



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2012



CLEVELAND
MUNICIPAL
SCHOOL DISTRICT

1380 East Sixth Street, Cleveland, Ohio
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*The primary goal of the
Cleveland Municipal School District is to become a
premier school district in the United States.*

Comprehensive Annual Financial Report

of the

Cleveland Municipal School District

For the

**FISCAL YEAR ENDED
JUNE 30, 2012**

Prepared by

Finance Department

John W. Scanlan

Chief Financial and Administrative Officer

1380 East Sixth Street * Cleveland, Ohio 44114

CLEVELAND MUNICIPAL SCHOOL DISTRICT

Board of Education



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Board Chair



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Board Vice Chair



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Eric S. Gordon
*Chief Executive
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John W. Scanlan
*Chief Financial &
Administrative Officer*



Introductory Section

Cleveland Municipal School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012
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Eric Gordon
Chief Executive Officer

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Board of Education
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December 28, 2012

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Eric Wobser

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Cleveland Municipal School District (the "School District") for the fiscal year ended June 30, 2012. This CAFR includes an opinion from the State Auditor and conforms to generally accepted accounting principles as applicable to governmental activities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the School District. This report will provide the taxpayers of the School District with comprehensive financial data in a format which will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to taxpayers, financial rating services and other interested parties.

Ex Officio Members
Dr. Ronald M. Berkman
Dr. Jerry Sue Thornton

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview and analysis of the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The School District's MD&A can be found immediately following the independent accountants' report.

The School District

The Board of Education and Administration

The Board of Education of the School District (the "Board") is a political and corporate body charged with the responsibility of managing and controlling the affairs of the School District, and is governed by the general laws of the State of Ohio (the "Ohio Revised Code"). The Board is comprised of nine members who are appointed by the Mayor of the City of Cleveland.

The Chief Executive Officer of the School District has the responsibility for directing and assigning teachers and other employees, assigning the pupils to the proper schools, grades and performing such other duties as determined by the appointed Board. In May of 2011, the Board with the concurrence of the Mayor appointed Eric Gordon as the School District's Chief Executive Officer with a one-year contract effective July 1, 2011 through June 30, 2012. Mr. Gordon's contract was renewed and is scheduled to expire on June 30, 2015. Prior to being named the Chief Executive Officer, Mr. Gordon served as the District's Chief Academic Officer since 2007.

The Chief Financial Officer/Treasurer is the chief fiscal officer of the Board and the School District. Under the current administrative structure, the Chief Financial Officer/Treasurer reports to the Chief Executive Officer. On November 15, 2011 the District formally announced the appointment of John W. Scanlan as the Chief Financial and Administrative Officer effective January 1, 2012. Mr. Scanlan was previously the Deputy Superintendent of Administration in New York's Rochester City School District and the Chief Operating Officer of the Oklahoma City Public School District.

The School District and its Facilities

Of the School District's area of approximately 82 square miles, 81.44 square miles (or 99.32 percent) are in the City of Cleveland. The balance of the School District's area is located in and serves the entire area of the Villages of Newburgh Heights, Linndale and Bratenahl and a small portion of the City of Garfield Heights. The School District is located entirely within Cuyahoga County, and, with the exception of a portion of the City of Cleveland located in the Shaker Heights City School District, its boundaries are generally coterminous with the corporate boundaries of the City of Cleveland.

The purpose and responsibility of the School District is to provide an efficient educational system for the children enrolled in the public schools, whereby each child has access to programs and services that are appropriate to his or her needs. In addition to regular educational programs, the School District offers comprehensive programs in the areas of vocational education, special education and bilingual education. Through its specialty school programs, the School District offers advanced educational programs in such areas as fine arts, computer science, healthcare professions, law and municipal professions, business, and technical trades.

In fiscal year 2012, the School District enrolled 40,758 students (compared to 43,363 the previous year) in 76 K-8 schools, and 22 senior high schools. In addition, classes were provided in four residential school programs. The School District also operated a variety of specialized educational facilities (consisting of gardens, athletic fields, a sheltered workshop and a greenhouse), eight administration facilities (including a central kitchen and two leased sites) and two transportation depots.

The School District has completed its tenth year of a massive school facility construction/renovation project, which is described in more detail in the ***Management's Discussion and Analysis*** section. The project commenced in 2001 to address the condition and age of the existing classroom facilities (which ranged from 25 to 113 years old).

Charter/Community Schools

Beginning in fiscal year 1999, State of Ohio legislation allowed for the creation of charter/community schools. By law the School District receives State Foundation Aid for students attending charter/community schools that are residents of the School District on a per pupil basis. That aid, which includes an imputed local match, is paid out to the charter/community schools for their operations on a one-for-one basis. The number of students attending charter/community schools has grown in the past ten years to 16,614 for fiscal 2012, resulting in the payment from the School District of state aid of \$117.0 million.

Employee Relations

As of June 30, 2012 the School District had 6,557 full and part-time employees (compared to 8,373 the previous year). In the fiscal year ended June 30, 2012, the School District paid \$376.6 million in salaries and wages and \$146.5 million for fringe benefits such as employer retirement contributions, health care, life insurance, and certain other benefits.

The School District's certificated administrators and supervisors (such as principals, assistant principals and many central office staff) are not members of any bargaining unit but are represented by the Cleveland Council Administrators and supervisors; however, many of these individuals are employees at an at-will basis. Teachers and educational specialists, including aides, are represented by the Cleveland Teachers Union ("CTU").

In July 2010, the District entered into a contract with CTU for a three-year period ending June 30, 2013. This contract provides for 4.62% wage reductions effective for the first year only, generally speaking, and healthcare concessions that are in effect for the term of the agreement. The contract includes a reopener on economic terms in the second and third years, and the District and CTU reached an agreement in December 2011 for wage concession of approximately 2.3%. The parties are currently in negotiations for the 2012-13 reopener.

Classified employees (secretarial-clerical, custodial, maintenance, transportation and cafeteria staff) of the School District are represented for collective bargaining purposes by different unions, including:

- the International Brotherhood of Teamsters Local 407 (school bus drivers and bus attendants), with a three-year contract (with no reopeners) ending June 30, 2013;
- the City, County, and State Truck Drivers Union Local 244 (truck drivers), with a two-year agreement ending on June 30, 2013, with a 5% compensation reduction, 10% health care contribution, and a freeze of longevity pay for the eight individuals in this union;
- the National Conference of Fireman and Oilers Local 860 (assistant custodians, laborers, and mechanics), with a contract that expires June 30, 2013. For 2011-2012 and 2012-2013 members agreed to wage concessions of approximately 5.40%;
- the International Brotherhood of Teamsters Local 436 (security officers), with a contract that expires June 30, 2013. The parties entered into an agreement that became effective January 1, 2012 and included a wage reduction of 5.0%;
- the Service Employees International Union Local 1199 (clerical, food service and cleaning staff), with a three-year contract ending June 30, 2013 and which includes a wage reopener in years two and three. As a result of the 2011-2012 reopener, members agreed to a two-year wage reduction averaging approximately 5.5%; and
- the Cleveland Building Trades Council (trades people) and the carpenters union, entered into contracts through June 30, 2013 providing for wage concessions of approximately 5.25%.

In addition, the National Conference of Fireman and Oilers Local 777 (custodians), has a three-year contract ending June 30, 2013, that contained a reopener in years two and three. As a result of recent negotiation, the District and Local 777 finalized an agreement for the remainder of the contract period that no longer is subject to a reopener (unless mutually agreed upon between both parties). The new contract generally provides for 5.5% salary and wage reductions and healthcare concessions that are in effect for the term of the agreement.

The Reporting Entity

The School District has reviewed its reporting entity definition in order to insure conformance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity", and Statement No. 39, "Determining Whether Certain Organizations are Component Units." The basic financial statements include all organizations, activities and functions for which the School District is financially accountable.

Excluded from the reporting entity because they are fiscally independent of the School District are the City of Cleveland and the Cleveland Public Library. The City of Cleveland and the Cleveland Public Library are related organizations whose relationships to the School District are described in Note 19 to the basic financial statements. The School District also participates in the Ohio Schools Council, which is a jointly governed organization. In 2001 the School District created the Bond Accountability Commission ("BAC"), which is also a jointly governed organization. These relationships are described in Note 20 to the basic financial statements.

The School District is an independent municipal school district and is not a component unit of another government. A complete discussion of the School District's reporting entity is provided in Note 1 to the basic financial statements.

Economic Condition and Outlook

The School District's primary sources of revenues are from the State of Ohio through the State Foundation program and through the levying of property taxes on real property located within the School District. These two sources combined represent approximately 96 percent of the School District's fiscal year 2012 budget basis General Fund operating revenues. The following discussion provides additional information pertaining to these revenue sources.

Taxes

Property taxes are levied and assessed on a calendar year basis. Second half distributions generally occur in a new fiscal year. Property taxes include amounts levied against all real and public utility located in the School District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years.

A table showing the assessed valuation of property in the School District subject to ad valorem taxes by the Board for the most recent ten years is presented in the statistical section.

The assessed valuation of real property is fixed at 35 percent of true value and is determined pursuant to rules of the State Tax Commissioner, except that real property devoted exclusively to agricultural use is assessed at not more than 35 percent of its current agricultural use value.

Fiscal year 2013 property taxes are currently estimated by the Cuyahoga County Auditor's Office based on a collection rate of 78.9%, down from 80.9%. The forecast through 2017 assumes a collection rate of 78.9%. The Ohio Revised Code and Ohio Administrative Code mandate Cuyahoga County to conduct a re-appraisal every six years, an update every three years and annual valuation of improvements based upon building permits received from each city annually. The next update will be in 2012, with the next re-appraisal scheduled for the year 2015.

State law grants tax relief to property owners (property tax rollbacks) in the form of a 10% reduction in real property tax bills. In addition, a 2.5% rollback is granted for owner occupied homesteads (total of 12.5%). The State reimburses the School District for the loss of real property taxes as a result of the rollback provision. HB 66 eliminated the 10% rollback on commercial property; hence the School District will no longer receive a State reimbursement for those dollars, as it will receive those payments directly from commercial property owners.

Public utilities include electric companies, gas companies, and local and long distance telecommunications companies. Historically, utility property taxes have been assessed at rates of 100% and 88% of true value, depending on the type of property. SB 3, the Electric Utility Deregulation bill, was passed in 1999. This act revised the tax assessment rates for most classes of public utility property. The tax assessment rate for all

tangible personal property of an electric company, except transmission and distribution property, was reduced by 25%. By enacting a kilowatt-hour excise tax and requiring the funding of a replacement fund (to make up for losses in assessed value), the Legislature intends to hold school districts financially harmless due to electric deregulation. A similar hold harmless provision was built into SB 287, dealing with the re-evaluation of public utility property for natural gas utilities. HB 66, the 2006-2007 biennium budget bill enacted a number of changes to the public utility property tax. The assessment rate of all electric transmission and distribution of personal property was reduced from 88% to 85%. The assessment rate for all other electric personal property was reduced from 25% to 24%. A School Property Tax Replacement Fund was established to reimburse school districts for the loss in taxable value resulting from deregulation of the electric and gas utility industries.

House Bill 66 phases out the tax on the tangible personal property of general businesses, telephone and telecommunications, and railroads. The tax on general business and railroad property was eliminated in 2009, and the tax on telephone and telecommunications property was eliminated in 2011. The tax is phased out by reducing the assessment rate on the property each year. HB 66 makes provision to replace revenue lost due to the phase out of the tangible personal property tax. Businesses are now subject to a commercial activity tax (CAT) that will provide some replacement income to school districts for the lost tangible property revenues.

Ohio law grants tax credits to offset increases in taxes resulting from increases in the true value of real property. Legislation implementing a 1980 constitutional amendment classifies real property between (1) residential and agricultural and (2) all other real property, and provides for tax reduction factors to be separately computed for and applied to each class. These credits apply to certain voted levies on real property, and do not apply to unvoted tax levies or voted tax levies to pay debt service on general obligation debt.

Additionally, in 1976 the General Assembly passed House Bill 920. This law provides that real property owners receive tax credits equal to any tax increase caused by an increase in value of all real property in taxing districts as a result of reappraisal, update or readjustment. This does not apply to inside non-voted millage, tangible property or new construction. In effect, H.B. 920 removes inflationary revenue growth from the applicable real property by requiring an adjustment to the voted millage rate, thereby resulting in a lower effective millage rate.

Property tax levies and collections for the last ten years are shown in comparative format in the statistical section.

School Foundation

The State's School Foundation Program is another major source of revenue for the School District's General Fund. The State assists public school districts under a statutory program, which includes direct payments to districts based upon a statutory formula. Such payments are made through the School Foundation Program established by the Ohio Revised Code. School Foundation Program funds distributed to a School District are required to be used for current operating expenses, unless specifically allocated by the State for some other purpose.

Basic eligibility for School Foundation Program payments is based on a School District's compliance with State-mandated minimum standards.

The State Budget Act repealed the current funding system for city, exempted village and local school districts that was known as the Evidence Based Model and was enacted as part of the previous State biennial budget act. In its place, the State Budget Act creates a temporary formula allocating funding to school districts based on a wealth-adjusted portion of their State education aid for Fiscal Year 2011 under the Evidence Based Model. The temporary formula funds school districts for the next biennium in anticipation of a permanent system to replace the Evidence Based Model to be devised at a later, unspecified date.

Under the temporary formula in the State Budget Act, the Ohio Department of Education (ODE) will compute and pay to each city, exempted village and local school district, for Fiscal Year 2012 and 2013, education aid based on the per pupil funding it received for Fiscal Year 2011, adjusted by its share of a Statewide per pupil adjustment amount that is indexed by the district's relative tax valuation per pupil. The Statewide per pupil adjustment amount must be determined by the Department such that the State's total education aid obligation does not exceed the aggregate appropriated amount.

A supplemental funding provision for Fiscal Years 2012 and 2013 guarantees to each school district operating funding in an amount equal to at least the amount of State operating funding (excluding any State Fiscal Stabilization Fund money) the district received for Fiscal Year 2011 under the Evidence Based Model.

ODE is required to pay an additional amount of \$17 per student to each school district that is rated as "Excellent with Distinction" or "Excellent" on the annual district and school academic performance report cards. At present, the District is rated as "Academic Emergency".

The former Foundation Program relied on a per pupil "formula amount" to compute base-cost funding and some categorical funding. The Evidence Based Model and the temporary formula in the State Budget Act do not rely on such a per-pupil formula amount for that purpose, but do prescribe a formula amount to compute transfer payments for students attending community schools, STEM schools and other districts through open enrollment. The State Budget Act sets the formula amount at \$5,653 for both Fiscal Years 2012 and 2013. The formula amount for Fiscal Year 2009 under the Foundation Program, and for Fiscal Years 2010 and 2011 under the Evidence Based Model, was \$5,732. The State Budget Act continues use of the latter amount for computing additional weighted funding for special education and vocational education transfers to community schools, STEM schools and other districts.

There can be no assurance concerning future funding levels for or the details of State funding for school districts. As has been the case with Evidence Based Model and Foundation Program, funding has also been subject to adjustment during a biennium. As indicated above, the General Assembly has the power to amend the system of State school funding. The District cannot predict whether, when or in what form a new permanent system of State school funding will be enacted into law.

Local Economy

The City of Cleveland is located on the southern shores of Lake Erie, and is the county seat of Cuyahoga County. The City is included in the Cleveland-Elyria-Mentor, OH Metropolitan Statistical Area (MSA), comprised of Cuyahoga, Lake, Lorain, Geauga, and Medina counties. This MSA is the 26th largest of 366 Metropolitan Areas in the United States, and the largest Metropolitan Area in the State of Ohio. Founded in 1796, Cleveland quickly established economic strengths in heavy industry, including oil, iron and steel, and combined with its favorable location on major shipping channels soon emerged as the dominant manufacturing and business center of Northeast Ohio. While the City's economy has shifted more toward health care and financial services, its manufacturing base has assumed a smaller, yet still vital role. Competitive pressures in manufacturing have limited job creation, but the competitive position of Cleveland-based industrial companies has improved.

Cleveland's economic condition draws strength and stability from its evolving role as a focal point of a growing, changing and substantial regional economy. The City is located at the center of one of the nation's heaviest population concentrations. The Cleveland metropolitan area is a significant local market, housing 2.1 million people. Cleveland also provides superior links to the global markets. The Cleveland-Cuyahoga Port Authority handles the largest amount of overseas cargo on Lake Erie and includes a Foreign Trade Zone. The City is also well-served with extensive highways, and the Cleveland Hopkins International Airport services as a United Airlines Hub and is serviced by all major airlines. The re-emergence of downtown Cleveland as a vibrant center for national and regional entertainment and major cultural activities signals a turning point in the City's overall fortunes and is paving the way for further economic expansion that will be significantly more entrepreneurial in scope.

The following projects currently underway will provide the momentum necessary to continue rebuilding the City's economic base:

- The former Crown Plaza hotel was purchased by Optima 777 LLC which has signed with Westin Hotels for a \$73 million hotel renovation project across from Public Hall and Convention Center. Construction is underway and the hotel is expected to open a few months prior to the opening of the Convention Center and Medical Mart in 2013.
- Renovations totaling nearly \$37 million at the historic East Ohio Gas building at East Sixth and Rockwell have been completed for the new headquarters for Calfee, Halter, and Griswold LLP. The building is seven floors and 115,500 square feet.
- Medical Mart and Convention Center – Merchandise Mart Properties began construction in early 2011 of its Medical Mart and Convention Center at the site of the former convention center in downtown Cleveland, which is expected to be completed sometime in 2013. Once completed, the estimated \$425 million center is projected to generate significant economic activity in the City.
- Flats East Bank – Construction continues on the approximately \$270 million Cleveland Flats East Development Project. The project consists of an approximately 450,000 square foot, 18-story office tower, approximately 31,000 square feet of restaurant and retail space, a 150-room Starwood brand hotel called “Aloft” and an approximately 550-space parking garage. The housing portion of the development has been moved to the second phase of the project, in deference to current housing market issues. Three large corporate tenants have agreed to lease more than sixty percent of the office tower. The building is slated to open in 2013.
- Flats West Bank – Renovation of the historic Powerhouse is underway. The new Greater Cleveland Aquarium opened in early 2012 and attracted 265,000 visitors in its first six months of operation. Phase I of the project cost approximately \$33 million. The Aquarium features 45,000 square feet of exhibits, including the SeaTube®, an underwater walk-through experience.
- In recent years, Cleveland State University (CSU) has continued its commitment to investing in downtown Cleveland. In 2010 CSU completed construction of a new \$36 million College of Education and Human Services and \$50 million Student Center. CSU is now focused on additional student housing for over 1,500 students. It has prepared and released bids and is in the selection process for a developer. The new development at CSU has caused several investors to purchase and renovate buildings in the general area, now called “College Town.” The Collegetown Lofts project includes a Barnes and Noble bookstore on two floors and apartments and condos above. Total project cost is \$900,000. Allegro Realty purchased a building on Euclid Avenue across from the University and moved its headquarters to the second floor and added three retail spaces to the first floor.
- Also in the University Circle area, construction was recently completed on the 158,000 square foot “Uptown” project, a new markets tax credit project that includes restaurants, retail and market rate rental housing and which received funding from a variety of public, private and philanthropic partners. A second new markets tax credit project for the financing of “Uptown II” is underway and developers are hoping to begin construction before the end of 2012. The \$20 million dollar project to redevelop the historic Tudor Arms property was completed with the opening of a Doubletree Hotel in May 2011. The Veterans Administration is constructing facilities to consolidate its operations to the Wade Park Campus in the City. Phase I of the project, including an office building, domiciliary and parking garage, opened in May 2011. Phase II of the project includes funding for the restoration and renovation of the 240 bed hospital. This \$120 million project will create 1,200 new jobs. The project currently underway.

- The City of Cleveland unveiled a new waterfront development plan that capitalizes on the City's number one asset, Lake Erie. The plan proposes a walkway, urban development of the waterfront. As part of the plan, the City received a \$1,450,400 grant to design and construct a Transient Marina in North Coast Harbor. The marina will attract many visitors of the City of Cleveland.
- Overall, the downtown housing market has a 96% occupancy rate, and many properties have long wait lists. A local developer recently acquired and closed financing on the Hanna Annex Building on East 13th Street to convert the upper floor offices into 102 apartments consisting of primarily market rate rental housing that will include some corporate and affordable housing units. The developer is working in conjunction with an affiliate of the PlayhouseSquare Foundation to renovate and lease out the lower level space to retail and commercial tenants. The total project cost is over \$25 million. Other housing activity in downtown includes the Campus District area. Cleveland State University has contracted with Polaris Real Estate Equities to build 300 market rate apartments adjacent to the north end of campus. The \$50 million Campus Village project will also have 8,000 square feet of amenities including a movie theatre, meeting rooms and a cyber café at the corner of East 23rd and Chester Avenue.
- Ohio has become the 13th state to allow casinos, as voters approved gaming halls in Cleveland, Columbus, Cincinnati, and Toledo. The \$600 million Horseshoe Casino Cleveland is being developed in two phases by Rock Ohio Caesars LLC, a joint venture of Rock Gaming LLC and Caesars Entertainment Corporation and will carry the Caesars' Horseshoe brand used in other cities. Phase I of the project opened on May 14, 2012 in the renovated historic downtown Higbee building, and employs nearly 1,600 workers. Phase I development cost approximately \$350 million. The developer has purchased the property for Phase II, adjacent to the Phase I site, but construction has not started and an expected completion date has not been announced.

Major Initiatives

The Cleveland Plan (H.B. 525)

On July 7, 2012, Governor John Kasich signed House Bill 525, also known as "The Cleveland Plan" (the Plan), into law. Cleveland Mayor Frank Jackson, Governor Kasich, the General Assembly, the Cleveland Teacher's Union and the Cleveland business community collaborated to create a plan for the District to improve standards, reward, retain, and recruit high-quality educators, and increase school autonomy and accountability. The goal of the Plan is to ensure that every child in the District attends a high-quality school and that every neighborhood has a multitude of great schools from which families can choose. To reach this goal, the District will need to transition from a traditional, single-source school district to a new system of district and charter schools that are held to the highest standards and work in partnership to create dramatic student achievement gains for every child. The plan is built upon growing the number of excellent schools in Cleveland, regardless of provider, and giving these schools autonomy over staff and budgets in exchange for high accountability for performance. It aims to create an environment that empowers and values principals and teachers as professionals and makes certain that District students are held to the highest expectations.

The Plan is grounded in an emerging national approach known as the "portfolio strategy," which is showing promising results in cities such as Baltimore, Denver, and New York. The principal focus of this work is to significantly increase the number of high-performing schools while reducing and eventually eliminating low-performing schools. To do this, the District will employ four distinct strategies. (1) *Promote, expand, and replicate existing high-performing district and charter schools.* Great schools, measured by a consistent standard of quality will have full autonomy over school budgets, staff selection and assignment, academic and student support programs, school calendar and school schedules in exchange for high accountability standards and access to financial and other resources. (2) *Start new schools.* The District will endeavor to attract the best national education models, invent schools that are unique to the City and encourage local community

partners and teachers within the District to co-create new and innovative school models. (3) *Refocus and strengthen mid-performing schools*. For those schools that meet minimum state standards and have some critical academic and social conditions in place, the District will employ precise, customized and differentiated interventions and investments and grant some levels of autonomy. (4) *Repurpose and address low-performing schools*. The lowest performing schools will be targeted for immediate and dramatic action, including closure and reassignment of student to better schools, closure and start-up of a new school, phase-in of a new program and phase-out of the old program, or turning the school over to a capable charter operator.

In addition, organizational roles and relationships will change in three fundamental ways. First, the primary roles of central office will be to oversee the portfolio of schools to ensure continuous improvement, provide system coordination for essential functions (enrollment, data systems, etc.) and provide some targeted services directly to schools. Secondly, schools will be given varying levels of autonomy based on their level of performance and will be accountable for delivering an excellent education. All schools will have to abide by certain state and federal requirements, such as state testing and serving students with disabilities and English language learners, among others. Finally, the district will shift to a weighted per-pupil funding system for all schools and transfer a majority of spending control to schools based on the number and needs of the students they enroll. This will include the transfer of some locally generated tax revenues to high-performing charter schools that are sponsored by or have agreements with the district.

Beyond the investments in this new, performance-based system of schools, the District will invest in several fundamental building blocks upon which this plan must be built high quality preschool education, college and workforce readiness, year-round calendar, talent recruitment and capacity building, academic technology enhancement, and support for high-quality charter schools.

The Cleveland Transformation Alliance, a public-private partnership with representatives from the District, the charter sector and the community, will be charged with ensuring the growth of the portfolio of high-performing district and charter schools within the District. Currently, there is no “one” organization that is responsible for the quality of all public school students in Cleveland. Approximately 70 percent of public school students attend district schools under the governance of the Cleveland Board of Education. Another 30 percent attend charter schools, each with its own governing board and authorizer. Currently, there are ten authorizers in the county that sponsor schools in Cleveland. This dispersed authority can be a strength. It ensures that no single entity holds a monopoly over school, encourage entrepreneurship, fosters the development of new models and can limit bureaucracy. But it also has limitations. Most notably, the public, and our parents in particular, lack consistent, useful information about the quality of schools in Cleveland. The Cleveland Transformation Alliance will be created to address this challenge.

Finally, the Plan includes a new type of property tax levy that may be pursued by municipal school districts. If approved by the electors, the board of education can levy a tax for the current expenses of the school district and also for current expenses of partnering community schools, which are, generally speaking, those community schools located within the territory of the school district and that are either (i) sponsored by the school district, or (ii) have entered into an agreement with the school district “whereby the district and the community school endorse each other’s programs”. The School District successfully placed such a levy on the November 6, 2012 ballot, specifically, a 15-mill current expense levy with 14 mills being allocated to the current expenses of the School District and one mill being allocated to the current expenses of partnering community schools (through distributions by the School District to such community schools upon receipt of tax proceeds and related revenue).

As result of the passage of this levy, the CEO released a draft implementation strategy for the Cleveland Plan seeking comment from community members and business leaders. The implementation strategy identified the following goals as the basis for measuring educational progress under the Plan:

- *Increase the number of students enrolled in high-performing schools*: At the end of six years, triple the number of Cleveland students enrolled in high-performing district and charter schools from the

approximately 11,000 students currently enrolled in these schools to approximately 33,000 by 2018-2019.

- *Eliminate failing schools:* At the end of six years, (by 2018-2019) eliminate the District's 63 failing schools
- *Increase the graduation rate and graduate more students ready for college and careers:* The current graduation rate, as computed by the state using a four-year cohort graduation rate computation is 56.0%. The goal is to cut in half the gap between this rate and the state's 90% graduation rate goal, thereby increasing the graduation rate to 71% by 2017-2018.
- *Raise student achievement while closing achievement gaps:* While all subjects and all grades will be targeted, the primary focus will be to raise student achievement rates in reading and math by 2017-2018, with a goal toward cutting in half the gap that exists between current achievement levels and 100% proficiency, and to do so by 2017-2018. This also includes the identification of specific achievement goals.
- *Increase college enrollment:* The goal is to increase college enrollment rates from the current baseline of 63.1% of graduates to 68.6% by 2017-2018. (This goal exceeds the 2011 national college going rate of 68.2%)
- *Significantly improve the conditions for learning:* Currently, 58.5% of District students rate their school experience as "adequate" or better. The goal is to significantly improve students' school experience – cutting the proportion of students who report that the conditions in their building as needing improvement in half, thereby increasing student satisfaction to 79.5%, by 2017-2018.

CMSD Mission/Vision Statement

"The primary goal of the Cleveland Metropolitan School District is to become a premier school district in the United States of America."

The Cleveland Metropolitan School District envisions 21st Century Schools of Choice, where students are challenged with a rigorous curriculum that considers the individual learning styles, program preferences and academic needs of each student and where the skills of high quality educators, administrators and staff are supported and developed.

Transformation Strategy

The District is committed to preparing 21st Century graduates in dynamic contextual learning environments and to improving student achievement through increased mastery of rigorous curriculum.

District Goals

- *Create and support quality schools:* To meet this goal, the District must:
 - Transform the lowest performing schools;
 - Support middle and high-performing schools;
 - Open new school models;
 - Establish additional district-sponsored charter schools;
 - Develop a geographic and demographic analysis
 - Implement policies and practices supporting building level autonomy; and
 - Develop resource allocation processes (weighted student funding and school-based budgets).

- *Build capacity of quality teachers and leaders:* To meet this goal, the District must:
 - Implement new human capital management system, policy and procedures;
 - Develop multiple measures of student growth;
 - Implement teacher and administrator development and evaluation systems;
 - Develop and implement a professional development program;
 - Implement a talent seeking and development system; and
 - Develop and implement differentiated compensation.

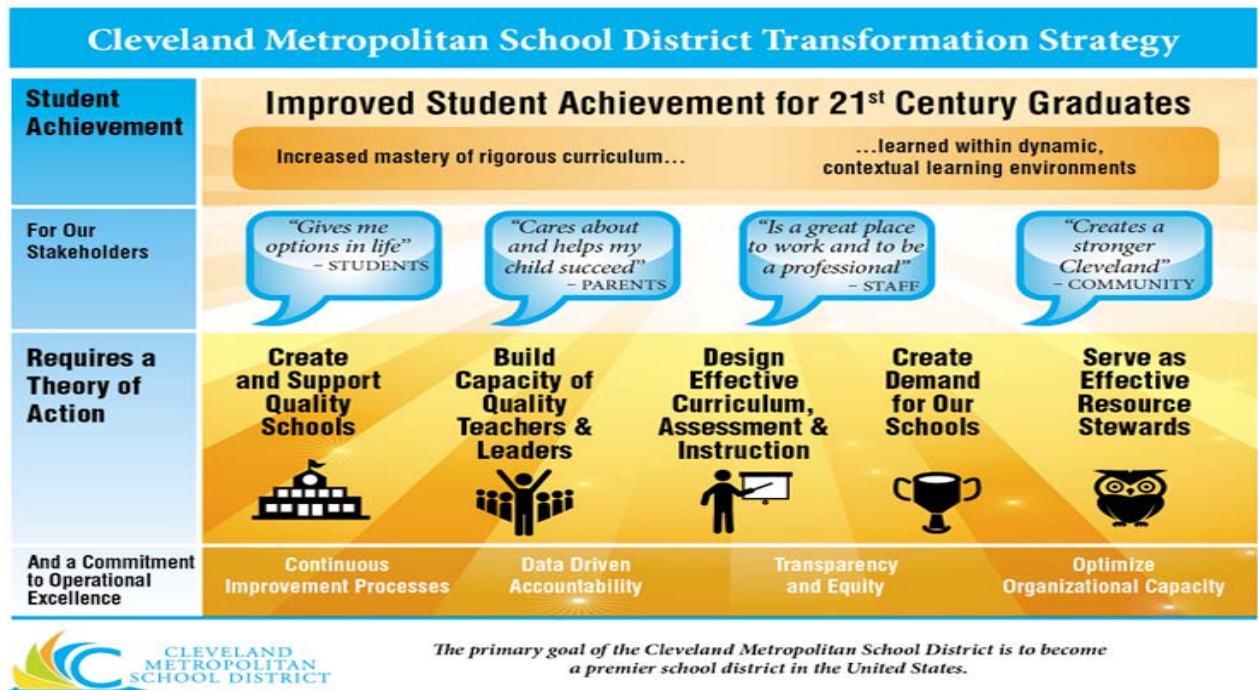
- *Design effective curriculum assessment and instruction:* To meet this goal, the District must:
 - Implement the Enhanced Core Curriculum (ECC);
 - Ensure effective data analysis and use;
 - Design and use instructional improvement system;
 - Expand social and emotional learning investments;
 - Expand early childhood opportunities;
 - Provide support for students with disabilities and English language learners;
 - Expand career and workforce experience for student; and
 - Design central office supports to provide technical assistance and practical support in key areas.

- *Create demand for our schools:* To meet this goal, the District must:
 - Develop and implement community outreach and engagement activities;
 - Improve student enrollment and assignment practices;
 - Improve school safety and enforce discipline;
 - Increase parent involvement and engagement;
 - Develop communications and marketing strategy; and
 - Develop and implement a formal district customer service program.

- *Serve as effective resource stewards:* To meet this goal, the District must:
 - Implement modern human capital management system;
 - Redesign district budget processes;
 - Develop business intelligence analytic capacity;
 - Identify and solicit external investments;
 - Oversee management of district facilities;
 - Plans for technology needs;
 - Partner with non-district sponsored charter schools; and
 - Develop academic program partnerships.

The Strategic Map

To guide the details of the District’s implementation work, the district has created a comprehensive strategy map (below) which outlines a theory of action for the successful implementation of The Cleveland Plan. This theory of action states that: *If CMSD focuses on five strategic actions: (1) creating and supporting quality schools; (2) strengthening the capacity of teachers and leaders; (3) designing effective curriculum, assessment and instructional resources; (4) creating demand for our schools, and (5) serving as effective resource stewards), then CMSD students can expect improved student achievement demonstrated by an increased mastery of rigorous curriculum learned within dynamic, contextual learning environments.*



Four-Year Strategy Plan (2012-2016)

- Attract, retain and develop excellent teachers
- Replace failing school with new, high quality schools
- Increase graduation rates in every neighborhood
- Ensure all graduates are prepared for college, career and work
- Update textbooks, computers and technologies
- Maintain disciplined classrooms where students learn every day
- Provide real world education in local businesses
- Lengthen the school year for students who need it most
- Help fund outstanding, accountable charter schools
- Base Teacher and principal pay more on performance

Significant Accomplishments

The School District has made great strides during the last several years. Some of the key accomplishments include:

- During the 2011-2012 school year, the District achieved the following benchmarks on the state report card:
 - Valley View Elementary School earned an “Excellent with Distinction” designation;
 - Five schools achieved an “Excellent” designation, including Whitney Young, John Hay Early College, John Hay School of Architecture and Design, John Hay School of Science and Medicine, and Riverside;
 - Thirteen schools were rated as “Effective”;
 - John Hay Early College High School had the highest Performance Index of any high school in the state of Ohio;
 - The District earned a record high performance in 6th grade reading proficiency and in 8th grade science proficiency for the second consecutive year;
 - The District also earned a record high performance in 8th grade math proficiency;
 - Also, the District achieved a 4-year graduation rate of 56.0%, up from 52.2% the previous year.

- Community Engagement Initiatives:
 - CMSD Parent University
 - Annual Back to School Fair
 - STEAM Program (Science, Technology, Engineering, Arts, Math)
 - Monthly Parent Advisory Meetings
 - Quarterly School/Parent Organization District Leadership

- In the 2011-2012 school year, the District started a pilot program called The Bookshelf Project for 6th through 12th graders designed to replace outdated printed textbooks with updatable digital content from Houghton Mifflin Harcourt. Initially, a total of approximately 400 students in grades 6 – 8 at Mound Elementary School and Washington Park High School will be provided with Nook Color Tablets purchased at a discount from Barnes & Noble through a grant from Third Federal Foundation. For the 2012-2013 school year, The District purchased Nook Color Tablets for the following High Schools: Max Hayes, Martin Luther King Campus, and Jane Addams.

- In the 2010-2011 school year, the District opened the International Newcomers Academy and the Ninth Grade Academy at Thomas Jefferson, a school newly renovated as part of the District’s capital improvement plan. The school centers around academic excellence along with ensuring all students their social-emotional needs can be met. Community organizations assist both of the schools at Thomas Jefferson both during the school day, and after school. There is high visibility by both administrators and teachers created to collaborate with the various cultures housed at the school. Staff works continuously to teach students to respect others, regardless of differences in language or culture; respecting culture is a primary focus of the school. The International Newcomers Academy has students from all over the world, speaking sixteen different languages. The innovative programming allows students to feel comfortable with their differences, and allows them to focus on learning.

- During the 2008-2009 school year, the School District began offering the following opportunities for students in our district and region:
 - MC2 STEM High School offers the regional need for advance high school education in science, technology, engineering and math. The MC2 STEM High School is a unique opportunity school of choice that accepts 75 percent of its students from the School District and 25 percent from the region. This high school is the first incubator STEM school in Cleveland that provides innovative instruction for students with multiple educational centers that compliment their curriculum of a dynamic real-world learning environment with a foundation of rigorous STEM based academic principles. Freshman campus is located

within the Cleveland Science Center in the heart of downtown Cleveland, while the sophomore experience is held on the fortune campus of General Electric Nela Park, and finally the junior and senior years take place on a college campus. This is the first high school in the nation to be housed on the campus of a Fortune 500 company.

- Design Lab Early College combines creating thinking, refined technical skills and artistic application of design. The students participate in the full evolution of projects from conception and design to fabrication and presentation. The School District is partnering with Cuyahoga Community College Metro Campus for this dynamic opportunity. The first class of Design Lab graduated in the 2011-2012 school year

Both schools offer an innovative four year high school experience. During the senior year, students attend the majority of their classes on a college campus. The School District believes these opportunities of schools of choice will not only be attractive to students and faculty but also position our students to compete on a global scale.

- In the fall of 2007 the School District opened four single gender schools for students in grade Pre K-8. According to a survey conducted by the Cleveland Foundation, parents of students at these single gender schools report a 94 percent satisfaction rate with the schools. The Valley View Boys Leadership Academy received their first Excellent on their 2009-2010 state report card. Beginning in the 2012-13 school year, the academies will serve students Pre K – 7th grade.
- Named after noted Glenville High School football coach Ted Ginn, Sr., this school opened in fall of 2007 and is designed to create a productive, holistic learning environment for the School District's at-risk make students. Plans are to establish a residency-based school environment. Other elements include coordinated services with city and regional social service agencies. In the school's first three years of operation, the Academy scored a rating of "Continuous Improvement" on its Ohio Department of Educational Report Card. In 2010-2011, Ginn Academy had its first class of graduation seniors.
- To enhance safety and security, independent audits are being conducted to assess the current level of support, services personnel and security equipment for the purpose of extracting strategic insights and making recommendations to improve School District safety and security. The School District has installed metal detectors and increased security guards to all buildings.
- The School District continued the 3Rs (Rights, Responsibilities, Realities) collaboration with the Cleveland Bar Association in which more than 700 lawyers, judges and other volunteers of the legal community have gone into 10th-grade classrooms in our high schools. Their mission is to improve understanding of the law and the Constitution; improve passage of the Ohio Graduation Test; and to provide practical career counseling to focus students on their potential beyond high school.
- The District opened two new schools at the beginning of the school year Anton Grdina and Mound. Both schools are elementary buildings. Construction began and continued on Almira, Cleveland School of Arts, Louisa May Alcott, Miles, Orchard, Paul L. Dunbar, John Marshall, and Max Hayes. Construction has yet to begin on Case, Glenville Area Elementary, New West Side High School, and Buckeye-Woodland.
- P.R.I.D.E Initiative: Priority Recognition Increased Data & Efficiency was a new program that was piloted at ten schools throughout the District in the 2011-2012 school year. The two main components of the program are the visitor management segment and the student ID segment. This program will be a great example of the importance of hardware and humanware working together. The visitor management segment identification, and screening of visitors. The system will verify visitor identities by scanning the driver's license or state identification. The system will also issue an

alert if a “high risk” visitor should enter a building. The student ID displays the District’s logo with an up-to-date picture of the student. Each ID includes a bar code that will be swiped for logging various activities and transactions. They can be used to increase efficiency in the cafeteria, media center, hallways and dealing with tardy students. A handheld device will be used to assist with gathering climate data and tracking some discipline issues. The features of this system will also allow everyone at the schools to account for all individuals who enter our facilities. This program was rolled out throughout the entire district in the 2012-2013 school year.

- A District-wide uniform policy was instituted for grades K-8 in 2008. In 2009, high school students were required to participate in the District-wide uniform policy. This has been a successful initiative for the District Community.

The listing above represents just a sample of what is being achieved. Things will continue to change for the better in the years to come.

Long-Term Financial Planning

The Board of Education has assigned responsibility for annual and long-term financial planning to the Chief Financial Officer/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.

The School District has implemented a 14-year, ten segment Master Facility Plan, that will require approximately \$1.5 billion to repair, renovate and rebuild its school facilities. The revised Master Facility Plan called for the construction/replacement of 50 schools, renovation of 15 existing facilities and maintain and repair 6 existing facilities as resources allow. Segment one of the construction projects began in 2002. Through June 30, 2012, the School District has constructed 26 new schools and renovated 5 existing facilities.

Relevant Financial Policies

At the beginning of each fiscal year, the School District adopts either a temporary or permanent appropriation measure for that fiscal year. If a temporary appropriation measure is first adopted, the permanent appropriation measure must be adopted upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates, which is usually within the first three months of the fiscal year.

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

All disbursements and transfers of cash between funds require appropriation authority. Budgets are controlled at the fund level. All purchase order requests must be approved by the appropriate levels of authority and certified by the Chief Financial Officer/Treasurer; necessary funds are then encumbered and purchase orders are released to vendors.

The accounting system used by the School District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date.

Each administrator and school principal is furnished monthly reports showing the status of the budget accounts for which they are responsible. In addition, an on-line inquiry system is available for each cost center site.

The School District pursues an aggressive cash management program by expediting the receipt of revenues and prudently investing and depositing available cash in obligations collateralized by instruments issued by the

United States Government, governmental agencies, corporations or the State of Ohio or insured by the Federal Deposit Insurance Corporation (FDIC) and/or the Securities Investor Protection Corporation (SIPC).

Protection of the School District's deposits is provided by the federal deposit insurance corporation and/or by qualified securities pledged by the institution holding the assets. By law, financial intuitions may establish a collateral pool to cover all public deposits. The market value of the pooled collateral must equal at least 105 percent of public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and other designated third-party trustees of the financial institutions.

Internal Controls

Management of the School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the School District are protected from loss, theft or misuse. The internal control structure ensures that accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal, state, and county financial assistance, the School District is also responsible for maintaining a rigorous internal control structure that ensures full compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management, external auditors and the internal audit staff of the School District. The School District is required to undergo an annual audit in conformity with the provisions of the Single Audit Act and U.S. Office of Management and Budget Circular A-133, *Audits of State and Local Governments and Non-profit Organizations*. The information related to the Single Audit, including the schedule of federal awards expenditures, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations are included in a separate report.

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 the School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This 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 that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ASBO International Certificate of Excellence

The School District received the Association of School Business Officials (ASBO) International Certificate of Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011. This award certifies that the report substantially conforms to the principles and standards of financial reporting as recommended and adopted by ASBO. The award is granted only after an intensive review of financial reports by an expert ASBO panel of review consisting of certified public accountants and practicing School business officials. Receiving the award is recognition that a School system has met the highest standards of excellence in School financial reporting.

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

Acknowledgments

The publication of this report signifies a professionalizing of the School District's financial reporting. It enhances the School District's accountability to the residents of the School District.

The preparation of this report would not have been possible without the assistance and support of the staff of the Financial Reporting's Division of the Finance Department.

Finally, we would like to acknowledge members of the Board who have expressed their interest and support in planning and conducting the financial operations of the School District.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "JW Scanlan". The signature is stylized and cursive.

John W. Scanlan
Chief Financial and Administrative Officer

Cleveland Municipal School District

Board Members

Appointed by Mayor of City of Cleveland

Name	Began Service as a Board Member	Present Term Expires June 30
Denise W. Link, Chair	2007	2015
Louise P. Dempsey, Vice Chair	1998	2015
Patricia Crutchfield	2009	2013
Robert M. Heard, Sr.	2004	2013
Willetta A. Milam	2003	2013
Shaletha Mitchell	2011	2015
Iris M. Rodriguez (a)	2008	2015
Dr. Lisa Thomas	2011	2013
Eric Wobser	2011	2015
Dr. Ronald M. Berkman, ex-officio		
Dr. Jerry Sue Thornton, ex-officio		

(a) Resigned December 11, 2012; effective December 31, 2012

Cleveland Municipal School District

Senior Appointed Officials

Eric Gordon	Chief Executive Officer
Michelle N. Pierre-Farid (a)	Chief Academic Officer
John Scanlan (b)	Chief Financial and Administrative Officer
Christine Fowler-Mack	Chief of New and Innovative Schools and Programs
Patrick Zohn	Chief Operating Officer
Diana Ehlert	Deputy Chief, Academic Resources
Nicholas Jackson	Deputy Chief, Business Operations
Gary Sautter	Deputy Chief, Capitol Programs
Karen Thompson	Deputy Chief, Curriculum and Instruction
Dennis Kubick	Deputy Chief, Financial Officer/Controller
Serena Houston-Edwards (c)	Deputy Chief, Human Resources (interim)
TBD	Deputy Chief, Leadership and Growth
Wayne Belock	Deputy Chief, Legal Counsel
Joseph Podach	Deputy Chief, Operations and Performance Improvement
Dr. Russell Brown	Deputy Chief, Organizational Accountability
Lester Fultz	Deputy Chief, Safety and Security
Rojeana Howell-Curtis	Academic Superintendent, Growth Schools
Dr. Laura Purnell (d)	Academic Superintendent, Refocus Schools
Luther Johnson (e)	Academic Superintendent, Refocus Schools (interim)
Donald Jolly (f)	Academic Superintendent, Repurpose Schools (interim)
Valentina Moxon	Academic Superintendent, School Improvement Grant Schools
Lisa Farmer Cole	Director, Innovative Portfolio Schools
Dr. Roseann Canfora	District Communications Officer
George Anagnostou	Executive Director, Budgets
Tracy Hill	Executive Director, Family and Community Engagement
Regis Balaban	Executive Director, Food Services
Larry Johnston	Executive Director, Internal Auditor
Donna Bowen (g)	Executive Director, Intervention Services (interim)
Blessing Nwaozuzu	Executive Director, Student Services

(a) Appointed August 1, 2012

(b) Appointed November 15, 2011; Effective January 1, 2012

(c) Appointed July 9, 2012

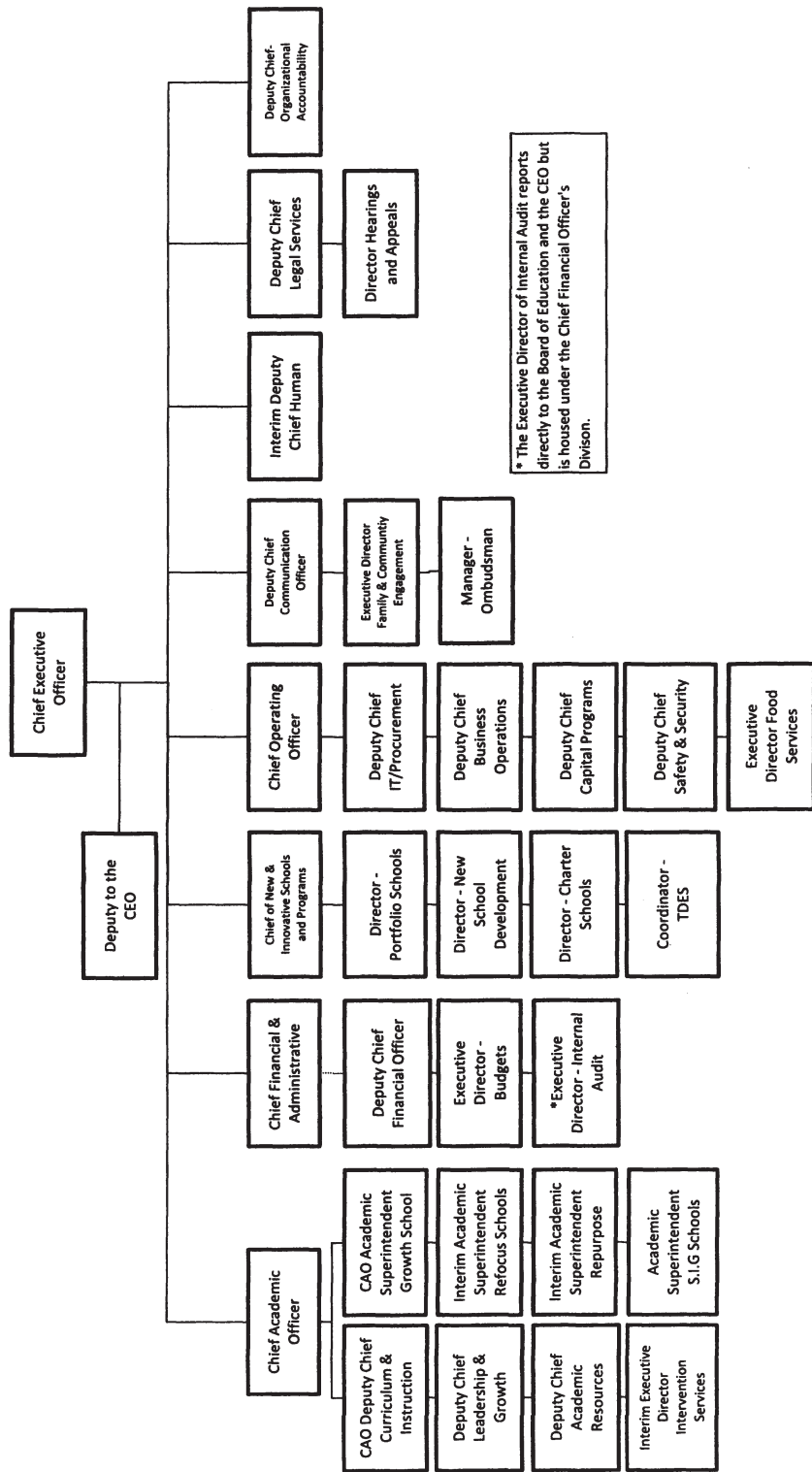
(d) Retired January 1, 2013

(e) Appointed November 7, 2012

(f) Appointed November 7, 2012

(g) Appointed July 23, 2012

Cleveland Municipal School District Organizational Chart



* The Executive Director of Internal Audit reports directly to the Board of Education and the CEO but is housed under the Chief Financial Officer's Division.

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Cleveland
Municipal School District
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

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



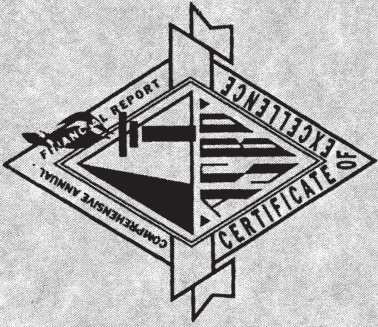
Christopher P. Mouill

President

Jeffrey R. Emer

Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL



This Certificate of Excellence in Financial Reporting

is presented to

Cleveland Municipal School District

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2011

upon recommendation of the Association's Panel of Review

which has judged that the Report substantially conforms

to principles and standards of ASBO's Certificate of Excellence

Bruce Mason

President

John D. Quasar

Executive Director

Financial Section



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Cleveland Municipal School District
Cuyahoga County
1380 East Sixth Street
Cleveland, Ohio 44114

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cleveland Municipal School District, Cuyahoga County, Ohio (the District), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Cleveland Municipal School District, Cuyahoga County, Ohio, as of June 30, 2012, 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 conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2012, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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 other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.



Dave Yost
Auditor of State

December 28, 2012

Cleveland Municipal School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

The discussion and analysis of the School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2012 are as follows:

- ❑ Total current and other assets decreased by \$0.6 million and capital assets decreased by \$2.2 million, resulting in a net decrease in total assets of \$2.8 million in Governmental Activities.
- ❑ Total short-term liabilities decreased \$6.4 million and total long-term liabilities decreased \$28.5 million, resulting in a net decrease in total liabilities of \$34.9 million in Governmental Activities.
- ❑ Total net assets increased \$32.0 million in Governmental Activities.
- ❑ General revenues accounted for \$671.3 million in revenue or 80.1% of all revenues for Governmental Activities. Program specific revenues in the form of charges for services, sales, grants or contributions accounted for \$166.4 million or 19.9% of total revenues of \$837.7 million.
- ❑ Total program expenses were \$805.7 million in Governmental Activities.
- ❑ Among major funds, the General Fund had \$632.1 million in revenues and other financing sources and \$638.4 million in expenditures and other financing uses. The General Fund's fund balance decreased by \$6.4 million.

Using this Comprehensive Annual Financial Report (CAFR)

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 an entire operating entity. The statements begin at a summary level and expand to detailed financial activities.

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the entire School District, presenting both an aggregate view of the School District's current finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements present 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 General Fund, the Debt Service Fund, and the Classroom Facilities Fund, are the most significant governmental funds .

Reporting the School District on a Government-Wide Basis

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds utilized by the School District to provide programs and activities, the view of the School District as an entity looks at all financial transactions and asks the

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Management's Discussion and Analysis
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question, "How did we do financially during 2012?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash was received or paid.

These two statements report the School District's net assets and changes in those net assets. This change in net assets is important because it tells the reader whether the financial position of the School District, as a whole, 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, general inflation and other factors.

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 18. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for its financial transactions. However, these fund financial statements concentrate on the School District's most significant funds. The School District's major governmental funds are the General Fund, the Debt Service Fund, and the Classroom Facilities 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 modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps the reader determine the amount of 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 Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds - Proprietary funds have historically operated as enterprise and internal service funds using the same basis of accounting as business-type activities. The School District has no enterprise funds. The internal service fund is used to account for and finance its uninsured risks of loss and associated expenses attributable to deductibles and self-insured retention limits for general liability and property damage claim settlements and judgments. Also, it used to account for and finance the Districts self-insurance programs for employee medical benefits.

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The School District on a Government-Wide Basis

The Statement of Net Assets provides the perspective of the School District as a whole.

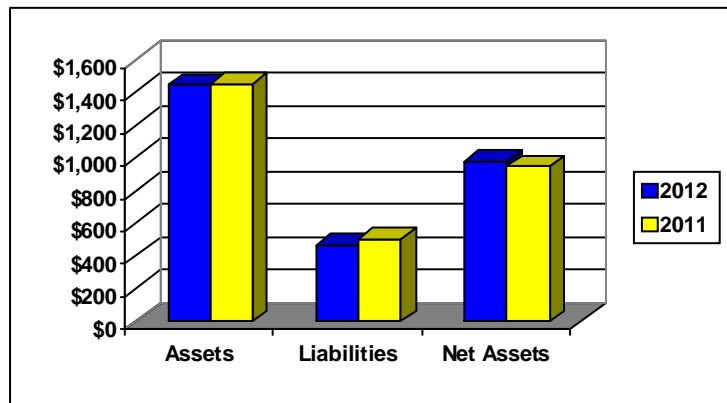
Table 1 provides a summary of the School District's net assets for 2012 compared to 2011:

Table 1
Net Assets
Governmental Activities
(\$ In Millions)

	Governmental Activities		Change
	2012	2011	
Assets			
Current and Other Assets	\$ 737.7	\$ 738.3	\$ (0.6)
Capital Assets	711.5	713.7	(2.2)
Total Assets	1,449.2	1,452.0	(2.8)
Liabilities			
Current Liabilities	230.5	236.9	(6.4)
Long-Term Liabilities	237.4	265.9	(28.5)
Total Liabilities	467.9	502.8	(34.9)
Net Assets			
Invested in Capital			
Assets Net of Related Debt	518.8	504.0	14.8
Restricted			
Restricted for Debt Service	51.2	48.2	3.0
Restricted for Capital Projects	278.9	260.6	18.3
Restricted for Educational Special Trust	19.0	19.4	(0.4)
Restricted for Classroom Facilities Maintenance	31.5	28.3	3.2
Restricted for Auxiliary Services	1.5	1.5	0.0
Restricted for Miscellaneous State Grants	2.1	0.5	1.6
Restricted for Food Service	0.8	1.0	(0.2)
Restricted for Miscellaneous Federal Grants	0.7	0.9	(0.2)
Restricted for Other Purposes	3.4	26.1	(22.7)
Unassigned	73.3	58.7	14.6
Total Net Assets	\$ 981.2	\$ 949.2	\$ 32.0

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Graph 1
 Net Assets
 Governmental Activities
 (\$ In Millions)



Current and other assets decreased by \$0.6 million and capital assets decreased by \$2.2 million, resulting in an overall decrease in total assets of \$2.8 million. The decrease in current and other assets is mostly attributable to a net decrease in Intergovernmental Receivable of \$2.8 million. The primary reason for the decrease in capital assets is that the School District sold five of its school buildings in fiscal year 2012.

Current liabilities decreased by \$6.4 million and long-term liabilities decreased by \$28.5 million, resulting in an overall decrease in total liabilities of \$34.9 million. The decrease in current liabilities is due primarily to the decrease of Unearned Revenue of \$5.8 million. The decrease in long-term liabilities is due primarily to the decrease in long-term debt payments of \$17.1 million and the decrease in compensated absences of \$10.9 million.

Total net assets increased by \$32.0 million. This is mainly the result of an \$18.3 million increase of the fund balance in the Capital Projects Funds. The Capital Project Funds balance increased because the intergovernmental receivable increased by \$27.3 million due the district and the State of Ohio coming to agreement to start segment 6 of the ongoing construction program. Also, net assets increased due to the unassigned net assets increasing by \$14.6 million. This increase was due to long term liabilities decreasing by \$10.9 million. Long term liabilities decreased because the district offered an Employee Separation Plan to the members of the Cleveland Teachers Union during fiscal year 2012. At the end of the current year, the School District is able to report positive balances in all three categories of net assets.

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Table 2 shows the change in net assets for fiscal years 2012 and 2011.

Table 2
Changes in Net Assets
Governmental Activities
(\$ In Millions)

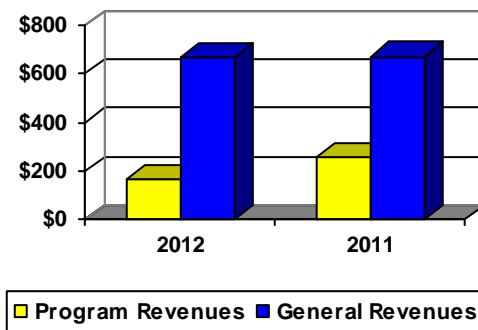
	Governmental Activities		Change
	2012	2011	
Revenues			
General Revenues:			
Property Taxes	\$ 185.6	\$ 189.6	\$ (4.0)
Miscellaneous	18.5	13.7	4.8
Investments Income	1.9	3.5	(1.6)
Grants and Entitlements	465.3	465.5	(0.2)
Program Revenues:			
Charges for Services	4.6	6.0	(1.4)
Operating Grants	118.8	243.7	(124.9)
Capital Grants	43.0	2.0	41.0
Total Revenues	<u>837.7</u>	<u>924.0</u>	<u>(86.3)</u>
Program Expenses			
Instruction	512.4	522.7	(10.3)
Support Services:			
Pupil and Instructional Staff	87.1	96.7	(9.6)
Board of Education, Administration, Fiscal and Business	56.0	60.6	(4.6)
Operation and Maintenance of Plant	55.1	63.2	(8.1)
Pupil Transportation	27.9	28.9	(1.0)
Central	12.0	12.4	(0.4)
Operation of Non-Instructional Services	39.7	42.2	(2.5)
Extracurricular Activities	5.9	6.4	(0.5)
Interest and Fiscal Charges	9.6	9.9	(0.3)
Total Expenses	<u>805.7</u>	<u>843.0</u>	<u>(37.3)</u>
Change in Net Assets	32.0	81.0	(49.0)
Net Assets Beginning of Year	<u>949.2</u>	<u>868.2</u>	<u>81.0</u>
Net Assets End of Year	<u>\$ 981.2</u>	<u>\$ 949.2</u>	<u>\$ 32.0</u>

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Graph 2
 Revenue for Governmental Activities
 (\$ In Millions)

	2012	2011
General Revenues	\$ 671.3	\$ 672.3
Program Revenues	166.4	251.7
Total Revenues	\$ 837.7	\$ 924.0

Governmental Activities - Revenue



General Revenues

General revenues for the School District are comprised almost entirely of property tax collections and grants from various sources. Property taxes made up 27.7% and 28.2% and grants made up 69.3% and 69.2% of general revenues for governmental activities for the School District in fiscal years 2012 and 2011, respectively.

The unusual nature of property tax legislation in the State of Ohio creates the need to routinely seek voter approval for increases in operating funds to maintain a constant level of service. As a result of legislation enacted in 1976, the overall revenue generated by a voted millage does not increase as a result of inflation. As an example, a homeowner with a home valued at \$100,000 (assessed value of \$35,000) and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home was reappraised and increased to \$200,000 (assessed value of \$70,000) the effective tax rate would become .5 mill and the owner would still pay \$35.00. Because of this taxation methodology, real property tax assessments due to the School District have held steady for the past several years. Collection rates have declined and there has been some increase in delinquencies in the past several years due to the slowing economy and slightly higher unemployment rates for the City of Cleveland.

The voters of the City of Cleveland approved a new property tax levy in May 2001 (Issue 14), the first since 1996. This levy was approved to support the payment of the debt service for bonds issued for the school facility construction/renovation program and to support the ongoing maintenance of those facilities. Collections cannot be used to support the general operations of the School District. The collection on that levy began in January 2002.

The primary source of grant revenue is State general operating aid known as the "Foundation Program Aid". Established by Ohio law and funded by biennial appropriations, the Foundation Program is a statutory program through which the State currently makes direct payments to school districts based upon a statutory

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formula. Moneys distributed to a school district under the existing Foundation Program are required to be used for current operating expenses, unless specifically allocated by the State for some other purpose.

Program Revenues

Operating and capital grants comprise 97.3% of total program revenues of the School District. These grants, obtained mainly from the Federal Government, State of Ohio and the Ohio School Facilities Commission, support specific educational programs and objectives as defined by these agencies as well as the capital programs. The amount available to the School District may vary from year to year depending on amounts made available by these agencies and the needs of the School District.

Table 3
Total and Net Cost of Program Services
Governmental Activities
(\$ In Millions)

	Total Cost of Services 2012	Net Cost of Services 2012	Total Cost of Services 2011	Net Cost of Services 2011
Instruction	\$ 512.4	\$ (416.1)	\$ 522.7	\$ (372.1)
Support Services:				
Pupil and Instructional Staff	87.1	(53.6)	96.7	(50.2)
Board of Education, Administration, Fiscal and Business	56.0	(52.8)	60.6	(52.5)
Operation and Maintenance of Plant	55.1	(52.6)	63.2	(62.0)
Pupil Transportation	27.9	(27.4)	28.9	(25.7)
Central	12.0	(11.7)	12.4	(12.0)
Operation of Non-Instructional Services	39.7	(10.3)	42.2	(1.2)
Extracurricular Activities	5.9	(5.2)	6.4	(5.7)
Interest and Fiscal Charges	9.6	(9.6)	9.9	(9.9)
Total Expenses	\$ 805.7	\$ (639.3)	\$ 843.0	\$ (591.3)

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 above shows, for governmental activities, (services supported by tax revenue and unrestricted State entitlements), the total cost of services and the net cost of services.

The largest Governmental Activities program expense remains instruction, comprising 63.6% of the total cost of services. When combined with pupil and instructional support these categories make up 74.4% of the total cost of services. This make-up is consistent with the general educational objectives of the School District. The dependence upon general revenues for governmental activities is apparent. 80.1% of instruction activities are mainly supported through taxes and general revenues. Similarly, for all governmental activities general revenue support is 79.3%. The community, as a whole, is by far the primary support for the School District students.

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The School District's Funds

Information about the School District's major funds starts on page 18. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$890.4 million and expenditures and other financing uses of \$849.7 million, resulting in a net increase in fund balances of \$40.7 million.

The General Fund is the chief operating fund of the School District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$2.5 million, while total fund balance decreased to a \$15.2 million surplus.

The net changes in fund balances for the year were most significant in the General Fund, the Classroom Facilities Capital Projects Fund and Other Governmental Funds. The fund balance in the General Fund decreased \$6.4 million. The decrease in fund balance can be attributed to several items related to increasing expenditures. Regular instruction expenses increased 18.8% and special instruction expenses increased 8.1% from the previous year. These increases were due to the District's continuing efforts to improve the education for the students of the District. The Classroom Facilities capital projects fund balance decreased \$8.7 million. The decrease was due to the transferring excess funds to the Permanent Improvement Fund. Funding of this program is described in more detail in the *Capital Assets and Debt Administration* section. The Title I fund balance increased by \$36.5 million. The increase in fund balance was due to the expenditures decrease by \$55.5 million from the previous year. This decrease was due to the expiration of the ARRA Title I grants. The School District continues to seek grant monies to provide services to our students.

General Fund Budgeting Highlights

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

For the General Fund total actual revenues and other financing sources were \$636.6 million, which was \$5.1 million more than the final budget estimate.

The final expenditure and other financing uses budget was \$660.0 million. Total actual expenditures and other financing uses was \$640.8 million, or \$19.2 million below the final budget estimates. This was mainly due to a continuing effort by the School District's management to reduce its expenditures to lower future operating deficits and postpone the need to appeal to the voters for an additional operating levy.

The General Fund's ending unencumbered cash balance totaled \$30.7 million, which was \$24.3 million more than the final budgeted amount.

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Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2012 the School District had \$711.5 million invested in capital assets. Table 4 shows fiscal year 2012 balances compared to 2011:

Table 4
Capital Assets at June 30
(Net of Depreciation)
(\$ In Millions)

	Governmental Activities		Change
	2012	2011	
Land	\$ 33.2	\$ 34.2	\$ (1.0)
Land Improvements	0.3	0.3	0.0
Buildings and Improvements	628.2	610.4	17.8
Vehicles and Equipment	3.8	4.9	(1.1)
Intangible Assets	4.1	4.7	(0.6)
Construction in Progress	41.9	59.2	(17.3)
Totals	\$ 711.5	\$ 713.7	\$ (2.2)

All capital assets, except for land and construction in progress, are reported net of depreciation.

In 2000, a Facilities Assessment Commission was established to review the condition of the School District's facilities. The Commission recommended that a complete renovation program of all School District facilities be undertaken and that a substantial contribution from the State of Ohio (through the Ohio School Facilities Commission) could be included in the proposed construction and renovation plan by participation in the Classroom Facilities Assistance Program (CFAP). Since then, the School District and the Ohio School Facilities Commission have created a Master Facilities Plan, which was revised in 2008, that addresses the needs of all buildings in the School District and the unique needs of the School District and its students. The Revised Master Facilities Plan has been approved by the School District's Board, the Ohio School Facilities Commission and the State Controlling Board. The cost for the entire program is an estimated \$1.5 billion, of which the School District's cost share under the CFAP will be 32% or approximately \$560 million with the remaining portion (approximately \$940 million) to be paid by the State. As the program continues, factors such as enrollment projections, construction costs, locally funded non-matchable project components and inflation will affect the total scope of the program and the funds required to complete it.

Construction began in 2002 utilizing funding from several sources as described below under *Debt Administration*. Initial work focused mainly on making every facility warm, safe and dry. Concurrently, new facilities have been constructed and others significantly renovated and others inactivated for student use. The complete program is currently estimated to take about sixteen years. See Note 11 to the basic financial statements for additional information on capital assets.

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Debt Administration

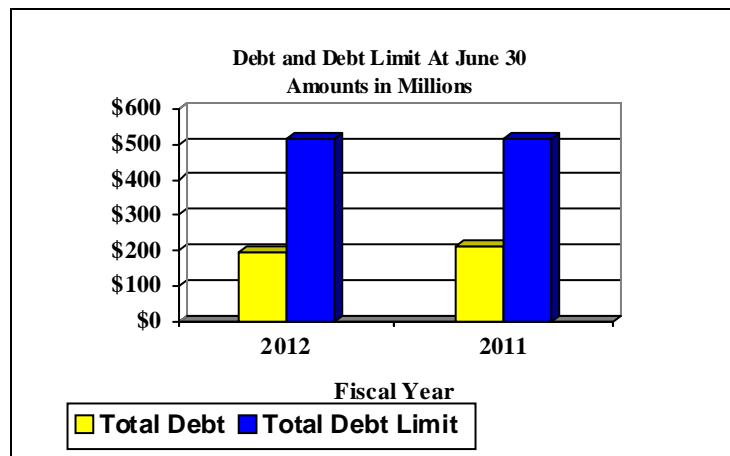
At June 30, 2012 the School District had \$192.7 million in bonds and notes outstanding, \$6.5 million due within one year. Table 5 summarizes bonds and notes outstanding.

Table 5
 Outstanding Debt, at Year End
 (\$ In Millions)

	Governmental Activities 2012	Governmental Activities 2011
General Obligation Bonds and Notes:		
2001 H.B. 264 Energy Conservation Notes	\$ 4.5	\$ 5.4
2002 Library Refunding Bonds	0.0	2.9
2002 School Facilities Improvement Bonds	6.2	36.9
2004 School Facilities Improvement Bonds	84.8	88.3
2010 School Facilities Improvement Bonds	55.0	55.0
2012 School Facilities Improvement Bonds	20.9	0.0
QZAB Bonds:		
2001 QZAB - Technology Academy	5.5	5.5
2001 QZAB - Arts Academy	5.8	5.8
2001 QZAB - Literacy Academy	10.0	10.0
Total	<u>\$ 192.7</u>	<u>\$ 209.8</u>

Graph 3
 Debt and Debt Limit
 (\$ In Millions)

	2012	2011
Total Debt	\$ 192.7	\$ 209.8
Total Debt Limit	\$ 512.7	\$ 513.0



In order to undertake the initial stages of planning and to perform some required work on its facilities to make them “warm, safe and dry,” the School District utilized several borrowing/funding sources. One source totaling \$21.3 million, the Qualified Zone Academy Bonds (QZAB), was put in place just before the

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beginning of the 2002 fiscal year. These bonds are being used to support facility renovations at seven specific school sites. Another source, the \$11.5 million H.B. 264 Energy Conservation Notes was used to renovate the environmental controls at school facilities across the School District. In November 2001, the School District issued \$35 million School Facility Bond Anticipation Notes. These Notes represented the first installment of the \$335 million of facility construction/renovation borrowing approved by voters in May 2001.

In October 2002, the School District replaced the short-term School Facility Bond Anticipation Notes with long-term School Facility Bonds. An additional \$40 million of new proceeds was borrowed at that time, representing the second installment of the \$335 million approved borrowing capacity. In July 2004, the School District issued \$125 million of School Improvement Bonds, the third installment. In December 2005, the School District issued \$30 million of School Facility Bond Anticipation Notes, representing the fourth installment of the \$335 million approved borrowing capacity. In March 2007, the School District issued \$30 million of School Facility Bond Anticipation Notes, representing the fifth installment of the \$335 million approved borrowing capacity. In December 2007, the School District issued an additional \$5 million of new proceeds representing the sixth installment of the \$335 million approved borrowing capacity. In December 2008, the School District issued \$15 million of School Improvement Bond Anticipation Notes representing the seventh installment of the \$335 million approved borrowing capacity. In September 2010, the School District issued \$55 million of School Improvement Bond Anticipation notes representing the eighth and final installment of the \$335 million approved borrowing capacity.

Due to the School District's participation in the Credit Enhancement Program, Fitch, Moody's and S&P have assigned programmatic ratings of "AA", "Aa2", and "AA", respectively, to the School District's bonds.

The School District applied for underlying ratings from Fitch, S&P and Moody's. As a result of the application process, Fitch assigned an underlying rating of "A-" to the bonds, Moody's assigned an underlying rating of "A2" to the bonds, and S&P assigned an underlying rating of "BBB+" to the bonds. The School District's underlying ratings and the ratings with regard to the School District's participation in the Credit Enhancement Program have been published by the respective rating services.

At June 30, 2012, the School District's overall legal debt margin was \$374.2 million, with an unvoted debt margin of \$5.7 million. See Note 17 to the basic financial statements for additional information on all long-term obligations.

Current Issues

In November 2012, the voters of the city of Cleveland approved a four year 15 mill operating levy. With the passing of the levy, the District is projecting a balanced budget through the levy period. In addition, there are other ongoing issues to be addressed over the next five years as described below.

Education Jobs Fund – The Education Jobs Fund (Ed Jobs) is a new Federal program that provided \$10 billion in assistance to States to save or create education jobs for the 2010-2011 or 2011-2012 school years. Jobs funded under this program included those that provide educational and related services for early childhood, elementary, and secondary education. The State of Ohio was awarded approximately \$361 million in funding. The School District was awarded \$17.7 million of the awarded grant from the State to use during the 2012 Fiscal year.

Race to the Top Fund – The Race to the Top Fund is a new program in result of the American Recovery and Reinvestment Act of 2009 (ARRA). The ARRA provided \$4.35 billion for the Race to the Top Fund, a

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competitive grant program designed to encourage and reward States that are creating the conditions for education innovation and reform; achieving significant improvement in student outcomes, including making substantial gains in student achievement, closing the achievement gaps, improving high school graduation rates, and ensuring student preparation for success in college and careers; and implementing ambitions plans in four core education reform areas. Race to the Top rewarded States that have demonstrated success in raising student achievement and have the best plans to accelerate their reforms in the future. These States will offer models for others to follow and will spread the best reform ideas across their States, and the country. As a result of this, the State of Ohio was awarded \$400,000,000 on August 24, 2010. The School District was awarded a percentage of the awarded grant from the State to use during the 2012 fiscal year.

State Foundation Payments – HB 1 replaced the prior funding formula (HB 119) with the Ohio Evidence Based Funding Model. Under the final version of the HB 1, calculations include funding for both Cleveland Municipal School District and Charter School students. HB 1 mandates that all school district pay tuition for all students who reside in the School District and attend a charter school. Foundation payments under the Ohio Revised Code (HB 1) are calculated by the Ohio Department of Education (ODE). State fund allocations for fiscal year 2012 and beyond are projected to be based on Average Daily Membership.

Commercial Activity Tax – HB 66 makes provisions to replace some revenue lost due to the phase out of the Tangible Personal Property Tax. Businesses are now subject to a Commercial Activity Tax (CAT) that will provide some replacement income to school districts for lost tangible property revenues.

School Property Tax Replacement – The legislature established a School Property Tax Replacement Fund to reimburse school districts for the loss in taxable value resulting from deregulation of the electric and gas utility industries (SB 3 and 287). This reimbursement was phased out in fiscal year 2012.

Homestead Exemption – The recent budget bill (HB 119) included significant property tax reductions for senior citizens. The Homestead Exemption will allow senior citizen homeowners and permanently/totally disabled homeowners, regardless of income, to withhold \$25,000 of market value of their owner occupied home from property taxes.

Financial Forecast – The School District is required to adopt a five-year financial forecast of revenues and expenditures each year. A deficit was projected in fiscal years 2014 and beyond. With the passing of the levy in November 2012, the district is no longer projecting a deficit in fiscal year 2014. The forecast includes several revenue and expense assumptions based upon recent legislation, historical trends, and future assumptions.

Although the most recent forecast anticipates continuing reductions in School District student enrollment and continued increasing enrollment to charter schools, it projects a positive cash balance through fiscal year 2013.

Contacting the School District's Financial Management

This financial report is designed to provide our citizen's, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. John Scanlan, Chief Financial and Administration Officer/Treasurer at Cleveland Municipal School District, 1380 East Sixth Street, Cleveland, Ohio 44114 or by email John.W.Scanlan@cmsdnet.net.

BASIC FINANCIAL STATEMENTS

Cleveland Municipal School District
Statement of Net Assets-Governmental Activities
June 30, 2012

	Total
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 145,523,615
Cash and Cash Equivalents with Fiscal Agents	665,277
Investments	117,953,632
Investments with Fiscal Agents	15,360,256
Receivables:	
Taxes	302,586,630
Accounts	577,431
Intergovernmental	149,035,733
Accrued Interest	556,050
Materials and Supplies Inventory	5,447,173
Nondepreciable Capital Assets	75,107,821
Depreciable Capital Assets, Net	636,358,683
Total Assets	1,449,172,301
Liabilities	
Accounts Payable	12,300,878
Accrued Wages and Benefits	38,422,827
Retainage Payable	847,183
Intergovernmental Payable	25,547,202
Unearned Revenue	149,813,754
Matured Compensated Absences Payable	39,589
Accrued Interest Payable	553,761
Claims Payable	2,958,636
Long-Term Obligations:	
Due Within One Year	11,902,538
Due in More Than One Year	225,578,074
Total Liabilities	467,964,442
Net Assets	
Invested in Capital Assets, Net of Related Debt	518,814,295
Restricted	
Restricted for Debt Service	51,217,114
Restricted for Capital Programs	278,969,178
Restricted for Educational Special Trust	19,074,226
Restricted for Classroom Facilities Maintenance	31,486,741
Restricted for Auxiliary Services	1,472,876
Restricted for Miscellaneous State Grants	2,061,192
Restricted for Food Services	836,012
Restricted for Miscellaneous Federal Grants	651,118
Restricted for Other Purposes	3,362,461
Unrestricted	73,262,646
Total Net Assets	\$ 981,207,859

See accompanying notes to the basic financial statements

Cleveland Municipal School District
Statement of Activities-Governmental Activities
For the Fiscal Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues			Total Net (Expense) Revenue and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	
Instruction:					
Regular	\$ 322,367,731	\$ 1,800,754	\$ 20,734,813	\$ 43,033,556	\$ (256,798,608)
Special	174,228,202	832,254	28,181,385	0	(145,214,563)
Vocational	11,316,290	61,797	1,572,223	0	(9,682,270)
Other	4,493,188	28,614	49,095	0	(4,415,479)
Support Services:					
Pupils	36,216,356	190,315	6,609,256	0	(29,416,785)
Instructional Staff	50,834,523	144,317	26,649,396	0	(24,040,810)
Board of Education	285,033	1,831	1,979	0	(281,223)
Administration	41,533,976	237,566	2,101,662	0	(39,194,748)
Fiscal	12,498,573	68,264	764,430	0	(11,665,879)
Business	1,700,249	10,921	11,804	0	(1,677,524)
Operation and Maintenance of Plant	55,146,243	336,066	2,234,494	0	(52,575,683)
Pupil Transportation	27,896,118	170,981	280,450	0	(27,444,687)
Central	11,966,119	75,555	151,489	0	(11,739,075)
Operation of Non-Instructional Services	39,718,319	15,927	29,413,981	0	(10,288,411)
Extracurricular Activities	5,857,755	575,250	36,928	0	(5,245,577)
Interest and Fiscal Charges	9,640,956	0	0	0	(9,640,956)
Totals	\$ 805,699,631	\$ 4,550,412	\$ 118,793,385	\$ 43,033,556	(639,322,278)
General Revenues					
Property Taxes Levied For:					
General Purposes					155,316,742
Debt Service					28,235,142
Capital Outlay					2,083,420
Investment Income					1,910,966
Miscellaneous					18,445,756
Grants and Entitlements not Restricted to Specific Programs					465,318,126
Total General Revenues					671,310,152
Change in Net Assets					31,987,874
Net Assets at Beginning of Year					949,219,985
Net Assets at End of Year					\$ 981,207,859

See accompanying notes to the basic financial statements

Cleveland Municipal School District

*Balance Sheet
Governmental Funds
June 30, 2012*

	General	Debt Service	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 44,443,739	\$ 21,875,004	\$ 24,305,976	\$ 44,613,863	\$ 135,238,582
Cash and Cash Equivalents with Fiscal Agents	0	0	572,403	92,874	665,277
Investments	0	0	95,424,822	22,528,810	117,953,632
Investments with Fiscal Agents	0	0	0	15,360,256	15,360,256
Receivables:					
Taxes	246,903,005	51,908,015	0	3,775,610	302,586,630
Accounts	542,014	0	0	35,417	577,431
Intergovernmental	758,388	0	142,492,490	5,784,855	149,035,733
Accrued Interest	72,929	0	112,470	370,651	556,050
Interfund	2,242,665	0	0	0	2,242,665
Materials and Supplies Inventory	4,920,465	0	0	526,708	5,447,173
Total Assets	299,883,205	73,783,019	262,908,161	93,089,044	729,663,429
Liabilities					
Accounts Payable	4,447,663	0	2,887,698	4,965,517	12,300,878
Accrued Wages and Benefits	31,802,722	0	0	6,620,105	38,422,827
Retainage Payable	0	0	754,309	92,874	847,183
Interfund Payable	0	0	0	2,242,665	2,242,665
Intergovernmental Payable	21,198,162	0	0	4,349,040	25,547,202
Deferred Revenue	227,215,875	47,229,467	142,492,490	5,695,753	422,633,585
Matured Compensated Absences Payable	39,589	0	0	0	39,589
Total Liabilities	284,704,011	47,229,467	146,134,497	23,965,954	502,033,929
Fund Balance:					
Nonspendable	4,920,465	0	0	526,708	5,447,173
Restricted	0	21,981,311	51,411,022	59,345,806	132,738,139
Committed	7,802,251	0	65,362,642	15,518,051	88,682,944
Assigned	0	4,572,241	0	333,271	4,905,512
Unassigned	2,456,478	0	0	(6,600,746)	(4,144,268)
Total Fund Balances	15,179,194	26,553,552	116,773,664	69,123,090	227,629,500
Total Liabilities and Fund Balances	\$ 299,883,205	\$ 73,783,019	\$ 262,908,161	\$ 93,089,044	\$ 729,663,429

See accompanying notes to the basic financial statements

Cleveland Municipal School District
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2012*

Total Governmental Funds Balances \$ 227,629,500

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds 711,466,504

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Property Taxes	128,065,213	
Grants	144,754,618	
Total	272,819,831	272,819,831

An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. 7,326,397

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (553,761)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

General Obligation Bonds	(164,928,566)	
QZAB Bonds	(21,250,000)	
Compensated Absences	(37,335,058)	
Worker's Compensation Claims	(7,493,345)	
Unamortized Premium on Bond	(6,473,643)	
Total	(237,480,612)	(237,480,612)

Net Assets of Governmental Activities \$ 981,207,859

See accompanying notes to the basic financial statements

Cleveland Municipal School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2012

	General	Debt Service	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
Revenues:					
<i>Local Sources:</i>					
Taxes	\$ 150,441,710	\$ 27,249,331	\$ 0	\$ 1,994,444	\$ 179,685,485
Investment Income	496,929	79,225	667,744	667,068	1,910,966
Tuition and Fees	3,984,121	0	0	15,209	3,999,330
Extracurricular Activities	0	0	0	541,229	541,229
Contributions and Donations	9,853	0	0	2,617,322	2,627,175
Sale of Personal Property	3,899	0	0	1,370,408	1,374,307
Miscellaneous	12,141,372	1,385,696	0	3,544,381	17,071,449
<i>State Sources:</i>					
Unrestricted Grants-in-Aid	457,635,453	4,394,304	0	472,931	462,502,688
Restricted Grants-in-Aid	4,316,561	0	15,746,373	11,787,628	31,850,562
<i>Federal Sources:</i>					
Unrestricted Grants-in-Aid	3,060,502	0	0	0	3,060,502
Restricted Grants-in-Aid	0	0	0	149,294,345	149,294,345
Total Revenues	632,090,400	33,108,556	16,414,117	172,304,965	853,918,038
Expenditures:					
<i>Current:</i>					
<i>Instruction:</i>					
Regular	295,559,717	0	0	1,030,071	296,589,788
Special	129,573,586	0	0	44,695,382	174,268,968
Vocational	9,622,054	0	0	1,694,992	11,317,046
Other	4,454,898	0	0	110,764	4,565,662
<i>Support Services:</i>					
Pupils	29,977,159	0	0	6,707,923	36,685,082
Instructional Staff	21,958,877	0	0	28,703,001	50,661,878
Board of Education	274,705	0	0	0	274,705
Administration	30,075,309	0	0	2,899,588	32,974,897
Fiscal	10,656,098	777,874	0	1,354,248	12,788,220
Business	1,689,243	0	0	0	1,689,243
Operation and Maintenance of Plant	52,449,279	0	0	2,819,521	55,268,800
Pupil Transportation	27,071,645	0	0	267,814	27,339,459
Central	11,825,950	0	0	192,883	12,018,833
Operation of Non-Instructional Services	2,479,567	0	0	35,476,351	37,955,918
Extracurricular Activities	5,295,479	0	0	561,321	5,856,800
Capital Outlay	5,109	0	12,954,259	12,170,216	25,129,584
<i>Debt Service:</i>					
Principal Retirement	870,082	36,670,000	0	0	37,540,082
Interest and Fiscal Charges	366,919	9,990,521	0	0	10,357,440
Total Expenditures	634,205,676	47,438,395	12,954,259	138,684,075	833,282,405
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,115,276)	(14,329,839)	3,459,858	33,620,890	20,635,633
Other Financing Sources (Uses):					
Issuance of Sale of Bonds	0	20,855,000	0	0	20,855,000
Transfers In	0	0	0	15,596,576	15,596,576
Transfers Out	(4,238,000)	0	(12,152,182)	0	(16,390,182)
Total Other Financing Sources (Uses)	(4,238,000)	20,855,000	(12,152,182)	15,596,576	20,061,394
Net Change in Fund Balances	(6,353,276)	6,525,161	(8,692,324)	49,217,466	40,697,027
Fund Balances at Beginning of Year Restated	21,532,470	20,028,391	125,465,988	19,905,624	186,932,473
Fund Balances at End of Year	\$ 15,179,194	\$ 26,553,552	\$ 116,773,664	\$ 69,123,090	\$ 227,629,500

See accompanying notes to the basic financial statements

Cleveland Municipal School District
*Reconciliation of the Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2012*

Net Change in Fund Balances - Total Governmental Funds \$ 40,697,027

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

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital Assets Additions	25,787,407	
Current Year Depreciation	(25,320,526)	
Total		466,881

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (2,692,889)

Revenues in the statement of activities that do not provide current financial resources are not reported in the funds. These revenues were attributed to property taxes and intergovernmental receivables

Property Taxes	5,949,819	
Ohio School Facilities Grant	27,287,183	
Other Grants	(68,940,414)	
Total		(35,703,412)

Proceeds from the sale of bonds in the statement of revenues, expenditures and changes in fund balances that are reported as other financing sources are not reported as revenues in the statement of activities. (20,855,000)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 37,540,082

In the statement of activities, interest is accrued on outstanding bonds and bond premiums are amortized over the terms of the bonds, whereas in the governmental funds the expenditure is reported when the bonds are issued:

Accrued Interest on Bonds	313,146	
Amortization of Bond Premiums	403,338	
Total		716,484

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

Compensated Absences	10,903,094	
Worker's Compensation Claims	439,552	
Total		11,342,646

The internal service funds used by management to charge the the costs of insurance to individual funds are 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. 476,055

Change in Net Assets of Governmental Activities \$ 31,987,874

See accompanying notes to the basic financial statements

Cleveland Municipal School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Local Sources:</i>				
Taxes	\$ 147,456,686	\$ 148,143,343	\$ 149,353,165	\$ 1,209,822
Investment Income	548,671	551,226	555,728	4,502
Tuition and Fees	4,373,460	4,393,826	4,429,708	35,882
Contributions and Donations	9,728	9,773	9,853	80
Miscellaneous	13,921,903	13,976,886	14,073,761	96,875
Sale of Personal Property	3,849	3,867	3,899	32
<i>State Sources:</i>				
Unrestricted Grants-in-Aid	451,824,422	453,928,417	457,635,453	3,707,036
Restricted Grants-in-Aid	4,261,750	4,281,595	4,316,561	34,966
<i>Federal Sources:</i>				
Unrestricted Grants-in-Aid	2,673,558	2,686,008	2,707,943	21,935
Total Revenues	625,074,027	627,974,941	633,086,071	5,111,130
Expenditures:				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	284,828,153	291,287,299	289,159,998	2,127,301
Special	125,975,937	130,990,705	127,556,089	3,434,616
Vocational	9,525,207	11,137,613	10,780,253	357,360
Other	4,511,430	4,862,112	4,721,066	141,046
<i>Support Services:</i>				
Pupils	29,296,794	30,426,755	29,724,860	701,895
Instructional Staff	21,603,742	22,691,799	22,091,054	600,745
Board of Education	268,829	294,350	281,138	13,212
Administration	29,568,882	33,279,380	30,264,042	3,015,338
Fiscal	10,061,550	12,822,082	11,061,235	1,760,847
Business	1,600,616	2,330,597	2,175,733	154,864
Operation and Maintenance of Plant	52,563,577	57,634,702	55,126,564	2,508,138
Pupil Transportatior	27,484,189	28,578,446	28,093,021	485,425
Central	11,528,802	16,395,707	15,755,998	639,709
Operation of Non-Instructional Service	2,732,340	2,930,177	2,782,473	147,704
Extracurricular Activities	5,245,806	6,534,045	5,700,608	833,437
Capital Outlay	5,286	12,894	5,350	7,544
<i>Debt Service:</i>				
Principal Retirement	859,754	870,082	870,082	0
Interest and Fiscal Charges	362,564	366,919	366,919	0
Total Expenditures	618,023,458	653,445,664	636,516,483	16,929,181
Deficiency of Revenues Under Expenditures	7,050,569	(25,470,723)	(3,430,412)	22,040,311
Other Financing Sources (Uses):				
Advances In	3,516,000	3,516,000	3,516,000	0
Advances Out	(1,800,000)	(1,800,000)	0	1,800,000
Transfers Out	(4,738,000)	(4,738,000)	(4,238,000)	500,000
Total Other Financing Sources (Uses)	(3,022,000)	(3,022,000)	(722,000)	2,300,000
Net Change in Fund Balances	4,028,569	(28,492,723)	(4,152,412)	24,340,311
Fund Balances at Beginning of Year	26,491,756	26,491,756	26,491,756	0
<i>Prior Year Encumbrances Appropriated</i>	8,282,102	8,282,102	8,282,102	0
Fund Balances at End of Year	\$ 38,802,427	\$ 6,281,135	\$ 30,621,446	\$ 24,340,311

See accompanying notes to the basic financial statements

Cleveland Municipal School District

Statement of Fund Net Assets

Proprietary Fund

June 30, 2012

	Governmental Activities - Internal Service Fund
<i>Assets:</i>	
<i>Current Assets:</i>	
Equity in Pooled Cash and Cash Equivalents	\$ 10,285,033
<i>Liabilities:</i>	
<i>Current Liabilities:</i>	
Claims Payable	<u>2,958,636</u>
<i>Net Assets:</i>	
Unrestricted	<u><u>\$ 7,326,397</u></u>

See accompanying notes to the basic financial statements

Cleveland Municipal School District

*Statement of Revenues,
Expenses and Changes in Fund Net Assets
Proprietary Fund
For the Fiscal Year Ended June 30, 2012*

	Governmental Activities - Internal Service Fund
<i>Operating Revenues:</i>	
Charges for Services	\$ 57,601,373
<i>Operating Expenses:</i>	
Claims and Claim Adjustment Expenses	<u>57,918,924</u>
<i>Operating Loss</i>	(317,551)
<i>Nonoperating Revenues (Expenses):</i>	
Transfers In	<u>793,606</u>
<i>Change in Net Assets</i>	476,055
<i>Net Assets Beginning of Year</i>	<u>6,850,342</u>
<i>Net Assets End of Year</i>	<u><u>\$ 7,326,397</u></u>

See accompanying notes to the basic financial statements

Cleveland Municipal School District
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2012

	Governmental Activities - Internal Service Fund
<i>Increase In Cash and Cash Equivalents:</i>	
<i>Cash Flows from Operating Activities:</i>	
Cash Received from Interfund Services Provided	\$ 58,394,979
Cash Payments for Claims and Claim Adjustment Expenses	(58,567,990)
<i>Net Cash Provided by Operating Activities</i>	(173,011)
Cash and Cash Equivalents at Beginning of Year	10,458,044
<i>Cash and Cash Equivalents at End of Year</i>	\$ 10,285,033
 <i>Reconciliation of Income to Net Cash Provided by Operating Activities</i>	
<i>Operating Gain</i>	\$ 476,055
<i>Adjustments to Reconcile Operating Income to Net</i>	
<i>Cash Provided by Operating Activities</i>	
Increase in Claims Payable	(649,066)
<i>Net Cash Provided by Operating Activities</i>	\$ (173,011)
See accompanying notes to the basic financial statements	

Cleveland Municipal School District
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2012

Assets

Equity in Pooled Cash and Cash Equivalents

\$ 2,291,443

Liabilities

Due to Students

\$ 528,291

Payroll Withholdings

1,763,152

Total Liabilities

\$ 2,291,443

See accompanying notes to the basic financial statements

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Note 1 - Description of The School District and Reporting Entity

A. School District and Board of Education

The Board of Education of the School District (the "Board") is a political and corporate body charged with the responsibility of managing and controlling the affairs of the School District, and is governed by the general laws of the State of Ohio (the "Ohio Revised Code"). The Board is comprised of nine members who were appointed by the Mayor of the City of Cleveland. On November 5, 2002, the voters of Cleveland elected to maintain the current government structure, which gives the Mayor the authority to continue appointing board members.

B. Financial Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to insure 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 the School District, this includes general operations, food service, capital projects and student related activities of the School District.

Within the School District boundaries, there are also various non-public schools. Current State legislation provides funding to these non-public schools. These monies are received and disbursed on behalf of the non-public school by the Chief Financial Officer of the School District, as directed by the non-public school. The activity of these State monies by the School District is reflected in a special revenue fund for financial reporting purposes.

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

The Cleveland Public Library and the City of Cleveland have been defined as related organizations and the Ohio Schools Council and the Bond Accountability Commission as jointly governed organizations. These organizations are discussed further in Note 19 and Note 20 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the Cleveland Municipal School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities and to its internal service funds unless those

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

pronouncements conflict with or contradict GASB pronouncements. The most significant of the School District's accounting policies are described below.

A. Basis of Presentation

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

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses.

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

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

B. Fund Accounting

The School District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the School District are grouped into the categories of governmental, proprietary, and fiduciary.

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

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

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

Debt Service Fund The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Classroom Facilities Fund The classroom facilities fund is used to account for monies received and expended in connection with contracts entered into by the School District for the construction or renovation to classroom facilities.

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

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

Internal Service Funds The internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost-reimbursement basis. The internal service fund is used to account for and finance its uninsured risks of loss and associated expenses attributable to deductibles and self-insured retention limits for general liability and property damage claim settlements and judgments and self-insurance programs for employee medical benefits.

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

C. Measurement Focus

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

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

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

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

D. Basis of Accounting

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

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 8). 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: advance on property taxes, investment income, the State's share of the classroom facility project, tuition, grants and student fees.

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

Property taxes for which there is an enforceable legal claim as of June 30, 2012, but which were levied to finance fiscal year 2012 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue. The remaining state share of the classroom facility projects for segments 1, 4, 5, and 6 have also been recorded as deferred revenue.

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

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported on the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are also reported as donated commodities revenue.

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

E. Budgetary Data

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board 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 at the fund level.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Chief Financial Officer/Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate that was in effect at the time the final appropriations were passed by the Board of Education.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated revenues. 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 years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

F. Cash and Cash Equivalents

To improve cash management, 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" or "Investments" on the financial statements.

The School District utilizes a fiscal agent to hold monies set-aside for debt service payments. Monies are placed with a fiscal agent to ensure adequate payment of debt when it comes due. The balances in these accounts are presented on the financial statements as "Cash and Cash Equivalents with Fiscal Agents" and "Investments with Fiscal Agents".

During fiscal year 2012, investments were limited to STAR Ohio, repurchase agreements, certificates of deposit, treasury notes and bills, federal agency securities and commercial paper.

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

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

The School District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2012. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2012.

Under existing Ohio statute, interest earnings are allocated 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 2012 amounted to \$496,929 which includes \$316,112 assigned from other School District funds.

For presentation on the financial statements, 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 considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

G. Fund Balance

Fund Balance is divided into five classifications based primarily on the extent to which the 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 included amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

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

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 Board of Education. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board of Education, separate from the authorization to raise the underlying revenue; therefore, compliance with these restraints is not considered to be legally enforceable. 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.

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Assigned: Amounts in the assigned fund balance classification are intended to be used by the 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 amount represents intended uses established by the Board of Education or a District official delegated that authority by the CEO.

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 a specific purpose for which amounts had been restricted, committed, or assigned.

The 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.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2012 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. Inventory

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

J. Capital Assets

General capital assets are those assets not specifically related to activities reported in proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the government-wide statement of net assets but are not reported on the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of twenty five thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of capital assets is also not capitalized.

All reported capital assets, except land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Intangible assets identified pursuant to GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, have been classified separately from other assets capitalized by the School District. Depreciation is computed using the straight-line method over the following useful lives:

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Description	Governmental Activities Estimated Lives
Land Improvements	25 years
Buildings and Improvements	25 - 50 years
Vehicles and Equipment	7 - 15 years
Internal Generated Software	5-10 years

Estimated lives for buildings and improvements of schools that will be demolished or inactivated for educational purposes under the current capital facility plan have been adjusted so they are fully depreciated by the anticipated year of demolition or inactivation.

K. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables”. These amounts are eliminated in the governmental activities column of the statement of net assets.

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 School District 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 payment method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on actuarial calculations prepared by an outside actuarial firm.

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

For governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "accrued wages and benefits" in the fund from which the employees who have accumulated leave are paid.

M. Bond Premium

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

N. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, contractually required pension contributions, capital lease obligations, and EPA asbestos abatement loans 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 year. In general, liabilities that mature or come due for payment during the fiscal year are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

O. Net Assets

Net Assets represent the difference between assets and liabilities. Net Assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments.

The government-wide statement of net assets reports \$389,130,918 of restricted net assets, none of which is restricted by enabling legislation.

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

P. Internal Activity

Transfers between governmental activities are eliminated on the government-wide financial statements. Internal events that are 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 and after nonoperating revenues/expenses in the proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Q. Operating Revenue and Expenses

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

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

R. Contribution of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction. The proprietary fund received no contributions of capital during the current fiscal year.

S. Extraordinary and Special Items

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

T. 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.

U. Restatement of Fund Balance

During fiscal year 2012, the School District reevaluated its major funds and the Title I Fund was no longer required to be shown as a major fund. Therefore, the June 30, 2011 Title I Fund balance of (\$35,448,458) was reclassified to other Governmental Funds resulting in a revised balance of \$20,233,899.

In addition in fiscal year 2012, the School District restated the fund balance in the General Fund, Debt Service Fund, and the Classroom Facilities Maintenance Fund by \$4,845,910. Tax collection fees were only charged to the General Fund instead of all three funds. The years restated are fiscal year 2005 through fiscal year 2011.

	Revised Fund Balance			Restated Fund Balance
	6/30/2011	Additions	Deductions	6/30/2011
General Fund	\$ 16,686,560	\$ 4,845,910	\$ 0	\$ 21,532,470
Debt Service Fund	24,546,026	0	(4,517,635)	20,028,391
Classroom Facilities Fund	125,465,988	0	0	125,465,988
Other Governmental Funds	20,233,899	0	(328,275)	19,905,624
	<u>\$ 186,932,473</u>	<u>\$ 4,845,910</u>	<u>\$ (4,845,910)</u>	<u>\$ 186,932,473</u>

Note 3 – Change in Accounting Principles

For 2012, the School District has implemented Governmental Accounting Standards Board (GASB) GASB Statement No. 57, “OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans”, and GASB Statement No. 64, “Derivative Instruments: Application of Hedge Accounting Termination Provisions – and amendment of GASB Statement No. 53”

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

GASB Statement No. 57 “OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans” addresses the provisions related to the frequency and timing of measurements for actuarial valuations first used to report funded status information in OPEB plan financial statements. The implementation of GASB Statement No. 57 did not have an effect on the financial statements of the District.

GASB Statement No. 64 “Derivative Instruments: Application of Hedge Accounting Termination Provisions-an amendment of GASB Statement No. 53” clarifies whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty’s credit support provider. This statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The implementation of GASB Statement No. 64 did not have an effect on the financial statements of the District.

Note 4 – Fund Deficits

The following funds had deficit fund balances as of June 30, 2012:

Special Revenue Funds

Race to the Top	532,292
Title VI-B Special Education	1,120,384
Vocational Education	601,543
Improving Teacher Quality Title II-A	1,205,273
Other Federal	2,044,518

The deficits in the special revenue funds resulted from the recognition of accrued liabilities. The general fund is liable for any deficit in these funds and provides operating transfers when cash is required, rather than when accruals occur.

Note 5 – Fund Balances

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

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Fund Balances	General	Debt Service	Classroom Facilities	Nonmajor Governmental Funds	Total
<i>Nonspendable</i>					
Inventory	\$ 4,920,465	\$ 0	\$ 0	\$ 526,708	\$ 5,447,173
<i>Restricted for</i>					
Debt Service Payments	0	21,981,311	0	0	21,981,311
Capital Improvements	0	0	51,411,022	36,849,357	88,260,379
Title I	0	0	0	519,763	519,763
Food Service Operations	0	0	0	569,644	569,644
Other Local Grants	0	0	0	205,915	205,915
Other State Grants	0	0	0	249,035	249,035
Other Purposes	0	0	0	20,952,092	20,952,092
<i>Total Restricted</i>	0	21,981,311	51,411,022	59,345,806	132,738,139
<i>Committed to:</i>					
Capital Improvements	0	0	65,362,642	11,807,510	77,170,152
Facility Maintenance	0	0	0	452,812	452,812
Title I	0	0	0	512,596	512,596
Food Service Operations	0	0	0	85,787	85,787
Non-Public Schools	0	0	0	455,265	455,265
Special Education	0	0	0	264,170	264,170
Vocational Education	0	0	0	244,434	244,434
Other Purposes	7,802,251	0	0	1,695,477	9,497,728
<i>Total Committed</i>	7,802,251	0	65,362,642	15,518,051	88,682,944
<i>Assigned to:</i>					
Facility Maintenance	0	0	0	333,271	333,271
Debt Service Payments	0	4,572,241	0	0	4,572,241
<i>Total Assigned</i>	0	4,572,241	0	333,271	4,905,512
<i>Unassigned (Deficit)</i>	2,456,478	0	0	(6,600,746)	(4,144,268)
<i>Total Fund Balances</i>	\$ 15,179,194	\$ 26,553,552	\$ 116,773,664	\$ 69,123,090	\$ 227,629,500

Note 6 - Budgetary Basis of Accounting

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

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
3. In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
4. Investments are reported at cost (budget basis) rather than fair value (GAAP basis).

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

Net Change in Fund Balance	
GAAP Basis	\$ (6,353,276)
Net Adjustment for Revenue Accruals	843,862
Advances In	3,516,000
Beginning Fair Value Adjustment for Investments	91,648
Ending Fair Value Adjustment for Investments	60,161
Net Adjustment for Expenditure Accruals	8,758,082
Adjustment for Encumbrances	<u>(11,068,889)</u>
Budget Basis	<u><u>\$ (4,152,412)</u></u>

Note 7 - Deposits and Investments

The School District has chosen to follow State statutes in order to classify monies held by the School District into three categories.

Active deposits are public deposits necessary to meet current demands on the School District treasury. Active 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 has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim 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 including passbook accounts.

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

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

Under Ohio statutes and School District investment policy, interim monies may be deposited or invested in the following securities:

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Chief Financial Officer/Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation or transfer from the custodian.

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Deposits

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

At fiscal year end, the School District's bank balance was \$86,250,270. Of the bank balance, \$1,504,973 was covered by federal depository insurance and \$84,745,297 was uninsured but collateralized with securities held by a pledging financial institution or by its trust department or agent although not in the School District's name.

Investments

Investments are reported at fair value. As of June 30, 2012, the School District had the following investments:

	Maturity		
	Less Than One Year	More Than One Year But Less Than Five Years	Total
U.S. Agency Obligations	\$ 27,461,529	\$ 165,216,494	\$ 192,678,023
STAR Ohio	187,994	0	187,994
Total Portfolio	<u>\$ 27,649,523</u>	<u>\$ 165,216,494</u>	<u>\$ 192,866,017</u>

Interest Rate Risk Ohio Revised Code and School District investment policy limits security purchases to those that mature within five years of the settlement date. School District investment policy also limits commercial paper purchases to issues from companies incorporated in the United States which have assets in excess of \$500 million and whose issues are rated in the highest classification by at least two standard rating services. The commercial paper must mature within 180 days of settlement date and the total holding of commercial paper may not exceed 25 percent of the portfolio, under Ohio Revised Code and School District investment policy. Money market mutual funds must be rated in the highest classification by at least one standard rating service and invest exclusively in eligible securities listed above, under School District investment policy.

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 Home Loan Bank Bonds, Federal National Mortgage Association Bonds, Federal Home Loan Mortgage Corporation Bonds, Federal Farm Credit Bank and Federal Home Loan Mortgage Corporation Discounted Notes 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 School District has no investment policy dealing with investment custodial credit risk beyond the requirement in State statute that prohibits payment for

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Credit Risk The School District's investments at June 30, 2012 in FHLMC, FNMA, FFCB and FHLB agency securities were rated AAA by Standard & Poor's. The investments in STAR Ohio were rated AAAM by Standard & Poor's. The School District has an investment policy to minimize credit risk by diversifying assets by issuer, ensuring that required minimum credit quality ratings exist and maintaining adequate collateralization of certificates of deposits.

Concentration of Credit Risk The School District places no limit on the amount it may invest in any one issuer. The following is the School District's allocation as of June 30, 2012:

Investments	Percentage of Investments
FNMA	46.87%
FHLB	35.38%
FHLMC	12.20%
FFCB	2.85%
FAMCA	2.60%
STAR Ohio	0.10%

Note 8 - 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 located in the School District. Real property tax revenue received in calendar 2012 represents collections of calendar year 2012 taxes. Real property taxes received in calendar year 2012 were levied after April 1, 2011, on the assessed value listed as of January 1, 2011, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2012 represents collections of calendar year 2011 taxes. Public utility real and tangible personal property taxes received in calendar year 2012 became a lien December 31, 2010, were levied after April 1, 2011 and are collected in 2011 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

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, 2012, are available to finance fiscal year 2012 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Accrued property taxes receivable includes real property and public utility property taxes which are measurable as of June 30, 2012 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 were levied to finance current fiscal year operations and are reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2012 was \$23,741,303, which is comprised of \$18,835,791 in the general fund, \$4,572,241 in the debt service fund and \$333,271 in the classroom facilities maintenance special revenue fund. The amount available as an advance at June 30, 2011, was \$22,802,711, which is comprised of \$18,062,268 in the general fund, \$4,421,366 in the debt service fund and \$319,077 in the classroom facilities maintenance special revenue fund.

The late tax settlement made by the County for fiscal year 2012 was \$851,339 in the general fund, \$106,307 in the debt service fund and \$8,714 in the classroom facilities maintenance special revenue fund.

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

The assessed values upon which the fiscal year 2012 taxes were collected are:

	2011 Second- Half Collections		2012 First- Half Collections	
	(in thousands of dollars)		(in thousands of dollars)	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 5,455,841	95.72%	\$ 5,449,321	95.65%
Public Utility Property	243,660	4.28	247,613	4.35
Total	<u>\$ 5,699,501</u>	<u>100.00%</u>	<u>\$ 5,696,934</u>	<u>100.00%</u>
Full voted tax rate per \$1,000 of assessed valuation		\$64.80		\$64.80

Note 9 - Receivables

Receivables at June 30, 2012, consist of taxes, accounts (rent and student fees) and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables are expected to be collected within one year except delinquent property taxes and Ohio Schools Facilities Grant.

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	Amount
Ohio Department of Job and Family Services	\$ 340,341
Ohio Bureau of Workers Compensation	273,906
Central Collection Agency	61,022
City of Cleveland	47,622
Defense Finance and Accounting Services	34,997
Ohio School Facilities Grant	142,492,490
Miscellaneous State Grants and Subsidies	1,042,368
Other State Grant and Subsidies	68,966
Food Service	2,479,246
Race to the Top Grant and Subsidies	226,612
Title VI-B Grant and Subsidies	397,574
Vocational Education Federal Grant and Subsidies	32,917
Title I Grant and Subsidies	108,939
Improving Teacher Quality Title II-A Grant and Subsidies	7,391
Miscellaneous Federal Grants and Subsidies	227,581
Other Federal Grant and Subsidies	1,182,136
Other	11,625
Total Intergovernmental Receivables	<u>\$ 149,035,733</u>

Note 10 – Contingencies

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure 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, 2012.

B. Litigation

The School District is party to various legal proceedings. The School District is of the opinion that ultimate disposition of all such claims will not have a material effect, if any, on the financial condition of the School District.

C. Attendance Audit

The Auditor of State is currently performing a statewide review of supporting documentation for student attendance data reported to the Ohio Department of Education. The results of this review are still pending and will be reported separately to the Ohio Department of Education at a later date.

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

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. This also encompasses the Auditor of State's ongoing review of student attendance data. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2012, if applicable, cannot be determined at this time.

Note 11 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2012, was as follows:

	Balance 6/30/11	Additions	Deletions	Balance 6/30/12
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 34,185,239	\$ 0	\$ (984,075)	\$ 33,201,164
Construction in Progress	59,217,917	29,039,580	(46,350,840)	41,906,657
<i>Total Capital Assets, not being Depreciated</i>	<u>93,403,156</u>	<u>29,039,580</u>	<u>(47,334,915)</u>	<u>75,107,821</u>
<i>Capital Assets, being Depreciated</i>				
Land Improvements	1,736,777	0	0	1,736,777
Buildings and Improvemets	898,783,923	43,942,897	(14,732,016)	927,994,804
Vehicles and Equipment	24,479,860	57,045	(53,696)	24,483,209
Internal Generated Software	5,816,106	82,800	0	5,898,906
<i>Total Capital Assets, being Depreciated</i>	<u>930,816,666</u>	<u>44,082,742</u>	<u>(14,785,712)</u>	<u>960,113,696</u>
Less: Accumulated Depreciation:				
Land Improvements	(1,412,235)	(63,364)	0	(1,475,599)
Buildings and Improvements	(288,352,771)	(23,530,591)	12,052,252	(299,831,110)
Vehicles and Equipment	(19,606,738)	(1,119,576)	40,571	(20,685,743)
Internal Generated Software	(1,155,566)	(606,995)	0	(1,762,561)
<i>Total Accumulated Depreciation</i>	<u>(310,527,310)</u>	<u>(25,320,526) *</u>	<u>12,092,823</u>	<u>(323,755,013)</u>
<i>Total Capital Assets, being Depreciated, Net</i>	<u>620,289,356</u>	<u>18,762,216</u>	<u>(2,692,889)</u>	<u>636,358,683</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$ 713,692,512</u>	<u>\$ 47,801,796</u>	<u>\$ (50,027,804)</u>	<u>\$ 711,466,504</u>

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 22,622,197
Special	69,678
Vocational	9,466
Support Services:	
Instructional Staff	4,104
Administration	1,520,777
Pupil Transportation	1,042,940
Central	16,798
Operation of Non-Instructional Services	33,071
Capital Outlay	1,495
Total Depreciation Expense	<u>\$ 25,320,526</u>

Construction in progress is composed of the following at June 30, 2012:

	<u>Project Authorization</u>	<u>Expended to June 30, 2012</u>	<u>Committed</u>
Regular Instruction	\$ 162,120,789	\$ 41,906,657	\$ 120,214,132
Support Services - Administration	418,960	418,960	0
Total	<u>\$ 162,539,749</u>	<u>\$ 42,325,617</u>	<u>\$ 120,214,132</u>

Note 12 - Risk Management

A. Property and Liability

The School District is exposed to various loss potentials including but not limited to: torts, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The School District insures through commercial insurance companies for the following:

<u>Coverage During Fiscal Year</u>	<u>Liability Limits</u>	<u>Deductible</u>
Property (Physical Damage) Insurance	\$ 200,000,000	\$ 250,000
Boiler and Machinery	50,000,000	250,000
Commerical Crime Insurance	1,000,000	100,000
Inland Marine	5,000,000	250,000
Public Officials Bond (Treasurer Bond)	1,000,000	N/A
Builders's Risk	30,000,000	50,000
Student Athletic	2,000,000	N/A

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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Coverage During Fiscal Year	Liability Limits	Self- Insured Retention
Coverage A - School Liability	\$ 6,000,000	\$ 250,000
General Liability		
Automobile Liability		
Law Enforcement Liability		
Nurse' Professional Liability		
Ohio Stop Gap Liability		
Coverage B - Educators Liability	\$ 6,000,000	\$ 250,000
School Leaders Errors & Omissions (includes lawyer professional liability)		
Employment Practices Liability		
Sexual Harassment		
Sexual Misconduct/Abuse		
Employee Benefits Liability		

Settled claims have not exceeded this commercial coverage in any of the past three years, and there has been no significant reduction in insurance coverage from last year.

Because of the prohibitive cost of commercial insurance, the School District in 1987, established a self-insurance fund (an internal service fund) to account for and finance its uninsured risks of loss (insurance deductibles and/or self-insured retentions) and associated expenses attributing to liability and property damage claim settlements and judgments. Estimates of claims liabilities, based on historical cost information, for incurred claims (including incurred but not reported claims) as calculated by the School District's Risk Management Division for all outstanding unsettled claims total \$2,958,636 as of June 30, 2012, and are recorded in the Liability Self-Insurance internal service fund.

B. Employee Health Benefits

The School District has elected to provide medical and prescription drug benefits through a self insured program utilizing providers Medical Mutual of Ohio and Aetna Insurance companies. The maintenance of these benefits is accounted for in the Employee Benefits Self-Insurance internal service fund. Specific stop loss threshold covered per person is \$350,000 a claim and there is an unlimited maximum, which is in compliance with the Federal Healthcare Reform.

C. Workers' Compensation

The School District participates in the Ohio Bureau of Workers' Compensation (BWC) Retrospective Rating Plan. Under the retrospective rating plan, the School District assumes a portion of the risk in return for a reduction in current premiums. Estimates of claims liabilities based on actuarial methods, for incurred claims as calculated by the BWC for the cumulative retrospective rating period January 1, 2001, through June 30, 2012, including the estimate for incurred but not reported (IBNR) claims totals \$7,493,345.

The self insurance fund is funded from the General Fund, while the workers' compensation claims are charged to the same fund as the respective employee's salaries are charged, utilizing a historical percentage allocation method.

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

The claims liability reported at June 30, 2012 for liability and property damage claim settlements and judgments, medical and prescription drug benefits and workers' compensation 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 2011 and 2012 are as follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2011	\$ 10,945,501	63,978,244	63,383,145	\$ 11,540,600
2012	11,540,600	63,664,615	64,753,234	10,451,981

Note 13 – Defined Benefit Pension Plans

A. School Employees Retirement System

Plan Description - The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer pension plan. SERS provides retirement, disability and survivor benefits; annual cost-of-living adjustments; and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by contacting the School Employees Retirement System of Ohio, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at www.ohsers.org under Employers/Audit Resources.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund and Health Care Fund) of the System. For fiscal year ending June 30, 2012, the allocation to pension and death benefits is 12.70 percent. The remaining 1.30 percent of the 14 percent employer contribution rate is allocated to the Health Care and Medicare B Funds. The School District's contributions to SERS for the fiscal years ended June 30, 2012, 2011 and 2010 were \$11,238,769, \$11,086,845, and \$13,056,233, respectively; 32.74 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010.

B. State Teachers Retirement System

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

Cleveland Municipal School District

Notes to the Basic Financial Statements
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New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

Funding Policy - For the fiscal year ended June 30, 2012, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2011, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to the STRS Ohio for the fiscal years ended June 30, 2012, 2011, and 2010 were \$37,451,090, \$40,820,492, and \$43,998,101, respectively; 81.04 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010. Contributions to the DC and Combined Plans for fiscal year 2012 were \$1,276,874 made by the School District and \$912,053 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the Teachers Retirement System of Ohio have an option to choose Social Security or the School Retirement System. As June 30, 2012, no members of the Board of Education have elected Social Security.

Note 14 - Postemployment Benefits

A. School Employees Retirement System

Plan Description - The School District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B plan. The Health Care Plan includes

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2012, 0.55 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2012 this amount was \$1,712,713.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The School District's contributions for health care for the fiscal years ended June 30, 2012, 2011, and 2010 were \$486,789, \$1,342,438, and \$469,943 respectively; 32.74 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2012, this actuarially required allocation was 0.75 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2012, 2011 and 2010 were \$663,707, \$713,463, and \$776,427 respectively; 32.74 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010.

B. School Teachers Retirement System

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

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio Law, funding for post-employment health care may be deducted from employer contributions. For 2012, STRS Ohio allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2012, 2011, and 2010 were \$2,880,853, \$3,140,038, and \$3,384,469 respectively; 81.04 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010.

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Note 15 – Other Employee Benefits

A. *Compensated Absences*

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn five to thirty days of vacation per year, depending upon length of service and hours worked. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time. School District employees earn sick leave, which, if not taken, accumulates until retirement. Employees may receive payment for up to 30 percent (varying by bargaining group) of accumulated sick leave of varying maximums up to \$30,000.

B. *Insurance*

The School District provides life insurance to most employees through Consumer Life Insurance in the amount of \$10,000 for each employee (\$50,000 for certain classes of employees). The School District also provides medical and prescription drug benefits through Medical Mutual of Ohio, Aetna and Kaiser Permanente, dental benefits through MetLife and vision through Spectera and Union Eye Care to all eligible employees.

Note 16 - Set-Asides

The School District is required by State statute to annually set aside, in the general fund, an amount based upon statutory formula for the acquisition and construction of capital improvements. Amounts not spent by fiscal year-end 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. The School District may still establish a budget reserve, if it so chooses; however, the requirement is no longer mandatory. The School District is also required to set aside money for any unspent portions of a bus purchase subsidy received annually from the State.

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

	<u>Capital Improvements</u>
Set-Aside Reserve Balance as of June 30, 2011	\$ (19,625,649)
Current Year Set-Aside Requirement	7,408,439
Current Year Offsets:	
Tax Levy for Classroom Facilities and Maintenance	(1,973,546)
Qualifying Disbursements	(887,851)
Totals	<u>(15,078,607)</u>
Set-Aside Balances Carried Forward to Future Fiscal Years	<u>(15,078,607)</u>
Set-Aside Reserve Balance as of June 30, 2012	<u>\$ 0</u>

Cleveland Municipal School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Note 17 – Long-Term Obligations

Changes in long-term obligations of the School District during fiscal year 2012, were as follows:

	Balance Outstanding 06/30/11	Additions	Deletions	Balance Outstanding 06/30/12	Amounts Due in One Year
Governmental Activities:					
General Obligation Bonds and Notes:					
2001 H.B. 264 Energy					
Conservation Notes	\$ 5,388,648	\$ 0	\$ 870,082	\$ 4,518,566	\$ 915,914
2002 Library Refunding Bonds	2,895,000	0	2,895,000	0	0
2002 School Facilities					
Improvement Bonds	32,345,000	0	30,430,000	1,915,000	1,915,000
Unamortized Premium	4,607,996	0	280,690	4,327,306	0
2004 School Facilities					
Improvement Bonds	85,985,000	0	3,345,000	82,640,000	3,475,000
Unamortized Premium	2,268,985	0	122,648	2,146,337	0
2010 School Facilities					
Improvement Bonds	55,000,000	0	0	55,000,000	0
2012 School Facilities					
Improvement Refunding Bonds	0	20,855,000	0	20,855,000	245,000
Total General Obligation Bonds and Notes	188,490,629	20,855,000	37,943,420	171,402,209	6,550,914
QZAB Bonds:					
2001 QZAB - Technology Academy	5,500,000	0	0	5,500,000	0
2001 QZAB - Arts Academy	5,750,000	0	0	5,750,000	0
2001 QZAB - Literacy Academy	10,000,000	0	0	10,000,000	0
Total QZAB Bonds	21,250,000	0	0	21,250,000	0
Other Long-Term Obligations:					
Compensated Absences	48,238,152	1,007,071	11,910,165	37,335,058	1,587,866
Workers' Compensation Claims	7,932,897	7,053,793	7,493,345	7,493,345	3,763,758
Total Other Long-Term Obligations	56,171,049	8,060,864	19,403,510	44,828,403	5,351,624
Total Governmental Activities	\$ 265,911,678	\$ 28,915,864	\$ 57,346,930	\$ 237,480,612	\$ 11,902,538

On January 11, 2012, the School District issued \$20,855,000 of School Improvement Refunding Bonds, Series 2012, at a true interest cost of approximately 3%. Proceeds of this bond issue (including a portion of the original issue premium), together with \$8,000,000 of cash on hand in the District's bond retirement fund, for a total of \$29,998,078, was deposited in an escrow fund which will be used to pay principal of and interest on \$28,600,000 in aggregate principal amount of certain of the District's Various Purpose Improvement and Refunding Bonds, Series 2002, through December 1, 2012, the date of optional early redemption of those Series 2002 Bonds. As a result, those Series 2002 Bonds was defeased and considered no longer outstanding for purposes of the District's direct debt limitations. This refunding transaction resulted in a reduction in future debt service of \$12,368,587, which has a present value of approximately \$10,307,766. The net present value savings attributable to the issuance of the refunding bonds alone is approximately \$2,312,223

On December 21, 2010, the School District utilized cash on hand to defease \$14,675,000 principal amount of outstanding 2002 School Facilities Improvement Bonds. The School District placed

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

\$15,848,185 from the debt service fund in an escrow account which was used to pay principal and interest on the defeased bonds. As a result, the bonds are considered defeased and the liability for those bonds was removed from long-term debt. The defeasance will result in a reduction in future debt service of \$25,172,925. The School District saved \$10,497,925 in interest, which has a present value of about \$4,079,265.

On September 29, 2010, the School District issued \$55,000,000 of School Improvement Bonds, bearing interest at the rate of 5.20% per annum. The series 2010 bond issue is the third long term financing bond issue related to the School District's participation in the Ohio School Facilities Assistance Program. The District made mandatory sinking fund payments to an escrow fund, which is part of the District's Bond Retirement Fund, held by The Bank of New York Mellon Trust Company, N.A., as escrow agent, in the amount of \$3,235,294 on December 1st of each year starting in 2010, reducing the outstanding principal amount of this series of bonds by that aggregate amount pursuant to Sections 133.01 and 133.04 of the Revised Code.

On July 8, 2004, the School District issued \$125,000,000 of School Facility Improvement Bonds, bearing interest at the rate of 2.00% - 5.25% per annum. The premium received on this bond issue was \$3,066,194 of which \$2,163,792 was transferred to the Debt Service Fund. The series 2004 bond issue is the second long-term financing drawdown of the \$335 million approved by voters on May 8, 2001 (Issue 14) related to the School District's 12-year, \$1.5 billion capital plan. This debt will be retired from the Debt Service Fund.

On October 1, 2002, the School District issued \$124,920,000 of Various Purpose Improvement and Refunding Bonds, bearing interest at the rate of 1.45% - 5.00% per annum. \$57,515,000 of the proceeds together with other available money was used to refund all of the District's outstanding General Obligation Unlimited Tax Library Improvement Bonds, Series 1992A. \$27,405,000 of the proceeds together with other available money was used to refund the District's outstanding \$35,000,000 School Facility Bond Anticipation Notes, Series 2001. \$40,000,000 of the new proceeds along with the \$35,000,000 that was refunded are being used to pay costs of renovating, rehabilitating, constructing, furnishing, equipping and otherwise improving school facilities and acquiring and improving their sites. This represented the first long-term drawdown of the \$335 million approved by voters on May 8, 2001 (Issue 14). This debt will be retired from the Debt Service Fund. As a result of the refunding, the District reduced its total debt service requirements by \$14.3 million, which resulted in an economic gain (difference between the present value of the debt service payments on the old and the new debt) of \$9.3 million.

On October 1, 2002, the School District cash defeased all of the General Obligation Unlimited Tax School Improvement Bonds, Series 1992B by utilizing available resources in the Debt Service Fund. The defeasance was undertaken to remove restrictive bond covenants associated with the bonds. During fiscal year 2009, the School Improvement Bonds were considered defeased.

On July 12, 2001, the School District entered into a 15-year installment payment agreement with Citicorp North America, Incorporated for \$11,500,000, bearing interest at the rate of 5.20% per annum. The proceeds will be used for the purpose of renovating and otherwise improving environmental controls at school facilities. This agreement was made in accordance with Ohio H.B. 264 and is therefore exempt from the debt limit set by Ohio bond statute. This debt will be retired from the General Fund.

Qualified Zone Academy Bonds-Literacy Academy - On June 18, 2001, the School District issued \$10,000,000 of non-interest-bearing obligations in order to remodel Central Middle School, Franklin D.

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Roosevelt Middle School, Harry E. Davis Middle School, and Martin Luther King, Jr. Middle School. The obligations were issued for a fourteen-year period with final maturity at June 17, 2015. These obligations are not general obligation bonds and will be retired from the Educational Special Trust Fund.

Qualified Zone Academy Bonds-Arts Academy - On April 3, 2001, the School District issued \$5,750,000 of obligations yielding 0.87 percent in order to remodel the Cleveland School of the Arts and Newton D. Baker Elementary School. The obligations were issued for a fourteen-year period with final maturity at April 2, 2015. These obligations are not general obligation bonds and will be retired from the Educational Special Trust Fund.

Qualified Zone Academy Bonds-Technology Academy - On April 3, 2001, the School District issued \$5,500,000 of obligations yielding 0.87 percent in order to remodel the Collinwood School. The obligations were issued for a fourteen-year period with final maturity at April 2, 2015. These obligations are not general obligation bonds and will be retired from the Educational Special Trust Fund.

The School District is placing money from the General Fund for these Qualified Zone Academy Bonds into a separate escrow account held by a trustee, Huntington National Bank, in order to repay the obligation at maturity and the activity of this separate escrow account is reflected in the Educational Special Trust Fund.

Compensated absences and workers' compensation costs will be paid from the fund from which the employee is paid which, for the School District, is primarily the general fund.

The School District's overall legal debt margin was \$374,157,064 with an unvoted debt margin of \$5,696,934 at June 30, 2012.

The School District is subject to federal arbitrage regulations. As of June 30, 2012 the District has not accrued any liability.

Principal and interest requirements to retire general obligation debt, QZAB bonds and H.B. 264 Energy Conservation Notes, outstanding at June 30, 2012, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2013	\$ 6,550,914	\$ 8,154,761	\$ 14,705,675
2014	6,144,161	7,855,165	13,999,326
2015	27,674,949	7,562,877	35,237,826
2016	6,728,412	7,150,888	13,879,300
2017	6,480,130	6,813,183	13,293,313
2018-2022	34,320,000	29,221,756	63,541,756
2023-2027	90,975,000	19,035,806	110,010,806
2028	7,305,000	182,625	7,487,625
	<u>\$ 186,178,566</u>	<u>\$ 85,977,061</u>	<u>\$ 272,155,627</u>

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Note 18 – Interfund Transfers and Balances

A. Transfers

Transfers made during the year ended June 30, 2012 were as follows:

Transfers To	Transfers Out		Totals
	General	Classroom Facilities	
Non-Major Governmental Funds:			
Permanent Improvement	\$ 0	\$ 12,152,182	\$ 12,152,182
Educational Special Trust	944,394	0	944,394
Food Service	2,500,000	0	2,500,000
Self Insurance Fund	793,606	0	793,606
Totals	\$ 4,238,000	\$ 12,152,182	\$ 16,390,182

The purpose of the transfer from the classroom facilities capital projects fund to the permanent improvement capital projects fund was to transfer excess dollars from one fund to another. This transfer is in compliance with the Ohio Revised Code.

The purpose of the transfer from the general fund to the educational special trust special revenue fund was to fund the future debt payment of the Qualified Zone Academy Bonds, which are due in 2015.

The purpose of the transfer from the general fund to the food service special revenue fund was to subsidize a portion of the expenditures for the food service programs.

The purpose of the transfer from the general fund to the self insurance fund was to fund the account for legal expenditures.

B. Interfund Balances

Interfund balances at June 30, 2012, consist of the following individual fund receivables and payables:

Interfund Payable	Interfund Receivable
	General
Non-Major Governmental Funds:	
Other State	\$ 15,664
Food Service	832,160
Vocational Education	171,400
Other Federal	1,223,441
Totals	\$ 2,242,665

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

The interfund receivable and payable are due to the timing of the receipt of grant monies by the nonmajor funds. The School District expects to receive the grant monies and repay the advance within the next fiscal year.

Note 19 - Related Organizations

A. Cleveland Public Library

The Cleveland Public Library (Library) is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. A Board of Trustees appointed by the Cleveland Municipal School District Board of Education governs the Library.

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 issues all 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 Business Director of the Cleveland Public Library at 325 Superior Avenue, NE, Cleveland, Ohio 44114.

B. City of Cleveland

In November 1998, the Mayor of the City of Cleveland was given appointment authority for the School District. As approved by the State legislature, the Ohio Revised Code provided for the Mayor to appoint a Chief Executive Officer who was to be approved by the Board. The Board is comprised of nine members who were appointed by the Mayor from a pool of candidates presented to the Mayor by an independent nominating panel. The City of Cleveland's accountability for the School District does not extend beyond appointment authority and therefore the School District is considered to be a related organization rather than a component unit of the City of Cleveland. A copy of the City of Cleveland's comprehensive annual financial report can be obtained from the Finance Director of the City of Cleveland at 601 Lakeside Avenue, Cleveland, Ohio 44114.

Note 20 - Jointly Governed Organizations

A. Ohio Schools' Council Association

The Ohio Schools Council (Council) is a jointly governed organization among various school districts in northern Ohio. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year.

The degree of control exercised by any school district is limited to its representation on the Board. Financial information can be obtained by contacting the Executive Director of the Ohio Schools Council at 6133 Rockside Road, Suite #10, Independence, Ohio 44131.

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

B. Bond Accountability Commission

The Bond Accountability Commission (BAC) is an independent nonprofit agency that monitors the Cleveland Municipal School District's construction and renovation program and the spending of Issue 14 tax money approved by voters in May 2001.

As a commission created by the Board, the BAC is a "public body" subject to the Ohio Sunshine Law as set forth in Section 121.22 of the Ohio Revised Code, and shall conduct its business in accordance with the provisions of the Sunshine Law, including, but not limited to, establishing a reasonable method of notifying the public of the time, place and purpose of its meetings, and preparing, filing and maintaining minutes of its meetings. Other than the Board directing the Chief Executive Officer to secure initial external funding in the amount of \$200,000, the Board does not assume any ongoing financial interest or responsibility for the BAC and, as a result, is considered a jointly governed organization. In fiscal year 2011, the District extended the contract with the BAC for three years in the amount of \$240,000. Annual reports can be obtained by contacting James G. Darr, Administrator Bond Accountability Commission c/o Cuyahoga Community College, 2900 Community College Avenue MBA, Room 221, Cleveland, Ohio 44115.

Note 21 – Construction and Other Significant Commitments

<u>Projects</u>	<u>Committed Amount</u>	<u>Amount Paid</u>	<u>Remaining on Commitment</u>
Segment 1	\$ 223,975,810	\$ 218,857,472	\$ 5,118,338
Segment 2	105,553,352	100,537,211	5,016,141
Segment 3	133,691,654	132,687,992	1,003,662
Segment 4	136,749,655	133,050,886	3,698,769
Segment 5	201,317,868	14,167,938	187,149,930
Segment 6	52,431,221	176,887	52,254,334
Local Funding Initiatives	103,703,935	84,686,950	19,016,985
Total	<u>\$ 957,423,495</u>	<u>\$ 684,165,336</u>	<u>\$ 273,258,159</u>

Segment 1 consisted of the warm, safe, dry and security updates to all buildings in addition to the construction of five buildings and renovation of three buildings. Segment 2, 3, 4, 5 and 6 consisted of the construction of thirty-two buildings, the renovation of five buildings and the demolishing of thirteen buildings. Local Funding Initiatives consisted of various projects throughout the School District.

Note 22 – Subsequent Event

A. On November 6, 2012, the voters of the City of Cleveland passed a new four year 15 mill operating levy, the first operating levy since 1996. This levy was approved to support The Cleveland Plan (H.B. 525) that was signed into law on July 7, 2012. 14 mills will be allocated to the current expenses of the District and one mill will be allocated to the current expenses of partnering community schools. Based on current tax collection rates, the levy is expected to generate \$58.3 million for the District, of which \$3.9 million will be distributed to high quality community schools. Collections will begin in calendar year 2013.

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

B. On October 23, 2012, the Board of Education authorized the issuance and sale of bonds in a maximum aggregate principal amount of \$75,520,000, for the purpose of refunding at a lower interest cost certain of the District's School Improvement Bonds, series 2004, dated July 8, 2004. Proceeds of this bond issue, together with approximately \$7,000,000 of cash on hand in the District's bond retirement fund, will be deposited in an escrow fund which will be used to pay principal and interest on the District's Various Purpose Improvement and Refunding Bonds, Series 2004. Currently the District is estimating that the refunding will be in the amount of \$40,600,000. The estimated date of the refunding is January 15, 2013. The District estimates that this refunding transaction will result in a reduction in future debt service of \$21,937,796, which has a present value savings of approximately \$13,042,347. The net present value savings attributable to issuance of the refunding bonds alone is approximately \$7,198,846.

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Combining Statements and Individual Fund Schedules Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

Local Funds:

Educational Special Trust Fund – This fund accounts for monies received from private individuals, companies and foundations for specified activities for purposes. This fund also accounts for monies being placed from the general fund for the Qualified Zone Academy Bonds into a escrow account held by a trustee in order to repay the obligation at maturity.

Classroom Facilities Maintenance Fund – This fund accounts for the proceeds of a levy for the maintenance of facilities.

Other Local Funds – This fund accounts for all activity in other local funds including Public School Support, Other Grants, and District Managed Activity.

State Funds:

Auxiliary Services (NPSS) Fund – This fund accounts for State funds which provide services and materials to pupils attending non-public schools within the School District.

Miscellaneous State Grants Fund – This fund is used to account for various monies received from State agencies which are not classified elsewhere including all money for students who resides in the district but are enrolled in a community school.

Other State Funds – This fund accounts for all activity in other State funds including Post-Secondary Vocational Education, Teacher Development, Management Information Systems, Public School Preschool, Data Communications for School Buildings, Interactive Video Distance Learning, Vocational Education Enhancement and Alternative Schools.

Federal Funds:

Food Service Fund – This fund is used to record financial transactions related to food service operations.

Adult Basic Education Fund – This fund accounts for State and Federal monies used to provide financial support to programs in reading, writing and math competency for adults that do not have a high school diploma.

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

Race to the Top Fund – This fund accounts for federal monies used to provide for either a new program or expansion of an existing program to support initiatives in the following areas: Standards and Assessments; Using Data to improve Instructions; Great Teachers and Leaders; and Turning Around the Lowest-Achieving Schools.

(continued)

Fund Descriptions – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

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

Vocational Education Fund – This fund accounts for revenues used in the development of vocational education programs in the following categories: secondary, post-secondary, adult, disadvantaged and handicapped persons, exemplary programs, cooperative education, construction of educational schools, ancillary services, research, advisory committees and work-study projects, including sex equity grants.

Fiscal Stabilization Fund – This fund accounts for restricted Federal monies from the American Recovery and Reinvestment Act in State Fiscal Stabilization Funds (SFSF) to help stabilize state and local budgets in order to minimize and avoid reductions in education and other essential services.

Title I – This fund accounts for Federal Monies used to assist the School District in meeting the special needs of economically and educationally deprived children.

Improving Teacher Quality Title II-A Fund – Funding for professional development and other programs to ensure teachers meet high quality standards. This fund also accounts for monies used to hire additional classroom teachers in elementary grades, so that the number of students per teacher will be reduced.

Miscellaneous Federal Grants Fund – This fund accounts for various monies received through State agencies from the Federal Government or directly from the Federal Government which are not required to be in a separate fund.

Other Federal Funds – This fund accounts for all activity in other Federal funds including Job Training Partnership Act (JTPA), Title II Technology, Title I Subsidiary A, Title I Subsidiary G, Bilingual Education Program, Transition for Refugee Children, Title V, Drug Free School Grant and IDEA Preschool Grant for the Handicapped.

Nonmajor Capital Projects Funds

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

Permanent Improvement Fund – This fund accounts for local funding initiatives associated with the School Districts facility project.

Building Renovation Fund – This fund accounts for the receipts and expenditures related to the Qualified Zone Academy Bonds.

Cleveland Municipal School District

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2012

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 44,457,504	\$ 156,359	\$ 44,613,863
Cash and Cash Equivalents With Fiscal Agents	0	92,874	92,874
Investments	0	22,528,810	22,528,810
Investments with Fiscal Agents	15,360,256	0	15,360,256
Receivables:			
Taxes	3,775,610	0	3,775,610
Accounts	35,417	0	35,417
Intergovernmental	5,784,855	0	5,784,855
Accrued Interest	334,994	35,657	370,651
Materials and Supplies Inventory	526,708	0	526,708
Total Assets	\$ 70,275,344	\$ 22,813,700	\$ 93,089,044
Liabilities			
Accounts Payable	\$ 2,056,892	\$ 2,908,625	\$ 4,965,517
Accrued Wages and Benefits	6,584,929	35,176	6,620,105
Retainage Payable	0	92,874	92,874
Interfund Payable	2,242,665	0	2,242,665
Intergovernmental Payable	4,325,947	23,093	4,349,040
Deferred Revenue	5,695,753	0	5,695,753
Total Liabilities	20,906,186	3,059,768	23,965,954
Fund Balance:			
Nonspendable	526,708	0	526,708
Restricted	51,399,384	7,946,422	59,345,806
Committed	3,710,541	11,807,510	15,518,051
Assigned	333,271	0	333,271
Unassigned	(6,600,746)	0	(6,600,746)
Total Fund Balances	49,369,158	19,753,932	69,123,090
Total Liabilities and Fund Balances	\$ 70,275,344	\$ 22,813,700	\$ 93,089,044

Cleveland Municipal School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2012

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
<i>Local Sources:</i>			
Taxes	\$ 1,994,444	\$ 0	\$ 1,994,444
Investment Income	582,817	84,251	667,068
Tuition and Fees	15,209	0	15,209
Extracurricular Activities	541,229	0	541,229
Contributions and Donations	2,617,322	0	2,617,322
Sale of Personal Property	0	1,370,408	1,370,408
Miscellaneous	3,542,471	1,910	3,544,381
<i>State Sources:</i>			
Unrestricted Grants-in-Aid	472,931	0	472,931
Restricted Grants-in-Aid	11,787,628	0	11,787,628
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	149,294,345	0	149,294,345
Total Revenues	170,848,396	1,456,569	172,304,965
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	1,030,071	0	1,030,071
Special	44,695,382	0	44,695,382
Vocational	1,694,992	0	1,694,992
Other	110,764	0	110,764
<i>Support Services:</i>			
Pupils	6,707,923	0	6,707,923
Instructional Staff	28,703,001	0	28,703,001
Administration	2,899,588	0	2,899,588
Fiscal	1,354,248	0	1,354,248
Operation and Maintenance of Plant	1,145,571	1,673,950	2,819,521
Pupil Transportation	267,814	0	267,814
Central	192,883	0	192,883
Operation of Non-Instructional Services	35,476,351	0	35,476,351
Extracurricular Activities	561,321	0	561,321
Capital Outlay	10,787	12,159,429	12,170,216
Total Expenditures	124,850,696	13,833,379	138,684,075
Deficiency of Revenues Under Expenditures	45,997,700	(12,376,810)	33,620,890
Other Financing Sources:			
Transfers In	3,444,394	12,152,182	15,596,576
Total Other Financing Sources (Uses)	3,444,394	12,152,182	15,596,576
Net Change in Fund Balances	49,442,094	(224,628)	49,217,466
Fund Balances at Beginning of Year Restated	(72,936)	19,978,560	19,905,624
Fund Balances at End of Year	\$ 49,369,158	\$ 19,753,932	\$ 69,123,090

Cleveland Municipal School District

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2012

	Educational Special Trust	Classroom Facilities Maintenance	Other Local
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 4,117,149	\$ 29,354,291	\$ 612,864
Investments with Fiscal Agents	15,360,256	0	0
Receivables:			
Taxes	0	3,775,610	0
Accounts	34,284	0	0
Intergovernmental	11,125	0	0
Accrued Interest	334,994	0	0
Materials and Supplies Inventory	0	0	0
Total Assets	\$ 19,857,808	\$ 33,129,901	\$ 612,864
Liabilities			
Accounts Payable	\$ 65,667	\$ 7,258	\$ 0
Accrued Wages and Benefits	364,697	0	180,218
Interfund Payable	0	0	0
Intergovernmental Payable	239,429	0	118,317
Deferred Revenue	0	3,433,625	0
Total Liabilities	669,793	3,440,883	298,535
Fund Balance:			
Nonspendable	0	0	0
Restricted	18,732,750	28,902,935	205,915
Committed	455,265	452,812	108,414
Assigned	0	333,271	0
Total Fund Balances (Deficit)	19,188,015	29,689,018	314,329
Total Liabilities and Fund Balances	\$ 19,857,808	\$ 33,129,901	\$ 612,864

Auxiliary Services (NPSS)	Miscellaneous State Grants	Other State	Food Service	Adult Basic Education	Education Jobs
\$ 1,990,443	\$ 1,021,637	\$ 515,669	\$ 18,763	\$ 0	\$ 0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	1,133	0	0
0	1,042,368	68,966	2,479,246	0	0
0	0	0	0	0	0
0	0	0	526,708	0	0
<u>\$ 1,990,443</u>	<u>\$ 2,064,005</u>	<u>\$ 584,635</u>	<u>\$ 3,025,850</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 232,109	\$ 2,098	\$ 87,963	\$ 118,389	\$ 0	\$ 0
148,719	432	22,802	537,491	0	0
0	0	15,664	832,160	0	0
97,637	283	14,971	355,671	0	0
0	1,110,710	72,599	0	0	0
<u>478,465</u>	<u>1,113,523</u>	<u>213,999</u>	<u>1,843,711</u>	<u>0</u>	<u>0</u>
0	0	0	526,708	0	0
735,646	907,835	249,035	569,644	0	0
776,332	42,647	121,601	85,787	0	0
0	0	0	0	0	0
<u>1,511,978</u>	<u>950,482</u>	<u>370,636</u>	<u>1,182,139</u>	<u>0</u>	<u>0</u>
<u>\$ 1,990,443</u>	<u>\$ 2,064,005</u>	<u>\$ 584,635</u>	<u>\$ 3,025,850</u>	<u>\$ 0</u>	<u>\$ 0</u>

(continued)

Cleveland Municipal School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2012

	Race To The Top	Title VI-B Special Education	Vocational Education
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 227,094	\$ 450,314	\$ 1
Investments with Fiscal Agents	0	0	0
Receivables:			
Taxes	0	0	0
Accounts	0	0	0
Intergovernmental	226,612	397,574	32,917
Accrued Interest	0		0
Materials and Supplies Inventory	0	0	0
Total Assets	\$ 453,706	\$ 847,888	\$ 32,918
Liabilities			
Accounts Payable	\$ 577,446	\$ 165,547	\$ 358,309
Accrued Wages and Benefits	109,833	848,257	43,365
Interfund Payable	0	0	171,400
Intergovernmental Payable	72,107	556,894	28,470
Deferred Revenue	226,612	397,574	32,917
Total Liabilities	985,998	1,968,272	634,461
Fund Balance:			
Nonspendable	0	0	0
Restricted	0	0	0
Committed	0	264,170	244,434
Assigned	0	0	0
Unassigned	(532,292)	(1,384,554)	(845,977)
Total Fund Balances (Deficit)	(532,292)	(1,120,384)	(601,543)
Total Liabilities and Fund Balances	\$ 453,706	\$ 847,888	\$ 32,918

Fiscal Stabilization	Title I	Improving Teacher Quality Title II-A	Miscellaneous Federal Grants	Other Federal	Total Nonmajor Special Revenue Funds
\$ 0	\$ 5,539,652	\$ 10,183	\$ 531,880	\$ 67,564	\$ 44,457,504
0	0	0	0	0	15,360,256
0	0	0	0	0	3,775,610
0	0	0	0	0	35,417
0	108,939	7,391	227,581	1,182,136	5,784,855
0	0	0	0	0	334,994
0	0	0	0	0	526,708
<u>\$ 0</u>	<u>\$ 5,648,591</u>	<u>\$ 17,574</u>	<u>\$ 759,461</u>	<u>\$ 1,249,700</u>	<u>\$ 70,275,344</u>
\$ 0	\$ 68,121	\$ 0	\$ 92,846	\$ 281,139	\$ 2,056,892
0	2,679,803	733,743	9,355	906,214	6,584,929
0	0	0	0	1,223,441	2,242,665
0	1,759,369	481,713	6,142	594,944	4,325,947
0	108,939	7,391	16,906	288,480	5,695,753
<u>0</u>	<u>4,616,232</u>	<u>1,222,847</u>	<u>125,249</u>	<u>3,294,218</u>	<u>20,906,186</u>
0	0	0	0	0	526,708
0	519,763	0	575,758	103	51,399,384
0	512,596	0	58,454	588,029	3,710,541
0	0	0	0	0	333,271
0	0	(1,205,273)	0	(2,632,650)	(6,600,746)
<u>0</u>	<u>1,032,359</u>	<u>(1,205,273)</u>	<u>634,212</u>	<u>(2,044,518)</u>	<u>49,369,158</u>
<u>\$ 0</u>	<u>\$ 5,648,591</u>	<u>\$ 17,574</u>	<u>\$ 759,461</u>	<u>\$ 1,249,700</u>	<u>\$ 70,275,344</u>

Cleveland Municipal School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Fiscal Year Ended June 30, 2012

	Educational Special Trust	Classroom Facilities Maintenance	Other Local
Revenues:			
<i>Local Sources:</i>			
Taxes	\$ 0	\$ 1,994,444	\$ 0
Investment Income	569,395	12,091	0
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	541,229
Contributions and Donations	2,617,322	0	0
Miscellaneous	0	0	2,423,475
<i>State Sources:</i>			
Unrestricted Grants-in-Aid	0	472,931	0
Restricted Grants-in-Aid	0	1,930,207	0
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	0	0	0
Total Revenues	3,186,717	4,409,673	2,964,704
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	6,028	0	1,421,282
Special	1,848	0	280,482
Vocational	0	0	0
Other	101,797	0	0
<i>Support Services:</i>			
Pupils	50,022	0	169,173
Instructional Staff	4,148,628	0	0
Administration	116,516	0	278,320
Fiscal	0	56,824	178,002
Operation and Maintenance of Plant	0	892,646	140,274
Pupil Transportation	0	0	0
Central	0	0	0
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	268	0	561,053
Capital Outlay	0	10,787	0
Total Expenditures	4,425,107	960,257	3,028,586
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,238,390)	3,449,416	(63,882)
Other Financing Sources:			
Transfers In	944,394	0	0
Total Other Financing Sources (Uses)	944,394	0	0
Net Change in Fund Balances	(293,996)	3,449,416	(63,882)
Fund Balances (Deficit) at Beginning of Year Restated	19,482,011	26,239,602	378,211
Fund Balances (Deficit) at End of Year	\$ 19,188,015	\$ 29,689,018	\$ 314,329

<u>Auxiliary Services (NPSS)</u>	<u>Miscellaneous State Grants</u>	<u>Other State</u>	<u>Food Service</u>	<u>Adult Basic Education</u>	<u>Education Jobs</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
1,072	0	0	259	0	0
0	0	15,209	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
266,714	0	0	852,282	0	0
0	0	0	0	0	0
6,620,966	2,119,225	653,990	463,240	0	0
0	0	0	17,880,885	31,951	17,653,148
<u>6,888,752</u>	<u>2,119,225</u>	<u>669,199</u>	<u>19,196,666</u>	<u>31,951</u>	<u>17,653,148</u>
0	617	145,116	0	0	17,653,148
0	0	0	0	0	0
0	0	4,000	0	0	0
0	0	0	0	0	0
0	0	152,523	0	0	0
237,261	1,068,686	49,868	0	0	0
0	0	91,363	0	0	0
0	0	0	0	0	0
21,319	0	0	0	0	0
0	0	520	0	0	0
0	0	192,883	0	0	0
6,692,144	2,216	0	21,913,835	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>6,950,724</u>	<u>1,071,519</u>	<u>636,273</u>	<u>21,913,835</u>	<u>0</u>	<u>17,653,148</u>
(61,972)	1,047,706	32,926	(2,717,169)	31,951	0
0	0	0	2,500,000	0	0
0	0	0	2,500,000	0	0
(61,972)	1,047,706	32,926	(217,169)	31,951	0
1,573,950	(97,224)	337,710	1,399,308	(31,951)	0
<u>\$ 1,511,978</u>	<u>\$ 950,482</u>	<u>\$ 370,636</u>	<u>\$ 1,182,139</u>	<u>\$ 0</u>	<u>\$ 0</u>

(continued)

Cleveland Municipal School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2012

	Race To The Top	Title VI-B Special Education	Vocational Education
Revenues:			
<i>Local Sources:</i>			
Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Contributions and Donations	0	0	0
Miscellaneous	0	0	0
<i>State Sources:</i>			
Unrestricted Grants-in-Aid	0	0	0
Restricted Grants-in-Aid	0	0	0
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	3,886,400	21,485,176	2,229,701
Total Revenues	3,886,400	21,485,176	2,229,701
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	0	0	0
Special	0	5,959,133	0
Vocational	0	0	1,676,394
Other	0	0	0
<i>Support Services:</i>			
Pupils	0	3,427,273	0
Instructional Staff	4,065,184	6,498,520	772,823
Administration	67,760	824,381	2,169
Fiscal	0	212,105	0
Operation and Maintenance of Plant	0	0	2,479
Pupil Transportation	0	0	0
Central	0	0	0
Operation of Non-Instructional Services	0	566,312	0
Extracurricular Activities	0	0	0
Capital Outlay	0	0	0
Total Expenditures	4,132,944	17,487,724	2,453,865
Excess (Deficiency) of Revenues Over (Under) Expenditures	(246,544)	3,997,452	(224,164)
Other Financing Sources:			
Transfers In	0	0	0
Total Other Financing Sources (Uses)	0	0	0
Net Change in Fund Balances	(246,544)	3,997,452	(224,164)
Fund Balances (Deficit) at Beginning of Year Restated	(285,748)	(5,117,836)	(377,379)
Fund Balances (Deficit) at End of Year	\$ (532,292)	\$ (1,120,384)	\$ (601,543)

Fiscal Stabilization	Title I	Improving Teacher Quality Title II-A	Miscellaneous Federal Grants	Other Federal	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,994,444
0	0	0	0	0	582,817
0	0	0	0	0	15,209
0	0	0	0	0	541,229
0	0	0	0	0	2,617,322
0	0	0	0	0	3,542,471
0	0	0	0	0	472,931
0	0	0	0	0	11,787,628
0	74,142,498	8,859,557	1,732,375	19,045,802	149,294,345
0	74,142,498	8,859,557	1,732,375	19,045,802	170,848,396
(2,245,643)	1,017,455	0	213,490	471,726	1,030,071
0	25,645,182	8,742,685	0	4,066,052	44,695,382
0	0	0	14,598	0	1,694,992
0	1,609	0	7,358	0	110,764
0	27,197	0	45,649	2,836,086	6,707,923
0	2,472,953	76,922	0	9,312,156	28,703,001
0	1,452,187	66,534	0	358	2,899,588
0	433,803	153,562	3,311	316,641	1,354,248
0	87,256	0	0	1,597	1,145,571
0	251,715	0	10,249	5,330	267,814
0	0	0	0	0	192,883
0	6,272,324	0	1,658	27,862	35,476,351
0	0	0	0	0	561,321
0	0	0	0	0	10,787
(2,245,643)	37,661,681	9,039,703	296,313	17,037,808	124,850,696
2,245,643	36,480,817	(180,146)	1,436,062	2,007,994	45,997,700
0	0	0	0	0	3,444,394
0	0	0	0	0	3,444,394
2,245,643	36,480,817	(180,146)	1,436,062	2,007,994	49,442,094
(2,245,643)	(35,448,458)	(1,025,127)	(801,850)	(4,052,512)	(72,936)
\$ 0	\$ 1,032,359	\$ (1,205,273)	\$ 634,212	\$ (2,044,518)	\$ 49,369,158

Cleveland Municipal School District

Combining Balance Sheet

Nonmajor Capital Projects Funds

June 30, 2012

	Permanent Improvement	Building Renovation	Total Nonmajor Capital Projects Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 4,873	\$ 151,486	\$ 156,359
Cash and Cash Equivalents With Fiscal Agents	92,874	0	92,874
Investments	22,528,810	0	22,528,810
Receivables:			
Accrued Interest	35,657	0	35,657
Total Assets	\$ 22,662,214	\$ 151,486	\$ 22,813,700
Liabilities			
Accounts Payable	\$ 2,908,625	\$ 0	\$ 2,908,625
Accrued Wages and Benefits	35,176	0	35,176
Retainage Payable	92,874	0	92,874
Intergovernmental Payable	23,093	0	23,093
Total Liabilities	3,059,768	0	3,059,768
Fund Balance:			
Restricted	7,946,422	0	7,946,422
Committed	11,656,024	151,486	11,807,510
Total Fund Balances	19,602,446	151,486	19,753,932
Total Liabilities and Fund Balances	\$ 22,662,214	\$ 151,486	\$ 22,813,700

Cleveland Municipal School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2012

	Permanent Improvement	Building Renovation	Total Nonmajor Capital Projects Funds
Revenues:			
<i>Local Sources:</i>			
Investment Income	\$ 84,251	\$ 0	\$ 84,251
Sale of Personal Property	1,370,408	0	1,370,408
Miscellaneous	1,910	0	1,910
Total Revenues	1,456,569	0	1,456,569
Expenditures:			
<i>Current:</i>			
<i>Support Services:</i>			
Operation and Maintenance of Plant	434,370	1,239,580	1,673,950
Capital Outlay	12,159,429	0	12,159,429
Total Expenditures	12,593,799	1,239,580	13,833,379
Deficiency of Revenues Under Expenditures	(11,137,230)	(1,239,580)	(12,376,810)
Other Financing Uses:			
Operating Transfers In	12,152,182	0	12,152,182
Net Change in Fund Balances	1,014,952	(1,239,580)	(224,628)
Fund Balances at Beginning of Year	18,587,494	1,391,066	19,978,560
Fund Balances at End of Year	\$ 19,602,446	\$ 151,486	\$ 19,753,932

Fund Descriptions – 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 is the School District's internal service fund types:

Internal Service Funds

Liability Self-Insurance Fund – This fund accounts for the self-insurance of uninsured risks of loss and associated expenses attributable to deductibles and self-insured retention limits for general liability and property damage claim settlements and judgments.

Employee Benefits Self-Insurance Fund – This fund accounts for the medical benefits self-insurance program for employees of the School District. Monthly fees are paid and any balance on hand is held until used.

Cleveland Municipal School District

Combining Statement of Fund Net Assets

Internal Service Funds

June 30, 2012

	<u>Liability Self-Insurance</u>	<u>Employee Benefits Self-Insurance</u>	<u>Totals</u>
<i>Assets</i>			
<i>Current Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$ 2,550,850	\$ 7,734,183	\$ 10,285,033
<i>Liabilities</i>			
<i>Current Liabilities:</i>			
Claims Payable	<u>2,958,636</u>	<u>0</u>	<u>2,958,636</u>
<i>Net Assets</i>			
Unrestricted	<u>\$ (407,786)</u>	<u>\$ 7,734,183</u>	<u>\$ 7,326,397</u>

Cleveland Municipal School District
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year Ended June 30, 2012

	Liability Self-Insurance	Employee Benefits Self-Insurance	Totals
<i>Operating Revenues:</i>			
Charges for Services	\$ 0	\$ 57,601,373	\$ 57,601,373
<i>Operating Expenses:</i>			
Claims and Claim Adjustment Expenses	1,352,823	56,566,101	57,918,924
<i>Operating Income (Loss)</i>	(1,352,823)	1,035,272	(317,551)
Operating Transfers In	793,606	0	793,606
<i>Total Other Financing Sources (Uses)</i>	793,606	0	793,606
Change in Net Assets	(559,217)	1,035,272	476,055
Net Assets at Beginning of Year	151,431	6,698,911	6,850,342
<i>Net Assets at End of Year</i>	\$ (407,786)	\$ 7,734,183	\$ 7,326,397

Cleveland Municipal School District
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2012

	Liability Self-Insurance	Employee Benefits Self-Insurance	Totals
<i>Increase (Decrease) In Cash and Cash Equivalents:</i>			
<i>Cash Flows from Operating Activities:</i>			
Cash Received from Interfund Services Provided	\$ 793,606	\$ 57,601,373	\$ 58,394,979
Cash Payments for Claims and Claim Adjustment Expenses	(766,447)	(57,801,543)	(58,567,990)
<i>Net Cash Provided (Used) by Operating Activities</i>	27,159	(200,170)	(173,011)
Cash and Cash Equivalents at Beginning of Year	2,523,691	7,934,353	10,458,044
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$ 2,550,850</u>	<u>\$ 7,734,183</u>	<u>\$ 10,285,033</u>
 <i>Reconciliation of Income to Net Cash Provided (Used) by Operating Activities</i>			
<i>Operating Income (Loss)</i>	\$ (1,352,823)	\$ 1,035,272	\$ (317,551)
<i>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities</i>			
Increase (Decrease) in Claims Payable	586,376	(1,235,442)	(649,066)
<i>Net Cash Provided by Operating Activities</i>	<u>\$ (766,447)</u>	<u>\$ (200,170)</u>	<u>\$ (966,617)</u>

Fund Descriptions – Fiduciary Funds

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

Agency Funds

District Agency Fund – This fund reflects resources which accounts for various payroll withholding items.

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

Cleveland Municipal School District
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended June 30, 2012

	Beginning Balance July 1, 2011	Additions	Deductions	Ending Balance June 30, 2012
District Agency Fund				
<i>Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$ 3,213,483	\$ 0	\$ 1,450,331	\$ 1,763,152
<i>Liabilities:</i>				
Payroll Withholdings	\$ 3,213,483	\$ 0	\$ 1,450,331	\$ 1,763,152
 Student Managed Activity				
<i>Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$ 682,928	\$ 789,898	\$ 944,535	\$ 528,291
<i>Liabilities:</i>				
Due to Students	\$ 682,928	\$ 789,898	\$ 944,535	\$ 528,291
 All Agency Funds				
<i>Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$ 3,896,411	\$ 789,898	\$ 2,394,866	\$ 2,291,443
<i>Liabilities:</i>				
Due To Students	\$ 682,928	\$ 789,898	\$ 944,535	\$ 528,291
Payroll Withholdings	3,213,483	0	1,450,331	1,763,152
Total Liabilities	\$ 3,896,411	\$ 789,898	\$ 2,394,866	\$ 2,291,443

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

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Debt Service Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Local Sources:</i>			
Taxes	\$ 27,065,019	\$ 27,016,674	\$ (48,345)
Investment Income	32,000	79,225	47,225
Miscellaneous	1,385,000	1,385,696	696
<i>State Sources:</i>			
Unrestricted Grants-in-Aid	4,394,067	4,394,304	237
Total Revenues	32,876,086	32,875,899	(187)
Expenditures:			
<i>Support Services:</i>			
Fiscal	900,095	777,874	122,221
<i>Debt Service:</i>			
Principal Retirement	37,061,569	36,670,000	391,569
Interest and Fiscal Charges	9,990,521	9,990,521	0
Total Expenditures	47,952,185	47,438,395	513,790
Deficiency of Revenues Under Expenditures	(15,076,099)	(14,562,496)	513,603
Other Financing Sources:			
Proceeds from Sale of Bonds	20,855,000	20,855,000	0
Total Other Financing Sources	20,855,000	20,855,000	0
Net Change in Fund Balances	5,778,901	6,292,504	513,603
Fund Balances at Beginning of Year	20,100,135	20,100,135	0
Fund Balances at End of Year	\$ 25,879,036	\$ 26,392,639	\$ 513,603

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Classroom Facilities Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Local Sources:</i>			
Investment Income	\$ 1,000,000	\$ 953,353	\$ (46,647)
<i>State Sources:</i>			
Restricted Grants-in-Aid	15,700,000	15,746,373	46,373
Total Revenues	<u>16,700,000</u>	<u>16,699,726</u>	<u>(274)</u>
Expenditures:			
Capital Outlay	133,546,313	82,226,752	51,319,561
Total Expenditures	<u>133,546,313</u>	<u>82,226,752</u>	<u>51,319,561</u>
Deficiency of Revenues Under Expenditures	(116,846,313)	(65,527,026)	51,319,287
Other Financing Sources:			
Operating Transfers Out	(12,152,182)	(12,152,182)	0
Total Other Financing Sources (Uses)	<u>(12,152,182)</u>	<u>(12,152,182)</u>	<u>0</u>
Net Change in Fund Balances	(128,998,495)	(77,679,208)	51,319,287
Fund Balances at Beginning of Year	112,346,676	112,346,676	0
<i>Prior Year Encumbrances Appropriated</i>	<u>17,346,312</u>	<u>17,346,312</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 694,493</u>	<u>\$ 52,013,780</u>	<u>\$ 51,319,287</u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Educational Special Trust Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Local Sources:</i>			
Investment Income	\$ 155,000	\$ 508,579	\$ 353,579
Contributions and Donations	3,750,606	3,338,098	(412,508)
Total Revenues	<u>3,905,606</u>	<u>3,846,677</u>	<u>(58,929)</u>
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	233,506	10,043	223,463
Special	27,884	1,848	26,036
Vocational	20	20	0
Other	240,501	167,300	73,201
<i>Support Services:</i>			
Pupils	74,824	50,741	24,083
Instructional Staff	6,737,989	3,994,792	2,743,197
Board of Education	8,049	0	8,049
Administration	412,208	220,336	191,872
Pupil Transportation	203,303	2,067	201,236
Central	57,845	5,251	52,594
Operation of Non-Instructional Services	6,323	718	5,605
Extracurricular Activities	46,064	1,119	44,945
Total Expenditures	<u>8,048,516</u>	<u>4,454,235</u>	<u>3,594,281</u>
Excess of Revenues Over (Under) Expenditures	(4,142,910)	(607,558)	3,535,352
Other Financing Sources:			
Transfers In	944,394	944,394	0
Total Other Financing Sources (Uses)	<u>944,394</u>	<u>944,394</u>	<u>0</u>
Net Change in Fund Balances	(3,198,516)	336,836	3,535,352
Fund Balances at Beginning of Year	18,149,431	18,149,431	0
<i>Prior Year Encumbrances Appropriated</i>	<u>448,749</u>	<u>448,749</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 15,399,664</u>	<u>\$ 18,935,016</u>	<u>\$ 3,535,352</u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Classroom Facilities Maintenance Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Local Sources:</i>			
Taxes	\$ 1,969,562	\$ 1,973,546	\$ 3,984
Investment Income	12,000	12,091	91
<i>State Sources:</i>			
Unrestricted Grants-in-Aid	477,660	472,931	(4,729)
Restricted Grants-in-Aid	1,930,000	1,930,207	207
Total Revenues	<u>4,389,222</u>	<u>4,388,775</u>	<u>(447)</u>
Expenditures:			
<i>Support Services:</i>			
Fiscal	56,824	56,824	0
Operation and Maintenance of Plant	1,784,438	1,463,007	321,431
Capital Outlay	104,937	34,787	70,150
Total Expenditures	<u>1,946,199</u>	<u>1,554,618</u>	<u>391,581</u>
Net Change in Fund Balances	2,443,023	2,834,157	391,134
Fund Balances at Beginning of Year	25,849,643	25,849,643	0
<i>Prior Year Encumbrances Appropriated</i>	<u>539,954</u>	<u>539,954</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 28,832,620</u>	<u>\$ 29,223,754</u>	<u>\$ 391,134</u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Other Local Funds
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Local Sources:</i>			
Extracurricular Activities	\$ 541,700	\$ 541,229	\$ (471)
Miscellaneous	2,474,000	2,473,475	(525)
Total Revenues	3,015,700	3,014,704	(996)
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	1,340,732	1,340,732	0
Special	263,954	263,954	0
<i>Support Services:</i>			
Pupils	156,726	156,726	0
Administration	268,841	268,841	0
Fiscal	169,406	169,406	0
Operation and Maintenance of Plant	140,590	140,590	0
Extracurricular Activities	1,035,235	675,616	359,619
Total Expenditures	3,375,484	3,015,865	359,619
Excess (Deficiency) of Revenues Over (Under) Expenditures	(359,784)	(1,161)	358,623
Other Financing Sources (Uses):			
Advances Out	(27,000)	(27,000)	0
Total Other Financing Sources (Uses)	(27,000)	(27,000)	0
Net Change in Fund Balances	(386,784)	(28,161)	358,623
Fund Balances at Beginning of Year	422,053	422,053	0
<i>Prior Year Encumbrances Appropriated</i>	110,560	110,560	0
Fund Balances at End of Year	\$ 145,829	\$ 504,452	\$ 358,623

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Auxiliary Services (NPSS) Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Local Sources:</i>			
Investment Income	\$ 1,000	\$ 1,072	\$ 72
Miscellaneous	266,000	266,714	714
<i>State Sources:</i>			
Restricted Grants-in-Aid	6,622,000	6,620,966	(1,034)
Total Revenues	6,889,000	6,888,752	(248)
Expenditures:			
<i>Current:</i>			
<i>Support Services:</i>			
Instructional Staff	257,268	234,881	22,387
Operation and Maintenance of Plant	64,750	21,319	43,431
Operation of Non-Instructional Services	8,757,396	7,844,246	913,150
Total Expenditures	9,079,414	8,100,446	978,968
Net Change in Fund Balances	(2,190,414)	(1,211,694)	978,720
Fund Balances at Beginning of Year	119,015	119,015	0
<i>Prior Year Encumbrances Appropriated</i>	2,071,962	2,071,962	0
Fund Balances at End of Year	\$ 563	\$ 979,283	\$ 978,720

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous State Grants Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>State Sources:</i>			
Restricted Grants-in-Aid	\$ 2,000,000	\$ 1,982,812	\$ (17,188)
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	27,093	617	26,476
Adult/Continuing	54,782	3,559	51,223
Other	589	0	589
<i>Support Services:</i>			
Pupils	16,964	0	16,964
Instructional Staff	1,817,052	1,134,608	682,444
Operation and Maintenance of Plant	5,473	0	5,473
Pupil Transportation	7,966	1,602	6,364
Operation of Non-Instructional Services	7,399	2,216	5,183
Total Expenditures	1,937,318	1,142,602	794,716
Deficiency of Revenues Under Expenditures	62,682	840,210	777,528
Other Financing Sources:			
Net Change in Fund Balances	62,682	840,210	777,528
Fund Balances at Beginning of Year	118,117	118,117	0
<i>Prior Year Encumbrances Appropriated</i>	18,565	18,565	0
Fund Balances at End of Year	\$ 199,364	\$ 976,892	\$ 777,528

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Other State Funds
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Local Sources:</i>			
Tuition and Fees	\$ 15,000	\$ 15,209	\$ 209
<i>State Sources:</i>			
Restricted Grants-in-Aid	654,200	575,395	(78,805)
Total Revenues	<u>669,200</u>	<u>590,604</u>	<u>(78,596)</u>
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	145,732	143,281	2,451
Vocational	4,000	4,000	0
<i>Support Services:</i>			
Pupils	252,049	162,487	89,562
Instructional Staff	49,426	45,532	3,894
Administration	90,347	90,347	0
Operation and Maintenance of Plant	25,721	0	25,721
Pupil Transportation	3,350	520	2,830
Central	489,287	249,795	239,492
Total Expenditures	<u>1,059,912</u>	<u>695,962</u>	<u>363,950</u>
Deficiency of Revenues Under Expenditures	(390,712)	(105,358)	285,354
Other Financing Uses:			
Advances Out	(1,000)	(1,000)	0
Total Other Financing Sources (Uses)	<u>(1,000)</u>	<u>(1,000)</u>	<u>0</u>
Net Change in Fund Balances	(391,712)	(106,358)	285,354
Fund Balances at Beginning of Year	298,754	298,754	0
<i>Prior Year Encumbrances Appropriated</i>	158,488	158,488	0
Fund Balances at End of Year	<u>\$ 65,530</u>	<u>\$ 350,884</u>	<u>\$ 285,354</u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Local Sources:</i>			
Investment Income	\$ 300	\$ 259	\$ (41)
Miscellaneous	774,000	862,705	88,705
<i>State Sources:</i>			
Restricted Grants-in-Aid	438,000	463,240	25,240
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	20,820,700	18,555,309	(2,265,391)
Total Revenues	<u>22,033,000</u>	<u>19,881,513</u>	<u>(2,151,487)</u>
Expenditures:			
<i>Current:</i>			
Operation of Non-Instructional Services	<u>23,733,777</u>	<u>22,492,492</u>	<u>1,241,285</u>
Deficiency of Revenues Under Expenditures	(1,700,777)	(2,610,979)	(910,202)
Other Financing Sources:			
Advances Out	(1,151,000)	(1,151,000)	0
Transfers In	<u>2,500,000</u>	<u>2,500,000</u>	<u>0</u>
Net Change in Fund Balances	(351,777)	(1,261,979)	(910,202)
Fund Balance at Beginning of Year	57	57	0
<i>Prior Year Encumbrances Appropriated</i>	<u>352,238</u>	<u>352,238</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 518</u>	<u>\$ (909,684)</u>	<u>\$ (910,202)</u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Race to the Top Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$ 4,000,000	\$ 3,644,213	\$ (355,787)
Expenditures:			
<i>Current:</i>			
<i>Support Services:</i>			
Instructional Staff	4,048,892	3,778,818	270,074
Administration	142,765	75,454	67,311
Total Expenditures	<u>4,191,657</u>	<u>3,854,272</u>	<u>337,385</u>
Excess of Revenues Over Expenditures	(191,657)	(210,059)	(18,402)
Net Change in Fund Balances	(191,657)	(210,059)	(18,402)
Fund Balances at Beginning of Year	179,432	179,432	0
<i>Prior Year Encumbrances Appropriated</i>	<u>62,755</u>	<u>62,755</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 50,530</u>	<u>\$ 32,128</u>	<u>\$ (18,402)</u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B Special Education Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$ 18,652,000	\$ 17,598,440	\$ (1,053,560)
Expenditures:			
Current:			
<i>Instruction:</i>			
Special	5,996,128	5,982,001	14,127
<i>Support Services:</i>			
Pupils	3,748,717	3,690,418	58,299
Instructional Staff	6,916,475	6,572,532	343,943
Administration	1,120,614	847,360	273,254
Fiscal	318,017	212,105	105,912
Operation of Non-Instructional Services	876,265	605,966	270,299
Total Expenditures	18,976,216	17,910,382	1,065,834
Excess of Revenues Over (Under) Expenditures	(324,216)	(311,942)	12,274
Other Financing Sources (Uses):			
Advances Out	(302,000)	(302,000)	0
Total Other Financing Sources (Uses)	(302,000)	(302,000)	0
Net Change in Fund Balances	(626,216)	(613,942)	12,274
Fund Balances at Beginning of Year	284	284	0
<i>Prior Year Encumbrances Appropriated</i>	634,254	634,254	0
Fund Balances at End of Year	\$ 8,322	\$ 20,596	\$ 12,274

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Vocational Education Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$ 2,840,000	\$ 2,196,462	\$ (643,538)
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Vocational	1,952,235	1,937,478	14,757
<i>Support Services:</i>			
Instructional Staff	815,331	808,766	6,565
Administration	6,669	6,669	0
Operation and Maintenance of Plant	2,479	2,479	0
Total Expenditures	2,776,714	2,755,392	21,322
Deficiency of Revenues Under Expenditures	63,286	(558,930)	(622,216)
Other Financing Sources:			
Advances Out	(436,000)	(436,000)	0
Total Other Financing Sources (Uses)	(436,000)	(436,000)	0
Net Change in Fund Balances	(372,714)	(994,930)	(622,216)
Fund Balances at Beginning of Year	449	449	0
<i>Prior Year Encumbrances Appropriated</i>	520,477	520,477	0
Fund Balances at End of Year	\$ 148,212	\$ (474,004)	\$ (622,216)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$ 42,050,000	\$ 42,008,448	\$ (41,552)
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	1,718,473	1,716,093	2,380
Special	30,958,796	30,920,335	38,461
Other	671,438	1,609	669,829
<i>Support Services:</i>			
Pupils	39,091	39,091	0
Instructional Staff	7,241,344	4,512,848	2,728,496
Administration	2,268,717	1,621,293	647,424
Fiscal	729,188	433,803	295,385
Operation and Maintenance of Plant	239,136	239,136	0
Pupil Transportation	259,103	259,064	39
Operation of Non-Instructional Services	7,388,881	6,856,566	532,315
Total Expenditures	51,514,167	46,599,838	4,914,329
Net Change in Fund Balances	(9,464,167)	(4,591,390)	4,872,777
Fund Balances at Beginning of Year	4,150,440	4,150,440	0
<i>Prior Year Encumbrances Appropriated</i>	5,399,850	5,399,850	0
Fund Balances at End of Year	\$ 86,123	\$ 4,958,900	\$ 4,872,777

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Improving Teacher Quality Title II-A Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$ 8,250,000	\$ 8,233,576	\$ (16,424)
Expenditures:			
Current:			
<i>Instruction:</i>			
Special	8,560,212	8,560,041	171
<i>Support Services:</i>			
Instructional Staff	70,824	69,917	907
Administration	69,916	65,855	4,061
Fiscal	158,604	153,562	5,042
Total Expenditures	8,859,556	8,849,375	10,181
Net Change in Fund Balances	(609,556)	(615,799)	(6,243)
Fund Balances at Beginning of Year	625,982	625,982	0
Fund Balances at End of Year	\$ 16,426	\$ 10,183	\$ (6,243)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous Federal Grants Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$ 820,000	\$ 774,197	\$ (45,803)
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	355,394	215,169	140,225
Vocational	50,960	14,598	36,362
Other	131,390	53,149	78,241
<i>Support Services:</i>			
Pupils	64,986	64,334	652
Instructional Staff	1,340	1,340	0
Fiscal	5,473	3,311	2,162
Operation and Maintenance of Plant	3,831	0	3,831
Pupil Transportation	15,982	10,249	5,733
Central	7,752	0	7,752
Operation of Non-Instructional Services	11,845	1,708	10,137
Total Expenditures	648,953	363,858	285,095
Excess of Revenues Over Expenditures	171,047	410,339	239,292
Other Financing Uses:			
Advances Out	(62,000)	(62,000)	0
Total Other Financing Sources (Uses)	(62,000)	(62,000)	0
Net Change in Fund Balances	109,047	348,339	239,292
Fund Balances at Beginning of Year	219	219	0
<i>Prior Year Encumbrances Appropriated</i>	62,268	62,268	0
Fund Balances at End of Year	\$ 171,534	\$ 410,826	\$ 239,292

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Other Federal Funds
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$ 18,882,000	\$ 15,829,166	\$ (3,052,834)
Expenditures:			
Current:			
<i>Instruction:</i>			
Regular	647,231	647,228	3
Special	4,244,176	4,164,207	79,969
<i>Support Services:</i>			
Pupils	2,718,143	2,717,098	1,045
Instructional Staff	11,409,006	11,085,563	323,443
Administration	252,955	230,597	22,358
Fiscal	119,448	63,827	55,621
Operation and Maintenance of Plant	6,000	2,068	3,932
Pupil Transportation	9,330	5,330	4,000
Operation of Non-Instructional Services	32,221	31,163	1,058
Total Expenditures	19,438,510	18,947,081	491,429
Excess (Deficiency) of Revenues Over (Under) Expenditures	(556,510)	(3,117,915)	(2,561,405)
Other Financing Sources:			
Advances Out	(1,537,000)	(1,537,000)	0
Total Other Financing Sources (Uses)	(1,537,000)	(1,537,000)	0
Net Change in Fund Balances	(2,093,510)	(4,654,915)	(2,561,405)
Fund Balances at Beginning of Year	288,494	288,494	0
<i>Prior Year Encumbrances Appropriated</i>	2,341,376	2,341,376	0
Fund Balances at End of Year	\$ 536,360	\$ (2,025,045)	\$ (2,561,405)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Local Sources:</i>			
Investment Income	\$ 151,818	\$ 157,351	\$ 5,533
Sale of Personal Property	1,379,000	1,370,408	(8,592)
Miscellaneous	2,000	1,910	(90)
Total Revenues	<u>1,532,818</u>	<u>1,529,669</u>	<u>(3,149)</u>
Expenditures:			
<i>Current:</i>			
<i>Support Services:</i>			
Operation and Maintenance of Plant	418,960	418,960	0
Capital Outlay	28,574,475	23,746,672	4,827,803
Total Expenditures	<u>28,993,435</u>	<u>24,165,632</u>	<u>4,827,803</u>
Deficiency of Revenues Under Expenditures	<u>(27,460,617)</u>	<u>(22,635,963)</u>	<u>4,824,654</u>
Other Financing Sources:			
Operating Transfers In	12,152,182	12,152,182	0
Total Other Financing Sources (Uses)	<u>12,152,182</u>	<u>12,152,182</u>	<u>0</u>
Net Change in Fund Balances	(15,308,435)	(10,483,781)	4,824,654
Fund Balances at Beginning of Year	14,966,265	14,966,265	0
<i>Prior Year Encumbrances Appropriated</i>	<u>3,993,446</u>	<u>3,993,446</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 3,651,276</u>	<u>\$ 8,475,930</u>	<u>\$ 4,824,654</u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Building Renovation Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<i>Expenditures:</i>			
Current:			
Operation and Maintenance of Plant	\$ 1,391,066	\$ 1,391,066	\$ 0
<i>Total Expenditures</i>	<u>1,391,066</u>	<u>1,391,066</u>	<u>0</u>
Deficiency of Revenues Under Expenditures	(1,391,066)	(1,391,066)	0
Net Change in Fund Balances	(1,391,066)	(1,391,066)	0
Fund Balances at Beginning of Year	<u>1,391,066</u>	<u>1,391,066</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Cleveland Municipal School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Liability Self-Insurance Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Expenses:			
Claims	\$ 897,783	\$ 848,756	\$ 49,027
Excess of Revenues Over (Under) Expenditures	(897,783)	(848,756)	49,027
Other Financing Sources (Uses):			
Operating Transfers In	793,606	793,606	0
Total Other Financing Sources (Uses)	793,606	793,606	0
Net Change in Fund Equity	(104,177)	(55,150)	49,027
Fund Equity at Beginning of Year	2,425,907	2,425,907	0
Fund Equity at End of Year	\$ 2,321,730	\$ 2,370,757	\$ 49,027

Cleveland Municipal School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Employee Benefits Self-Insurance Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 57,650,000	\$ 57,601,373	\$ (48,627)
Expenses:			
Claims	58,684,421	57,874,055	810,366
Net Change in Fund Equity	(1,034,421)	(272,682)	761,739
Fund Equity at Beginning of Year	7,849,932	7,849,932	0
Fund Equity at End of Year	\$ 6,815,511	\$ 7,577,250	\$ 761,739

Statistical Section

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

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends	S2
These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	
Revenue Capacity	S16
These schedules contain information to help the reader assess the affordability of the School District's most significant local revenue source of Property Tax and Foundation payments.	
Debt Capacity	S22
These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt, and the ability to issue additional debt in the future.	
Demographic and Economic Information	S27
These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place.	
Operating Information	S29
These schedules contain service data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	

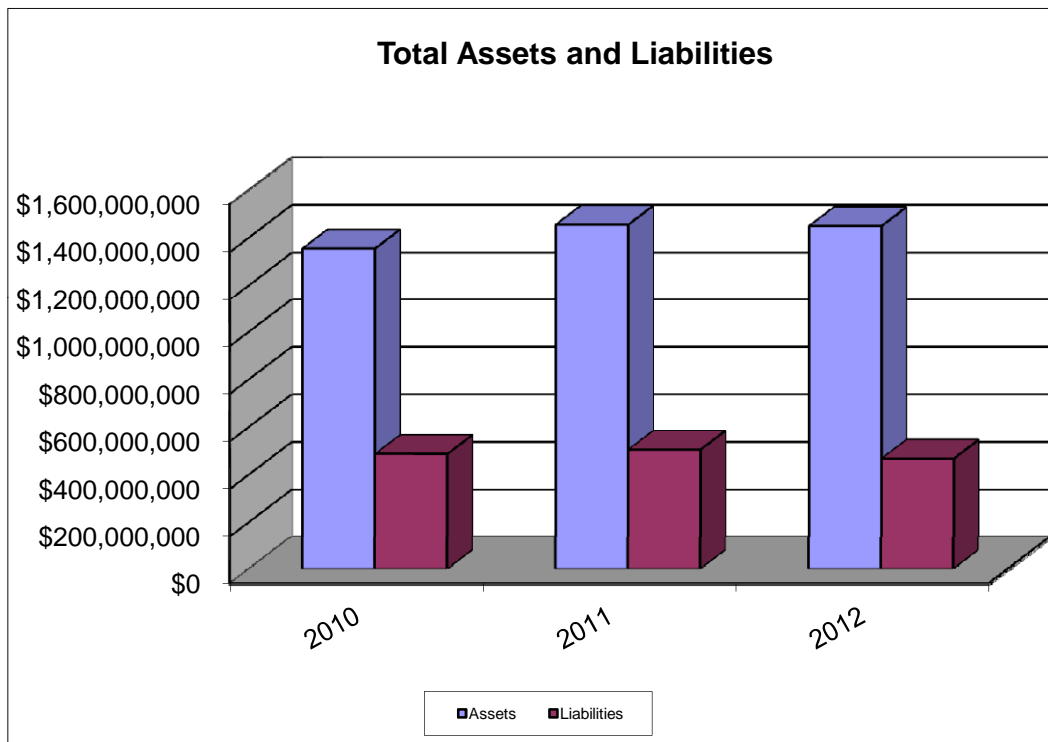
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The School District implemented GASB Statement 34 for the year ended June 30, 2002; schedules presenting government-wide information include information beginning in that year. The School District implemented GASB Statement 54 for the year ended June 30, 2011; schedules presenting government wide fund balance information include information beginning in that year.

Cleveland Municipal School District

Net Assets by Component
Last Three Fiscal Years
(accrual basis of accounting)

	2010	2011	2012
Fund Balances			
Invested in Capital Assets, Net of Related Debt	\$ 500,616,971	\$ 503,951,883	\$ 518,814,295
Restricted			
Restricted Debt Service	47,506,378	48,223,777	51,217,114
Restricted Capital Projects	257,882,844	260,606,827	278,969,178
Restricted Special Revenue	41,703,464	77,722,493	58,944,626
Unrestricted	20,520,336	58,715,005	73,262,646
Total Net Assets	\$ 868,229,993	\$ 949,219,985	\$ 981,207,859

Source: School District Financial Records



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Cleveland Municipal School District
 Changes in Net Assets of Governmental Activities
 Last Ten Fiscal Years
 (accrual basis of accounting)

	2003	2004	2005	2006
Expenses				
Governmental Activities:				
Instruction:				
Regular	\$ 292,996,927	\$ 290,987,320	\$ 249,352,851	\$ 316,945,841
Special	133,693,977	143,004,004	152,153,082	143,913,038
Vocational	17,726,322	15,994,184	12,683,615	11,907,870
Adult/Continuing	5,836,915	5,094,891	3,490,435	2,300,131
Other	649,876	198,400	150	12,759,762
<i>Support Services:</i>				
Pupils	43,833,809	45,012,097	33,877,518	35,380,163
Instructional Staff	63,960,109	56,236,589	54,824,175	51,072,946
Board of Education	304,039	259,950	223,199	267,321
Administration	55,540,796	45,084,175	43,927,480	41,342,791
Fiscal	12,688,426	10,893,531	12,234,280	9,946,686
Business	1,275,129	1,091,725	1,284,442	942,371
Operation and Maintenance of Plant	67,222,113	62,223,013	56,317,807	58,569,487
Pupil Transportation	39,750,255	38,379,675	28,867,256	28,965,329
Central	20,175,678	16,698,556	14,936,994	15,969,839
Operation of Non-Instructional Services	43,804,093	43,837,168	44,009,082	42,532,273
Extracurricular Activities	7,611,100	7,051,078	5,968,627	5,814,665
Interest and Fiscal Charges	16,890,272	9,830,504	13,588,410	11,647,137
Total Primary Government Expenses	823,959,836	791,876,860	727,739,403	790,277,650
Program Revenues				
Governmental Activities:				
Charges for Services and Sales				
Instruction:				
Regular	0	0	0	0
Special	125,619	0	192,893	148,405
Vocational	0	0	0	0
Adult/Continuing	403,424	994,043	83,071	38,252
Other	0	0	0	0
<i>Support Services:</i>				
Pupils	0	0	0	0
Instructional Staff	0	0	0	0
Board of Education	0	0	0	0
Administration	0	0	0	0
Fiscal	0	0	0	0
Business	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instruction Services	0	0	0	0
Extracurricular Activities	0	0	0	0

Source: School District financial records

2007	2008	2009	2010	2011	2012
\$ 306,641,274	\$ 327,247,872	\$ 328,162,328	\$ 380,866,357	\$ 297,907,426	\$ 322,367,731
160,305,162	168,823,350	180,413,911	189,643,261	207,990,072	174,228,202
12,723,093	13,985,560	11,895,564	11,923,801	10,336,437	11,316,290
2,967,373	2,833,813	2,856,799	3,668,819	132,537	0
12,263,429	19,765,060	19,497,068	9,655,896	6,384,172	4,493,188
37,100,301	32,218,673	27,746,864	39,107,286	37,463,820	36,216,356
48,124,670	48,850,968	57,621,095	65,429,955	59,204,651	50,834,523
248,637	258,840	284,153	234,344	250,996	285,033
43,218,261	46,168,403	44,605,981	48,600,081	43,536,920	41,533,976
9,617,654	11,408,394	12,212,820	10,120,397	15,131,810	12,498,573
1,065,128	1,873,943	2,645,732	2,223,407	1,643,284	1,700,249
64,844,985	109,195,119	74,505,273	61,657,748	63,176,797	55,146,243
27,944,135	27,527,934	31,991,149	30,858,435	28,923,689	27,896,118
15,923,177	15,035,691	19,272,538	14,648,056	12,437,133	11,966,119
38,956,223	42,585,167	42,225,005	41,452,383	42,237,400	39,718,319
6,466,969	6,783,614	6,910,474	6,492,522	6,418,054	5,857,755
10,180,816	9,219,611	8,078,738	7,478,002	9,869,253	9,640,956
798,591,287	883,782,012	870,925,492	924,060,750	843,044,451	805,699,631

196,057	660,425	616,265	805,242	2,351,003	1,800,754
717,094	238,482	229,296	364,149	976,843	832,254
0	27,430	19,401	29,849	62,210	61,797
59,177	890	707	5,916	0	0
0	168	4,804	18,813	36,692	28,614
0	53,857	63,040	95,886	316,993	190,315
0	50,724	45,270	67,537	154,682	144,317
0	579	536	654	1,788	1,831
0	95,123	113,343	105,953	417,562	237,566
0	23,294	40,664	26,169	258,747	68,264
0	4,354	5,007	6,204	11,703	10,921
0	104,131	96,210	167,875	522,574	336,066
0	58,433	56,888	74,134	175,290	170,981
0	34,018	34,908	39,399	87,927	75,555
0	7,798	5,512	7,879	11,614	15,927
0	821,166	800,606	788,285	653,175	575,250

(continued)

Cleveland Municipal School District
Changes in Net Assets of Governmental Activities (continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	2003	2004	2005	2006
Operating Grants, Contributions and Interest				
Instruction:				
Regular	\$ 74,627,861	\$ 67,676,019	\$ 71,510,982	\$ 33,931,074
Special	47,152,401	47,957,446	49,947,447	63,057,863
Vocational	1,450,034	1,227,846	968,521	741,042
Adult/Continuing	2,168,935	1,544,153	2,215,834	2,451,716
Other	0	0	0	11,151,414
Support Services:				
Pupils	5,820,419	6,427,226	5,702,967	7,803,544
Instructional Staff	28,182,013	30,020,207	32,431,931	40,672,337
Board of Education	0	8,822	11,126	7,701
Administration	4,624,996	5,091,991	5,347,769	4,916,688
Fiscal	1,941,436	1,415,851	1,402,369	1,068,558
Business	0	0	0	0
Operation and Maintenance of Plant	937,093	619,443	672,986	2,547,221
Pupil Transportation	258,201	822,477	635,920	1,294,475
Central	1,121,823	1,292,861	1,220,287	895,218
Operation of Non-Instruction Services	40,202,642	41,527,739	37,057,500	39,136,205
Extracurricular Activities	426,863	1,048,436	849,552	895,653
Capital Grants and Contributions				
Instruction:				
Regular	0	119,629,061	109,387,736	119,828,477
Support Services:				
Instructional Staff	65,000	1,604,924	14,867	0
Operation and Maintenance of Plant	5,044,270	0	38,370	682,985
Central	0	0	133	0
<i>Total Program Revenues</i>	<u>214,553,030</u>	<u>328,908,545</u>	<u>319,692,261</u>	<u>331,268,828</u>
Net Expense	<u>\$ (609,406,806)</u>	<u>\$ (462,968,315)</u>	<u>\$ (408,047,142)</u>	<u>\$ (459,008,822)</u>
General Revenues and Other				
Changes in Net Assets				
Governmental Activities:				
Property Taxes Levied For:				
General Purposes	\$ 186,612,352	\$ 219,596,436	\$ 193,293,701	\$ 197,583,328
Debt Service	27,133,112	40,006,114	29,573,166	31,620,440
Capital Outlay	2,125,297	2,980,196	2,309,596	2,459,275
Investment Income	4,688,605	2,945,010	7,362,433	16,205,770
Miscellaneous	4,324,953	2,840,826	2,410,759	9,715,420
Grants and Entitlements not Restricted to				
Specific Programs	360,708,728	346,770,558	330,273,507	384,582,569
Total Primary Government	<u>585,593,047</u>	<u>615,139,140</u>	<u>565,223,162</u>	<u>642,166,802</u>
Change in Net Assets				
Total Primary Government	<u>\$ (23,813,759)</u>	<u>\$ 152,170,825</u>	<u>\$ 157,176,020</u>	<u>\$ 183,157,980</u>

	2007	2008	2009	2010	2011	2012
\$	34,039,005	\$ 35,546,322	\$ 37,192,665	\$ 32,685,231	\$ 38,093,482	\$ 20,734,813
	62,362,875	66,638,056	62,689,317	63,043,009	103,872,868	28,181,385
	1,694,687	2,533,848	1,637,911	1,326,967	1,446,826	1,572,223
	2,444,889	2,617,719	2,462,002	1,904,193	71,032	0
	11,461,176	19,133,256	18,403,044	3,127,296	1,663,788	49,095
	10,539,199	9,175,181	5,916,754	5,548,551	6,100,952	6,609,256
	27,327,018	30,313,516	35,440,720	42,964,473	39,853,992	26,649,396
	12,989	14,767	2,849	1,387	1,240	1,979
	7,231,878	4,546,107	4,575,772	4,916,794	4,190,878	2,101,662
	1,314,680	1,348,188	925,564	705,052	3,198,202	764,430
	0	17,476	18,548	13,164	8,117	11,804
	7,251,442	12,818,564	14,781,452	2,447,744	623,740	2,234,494
	1,190,477	1,601,296	1,093,004	894,026	3,096,448	280,450
	578,561	683,303	641,824	568,623	299,521	151,489
	34,663,348	32,764,919	33,961,591	31,495,919	41,054,534	29,413,981
	878,738	70,647	61,459	44,017	92,068	36,928
	89,064,023	2,395,614	150,881,349	3,376,765	2,037,682	43,033,556
	0	0	0	0	0	0
	0	0	0	0	0	0
	0	0	0	0	0	0
	<u>293,027,313</u>	<u>224,399,651</u>	<u>372,818,282</u>	<u>197,667,155</u>	<u>251,744,173</u>	<u>166,377,353</u>
\$	<u>(505,563,974)</u>	<u>(659,382,361)</u>	<u>(498,107,210)</u>	<u>(726,393,595)</u>	<u>(591,300,278)</u>	<u>(639,322,278)</u>
\$	198,996,360	\$ 185,684,541	\$ 155,294,660	\$ 156,893,542	\$ 158,760,869	\$ 155,316,742
	35,760,058	33,647,336	10,941,106	16,654,007	28,724,375	28,235,142
	2,477,222	2,347,262	22,122,341	17,391,407	2,097,559	2,083,420
	18,843,152	18,682,784	9,507,759	5,756,808	3,535,089	1,910,966
	1,665,345	7,100,867	10,669,482	11,268,565	13,723,968	18,445,756
	<u>399,493,775</u>	<u>410,667,785</u>	<u>419,460,527</u>	<u>468,463,425</u>	<u>465,448,410</u>	<u>465,318,126</u>
	<u>657,235,912</u>	<u>658,130,575</u>	<u>627,995,875</u>	<u>676,427,754</u>	<u>672,290,270</u>	<u>671,310,152</u>
\$	<u>151,671,938</u>	<u>(1,251,786)</u>	<u>129,888,665</u>	<u>(49,965,841)</u>	<u>80,989,992</u>	<u>31,987,874</u>

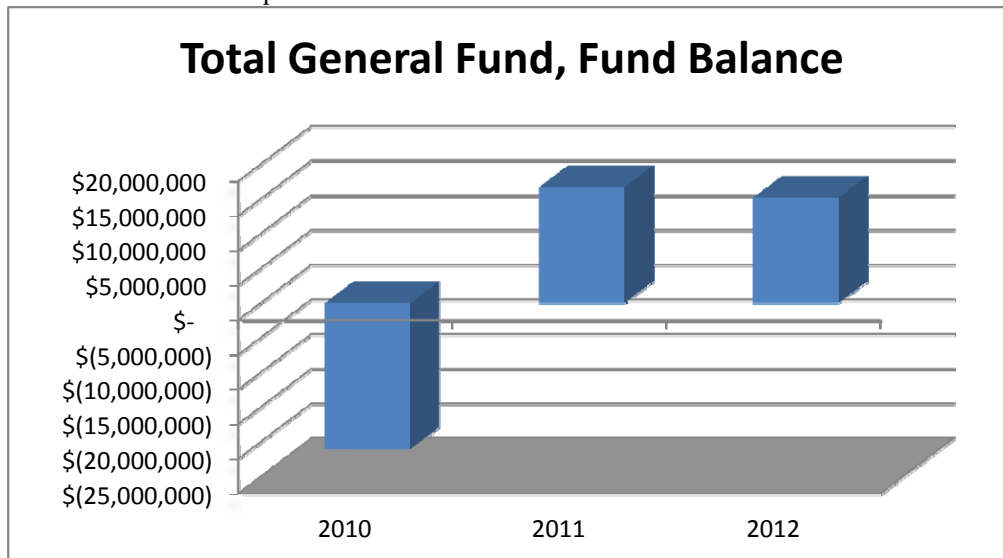
Cleveland Municipal School District

Fund Balances, Governmental Funds
Last Three Fiscal Years
(modified accrual basis of accounting)

	2010	2011	2012
General Fund			
Nonspendable	\$ 1,920,719	\$ 3,691,170	\$ 4,920,465
Restricted	(40,964,314)	0	0
Committed	2,207,974	5,608,988	7,802,251
Unassigned	15,781,618	7,386,402	2,456,478
Total General Fund	(21,054,003)	16,686,560	15,179,194
All Other Government Funds			
Nonspendable	798,579	861,912	526,708
Restricted			
Debt Service	21,439,876	20,124,660	21,981,311
Capital Programs	66,946,176	126,510,249	59,357,444
Special Revenue	19,495,855	(15,924,805)	51,399,384
Committed	57,405,892	33,933,454	80,880,693
Assigned	3,863,098	4,740,443	4,905,512
Unassigned	0	0	(6,600,746)
Total all Other Governmental Funds	169,949,476	170,245,913	212,450,306
Total Governmental Funds	\$ 148,895,473	\$ 186,932,473	\$ 227,629,500

Source: School District financial records

Note: The School District implemented GASB 54 in 2011



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Cleveland Municipal School District

Governmental Funds Revenues

Last Ten Fiscal Years

(modified accrual basis of accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Revenues				
Local Sources:				
Taxes	\$ 213,602,787	\$ 246,794,199	\$ 224,900,023	\$ 225,725,605
Investment Income	4,688,605	2,945,010	7,362,433	16,205,770
Tuition and Fees	654,602	1,079,586	346,739	195,468
Extracurricular Activities	570,391	1,044,014	823,214	888,418
Contributions and Donations (1)	0	0	0	0
Sale of Personal Property	0	0	0	0
Miscellaneous	13,255,835	9,521,102	10,368,681	18,124,497
Total Local Sources	<u>232,772,220</u>	<u>261,383,911</u>	<u>243,801,090</u>	<u>261,139,758</u>
State Sources:				
Unrestricted Grants-in-Aid	302,965,559	335,747,598	322,634,276	384,220,944
Restricted Grants-in-Aid	129,821,083	109,333,452	143,316,706	130,630,795
Total State Sources	<u>432,786,642</u>	<u>445,081,050</u>	<u>465,950,982</u>	<u>514,851,739</u>
Federal Sources:				
Unrestricted Grants-in-Aid	19,787,241	11,022,960	7,639,231	361,625
Restricted Grants-in-Aid	114,895,243	118,784,282	118,920,360	125,743,351
Total Federal Sources	<u>134,682,484</u>	<u>129,807,242</u>	<u>126,559,591</u>	<u>126,104,976</u>
Total Revenues	<u>\$ 800,241,346</u>	<u>\$ 836,272,203</u>	<u>\$ 836,311,663</u>	<u>\$ 902,096,473</u>

Source: School District financial records

Notes:

(1) 2008 was the first year the School District reported contributions and donations. Previously reported under miscellaneous revenues.

2007	2008	2009	2010	2011	2012
\$ 229,456,774	\$ 216,291,084	\$ 198,637,233	\$ 175,412,408	\$ 185,815,163	\$ 179,685,485
18,843,152	18,682,784	9,507,759	5,756,808	3,535,089	1,910,966
983,938	1,373,458	1,341,693	1,831,628	4,181,794	3,999,330
862,421	807,414	790,764	772,316	612,023	541,229
0	9,533,478	7,984,141	6,253,700	8,107,354	2,627,175
0	0	0	0	152,615	1,374,307
7,042,147	7,100,867	10,669,482	11,268,565	14,816,339	17,071,449
<u>257,188,432</u>	<u>253,789,085</u>	<u>228,931,072</u>	<u>201,295,425</u>	<u>217,220,377</u>	<u>207,209,941</u>
399,263,033	406,097,141	415,513,502	466,379,953	458,759,975	462,502,688
118,053,159	135,715,773	135,128,629	54,495,286	39,162,866	31,850,562
<u>517,316,192</u>	<u>541,812,914</u>	<u>550,642,131</u>	<u>520,875,239</u>	<u>497,922,841</u>	<u>494,353,250</u>
230,742	4,570,644	3,947,025	2,083,472	2,251,018	3,060,502
130,689,825	127,244,206	131,068,187	160,859,694	170,974,083	149,294,345
<u>130,920,567</u>	<u>131,814,850</u>	<u>135,015,212</u>	<u>162,943,166</u>	<u>173,225,101</u>	<u>152,354,847</u>
<u>\$ 905,425,191</u>	<u>\$ 927,416,849</u>	<u>\$ 914,588,415</u>	<u>\$ 885,113,830</u>	<u>\$ 888,368,319</u>	<u>\$ 853,918,038</u>

Cleveland Municipal School District
 Governmental Funds Expenditures and Debt Service Ratio
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	2003	2004	2005	2006
Expenditures				
Current:				
Instruction:				
Regular	\$ 279,487,310	\$ 282,588,920	\$ 247,538,531	\$ 311,511,315
Special	133,544,331	142,508,629	152,415,325	143,898,323
Vocational	17,687,269	15,999,270	12,841,844	11,934,317
Adult/Continuing	5,829,809	5,102,664	3,519,447	2,321,948
Other	649,876	198,400	150	12,496,611
Support Services:				
Pupils	42,077,898	41,479,432	36,034,088	35,284,327
Instructional Staff	64,123,973	56,192,266	54,943,213	51,117,118
Board of Education	289,091	252,707	209,576	280,079
Administration	53,270,115	44,542,970	39,700,442	39,129,081
Fiscal	12,700,693	10,896,259	12,265,464	9,925,994
Business	1,243,797	1,082,675	1,289,034	983,446
Operations and Maintenance of Plant	76,805,490	70,515,379	60,192,807	56,628,484
Pupil Transportation	38,221,943	37,217,500	28,199,461	27,392,258
Central	20,047,777	16,639,171	15,118,320	15,972,950
Operation of Non-Instructional Services	42,915,460	44,336,368	44,051,523	40,693,064
Extracurricular Activities	7,593,763	7,034,194	6,061,353	5,823,466
Capital Outlay	21,213,426	54,594,406	81,404,824	92,090,262
Debt Service				
Principal Retirement	3,399,908	29,429,962	28,978,523	22,755,277
Interest and Fiscal Charges	18,159,177	10,298,959	13,648,029	11,686,956
Bond Issuance Costs	0	0	0	0
Total Expenditures	\$ 839,261,106	\$ 870,910,131	\$ 838,411,954	\$ 891,925,276
Debt Service as a Percentage of				
Noncapital Expenditures	-44.8%	-418.4%	-478.1%	-390.8%
Noncapital Expenditures	2.6%	4.9%	5.6%	4.3%

Source: School District financial records

2007	2008	2009	2010	2011	2012
\$ 301,277,356	\$ 318,032,298	\$ 317,468,088	\$ 320,913,453	\$ 285,176,732	\$ 296,589,788
160,202,855	170,005,047	180,320,570	189,382,175	207,710,557	174,268,968
12,718,124	14,091,870	11,903,774	11,906,845	10,325,890	11,317,046
2,968,255	2,851,351	2,856,799	3,665,685	117,389	0
12,218,420	19,859,383	19,463,893	9,233,999	6,470,346	4,565,662
35,214,671	34,551,766	36,579,743	38,434,140	36,624,319	36,685,082
48,104,139	49,169,705	57,763,047	65,575,019	60,166,032	50,661,878
248,240	256,012	278,777	237,500	245,987	274,705
39,609,348	46,455,469	43,240,868	43,344,082	36,689,828	32,974,897
9,616,962	11,404,888	12,207,258	10,093,012	15,237,357	12,788,220
1,051,879	1,877,131	2,657,905	2,230,778	1,637,398	1,689,243
59,316,050	60,307,795	64,415,385	61,633,008	86,750,620	55,268,800
26,776,217	26,423,864	30,463,468	27,703,192	27,878,194	27,339,459
16,172,708	15,138,926	18,952,494	14,731,249	12,527,955	12,018,833
39,601,592	42,631,226	41,995,798	41,262,127	18,517,941	37,955,918
6,442,131	6,798,182	6,902,348	6,493,928	6,385,611	5,856,800
80,193,958	73,333,174	98,020,101	95,529,232	56,852,634	25,129,584
9,100,896	24,665,132	9,845,919	10,193,245	24,867,030	37,540,082
10,866,721	9,633,715	8,819,056	8,122,103	10,112,550	10,357,440
0	0	0	0	36,949	0
<u>\$ 871,700,522</u>	<u>\$ 927,486,934</u>	<u>\$ 964,155,291</u>	<u>\$ 960,684,772</u>	<u>\$ 904,331,319</u>	<u>\$ 833,282,405</u>
-141.3%	-362.8%	-142.6%	-157.0%	-391.7%	-641.0%
2.5%	4.0%	2.2%	2.1%	4.1%	5.9%

Cleveland Municipal School District
Other Financing Sources and Uses and Net Change in Fund Balances,
Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2003	2004	2005	2006
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (39,019,760)	\$ (34,637,928)	\$ (2,100,291)	\$ 10,171,197
Other Financing Sources (Uses)				
Issuance from the Sale of Bonds	40,000,000	0	125,000,000	0
Proceeds from the Sale of Notes	0	0	0	0
Premium from Sale of Bonds	0	0	3,066,194	0
Capital Lease Refinancing	8,404,000	0	0	0
Refunding Bonds Issued	91,937,253	0	0	0
Payment of Capital Lease Refinancing	(8,404,000)	0	0	0
Payment of Refunded Bond Escrow Agent	(125,182,448)	0	0	0
Transfers In	4,094,394	966,211	3,108,186	6,944,394
Transfers Out	(4,094,394)	(966,211)	(3,108,186)	(6,944,394)
Total Other Financing Sources (Uses)	<u>6,754,805</u>	<u>0</u>	<u>128,066,194</u>	<u>0</u>
Net Change in Fund Balances	<u>\$ (32,264,955)</u>	<u>\$ (34,637,928)</u>	<u>\$ 125,965,903</u>	<u>\$ 10,171,197</u>

Source: School District financial records

2007	2008	2009	2010	2011	2012
\$ 33,724,669	\$ (70,085)	\$ (49,566,876)	\$ (75,570,942)	\$ (15,963,000)	\$ 20,635,633
0	0	0	0	55,000,000	20,855,000
15,000,000	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
39,180,591	29,532,247	3,770,394	11,072,036	14,573,314	15,596,576
(39,180,591)	(29,532,247)	(3,770,394)	(11,072,036)	(15,573,314)	(16,390,182)
15,000,000	0	0	0	54,000,000	20,061,394
<u>\$ 48,724,669</u>	<u>\$ (70,085)</u>	<u>\$ (49,566,876)</u>	<u>\$ (75,570,942)</u>	<u>\$ 38,037,000</u>	<u>\$ 40,697,027</u>

Cleveland Municipal School District
 Assessed and Estimated Actual Value of Taxable Property
 Last Ten Collection Years
 (in thousands of dollars)

Fiscal Year	Real Property		Public Utility	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2003	\$ 4,609,619	\$ 13,170,340	\$ 357,125	\$ 405,824
2004	4,903,040	14,008,686	357,470	406,216
2005	5,007,377	14,306,791	352,432	400,491
2006	4,970,503	14,201,437	316,245	359,369
2007	5,629,680	16,084,800	318,454	361,879
2008	5,526,506	15,790,017	212,297	241,246
2009	5,544,198	15,840,565	222,204	252,505
2010	5,336,350	15,246,715	235,305	267,392
2011	5,455,841	15,588,117	243,660	276,886
2012	5,449,321	15,569,488	247,613	281,378

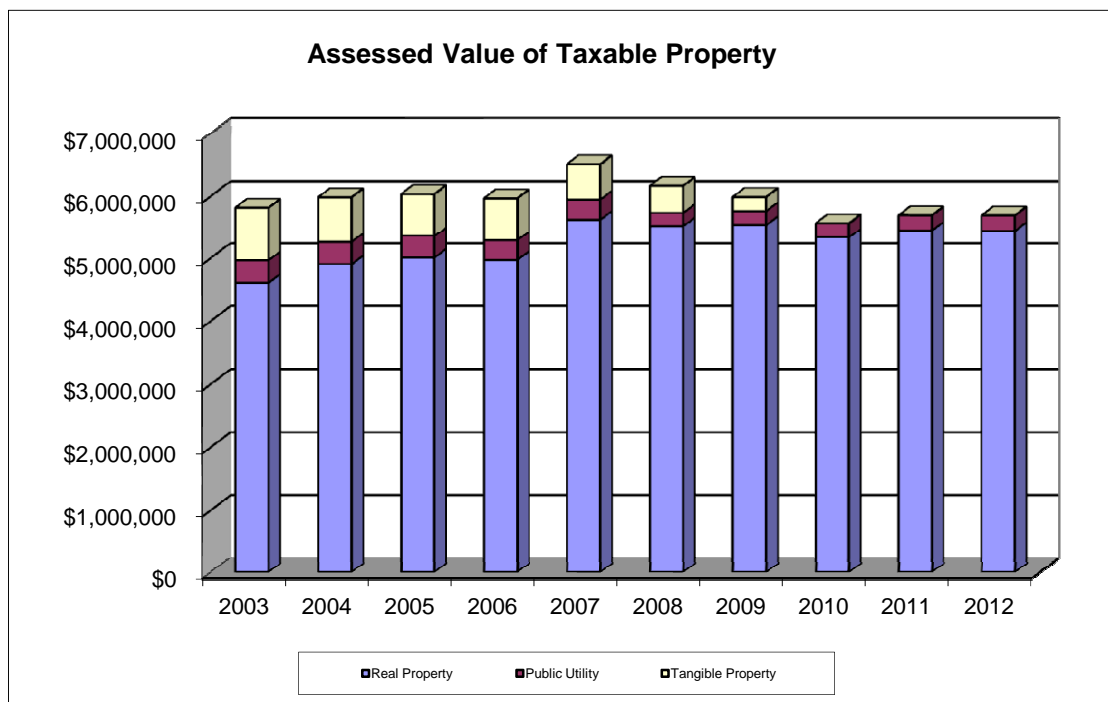
Source: Office of the County Auditor, Cuyahoga County, Ohio

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

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

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

Tangible Property		Total		Ratio	Total Direct Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$ 852,234	\$ 3,705,365	\$ 5,818,978	\$ 17,281,529	34%	64.80
723,018	3,143,557	5,983,528	17,558,458	34	64.80
674,031	2,930,570	6,033,840	17,637,853	34	64.80
679,540	3,624,213	5,966,288	18,185,019	33	64.80
556,633	4,453,064	6,504,767	20,899,743	31	64.80
424,871	3,398,968	6,163,674	19,430,231	32	64.80
221,153	3,538,448	5,987,555	19,631,518	30	64.80
0	0	5,571,655	15,514,107	36	64.80
0	0	5,699,501	15,865,003	36	64.80
0	0	5,696,934	15,850,866	36	64.80



Cleveland Municipal School District
 Ad Valorem Property Tax Rates - All Direct and Overlapping Governments
 Last Ten Collection Years
 (Rate Per \$1,000 of Assessed Valuation)

Collection Year	City of Cleveland	Cuyahoga County	Cleveland Public Library	Cleveland Municipal School District		
				General Fund	Building Maintenance	Bond Retirement
2003	12.70	16.20	4.00	58.20	0.50	6.10
2004	12.70	18.00	6.80	58.20	0.50	6.10
2005	12.70	18.30	6.80	58.20	0.50	6.10
2006	12.70	18.30	6.80	58.20	0.50	6.10
2007	12.70	18.20	6.80	58.20	0.50	6.10
2008	12.70	18.20	6.80	58.20	0.50	6.10
2009	12.70	18.10	6.80	58.20	0.50	6.10
2010	12.70	18.10	6.80	58.20	0.50	6.10
2011	12.70	18.40	6.80	58.20	0.50	6.10
2012	12.70	18.30	6.80	58.20	0.50	6.10

Source: Cuyahoga County Auditor

Notes:

- (1) Amount represents the total for a City of Cleveland resident.
- (2) Certain points of the Villages of Bratenahl, Newburgh Heights and Linndale and the City of Garfield Heights are within the School District and are subject to the School District's tax.

Total (1)	Village of Bratenahl (2)	Village of Newburgh Heights (2)	Village of Linndale (2)	City of Garfield Heights (2)
97.70	20.50	12.80	2.80	20.10
102.30	14.00	12.80	2.80	20.10
102.60	14.00	18.50	2.80	21.10
102.60	14.10	18.50	2.80	21.90
102.50	14.00	19.50	2.80	21.90
102.50	14.00	19.50	2.80	21.90
102.40	15.50	19.50	2.80	23.30
102.40	15.50	19.50	2.80	28.70
102.70	16.00	23.10	2.80	24.70
102.60	16.00	23.10	2.80	24.30

Cleveland Municipal School District

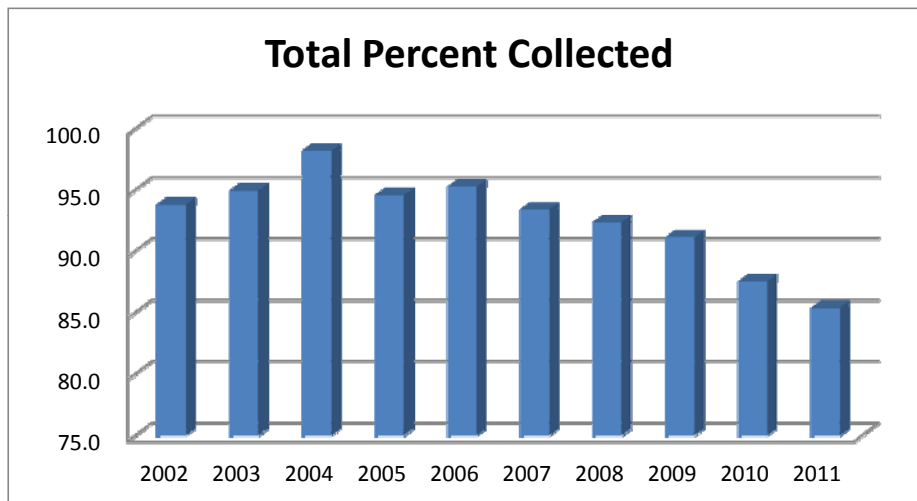
Principal Property Tax Payers
2011 and 2002 (1)

Taxpayer	2011			2002		
	Approximate Assessed Valuation	Rank	Percent of Total District Assessed Valuation	Approximate Assessed Valuation	Rank	Percent of Total District Assessed Valuation
Cleveland Clinic Foundation	\$ 241,151,560	1	4.23%			
City of Cleveland, Ohio	87,469,400	2	1.54%			
Key Center Properties LLC	83,619,320	3	1.47%			
Cleveland Financial Associates	46,967,070	4	0.82%			
Board of County Commissioners	39,698,830	5	0.70%			
City of Cleveland Executive	36,508,320	6	0.64%			
National City Bank	36,391,080	7	0.64%			
Hub North Point Properties	33,309,480	8	0.58%			
ISG Cleveland Inc.	26,892,690	9	0.47%			
Optima One Cleveland	25,857,270	10	0.45%			
Cleveland Electric Illuminating Co.				\$ 139,133,450	1	2.39%
SBC Ameritech				82,569,490	2	1.42%
ISG Cleveland Inc.				71,256,730	3	1.22%
ZML - Cleveland Public Square				47,232,500	4	0.81%
NPW LTD Partnership				36,610,000	5	0.63%
GSA				35,000,000	6	0.60%
Ohio Bell Telephone				29,917,890	7	0.51%
600 Superior Place Partnership				25,970,770	8	0.45%
CG Erieview				25,202,210	9	0.43%
American Transmission System				24,285,030	10	0.42%
Total Ten Largest	<u>657,865,020</u>		<u>11.53%</u>	<u>517,178,070</u>		<u>8.88%</u>
Total District Assessed Valuation	<u>\$ 5,696,934,000</u>			<u>\$ 5,818,978,000</u>		

Source: City of Cleveland 2012 CAFR, CMSD 2003 CAFR
(1) 2012 Tax Collection Year Information Not Available.

Cleveland Municipal School District
Property Tax Levies and Collections
Ad Valorem Real and Tangible Personal Property Taxes
Last Ten Fiscal Years
(in thousands of dollars)

Collection Year (2)	Current Tax Levy Billed (1)	Current Collected	Percent Collected (1)	Collected Delinquencies	Total Collected	Total Collected As Percent Of Current Tax Levy
2002	\$ 270,791	\$ 233,553	86.2	\$ 20,463	\$ 254,016	93.8
2003	263,003	232,417	88.4	17,296	249,713	94.9
2004	259,350	231,188	89.1	23,533	254,721	98.2
2005	261,734	230,272	88.0	17,260	247,532	94.6
2006	251,189	221,282	88.1	18,022	239,304	95.3
2007	245,044	212,722	86.8	16,160	228,882	93.4
2008	228,622	192,688	84.3	18,439	211,127	92.3
2009	218,073	183,273	84.0	15,452	198,725	91.1
2010	224,782	181,857	80.9	14,888	196,745	87.5
2011	225,219	177,622	78.9	14,652	192,274	85.4



Source: Office of the Auditor, Cuyahoga County, Ohio - Data is presented on a calendar year basis because this is the manner in which the information is maintained by the County Auditor.

Notes:

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (2) Represents collection year. 2012 information cannot be presented because all collections have not been made by June 30.

Cleveland Municipal School District

Ratio of Bonded Debt to Personal Income and Debt per Capita

Last Ten Fiscal Years

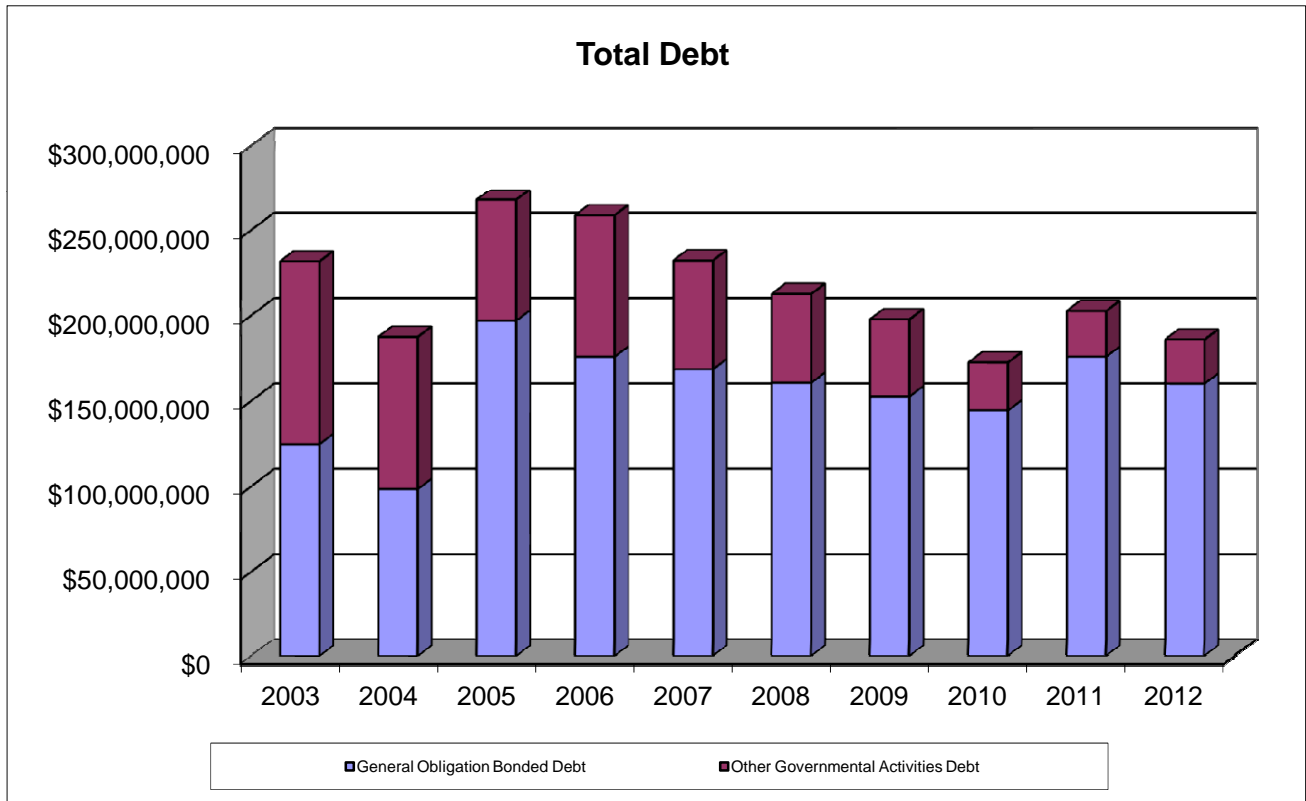
Fiscal Year	Estimated Population (1)	Estimated Actual Values	General Obligation Bonded Debt		
			General Obligation Bonded Debt	Ratio of General Obligation Bonded Debt to Estimated Actual Value	General Obligation Bonded Debt per Capita
2003	478,403	\$ 17,281,529,000	\$ 124,915,000	0.72	261
2004	478,403	17,558,459,000	98,695,000	0.56	206
2005	478,403	17,637,852,000	197,200,000	1.12	412
2006	444,313	18,185,019,000	176,130,000	0.97	396
2007	444,313	20,899,743,000	168,765,000	0.81	380
2008	438,042	19,430,231,000	160,890,000	0.83	367
2009	433,748	19,631,518,000	152,915,000	0.78	353
2010	431,369	15,514,107,000	144,670,000	0.93	335
2011	431,369	15,865,004,000	176,225,000	1.11	409
2012	396,815	15,850,866,000	160,410,000	1.01	404

Sources:

- (1) U.S. Bureau of the Census
- (2) The personal income can be found on S27

Other Governmental Activities Debt

Qualified Zone Academy Bonds	Notes	Energy Conservation Improvement Bonds	Capital Lease Obligation	Total Debt	Percentage of Personal Income (2)	Per Capita
\$ 21,250,000	\$ 75,383,124	\$ 2,520,000	\$ 7,796,508	\$ 231,864,632	3.39%	\$ 485
21,250,000	60,012,875	865,000	6,886,795	187,709,670	2.75	392
21,250,000	43,736,113	0	5,940,034	268,126,147	3.92	560
21,250,000	56,571,154	0	4,954,716	258,905,870	4.08	583
21,250,000	38,490,704	0	3,929,270	232,434,974	3.66	523
21,250,000	27,767,780	0	2,862,062	212,769,842	3.40	486
21,250,000	22,007,532	0	1,751,391	197,923,923	3.19	456
21,250,000	6,215,191	0	595,487	172,730,678	2.80	400
21,250,000	5,388,648	0	0	202,863,648	3.14	470
21,250,000	4,518,566	0	0	186,178,566	2.88	469



Cleveland Municipal School District

Legal Debt Margin Information

Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2011

Assessed Value	\$5,696,934,000
Debt Limit (9% of assessed value)	512,724,060
Debt Applicable to Limit	<u>138,566,996</u>
Legal Debt Margin	<u><u>\$ 374,157,064</u></u>

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Debt Limit	\$ 523,708,020	\$ 538,517,520	\$ 543,045,600	\$ 536,965,920
Total Net Debt Applicable to Limit	<u>97,918,533</u>	<u>62,033,529</u>	<u>157,165,358</u>	<u>141,812,427</u>
Legal Debt Margin	<u><u>\$ 425,789,487</u></u>	<u><u>\$ 476,483,991</u></u>	<u><u>\$ 385,880,242</u></u>	<u><u>\$ 395,153,493</u></u>
 Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	 18.70%	 11.52%	 28.94%	 26.41%

Source: Office of the County Auditor, Cuyahoga County, Ohio

Note: Ohio Bond Law sets a limit of 9% for voted debt and 1/10 of 1% for unvoted debt.
Voted debt margins are determined without reference to applicable monies in the
School District's Debt Service Fund

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 585,429,030	\$ 554,730,660	\$ 538,879,947	\$ 501,448,950	\$ 512,955,090	\$ 512,724,060
<u>149,897,800</u>	<u>135,715,009</u>	<u>127,899,099</u>	<u>119,367,026</u>	<u>156,124,865</u>	<u>138,566,996</u>
<u>\$ 435,531,230</u>	<u>\$ 419,015,651</u>	<u>\$ 410,980,848</u>	<u>\$ 382,081,924</u>	<u>\$ 356,830,225</u>	<u>\$ 374,157,064</u>
25.60%	24.47%	23.73%	23.80%	30.44%	27.03%

Cleveland Municipal School District
Direct and Overlapping Debt Governmental Activities Debt
As of June 30, 2012

Name of Governmental Unit	Gross Debt Outstanding	Debt Service Fund (Cash Balance)	Net Outstanding Debt	Percentage Applicable to Cleveland Municipal School District (1)	Amount Applicable to Cleveland Municipal School District
Direct Debt:					
Cleveland Municipal School District (2)	\$ 176,359,412	\$ 19,810,826	\$ 156,548,586	100.00%	\$ 156,548,586
Overlapping Debt:					
City of Cleveland (3)	380,600,000	10,454,345	370,145,655	98.10	363,112,888
Cuyahoga County (3)	298,113,842	17,665,908	280,447,934	19.12	53,621,645
Village of Bratenahl (3)	1,169,000	146,836	1,022,164	100.00	1,022,164
City of Garfield Heights (3)	30,578,000	231,276	30,346,724	6.32	1,917,913
Greater Cleveland Regional Transit Authority (3)	142,080,000	2,198,868	139,881,132	19.12	26,745,272
Total Overlapping Debt	<u>852,540,842</u>	<u>30,697,233</u>	<u>821,843,609</u>		<u>446,419,882</u>
Total	<u>\$ 1,028,900,254</u>	<u>\$ 50,508,059</u>	<u>\$ 978,392,195</u>		<u>\$ 602,968,468</u>

Source: Office of the County Auditor, Cuyahoga County, Ohio

Notes:

- (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.
- (2) The gross debt outstanding does not include H.B. 264 Energy Conservation Note of \$5,388,648 and QZAB debt of \$21,250,000.
- (3) City of Cleveland, Cuyahoga County, Village of Bratenahl, City of Garfield Heights and the Greater Cleveland Regional Transit Authority operate on a calendar year.

Cleveland Municipal School District

Demographic and Economic Statistics

Last Ten Fiscal Years

Year	City Population	Personal Income (thousands of dollars)	Per Capita Personal Income	State Unemployment Rate
2003	478,403	\$ 6,836,857,273	\$ 14,291	6.3%
2004	478,403	6,836,857,273	14,291	5.8
2005	478,403	6,836,857,273	14,291	6.2
2006	444,313	6,349,677,083	14,291	5.1
2007	444,313	6,349,677,083	14,291	6.1
2008	438,042	6,260,058,222	14,291	6.4
2009	433,748	6,198,692,668	14,291	10.5
2010	431,369	6,164,694,379	14,291	10.5
2011	396,815	6,468,878,130	16,302	9.3
2012	396,815	6,468,878,130	16,302	7.4

Source: U.S. Bureau of the Census, Bureau of Economic Analysis and U.S. Department of Labor Statistics.

Cleveland Municipal School District

Principal Employers
Current Year and Nine Years Ago

Employer	2012			2003		
	Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Cleveland Clinic Health System	34,000	1	3.22%			
U.S. Office of Personnel Management	15,095	2	1.52			
University Hospitals	13,726	3	1.38			
Giant Eagle Incorporated	10,311	4	1.04			
Progressive Corporation	8,612	5	0.87			
Cuyahoga County	7,859	6	0.79			
City of Cleveland	7,089	7	0.71			
General Motors	5,975	8	0.60			
Key Corp	5,827	9	0.59			
MetroHealth Systems	5,558	10	0.56			
Case Western Reserve University	4,620	11	0.46			
Cleveland Clinic Health System				23,360	1	1.77%
University Hospitals				14,111	2	1.31
Key Corp				7,655	3	0.71
Progressive Corp				6,468	4	0.60
Ford Motor Company				6,252	5	0.58
National City Corporation				5,590	6	0.48
MetroHealth Systems				5,267	7	0.49
Case Western Reserve				5,060	8	0.47
SBC Ameritech				4,343	9	0.40
Continental Airlines				3,492	10	0.32
Giant Eagle Incorporated				3,491	11	0.32
	<u>118,672</u>		<u>11.94%</u>	<u>85,089</u>		<u>7.92%</u>
Total Nonfarm Employment			994,900			1,074,800

Source: Crain's Cleveland Business, 2012 Top Business Lists and 2003 Top Business Lists
"Largest Northeast Ohio Employers" "Largest Cuyahoga County Employers".
U.S. Department of Labor

Note:

Total Employment includes Cleveland, Elyria and Mentor

* 2012 Employment figures include all of Northeast Ohio, including the following counties: Cuyahoga, Geauga, Lake, Lorain
Mahoning, Medina, Portage, Stark, and Summit.

Cleveland Municipal School District
 Full-Time Equivalent District Employees by Type
 Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Percentage Change 2003-2012
Educational Staff											
Regular Education	3,326	3,181	2,548	2,058	1,943	2,020	1,956	1,945	2,392	1,940	-41.67 %
Special Education	894	956	903	1,335	1,383	1,250	1,244	1,212	925	775	-13.31
Vocational Education	139	133	106	87	83	86	80	76	83	0	-100.00
Educational Services	486	472	382	386	371	389	378	384	217	14	-97.12
Full Time (permanent) Substitute	207	115	92	30	3	2	2	2	0	0	0.00
Other Professional - Educational	162	127	91	74	19	14	13	10	46	27	-83.33
Total Educational	5,214	4,984	4,122	3,970	3,802	3,761	3,673	3,629	3,663	2,756	-47.14
Student Services											
Curriculum Specialist	9	4	1	1	8	28	27	64	65	116	1,188.89
Paraprofessional	0	0	0	0	0	0	0	0	0	148	0.00
Counseling	104	100	71	67	73	71	72	70	72	57	-45.19
Librarian/Media	112	106	89	84	91	95	96	92	69	47	-58.04
Remedial Specialist	341	371	187	139	46	44	33	34	55	224	-34.31
Psychologist	78	76	70	70	62	61	61	71	69	75	-3.85
Registered Nurse	58	54	54	55	57	66	65	63	60	42	-27.59
Social Work	30	26	11	1	0	12	13	14	7	8	-73.33
Physical Therapist	10	9	9	9	10	9	9	9	9	8	-20.00
Speech/Language Therapist	84	78	77	76	73	72	75	74	74	72	-14.29
Occupational Therapist	22	23	27	22	26	24	25	25	26	25	13.64
Other Professional Services	64	62	52	67	58	70	71	69	96	147	129.69
Total Student Services	912	909	648	591	504	552	547	585	602	969	6.25
Support Staff											
Bookkeeping	14	14	12	8	5	4	4	3	34	20	42.86
Clerical Assignment	385	358	281	257	260	259	259	246	275	220	-42.86
Teaching Aide	825	736	633	624	633	717	734	800	517	496	-39.88
Other Office/Clerical	79	71	49	30	37	25	44	21	109	24	-69.62
Attendance Officer	22	22	21	22	21	19	19	19	19	17	-22.73
Maintenance	110	96	71	66	92	69	33	30	35	31	-71.82
Custodial	436	415	373	332	333	327	329	320	305	292	-33.03
Food Service Attendant	5	4	4	4	5	5	5	5	4	4	-20.00
Guard/Watchman	225	220	164	196	203	213	324	319	305	212	-5.78
Mechanic	38	38	27	26	26	26	59	57	50	50	31.58
Vehicle Operating/Dispatch	51	50	50	49	49	47	45	41	46	46	-9.80
Computer Operating/Programmin	32	31	21	13	10	7	7	6	17	25	-21.88
Total Support	2,222	2,055	1,706	1,627	1,674	1,718	1,862	1,867	1,716	1,437	-35.33
Administrative Staff											
Administrative Assistant	26	16	7	9	11	10	11	11	6	5	-80.77
Deputy/Associate Superintendent	19	22	18	19	32	38	35	35	21	20	5.26
Director	0	0	0	0	0	0	0	0	6	4	0.00
Principal	120	122	135	129	135	130	129	123	121	115	-4.17
Assistant Principal	140	91	56	60	66	70	79	72	74	74	-47.14
Supervisor/Manager	159	167	151	133	118	124	132	125	51	47	-70.44
Coordinator	25	24	27	23	22	23	29	29	28	34	36.00
Education Administrative Speciali	0	0	0	0	0	0	10	9	9	9	0.00
Other Official/Administrator	192	178	156	155	142	139	136	140	48	45	-76.56
Total administrative	681	620	550	528	526	534	561	544	364	353	-48.16
Total	9,029	8,568	7,026	6,716	6,506	6,565	6,643	6,625	6,345	5,515	-38.92 %

Source: District records

Cleveland Municipal School District

Operating Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures (1)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Expenses</u>
2003	69,534	\$ 796,488,595	\$ 11,455	4.87%	\$ 807,069,564
2004	67,015	776,586,804	11,588	1.17	782,046,356
2005	62,542	714,380,578	11,422	(1.43)	714,150,993
2006	57,698	765,392,781	13,265	16.14	778,630,513
2007	52,769	771,538,947	14,621	10.22	786,833,933
2008	50,078	819,854,913	16,372	11.97	874,562,401
2009	47,120	847,470,215	17,985	9.86	862,846,754
2010	46,697	846,840,192	18,135	0.83	916,582,748
2011	43,363	812,462,156	18,736	3.32	833,175,198
2012	40,758	760,255,299	18,653	(0.45)	796,058,675

Source: Ohio Department of Education

Notes:

- (1) Operating expenditures are total expenditures less debt service and capital outlays.
- (2) N/A = Not Available
- (3) Meal percentage includes lunch only.

	Cost Per Pupil	Percentage Change (2)	Teaching Staff	Pupil- Teacher Ratio	Percentage of Students Receiving Free and Reduced - Paid Meals (3)
\$	11,607	6.05%	6,551	10.6	85.73%
	11,670	0.54	4,978	13.5	85.75
	11,419	(2.15)	3,557	17.6	85.43
	13,495	18.18	3,436	16.8	84.83
	14,911	10.49	3,502	15.1	84.83
	17,464	17.12	3,515	14.2	70.34
	18,312	4.85	3,583	13.2	77.85
	19,628	7.19	3,554	13.1	77.88
	19,214	-2.11	3,317	13.1	82.01
	19,531	1.65	2,715	15.0	81.87

Cleveland Municipal School District

Teacher Base Salaries
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>	<u>Statewide Average Salary</u>
2003	\$ 32,684	\$ 69,325	\$ 45,645
2004	33,240	70,504	47,659
2005	35,264	74,798	49,438
2006	34,237	72,619	50,772
2007	35,264	74,798	53,536
2008	36,322	77,042	53,410
2009	37,412	79,353	54,656
2010	38,534	81,734	55,958
2011	36,836	76,736	56,715
2012	36,740	77,929	N/A*

Source: Ohio Department of Education
American Federation of Teachers, AFL-CIO

* Note: 2012 information is not yet available

Cleveland Municipal School District

School Building Information

Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
K-8 Schools:										
A.B. Hart (1932)										
Square feet	115,452	115,452	115,452	115,452	115,452	115,452	115,452	115,452	115,452	115,452
Capacity	975	975	975	975	975	975	975	975	975	975
Enrollment	821	801	867	524	433	338	399	308	0	0
Adlai Stevenson (1967)										
Square feet	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000
Capacity	525	525	525	525	525	525	525	525	525	525
Enrollment	285	279	238	319	326	290	368	258	417	370
Alexander G. Bell (1971)										
Square feet	70,829	70,829	70,829	70,829	70,829	70,829	70,829	70,829	70,829	70,829
Capacity	825	825	825	825	825	825	825	825	825	825
Enrollment	447	417	387	452	397	384	382	394	0	0
Alexander Hamilton (1) (1928)										
Square feet	89,195	89,195	89,195	89,195	89,195	89,195	89,195	89,195	89,195	89,195
Capacity	575	575	575	575	575	575	575	575	575	575
Enrollment	745	706	648	0	0	0	0	0	0	0
Alfred A. Benesch-George Washing Carver Swing Space (1) (1977)										
Square feet	42,133	42,133	42,133	42,133	42,133	42,133	42,133	42,133	42,133	42,133
Capacity	575	575	575	575	575	575	575	575	575	575
Enrollment	479	449	368	0	0	0	400	433	323	0
Almira (1916)										
Square feet	68,933	68,933	68,933	68,933	68,933	68,933	68,933	68,933	68,933	68,933
Capacity	650	650	650	650	650	650	650	650	650	650
Enrollment	650	634	625	553	521	466	474	374	386	325
Andrew J. Rickoff (2) (1920)										
Square feet	56,348	56,348	56,348	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	426	360	252	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Andrew J. Rickoff (2005)										
Square feet	N/A	N/A	N/A	91,785	91,785	91,785	91,785	91,785	91,785	91,785
Capacity	N/A	N/A	N/A	725	725	725	725	725	725	725
Enrollment	N/A	N/A	N/A	509	570	570	544	513	487	525
Anton Grdina (1959)										
Square feet	75,600	75,600	75,600	75,600	75,600	75,600	75,600	75,600	67,719	N/A
Capacity	700	700	700	700	700	700	700	700	700	N/A
Enrollment	513	498	589	624	576	522	475	419	330	N/A
Anton Grdina (2011)										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	71,280
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	540
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	344
Artemus Ward (1949)										
Square feet	35,826	35,826	35,826	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	450	450	450	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	379	362	373	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Cleveland Municipal School District

School Building Information

Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Artemus Ward (2009)										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	64,298	64,298	63,282	63,282
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	450	450	450	450
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	420	475	458	494
Audubon (1922)										
Square feet	146,209	146,209	146,209	146,209	146,209	146,209	146,209	146,209	146,209	146,209
Capacity	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350
Enrollment	586	480	428	686	571	491	435	355	355	0
Benjamin Franklin (1923)										
Square feet	83,260	83,260	83,260	83,260	83,260	83,260	83,260	83,260	83,719	83,719
Capacity	800	800	800	800	800	800	800	800	800	800
Enrollment	699	615	686	784	738	669	656	640	648	608
Bolton (1971)										
Square feet	53,700	53,700	53,700	53,700	53,700	53,700	53,700	53,700	44,110	44,110
Capacity	650	650	650	650	650	650	650	650	650	650
Enrollment	410	424	415	385	293	343	289	300	388	347
Brooklawn (1957)										
Square feet	28,545	28,545	28,545	28,545	28,545	28,545	28,545	28,545	28,545	28,545
Capacity	425	425	425	425	425	425	425	425	425	425
Enrollment	337	325	328	319	312	304	270	253	0	0
Buckeye-Woodland (1975)										
Square feet	44,800	44,800	44,800	44,800	44,800	44,800	44,800	44,800	52,493	52,493
Capacity	625	625	625	625	625	625	625	625	625	625
Enrollment	401	411	429	360	304	260	262	253	319	270
Buhrer (1969)										
Square feet	42,086	42,086	42,086	42,086	42,086	42,086	42,086	42,086	42,086	42,086
Capacity	600	600	600	600	600	600	600	600	600	600
Enrollment	537	501	475	446	0	0	0	0	0	0
Buhrer (2009)										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	52,850	52,850	52,850
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	350	350	350
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	333	320	342
Campus International School										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	114	210
Captain Arthur Roth (1965)										
Square feet	70,016	70,016	70,016	70,016	70,016	70,016	70,016	70,016	66,397	N/A
Capacity	975	975	975	975	975	975	975	975	975	N/A
Enrollment	531	419	345	412	370	315	280	259	287	N/A

Cleveland Municipal School District

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Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Carl & Louis Stokes Central Academy										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	120,451	120,451
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	775	775
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	544	469
Case (1975)										
Square feet	69,559	69,559	69,559	69,559	69,559	69,559	69,559	69,559	57,688	57,688
Capacity	800	800	800	800	800	800	800	800	800	800
Enrollment	500	404	579	553	481	413	353	412	412	367
Charles Dickens										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	50,989	50,989
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	450	450
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	425	406
Charles H. Lake (1961)										
Square feet	55,823	55,823	55,823	55,823	55,823	N/A	N/A	N/A	N/A	N/A
Capacity	675	675	675	675	675	N/A	N/A	N/A	N/A	N/A
Enrollment	399	377	315	324	289	N/A	N/A	N/A	N/A	N/A
Charles A. Mooney										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	152,607	152,607
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,400	1,400
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	742	472
Charles Orr (1955)										
Square feet	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	N/A
Capacity	425	425	425	425	425	425	425	425	425	N/A
Enrollment	146	0	0	0	0	146	99	143	0	N/A
Charles W. Elliot (1954)										
Square feet	104,360	104,360	104,360	104,360	104,360	104,360	104,360	104,360	90,497	90,497
Capacity	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050
Enrollment	827	767	648	417	342	299	316	311	447	502
Clara Westropp Fundamental Education Center (1967)										
Square feet	116,246	116,246	116,246	116,246	116,246	116,246	116,246	116,246	106,582	106,582
Capacity	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	717	728	671	712	627	640	580	547	515	449
Clark (1973)										
Square feet	59,064	59,064	59,064	59,064	59,064	59,064	59,064	59,064	56,178	56,178
Capacity	525	525	525	525	525	525	525	525	525	525
Enrollment	599	635	655	605	577	579	557	584	553	592
Corlett (1) (1915)										
Square feet	61,800	61,800	61,800	61,800	61,800	61,800	61,800	61,800	61,800	61,800
Capacity	575	575	575	575	575	575	575	575	575	575
Enrollment	435	362	387	0	0	0	0	0	0	0

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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Cranwood-Miles Swing Space (1) (1957)										
Square feet	50,249	50,249	50,249	50,249	50,249	50,249	50,249	50,249	50,249	50,249
Capacity	675	675	675	675	675	675	675	675	675	675
Enrollment	387	294	290	0	0	0	0	300	365	324
Daniel E. Morgan (1959)										
Square feet	51,272	51,272	51,272	51,272	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	825	825	825	825	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	497	455	438	423	N/A	N/A	N/A	N/A	N/A	N/A
Daniel E. Morgan (2007)										
Square feet	N/A	N/A	N/A	N/A	66,409	66,409	66,409	66,409	66,409	66,409
Capacity	N/A	N/A	N/A	N/A	480	480	480	480	480	480
Enrollment	N/A	N/A	N/A	N/A	430	448	406	355	325	322
Denison (1972)										
Square feet	42,714	42,714	42,714	42,714	42,714	42,714	42,714	42,714	52,351	52,351
Capacity	825	825	825	825	825	825	825	825	825	825
Enrollment	692	736	726	706	698	713	709	708	597	645
Dike Montessori-CSA Lower Campus (1971)										
Square feet	53,300	53,300	53,300	53,300	53,300	53,300	53,300	53,300	53,300	53,300
Capacity	700	700	700	700	700	700	700	700	700	700
Enrollment	317	313	298	392	390	362	371	380	0	412
Douglas MacArthur (1) (1967)										
Square feet	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000
Capacity	400	400	400	400	400	400	400	400	400	400
Enrollment	0	0	0	0	0	76	136	173	207	250
East Clark (2) (1894)										
Square feet	56,755	56,755	56,755	56,755	56,755	N/A	N/A	N/A	N/A	N/A
Capacity	575	575	575	575	575	N/A	N/A	N/A	N/A	N/A
Enrollment	510	480	419	463	387	N/A	N/A	N/A	N/A	N/A
East Clark (2009)										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	63,281	63,281	63,281
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	450	450	450
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	452	389	398
Emile B. deSauze (1966)										
Square feet	51,457	51,457	51,457	51,457	51,457	51,457	51,457	51,457	48,860	48,860
Capacity	575	575	575	575	575	575	575	575	575	575
Enrollment	416	395	339	407	360	344	304	284	258	0
Empire Computech (1915)										
Square feet	75,003	75,003	75,003	75,003	75,003	75,003	75,003	75,003	75,003	75,003
Capacity	900	900	900	900	900	900	900	900	900	900
Enrollment	588	592	567	423	361	330	279	236	0	0

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Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Euclid Park (1922)										
Square feet	43,182	43,182	43,182	43,182	43,182	N/A	N/A	N/A	N/A	N/A
Capacity	500	500	500	500	500	N/A	N/A	N/A	N/A	N/A
Enrollment	438	415	289	358	291	N/A	N/A	N/A	N/A	N/A
Euclid Park (2010)										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	53,767	53,767
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	351	351
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	321	345
F. D. Roosevelt (1976)										
Square feet	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000
Capacity	1,275	1,275	1,275	1,275	1,275	1,275	1,275	1,275	1,275	1,275
Enrollment	631	781	656	0	0	297	520	463	592	544
Forest Hill Parkway (1967)										
Square feet	51,278	51,278	51,278	51,278	51,278	51,278	51,278	51,278	51,278	51,278
Capacity	450	450	450	450	450	450	450	450	450	450
Enrollment	374	388	389	407	380	390	365	276	0	0
Fullerton (1974)										
Square feet	36,468	36,468	36,468	36,468	36,468	36,468	36,468	36,468	36,468	36,468
Capacity	500	500	500	500	500	500	500	500	500	500
Enrollment	483	459	352	458	401	395	379	372	407	327
Garfield (2) (1922)										
Square feet	31,763	31,763	31,763	31,763	31,763	31,763	31,763	31,763	31,763	31,763
Capacity	425	425	425	425	425	425	425	425	425	425
Enrollment	229	238	189	0	0	0	0	0	0	0
Garfield (2009)										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	60,777	60,777	60,777
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	426	426	426
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	375	425	518
George Washington Carver (1954)										
Square feet	53,800	53,800	53,800	53,800	53,800	53,800	N/A	N/A	N/A	N/A
Capacity	475	475	475	475	475	475	N/A	N/A	N/A	N/A
Enrollment	373	407	429	516	463	404	N/A	N/A	N/A	N/A
George Washington Carver (2010)										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	63,280
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	450
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	536
Giddings (1970)										
Square feet	53,533	53,533	53,533	53,533	53,533	53,533	53,533	53,533	49,607	49,607
Capacity	550	550	550	550	550	550	550	550	550	550
Enrollment	347	360	436	389	302	288	275	275	263	0

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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Gracemount (1947)										
Square feet	49,922	49,922	49,922	49,922	49,922	49,922	49,922	49,922	49,922	49,922
Capacity	475	475	475	475	475	475	475	475	475	475
Enrollment	579	564	629	561	487	432	493	493	0	0
Hannah Gibbons (1960)										
Square feet	21,831	21,831	21,831	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	225	225	225	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	193	173	223	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Hannah Gibbons (2006)										
Square feet	N/A	N/A	N/A	N/A	52,953	52,953	52,953	52,953	52,953	52,953
Capacity	N/A	N/A	N/A	N/A	351	351	351	351	351	351
Enrollment	N/A	N/A	N/A	N/A	267	246	237	228	226	281
Harvey Rice (2) (1903)										
Square feet	82,414	82,414	82,414	82,414	82,414	82,414	82,414	N/A	N/A	N/A
Capacity	975	975	975	975	975	975	975	N/A	N/A	N/A
Enrollment	543	511	402	352	317	267	233	N/A	N/A	N/A
Harvey Rice (2009)										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	63,280	63,280	63,280
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	450	450	450
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	362	422	446
H. Barbara Booker (1972)										
Square feet	53,296	53,296	53,296	53,296	53,296	53,296	53,296	53,296	53,296	53,296
Capacity	875	875	875	875	875	875	875	875	875	875
Enrollment	346	323	261	564	497	508	403	416	430	415
Harry E. Davis (1962) Cleveland School of Arts Swing Space										
Square feet	115,064	115,064	115,064	115,064	115,064	115,064	115,064	115,064	115,064	115,064
Capacity	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Enrollment	562	465	320	0	0	0	0	595	595	616
Henry W. Longfellow (1924)										
Square feet	50,616	50,616	50,616	50,616	50,616	50,616	50,616	50,616	50,616	50,616
Capacity	337	337	337	337	337	337	337	337	337	337
Enrollment	414	353	289	362	302	321	238	252	0	0
Iowa Maple (1951)										
Square feet	57,842	57,842	57,842	57,842	57,842	57,842	57,842	57,842	57,842	57,842
Capacity	650	650	650	650	650	650	650	650	650	650
Enrollment	489	423	360	555	427	368	306	318	336	399
John D. Rockefeller (1961)										
Square feet	54,400	54,400	54,400	54,400	54,400	54,400	54,400	54,400	54,400	54,400
Capacity	700	700	700	700	700	700	700	700	700	700
Enrollment	481	502	570	434	321	242	236	216	0	0

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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
John W. Raper (1962)										
Square feet	64,556	64,556	64,556	64,556	64,556	64,556	64,556	64,556	64,556	64,556
Capacity	800	800	800	800	800	800	800	800	800	800
Enrollment	425	374	361	433	431	444	383	356	0	0
Joseph F. Landis (1963)										
Square feet	49,170	49,170	49,170	49,170	49,170	49,170	49,170	49,170	49,170	N/A
Capacity	725	725	725	725	725	725	725	725	725	N/A
Enrollment	463	441	368	431	379	399	341	360	0	N/A
Joseph M. Gallagher (1976)										
Square feet	126,816	126,816	126,816	126,816	126,816	126,816	126,816	126,816	127,266	127,266
Capacity	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Enrollment	838	787	889	865	762	791	771	737	654	652
Kenneth W. Clement (1) (1976)										
Square feet	31,400	31,400	31,400	31,400	31,400	31,400	31,400	31,400	31,400	31,400
Capacity	550	550	550	550	550	550	550	550	550	550
Enrollment	335	279	207	0	0	100	129	166	168	168
Kentucky-Paul L. Dunbar Swing Space (1940)										
Square feet	42,870	42,870	42,870	42,870	42,870	42,870	42,870	42,870	35,010	35,010
Capacity	575	575	575	575	575	575	575	575	575	575
Enrollment	376	338	370	106	422	438	437	316	192	158
Louis Agassiz (1929)										
Square feet	43,074	43,074	43,074	43,074	43,074	43,074	43,074	43,074	40,185	40,185
Capacity	525	525	525	525	525	525	525	525	525	525
Enrollment	355	301	371	375	313	322	338	351	344	338
Louis Pasteur (1959)										
Square feet	57,835	57,835	57,835	57,835	57,835	57,835	57,835	57,835	57,835	57,835
Capacity	700	700	700	700	700	700	700	700	700	700
Enrollment	366	337	308	478	375	245	0	0	0	0
Louisa May Alcott (1926)										
Square feet	31,240	31,240	31,240	31,240	31,240	31,240	31,240	31,240	26,277	26,277
Capacity	300	300	300	300	300	300	300	300	300	300
Enrollment	203	200	214	208	230	212	235	226	233	203
Luiz Munoz Marin (1976)										
Square feet	157,009	157,009	157,009	157,009	157,009	157,009	157,009	157,009	119,639	119,639
Capacity	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075
Enrollment	839	808	730	727	822	872	774	773	796	708
Margaret Spellacy - Ginn Academy (1969)										
Square feet	116,246	116,246	116,246	116,246	116,246	116,246	116,246	116,246	106,582	106,582
Capacity	900	900	900	900	900	900	900	900	900	900
Enrollment	700	278	298	0	0	541	477	272	251	216

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Marion C. Seltzer (1972)										
Square feet	46,835	46,835	46,835	46,835	46,835	46,835	46,835	46,835	46,835	46,835
Capacity	675	675	675	675	675	675	675	675	675	675
Enrollment	700	630	651	659	609	614	574	585	535	487
Marion Sterling (1973)										
Square feet	51,896	51,896	51,896	51,896	51,896	51,896	51,896	51,896	51,896	51,896
Capacity	700	700	700	700	700	700	700	700	700	700
Enrollment	511	513	450	507	471	498	483	469	503	454
Mary B. Martin (2) (1963)										
Square feet	57,737	57,737	57,737	57,737	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	825	825	825	825	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	325	347	297	0	N/A	N/A	N/A	N/A	N/A	N/A
Mary B. Martin & Early Childhood (2006)										
Square feet	N/A	N/A	N/A	N/A	70,048	70,048	70,048	70,048	70,048	70,048
Capacity	N/A	N/A	N/A	N/A	490	490	490	490	490	490
Enrollment	N/A	N/A	N/A	N/A	390	340	398	343	321	445
Mary M. Bethune (2) (1964)										
Square feet	48,613	48,613	48,613	48,613	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	450	450	450	450	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	316	303	328	480	N/A	N/A	N/A	N/A	N/A	N/A
Mary M. Bethune (2006)										
Square feet	N/A	N/A	N/A	N/A	68,498	68,498	68,498	68,498	68,731	68,731
Capacity	N/A	N/A	N/A	N/A	500	500	500	500	500	500
Enrollment	N/A	N/A	N/A	N/A	417	352	344	349	363	333
McKinley (1922)										
Square feet	46,724	46,724	46,724	46,724	46,724	46,724	46,724	46,724	46,724	46,724
Capacity	375	375	375	375	375	375	375	375	375	375
Enrollment	499	466	440	404	375	343	308	288	304	304
Memorial (2005)										
Square feet	N/A	N/A	N/A	83,584	83,584	83,584	83,584	83,584	82,160	82,160
Capacity	N/A	N/A	N/A	625	625	625	625	625	625	625
Enrollment	N/A	N/A	N/A	501	522	454	475	480	481	464
Michael R. White (1921)										
Square feet	64,598	64,598	64,598	64,598	64,598	64,598	64,598	64,598	64,598	64,598
Capacity	825	825	825	825	825	825	825	825	825	825
Enrollment	396	359	300	432	368	378	341	323	447	420
Miles (1912)										
Square feet	88,876	88,876	88,876	88,876	88,876	88,876	88,876	88,876	88,876	88,876
Capacity	950	950	950	950	950	950	950	950	950	950
Enrollment	456	393	483	556	426	394	314	0	0	0

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Miles Park (2) (1971)										
Square feet	43,027	43,027	43,027	43,027	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	500	500	500	500	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	490	492	421	513	N/A	N/A	N/A	N/A	N/A	N/A
Miles Park (2007)										
Square feet	N/A	N/A	N/A	N/A	92,027	92,027	92,027	92,027	92,029	92,029
Capacity	N/A	N/A	N/A	N/A	650	650	650	650	650	650
Enrollment	N/A	N/A	N/A	N/A	461	538	430	497	556	605
Moses Cleaveland (1925)										
Square feet	79,671	79,671	79,671	79,671	79,671	79,671	79,671	79,671	79,671	79,671
Capacity	925	925	925	925	925	925	925	925	925	925
Enrollment	313	305	244	0	0	0	0	0	0	0
Mound (1904)										
Square feet	38,355	38,355	38,355	38,355	38,355	38,355	38,355	38,355	36,642	36,642
Capacity	500	500	500	500	500	500	500	500	500	500
Enrollment	415	400	369	416	348	287	241	234	253	0
Mound (2011)										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	63,280
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	450
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	467
Mount Auburn (1) (1922)										
Square feet	44,320	44,320	44,320	44,320	44,320	44,320	44,320	44,320	44,320	44,320
Capacity	575	575	575	575	575	575	575	575	575	575
Enrollment	288	266	264	0	0	0	0	0	0	0
Nathan Hale (1929)										
Square feet	106,855	106,855	106,855	106,855	106,855	106,855	106,855	106,855	106,855	106,855
Capacity	725	725	725	725	725	725	725	725	725	725
Enrollment	818	762	651	522	442	349	311	298	0	0
Nathan Hale (2011)										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	56,348	56,348
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	400	400
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	409	436
Nathaniel Hawthorne (1917)										
Square feet	48,375	48,375	48,375	48,375	48,375	48,375	48,375	48,375	46,502	46,502
Capacity	650	650	650	650	650	650	650	650	650	650
Enrollment	0	0	0	0	0	345	0	0	356	0
Newton D. Baker (1954)										
Square feet	91,706	91,706	91,706	91,706	91,706	91,706	91,706	91,706	94,379	94,379
Capacity	550	550	550	550	550	550	550	550	550	550
Enrollment	517	541	498	505	662	671	567	441	463	366

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Oliver Hazard Perry (1927)										
Square feet	55,570	55,570	55,570	55,570	55,570	55,570	55,570	55,570	50,989	50,989
Capacity	575	575	575	575	575	575	575	575	575	575
Enrollment	632	647	644	564	444	385	409	406	388	331
Orchard (1901)										
Square feet	66,678	66,678	66,678	66,678	66,678	66,678	66,678	66,678	66,678	66,678
Capacity	800	800	800	800	800	800	800	800	800	800
Enrollment	483	490	460	378	534	576	0	0	0	0
Patrick Henry (1922)										
Square feet	130,443	130,443	130,443	130,443	130,443	130,443	130,443	N/A	N/A	N/A
Capacity	975	975	975	975	975	975	975	N/A	N/A	N/A
Enrollment	819	787	738	739	491	410	305	N/A	N/A	N/A
Patrick Henry (2009)										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	63,281	63,287	63,287
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	450	450	450
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	309	331	340
Paul Lawrence Dunbar (1965)										
Square feet	48,372	48,372	48,372	48,372	48,372	48,372	48,372	48,372	48,372	48,372
Capacity	475	475	475	475	475	475	475	475	475	475
Enrollment	357	309	301	255	330	360	228	316	0	0
Paul Revere (1925)										
Square feet	82,840	82,840	82,840	82,840	82,840	82,840	82,840	82,840	80,996	80,996
Capacity	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125
Enrollment	733	713	668	502	584	483	370	370	441	456
Riverside (1935)										
Square feet	38,836	38,836	38,836	38,836	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	382	392	424	447	N/A	N/A	N/A	N/A	N/A	N/A
Riverside (2005)										
Square feet	N/A	N/A	N/A	N/A	61,820	61,820	61,820	61,820	61,820	61,820
Capacity	N/A	N/A	N/A	N/A	450	450	450	450	450	450
Enrollment	N/A	N/A	N/A	N/A	477	516	545	521	537	465
Robert Fulton (1929)										
Square feet	74,121	74,121	74,121	74,121	74,121	74,121	74,121	74,121	74,121	74,121
Capacity	675	675	675	675	675	675	675	675	675	675
Enrollment	587	485	500	429	498	386	282	292	292	0
Robert H. Jamison (1966)										
Square feet	140,000	140,000	140,000	140,000	140,000	140,000	140,000	N/A	N/A	N/A
Capacity	1,125	1,125	1,125	1,125	1,125	1,125	1,125	N/A	N/A	N/A
Enrollment	710	766	635	698	604	563	503	N/A	N/A	N/A

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Robert H. Jamison (2009)										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	64,298	65,000	65,000
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	450	450	450
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	444	397	400
Robinson G. Jones (2) (1951)										
Square feet	38,311	38,311	38,311	38,311	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	550	550	550	550	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	416	429	438	352	N/A	N/A	N/A	N/A	N/A	N/A
Robinson G. Jones (2009)										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	64,281	64,281	63,281	63,281
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	450	450	450	450
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	361	369	361	397
Scranton (1973)										
Square feet	52,575	52,575	52,575	52,575	52,575	52,575	52,575	52,575	51,447	51,447
Capacity	625	625	625	625	625	625	625	625	625	625
Enrollment	517	516	386	610	538	452	430	465	433	424
Stephen E. Howe (1) (1964)										
Square feet	48,613	48,613	48,613	48,613	48,613	48,613	48,613	48,613	48,613	48,613
Capacity	625	625	625	625	625	625	625	625	625	625
Enrollment	474	443	358	0	0	351	0	0	0	0
Sunbeam (1923)										
Square feet	78,518	78,518	78,518	78,518	78,518	78,518	78,518	78,518	70,397	70,397
Capacity	425	425	425	425	425	425	425	425	425	425
Enrollment	231	216	224	272	214	224	170	207	236	225
Thomas Jefferson (1925)										
Square feet	133,609	133,609	133,609	133,609	133,609	133,609	133,609	133,609	133,609	133,609
Capacity	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Enrollment	792	880	845	692	0	0	0	0	0	0
Thomas Jefferson (2011)										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	101,591	101,591
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	785	785
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	188	251
Tremont (1917)										
Square feet	119,508	119,508	119,508	119,508	119,508	119,508	119,508	119,508	100,396	100,396
Capacity	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	652	638	465	472	427	402	377	463	452	518
Union (1969)										
Square feet	49,426	49,426	49,426	49,426	49,426	49,426	49,426	49,426	49,426	49,426
Capacity	550	550	550	550	550	550	550	550	550	550
Enrollment	391	384	349	373	327	248	251	220	239	0

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Valley View (1) (1951)										
Square feet	25,882	25,882	25,882	25,882	25,882	25,882	25,882	25,882	25,882	25,882
Capacity	350	350	350	350	350	350	350	350	350	350
Enrollment	166	133	128	0	0	74	106	133	169	175
Wade Park (1975)										
Square feet	68,600	68,600	68,600	68,600	68,600	68,600	68,600	N/A	N/A	N/A
Capacity	725	725	725	725	725	725	725	N/A	N/A	N/A
Enrollment	538	480	365	540	307	222	177	N/A	N/A	N/A
Wade Park (2009)										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	68,600	68,600	68,600
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	501	501	501
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	355	372	370
Walton (1971)										
Square feet	52,786	52,786	52,786	52,786	52,786	52,786	52,786	52,786	46,493	46,493
Capacity	700	700	700	700	700	700	700	700	700	700
Enrollment	686	611	721	686	697	583	553	577	576	467
Warner (2007)										
Square feet	N/A	N/A	N/A	N/A	N/A	75,799	75,799	75,799	75,799	75,799
Capacity	N/A	N/A	N/A	N/A	N/A	570	570	570	570	570
Enrollment	N/A	N/A	N/A	N/A	N/A	110	163	242	276	325
Watterson-Lake (1906)										
Square feet	65,241	65,241	65,241	65,241	65,241	65,241	65,241	65,241	69,814	69,814
Capacity	600	600	600	600	600	600	600	600	600	600
Enrollment	595	577	524	471	494	524	533	500	393	377
Waverly (1976)										
Square feet	72,603	72,603	72,603	72,603	72,603	72,603	72,603	72,603	55,666	55,666
Capacity	575	575	575	575	575	575	575	575	575	575
Enrollment	585	513	419	360	450	458	460	430	383	340
William Cullen Bryant (1930)										
Square feet	42,187	42,187	42,187	42,187	42,187	42,187	42,187	42,187	42,187	42,187
Capacity	550	550	550	550	550	550	550	550	550	550
Enrollment	395	387	358	470	473	495	427	423	345	364
William R. Harper (1927)										
Square feet	50,989	50,989	50,989	50,989	50,989	50,989	50,989	50,989	50,989	50,989
Capacity	575	575	575	575	575	575	575	575	575	575
Enrollment	403	396	295	0	0	0	0	0	0	0
Willow (1964)										
Square feet	53,914	53,914	53,914	53,914	53,914	53,914	53,914	53,914	39,867	39,867
Capacity	425	425	425	425	425	425	425	425	425	425
Enrollment	255	268	274	293	273	240	218	216	234	255

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Woodland Hills (1971)										
Square feet	49,443	49,443	49,443	49,443	49,443	49,443	49,443	49,443	49,443	N/A
Capacity	600	600	600	600	600	600	600	600	600	N/A
Enrollment	450	411	410	510	393	376	353	300	345	N/A
Wilbur Wright (1929)										
Square feet	105,192	105,192	105,192	105,192	105,192	105,192	105,192	105,192	106,863	106,863
Capacity	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	1,099	1,073	831	624	558	588	572	596	539	437
Willson (1) (1903)										
Square feet	91,290	91,290	91,290	91,290	91,290	91,290	91,290	91,290	91,290	91,290
Capacity	700	700	700	700	700	700	700	700	700	700
Enrollment	568	601	463	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Willson (2010)										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	76,217	76,217
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	574	574
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	385	392
Senior High Schools										
Carl F. Shuler (1958)										
Square feet	100,500	100,500	100,500	100,500	100,500	100,500	100,500	100,500	100,500	100,500
Capacity	875	875	875	875	875	875	875	875	875	875
Enrollment	718	733	671	450	387	351	363	475	360	313
Cleveland Learning Center - Halle-Orchard Swing Space (1) (1904)										
Square feet	41,085	41,085	41,085	41,085	41,085	41,085	41,085	41,085	49,337	49,337
Capacity	500	500	500	500	500	500	500	500	500	500
Enrollment	48	172	135	420	359	404	464	344	356	356
Cleveland School of the Arts (1910)										
Square feet	90,400	90,400	90,400	90,400	90,400	90,400	90,400	90,400	90,400	90,400
Capacity	850	850	850	850	850	850	850	850	850	850
Enrollment	655	655	602	601	602	558	558	0	1,114	0
Collinwood CompuTech (1924)										
Square feet	345,203	345,203	345,203	345,203	345,203	345,203	345,203	345,203	297,759	297,759
Capacity	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700
Enrollment	1,350	1,812	1,488	1,121	968	962	898	793	712	623
East High (1975)										
Square feet	165,711	165,711	165,711	165,711	165,711	165,711	165,711	165,711	165,711	165,711
Capacity	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875
Enrollment	1,114	1,113	1,091	1,008	860	715	701	717	0	0
East Technical (1972)										
Square feet	318,600	318,600	318,600	318,600	318,600	318,600	318,600	318,600	320,370	320,370
Capacity	1,775	1,775	1,775	1,775	1,775	1,775	1,775	1,775	1,775	1,775
Enrollment	1,080	1,191	1,101	1,020	907	783	785	746	1,171	817

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Garrett Morgan Cleveland School of Science (1940)										
Square feet	101,900	101,900	101,900	101,900	101,900	101,900	101,900	101,900	76,835	76,835
Capacity	675	675	675	675	675	675	675	675	675	675
Enrollment	422	437	388	333	264	227	208	247	240	314
Glenville (1966)										
Square feet	248,000	248,000	248,000	248,000	248,000	248,000	248,000	248,000	207,000	207,000
Capacity	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350
Enrollment	1,474	1,595	1,698	1,604	1,538	1,340	1,167	963	985	813
Health Careers Center (1980)										
Square feet	86,950	86,950	86,950	86,950	86,950	86,950	86,950	86,950	67,000	67,000
Capacity	425	425	425	425	425	425	425	425	425	425
Enrollment	369	401	368	365	0	143	196	254	277	264
James F. Rhodes (1932)										
Square feet	164,931	164,931	164,931	164,931	164,931	164,931	164,931	164,931	164,931	164,931
Capacity	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225
Enrollment	1,483	1,637	1,683	1,553	1,575	1,409	1,360	1,230	1,171	1,195
Jane Addams Business Careers (1968)										
Square feet	214,752	214,752	214,752	214,752	214,752	214,752	214,752	214,752	157,428	157,428
Capacity	975	975	975	975	975	975	975	975	975	975
Enrollment	578	595	589	557	472	479	474	518	595	638
John Adams High (2007)										
Square feet	N/A	N/A	N/A	N/A	224,000	224,000	224,000	224,000	222,945	222,945
Capacity	N/A	N/A	N/A	N/A	1,335	1,335	1,335	1,335	1,335	1,335
Enrollment	0	0	0	0	1,067	1,169	1,140	1,162	1,121	1,109
John F. Kennedy (1965)										
Square feet	264,661	264,661	264,661	264,661	264,661	264,661	264,661	264,661	252,023	252,023
Capacity	2,075	2,075	2,075	2,075	2,075	2,075	2,075	2,075	2,075	2,075
Enrollment	1,999	1,875	1,823	1,758	1,077	940	978	839	975	804
John Hay (2006)										
Square feet	N/A	N/A	N/A	N/A	210,353	210,353	210,353	210,353	210,353	210,353
Capacity	N/A	N/A	N/A	N/A	1,232	1,232	1,232	1,232	1,232	1,232
Enrollment	N/A	N/A	N/A	N/A	476	576	673	857	855	835
John Marshall (1932)										
Square feet	256,924	256,924	256,924	256,924	256,924	256,924	256,924	256,924	256,924	256,924
Capacity	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250
Enrollment	1,943	1,969	1,905	1,788	1,715	1,643	1,668	1,519	1,213	1,039
Lincoln-West (1970)										
Square feet	304,645	304,645	304,645	304,645	304,645	304,645	304,645	304,645	337,548	337,548
Capacity	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875
Enrollment	1,424	1,485	1,552	1,490	1,496	1,369	1,386	1,357	1,301	1,156

Cleveland Municipal School District

School Building Information

Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Margaret A. Ireland Complex (1962)										
Square feet	58,000	58,000	58,000	58,000	58,000	58,000	58,000	58,000	58,000	58,000
Capacity	525	525	525	525	525	525	525	525	525	525
Enrollment	503	0	0	0	0	172	156	0	122	0
Martin L. King Jr. (1972)										
Square feet	173,359	173,359	173,359	173,359	173,359	173,359	173,359	173,359	179,544	179,544
Capacity	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175
Enrollment	324	894	795	765	677	550	502	233	273	262
Max S. Hayes Vocational-Genesis (1957)										
Square feet	246,282	246,282	246,282	246,282	246,282	246,282	246,282	246,282	224,329	224,329
Capacity	2,150	2,150	2,150	2,150	2,150	2,150	2,150	2,150	2,150	2,150
Enrollment	599	562	558	509	416	468	498	506	510	877
MC2 Stem Academy @ Nela Park										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	20,000	20,000	20,000	20,000
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	150	150	150	150
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	67	152	214	274
South (includes Washington Park) (1968)										
Square feet	292,518	292,518	292,518	292,518	292,518	292,518	292,518	292,518	292,518	292,518
Capacity	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Enrollment	1,475	1,572	1,429	1,258	1,043	941	880	896	0	0
SuccessTech Academy										
Square feet	136,817	136,817	136,817	136,817	136,817	136,817	136,817	136,817	136,817	136,817
Capacity	400	400	400	400	400	400	400	400	400	400
Enrollment	77	165	198	253	243	238	243	241	227	232
Washington Park										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	27,331	27,331
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	475	475
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	140	146
Whitney Young (1950)										
Square feet	121,609	121,609	121,609	121,609	121,609	121,609	121,609	121,609	100,321	100,321
Capacity	725	725	725	725	725	725	725	725	725	725
Enrollment	341	319	395	375	434	415	380	339	401	332
Administrative										
Buildings	8	8	8	8	8	8	8	8	8	8
Square Feet	556,286	556,286	556,286	556,286	556,286	556,286	556,286	556,286	556,286	556,286
Transportation										
Garages (3)	3	3	3	3	3	3	3	3	3	3
Buses	436	341	327	311	311	305	305	305	305	305

Cleveland Municipal School District

School Building Information
Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Athletics										
Football Fields	4	4	4	4	4	4	4	4	4	5
Soccer Fields	3	3	3	3	3	4	4	4	4	6
Running Tracks	4	4	4	4	4	2	2	2	2	4
Baseball/Softball	0	0	0	0	0	0	0	0	0	0
Swimming Pools	6	6	7	7	7	5	5	5	5	3
Playgrounds	50	50	50	50	50	50	50	50	50	50

Source: District Records
Ohio Department of Education

- Notes:
- (1) Building was permanently inactivated for instructional activity starting in the 2005-2006 school year based on Board of Education resolution in June, 2005.
 - (2) Building was temporarily inactivated for instructional activity starting in the 2005-2006 school year based on Board of Education resolution in June, 2005.
 - (3) Ridge Road Bus Depot was inoperable for the 2005-2006 school year.

Eric S. Gordon
Chief Executive Officer

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**CLEVELAND
MUNICIPAL
SCHOOL DISTRICT**

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