$ 6,184,204</u>	<u>\$ 19,928,832</u>
<b>Liabilities:</b>				
Accounts payable	\$ 142,144	\$ -	\$ -	\$ 142,144
Contracts payable	37,944	-	-	37,944
Accrued wages and benefits payable	456,239	-	-	456,239
Intergovernmental payable	6,570	-	-	6,570
Pension and postemployment benefits payable	102,696	-	-	102,696
Due to other funds	640,096	-	-	640,096
Total liabilities	<u>1,385,689</u>	<u>-</u>	<u>-</u>	<u>1,385,689</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next year	-	3,319,121	886,378	4,205,499
Delinquent property tax revenue not available	-	484,483	124,871	609,354
Intergovernmental revenue not available	485,539	-	-	485,539
Total deferred inflows of resources	<u>485,539</u>	<u>3,803,604</u>	<u>1,011,249</u>	<u>5,300,392</u>
<b>Fund balances:</b>				
Restricted:				
Debt service		6,042,713		6,042,713
Capital projects	-	-	5,172,955	5,172,955
Food service operations	826,016	-	-	826,016
Non-public schools	9,469	-	-	9,469
State funded programs	495,354	-	-	495,354
Federally funded programs	973	-	-	973
Extracurricular programs	566,751	-	-	566,751
Other purposes	371,692	-	-	371,692
Unassigned (deficit)	(243,172)	-	-	(243,172)
Total fund balances	<u>2,027,083</u>	<u>6,042,713</u>	<u>5,172,955</u>	<u>13,242,751</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 3,898,311</u>	<u>\$ 6,042,713</u>	<u>\$ 6,184,204</u>	<u>\$ 19,928,832</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, 2022

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund - Bond Retirement</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues:</b>				
Property taxes	\$ -	\$ 3,839,229	\$ 1,005,834	\$ 4,845,063
Intergovernmental	9,642,968	251,618	14,845	9,909,431
Investment earnings	2,077	-	6,326	8,403
Tuition and fees	2,278	-	-	2,278
Extracurricular	462,015	-	-	462,015
Charges for services	260,088	-	-	260,088
Contributions and donations	48,876	-	75,328	124,204
Miscellaneous	44,851	-	30,163	75,014
Total revenues	<u>10,463,153</u>	<u>4,090,847</u>	<u>1,132,496</u>	<u>15,686,496</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	3,310,273	-	51,379	3,361,652
Special	1,490,273	-	-	1,490,273
Other	450	-	-	450
Support services:				
Pupil	359,275	-	-	359,275
Instructional staff	430,150	-	1,726	431,876
Administration	236,593	-	-	236,593
Fiscal	14,400	73,299	139	87,838
Operations and maintenance	1,235,517	-	-	1,235,517
Pupil transportation	66,697	-	-	66,697
Central	23,680	-	-	23,680
Operation of non-instructional services:				
Food service operations	2,157,681	-	-	2,157,681
Other non-instructional services	255,468	-	-	255,468
Extracurricular activities	681,845	-	60,600	742,445
Facilities acquisition and construction	-	-	2,108,631	2,108,631
Debt service:				
Principal retirement	-	2,375,000	-	2,375,000
Interest and fiscal charges	-	1,105,592	-	1,105,592
Total expenditures	<u>10,262,302</u>	<u>3,553,891</u>	<u>2,222,475</u>	<u>16,038,668</u>
Excess (deficiency) of revenues over (under) expenditures	<u>200,851</u>	<u>536,956</u>	<u>(1,089,979)</u>	<u>(352,172)</u>
<b>Other financing sources:</b>				
Sale of capital assets	-	-	2,192	2,192
Transfers in	350,000	-	-	350,000
Total other financing sources	<u>350,000</u>	<u>-</u>	<u>2,192</u>	<u>352,192</u>
Net change in fund balances	550,851	536,956	(1,087,787)	20
<b>Fund balances at beginning of year</b>	<u>1,476,232</u>	<u>5,505,757</u>	<u>6,260,742</u>	<u>13,242,731</u>
<b>Fund balances at end of year</b>	<u>\$ 2,027,083</u>	<u>\$ 6,042,713</u>	<u>\$ 5,172,955</u>	<u>\$ 13,242,751</u>

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

**Nonmajor Special Revenue Funds**

The special revenue funds are established to account for proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. The term proceeds of specific sources establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. A description of the School District's special revenue funds follows:

**Food Service Fund**

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 Fund**

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.

**Rotary Fund**

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.

**Internal Services Rotary Fund**

This fund accounts for operations that provide goods or services to other governmental units on a cost-reimbursement basis.

**Student Activities Fund**

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

**Athletics Fund**

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

**Auxiliary Services Fund**

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 Fund**

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.

**Student Wellness and Success Fund**

This fund accounts for State funds to help districts and schools support their students' academic achievement through mental health counseling, wrap-around services, mentoring and after-school programs.

**Parent Mentor Group Fund**

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

**Elementary and Secondary School Emergency Relief (ESSER) Fund**

This fund accounts for monies received through the Coronavirus Aid, Relief, and Economic Security (CARES) Act which provide relief grants to school districts related to the COVID-19 pandemic. Expenditures include, but are not limited to, preparedness and response, training of staff, and purchasing technology.

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

**Nonmajor Special Revenue Funds (Continued)**

**Title VI-B Fund**

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

**Title III Fund**

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 Fund**

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

**Title IV-A Fund**

This fund is to account for Federal money restricted for providing students with a well-rounded education, supporting safe and healthy students and supporting the effective use of technology.

**Preschool Disability Fund**

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

**Title II-A Fund**

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.

**Miscellaneous Federal Grants Fund**

This fund accounts for federal monies which support academic and enrichment programs for the student body.

Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis):

**Uniform School Supplies Fund**

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

**Public School Support Fund**

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

**Shaker Merchandise Fund**

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 Fund**

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

THIS PAGE IS INTENTIONALLY LEFT BLANK

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

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2022

	<u>Food Service</u>	<u>Local Grants</u>	<u>Rotary</u>	<u>Internal Services Rotary</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$ 821,311	\$ 62,498	\$ 204,175	\$ 134,344
Receivables:				
Accounts	-	-	-	675
Intergovernmental	85,960	-	-	-
Total assets	<u>\$ 907,271</u>	<u>\$ 62,498</u>	<u>\$ 204,175</u>	<u>\$ 135,019</u>
<b>Liabilities:</b>				
Accounts payable	\$ 61,724	\$ 30,000	\$ -	\$ -
Contracts payable	-	-	-	-
Accrued wages and benefits payable	-	-	-	-
Intergovernmental payable	-	-	-	-
Pension and postemployment benefits payable	19,531	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>81,255</u>	<u>30,000</u>	<u>-</u>	<u>-</u>
<b>Deferred inflows of resources:</b>				
Intergovernmental revenue not available	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances:</b>				
Restricted:				
Food service operations	826,016	-	-	-
Non-public schools	-	-	-	-
State funded programs	-	-	-	-
Federally funded programs	-	-	-	-
Extracurricular activities	-	-	-	-
Other purposes	-	32,498	204,175	135,019
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit)	<u>826,016</u>	<u>32,498</u>	<u>204,175</u>	<u>135,019</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 907,271</u>	<u>\$ 62,498</u>	<u>\$ 204,175</u>	<u>\$ 135,019</u>

<u>Student Activities</u>	<u>Athletics</u>	<u>Auxiliary Services</u>	<u>Student Wellness and Success</u>	<u>Parents Mentor Group</u>	<u>Elementary and Secondary School Emergency</u>
\$ 275,379	\$ 291,417	\$ 24,639	\$ 495,354	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	5,993	602,958
<u>\$ 275,379</u>	<u>\$ 291,417</u>	<u>\$ 24,639</u>	<u>\$ 495,354</u>	<u>\$ 5,993</u>	<u>\$ 602,958</u>
\$ -	\$ 45	\$ -	\$ -	\$ -	\$ 50,375
-	-	-	-	-	37,944
-	-	12,606	-	3,465	167,445
-	-	182	-	50	2,412
-	-	2,382	-	482	48,632
-	-	-	-	1,721	296,150
-	45	15,170	-	5,718	602,958
-	-	-	-	2,551	88,217
-	-	-	-	2,551	88,217
-	-	-	-	-	-
-	-	9,469	-	-	-
-	-	-	495,354	-	-
-	-	-	-	-	-
275,379	291,372	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(2,276)	(88,217)
<u>275,379</u>	<u>291,372</u>	<u>9,469</u>	<u>495,354</u>	<u>(2,276)</u>	<u>(88,217)</u>
<u>\$ 275,379</u>	<u>\$ 291,417</u>	<u>\$ 24,639</u>	<u>\$ 495,354</u>	<u>\$ 5,993</u>	<u>\$ 602,958</u>

(Continued)

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

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2022

	<b>Title VI-B</b>	<b>Title III</b>	<b>Title I</b>	<b>Title IV-A</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables:				
Accounts	-	-	-	-
Intergovernmental	579,476	3,909	170,845	28,449
Total assets	\$ 579,476	\$ 3,909	\$ 170,845	\$ 28,449
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Contracts payable	-	-	-	-
Accrued wages and benefits payable	122,119	-	112,745	-
Intergovernmental payable	1,759	-	1,623	-
Pension and postemployment benefits payable	29,016	-	2,388	-
Due to other funds	169,297	1,425	112,662	28,449
Total liabilities	322,191	1,425	229,418	28,449
<b>Deferred inflows of resources:</b>				
Intergovernmental revenue not available	312,107	1,511	19,418	-
Total deferred inflows of resources	312,107	1,511	19,418	-
<b>Fund balances:</b>				
Restricted:				
Food service operations	-	-	-	-
Non-public schools	-	-	-	-
State funded programs	-	-	-	-
Federally funded programs	-	973	-	-
Extracurricular activities	-	-	-	-
Other purposes	-	-	-	-
Unassigned (deficit)	(54,822)	-	(77,991)	-
Total fund balances (deficit)	(54,822)	973	(77,991)	-
Total liabilities, deferred inflows, and fund balances	\$ 579,476	\$ 3,909	\$ 170,845	\$ 28,449

<u>Preschool Disability</u>	<u>Title II-A</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ 2,309,117
-	-	675
4,266	106,663	1,588,519
<u>\$ 4,266</u>	<u>\$ 106,663</u>	<u>\$ 3,898,311</u>
\$ -	\$ -	\$ 142,144
-	-	37,944
1,907	35,952	456,239
27	517	6,570
265	-	102,696
1,900	28,492	640,096
<u>4,099</u>	<u>64,961</u>	<u>1,385,689</u>
<u>1,420</u>	<u>60,315</u>	<u>485,539</u>
<u>1,420</u>	<u>60,315</u>	<u>485,539</u>
-	-	826,016
-	-	9,469
-	-	495,354
-	-	973
-	-	566,751
-	-	371,692
(1,253)	(18,613)	(243,172)
<u>(1,253)</u>	<u>(18,613)</u>	<u>2,027,083</u>
<u>\$ 4,266</u>	<u>\$ 106,663</u>	<u>\$ 3,898,311</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, 2022

	<u>Food Service</u>	<u>Local Grants</u>	<u>Rotary</u>	<u>Internal Services Rotary</u>
<b>Revenues:</b>				
Intergovernmental	\$ 2,513,600	\$ -	\$ -	\$ -
Investment earnings	1,955	14	-	-
Tuition and fees	-	-	-	2,278
Extracurricular	-	-	129,834	50,108
Charges for services	260,088	-	-	-
Contributions and donations	-	20,500	-	-
Miscellaneous	40,661	-	-	-
Total revenues	<u>2,816,304</u>	<u>20,514</u>	<u>129,834</u>	<u>52,386</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	-	1,300	46,189	26,651
Special	-	-	-	-
Other	-	-	-	-
Support services:				
Pupil	-	-	76,276	-
Instructional staff	-	5,396	-	-
Administration	-	7,826	-	-
Fiscal	-	-	-	-
Operations and maintenance	-	-	-	-
Pupil transportation	-	-	-	1,269
Central	-	-	-	-
Operation of non-instructional services:				
Food service operations	2,157,681	-	-	-
Other non-instructional services	-	28,745	-	-
Extracurricular activities	-	1,250	-	26,147
Total expenditures	<u>2,157,681</u>	<u>44,517</u>	<u>122,465</u>	<u>54,067</u>
Excess (deficiency) of revenues over (under) expenditures	<u>658,623</u>	<u>(24,003)</u>	<u>7,369</u>	<u>(1,681)</u>
<b>Other financing sources:</b>				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	658,623	(24,003)	7,369	(1,681)
<b>Fund balances (deficit) at beginning of year</b>	<u>167,393</u>	<u>56,501</u>	<u>196,806</u>	<u>136,700</u>
<b>Fund balances (deficit) at end of year</b>	<u>\$ 826,016</u>	<u>\$ 32,498</u>	<u>\$ 204,175</u>	<u>\$ 135,019</u>

<u>Student Activities</u>	<u>Athletics</u>	<u>Auxiliary Services</u>	<u>Data Communication</u>	<u>Student Wellness and Success</u>	<u>Miscellaneous State Grants</u>
\$ -	\$ -	\$ 180,191	\$ 14,400	\$ -	\$ 50,581
-	-	108	-	-	-
-	-	-	-	-	-
162,889	119,184	-	-	-	-
-	-	-	-	-	-
15,152	13,224	-	-	-	-
-	4,190	-	-	-	-
<u>178,041</u>	<u>136,598</u>	<u>180,299</u>	<u>14,400</u>	<u>-</u>	<u>50,581</u>
363	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	24,477
-	-	-	-	-	-
-	-	-	14,400	-	-
-	5,396	-	-	-	-
-	-	-	-	-	50,403
-	-	-	-	-	-
-	-	-	-	-	-
200	-	174,910	-	-	-
158,169	496,279	-	-	-	-
<u>158,732</u>	<u>501,675</u>	<u>174,910</u>	<u>14,400</u>	<u>-</u>	<u>74,880</u>
<u>19,309</u>	<u>(365,077)</u>	<u>5,389</u>	<u>-</u>	<u>-</u>	<u>(24,299)</u>
-	350,000	-	-	-	-
-	350,000	-	-	-	-
19,309	(15,077)	5,389	-	-	(24,299)
256,070	306,449	4,080	-	495,354	22,023
<u>\$ 275,379</u>	<u>\$ 291,372</u>	<u>\$ 9,469</u>	<u>\$ -</u>	<u>\$ 495,354</u>	<u>\$ (2,276)</u>

(Continued)

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<b>Elementary and Secondary School Emergency</b>	<b>Title VI-B</b>	<b>Title III</b>	<b>Title I</b>
<b>Revenues:</b>				
Intergovernmental	\$ 4,126,170	\$ 1,309,697	\$ 11,015	\$ 1,013,946
Investment earnings	-	-	-	-
Tuition and fees	-	-	-	-
Extracurricular	-	-	-	-
Charges for services	-	-	-	-
Contributions and donations	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>4,126,170</b>	<b>1,309,697</b>	<b>11,015</b>	<b>1,013,946</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	2,398,927	6,099	-	724,250
Special	4,853	1,272,370	9,540	26,848
Other	450	-	-	-
Support services:				
Pupil	32,541	-	-	250,458
Instructional staff	260,473	-	-	-
Administration	228,767	-	-	-
Fiscal	-	-	-	-
Operations and maintenance	1,219,621	-	-	-
Pupil transportation	15,025	-	-	-
Central	23,680	-	-	-
Operation of non-instructional services:				
Food service operations	-	-	-	-
Other non-instructional services	1,434	33,743	-	-
Extracurricular activities	-	-	-	-
<b>Total expenditures</b>	<b>4,185,771</b>	<b>1,312,212</b>	<b>9,540</b>	<b>1,001,556</b>
Excess (deficiency) of revenues over (under) expenditures	(59,601)	(2,515)	1,475	12,390
<b>Other financing sources:</b>				
Transfers in	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Change in fund balance	(59,601)	(2,515)	1,475	12,390
<b>Fund balances (deficit) at beginning of year</b>	<b>(28,616)</b>	<b>(52,307)</b>	<b>(502)</b>	<b>(90,381)</b>
<b>Fund balances (deficit) at end of year</b>	<b>\$ (88,217)</b>	<b>\$ (54,822)</b>	<b>\$ 973</b>	<b>\$ (77,991)</b>

<u>Title IV-A</u>	<u>Preschool Disability</u>	<u>Title II-A</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 69,826	\$ 22,141	\$ 310,055	\$ 21,346	\$ 9,642,968
-	-	-	-	2,077
-	-	-	-	2,278
-	-	-	-	462,015
-	-	-	-	260,088
-	-	-	-	48,876
-	-	-	-	44,851
<u>69,826</u>	<u>22,141</u>	<u>310,055</u>	<u>21,346</u>	<u>10,463,153</u>
-	-	106,494	-	3,310,273
-	21,771	154,891	-	1,490,273
-	-	-	-	450
-	-	-	-	359,275
57,352	-	61,106	21,346	430,150
-	-	-	-	236,593
-	-	-	-	14,400
10,500	-	-	-	1,235,517
-	-	-	-	66,697
-	-	-	-	23,680
-	-	-	-	2,157,681
1,974	-	14,462	-	255,468
-	-	-	-	681,845
<u>69,826</u>	<u>21,771</u>	<u>336,953</u>	<u>21,346</u>	<u>10,262,302</u>
-	370	(26,898)	-	200,851
-	-	-	-	350,000
-	-	-	-	350,000
-	370	(26,898)	-	550,851
-	(1,623)	8,285	-	1,476,232
<u>\$ -</u>	<u>\$ (1,253)</u>	<u>\$ (18,613)</u>	<u>\$ -</u>	<u>\$ 2,027,083</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOOD SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental	\$ 1,910,000	\$ 2,429,920	\$ 519,920
Investment earnings	8,000	1,955	(6,045)
Charges for services	291,339	260,086	(31,253)
Miscellaneous	40,661	40,661	-
<b>Total revenues</b>	<b>2,250,000</b>	<b>2,732,622</b>	<b>482,622</b>
<b>Expenditures:</b>			
Current:			
Operation of non-instructional services	2,169,279	2,129,922	39,357
<b>Total expenditures</b>	<b>2,169,279</b>	<b>2,129,922</b>	<b>39,357</b>
Net change in fund balance	80,721	602,700	521,979
<b>Fund balance (deficit) at beginning of year</b>	<b>(40,674)</b>	<b>(40,674)</b>	<b>-</b>
<b>Prior year encumbrances appropriated</b>	<b>69,279</b>	<b>69,279</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 109,326</b>	<b>\$ 631,305</b>	<b>\$ 521,979</b>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
LOCAL GRANTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Investment earnings	\$ 14	\$ 14	\$ -
Contributions and donations	29,986	20,500	(9,486)
Total revenues	<u>30,000</u>	<u>20,514</u>	<u>(9,486)</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	24,411	1,300	23,111
Support services:			
Pupil	-	-	-
Instructional staff	17,947	5,399	12,548
Administration	22,827	37,822	(14,995)
Operation of non-instructional services	(1,255)	(1,255)	-
Extracurricular activities	3,000	1,250	1,750
Total expenditures	<u>66,930</u>	<u>44,516</u>	<u>22,414</u>
Net change in fund balance	(36,930)	(24,002)	12,928
<b>Fund balance at beginning of year</b>	55,800	55,800	-
<b>Prior year encumbrances appropriated</b>	700	700	-
<b>Fund balance at end of year</b>	<u>\$ 19,570</u>	<u>\$ 32,498</u>	<u>\$ 12,928</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
ROTARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Extracurricular	\$ 150,000	\$ 129,834	\$ (20,166)
Total revenues	<u>150,000</u>	<u>129,834</u>	<u>(20,166)</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	46,189	46,189	-
Support services:			
Pupil	115,495	80,098	35,397
Total expenditures	<u>161,684</u>	<u>126,287</u>	<u>35,397</u>
Net change in fund balance	(11,684)	3,547	15,231
<b>Fund balance at beginning of year</b>	185,122	185,122	-
<b>Prior year encumbrances appropriated</b>	11,684	11,684	-
<b>Fund balance at end of year</b>	<u>\$ 185,122</u>	<u>\$ 200,353</u>	<u>\$ 15,231</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
INTERNAL SERVICES ROTARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Transportation fees	\$ 27,115	\$ 1,383	\$ (25,732)
Extracurricular	71,253	49,433	(21,820)
Classroom materials and fees	21,691	895	(20,796)
Contributions and donations	4,941	-	(4,941)
Total revenues	<u>125,000</u>	<u>51,711</u>	<u>(73,289)</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	26,651	26,651	-
Support services:			
Pupil transportation	72,204	1,269	70,935
Extracurricular activities	26,145	26,145	-
Total expenditures	<u>125,000</u>	<u>54,065</u>	<u>70,935</u>
Net change in fund balance	-	(2,354)	(2,354)
<b>Fund balance at beginning of year</b>	136,698	136,698	-
<b>Fund balance at end of year</b>	<u>\$ 136,698</u>	<u>\$ 134,344</u>	<u>\$ (2,354)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
STUDENT ACTIVITIES FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Extracurricular	\$ 280,912	\$ 162,890	\$ (118,022)
Contributions and donations	69,088	15,151	(53,937)
Total revenues	<u>350,000</u>	<u>178,041</u>	<u>(171,959)</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	363	363	-
Support services:			
Operation of non-instructional services	200	200	-
Extracurricular activities	371,705	159,316	212,389
Total expenditures	<u>372,268</u>	<u>159,879</u>	<u>212,389</u>
Net change in fund balance	(22,268)	18,162	40,430
<b>Fund balance at beginning of year</b>	233,796	233,796	-
<b>Prior year encumbrances appropriated</b>	22,268	22,268	-
<b>Fund balance at end of year</b>	<u>\$ 233,796</u>	<u>\$ 274,226</u>	<u>\$ 40,430</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
ATHLETICS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Extracurricular	\$ 126,027	\$ 119,185	\$ (6,842)
Contributions and donations	13,224	13,224	-
Other local revenue	4,921	4,190	(731)
Total revenues	<u>144,172</u>	<u>136,599</u>	<u>(7,573)</u>
<b>Expenditures:</b>			
Current:			
Support services:			
Operations and maintenance	5,756	5,756	-
Extracurricular activities	548,754	501,729	47,025
Total expenditures	<u>554,510</u>	<u>507,485</u>	<u>47,025</u>
Excess of expenditures over revenues	<u>(410,338)</u>	<u>(370,886)</u>	<u>39,452</u>
<b>Other financing sources:</b>			
Transfers in	355,828	350,000	350,000
Total other financing sources	<u>355,828</u>	<u>350,000</u>	<u>350,000</u>
Net change in fund balance	(54,510)	(20,886)	389,452
<b>Fund balance at beginning of year</b>	253,414	253,414	-
<b>Prior year encumbrances appropriated</b>	54,510	54,510	-
<b>Fund balance at end of year</b>	<u>\$ 253,414</u>	<u>\$ 287,038</u>	<u>\$ 389,452</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
AUXILIARY SERVICES FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Investment earnings	\$ 108	\$ 108	\$ -
Intergovernmental	184,892	180,191	(4,701)
Total revenues	<u>185,000</u>	<u>180,299</u>	<u>(4,701)</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Operation of non-instructional services	<u>202,363</u>	<u>177,724</u>	<u>24,639</u>
Total expenditures	<u>202,363</u>	<u>177,724</u>	<u>24,639</u>
Net change in fund balance	(17,363)	2,575	19,938
<b>Fund balance at beginning of year</b>	21,974	21,974	-
<b>Prior year encumbrances appropriated</b>	90	90	-
<b>Fund balance at end of year</b>	<u>\$ 4,701</u>	<u>\$ 24,639</u>	<u>\$ 19,938</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
DATA COMMUNICATIONS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental	\$ 15,000	\$ 14,400	\$ (600)
Total revenues	<u>15,000</u>	<u>14,400</u>	<u>(600)</u>
<b>Expenditures:</b>			
Current:			
Support services:			
Fiscal	14,400	14,400	-
Total expenditures	<u>14,400</u>	<u>14,400</u>	<u>-</u>
Net change in fund balance	600	-	(600)
<b>Fund balance at beginning of year</b>	-	-	-
<b>Fund balance at end of year</b>	<u>\$ 600</u>	<u>\$ -</u>	<u>\$ (600)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
STUDENT WELLNESS AND SUCCESS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Expenditures:</b>			
Current:			
Support services:			
Pupil	\$ 495,354	\$ -	\$ 495,354
Total expenditures	<u>495,354</u>	<u>-</u>	<u>495,354</u>
Net change in fund balance	(495,354)	-	495,354
<b>Fund balance at beginning of year</b>	458,687	458,687	-
<b>Prior year encumbrances appropriated</b>	36,667	36,667	-
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ 495,354</u>	<u>\$ 495,354</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
PARENTS MENTOR GROUP FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental	\$ 150,000	\$ 84,647	\$ (65,353)
Total revenues	<u>150,000</u>	<u>84,647</u>	<u>(65,353)</u>
<b>Expenditures:</b>			
Current:			
Support services:			
Pupil	24,591	20,319	4,272
Instructional staff	5,071	5,071	-
Pupil transportation	100,404	100,404	-
Total expenditures	<u>130,066</u>	<u>125,794</u>	<u>4,272</u>
Net change in fund balance	19,934	(41,147)	(61,081)
<b>Fund balance (deficit) at beginning of year</b>	(35,643)	(35,643)	-
<b>Prior year encumbrances appropriated</b>	25,068	25,068	-
<b>Fund balance (deficit) at end of year</b>	<u>\$ 9,359</u>	<u>\$ (51,722)</u>	<u>\$ (61,081)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
ESSER FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental	\$ 9,484,000	\$ 4,134,635	\$ (5,349,365)
Total revenues	<u>9,484,000</u>	<u>4,134,635</u>	<u>(5,349,365)</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	6,854,064	2,275,674	4,578,390
Special	6,594	6,594	-
Other	450	450	-
Support services:			
Pupil	53,460	33,880	19,580
Instructional staff	260,473	260,473	-
Administration	229,798	229,798	-
Operations and maintenance	1,539,653	1,219,620	320,033
Pupil transportation	15,025	15,025	-
Central	23,680	23,680	-
Operation of non-instructional services	1,434	1,434	-
Total expenditures	<u>8,984,631</u>	<u>4,066,628</u>	<u>4,918,003</u>
Net change in fund balance	499,369	68,007	(431,362)
<b>Fund balance (deficit) at beginning of year</b>	(708,010)	(708,010)	-
<b>Prior year encumbrances appropriated</b>	218,714	218,714	-
<b>Fund balance (deficit) at end of year</b>	<u>\$ 10,073</u>	<u>\$ (421,289)</u>	<u>\$ (431,362)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
TITLE VI-B FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental	\$ 2,115,000	\$ 1,220,199	\$ (894,801)
Total revenues	<u>2,115,000</u>	<u>1,220,199</u>	<u>(894,801)</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	6,099	6,099	-
Special	1,976,582	1,262,051	714,531
Support services:			
Operation of non-instructional services	34,093	34,093	-
Total expenditures	<u>2,016,774</u>	<u>1,302,243</u>	<u>714,531</u>
Net change in fund balance	98,226	(82,044)	(180,270)
<b>Fund balance (deficit) at beginning of year</b>	(88,072)	(88,072)	-
<b>Prior year encumbrances appropriated</b>	469	469	-
<b>Fund balance (deficit) at end of year</b>	<u>\$ 10,623</u>	<u>\$ (169,647)</u>	<u>\$ (180,270)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
TITLE III FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental	\$ 20,000	\$ 10,444	\$ (9,556)
Total revenues	<u>20,000</u>	<u>10,444</u>	<u>(9,556)</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Special	14,352	11,869	2,483
Total expenditures	<u>14,352</u>	<u>11,869</u>	<u>2,483</u>
Net change in fund balance	5,648	(1,425)	(7,073)
<b>Fund balance at beginning of year</b>	-	-	-
<b>Fund balance (deficit) at end of year</b>	<u>\$ 5,648</u>	<u>\$ (1,425)</u>	<u>\$ (7,073)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
TITLE I FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental	\$ 1,210,000	\$ 1,026,335	\$ (183,665)
Total revenues	<u>1,210,000</u>	<u>1,026,335</u>	<u>(183,665)</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	849,775	797,390	52,385
Special	28,382	22,586	5,796
Support services:			
Pupil	<u>236,356</u>	<u>236,356</u>	<u>-</u>
Total expenditures	<u>1,114,513</u>	<u>1,056,332</u>	<u>58,181</u>
Net change in fund balance	95,487	(29,997)	(125,484)
<b>Fund balance (deficit) at beginning of year</b>	<u>(82,665)</u>	<u>(82,665)</u>	<u>-</u>
<b>Fund balance (deficit) at end of year</b>	<u>\$ 12,822</u>	<u>\$ (112,662)</u>	<u>\$ (125,484)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
TITLE IV-A FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental	\$ 77,000	\$ 41,377	\$ (35,623)
Total revenues	<u>77,000</u>	<u>41,377</u>	<u>(35,623)</u>
<b>Expenditures:</b>			
Current:			
Support services:			
Instructional staff	57,352	57,352	-
Operations and maintenance	10,500	10,500	-
Operation of non-instructional services	1,974	1,974	-
Total expenditures	<u>69,826</u>	<u>69,826</u>	<u>-</u>
Net change in fund balance	7,174	(28,449)	(35,623)
<b>Fund balance at beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance (deficit) at end of year</b>	<u>\$ 7,174</u>	<u>\$ (28,449)</u>	<u>\$ (35,623)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
PRESCHOOL DISABILITY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental	\$ 50,000	\$ 20,347	\$ (29,653)
Total revenues	<u>50,000</u>	<u>20,347</u>	<u>(29,653)</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Special	47,170	22,247	24,923
Total expenditures	<u>47,170</u>	<u>22,247</u>	<u>24,923</u>
Net change in fund balance	2,830	(1,900)	(4,730)
<b>Fund balance at beginning of year</b>	-	-	-
<b>Fund balance (deficit) at end of year</b>	<u>\$ 2,830</u>	<u>\$ (1,900)</u>	<u>\$ (4,730)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
TITLE II-A FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental	\$ 390,000	\$ 272,891	\$ (117,109)
Total revenues	<u>390,000</u>	<u>272,891</u>	<u>(117,109)</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	92,169	92,169	-
Special	209,721	132,752	76,969
Support services:			
Instructional staff	61,106	61,106	-
Operation of non-instructional services	15,659	15,659	-
Total expenditures	<u>378,655</u>	<u>301,686</u>	<u>76,969</u>
Net change in fund balance	11,345	(28,795)	(40,140)
<b>Fund balance (deficit) at beginning of year</b>	(11,044)	(11,044)	-
<b>Prior year encumbrances appropriated</b>	10,150	10,150	-
<b>Fund balance (deficit) at end of year</b>	<u>\$ 10,451</u>	<u>\$ (29,689)</u>	<u>\$ (40,140)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
MISCELLANEOUS FEDERAL GRANTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental	\$ 35,000	\$ 21,346	\$ (13,654)
Total revenues	<u>35,000</u>	<u>21,346</u>	<u>(13,654)</u>
<b>Expenditures:</b>			
Current:			
Support services:			
Instructional staff	21,346	21,346	-
Total expenditures	<u>21,346</u>	<u>21,346</u>	<u>-</u>
Net change in fund balance	13,654	-	(13,654)
<b>Fund balance (deficit) at beginning of year</b>	(4,500)	(4,500)	-
<b>Prior year encumbrances appropriated</b>	4,500	4,500	-
<b>Fund balance at end of year</b>	<u>\$ 13,654</u>	<u>\$ -</u>	<u>\$ (13,654)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
UNIFORM SCHOOL SUPPLIES FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Tuition and fees	\$ 100,000	\$ 63,725	\$ (36,275)
Total revenues	<u>100,000</u>	<u>63,725</u>	<u>(36,275)</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	100,000	70,389	29,611
Total expenditures	<u>100,000</u>	<u>70,389</u>	<u>29,611</u>
Net change in fund balance	-	(6,664)	(6,664)
<b>Fund balance at beginning of year</b>	7,039	7,039	-
<b>Fund balance at end of year</b>	<u>\$ 7,039</u>	<u>\$ 375</u>	<u>\$ (6,664)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
PUBLIC SCHOOL SUPPORT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Investment earnings	\$ 968	\$ 284	\$ (684)
Extracurricular	103,578	69,588	(33,990)
Classroom materials and fees	169,800	50,410	(119,390)
Contributions and donations	44,273	20,979	(23,294)
Other local revenue	6,381	882	(5,499)
<b>Total revenues</b>	<b>325,000</b>	<b>142,143</b>	<b>(182,857)</b>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	130,996	130,996	-
Support services:			
Administration	205,601	39,061	166,540
Extracurricular activities	8,202	8,202	-
<b>Total expenditures</b>	<b>344,799</b>	<b>178,259</b>	<b>166,540</b>
 Net change in fund balance	 (19,799)	 (36,116)	 (16,317)
 <b>Fund balance at beginning of year</b>	 165,681	 165,681	 -
<b>Prior year encumbrances appropriated</b>	<b>19,799</b>	<b>19,799</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 165,681</b>	<b>\$ 149,364</b>	<b>\$ (16,317)</b>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
SHAKER MERCHANDISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Contract services	\$ 9	\$ 9	\$ -
Other local revenue	1,642	1,547	(95)
Total revenues	<u>1,651</u>	<u>1,556</u>	<u>(95)</u>
<b>Expenditures:</b>			
Current:			
Support services:			
Business	25,000	-	25,000
Total expenditures	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,349)</u>	<u>1,556</u>	<u>24,905</u>
<b>Other financing sources:</b>			
Transfers in	23,349	-	-
Total other financing sources	<u>23,349</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	1,556	24,905
<b>Fund balance at beginning of year</b>	<u>23,286</u>	<u>23,286</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 23,286</u>	<u>\$ 24,842</u>	<u>\$ 24,905</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FRINGE BENEFITS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Contract services	\$ 1,581,648	\$ 949,476	\$ (632,172)
Other local revenue	718,352	356,129	(362,223)
Total revenues	<u>2,300,000</u>	<u>1,305,605</u>	<u>(994,395)</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	(675,039)	(675,039)	-
Support services:			
Fiscal	2,251,996	1,486,532	765,464
Central	134,167	134,167	-
Operation of non-instructional services	524,107	524,107	-
Facilities acquisition and construction	114,769	114,769	-
Total expenditures	<u>2,350,000</u>	<u>1,584,536</u>	<u>765,464</u>
Net change in fund balance	(50,000)	(278,931)	(228,931)
<b>Fund balance at beginning of year</b>	<u>2,236,565</u>	<u>2,236,565</u>	-
<b>Fund balance at end of year</b>	<u>\$ 2,186,565</u>	<u>\$ 1,957,634</u>	<u>\$ (228,931)</u>

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

**Nonmajor Debt Service Fund**

The Debt Service Funds are used to account for financial resources that are restricted, committed or assigned to expenditure for principal retirement. The following are descriptions of the School District's nonmajor debt service fund:

**Bond Retirement**

The bond retirement fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest and certain long-term obligations from governmental resources when the government is obligated in some manner for payment.

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
BOND RETIREMENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Property taxes	\$ 3,650,000	\$ 3,860,600	\$ 210,600
Intergovernmental	250,000	251,617	1,617
Total revenues	<u>3,900,000</u>	<u>4,112,217</u>	<u>212,217</u>
<b>Expenditures:</b>			
Current:			
Support services:			
Fiscal	148,808	72,700	76,108
Debt service:			
Principal	2,375,000	2,375,000	-
Interest and fiscal charges	1,106,192	1,106,192	-
Total expenditures	<u>3,630,000</u>	<u>3,553,892</u>	<u>76,108</u>
Net change in fund balance	270,000	558,325	288,325
<b>Fund balance at beginning of year</b>	<u>5,190,845</u>	<u>5,190,845</u>	-
<b>Fund balance at end of year</b>	<u>\$ 5,460,845</u>	<u>\$ 5,749,170</u>	<u>\$ 288,325</u>

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

**Nonmajor Capital Projects Funds**

The Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings or additions to existing buildings, and for major renovation projects including equipment purchases. The following are descriptions of the School District's nonmajor capital project funds:

**Permanent Improvement**

This fund accounts for all transactions related to the acquiring, constructing or improving facilities.

**Building**

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

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

COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2022

	<b>Permanent Improvement</b>	<b>Building</b>	<b>Total Nonmajor Capital Projects</b>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents	\$ 4,589,612	\$ 507,685	\$ 5,097,297
Receivables:			
Property taxes	1,086,907		1,086,907
Total assets	\$ 5,676,519	\$ 507,685	\$ 6,184,204
<b>Deferred inflows of resources:</b>			
Property taxes levied for the next fiscal year	\$ 886,378	\$ -	\$ 886,378
Delinquent property tax revenue not available	124,871	-	124,871
Total deferred inflows of resources	1,011,249	-	1,011,249
<b>Fund balances:</b>			
Restricted:			
Capital projects	4,665,270	507,685	5,172,955
Total fund balances	4,665,270	507,685	5,172,955
Total liabilities, deferred inflows and fund balances	\$ 5,676,519	\$ 507,685	\$ 6,184,204

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<b>Permanent Improvement</b>	<b>Building</b>	<b>Total Nonmajor Capital Projects</b>
<b>Revenues:</b>			
Property taxes	\$ 1,005,834	\$ -	\$ 1,005,834
Intergovernmental	14,845	-	14,845
Investment earnings	-	6,326	6,326
Contributions and donations	-	75,328	75,328
Miscellaneous	-	30,163	30,163
Total revenues	<u>1,020,679</u>	<u>111,817</u>	<u>1,132,496</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	-	51,379	51,379
Support services:			
Instructional staff	-	1,726	1,726
Fiscal	-	139	139
Extracurricular activities	-	60,600	60,600
Facilities acquisition and construction	-	2,108,631	2,108,631
Total expenditures	<u>-</u>	<u>2,222,475</u>	<u>2,222,475</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,020,679</u>	<u>(2,110,658)</u>	<u>(1,089,979)</u>
<b>Other financing sources:</b>			
Sale of capital assets	-	2,192	2,192
Total other financing sources	<u>-</u>	<u>2,192</u>	<u>2,192</u>
Change in fund balances	1,020,679	(2,108,466)	(1,087,787)
<b>Fund balances at beginning of year</b>	<u>3,644,591</u>	<u>2,616,151</u>	<u>6,260,742</u>
<b>Fund balances at end of year</b>	<u>\$ 4,665,270</u>	<u>\$ 507,685</u>	<u>\$ 5,172,955</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
PERMANENT IMPROVEMENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Property taxes	\$ 985,000	\$ 1,011,344	\$ 26,344
Intergovernmental	15,000	14,844	(156)
Total revenues	<u>1,000,000</u>	<u>1,026,188</u>	<u>26,188</u>
<b>Expenditures:</b>			
Current:			
Support services:			
Instructional staff	1,000,000	-	1,000,000
Total expenditures	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>
Net change in fund balance	-	1,026,188	1,026,188
<b>Fund balance at beginning of year</b>	<u>3,563,424</u>	<u>3,563,424</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 3,563,424</u>	<u>\$ 4,589,612</u>	<u>\$ 1,026,188</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
BUILDING FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Investment earnings	\$ -	\$ 6,326	\$ 6,326
Contributions and donations	-	76,809	76,809
Miscellaneous	-	30,163	30,163
Total revenues	<u>-</u>	<u>113,298</u>	<u>113,298</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	53,426	53,425	1
Instructional staff	1,726	1,726	-
Fiscal	139	139	-
Extracurricular activities	60,600	60,600	-
Facilities acquisition and construction	<u>2,153,897</u>	<u>2,153,897</u>	<u>-</u>
Total expenditures	<u>2,269,788</u>	<u>2,269,787</u>	<u>1</u>
Excess of expenditures over revenues	<u>(2,269,788)</u>	<u>(2,156,489)</u>	<u>113,299</u>
<b>Other financing sources:</b>			
Proceeds from the sale of capital assets	-	2,192	2,192
Total other financing sources	<u>-</u>	<u>2,192</u>	<u>2,192</u>
Net change in fund balance	(2,269,788)	(2,154,297)	115,491
Fund balance at beginning of year	2,390,148	2,390,148	-
Prior year encumbrances appropriated	269,788	269,788	-
Fund balance at end of year	<u>\$ 390,148</u>	<u>\$ 505,639</u>	<u>\$ 115,491</u>

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

**Internal Service Funds**

Internal Service Funds are established to account for the providing of goods or services by one department to other departments of the School District on a cost reimbursement basis. The following are the School District's internal service fund types:

**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 NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2022

	<u>Self Insurance</u>	<u>Workers' Compensation Reserve</u>	<u>Total Governmental Activities - Internal Service Funds</u>
<b>Assets:</b>			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 4,101,929	\$ 396,540	\$ 4,498,469
Total assets	<u>4,101,929</u>	<u>396,540</u>	<u>4,498,469</u>
<b>Liabilities:</b>			
Current liabilities:			
Claims payable	<u>1,892,200</u>	<u>145,824</u>	<u>2,038,024</u>
Total current liabilities	<u>1,892,200</u>	<u>145,824</u>	<u>2,038,024</u>
Long-term liabilities:			
Claims payable - net of current portion	<u>-</u>	<u>250,716</u>	<u>250,716</u>
Total long-term liabilities	<u>-</u>	<u>250,716</u>	<u>250,716</u>
Total liabilities	<u>1,892,200</u>	<u>396,540</u>	<u>2,288,740</u>
<b>Net position:</b>			
Unrestricted	<u>2,209,729</u>	<u>-</u>	<u>2,209,729</u>
Total net position	<u>\$ 2,209,729</u>	<u>\$ -</u>	<u>\$ 2,209,729</u>

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

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Self Insurance</u>	<u>Workers' Compensation Reserve</u>	<u>Total Governmental Activities - Internal Service Funds</u>
<b>Operating revenues:</b>			
Charges for services	\$ 12,313,545	\$ -	\$ 12,313,545
Total operating revenues	<u>12,313,545</u>	<u>-</u>	<u>12,313,545</u>
<b>Operating expenses:</b>			
Purchased services	1,332,838	-	1,332,838
Claims	11,896,240	-	11,896,240
Other	27,312	-	27,312
Total operating expenses	<u>13,256,390</u>	<u>-</u>	<u>13,256,390</u>
Change in net position	(942,845)	-	(942,845)
<b>Net position at beginning of year</b>	<u>3,152,574</u>	<u>-</u>	<u>3,152,574</u>
<b>Net position at end of year</b>	<u>\$ 2,209,729</u>	<u>\$ -</u>	<u>\$ 2,209,729</u>

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

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Self Insurance</u>	<u>Workers' Compensation Reserve</u>	<u>Total Governmental Activities - Internal Service Funds</u>
<b>Cash flows from operating activities:</b>			
Cash received from charges for services	\$ 12,313,545	\$ -	\$ 12,313,545
Cash payments for purchased services	(1,332,838)	-	(1,332,838)
Cash payments for claims	(11,622,040)	(42,544)	(11,664,584)
Cash payments for other expenses	(27,312)	-	(27,312)
Net cash used in operating activities	<u>(668,645)</u>	<u>(42,544)</u>	<u>(711,189)</u>
Net change in cash and cash equivalents	(668,645)	(42,544)	(711,189)
<b>Cash and cash equivalents at beginning of year</b>	4,770,574	439,084	5,209,658
<b>Cash and cash equivalents at end of year</b>	<u>\$ 4,101,929</u>	<u>\$ 396,540</u>	<u>\$ 4,498,469</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>			
Operating loss	\$ (942,845)	\$ -	\$ (942,845)
Changes in assets and liabilities:			
Claims payable	274,200	(42,544)	231,656
Net cash used in operating activities	<u>\$ (668,645)</u>	<u>\$ (42,544)</u>	<u>\$ (711,189)</u>

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

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
SELF-INSURANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Charges for services	\$ 12,447,918	\$ 12,311,545	\$ (136,373)
Other local revenues	52,082	1,999	1,999
Total revenues	<u>12,500,000</u>	<u>12,313,544</u>	<u>(186,456)</u>
<b>Expenses:</b>			
Fringe benefits	68,293	68,293	-
Purchased services	1,264,544	1,264,544	-
Claims	11,639,848	11,622,036	17,812
Other	27,315	27,315	-
Total expenses	<u>13,000,000</u>	<u>12,982,188</u>	<u>17,812</u>
Net change in fund equity	(500,000)	(668,644)	(168,644)
<b>Fund equity at beginning of year</b>	<u>4,770,573</u>	<u>4,770,573</u>	-
<b>Fund equity at end of year</b>	<u>\$ 4,270,573</u>	<u>\$ 4,101,929</u>	<u>\$ (168,644)</u>

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

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
WORKERS' COMPENSATION RESERVE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Other local revenue	\$ 125,000	\$ -	\$ -
Total revenues	<u>125,000</u>	<u>-</u>	<u>-</u>
<b>Expenses:</b>			
Fringe benefits	550,000	42,544	507,456
Total expense	<u>550,000</u>	<u>42,544</u>	<u>507,456</u>
Net change in fund equity	(425,000)	(42,544)	507,456
<b>Fund equity at beginning of year</b>	439,084	439,084	-
<b>Fund equity at end of year</b>	<u>\$ 14,084</u>	<u>\$ 396,540</u>	<u>\$ 507,456</u>

SUPPLEMENTAL SCHEDULES  
ENTITY-WIDE ACCRUAL STATEMENTS  
REPORTING WITH GASB 68 AND GASB 75  
AND WITHOUT GASB 68 AND GASB 75

## Background:

The net pension liability (NPL) is the largest single liability reported by the School District at June 30 and is reported pursuant to GASB Statement 68, Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement 27. In a prior period, the School District also adopted GASB Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. 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 OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension/OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB asset/liability to equal the School District's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB 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 and other postemployment benefits. GASB noted that the unfunded portion of this 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 these assets/liabilities. 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 Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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 retirement system. In Ohio, there is no legal means to enforce the unfunded asset/liability of the pension/OPEB plan 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 retirement system is responsible for the administration of the pension and OPEB plans.

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 or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, 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 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 and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the School District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability and net OPEB asset/liability, respectively, not accounted for as deferred inflows/outflows.

The following schedules are summarized accrual basis financial statements for the fiscal year ending June 30, that report the financial statements including the impact of GASB 68 and GASB 75 and excluding the impact of GASB 68 and GASB 75.

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

SUPPLEMENTAL SCHEDULE  
STATEMENT OF NET POSITION - INCLUDING GASB 68 AND GASB 75  
JUNE 30, 2022

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents	\$ 88,130,909
Restricted equity in pooled cash and cash equivalents	353,070
Receivables:	
Property taxes	82,314,863
Payment in lieu of taxes	542,011
Accounts	141,965
Accrued interest	87,769
Intergovernmental	1,827,164
Leases	902,615
Prepayments	54,530
Net OPEB asset	7,759,045
Capital assets:	
Nondepreciable capital assets	1,408,359
Depreciable capital assets, net	73,388,510
Capital assets, net	74,796,869
Total assets	256,910,810
<b>Deferred outflows of resources:</b>	
Unamortized deferred charges on debt refunding	220,798
Pension	24,592,199
OPEB	2,970,960
Total deferred outflows of resources	27,783,957
<b>Liabilities:</b>	
Accounts payable	558,915
Contracts payable	224,974
Accrued wages and benefits payable	7,867,491
Compensated absences payable	455,719
Intergovernmental payable	171,921
Pension and postemployment benefits payable	1,529,626
Accrued interest payable	45,391
Claims payable	1,892,200
Payroll withholdings payable	2,592,289
Accrued vacation payable	1,039,252
Long-term liabilities:	
Due within one year	3,587,526
Due in more than one year:	
Net pension liability	64,110,819
Net OPEB liability	8,651,185
Other amounts due in more than one year	36,586,119
Total liabilities	129,313,427
<b>Deferred inflows of resources:</b>	
Property taxes levied for the next fiscal year	66,524,571
Payment in lieu of taxes levied for the next fiscal year	455,464
Leases	876,102
Pension	51,692,239
OPEB	15,757,923
Total deferred inflows of resources	135,306,299
<b>Net position:</b>	
Net investment in capital assets	44,249,176
Restricted for:	
Capital projects	5,415,835
Debt service	5,429,327
State funded programs	505,098
Federally funded programs	301,638
Food service operations	826,016
Student activities	566,751
Other purposes	724,762
Unrestricted (deficit)	(37,943,562)
Total net position	\$ 20,075,041

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

SUPPLEMENTAL SCHEDULE  
STATEMENT OF NET POSITION - EXCLUDING GASB 68 AND GASB 75  
JUNE 30, 2022

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents	\$ 88,130,909
Restricted equity in pooled cash and cash equivalents	353,070
Receivables:	
Property taxes	82,314,863
Payment in lieu of taxes	542,011
Accounts	141,965
Accrued interest	87,769
Intergovernmental	1,827,164
Leases	902,615
Prepayments	54,530
Net OPEB asset	-
Capital assets:	
Nondepreciable capital assets	1,408,359
Depreciable capital assets, net	73,388,510
Capital assets, net	74,796,869
Total assets	249,151,765
<b>Deferred outflows of resources:</b>	
Unamortized deferred charges on debt refunding	220,798
Pension	-
OPEB	-
Total deferred outflows of resources	220,798
<b>Liabilities:</b>	
Accounts payable	558,915
Contracts payable	224,974
Accrued wages and benefits payable	7,867,491
Compensated absences payable	455,719
Intergovernmental payable	171,921
Pension and postemployment benefits payable	1,529,626
Accrued interest payable	45,391
Claims payable	1,892,200
Payroll withholdings payable	2,592,289
Accrued vacation payable	1,039,252
Long-term liabilities:	
Due within one year	3,587,526
Due in more than one year:	
Net pension liability	-
Net OPEB liability	-
Other amounts due in more than one year	36,586,119
Total liabilities	56,551,423
<b>Deferred inflows of resources:</b>	
Property taxes levied for the next fiscal year	66,524,571
Payment in lieu of taxes levied for the next fiscal year	455,464
Leases	876,102
Pension	-
OPEB	-
Total deferred inflows of resources	67,856,137
<b>Net position:</b>	
Net investment in capital assets	44,249,176
Restricted for:	
Capital projects	5,415,835
Debt service	5,429,327
State funded programs	505,098
Federally funded programs	301,638
Food service operations	826,016
Student activities	566,751
Other purposes	724,762
Unrestricted (deficit)	66,946,400
Total net position	\$ 124,965,003

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

SUPPLEMENTAL SCHEDULE  
STATEMENT OF ACTIVITIES - INCLUDING GASB 68 AND GASB 75  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position Governmental Activities
<b>Governmental activities:</b>					
Instruction:					
Regular	\$ 38,950,971	\$ 1,646,390	\$ 3,084,604	\$ 24,728	\$ (34,195,249)
Special	13,952,816	551,448	3,252,718	-	(10,148,650)
Vocational	422,236	30,953	34,680	-	(356,603)
Other	118,042	-	450	-	(117,592)
Support services:					
Pupil	6,831,932	80,866	849,903	-	(5,901,163)
Instructional staff	4,989,674	-	343,988	-	(4,645,686)
Board of education	38,058	-	-	-	(38,058)
Administration	6,683,325	27,829	232,373	-	(6,423,123)
Fiscal	2,721,459	-	14,400	-	(2,707,059)
Business	947,686	-	-	-	(947,686)
Operations and maintenance	12,424,174	131,430	1,226,292	-	(11,066,452)
Pupil transportation	3,564,524	3,230	384,539	-	(3,176,755)
Central	2,294,692	-	23,680	-	(2,271,012)
Operation of non-instructional services:					
Food service operations	2,139,161	260,088	2,556,216	-	677,143
Other non-instructional services	751,842	282,385	237,079	-	(232,378)
Extracurricular activities	1,896,656	314,269	32,901	50,600	(1,498,886)
Interest and fiscal charges	1,019,571	-	-	-	(1,019,571)
<b>Totals</b>	<b>\$ 99,746,819</b>	<b>\$ 3,328,888</b>	<b>\$ 12,273,823</b>	<b>\$ 75,328</b>	<b>(84,068,780)</b>
<b>General revenues:</b>					
Property taxes levied for:					
					73,141,065
					3,883,389
					1,011,588
					542,011
					23,627,220
					(1,789,364)
					483,512
					<u>100,899,421</u>
					16,830,641
					<u>3,244,400</u>
					<u>\$ 20,075,041</u>

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

SUPPLEMENTAL SCHEDULE  
STATEMENT OF ACTIVITIES - EXCLUDING GASB 68 AND GASB 75  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
<b>Governmental activities:</b>					
Instruction:					
Regular	\$ 44,603,084	\$ 1,646,390	\$ 3,084,604	\$ 24,728	\$ (39,847,362)
Special	15,627,362	551,448	3,252,718	-	(11,823,196)
Vocational	422,236	30,953	34,680	-	(356,603)
Other	130,709	-	450	-	(130,259)
Support services:					
Pupil	7,738,471	80,866	849,903	-	(6,807,702)
Instructional staff	5,467,997	-	343,988	-	(5,124,009)
Board of education	38,058	-	-	-	(38,058)
Administration	7,519,003	27,829	232,373	-	(7,258,801)
Fiscal	2,853,807	-	14,400	-	(2,839,407)
Business	1,015,665	-	-	-	(1,015,665)
Operations and maintenance	13,414,800	131,430	1,226,292	-	(12,057,078)
Pupil transportation	3,884,420	3,230	384,539	-	(3,496,651)
Central	2,475,188	-	23,680	-	(2,451,508)
Operation of non-instructional services:					
Food service operations	2,139,161	260,088	2,556,216	-	677,143
Other non-instructional services	831,023	282,385	237,079	-	(311,559)
Extracurricular activities	2,079,633	314,269	32,901	50,600	(1,681,863)
Interest and fiscal charges	1,019,571	-	-	-	(1,019,571)
<b>Totals</b>	<b>\$ 111,260,188</b>	<b>\$ 3,328,888</b>	<b>\$ 12,273,823</b>	<b>\$ 75,328</b>	<b>(95,582,149)</b>
<b>General revenues:</b>					
Property taxes levied for:					
					73,141,065
					3,883,389
					1,011,588
					542,011
					23,627,220
					(1,789,364)
					483,512
					<u>100,899,421</u>
					5,317,272
					<u>119,647,731</u>
					<u>\$ 124,965,003</u>

THIS PAGE IS INTENTIONALLY LEFT BLANK

# STATISTICAL SECTION

**THIS PAGE IS INTENTIONALLY LEFT BLANK**

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

STATISTICAL SECTION

This part of the Shaker Heights City School District's annual comprehensive 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 District's overall financial health.

<b><u>Table of Contents</u></b>	<b><u>Pages</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	S-2 - S-13
<b>Revenue Capacity</b>  These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	S-14 - S-26
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	S-27 - S-31
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	S-32 - S-34
<b>Operating Information</b> These schedules contain service and capital asset data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	S-36 - S-47

**Sources:** Unless otherwise noted, the information in these schedules is derived from the District's financial records for the relevant year.

**Note:** 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.

With the implementation of GASB No. 75 in fiscal year 2018, the calculation of OPEB expense has changed, however, government-wide expenses for 2014 and prior fiscal years were not restated to reflect this change.

With the implementation of GASB No. 84 in fiscal year 2021, there have been minor reclassifications of funds (example custodial funds to special revenue for GAAP purposes). Prior fiscal years were not restated to reflect this change unless otherwise indicated.

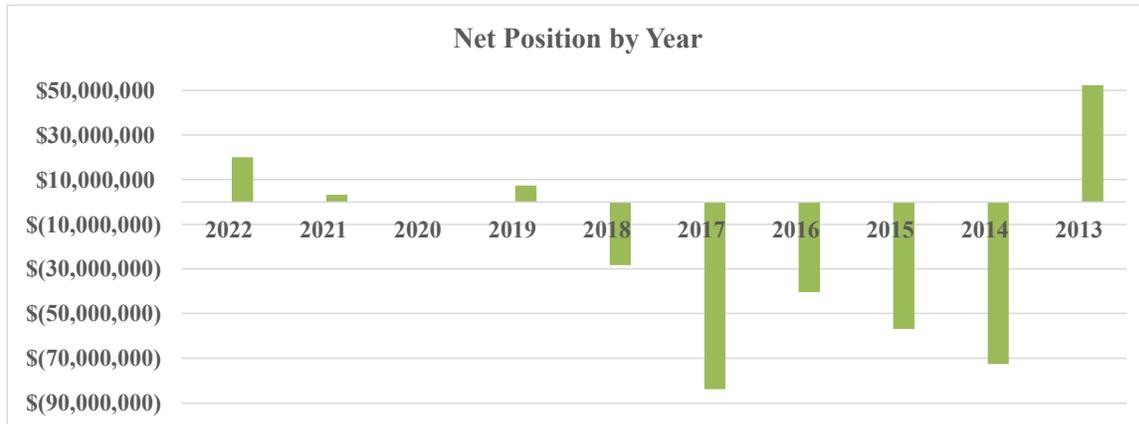
**SHAKER HEIGHTS CITY SCHOOL DISTRICT**

**CUYAHOGA COUNTY, OHIO**

NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
GOVERNMENTAL ACTIVITIES

	<u>2022</u>	<u>2021</u>	<u>Restated 2020</u>	<u>2019</u>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 44,249,176	\$ 43,636,862	\$ 44,385,271	\$ 29,345,212
Restricted for:				
Capital projects	5,415,835	4,164,121	185,930	10,816,741
Debt service	5,429,327	4,755,468	4,255,502	4,903,088
Set Asides	2,199,503	353,070	353,070	353,070
Other purposes	724,762	2,226,418	1,827,030	869,789
	724,762	-	-	-
Unrestricted (deficit)	<u>(37,943,562)</u>	<u>(51,891,539)</u>	<u>(51,113,543)</u>	<u>(38,903,481)</u>
Total Governmental Activities Net Position	<u>\$ 20,075,041</u>	<u>\$ 3,244,400</u>	<u>\$ (106,740)</u>	<u>\$ 7,384,419</u>

Source: School District financial records.



	<b>2018</b>	<b>Restated 2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
\$	20,562,527	\$ 20,192,334	\$ 18,406,114	\$ 18,703,093	\$ 15,783,429	\$ 13,553,310
	1,067,989	1,366,516	1,793,321	2,620,380	2,970,535	833,627
	6,690,195	3,988,776	4,027,833	3,601,996	3,447,258	3,258,334
	353,070	353,070	353,070	353,070	353,070	353,070
	690,449	823,296	895,547	905,278	719,875	887,667
	-	-	-	-	-	-
	<u>(57,575,595)</u>	<u>(110,490,760)</u>	<u>(65,855,623)</u>	<u>(83,122,366)</u>	<u>(95,875,293)</u>	<u>33,317,054</u>
\$	<u><u>(28,211,365)</u></u>	<u><u>(83,766,768)</u></u>	<u><u>(40,379,738)</u></u>	<u><u>(56,938,549)</u></u>	<u><u>(72,601,126)</u></u>	<u><u>52,203,062</u></u>

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

CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
GOVERNMENTAL ACTIVITIES

	2022	2021	2020	2019
<b>Expenses</b>				
Governmental activities:				
Instruction				
Regular	\$ 38,950,971	\$ 49,549,401	\$ 45,614,580	\$ 15,820,184
Special	13,952,816	16,552,354	17,712,550	19,597,664
Vocational	422,236	381,738	485,846	356,381
Student intervention services	-	172,716	274,180	791,350
Other	118,042	5,698	128,432	87,824
Support services:				
Pupil	6,831,932	7,934,878	7,742,427	9,758,623
Instructional staff	4,989,674	5,589,623	5,196,939	5,920,665
Board of education	38,058	30,496	54,709	31,488
Administration	6,683,325	7,093,683	7,337,553	10,369,740
Fiscal	2,721,459	4,902,387	3,813,746	3,155,057
Business	947,686	911,983	1,097,173	771,189
Operation and maintenance	12,424,174	10,656,128	11,906,290	14,045,046
Pupil transportation	3,564,524	2,981,478	4,219,027	4,917,780
Central	2,294,692	1,828,569	2,310,628	2,534,734
Operation of non-instructional services:				
Food service operations	2,139,161	1,044,181	1,489,433	1,817,458
Community services	751,842	1,020,713	967,676	1,677,467
Extracurricular activities	1,896,656	1,509,494	1,877,395	2,168,494
Interest and fiscal charges	1,019,571	1,087,646	1,222,866	1,385,071
<b>Total governmental activities expenses</b>	<b>99,746,819</b>	<b>113,253,166</b>	<b>113,451,450</b>	<b>95,206,215</b>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
Instruction:				
Regular	1,646,390	1,763,934	1,567,125	1,449,226
Special	551,448	354,347	974,474	566,869
Vocational	30,953	-	-	-
Other instructional	-	-	-	-
Support services:				
Pupil	80,866	-	-	-
Instructional staff	-	-	-	13
Administration	27,829	31,592	9,389	22,374
Fiscal	-	248,302	904,632	610,388
Business	-	-	-	-
Operation and maintenance	131,430	97	4,392	7,058
Pupil transportation	3,230	-	-	204
Operation of non-instructional services				
Food service operations	260,088	14,031	627,790	562,312
Community services	282,385	44,950	459,205	796,130
Extracurricular activities	314,269	99,240	161,109	192,188
<b>Total governmental activities charges for services</b>	<b>3,328,888</b>	<b>2,556,493</b>	<b>4,708,116</b>	<b>4,206,762</b>

	2018	2017	2016	2015	2014*	2013
\$	16,102,751	\$ 43,332,594	\$ 39,924,216	\$ 37,934,442	\$ 34,580,662	\$ 34,461,051
	9,849,551	15,712,484	13,486,639	14,015,953	15,645,258	12,397,536
	158,211	352,363	225,278	89,183	114,533	73,704
	(30,995)	382,525	388,948	279,587	187,160	94
	213,569	446,397	474,197	328,772	217,011	42,270
	3,026,686	7,489,537	6,605,357	6,346,453	5,812,143	5,556,492
	3,183,067	4,955,704	4,642,768	3,972,704	3,775,660	7,540,608
	30,355	26,022	28,377	37,703	35,491	65,876
	1,944,189	6,940,852	6,278,130	5,641,359	5,904,079	5,815,470
	3,292,233	2,618,670	2,522,825	2,510,802	2,581,225	2,443,694
	700,381	757,710	783,194	858,370	780,306	1,085,086
	4,750,932	12,675,113	11,231,757	10,537,744	11,269,156	13,142,708
	4,181,681	4,900,743	4,537,054	4,416,402	5,044,428	4,674,160
	1,366,505	1,804,959	1,550,074	1,536,158	1,497,140	1,683,000
	1,932,677	1,788,322	1,888,483	1,797,004	1,800,930	1,855,816
	695,161	1,686,053	1,761,972	1,579,096	1,463,402	1,598,259
	6,296,056	1,688,888	1,621,109	1,892,552	2,064,830	1,331,012
	1,142,265	549,577	667,486	783,584	1,027,810	1,123,129
	<u>58,835,275</u>	<u>108,108,513</u>	<u>98,617,864</u>	<u>94,557,868</u>	<u>93,801,224</u>	<u>94,889,965</u>
	1,641,595	781,493	1,319,311	1,178,700	1,188,561	1,222,949
	520,511	574,237	297,890	569,851	637,025	626,206
	9,527	-	-	-	-	-
	11,480	-	75	5,250	5,175	5,700
	-	-	-	-	-	-
	158,734	-	-	-	-	-
	12,245	14,681	15,524	17,723	18,201	-
	1,198,733	322,669	115,193	41,723	38,187	15,492
	19	-	-	-	-	-
	-	1,769	1,958	8,252	15,359	10,493
	6,186	78,698	76,253	27,968	18,496	14,711
	892,758	822,854	835,367	872,826	942,432	873,289
	-	-	-	-	-	-
	242,211	256,310	285,452	192,984	143,509	143,031
	<u>4,693,999</u>	<u>2,852,711</u>	<u>2,947,023</u>	<u>2,915,277</u>	<u>3,006,945</u>	<u>2,911,871</u>

(Continued)

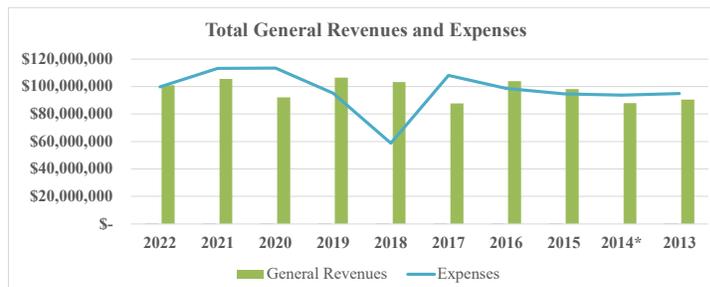
**SHAKER HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

CHANGES IN NET POSITION - (Continued)  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
GOVERNMENTAL ACTIVITIES

	2022	2021	2020	2019
<b>Operating grants and contributions:</b>				
Instruction:				
Regular	\$ 3,084,604	\$ 1,764,703	\$ 553,672	\$ 404,167
Special	3,252,718	3,598,458	3,564,790	3,719,575
Vocational	34,680	56,514	56,514	56,932
Student intervention services	-	65,208	117,715	190,417
Other instructional	450	-	25,738	-
Support services:				
Pupil	849,903	442,248	453,217	158,184
Instructional staff	343,988	611,428	142,107	241,010
Administration	232,373	109,645	-	-
Fiscal	14,400	14,400	14,400	14,400
Operation and maintenance	1,226,292	130,666	81,364	25,004
Pupil transportation	384,539	333,242	367,990	386,977
Central	23,680	-	-	-
Operation of non-instructional services				
Food service operations	2,556,216	878,174	834,966	937,106
Community services	237,079	207,267	194,186	593,451
Extracurricular activities	32,901	20,602	9,696	3,388
<b>Total operating grants and contributions</b>	<b>12,273,823</b>	<b>8,232,555</b>	<b>6,416,355</b>	<b>6,730,611</b>
<b>Capital grants and contributions:</b>				
Instruction:				
Regular	24,728	202	468	6,825
Special	-	-	-	-
Support services:				
Pupil	-	-	-	826
Instructional staff	-	1,259	508	-
Business	-	-	-	-
Fiscal	-	257	299	-
Operations and maintenance	-	394,302	531,833	642,571
Pupil transportation	-	-	-	-
Extracurricular activities	50,600	9,205	-	-
<b>Total capital grants and contributions</b>	<b>75,328</b>	<b>405,225</b>	<b>533,108</b>	<b>650,222</b>
<b>Total governmental activities program revenues</b>	<b>15,678,039</b>	<b>11,194,273</b>	<b>11,657,579</b>	<b>11,587,595</b>
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (84,068,780)	\$ (102,058,893)	\$ (101,793,871)	\$ (83,618,620)
<b>General Revenues</b>				
Property taxes levied for:				
General purposes	\$ 73,141,065	\$ 72,251,276	\$ 60,521,625	\$ 70,728,101
Debt service	3,883,389	3,736,515	3,274,744	4,648,733
Capital outlay	1,011,588	1,009,776	817,152	1,007,083
Payment in lieu of taxes	542,011	469,549	365,924	699,669
Grants and entitlements not restricted to specific programs	23,627,220	25,517,794	24,129,251	26,063,809
Insurance recoveries	-	-	75,977	-
Investment earnings	(1,789,364)	98,290	2,221,255	2,174,811
Miscellaneous	483,512	2,326,833	709,269	1,049,760
<b>Total governmental activities</b>	<b>100,899,421</b>	<b>105,410,033</b>	<b>92,115,197</b>	<b>106,371,966</b>
<b>Extraordinary Item</b>				
Insurance Recoveries	-	-	1,644,250	12,842,438
<b>Change in Net Position</b>				
Governmental activities	\$ 16,830,641	\$ 3,351,140	\$ (8,034,424)	\$ 35,595,784

Source: School District financial records.

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



	2018	2017	2016	2015	2014*	2013
\$	428,769	\$ 507,752	\$ 341,875	\$ 120,967	\$ 180,152	\$ 68,749
	3,665,687	3,860,005	4,233,399	4,107,133	3,858,976	1,029,673
	55,319	46,629	41,624	43,444	44,456	-
	180,238	96,529	149,402	172,335	304,165	111
	16,819	15,600	-	21,416	-	23,851
	186,003	216,043	148,302	115,244	58,871	-
	46,454	145,440	144,980	299,430	271,907	1,449,321
	1,053	1,721	1,153	1,746	3,968	30,074
	14,400	14,400	14,400	14,400	14,400	14,400
	-	-	-	-	-	-
	417,180	393,888	434,255	514,785	500,586	-
	-	-	-	-	-	19,717
	929,421	920,784	932,620	1,604,904	978,098	979,654
	556,401	1,743,019	1,650,925	970,556	1,471,119	1,469,438
	4,646	4,753	7,499	2,806	2,717	2,497
	<u>6,502,390</u>	<u>7,966,563</u>	<u>8,100,434</u>	<u>7,989,166</u>	<u>7,689,415</u>	<u>5,087,485</u>
	-	-	77,947	108,900	110,313	50,535
	-	-	1,756	-	-	-
	-	-	-	-	-	-
	-	-	7,034	-	-	-
	-	-	1,784	15,400	-	-
	-	-	-	-	-	-
	-	-	789	-	-	-
	-	88,714	38,627	-	75,000	102,085
	-	-	-	-	-	-
	<u>-</u>	<u>88,714</u>	<u>127,937</u>	<u>124,300</u>	<u>185,313</u>	<u>152,620</u>
	<u>11,196,389</u>	<u>10,907,988</u>	<u>11,175,394</u>	<u>11,028,743</u>	<u>10,881,673</u>	<u>8,151,976</u>
\$	<u>(47,638,886)</u>	<u>(97,200,525)</u>	<u>(87,442,470)</u>	<u>(83,529,125)</u>	<u>(82,919,551)</u>	<u>(86,737,989)</u>
\$	69,760,159	\$ 59,568,298	\$ 74,574,871	\$ 70,813,771	\$ 61,323,747	\$ 63,408,623
	4,079,725	1,990,941	2,548,475	2,353,929	2,253,696	2,524,431
	870,324	-	-	-	-	-
	112,332	122,973	122,905	-	-	-
	25,414,022	25,402,285	25,768,793	24,060,541	23,882,775	23,839,415
	-	-	-	-	-	-
	795,045	158,736	704,297	267,160	141,545	124,229
	2,162,682	418,602	281,940	696,301	343,790	458,080
	<u>103,194,289</u>	<u>87,661,835</u>	<u>104,001,281</u>	<u>98,191,702</u>	<u>87,945,553</u>	<u>90,354,778</u>
	-	-	-	-	-	-
\$	<u>55,555,403</u>	<u>(9,538,690)</u>	<u>16,558,811</u>	<u>14,662,577</u>	<u>5,026,002</u>	<u>3,616,789</u>

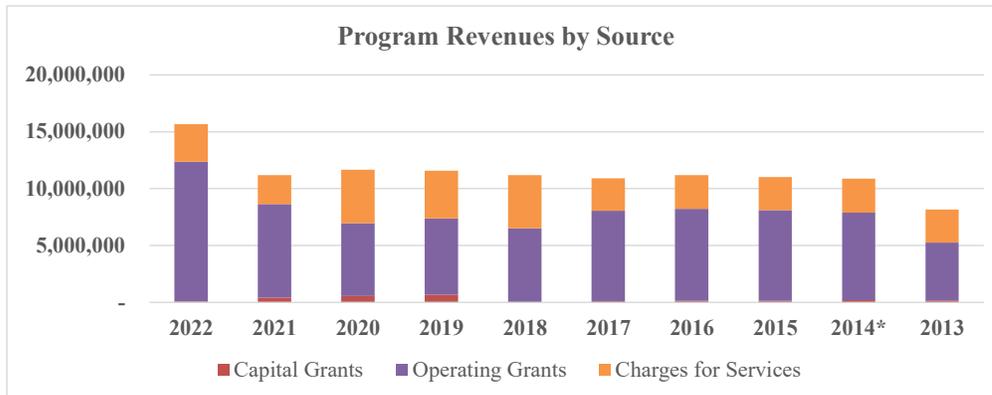
**SHAKER HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

PROGRAM REVENUES OF GOVERNMENTAL ACTIVITIES BY FUNCTION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
GOVERNMENTAL ACTIVITIES

	2022	2021	2020	2019
<b>Governmental activities:</b>				
Instruction:				
Regular	\$ 4,755,722	\$ 3,528,839	\$ 2,121,265	\$ 1,860,218
Special	3,804,166	3,952,805	4,539,264	4,286,444
Vocational	65,633	56,514	56,514	56,932
Student intervention	-	65,208	117,715	190,417
Other	450	-	25,738	-
Support services:				
Pupil	930,769	442,248	453,217	159,010
Instructional staff	343,988	612,687	142,615	241,023
Board of education	-	-	-	-
Administration	260,202	141,237	9,389	22,374
Fiscal	14,400	262,959	919,331	624,788
Business	-	-	-	-
Operation and maintenance of plant	1,357,722	525,065	617,589	674,633
Pupil transportation	387,769	333,242	367,990	387,181
Central	23,680	-	-	-
Operation of non-instructional services				
Food services	2,816,304	892,205	1,462,756	1,733,236
Community services	519,464	252,217	653,391	1,155,763
Extracurricular activities	397,770	129,047	170,805	195,576
Total program revenues	<u>\$ 15,678,039</u>	<u>\$ 11,194,273</u>	<u>\$ 11,657,579</u>	<u>\$ 11,587,595</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 year 2015 was updated but no years prior to fiscal year 2014 reflect this change



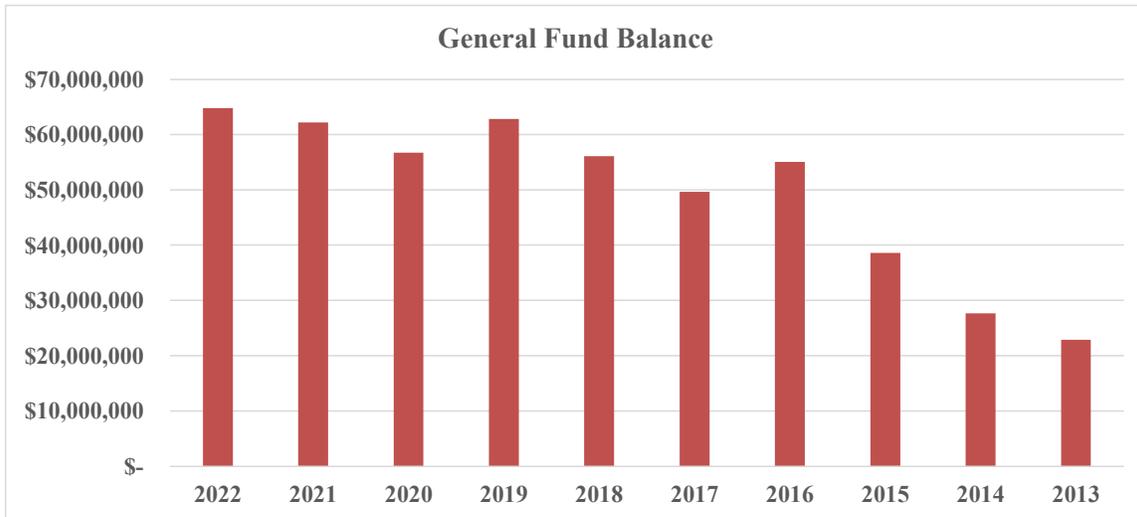
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014*</b>	<b>2013</b>
\$	2,070,364	\$ 1,289,245	\$ 1,739,133	\$ 1,408,567	\$ 1,479,026	\$ 1,342,233
	4,186,198	4,434,242	4,533,045	4,676,984	4,496,001	1,655,879
	64,846	46,629	41,624	43,444	-	-
	180,238	96,529	149,402	172,335	304,165	111
	28,299	15,600	75	26,666	49,631	29,551
	186,003	216,043	148,302	115,244	58,871	-
	205,188	145,440	152,014	299,430	271,907	1,449,321
	-	-	16,677	-	-	-
	13,298	16,402	129,593	19,469	22,169	30,074
	1,213,133	337,069	-	56,123	52,587	29,892
	19	-	1,784	15,400	-	-
	-	1,769	2,747	8,252	15,359	10,493
	423,366	561,300	549,135	542,753	594,082	116,796
	-	-	-	-	-	19,717
	1,822,179	1,743,638	1,767,987	2,477,730	1,920,530	1,852,943
	556,401	1,743,019	1,650,925	970,556	1,471,119	1,469,438
	246,857	261,063	292,951	195,790	146,226	145,528
<b>\$</b>	<b>11,196,389</b>	<b>\$ 10,907,988</b>	<b>\$ 11,175,394</b>	<b>\$ 11,028,743</b>	<b>\$ 10,881,673</b>	<b>\$ 8,151,976</b>

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

FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2022</u>	<u>2021</u>	<u>Restated 2020</u>	<u>2019</u>
General Fund:				
Nonspendable	\$ 54,530	\$ 153,545	\$ 224,125	\$ 222,134
Restricted	353,070	353,070	353,070	353,070
Committed	-	-	-	-
Assigned	8,169,914	9,724,312	8,153,612	5,232,232
Unassigned (deficit)	<u>56,177,627</u>	<u>51,966,665</u>	<u>47,979,171</u>	<u>56,989,664</u>
Total general fund	<u>\$ 64,755,141</u>	<u>\$ 62,197,592</u>	<u>\$ 56,709,978</u>	<u>\$ 62,797,100</u>
All Other Governmental Funds:				
Nonspendable	\$ -	\$ 929	\$ 3,637	\$ 4,307
Restricted	13,485,923	13,416,079	15,571,262	34,218,130
Unassigned (deficit)	<u>(243,172)</u>	<u>(174,277)</u>	<u>(156,503)</u>	<u>(163,416)</u>
Total all other governmental funds	<u>\$ 13,242,751</u>	<u>\$ 13,242,731</u>	<u>\$ 15,418,396</u>	<u>\$ 34,059,021</u>
Total governmental funds	<u>\$ 77,997,892</u>	<u>\$ 75,440,323</u>	<u>\$ 72,128,374</u>	<u>\$ 96,856,121</u>

Source: School District financial records.



<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 226,458	\$ 222,612	\$ 85,528	\$ 178,918	\$ 36,928	\$ 31,267
353,070	353,070	353,070	353,070	353,070	353,070
-	1,173,937	435,416	-	-	-
17,880,399	5,251,332	5,325,822	7,062,924	4,248,345	7,186,555
<u>37,606,441</u>	<u>42,648,411</u>	<u>48,865,339</u>	<u>31,016,687</u>	<u>22,990,573</u>	<u>15,305,379</u>
<u>\$ 56,066,368</u>	<u>\$ 49,649,362</u>	<u>\$ 55,065,175</u>	<u>\$ 38,611,599</u>	<u>\$ 27,628,916</u>	<u>\$ 22,876,271</u>
\$ 6,127	\$ 678	\$ -	\$ -	\$ -	\$ -
32,880,637	4,810,523	6,185,448	6,819,790	6,827,709	5,256,580
(209,500)	(136,817)	(69,080)	(94,269)	(75,088)	(185,762)
<u>\$ 32,677,264</u>	<u>\$ 4,674,384</u>	<u>\$ 6,116,368</u>	<u>\$ 6,725,521</u>	<u>\$ 6,752,621</u>	<u>\$ 5,070,818</u>
<u>\$ 88,743,632</u>	<u>\$ 54,323,746</u>	<u>\$ 61,181,543</u>	<u>\$ 45,337,120</u>	<u>\$ 34,381,537</u>	<u>\$ 27,947,089</u>

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

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2022	2021	2020	2019
<b>Revenues</b>				
Property taxes	\$ 77,144,330	\$ 76,097,529	\$ 64,587,355	\$ 76,542,746
Intergovernmental	36,061,516	33,539,767	30,298,873	32,376,941
Investment earnings	(1,833,899)	185,956	2,718,050	2,783,842
Tuition and fees	1,474,917	1,007,873	1,799,298	1,276,576
Extracurricular activities	534,456	245,284	178,562	325,389
Rental income	130,148	91,668	92,841	91,049
Charges for services	1,189,367	1,211,468	2,637,415	2,513,748
Contributions and donations	145,183	444,815	95,381	143,728
Payment in lieu of taxes	542,011	469,549	365,924	699,669
Miscellaneous	507,384	2,411,634	1,037,115	704,143
<b>Total revenues</b>	<b>115,895,413</b>	<b>115,705,543</b>	<b>103,810,814</b>	<b>117,457,831</b>
<b>Expenditures</b>				
Current:				
Instructional:				
Regular	43,260,508	43,955,768	42,289,989	41,971,747
Special	15,493,924	15,455,431	16,783,638	15,603,566
Vocational	422,236	381,738	494,667	354,687
Student intervention	-	173,418	274,180	401,710
Other	133,228	5,119	81,043	77,961
Support services:				
Pupil	7,640,670	7,230,219	7,232,515	6,968,407
Instructional staff	4,909,754	5,509,330	4,699,323	5,194,196
Board of education	38,058	30,496	54,709	31,488
Administration	7,364,205	6,762,641	6,897,904	6,991,641
Fiscal	2,794,044	4,947,637	3,590,246	3,327,722
Business	984,468	880,438	988,442	685,043
Operations and maintenance	12,960,184	10,740,315	10,333,511	12,401,079
Pupil transportation	3,775,237	2,829,887	3,976,004	4,565,225
Central	2,403,875	1,779,798	2,241,039	2,052,283
Extracurricular activities	1,959,192	1,501,290	1,703,849	1,662,897
Operation of non-instructional services				
Food service operations	2,157,681	1,017,613	1,489,488	1,817,458
Community services	841,639	908,552	806,865	1,326,737
Facilities acquisition and construction	2,246,682	-	-	-
Capital outlay	-	5,966,101	22,146,392	10,409,511
Debt service:				
Principal retirement	2,872,923	2,670,000	2,949,310	2,985,000
Interest and fiscal charges	1,149,477	1,227,636	1,702,222	1,761,505
<b>Total expenditures</b>	<b>113,407,985</b>	<b>113,973,427</b>	<b>130,735,336</b>	<b>120,589,863</b>
Excess (deficiency) of revenues over (under) expenditures	2,487,428	1,732,116	(26,924,522)	(3,132,032)
<b>Other Financing Sources (Uses)</b>				
Sale of assets	70,141	-	-	-
Insurance recoveries	-	1,579,833	9,260	-
General obligation bonds issued	-	-	-	-
General obligation bonds premium	-	-	-	-
Refunding bonds issued	-	-	-	-
Refunding on debt issuance	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	350,000	350,000	285,000	10,120,000
Transfers (out)	(350,000)	(350,000)	(285,000)	(10,120,000)
<b>Total other financing sources (uses)</b>	<b>70,141</b>	<b>1,579,833</b>	<b>9,260</b>	<b>-</b>
Extraordinary item	-	-	1,644,250	11,244,521
<b>Net change in fund balances</b>	<b>\$ 2,557,569</b>	<b>\$ 3,311,949</b>	<b>\$ (25,271,012)</b>	<b>\$ 8,112,489</b>
Capital expenditures	\$ 3,928,268	\$ 8,465,735	\$ 23,548,022	\$ 13,653,617
Debt service as a percentage of noncapital expenditures	3.67%	3.69%	4.34%	4.44%

Source: School District financial records.

	2018	2017	2016	2015	2014	2013
\$	75,032,244	\$ 60,683,178	\$ 76,996,894	\$ 72,624,434	\$ 68,568,000	\$ 65,713,209
	31,877,397	33,369,707	33,845,112	32,008,748	31,842,442	28,700,726
	856,980	174,520	714,497	269,281	142,123	127,601
	1,506,363	927,465	1,318,415	1,467,937	1,575,618	1,546,677
	371,936	347,612	359,198	289,637	230,233	240,541
	89,293	88,781	86,023	86,023	82,619	49,338
	2,495,853	1,439,922	1,118,740	1,009,713	1,066,505	1,068,914
	99,188	136,435	225,224	159,922	204,250	231,664
	112,332	122,973	122,905	-	-	-
	2,106,016	463,978	330,216	756,480	391,056	447,119
	<u>114,547,602</u>	<u>97,754,571</u>	<u>115,117,224</u>	<u>108,672,175</u>	<u>104,102,846</u>	<u>98,125,789</u>
	42,082,366	39,815,886	38,783,485	38,212,432	36,387,066	35,880,612
	15,986,261	14,768,608	13,489,001	14,297,783	15,649,050	12,717,540
	151,084	352,363	225,278	89,183	114,533	73,704
	402,577	382,525	398,299	287,621	187,160	94
	213,950	408,342	459,335	316,600	205,434	33,577
	7,112,993	7,022,053	6,612,062	6,531,094	5,834,027	5,755,271
	5,134,657	4,387,154	4,353,812	4,355,570	3,793,805	8,451,594
	30,355	26,022	28,377	37,703	35,491	65,876
	6,617,382	6,478,177	6,388,501	6,001,378	5,887,217	5,911,936
	3,455,765	2,744,933	2,578,829	2,548,226	2,597,966	2,425,772
	770,412	699,631	752,438	845,929	771,414	1,060,924
	10,104,442	10,398,177	10,351,040	10,601,066	11,069,951	12,308,686
	4,509,325	4,624,199	4,541,336	4,081,712	5,375,679	4,780,780
	1,917,734	1,715,662	1,572,126	1,609,192	1,512,182	1,684,587
	1,615,557	1,521,048	1,509,295	1,362,333	1,266,029	1,333,436
	1,881,270	1,788,322	1,814,071	1,797,004	1,800,930	1,855,816
	1,303,117	1,857,393	1,628,083	1,595,409	1,698,692	1,553,250
	-	-	-	-	-	-
	3,920,507	2,901,476	1,006,601	447,920	519,015	4,094,660
	2,029,999	2,185,000	1,850,582	2,075,000	2,200,000	1,780,000
	1,072,567	537,936	930,250	686,728	765,120	981,471
	<u>110,312,320</u>	<u>104,614,907</u>	<u>99,272,801</u>	<u>97,779,883</u>	<u>97,670,761</u>	<u>102,749,586</u>
	4,235,282	(6,860,336)	15,844,423	10,892,292	6,432,085	(4,623,797)
	-	-	-	-	-	-
	109,064	2,539	-	-	2,363	9,343
	28,495,000	-	-	-	-	4,170,000
	1,580,540	-	-	-	-	-
	-	-	-	5,345,000	-	4,994,310
	-	-	-	716,541	-	666,714
	-	-	-	(5,998,250)	-	(5,503,241)
	260,000	235,000	225,000	210,000	2,672,528	3,420,000
	(260,000)	(235,000)	(225,000)	(210,000)	(2,672,528)	(3,420,000)
	<u>30,184,604</u>	<u>2,539</u>	<u>-</u>	<u>63,291</u>	<u>2,363</u>	<u>4,337,126</u>
	-	-	-	-	-	-
\$	<u>34,419,886</u>	<u>(6,857,797)</u>	<u>15,844,423</u>	<u>10,955,583</u>	<u>6,434,448</u>	<u>(286,671)</u>
\$	5,457,129	\$ 3,127,250	\$ 950,147	\$ 1,498,540	\$ 3,551,770	\$ 6,083,507
	2.96%	2.68%	2.83%	2.87%	3.15%	2.86%

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

HISTORY OF SCHOOL OPERATING LEVIES  
FOR THE YEARS 1933 - 2022

<b>Date</b>	<b>Number of Mills</b>	<b>Number of Years</b>	<b>Votes For</b>	<b>Votes Against</b>	<b>Percentage For</b>	<b>Total Votes Cast</b>	<b>Difference</b>
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	1966-68	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						
	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
05/17*	1.25 Perm Imp.	Continuing	2,782	1,335	67.57%	4,117	1,447

\* Single ballot issue included permanent improvement levy and bond issue.

**THIS PAGE IS INTENTIONALLY LEFT BLANK**

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

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN COLLECTION (FISCAL) YEARS

Collection Year	Real Property			Tangible Personal Property Public Utility	
	Assessed Value		Estimated Actual Value	Assessed Value	Estimated Actual Value
	Residential/ Agricultural	Commercial/ Industrial/PU			
2022	\$ 827,762,240	\$ 88,277,310	\$ 2,617,255,857	\$ 21,544,590	\$ 24,482,489
2021	778,380,050	82,481,570	2,459,604,629	20,175,570	22,926,784
2020	781,333,140	81,042,160	2,463,929,429	18,764,080	21,322,818
2019	780,953,140	81,759,150	2,464,892,257	17,489,560	19,874,500
2018	723,905,650	71,385,660	2,272,260,886	16,650,160	18,920,636
2017	729,004,600	72,479,180	2,289,953,657	15,510,410	17,625,466
2016	730,582,810	72,725,130	2,295,165,543	14,677,340	16,678,795
2015	696,083,470	72,451,880	2,195,815,286	14,404,410	16,368,648
2014	701,293,730	77,608,500	2,225,434,943	13,746,470	15,620,989
2013	702,161,380	78,177,030	2,229,538,314	12,585,450	14,301,648

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 a 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.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated 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%, 2 1/2% and homestead exemptions before being billed.

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

<b>Total</b>			
<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Full Tax Rate Per \$1,000 of Assessed Value</b>	<b>Weighted Average Tax Rate</b>
\$ 937,584,140	\$ 2,641,738,346	\$ 189.18	\$ 91.06
881,037,190	2,482,531,413	189.18	96.05
881,139,380	2,485,252,247	189.18	95.64
880,201,850	2,484,766,757	190.48	96.66
811,941,470	2,291,181,522	190.48	103.85
816,994,190	2,307,579,123	186.73	99.42
817,985,280	2,311,844,338	186.73	99.18
782,939,760	2,212,183,934	186.83	103.27
792,648,700	2,241,055,932	179.93	95.74
792,923,860	2,243,839,962	186.83	95.61



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

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
(PER \$1,000 OF ASSESSED VALUATION)  
LAST TEN YEARS

	2022	2021	2020	2019
<b>Unvoted Millage</b>				
Operating	\$ 4.100000	\$ 4.100000	\$ 4.100000	\$ 4.100000
<b>Voted Millage - by levy</b>				
All prior to 1977 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	9.637432	10.245149	10.186385	10.176201
Commercial/Industrial	19.448641	20.830300	21.270914	21.084378
Tangible/Public Utility Personal	58.530000	58.530000	58.530000	58.530000
1977 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	2.514864	2.673444	2.658108	2.655456
Commercial/Industrial	4.296432	4.601652	4.698996	4.657788
Tangible/Public Utility Personal	12.000000	12.000000	12.000000	12.000000
1979 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	1.257432	1.336722	1.329054	1.327728
Commercial/Industrial	2.148216	2.300826	2.349498	2.328894
Tangible/Public Utility Personal	6.000000	6.000000	6.000000	6.000000
1981 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	2.082671	2.214004	2.201303	2.199106
Commercial/Industrial	2.762220	2.958449	3.021031	2.994537
Tangible/Public Utility Personal	6.500000	6.500000	6.500000	6.500000
1982 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	1.925610	2.047038	2.035296	2.033262
Commercial/Industrial	2.549814	2.730954	2.788728	2.764272
Tangible/Public Utility Personal	6.000000	6.000000	6.000000	6.000000
1983 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	3.214772	3.417497	3.397900	3.394512
Commercial/Industrial	4.303904	4.609660	4.707172	4.665892
Tangible/Public Utility Personal	8.800000	8.800000	8.800000	8.800000
1986 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	2.911087	3.094657	3.076912	3.073837
Commercial/Industrial	4.064820	4.353592	4.445692	4.406707
Tangible/Public Utility Personal	7.500000	7.500000	7.500000	7.500000
1989 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	4.809261	5.112532	5.083211	5.078134
Commercial/Industrial	6.459572	6.918466	7.064820	7.002864
Tangible/Public Utility Personal	9.800000	9.800000	9.800000	9.800000
1990 School Improvement Bonds (\$10,000,000)	-	-	-	-

	2018	2017	2016	2015	2014	2013
\$	4.100000	\$ 4.100000	\$ 4.100000	\$ 4.100000	\$ 4.100000	\$ 4.100000
	10.978121	10.905017	10.844766	11.435650	11.356927	11.334686
	24.336130	24.153692	24.133558	23.820013	22.956754	22.637648
	58.530000	58.530000	58.530000	58.530000	58.530000	58.530000
	2.864724	2.845644	2.840352	2.984100	2.963556	2.957748
	5.376132	5.335824	5.331384	5.262120	5.071416	5.000916
	12.000000	12.000000	12.000000	12.000000	12.000000	12.000000
	1.432362	1.422822	1.420176	1.492050	1.481778	1.478874
	2.688066	2.667912	2.665692	2.631060	2.535708	2.500458
	6.000000	6.000000	6.000000	6.000000	6.000000	6.000000
	2.372409	2.356614	2.352233	2.471281	2.454270	2.449467
	3.456369	3.430453	3.427600	3.383075	3.259822	3.215147
	6.500000	6.500000	6.500000	6.500000	6.500000	6.500000
	2.193498	2.178894	2.174844	2.284920	2.269194	2.264754
	3.190590	3.166668	3.164034	3.122928	3.009750	2.967912
	6.000000	6.000000	6.000000	6.000000	6.000000	6.000000
	3.662023	3.637638	3.630880	3.814624	3.788382	3.780964
	5.385494	5.345120	5.340676	5.271297	5.080266	5.009646
	8.800000	8.800000	8.800000	8.800000	8.800000	8.800000
	3.316080	3.294000	3.287880	3.454290	3.430515	3.423803
	2.086335	5.048205	5.044005	4.978478	4.798058	4.731360
	7.500000	7.500000	7.500000	7.500000	7.500000	7.500000
	5.478337	5.441862	5.431758	5.706667	5.667389	5.656295
	8.082883	8.022290	8.156160	7.911491	7.624782	7.518795
	9.800000	9.800000	9.800000	9.800000	9.800000	9.800000
	-	-	-	-	-	0.269789

(Continued)

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

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (CONTINUED)  
(PER \$1,000 OF ASSESSED VALUATION)  
LAST TEN YEARS

	2022	2021	2020	2019
1992 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	\$ 6.006851	\$ 6.385640	\$ 6.349018	\$ 6.342687
Commercial/Industrial	7.258076	7.773703	7.938156	7.868547
Tangible/Public Utility Personal	9.800000	9.800000	9.800000	9.800000
1995 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	5.802873	6.168804	6.133430	6.127314
Commercial/Industrial	6.952735	7.446669	7.604200	7.537514
Tangible/Public Utility Personal	8.700000	8.700000	8.700000	8.700000
1996 School Improvement Bonds (\$12,700,000)	-	-	-	1.062803
2000 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	6.737656	7.162536	7.121458	7.114352
Commercial/Industrial	7.512151	8.045826	8.216032	8.143981
Tangible/Public Utility Personal	9.400000	9.400000	9.400000	9.400000
2003 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	7.771468	8.261539	8.214163	8.205964
Commercial/Industrial	7.671984	8.217014	8.390841	8.317257
Tangible/Public Utility Personal	9.600000	9.600000	9.600000	9.600000
2004 School Improvement Bonds (\$23,500,000)	2.000000	2.000000	2.000000	2.237197
2006 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	8.343145	8.869261	8.818405	8.809604
Commercial/Industrial	7.911733	8.473796	8.653055	8.577171
Tangible/Public Utility Personal	9.900000	9.900000	9.900000	9.900000
2010 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	8.343145	8.869261	8.818405	8.809604
Commercial/Industrial	7.911733	8.473796	8.653055	8.577171
Tangible/Public Utility Personal	9.900000	9.900000	9.900000	9.900000
2014 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	5.814919	6.181606	6.146161	6.140027
Commercial/Industrial	5.514238	5.905979	6.030917	5.978028
Tangible/Public Utility Personal	6.900000	6.900000	6.900000	6.900000
2017 School Improvement Bonds (\$30,000,000)	2.500000	2.500000	2.500000	2.500000
2017 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	1.097335	1.166532	1.159842	1.158685
Commercial/Industrial	0.998956	1.069923	1.092557	1.082976
Tangible/Public Utility Personal	1.250000	1.250000	1.250000	1.250000

	2018	2017	2016	2015	2014	2013
\$	6.842546	\$ 6.796986	\$ 6.784364	\$ 7.127736	\$ 7.078677	\$ 7.064830
	9.082081	9.139910	9.006494	8.889492	8.567336	8.448247
	9.800000	9.800000	9.800000	9.800000	9.800000	9.800000
	6.610199	6.566186	6.553988	6.885702	6.838304	6.824924
	8.700000	8.642432	8.635246	8.523068	8.214192	8.100013
	8.700000	8.700000	8.700000	8.700000	8.700000	8.700000
	1.047008	1.030306	1.027469	1.046836	1.036074	1.011067
	7.675025	7.623926	7.609770	7.994916	7.939889	7.924350
	9.400000	9.400000	9.400000	9.400000	9.103731	8.977188
	9.400000	9.400000	9.400000	9.400000	9.400000	9.400000
	8.852669	8.793725	8.777395	9.221645	9.158170	9.140246
	9.600000	9.600000	9.600000	9.600000	9.600000	9.600000
	9.600000	9.600000	9.600000	9.600000	9.600000	9.600000
	2.252992	2.269694	2.272531	2.353164	2.363926	2.319144
	9.503881	9.440600	9.423068	9.900000	9.900000	9.900000
	9.900000	9.900000	9.900000	9.900000	9.900000	9.900000
	9.900000	9.900000	9.900000	9.900000	9.900000	9.900000
	9.503881	9.440600	9.423068	9.900000	9.900000	9.900000
	9.900000	9.900000	9.900000	9.900000	9.900000	9.900000
	9.900000	9.900000	9.900000	9.900000	9.900000	9.900000
	6.623917	6.579812	6.567593	6.900000	-	-
	6.900000	6.900000	6.900000	6.900000	-	-
	6.900000	6.900000	6.900000	6.900000	-	-
	2.500000	-	-	-	-	-
	1.250000	-	-	-	-	-
	1.250000	-	-	-	-	-
	1.250000	-	-	-	-	-

(Continued)

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

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (CONTINUED)  
(PER \$1,000 OF ASSESSED VALUATION)  
LAST TEN YEARS

	2022	2021	2020	2019
<b>Total Voted Millage by type of property</b>				
Effective Millage Rates				
Residential/Agricultural	\$ 82.770521	\$ 87.706222	\$ 87.229051	\$ 88.446473
Commercial/Industrial	102.265225	109.210605	111.425664	111.787977
Tangible/Public Utility Personal	185.080000	185.080000	185.080000	186.380000
<b>Total Millage by type of property</b>				
Effective Millage Rates				
Residential/Agricultural	86.870521	91.806222	91.329051	92.546473
Commercial/Industrial	106.365225	113.310605	115.525664	115.887977
Tangible/Public Utility Personal	189.180000	189.180000	189.180000	190.480000
<b>Total Weighted Average Tax Rate</b>	91.056978	96.049274	95.638277	96.660525
<b>Overlapping Rates by Taxing District</b>				
City of Shaker Heights Charter & Inside Millage	9.900000	9.900000	9.900000	9.900000
City of Cleveland Charter & Inside Millage	12.700000	12.700000	12.700000	12.700000
Shaker Heights Public Library Voted Millage				
Effective Millage Rates				
Residential/Agricultural	5.038917	5.356669	5.325952	5.320637
Commercial/Industrial	4.715073	5.050040	5.156871	5.111647
Tangible/Public Utility Personal	5.900000	5.900000	5.900000	5.900000
Cuyahoga County Voted Millage				
Effective Millage Rates				
Residential/Agricultural	16.296627	18.621641	17.407670	17.002586
Commercial/Industrial	18.219790	19.026440	17.980022	17.376633
Tangible/Public Utility Personal	19.880000	19.880000	19.080000	18.680000
Cleveland Metro Parks				
Effective Millage Rates				
Residential/Agricultural	2.150196	2.484851	2.479656	2.482653
Commercial/Industrial	2.456294	2.580795	2.574669	2.541737
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 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.

Note: Cuyahoga County includes Cuyahoga County, Cleveland-Cuyahoga County Port Authority and the Cuyahoga County Community College

	2018	2017	2016	2015	2014	2013
\$	94.959672	\$ 90.624326	\$ 90.462135	\$ 94.973599	\$ 87.627051	\$ 87.700941
	128.134080	123.826587	123.764305	122.893022	113.021815	112.107330
	186.380000	182.630000	182.630000	182.730000	175.830000	176.030000

	99.059672	94.724326	94.562135	99.073599	91.727051	91.800941
	132.234080	127.926587	127.864305	126.993022	117.121815	116.207330
	190.480000	186.730000	186.730000	186.830000	179.930000	180.130000
	103.851077	99.416548	99.176746	103.271743	95.743116	95.609226

9.900000      9.900000      9.900000      9.900000      9.900000      9.900000

12.700000      12.700000      12.700000      12.700000      12.700000      12.700000

3.839954      3.814384      4.000000      4.000000      4.000000      4.000000

4.000000      4.000000      4.000000      4.000000      4.000000      4.000000

4.000000      4.000000      4.000000      4.000000      4.000000      4.000000

18.484027      17.939065      17.925244      18.164311      17.263900      16.433492

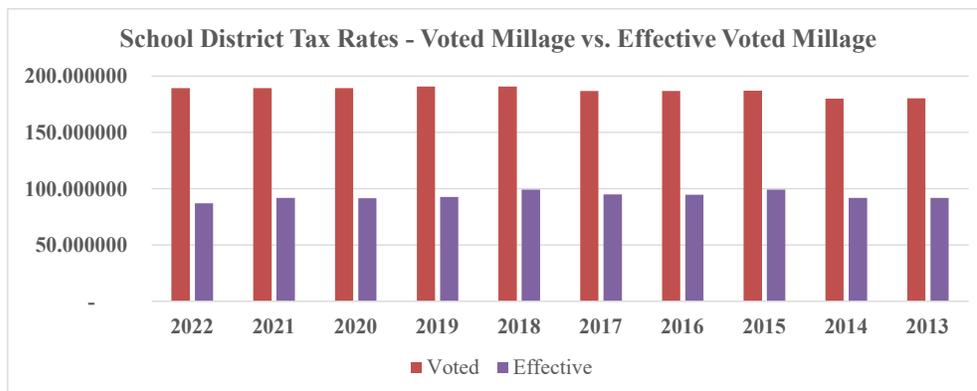
18.609236      18.117612      18.167551      18.122743      17.129160      16.167194

18.180000      18.180000      18.180000      18.180000      17.280000      16.450000

2.718302      2.711249      2.711903      2.750000      2.750000      1.850000

2.740355      2.741624      2.750000      2.736822      2.704560      1.791705

2.750000      2.750000      2.750000      2.750000      2.750000      1.850000



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

PROPERTY TAX LEVIES AND COLLECTIONS - REAL, PERSONAL, AND PUBLIC UTILITY PROPERTY  
LAST TEN COLLECTION (CALENDAR) YEARS

<b>Collection Year (1)</b>	<b>Current Levy</b>	<b>Current Tax Collections</b>	<b>Percent of Current Tax Collections to Current Tax Levy</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collection</b>	<b>Percent of Total Tax Collections to Current Levy (2)</b>	<b>Outstanding Delinquent Taxes</b>	<b>Ratio of Delinquent Taxes to Current Tax Levy</b>
2022	\$ 84,989,281	\$ 81,083,557	95.40%	\$ 3,753,047	\$ 84,836,604	99.82%	\$ 9,832,742	11.57%
2021	84,182,998	80,350,299	95.45%	2,861,548	83,211,847	98.85%	8,941,030	10.62%
2020	84,263,868	80,342,265	95.35%	3,026,410	83,368,675	98.94%	8,040,992	9.54%
2019	85,248,450	81,731,793	95.87%	3,215,797	84,947,590	99.65%	8,014,826	9.40%
2018	84,277,522	80,746,645	95.81%	3,516,707	84,263,352	99.98%	8,173,655	9.70%
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%

**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 ESTATE TAXES  
2022 AND 2013

<u>Name of Taxpayer</u>	<b>2022</b>	
	<u>Assessed Value</u>	<u>Percent of Real Property Assessed Value</u>
Van Aken District	1 \$ 12,331,300	1.35%
Montlack Realty	2 10,043,180	1.10%
MW Centers Shaker LLC Etal	3 4,065,010	0.44%
Oliver Family LTD	4 3,538,680	0.39%
Shaker Plaza 1 LTD	5 2,520,010	0.28%
Gator Properties	6 2,442,060	0.27%
E2G Properties LLC	7 2,132,840	0.23%
Coral Shaker Square LLC	8 2,128,340	0.23%
Hatz Property	9 1,887,760	0.21%
Shaker Heights Country Club	10 1,378,970	0.15%
Totals	<u>\$ 42,468,150</u>	<u>4.64%</u>
Total Assessed Valuation	<u>\$ 916,039,550</u>	

<u>Name of Taxpayer</u>	<b>2013</b>	
	<u>Assessed Valuation</u>	<u>Percent of Real Assessed Value</u>
Shaker MZL LLC	1 \$ 3,411,460	0.44%
University Hospitals	2 2,450,000	0.31%
Tower East Operating Association	3 2,428,870	0.31%
Oliver Family Limited	4 2,348,290	0.30%
Shaker Heights Country Club	5 2,181,350	0.28%
Kirt Montlack, LTD	6 1,976,450	0.25%
Coral Shaker Square LLC	7 1,768,080	0.23%
The Residences at Avalon Station	8 1,355,540	0.17%
Salzberg, Deborah SUC TR	9 1,309,810	0.17%
Shaker Plaza LTD	10 1,304,630	0.17%
Totals	<u>\$ 20,534,480</u>	<u>2.63%</u>
Total Assessed Valuation	<u>\$ 780,338,410</u>	

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

(1) The amounts presented represent the assessed values upon which 2022 and 2013 collection were based.

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

PRINCIPAL PROPERTY TAX PAYERS - PUBLIC UTILITIES TAXES  
2022 AND 2013

		<b>2022</b>	
<u>Name of Taxpayer</u>		<u>Assessed Value</u>	<u>Percent of Real Property Assessed Value</u>
Cleveland Electric Illuminating Company	1	\$ 13,356,620	62.00%
American Transmission System, Inc.	2	4,574,060	21.23%
East Ohio Gas Company	3	3,613,910	16.77%
Totals		<u>\$ 21,544,590</u>	<u>100.00%</u>
Total Assessed Valuation		<u>\$ 21,544,590</u>	
		<b>2013</b>	
<u>Name of Taxpayer</u>		<u>Assessed Value</u>	<u>Percent of Real Property Assessed Value</u>
Cleveland Electric Illuminating Company	1	\$ 10,068,380	80.00%
East Ohio Gas Company	2	1,830,550	14.54%
American Transmission System, Inc.	3	686,520	5.45%
Totals		<u>\$ 12,585,450</u>	<u>100.00%</u>
Total Assessed Valuation		<u>\$ 12,585,450</u>	

Source: Cuyahoga County Fiscal Officer

**SHAKER HEIGHTS 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)	Total Estimated Actual Value	Gross Bonded Debt (3)	Less Restricted for Debt Service	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita	Notes	Total Debt	Personal Income (1)	Total Debt Per Capita
2022	28,970	\$ 2,641,738,346	\$ 32,557,000	\$ 5,429,327	\$ 27,127,673	1.03%	\$ 936	\$ -	\$ 27,127,673	\$ 1,794,513,123	\$ 936
2021	29,439	2,482,531,413	35,485,857	4,755,468	30,730,389	1.24%	1,044	-	30,730,389	1,593,782,190	1,044
2020	27,027	2,485,252,247	38,354,714	4,255,502	34,099,212	1.37%	1,262	-	34,099,212	1,566,376,812	1,262
2019	27,302	2,484,766,757	41,846,351	4,903,088	36,943,263	1.49%	1,353	-	36,943,263	1,517,008,328	1,353
2018	27,440	2,291,181,522	44,962,853	6,690,195	38,272,658	1.67%	1,395	9,900,000	48,172,658	1,438,981,040	1,756
2017	27,448	2,307,579,123	17,320,364	3,988,776	13,331,588	0.58%	486	-	13,331,588	1,413,132,832	486
2016	27,646	2,311,844,338	19,547,786	4,027,833	15,519,953	0.67%	561	-	15,519,953	1,372,623,900	561
2015	27,790	2,212,183,933	21,741,217	3,601,996	18,139,221	0.82%	653	-	18,139,221	1,358,041,720	653
2014	27,935	2,241,055,931	23,397,172	3,447,258	19,949,914	0.89%	714	-	19,949,914	1,374,821,025	714
2013	28,039	2,243,839,962	25,060,578	3,258,334	21,802,244	0.97%	778	-	21,802,244	1,359,359,232	778

Sources:

(1) Population and Personal income can be found on Demographic Statistics

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

COMPUTATION OF LEGAL DEBT MARGIN  
LAST TEN FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Tax Valuation	\$ 937,584,140	\$ 881,037,190	\$ 881,139,380	\$ 880,201,850
Debt Limit - 9% of Taxable Valuation	84,382,573	79,293,347	79,302,544	79,218,167
Amount of Debt Applicable to Debt Limit				
General obligation bonds	31,110,000	35,485,857	38,354,714	41,846,351
Less: amount available in debt service	<u>(6,042,713)</u>	<u>(4,755,468)</u>	<u>(5,146,321)</u>	<u>(4,903,088)</u>
Amount of Debt Subject to Limit	<u>25,067,287</u>	<u>30,730,389</u>	<u>33,208,393</u>	<u>36,943,263</u>
Legal debt margin	<u>\$ 59,315,286</u>	<u>\$ 48,562,958</u>	<u>\$ 46,094,151</u>	<u>\$ 42,274,904</u>
Legal debt margin as a percentage of the debt limit	70.29%	61.24%	58.12%	53.37%
Unvoted debt limit - 0.10% of taxable valuation (1)	937,584	881,037	881,139	880,202
Amount of Debt Subject to Limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unvoted legal debt margin	<u>\$ 937,584</u>	<u>\$ 881,037</u>	<u>\$ 881,139</u>	<u>\$ 880,202</u>
Unvoted legal debt margin as a percentage of the debt limit	100.00%	100.00%	100.00%	100.00%
Energy conservation debt limit - 1.00% of assessed value (1)	8,438,257	8,810,372	8,811,394	8,802,019
Amount of Debt Subject to Limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unvoted legal debt margin	<u>\$ 8,438,257</u>	<u>\$ 8,810,372</u>	<u>\$ 8,811,394</u>	<u>\$ 8,802,019</u>
Unvoted legal debt margin as a percentage of the debt limit	100.00%	100.00%	100.00%	100.00%

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 operations.

(2) Ohio Bond Law sets a limit of 9 percent for overall debt and 1/10 of 1 percent for unvoted debt.

Note: assessed values for 2013-2021 have been reclassified to match 2022's presentation.

<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<u>\$ 811,941,470</u>	<u>\$ 816,994,190</u>	<u>\$ 817,985,280</u>	<u>\$ 782,939,760</u>	<u>\$ 792,648,700</u>	<u>\$ 792,923,860</u>
<u>73,074,732</u>	<u>73,529,477</u>	<u>73,618,675</u>	<u>70,464,578</u>	<u>71,338,383</u>	<u>71,363,147</u>
<u>44,962,853</u>	<u>17,320,364</u>	<u>19,547,786</u>	<u>21,741,217</u>	<u>23,397,172</u>	<u>25,604,657</u>
<u>(6,690,195)</u>	<u>(3,988,776)</u>	<u>(3,802,098)</u>	<u>(3,387,989)</u>	<u>(3,193,608)</u>	<u>(2,807,618)</u>
<u>38,272,658</u>	<u>13,331,588</u>	<u>15,745,688</u>	<u>18,353,228</u>	<u>20,203,564</u>	<u>22,797,039</u>
<u>\$ 34,802,074</u>	<u>\$ 60,197,889</u>	<u>\$ 57,872,987</u>	<u>\$ 52,111,350</u>	<u>\$ 51,134,819</u>	<u>\$ 48,566,108</u>
47.63%	81.87%	78.61%	73.95%	71.68%	68.05%
811,941	816,994	817,985	782,940	792,649	792,924
-	-	-	-	-	-
<u>\$ 811,941</u>	<u>\$ 816,994</u>	<u>\$ 817,985</u>	<u>\$ 782,940</u>	<u>\$ 792,649</u>	<u>\$ 792,924</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
8,119,415	8,169,942	8,179,853	7,829,398	7,926,487	7,929,239
<u>9,900,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ (1,780,585)</u>	<u>\$ 8,169,942</u>	<u>\$ 8,179,853</u>	<u>\$ 7,829,398</u>	<u>\$ 7,926,487</u>	<u>\$ 7,929,239</u>
-21.93%	100.00%	100.00%	100.00%	100.00%	100.00%

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

COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
JUNE 30, 2022

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percent Overlapping (1)</u>	<u>Amount Applicable to Shaker Heights City School District</u>
<b>Direct:</b>			
Shaker Heights City School District	\$ 31,110,000	100.00%	\$ 31,110,000
<b>Overlapping:</b>			
City of Shaker Heights	2,820,000	100.00%	2,820,000
City of Cleveland	264,190,000	0.99%	2,615,481
Cuyahoga Community College	195,825,000	2.69%	5,267,693
Cuyahoga County	254,150,000	269.00%	683,663,500
Total overlapping	<u>\$ 716,985,000</u>		<u>\$ 694,366,674</u>
Total direct and overlapping debt	<u>\$ 748,095,000</u>		<u>\$ 725,476,674</u>

Source: Ohio Municipal Advisory County

(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 - 2022

Purpose of Issue	Election Date	Issue Date	Amount of Issue
Erecting and finishing school house	July 2, 1912	August 12, 1912	\$ 60,000
Purchasing site and erecting and finishing 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
Fenway, 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
School Improvement-refunding bonds issued April 25, 2018	5/2/2017 *	December 28, 2017	9,900,000
School Improvement	5/2/2017 *	April 11, 2018	20,100,000

Source: Shaker Heights City School District

N/A - Not Available

Note: Excludes refunding bonds issued.

\* Single ballot issue included permanent improvement levy and bond issue

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

PROPERTY VALUE, FINANCIAL INSTITUTION DEPOSITS,  
AND VALUE OF BUILDING PERMITS ISSUED  
LAST TEN YEARS

<b>Year</b>	<b>Property Value (1) (Real Estate Only)</b>	<b>Financial Institution Deposits (000's) Banks (2)</b>	<b>Value of Building Permits Issued (3)</b>
2022	\$ 916,039,550	\$ 101,594,432	\$ 36,035,006
2021	860,861,620	76,515,642	46,662,275
2020	862,375,300	79,985,327	28,674,879
2019	862,712,290	55,978,432	21,121,474
2018	795,291,310	53,968,926	22,143,675
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

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

- (1) Represents assessed value.
- (2) 2015 - 2022 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

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

PRINCIPAL EMPLOYERS  
2021 AND 2012

Employer	Nature of Business	2021		2012	
		Number of W-2's (1)	Rank	Number of W-2's	Rank
Shaker Heights City School District	Government Entity	1,360	1	1,440	1
University Hospital Health System	Non-Profit Organization	1,280	2	1,200	2
City of Shaker Heights	Government Entity	455	3	493	3
Hathaway Brown School	Private School	410	4	425	4
University School (Shaker Heights Campus)	Private School	258	5	149	7
Laurel School	Private School	253	6	275	5
Centers for Dialysis Care	Medical Facility	186	7	177	6
Cellular Technology Limited (CTL)	Biotech	151	8		
Heinens Inc.	Grocery Store	137	9		
Equity Engineering Group	Engineering	130	10	77	8
Total		4,620		4,236	
Total Employment within the School District		n/a		n/a	

**Source:** City of Shaker Heights ACFR for December 31, 2021

(n/a) Information not available

(1) The School District full-time equivalent (FTE) employees for 2021 were 840 as reflected on page S-44.

Note: The amounts represent calendar year

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

DEMOGRAPHIC STATISTICS  
LAST TEN YEARS

<b>Year</b>	<b>Cuyahoga County Population (1)</b>	<b>Shaker Heights City Population (1)</b>	<b>Personal Income</b>	<b>Per Capita Personal Income (1)</b>	<b>School Enrollment</b>	<b>Cuyahoga County Unemployment Rate (2)</b>
2022	1,249,387	28,970	\$ 1,794,513,123	\$ 61,944	4,595	4.5%
2021	1,264,817	29,439	1,736,017,830	58,970	4,672	5.3%
2020	1,235,072	27,027	1,566,376,812	57,956	4,907	5.1%*
2019	1,243,857	27,302	1,517,008,328	55,564	4,899	4.6%
2018	1,248,514	27,440	1,438,981,040	52,441	4,955	5.1%
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%

Sources:

(1) Years 2013 - 2022 from the 2010 and 2020 Federal Census as, updated annually by the U.S. Census Bureau

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

\* To be consistent with prior year reporting, the unemployment rate is as of February 2020, which was pre-COVID-19

**THIS PAGE IS INTENTIONALLY LEFT BLANK**

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

BUILDING STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS

	2022	2021	2020*	2019
<b>Boulevard Elementary School</b>				
Constructed in 1914				
Total Building Square Footage	48,000	48,000	48,000	48,000
Enrollment Grades K - 4	295	295	338	326
Student Capacity	384	384	384	544
Regular Instruction Classrooms	22	22	22	22
Special Instruction Classrooms	2	2	2	2
<b>Fernway Elementary School</b>				
Constructed in 1927				
Total Building Square Footage	36,224	36,224 **	29,925	29,925
Enrollment Grades K - 4	267	267	286	292
Student Capacity	339	339	339	366
Regular Instruction Classrooms	15	15	15	15
Special Instruction Classrooms	2	2	2	2
<b>Lomond Elementary School</b>				
Constructed in 1928				
Total Building Square Footage	65,075	65,075	65,075	65,075
Enrollment Grades K - 4	355	355	383	374
Student Capacity	521	521	521	620
Regular Instruction Classrooms	25	25	25	25
Special Instruction Classrooms	3	3	3	3
<b>Mercer Elementary School</b>				
Constructed in 1952				
Total Building Square Footage	70,640	70,640	70,640	70,640
Enrollment Grades K - 4	298	298	344	352
Student Capacity	565	565	565	590
Regular Instruction Classrooms	24	24	24	24
Special Instruction Classrooms	4	4	4	4
<b>Onaway Elementary School</b>				
Constructed in 1923				
Total Building Square Footage	63,700	63,700	63,700	63,700
Enrollment Grades K - 4	392	392	391	395
Student Capacity	510	510	510	606
Regular Instruction Classrooms	23	23	23	23
Special Instruction Classrooms	5	5	5	5
<b>Woodbury Elementary School</b>				
Constructed in 1918				
Total Building Square Footage	138,350	138,350	138,350	138,350
Enrollment Grades 5 - 6	695	695	802	763
Student Capacity	981	981	981	900
Regular Instruction Classrooms	41	41	41	41
Special Instruction Classrooms	8	8	8	8

2018	2017	2016	2015	2014	2013
48,000	48,000	48,000	48,000	48,000	48,000
353	357	348	351	355	360
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
323	336	329	352	339	344
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
392	410	437	428	449	457
620	620	620	650	620	620
25	25	25	25	25	25
3	3	3	3	3	3
70,640	70,640	70,640	70,640	70,640	70,640
341	345	342	355	341	381
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
397	392	392	409	423	412
606	606	606	606	606	606
24	23	23	23	23	23
4	5	5	5	5	5
138,350	138,350	138,350	138,350	138,350	138,350
722	744	782	838	821	823
900	900	900	900	900	900
41	41	41	41	41	41
8	8	8	8	8	8

- Continued

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

BUILDING STATISTICS BY FUNCTION/PROGRAM (CONTINUED)  
LAST TEN FISCAL YEARS

	2022	2021	2020*	2019
<b>Shaker Heights Middle School</b>				
Constructed in 1957				
Total Building Square Footage**	133,400	133,400	133,400	133,400
Enrollment - Grades 7 - 8	783	783	740	750
Student Capacity	946	946	946	1,000
Regular Instruction Classrooms	26	26	26	26
Special Instruction Classrooms	7	7	7	7
<b>Shaker Heights High School</b>				
Constructed in 1930				
Total Building Square Footage	314,400	314,400	314,400	314,400
Enrollment - Grades 9-12	1,587	1,587	1,623	1,647
Student Capacity	1,941	1,941	1,941	2,000
Regular Instruction Classrooms	49	49	49	49
Special Instruction Classrooms	11	11	11	11
<b>Total Shaker Heights School Buildings</b>				
Total Building Square Footage	869,789	869,789	863,490	863,490
Enrollment - Grades PreK - 12	4,672	4,672	4,907	4,899
Student Capacity	6,187	6,187	6,187	6,626
Regular Instruction Classrooms	225	225	225	225
Special Instruction Classrooms	42	42	42	42

\* Student capacity numbers adjusted to coincide with Ohio Facilities Construction Commission's current square feet per student standards.

\*\* Reflects Fernway's expansion during the post July 2018 fire restoration completed in Fall 2020.

**Source:** School District Records

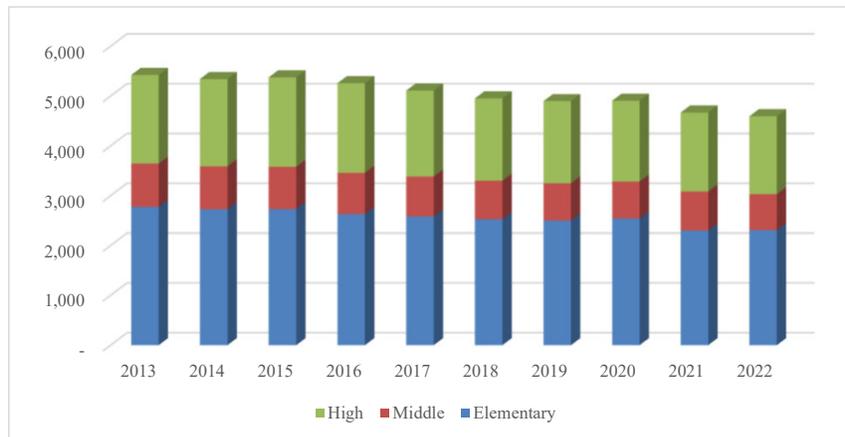
2018	2017	2016	2015	2014	2013
133,400	133,400	133,400	133,400	133,400	133,400
774	802	830	848	860	868
1,000	1,000	1,000	1,000	1,000	1,000
26	26	26	26	26	26
7	7	7	7	7	7
314,400	314,400	314,400	314,400	314,400	314,400
1,653	1,725	1,800	1,796	1,755	1,778
2,000	2,000	2,000	2,000	2,000	2,000
49	49	49	49	49	51
11	11	11	11	11	9
863,490	863,490	863,490	863,490	863,490	863,490
4,955	5,111	5,260	5,377	5,343	5,423
6,626	6,626	6,626	6,656	6,626	6,626
226	225	225	225	225	227
41	42	42	42	42	40

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

ENROLLMENT STATISTICS  
LAST TEN YEARS

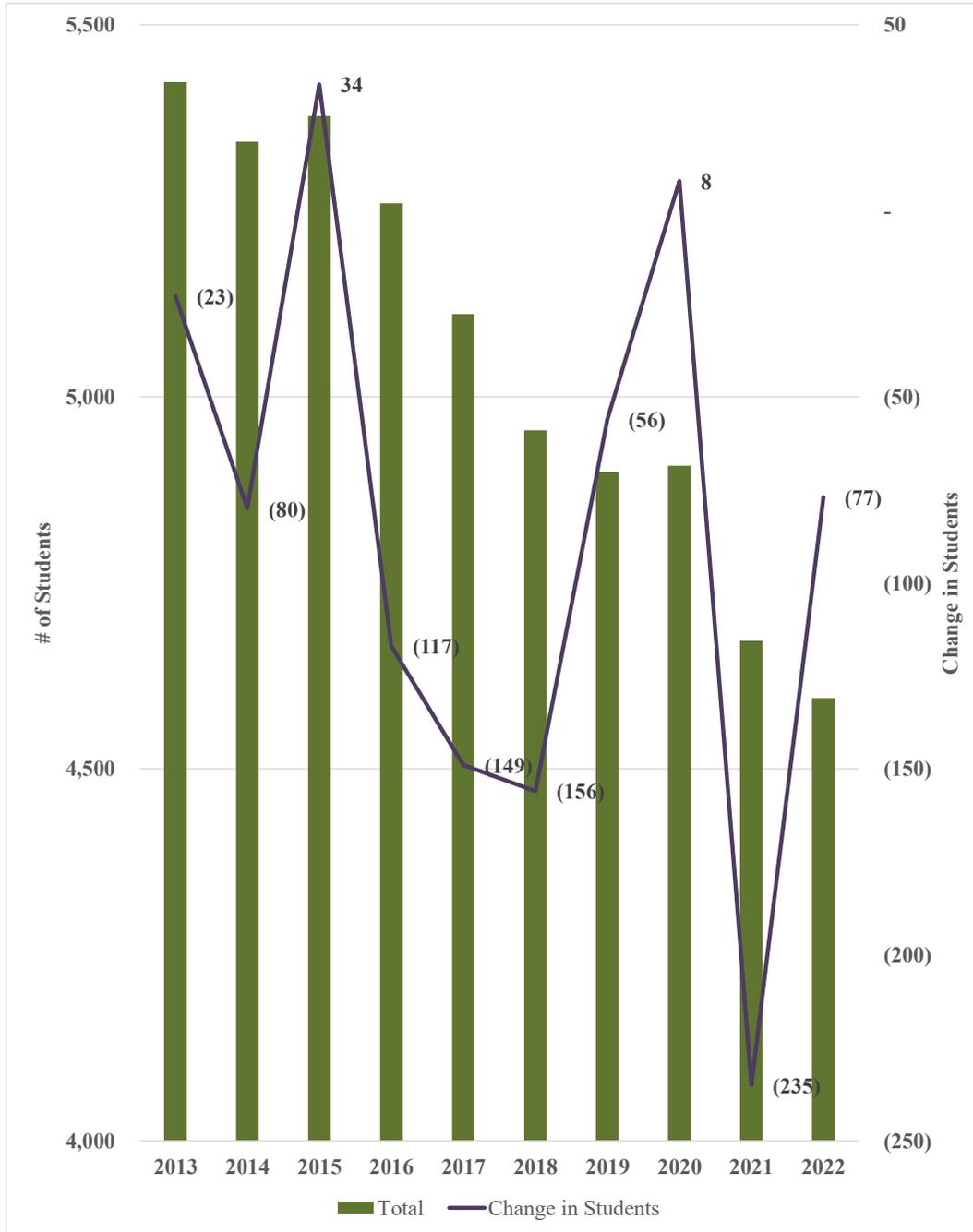
<b>Fiscal Year</b>	<b>Elementary Schools</b>	<b>Middle School</b>	<b>High School</b>	<b>Total</b>
2022	2,307	724	1,564	4,595
2021	2,302	783	1,587	4,672
2020	2,544	740	1,623	4,907
2019	2,502	750	1,647	4,899
2018	2,528	774	1,653	4,955
2017	2,584	803	1,724	5,111
2016	2,630	830	1,800	5,260
2015	2,733	848	1,796	5,377
2014	2,728	860	1,755	5,343
2013	2,777	868	1,778	5,423

**Source:** School District Records.



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

ENROLLMENT SUMMARY  
LAST TEN FISCAL YEARS



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

PUBLIC, COMMUNITY SCHOOL, PRIVATE AND TOTAL SCHOOL ENROLLMENT BY SCHOOL YEAR  
FISCAL YEARS 1979 TO 2022

<b>Fiscal Year</b>	<b>Total Public Enrollment (1)</b>	<b>Total Community School Enrollment (2)</b>	<b>Total Private Enrollment (3)</b>	<b>Total Enrollment</b>	<b>Private and Community School as a Percent of Total</b>
2022	4,595	100	1,063	5,758	20.2%
2021	4,672	100	1,053	5,825	19.8%
2020	4,907	65	933	5,905	16.9%
2019	4,899	69	932	5,900	17.0%
2018	4,755	63	934	5,752	17.3%
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 2021 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.

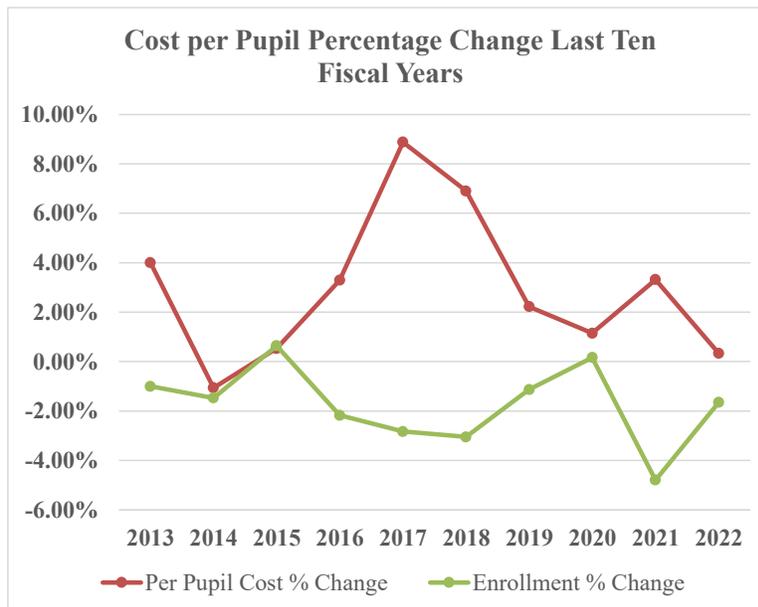
n/a - Information not available

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

PER PUPIL COST  
LAST TEN FISCAL YEARS

Year	General Fund Expenses	Average Daily Student Enrollment	Per Pupil Cost
2022	\$ 97,369,317	4,595	\$ 21,190
2021	98,678,691	4,672	21,121
2020	100,317,597	4,907	20,444
2019	99,017,549	4,899	20,212
2018	97,975,783	4,955	19,773
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	89,677,713	5,423	16,535

Source: School District Records.



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

SCHOOL DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS

Function/Program	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Regular Instruction</b>										
Elementary Classroom Teachers (b) (c)	193.760	168.658	157.730	158.067	168.742	165.700	167.058	156.756	148.671	148.031
Middle School Classroom Teachers	60.225	59.125	58.225	58.425	59.425	58.925	59.325	60.125	58.725	61.460
High School Classroom Teachers (b) (c)	109.125	108.925	105.025	106.525	109.625	110.925	111.625	109.825	115.425	113.150
	<u>363.110</u>	<u>336.708</u>	<u>320.980</u>	<u>323.017</u>	<u>337.792</u>	<u>335.550</u>	<u>338.008</u>	<u>326.706</u>	<u>322.821</u>	<u>322.641</u>
<b>Special Instruction</b>										
Preschool Teachers	7.430	5.000	5.000	5.000	5.000	5.000	3.000	3.000	3.000	3.000
Elementary Classroom Teachers (c)	26.000	19.000	25.000	24.000	24.000	23.000	23.500	22.500	21.500	23.500
Gifted/Enrichment Teachers	8.000	8.000	8.000	8.000	8.000	8.000	8.000	8.000	8.000	8.000
Middle School Classroom Teachers	10.000	10.000	10.000	9.000	11.000	10.000	9.000	8.200	7.600	7.550
High School Classroom Teachers (b) (c)	25.000	14.000	14.000	14.000	14.600	14.200	14.200	13.200	16.600	11.250
	<u>76.430</u>	<u>56.000</u>	<u>62.000</u>	<u>60.000</u>	<u>62.600</u>	<u>60.200</u>	<u>57.700</u>	<u>54.900</u>	<u>56.700</u>	<u>53.300</u>
<b>Vocational Instruction</b>										
High School Classroom Teachers	3.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	<u>3.000</u>	<u>0.000</u>								
<b>Pupil Support Services</b>										
Teacher Aides	91.475	113.025	115.025	112.150	108.575	105.675	104.620	105.140	100.815	94.090
Support Teachers (c)	0.000	27.180	37.610	36.430	36.930	36.850	33.397	35.880	33.160	31.711
Guidance Counselors	13.000	13.000	13.000	12.000	12.000	12.000	12.000	12.000	11.000	11.400
Librarians and Library Technicians	8.000	8.000	7.600	8.000	8.000	8.000	8.000	8.000	8.000	8.000
Psychologists	9.900	10.900	10.900	10.900	10.900	9.780	8.778	8.896	9.422	9.372
Speech & Lang. Pathologists	5.000	5.000	6.000	6.000	6.000	5.600	5.600	5.600	5.600	5.600
Nurse	9.000	9.000	9.000	9.000	8.860	8.860	8.930	8.630	8.360	8.260
Other Professional	4.000	3.000	2.000	3.000	2.000	1.000	1.000	1.000	0.800	0.800
	<u>140.375</u>	<u>189.105</u>	<u>201.135</u>	<u>197.480</u>	<u>193.265</u>	<u>187.765</u>	<u>182.325</u>	<u>185.146</u>	<u>177.157</u>	<u>169.233</u>
<b>Administrators</b>										
Elementary	9.000	9.000	9.000	9.000	9.000	9.000	9.000	9.000	9.000	9.000
Middle School	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000
High School	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000
Districtwide (Certified and Classified)	18.000	18.000	17.000	18.000	18.000	18.000	17.500	16.200	15.000	16.000
	<u>35.000</u>	<u>35.000</u>	<u>34.000</u>	<u>35.000</u>	<u>35.000</u>	<u>35.000</u>	<u>34.500</u>	<u>33.200</u>	<u>32.000</u>	<u>33.000</u>
<b>Operation of Plant</b>										
Custodians	57.000	57.000	57.000	57.000	56.000	57.000	57.000	55.000	55.000	57.000
Maintenance and Groundskeeping	14.000	14.000	14.000	14.000	14.000	14.000	14.000	14.000	14.000	15.000
	<u>71.000</u>	<u>71.000</u>	<u>71.000</u>	<u>71.000</u>	<u>70.000</u>	<u>71.000</u>	<u>71.000</u>	<u>69.000</u>	<u>69.000</u>	<u>72.000</u>
<b>Pupil Transportation</b>										
Bus Drivers	25.875	30.250	32.125	30.875	30.875	30.875	30.625	28.500	29.750	29.750
Mechanics	4.000	4.000	4.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000
	<u>29.875</u>	<u>34.250</u>	<u>36.125</u>	<u>33.875</u>	<u>33.875</u>	<u>33.875</u>	<u>33.625</u>	<u>31.500</u>	<u>32.750</u>	<u>32.750</u>
<b>Other</b>										
Supervisor/Administrator	46.500	43.649	42.649	42.649	41.649	37.859	35.850	36.750	33.550	33.750
OAPSE	51.219	51.219	52.819	51.800	53.800	53.800	53.533	53.000	54.000	54.000
Security	26.125	23.125	26.125	23.125	21.500	21.500	22.125	21.750	19.750	20.380
Data Processing (a)	0.000	0.000	0.000	0.000	0.000	4.000	4.000	4.000	4.000	4.000
	<u>123.844</u>	<u>117.993</u>	<u>121.593</u>	<u>117.574</u>	<u>116.949</u>	<u>117.159</u>	<u>115.508</u>	<u>115.500</u>	<u>111.300</u>	<u>112.130</u>
<b>Total Employees</b>	<b><u>842.634</u></b>	<b><u>840.056</u></b>	<b><u>846.833</u></b>	<b><u>837.946</u></b>	<b><u>849.481</u></b>	<b><u>840.549</u></b>	<b><u>832.666</u></b>	<b><u>815.952</u></b>	<b><u>801.728</u></b>	<b><u>795.054</u></b>

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

(a) Effective July 1, 2017, the Data Processing positions were reclassified to the Supervisor/Administrator category.

(b) Effective January 1, 2022, all Support Teachers were reclassified to SHTA Teacher positions.

(c) 2021 amounts reclassified for comparability to fiscal year 2022 presentation amounts.

Source: School District Records

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

**FULL-TIME EQUIVALENT CERTIFIED SCHOOL DISTRICT TEACHERS BY EDUCATION  
LAST TEN FISCAL YEARS**

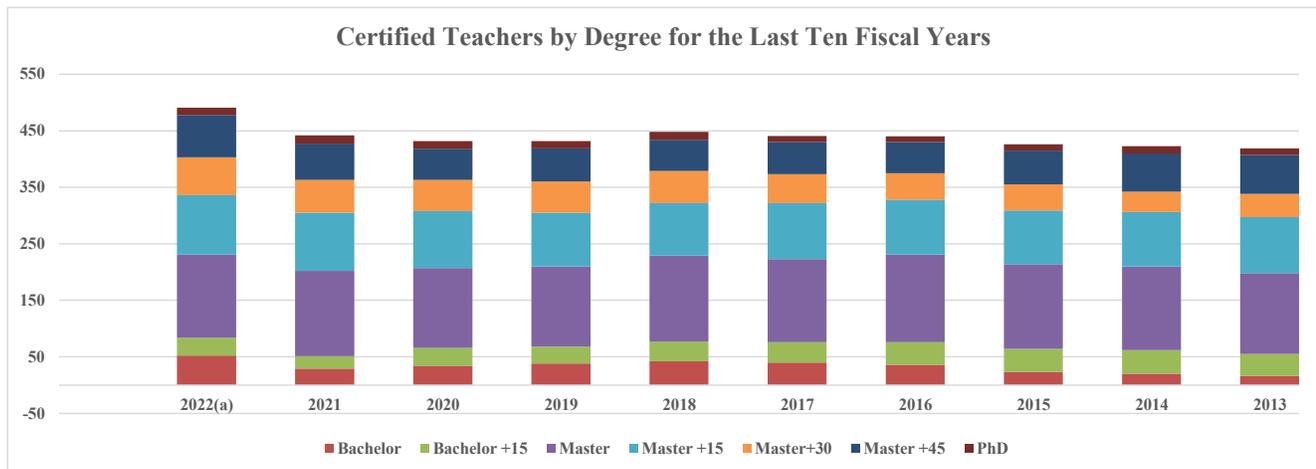
<b>Degree</b>	<b>2022(a)</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Bachelor	52	29	34	38	42	40	36	23	20	16
Bachelor +15	32	22	32	30	35	36	40	41	42	39
Master	147	151	141	142	152	147	155	150	148	143
Master +15	105	103	101	95	93	99	97	95	96	99
Master+30	67	58	55	55	57	51	47	46	36	41
Master +45	75	64	55	59	55	57	55	60	68	69
PhD	13	15	14	13	14	11	10	11	13	12
<b>Total</b>	<b>491</b>	<b>442</b>	<b>432</b>	<b>432</b>	<b>448</b>	<b>441</b>	<b>440</b>	<b>426</b>	<b>423</b>	<b>419</b>

**Years of Experience**

0 - 5	48	49	60	76	90	100	106	74	63	55
6 - 10	115	98	97	89	98	88	88	84	68	72
11 and Over	328	295	275	267	260	253	246	268	292	292
<b>Total</b>	<b>491</b>	<b>442</b>	<b>432</b>	<b>432</b>	<b>448</b>	<b>441</b>	<b>440</b>	<b>426</b>	<b>423</b>	<b>419</b>

(a) Effective January 1, 2022, all Support Teachers were reclassified to SHTA Teacher positions.

**Source:** School District Records



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

**COLLEGE ADMISSIONS FOR ALL STUDENTS  
LAST TEN SCHOOL YEARS**

---

<b>Class</b>	<b>Percent of Four - Year</b>	<b>Percent of Two - Year</b>	<b>Total Percent</b>
2022	71	8	79
2021	71	9	80
2020	67	20	87
2019	69	10	79
2018	71	13	84
2017	68	15	83
2016	68	15	83
2015	70	16	86
2014	68	11	79
2013	65	15	80

**Sources:** School District Records

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

NATIONAL MERIT AND NATIONAL ACHIEVEMENT RECOGNITION  
LAST TEN SCHOOL YEARS

---

Class	National Merit (all students)	National Achievement (African- American students only) (1)	National Hispanic Scholars	Percent of Shaker Seniors Honored	Percent of United States Seniors Honored
2022	32	0	0	8%	1%
2021	22	0	0	6%	1%
2020	19	0	0	5%	1%
2019	23	0	2	6%	1%
2018	21	0	0	5%	1%
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%

**Source:** School District Records

(1) National Achievement program was discontinued after 2015.

**THIS PAGE IS INTENTIONALLY LEFT BLANK**

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

**SINGLE AUDIT REPORT**

**FOR THE FISCAL YEAR  
ENDED JUNE 30, 2022**

***Zupka & Associates***  
**Certified Public Accountants**

**SHAKER HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO  
SINGLE AUDIT REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

---

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	Under Separate Cover
Comprehensive Annual Financial Report	Under Separate Cover
Schedule of Expenditures of Federal Awards	1
Notes to the Schedule of Expenditures of Federal Awards	2
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	3-4
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	5-7
Schedule of Findings and Questioned Costs	8-9
Schedule of Prior Findings and Recommendations	10

**SHAKER HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<b>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</b>	Assistance Listing Number	Expenditures	Non-Cash Expenditures
<b><u>U.S. Department of Agriculture</u></b>			
<i>Passed through Ohio Department of Education</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	\$ 559,380	\$ 0
National School Lunch Program	10.555	1,246,629	136,505
COVID-19 National School Lunch Program	10.555	133,291	0
Total Child Nutrition Cluster		<u>1,939,300</u>	<u>136,505</u>
State Pandemic EBT Administrative Grants	10.649	614	0
<b>Total U.S. Department of Agriculture</b>		<u>1,939,914</u>	<u>136,505</u>
<b><u>U.S. Department of Education</u></b>			
<i>Passed through Ohio Department of Education</i>			
Title I - Grants to Local Educational Agencies - 2021	84.010	202,867	0
Title I - Grants to Local Educational Agencies - 2022	84.010	830,875	0
Title I - Grants to Local Educational Agencies- Expanded Opportunities for Each Child - 2022	84.010	22,586	0
Total ALN #84.010		<u>1,056,328</u>	<u>0</u>
Special Education Cluster (IDEA):			
Special Education - Grants to States - 2021	84.027	240,096	0
Special Education - Grants to States - 2022	84.027	1,025,236	0
Special Education - Grants to States - Restoration - 2021	84.027	36,564	0
Special Education - Preschool Grants - 2021	84.173	2,629	0
Special Education - Preschool Grants - 2022	84.173	16,369	0
Special Education - Preschool Grants - 6B IDEA Grants	84.173	3,248	0
Total Special Education Cluster		<u>1,324,142</u>	<u>0</u>
Student Support and Academic Enrichment - 2021	84.424	21,346	0
Student Support and Academic Enrichment - 2022	84.424	69,826	0
Total ALN#84.424		<u>91,172</u>	<u>0</u>
English Language Acquisition Grant - 2021	84.365	2,264	0
English Language Acquisition Grant - 2022	84.365	9,604	0
Total ALN #84.287		<u>11,868</u>	<u>0</u>
Improving Teacher Quality State Grants - 2021	84.367	62,929	0
Improving Teacher Quality State Grants - 2022	84.367	237,554	0
Total ALN #84.367		<u>300,483</u>	<u>0</u>
Education Stabilization Fund:			
COVID-19 ESSER - 2022	84.425D	1,434	0
COVID-19 ESSER II - 2022	84.425D	2,060,518	0
COVID-19 ARP ESSER	84.425U	1,869,537	0
COVID-19 ARP Homeless	84.425U	10,000	0
Total ALN #84.425		<u>3,941,489</u>	<u>0</u>
<b>Total U.S. Department of Education</b>		<u>6,725,482</u>	<u>0</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		<u>\$ 8,665,396</u>	<u>\$ 136,505</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

**SHAKER HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

---

**NOTE 1: 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 under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented 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 Shaker Heights City School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of Shaker Heights City School District.

**NOTE 2: 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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3: INDIRECT COST RATE**

Shaker Heights City School District has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 4: CHILD NUTRITION CLUSTER**

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

**NOTE 5: FOOD DONATION PROGRAM**

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the Schedule at the fair value of the commodities received.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

To the Members of the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Shaker Heights City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2022, 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 26, 2023, wherein we noted the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. We also noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we considered a significant deficiency as item **2022-001**.

### **Report on Compliance and Other Matters**

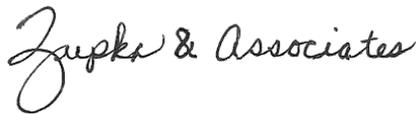
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

### **District's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of This Report**

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



Zupka & Associates  
Certified Public Accountants

January 26, 2023

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;  
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE**

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

To the Members of the Board of Education:

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Shaker Heights City School District, Cuyahoga County, Ohio's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Shaker Heights City School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted an audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by 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 for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Shaker Heights City School District, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Shaker Heights City School District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements to the Shaker Heights City School District's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Shaker Heights City School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Shaker Heights City School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Shaker Heights City School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Shaker Heights City School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Shaker Heights City School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

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

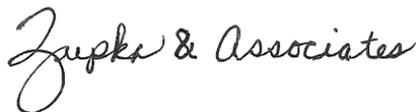
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. 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 District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated January 26, 2023, which contained unmodified opinions on those financial statements wherein we noted the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. We also noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for the purpose of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Zupka & Associates  
Certified Public Accountants

January 26, 2023

**SHAKER HEIGHTS CITY SCHOOL DISTRICT  
 CUYAHOGA COUNTY, OHIO  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 UNIFORM GUIDANCE  
 JUNE 30, 2022**

---

**1. SUMMARY OF AUDITOR'S RESULTS**

2022(i)	Type of Financial Statement Opinion	Unmodified
2022(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2022(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
2022(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2022(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2022(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2022(v)	Type of Major Programs' Compliance Opinions	Unmodified
2022(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2022(vii)	Major Programs (list):  Child Nutrition Cluster - ALN #10.553 and ALN #10.555 Education Stabilization Fund - ALN #84.425D and ALN #84.425U	
2022(viii)	Dollar Threshold: A/B Program	Type A: \$750,000 Type B: All Others
2022(ix)	Low Risk Auditee?	Yes

**SHAKER HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
UNIFORM GUIDANCE  
JUNE 30, 2022  
(CONTINUED)**

---

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

**Finding 2022-001 – Significant Deficiency – Payroll Overpayment**

**Condition/Criteria**

During the course of our audit, we noted that the District had overpaid twenty-five teachers and three bus drivers through the payroll process. These overpayments occurred beginning in 2016 through 2022. The total amount of overpayments for all years was \$307,827. This matter was discovered by the District in 2022. Thus far, twenty-one of the teachers and one of the bus drivers have either repaid the amounts owed to the District or have agreed to a repayment plan. The District has been unable to establish repayment agreements with the remaining six employees.

**Cause/Effect**

In years prior to 2011, the collective bargaining agreement between the District and the Shaker Heights Teachers' Association included a provision for employees who met certain requirements to receive a double increment wage increase at the time they received continuing contract status, and a second double increment after five years on a continuing contract of service with the District. The provision was removed in 2011; however, employees who were hired by the District in SHTA-covered positions prior to March 31, 2011, were still eligible to receive the double increment increases. Beginning in 2016, teachers who otherwise met the criteria to receive the double increment increase, but were hired after March 31, 2011, erroneously received the double increment increase.

In addition, three of the District's bus drivers switched from being 5-hour employees to being 8-hour employees. Subsequent to this change, the bus drivers were erroneously double paid for the extra 3-hours at straight time rates.

**Recommendation**

We recommend that the District implement controls to review all changes to employee wages and salaries, and that they verify that the terms of collective bargaining agreements and payroll policies are properly applied. Additionally, overtime hours should be verified against employees' regularly scheduled hours.

**Client Response**

Once we detected the overpayment errors, we reviewed all employees with the potential for having the same error to isolate the impacted employees. We undertook significant efforts to obtain repayment agreements from all impacted employees and achieved success with 21 of 25 SHTA overpayments who have entered into signed & notarized repayment agreements and are currently repaying the overpayments over time. With regards to the bus driver overpayment situation, we achieved success with only 1 of 3 overpayments. The District has modified its procedures and implemented controls so as to eliminate the potential for a recurrence of these two unique overpayment situations.

3. **FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.

**SHAKER HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO  
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

---

The audit report for the prior year ending June 30, 2021, contained no findings or citations. Management letter recommendations have been corrected, repeated or procedures instituted to prevent occurrence in this audit period.

# OHIO AUDITOR OF STATE KEITH FABER



**SHAKER HEIGHTS CITY SCHOOL DISTRICT**

**CUYAHOGA COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 6/22/2023**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)