

Comprehensive Annual Financial Report

of the

Cleveland Municipal School District

For the

**FISCAL YEAR ENDED
JUNE 30, 2014**

Prepared by

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CLEVELAND MUNICIPAL SCHOOL DISTRICT

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*Chief Executive
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John W. Scanlan
*Chief Financial &
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Introductory Section



Cleveland Municipal School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2014
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Chief Executive Officer
Eric S. Gordon

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Alex Johnson, Ph.D.

December 31, 2014

Members of the Board of Education
and the Citizens of Cleveland, Ohio

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, 2014. 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.

Generally Accepted Accounting Principles (GAAP) requires 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 School 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 School 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 2014, the School District enrolled 37,967 students (compared to 38,717 the previous year) in 73 K-8 schools, and 23 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. An enrollment projection from Future Think has the School District's enrollment declining to 33,425 in fiscal year 2018 and 30,691 in fiscal year 2023.

The School District has completed its thirteenth 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 19,393 for fiscal 2014, resulting in the payment from the School District of state aid of \$141.1 million.

Employee Relations

As of June 30, 2014 the School District had 5,302 full and part-time employees (compared to 5,785 the previous year). In the fiscal year ended June 30, 2014, the School District paid \$356.2 million in salaries and wages and \$138.2 million for fringe benefits such as employer retirement contributions, health care, life insurance, and certain other benefits.

The School Districts 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 May 2013, the School District entered into a contract with CTU for a three-year period ending June 30, 2016. This contract provides for 4% wage increases effective for the first year of the contract, a \$1,500 stipend to be paid in the second year of the contract to members who have transitioned to the new differentiated compensation system and a 1% increase in the third year of the contract. CTU members will also pay 10% of monthly healthcare premium costs capped at \$75 for individual and \$170 for family coverage.

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 agreement ending on June 30, 2016, with a 3% compensation increase in the first year of the contract, a stipend of \$450, \$650, or \$950 to be paid in the second year of the contract since sufficient progress was made toward a differentiated compensation system and a 1% increase in the third year of the contract. Members will pay 7.9% of monthly healthcare premium costs capped at \$75 for individual and \$170 for family coverage;
- the City, County, and State Truck Drivers Union Local 244 (truck drivers), with a three year agreement ending on June 30, 2016, with a 3% compensation increase in the first year of the contract, a stipend of \$450, \$650, or \$950 to be paid in the second year of the contract since sufficient progress was made toward a differentiated compensation system and a 1% increase in the third year of the contract. Members will pay 10% of monthly healthcare premium costs capped at \$75 for individual and \$170 for family coverage;
- the National Conference of Fireman and Oilers Local 860 (assistant custodians, laborers, and mechanics), with a three year agreement ending on June 30, 2016, with a 3% base wage increase in year one with a July 1, 2013 effective date; \$800 stipend year two; and 1% base wage increase year three. Members will pay 10% of monthly healthcare premium costs capped at \$75 for individual and \$170 for family coverage;
- the International Brotherhood of Teamsters Local 436 (security officers), with a contract that expires June 30, 2016 with a 3% compensation increase in the first year of the contract, a stipend of \$450, \$650, \$950 to be paid in the second year of the contract since sufficient progress was made toward a differentiated compensation system and a 1% increase in the third year of the contract. Members will pay 7.9% of monthly healthcare premium costs capped at \$75 for individual and \$170 for family coverage for 2013-2014; 8.8% of the monthly healthcare premium costs capped at \$75 for individual and \$170 for family coverage for 2014-2015; and 10% of the monthly healthcare premium costs capped at \$75 for individual and \$170 for family coverage for 2015-2016;
- the Service Employees International Union Local 1199 (clerical, food service and cleaning staff), with a contract that expires June 30, 2016 with a 3% base wage increase in year one with July 1, 2013 effective date; \$500 stipend year two; and 1% base wage increase year three. Members will pay 10% of monthly healthcare premium costs capped at \$75 for individual and \$170 for family coverage and a \$75 working spouse surcharge for those employees whose annualized income is greater than

\$23,000. For those employees whose annualized wages are \$23,000 or less, employee contribution shall be 6.5% of monthly healthcare premium costs capped at \$75 for individual and \$170 for family coverage. If at any time the employee's annualized wages exceed \$23,000, the employee's contribution shall be increased to 10% effective the first month after the annualized wages exceed;

- the Cleveland Building Trades Council (trades people) and the carpenters union, with a three year agreement ending June 30, 2016, with a 3% compensation increase in the first year of the contract, a stipend of \$450, \$650 or \$950 to be paid in the second year of the contract since sufficient progress was made toward a differentiated compensation system and a 1% increase in the third year of the contract. Members will pay 8.5% of monthly healthcare premium costs capped at \$75 for individual and \$170 for family coverage; and
- the National Conference of Fireman and Oilers Local 777 (custodians), with a three year agreement ending on June 30, 2016, with a 3% compensation increase in the first year of the contract, a stipend of \$800 to be paid in the second year of the contract since sufficient progress was made toward a differentiated compensation system and a 1% increase in the third year of the contract. Members will pay 10% of monthly healthcare premium costs capped at \$75 for individual and \$170 for family coverage.

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 2014 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.

Fiscal year 2015 property taxes are currently estimated by the Cuyahoga County Auditor's Office based on a current collection rate of 82.6%, up from 76.1%. The forecast through 2018 assumes a current collection rate of 82.6%. 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 2015, with the next re-appraisal scheduled for the year 2018.

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. The new law states that the ten percent and two and one-half percent rollbacks will no longer apply to new levies that are enacted after August 31, 2013.

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 repeals the existing funding system for city (and municipal), exempted village and local school districts enacted as part of the previous State biennial budget act. The previous system of funding utilized a temporary formula for the 2011-2013 biennium (the Temporary Formula), allocating funding to school districts based on a wealth-adjusted portion of their State education aid (State Education Aid) for Fiscal Year 2011. During the 2009-2011 biennium, the funding system was known as the “Evidence Based Model” and calculated an “adequacy amount” of State Education Aid as the sum of a number of delineated factors calculated based on a school district’s number of “organizational units.” The Evidence Based Model replaced the formula in effect for the 2007-2009 biennium known as the “Foundation Program,” which utilized a per pupil “formula amount” to compute base-cost funding and some categorical funding.

Under the new funding formula in the State Budget Act, the State Department of Education (the Department) will compute and pay to each city (and municipal), exempted village and local school district, an amount of State Education Aid based on a base amount of spending per pupil multiplied by (i) the school district’s “average daily membership” (ADM), generally a full-time equivalent number of students to be certified by each school district to the Department, and (ii) an index (the State Share Index) dependent on factors such as a school district’s tax valuation percentage of the base amount for school districts with less tax valuation or lower median income residents. For Fiscal Year 2015, the base amount is \$5,800 and for Fiscal Year 2016 the base amount is currently unknown. Starting July 1, 2014, school districts will be required to report student enrollment (rather than average daily membership) data to the State as of the last day of October, March and June of each year.

In addition to the funding amount of State Education Aid described above (known as an “Opportunity Grant”), under the new core funding formula school districts may also receive, as applicable, State Education Aid in the form of (i) targeted assistance based on tax valuation and income factors, (ii) targeted assistance based on a percentage of a school district’s agricultural property, (iii) a specific amount based on six categories of disabilities for special education and related services, (iv) kindergarten through third grade literacy funds, (v) economically disadvantage funds, (vi) a specific amount for each of three English proficiency categories, (vii) career-technical categories, and (x) career-technical education associated services funds. As with Opportunity Grant funds, special education, kindergarten through third grade literacy, limited English proficiency and career-technical funds are subject to the State Share Index. Certain other categories of funding, including pupil transportation funding, are funded in whole or in part by the State outside of the core funding formula.

Notwithstanding the amount of State Education Aid a school district is scheduled to receive under the new funding formula, funding increases for core funding and pupil transportation funding are capped at not more than 6.25% of the previous years’ State aid for Fiscal Year 2014 and 10.5% of the previous years’ State aid for Fiscal Year 2015. All school districts are guaranteed to receive at least the amount of State aid in Fiscal Years 2014 and 2015 as they received in Fiscal Year 2013.

There can be no assurance concerning future funding levels for or the details of State funding for school districts. As has been the case in the past, funding can also be subject to adjustment during a biennium. As indicated above, the General Assembly has the power to amend the system of State school funding. The School District cannot predict whether, when or in what form any future 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 which 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 Health Tech Corridor continues to grow and attract businesses. In the past 3 years, the City assisted with over 334,000 square feet of newly constructed or renovated space which have reached 86% occupancy since the first building opened in 2011. Over 40 acres of land have been assessed to determine if contamination exists and 28 acres of land have been remediated and received their No Further Action Letter and are being marketed with great interest. The opportunities for business attraction to Cleveland by partnering with the area's institutions are immense and have already resulted in over 1,200 new jobs since the Corridor's inception in 2008.
- In the City of Cleveland, major projects around the health care sector includes:
 - The \$41 million University Hospitals Center for Emergency Medicine at Case Medical Center;
 - The Cleveland Clinic's \$112 million Glickman Tower;
 - The \$260 million University Hospitals Seidman Cancer Center;
 - The ongoing \$500 plus million VA Medical Center expansion; and
 - The \$504 million Cleveland Clinic Miller Family Pavilion.
- Financing has been finalized for the second phase of the Flats East Bank project and construction broke ground in the first quarter of 2014. The \$133 million project will include a 243-unit residential building, a riverfront boardwalk, and possible additional office tower and variety of retailers. Restaurants include BBR, The Beer Market Craft Beer Cellars, The Big Bang, Flip Side, FWD:, Panini's Bar and Grill and Toby Keith's I love this Bar & Grill. Recently joining the lineup is Crop Kitchen & Vine and Cropicana, developed by the chef and owner of Ohio City's successful Crop Bistro & Bar. Construction on the residential building began in January 2014 and the phase two estimated completion date is spring 2015.
- The \$250 million Ameritrust Project commenced construction in 2013. In just over 18 months, the \$80 million eight-story new Cuyahoga County Headquarters opened; transformed a Marcel Breuer designed tower into the Metropolitan hotel and high-end apartments; carved out spaces for a theater, events and a Mediterranean restaurant; built a rooftop bar on the old Swetland Building; and turned the rotunda's basement into a nightclub called the Vaults. The Heinen's Fine Food grocery store located in the Cleveland Trust Rotunda will open early 2015. The apartments in the Breuer tower are more than 90 percent leased, while the smaller units in the 1010 building are 75 percent leased.

- The \$120 million renovation of FirstEnergy Stadium. The City worked with the Cleveland Browns to bring needed improvements to the stadium in 2014, including state-of-the-art scoreboards in both end zones and increase seating capacity in the lower level.
- The Cleveland Indians began a multimillion dollar renovation of Progressive Field in October 2014. The team stated that this is the first and largest of several years' worth of renovations the team is considering. The renovations, which will stretch from center field to right field, could be finished by opening day of 2015.
- The City is expected to select a development team amongst four respondents to their Request for Proposals for private lake development. The City's Group Plan provided direction for the development of more than 28 acres of property along the Lake Erie shoreline, with the goal of infusing a sustainable and complementary assortment of entertainment, dining, hospitality, office and public waterfront access.
- The \$465 million Cleveland Convention Center opened in June 2013 and includes 225,000 gross square feet of Class A exhibit space, 35 meeting rooms and a 32,000 square foot ballroom. The adjacent Global Center for Health Innovation opened in September 2014. This 235,000 square foot, four-floor facility is designed to serve practitioners, manufacturers and consumers in the health care field. These two new facilities are on pace to accommodate 200 events in 2014, attracting 182,182 attendees and generating 94,052 room nights, according to the facilities manager, SMG.
- The Convention Center Hotel, Hilton Cleveland Downtown, will connect the new Cleveland Convention Center, the Global Center for Health Innovation, and our downtown mall in a way that has never been done before. With this hotel, the Northeast Ohio region will be in a stronger position than ever to compete on a national and international stage. With the new Hilton Cleveland Downtown in place, the Cleveland Convention Center attendee experience will be world-class. Situated on the site of the former Cuyahoga County Administration Building, the \$272 million project is expected to employ 2,800 workers during the construction and 450 full-time jobs at the hotel. The new Hilton Cleveland Downtown is scheduled to open by 2016.
- In April 2013, the Drury Hotel Co.'s \$4.5 million offer on the former Cleveland Municipal School District headquarters was accepted by the School District, adding another hotel to growing Downtown Cleveland. The historical building, located at 1380 E. 6th Street, will be renovated to become a Drury Plaza with about 180 rooms, and is estimated to open in summer 2016.
- In June 2013, the \$12 million Aloft Hotel opened on the East Bank of the Flats. This 150 room hotel is located in the heart of the business and entertainment district and offers easy access to major sports stadiums and casinos, the Rock & Roll Hall of Fame Museum and the convention center.
- Westin Cleveland Downtown, a roughly \$70 million 484 room project opened in May 2014. The Westin is located in the form Crowne Plaza hotel located across the street from the Convention Center. The Urban Farmer Steakhouse is located on the first floor of the hotel.
- Le Meridien is the next hotel brand expanding into the Downtown Cleveland market. This marks the sixth hotel project now under development in Downtown Cleveland, totaling nearly 1,800 rooms to be added to the market in the next 36 months. Being developed in the John Harkness Brown Building, the hotel will house 206 hotel rooms, an indoor pool, a bar and restaurant, meeting areas, first floor retail space, and an attached parking garage. And international brand, the Downtown Cleveland Le Meridien location will be one of only 17 locations in the United States and expected to open in 2016.

- The Kimpton Hotel and apartments located in the Schofield Building in the heart of downtown Cleveland is slated to open in mid-2015. The \$45 million project will feature a chef-driven destination restaurant and more than 7,400 square feet of meeting and event space, including a ballroom and outdoor roof terrace. The hotel will be part of a mixed use development that will also include 25 luxury apartments on the buildings top four floors and ground floor retail.
- A \$500 million architectural reboot has reinvigorated Cleveland State University's 85-acre campus while embracing and elevating the surrounding cityscape. The centerpiece of the dramatic transformation is our magnificent Student Center, designed by renowned architect Charles Gwathmey. Other striking additions include LEED-certified new buildings such as Julka Hall, the Recreation Center and the Euclid Commons residence hall. The makeover is poised to continue with the 2015 opening of the Center for Innovation in Health Professions. This revitalization is having a dynamic ripple effect and sparking downtown projects such as Campus Village, the largest residential development in Cleveland in 30 years.
- The City continues to see investment in its manufacturing sector. ArcelorMittal's Cleveland Plant opened its long idled West Bank facility and added 150 employees to now exceed 1,850 workers at the plant. They are now the most efficient steel mill in the US with the most tons of steel per hour of any US facility. The City's land development project called the Cuyahoga Valley Industrial Center ("CVIC"), adjacent to Steel Warehouse, Heidtman Steel and ArcelorMittal, has created a 60-acre buildable site for redevelopment and is now finishing the roads and utility work to the site. The project has rail and highway access and is located directly beside Interstate 77. The project is expected to attract over 700,000 square feet of industrial buildings and is currently listed with a local brokerage firm for sale.
- 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. The casino attracted 3.3 million patrons and generated more than \$243 million in revenue in 2013.
- In August 2014, the city hosted the Gay Games, welcoming about 9,000 participants and 20,000 spectators for a week-long celebration of sports, human rights and inclusion. Preliminary estimates show a \$40 million economic impact for the city.
- The City's revitalization efforts will be on full display in 2016, when an estimated 40,000 to 50,000 people flock to Northeast Ohio for the Republican National Convention. According to the Cleveland 2016 Host Committee, the Republican National Convention requires 16,000 hotel rooms be available for the convention in the host city. Though the convention typically last only one week, former host cities report that impact is felt throughout the month leading up the convention. Attendees stay an average of four to seven nights, and additional personnel stay anywhere from two to four weeks. Cleveland hopes the national spotlight cast on the city during June 2016 will showcase recent developments, possibly spurring future interest and investment in the area.

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 School 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 School 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 School 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 School 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 School 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 School 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 School 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 School 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 School District.

Beyond the investments in this new, performance-based system of schools, the School 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 School 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 School 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 has been 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 School 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 59.1%. 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 the School 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

Significant Accomplishments

- During the 2013-2014 school year, the School District achieved the following benchmarks on the state report card:
 - At the beginning of the year, 37% of the School District third graders were on-track to meet state requirements. By the end of the year, that was increased to 86%.
 - The School District improved on 15 state achievement indicators while losing ground on seven.
 - Our Performance Index score was one-tenth of a point shy of a District record high set in the 2006 school year.
 - Cleveland's success in closing the gap in reading, math and graduation rates regardless of race, gender or income increased by 20.1%
 - The School District's lowest performing students maintained a grade of C, meaning students earned a year's worth of growth for a year's worth of instruction, while our three-year average score for students with disabilities improved from an F to a C.
 - Also, the School District achieved a 4-year graduation rate of 64.3%, up from 59.3% the previous year. The continued growth is true for every single student subgroup. This graduation rate is a District record high

- *Expanding out portfolio of quality school choices:* Fulfilling its promise in the Cleveland Plan, the School District continues to expand its portfolio of quality schools to fit the needs and interests of every student. In August 2014, the School District added four new high schools:
 - E³agle Academy
 - PACT – A Problem-based Academy of Critical Thinking that was developed with a \$3 million grant from the Carnegie Corporation is housed on the John F. Kennedy High School campus. Students will have flexible schedules that blend classroom and online instruction, so they can master skills at their own pace
 - Cleveland High School for the Digital Arts – Where experts in the field help integrate digital arts into other high school subjects
 - Bard High School Early College Cleveland – Students can earn a high school diploma and a two-year associate degree in four years.

- *Holding ourselves and each other accountable for results:* The School District is committed to holding itself accountable for setting higher standards for students by measuring their learning and implementing supports needed to ensure student success. Every person in the organization thinks of themselves as an educator. We are committed to being visibly engaged every day and to holding ourselves accountable for results while supporting one another in our common goal to raise student achievement.

- *Ensuring college & workforce readiness:* Research shows that by 2018, more than 60 percent of new jobs will require some kind of post-secondary education – a technical certificate, two-year or four-year degree. Common Core State Standards are now used in all District schools, as well as Naviance curriculum in grades 9-12, to help students connect academic achievement to their career and college goals. The School District is committed to expanding and strengthening college and career planning resources, increasing college enrollment rates, decreasing college remediation rates and increasing the number of high school student enrolled in: Advanced Placement, Post-Secondary Options, Dual Credit Programs and Apprenticeships and Internship Programs.

- *Giving staff and communities' greater autonomy to make decisions about their schools:* The Cleveland Plan calls for transferring authority from the central office to individual schools, where the people know best where students need assistance and can make the best possible decisions to help them succeed. By granting greater autonomy and implementing student-based budgeting this year, school leaders, their staffs and communities have increased freedom to make decisions about their school calendar, academic programs and supports, the people they hire and the money they spend. Today, the School District provides money to schools based not on a one-size-fits-all-schools formula, but on enrollment numbers and on the individual needs of students, giving increased opportunities for school staff and families to direct resources and supports where they can have the greatest impact on student achievement.
- *Implementing student-based budgeting:* Student-based budgeting was a critical first step in decentralizing school funding and ensuring that the money follows the child. With greater autonomy and decision-making at the building level, student-based budgeting ensures that:
 - Funding follows the child on a per-student basis to the public school he or she attends
 - Per-student funding varies according to the child's individual needs and other relevant circumstances
 - Funding is distributed according to student need to ensure equity
 - Funding arrives at the school as real dollars, not as teaching positions or staffing norms, so funds can be spent flexibly to achieve results

Today, resources are more transparent than ever as the School District maintains its Cleveland Plan promise to increase equity for students and provide a financial incentive for schools to improve practices to attract and retain families
- *Improving customer service:* With support from the Cleveland Clinic, a valued community partner, the School District has implemented a plan to improve customer service and create more family-friendly schools and offices District-wide. The School District staff is trained in strategies to improve communication and the customer experience. Staying true to one of our goals, the School District is using surveys and metrics to increase two-way communication and measure customer satisfaction.
- *Increasing family and community engagement:* The Cleveland Plan requires all parents and caregivers have face-to-face contact at a parent-teacher conference, open house or other event by December of the school year. In an effort to increase family and community engagement, the School District is committed to making parent-teacher conferences more meaningful, convenient and inviting for families by extending hours and holding them at times when parents can pick up their child's report card.
- *Expanding early childhood options across the city:* Fulfilling the promise to expand free, high quality Pre-K options across the city, the School District joined partners this school year to launch PRE4CLE, a citywide effort to make high-quality preschool available to 3 and 4 year olds. The Cleveland Early Childhood Compact has increased the number of providers who, like the School District, meet state quality standards so every parent in Cleveland has an opportunity to choose a quality preschools for their child.
- *Investing in our children and our communities:* The School District targeted 23 low-performing schools over the last two years for intensive intervention. Investment School strategy, an aggressive freeform measure that is showing promising results, is based on each school's particular needs and on community feedback about the changes they want to see in their schools. Thus far, reforms produced more positive school climates, increased family and community engagement and higher scores on assessments. We are steadfast in our commitment to the citizens of Cleveland to demonstrate measureable academic progress and reduce the number of low-performing schools by 50 percent.

- *Partnering with community agencies:* Community partners have responded to the CEO’s call for support. Today, our partners play a stronger role than ever in our common goal to raise student achievement. United Way has linked the School District schools with a growing list of lead agencies that pair with schools to provide “wraparound” services tailored to each school’s individual needs.

At Franklin D. Roosevelt PreK-8 school in the Glenville neighborhood, the Boys and Girls Clubs of Greater Cleveland organization is on site to provide academic and extracurricular programs before, during and after school. With help from the Cleveland Food Bank, students have three daily meals, as well as the academic and social support they need.

The MetroHealth partnership added health services this year at 11 schools, expanding medical service to help reduce chronic absenteeism and improve school performance. School District families now have easy access to resources to manage their children’s urgent care, immunizations, sports physicals and lab tests. Students don’t miss time at school and parents don’t miss time at work.

- *Giving Student greater ‘say’ in their schools, their district, their future:* Student Advisory Committee was established last year to meet a requirement of the Cleveland Plan to involve students in academic reform. Students representing a cross-section of grades, achievement levels and personalities from 26 high schools now serve as delegates to citywide education summits where they work with school principals to improve conditions for learning at their schools. Students who serve on the Advisory Committee analyze survey data, dialogue with students from other schools and work together to draft plans aimed at improving attendance, safety, morale, academic achievement, discipline, respect and overall school climate and culture at their schools.
- Parents and guardians play a critical role in school attendance. The School District, working with community partners, will continue the Target 11 Attendance Initiative. Target 11 enables school officials and community partners to more closely monitor each child’s attendance at school while educating families on the importance of good attendance records. Each day a child is absent from school has a negative impact on their attendance percentage, which in turn affects overall academic progress. Target 11 is designed to educate parents on the tracking procedures used for attendance. The objective is for students not to miss more than 11 days of school, thus meeting a 93 percent attendance goal.
- Participation in sports competition not only improves a student’s physical health; it also plays a key role in overall youth development, including improved academic performance, higher self-esteem, fewer behavioral problems and increased opportunities for substantial college scholarships. Last year, CMSD earned numerous regional and state championship appearances and more than \$3 million in athletic scholarships for our student athletes who will go on to play for Division I sport teams. CMSD has a rich legacy of championships. Among them:
 - Glenville became the first Cleveland public high school to advance to a state football championship since 2009. They returned to the championship in 2013.
 - The East Tech High School boys basketball team advanced this year to state’s Final Four championship, galvanizing a championship legacy founded in East Tech state championships in 1958, 1959 and 1972.
 - The Glenville Tarblooders boys track team won its 16th state track and field championship this year.
- CMSD Parent University provides informative and skill-building classes for parents and caregivers of students attending Cleveland’s public schools. Free classes in locations throughout the city include computer basics, reading at home, advocating for your child, college readiness, financial literacy and

others, designed to help families increase their involvement in school and support student learning at home.

- District high schools use web-based software known as Family Connection/Naviance to help parents and their children navigate high school courses, colleges and career plans. School counselors, principals and staff will provide parents with up-to-date information specific to their child's high school. Family connection allows parents and their children to get involved in the planning and advising process, to research college and career options and to prepare for the future. Also, it enables the School District to share information with families about upcoming meetings and events, local scholarship opportunities and other resources for college and career information.
- The School District's Project ACT ensures homeless students have access to the same free education all residential students receive within the School District. Barriers that may prevent homeless students from attending school are eliminated through the work of Project ACT, which partners with District departments and community resources. Using a comprehensive holistic approach to deliver direct instructional and support services necessary for the homeless child's transition into school, Project ACT facilitators work to ensure each child's success and ongoing participation in the educational system. Support services include meeting the physical, social and emotional needs of each homeless child and empowering parents to support their children's educational endeavors. The School District works closely with Project ACT and community support organizations to ensure school information is available to students and families who are living in doubled-up situations and shelters.
- Since its inception, the Closing the Achievement Gap (CTAG) initiative has succeeded in increasing the number of participants promoted to 10th grade. The CTAG initiative provides targeted intervention for ninth-grade minority males who run the risk of dropping out of school, as statistics show that these students are more likely to drop out if they repeat ninth-grade. The goal is to partner these young men with Linkage Coordinators in schools who act as mentors, life coaches and advocates. They motivate the students and address social and emotional issues so young men will succeed academically and graduate from high school. Success relies upon collaboration among parents, school administrators, teachers and the community. Students develop effective study habits and communication skills, learn proper etiquette and the importance of smart decision-making and become better prepared to navigate high school. Exposure trips have significant impact on those who seldom leave their neighborhoods. Students travel to cultural and higher-educational institutions where each young man can see his potential, change his outlook and dream a brighter future.
- The construction of Almira, Miles, Orchard and Paul L. Dunbar was completed during the year. The construction began and continued on Cleveland School of the Arts, John Marshall, and Max Hayes. The School District plans on opening these three schools in the beginning of the 2015-16 school year.

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 major, multiple segment Master Facility Plan that will require over \$1.0 billion to repair, renovate and rebuild its school facilities. The revised Master Facility Plan calls for the construction/replacement or renovation of the existing facilities that have been built prior to 2002. Segment one of the construction projects began in 2002. Through June 30, 2014, the School District has constructed 30 new schools and renovated 8 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 institutions may establish a collateral pool to cover all public deposits. The market value of the pooled collateral must equal at least 105 percent of 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, 2013. 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, 2013. 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.

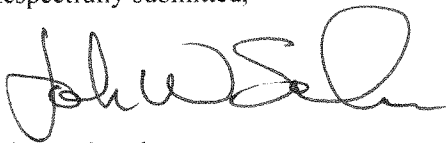
Acknowledgments

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,



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
Ericka L. Abrams (a)	2014	2015
Anne E. Bingham (a)	2014	2017
Robert M. Heard, Sr.	2004	2017
Willetta A. Milam	2003	2017
Shaletha Mitchell	2011	2015
Stephanie Morales	2013	2015
Dr. Lisa Thomas	2011	2017

Dr. Ronald M. Berkman, ex-officio

Dr. Alex Johnson, ex-officio

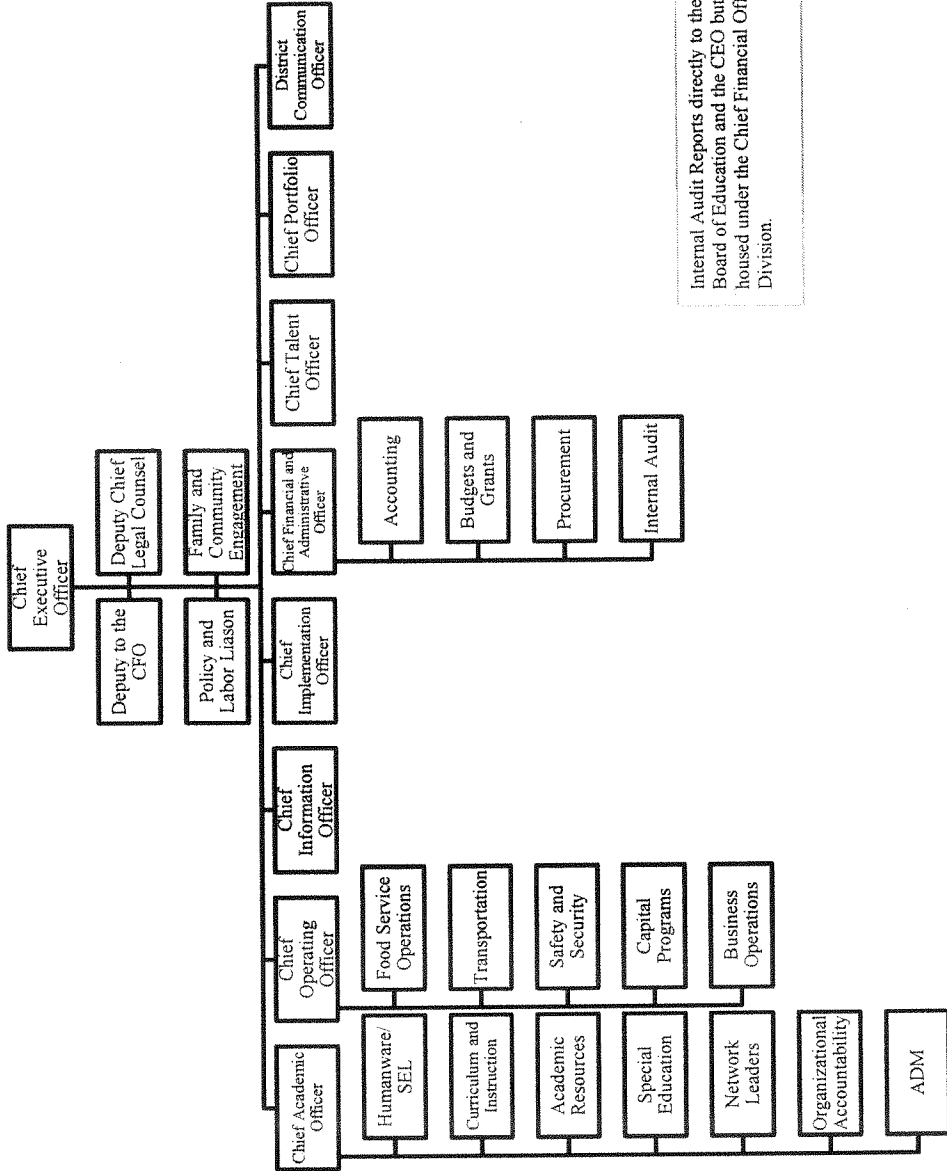
(a) Appointed May 12, 2014

Cleveland Municipal School District

Senior Appointed Officials

Eric Gordon	Chief Executive Officer
Michelle N. Pierre-Farid	Chief Academic Officer
John Scanlan	Chief Financial and Administrative Officer
Christine Fowler-Mack	Chief Portfolio Officer
Patrick Zohn	Chief Operating Officer
Lora Cover	Chief Talent Officer
Roderick Houpe	Chief Information Officer
Kevin Khayat	Chief Strategy Implementation
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
TBD	Deputy Chief, Leadership and Growth
Wayne Belock	Deputy Chief, Legal Counsel
Joseph Podach	Deputy Chief, IT/Procurement
Dr. Russell Brown	Deputy Chief, Organizational Accountability
Lester Fultz	Deputy Chief, Safety and Security
Jessica Baldwin	Deputy Chief, Intervention Services
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
Blessing Nwaozuzu	Executive Director, Student Services
Christine Costello	Executive Director, Talent Operations
Victoria Brian	Executive Director, Legal Services
Joe Micheller	Executive Director, New School Development
Stephanie Klupinski	Executive Director, Charter Oversight, Review & Partnership
Lisa Farmer Cole	Academic Superintendent, Portfolio Schools
Luther Johnson	Academic Superintendent, Refocus Schools
Andrew Koonce	Academic Superintendent, Achievement Schools
Donald Jolly	Academic Superintendent, STEAM Schools
Warren Morgan	Academic Superintendent, Investment Schools II
Trent Mosley	Academic Superintendent, Investment Schools I
Valentina Moxon	Academic Superintendent, Best Practices/Academics & Culture
Dr. Roseann Canfora	District Communications Officer
Kevin Burtzlaff	Board Attorney and Liaison

Cleveland Municipal School District Organizational Chart



Association of School Business Officials International



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

Cleveland Municipal School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2013*

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



A handwritten signature in black ink, reading 'Terrie S. Simmons'.

Terrie S. Simmons, RSBA, CSBO
President

A handwritten signature in black ink, reading 'John D. Musso'.

John D. Musso, CAE, RSBA
Executive Director



Government Finance Officers Association

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, 2013

Executive Director/CEO

Financial Section





Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Cleveland Municipal School District
Cuyahoga County
1111 Superior Ave. E, Suite 1800
Cleveland, Ohio 44114

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cleveland Municipal School District, Cuyahoga County, Ohio (the District), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Cleveland Municipal School District, Cuyahoga County, Ohio, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

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

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

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules 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, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2014, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Dave Yost
Auditor of State
Columbus, Ohio

December 31, 2014

Cleveland Municipal School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
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, 2014. 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 2014 are as follows:

- ❑ Total current and other assets decreased by \$50.3 million and capital assets increased by \$49.7 million, resulting in a net decrease in total assets of \$0.6 million in Governmental Activities.
- ❑ Total short-term liabilities decreased \$1.1 million and total long-term liabilities decreased \$7.7 million, resulting in a net decrease in total liabilities of \$8.8 million in Governmental Activities.
- ❑ Total net position increased \$9.7 million in Governmental Activities.
- ❑ General revenues accounted for \$696.3 million in revenue or 78.3% of all revenues for Governmental Activities. Program specific revenues in the form of charges for services, sales, grants or contributions accounted for \$193.4 million or 21.7% of total revenues of \$889.7 million.
- ❑ Total program expenses were \$880.1 million in Governmental Activities.
- ❑ Among major funds, the General Fund had \$698.3 million in revenues and other financing sources and \$670.5 million in expenditures and other financing uses. The General Fund's fund balance increased by \$27.8 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 Position* 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 Position 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

Cleveland Municipal School District
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question, "How did we do financially during 2014?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into consideration 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 position and changes in those net positions. This change in net position 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 Position 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 19. 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 Position 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.

Cleveland Municipal School District
Management's Discussion and Analysis
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The School District on a Government-Wide Basis

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

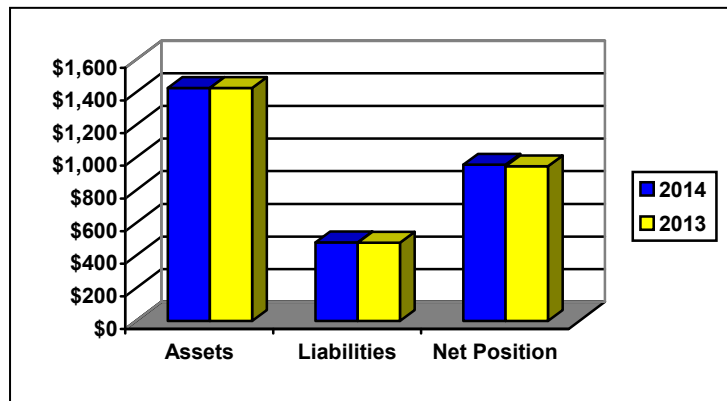
Table 1 provides a summary of the School District's net position for 2014 compared to 2013:

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

	Governmental Activities		Change
	2014	2013	
Assets			
Current and Other Assets	\$ 644.8	\$ 695.1	\$ (50.3)
Capital Assets	780.7	731.0	49.7
Total Assets	<u>1,425.5</u>	<u>1,426.1</u>	<u>(0.6)</u>
Liabilities			
Current Liabilities	84.6	85.7	(1.1)
Long-Term Liabilities	211.9	219.6	(7.7)
Total Liabilities	<u>296.5</u>	<u>305.3</u>	<u>(8.8)</u>
Deferred Inflow of Resources			
Property Taxes	172.4	174.1	(1.7)
Net Assets			
Net Investment in Capital Assets	619.2	558.6	60.6
Restricted			
Restricted for Debt Service	49.7	42.7	7.0
Restricted for Capital Projects	84.9	184.4	(99.5)
Restricted for Classroom Facilities Maintenance	22.9	26.6	(3.7)
Restricted for Miscellaneous State Grants	0.5	0.8	(0.3)
Restricted for Title I	0.9	0.0	0.9
Restricted for Miscellaneous Federal Grants	0.2	0.4	(0.2)
Restricted for Other Purposes	19.8	19.7	0.1
Unassigned	<u>158.3</u>	<u>113.5</u>	<u>44.8</u>
Total Net Assets	<u>\$ 956.4</u>	<u>\$ 946.7</u>	<u>\$ 9.7</u>

Cleveland Municipal School District
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For the Fiscal Year Ended June 30, 2014
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Graph 1
Net Position
Governmental Activities
(\$ In Millions)



Current and other assets decreased by \$50.3 million and capital assets increased by \$49.7 million, resulting in an overall decrease in total assets of \$0.6 million. The decrease in current and other assets is mostly attributable to a net decrease in intergovernmental receivable of \$77.6 million, which is due to the District amending segment 6 of the construction program by removing three schools from the segment. The primary reason for the increase in capital assets is that the School District replaced the entire bus fleet during the fiscal year.

Current liabilities decreased by \$1.1 million and long-term liabilities decreased by \$7.7 million, resulting in an overall decrease in total liabilities of \$8.8 million. The decrease in current liabilities is due primarily to the decrease of accounts payable of \$5.8 million. The decrease in long-term liabilities is due primarily to the decrease in long-term debt payments of \$10.9 million due to a refunding of bonds done during the fiscal year.

Total net position increased by \$9.7 million. The increase was due to the unassigned net position increasing by \$44.8 million. This increase was due to the District passing an operating levy in November 2012. This was the first operating levy that the District had passed in sixteen years. Also, the fund balance in the Capital Projects Funds decreased by \$99.5 million. The Capital Project Funds balance decreased because the intergovernmental receivable was reduced by \$73.5 million due to the District amending segment 6 of the construction project. At the end of the current year, the School District is able to report positive balances in all three categories of net position.

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Table 2 shows the change in net position for fiscal years 2014 and 2013.

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

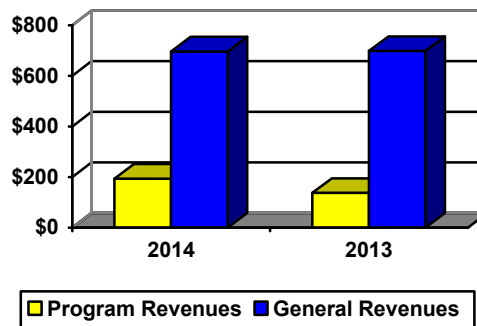
	Governmental Activities		Change
	2014	2013	
Revenues			
General Revenues:			
Property Taxes	\$ 268.9	\$ 213.8	\$ 55.1
Miscellaneous	11.4	23.8	(12.4)
Investments Income	2.9	1.3	1.6
Grants and Entitlements	413.1	459.8	(46.7)
Program Revenues:			
Charges for Services	9.0	9.2	(0.2)
Operating Grants	181.3	125.4	55.9
Capital Grants	3.1	2.1	1.0
Total Revenues	<u>889.7</u>	<u>835.4</u>	<u>54.3</u>
Program Expenses			
Instruction	577.5	553.1	24.4
Support Services:			
Pupil and Instructional Staff	66.1	89.4	(23.3)
Board of Education, Administration, Fiscal and Business	57.4	61.2	(3.8)
Operation and Maintenance of Plant	62.2	59.9	2.3
Pupil Transportation	56.9	30.7	26.2
Central	17.5	20.0	(2.5)
Operation of Non-Instructional Services	35.8	37.0	(1.2)
Extracurricular Activities	6.5	7.0	(0.5)
Interest and Fiscal Charges	0.1	11.6	(11.5)
Total Expenses	<u>880.0</u>	<u>869.9</u>	<u>10.1</u>
Change in Net Assets	9.7	(34.5)	44.2
Net Assets Beginning of Year	<u>946.7</u>	<u>981.2</u>	<u>(34.5)</u>
Net Assets End of Year	<u>\$ 956.4</u>	<u>\$ 946.7</u>	<u>\$ 9.7</u>

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

	2014	2013
General Revenues	\$ 696.3	\$ 698.7
Program Revenues	193.4	136.7
Total Revenues	\$ 889.7	\$ 835.4

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 38.6% and 30.6% and grants made up 59.3% and 65.8 % of general revenues for governmental activities for the School District in fiscal years 2014 and 2013, 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 mil 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 four year 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 voters of the City of Cleveland approved a new property tax levy in November 2012 (Issue 106), the first operating levy since 1996. This four year levy was approved to support The Cleveland Plan (H.B. 525) that was signed into law in July 2012. Fourteen mills will be allocated to the current expenses of the District and

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one mill will be allocated to the current expenses of partnering community school. The collection on that levy began in January 2013.

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 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 95.4% 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 2014	Net Cost of Services 2014	Total Cost of Services 2013	Net Cost of Services 2013
Instruction	\$ 577.5	\$ (475.3)	\$ 553.1	\$ (495.2)
Support Services:				
Pupil and Instructional Staff	66.1	(31.8)	89.4	(52.1)
Board of Education, Administration, Fiscal and Business	57.4	(46.5)	61.2	(56.5)
Operation and Maintenance of Plant	62.2	(54.2)	59.9	(57.0)
Pupil Transportation	56.9	(53.1)	30.7	(30.1)
Central	17.5	(15.8)	20.0	(19.7)
Operation of Non-Instructional Services	35.8	(4.4)	37.0	(4.4)
Extracurricular Activities	6.5	(5.4)	7.0	(6.4)
Interest and Fiscal Charges	0.1	(0.1)	11.6	(11.7)
Total Expenses	\$ 880.0	\$ (686.6)	\$ 869.9	\$ (733.1)

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 65.6% of the total cost of services. When combined with pupil and instructional support these categories make up 73.1% of the total cost of services. This make-up is consistent with the general educational objectives of the School District. The

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dependence upon general revenues for governmental activities is apparent. 82.3% of instruction activities are mainly supported through taxes and general revenues. Similarly, for all governmental activities general revenue support is 78.0%. The community, as a whole, is by far the primary support for the School District students.

The School District's Funds

Information about the School District's major funds starts on page 19. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$949.5 million and expenditures and other financing uses of \$946.3 million, resulting in a net increase in fund balances of \$3.2 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 \$58.1 million, while total fund balance increased to a \$71.3 million surplus.

The net changes in fund balances for the year were most significant in the General Fund and the Classroom Facilities Capital Projects Fund. The fund balance in the General Fund increased \$27.8 million. The increase in fund balance can be attributed to several items related to increasing revenues. Property Tax Revenue increased \$29.7 million due to the new operating levy that was passed in November 2012. Federal Unrestricted Grants-in-Aid increased by \$5.9 million due to the increase in the Medicaid reimbursement the District received. The Classroom Facilities capital projects fund balance decreased \$25.9 million. The decrease was due to the continuing construction on three new high schools during the year. Funding of this program is described in more detail in the *Capital Assets and Debt Administration* section.

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 \$697.3 million, which was \$1.2 million less than the final budget estimate. The School District received slightly less State Foundation Aid than anticipated

The final expenditure and other financing uses budget was \$699.6 million. Total actual expenditures and other financing uses was \$685.8 million, or \$13.8 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.

The General Fund's ending unencumbered cash balance totaled \$80.9 million, which was \$12.6 million more than the final budgeted amount.

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Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2014 the School District had \$780.7 million invested in capital assets is net of accumulated depreciation. Table 4 shows fiscal year 2014 balances compared to 2013:

Table 4
Capital Assets at June 30, 2014
(Net of Depreciation)
(\$ In Millions)

	Governmental Activities		Change
	2014	2013	
Land	\$ 32.6	\$ 33.2	\$ (0.6)
Land Improvements	0.1	0.2	(0.1)
Buildings and Improvements	652.9	605.8	47.1
Vehicles and Equipment	18.8	2.7	16.1
Intangible Assets	1.7	3.7	(2.0)
Construction in Progress	74.6	85.4	(10.8)
Totals	<u>\$ 780.7</u>	<u>\$ 731.0</u>	<u>\$ 49.7</u>

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 and then again in 2014, 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 Revised Master Facilities Plan calls for building up to 22 schools and refurbishing 20 to 23 others. Projects were contingent on voters approving a November 2014 ballot issue that authorizes \$200 million in bonds for the construction and a half-mill property tax for maintenance, which was passed. The State would add more than \$2 for every \$1 that the District contributes to construction. Since 2000, the District has built 34 schools and fully renovated seven others. New homes for three high schools are currently under construction and scheduled to be ready next year.

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 be finished in 2019. See Note 11 to the basic financial statements for additional information on capital assets.

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Debt Administration

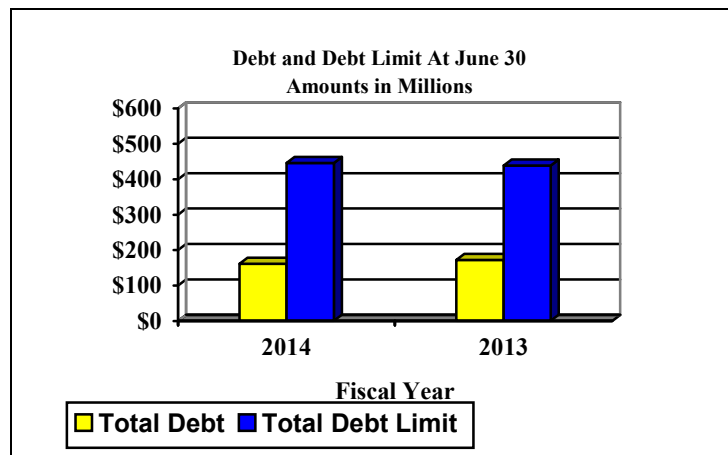
At June 30, 2014 the School District had \$161.4 million in bonds, notes and other long term obligations outstanding, \$41.5 million due within one year. Table 5 summarizes bonds and notes outstanding.

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

	Governmental Activities 2014	Governmental Activities 2013
General Obligation Bonds and Notes:		
2001 H.B. 264 Energy Conservation Notes	\$ 2.6	\$ 3.6
2002 School Facilities Improvement Bonds	0.0	4.0
2004 School Facilities Improvement Bonds	0.0	22.2
2010 School Facilities Improvement Bonds	55.0	55.0
2012 School Facilities Improvement Bonds	19.1	20.6
2013 School Facilities Improvement Bonds	36.2	45.6
2014 School Facilities Improvement Bonds	10.5	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
Other Long-Term Obligations:		
Capital Lease Obligation	16.7	0.0
Total	<u>\$ 161.4</u>	<u>\$ 172.3</u>

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

	2014	2013
Total Debt	\$ 161.4	\$ 172.3
Total Debt Limit	\$ 446.1	\$ 438.2



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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 beginning of the 2002 fiscal year. These bonds were 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, 2014, the School District's overall legal debt margin was \$338.2 million, with an unvoted debt margin of \$5.0 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 four year levy, the District is projecting a positive unencumbered cash balance through fiscal year 2016. In addition, there are other ongoing issues to be addressed over the next five years as described below.

Race to the Top Fund – The Race to the Top Fund is a 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 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

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rates, and ensuring student preparation for success in college and careers; and implementing ambitious 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.

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.

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. Starting in 2014, individuals who turn 65 in 2014 or who become disabled after January 1, 2013, will be required to have Ohio Qualifying income (\$31,000 or less for 2015 year) in order to receive Homestead Exemption based upon age or disability.

Straight A Fund – The Straight A Fund was created by the State of Ohio during fiscal year 2014. This \$250 million fund will provide funds to educational entities in Ohio with the drive and courage to try new approaches that meet the learning needs of its students, reduce the cost of running a school or school district, or drive more dollars in the classroom. During fiscal year 2014, the District received \$6 million.

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 2017 and beyond. 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 2016.

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. Michael Bowen, Director of Accounting at Cleveland Municipal School District, 1111 Superior Avenue East, Cleveland, Ohio 44114 or by email Michael.Bowen@clevelandmetroschools.org.

BASIC FINANCIAL STATEMENTS

Cleveland Municipal School District
Statement of Net Position-Governmental Activities
June 30, 2014

	Total
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 140,412,680
Cash and Cash Equivalents with Fiscal Agents	2,819,684
Investments	61,450,348
Investments with Fiscal Agents	19,230,644
Receivables:	
Taxes	368,406,859
Accounts	706,412
Intergovernmental	49,555,420
Accrued Interest	388,698
Materials and Supplies Inventory	1,826,475
Nondepreciable Capital Assets	107,235,239
Depreciable Capital Assets, Net	673,436,306
Total Assets	1,425,468,765
Liabilities	
Accounts Payable	12,350,604
Accrued Wages and Benefits	38,065,196
Retainage Payable	2,819,685
Intergovernmental Payable	24,019,109
Matured Compensated Absences Payable	2,124,503
Accrued Interest Payable	558,744
Claims Payable	4,695,468
Long-Term Obligations:	
Due Within One Year	49,746,815
Due in More Than One Year	162,158,157
Total Liabilities	296,538,281
Defered Inflows of Resources	
Property Taxes	172,492,174
Net Position	
Net Investment in Capital Assets	619,248,160
Restricted	
Restricted for Debt Service	49,735,043
Restricted for Capital Programs	84,864,225
Restricted for Classroom Facilities Maintenance	22,874,119
Restricted for Miscellaneous State Grants	537,578
Restricted for Title I	941,888
Restricted for Miscellaneous Federal Grants	183,951
Restricted for Other Purposes	19,770,465
Unrestricted	158,282,881
Total Net Position	\$ 956,438,310

See accompanying notes to the basic financial statements

Cleveland Municipal School District
Statement of Activities-Governmental Activities
For the Fiscal Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Total Net (Expense) Revenue and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	
Instruction:					
Regular	\$ 381,411,371	\$ 4,170,473	\$ 38,760,754	\$ 3,155,969	\$ (335,324,175)
Special	182,682,324	1,533,891	50,997,326	0	(130,151,107)
Vocational	11,404,778	99,620	1,692,844	0	(9,612,314)
Adult/Continuing	620	5	53	0	(562)
Other	1,970,489	1,307	1,809,839	0	(159,343)
Support Services:					
Pupils	35,833,670	467,558	7,294,674	0	(28,071,438)
Instructional Staff	30,250,022	56,314	26,469,136	0	(3,724,572)
Board of Education	264,265	2,311	22,411	0	(239,543)
Administration	43,290,224	597,459	7,917,347	0	(34,775,418)
Fiscal	12,274,449	323,162	1,885,624	0	(10,065,663)
Business	1,590,930	13,915	134,917	0	(1,442,098)
Operation and Maintenance of Plant	62,189,841	591,810	7,388,942	0	(54,209,089)
Pupil Transportation	56,924,644	319,926	3,482,438	0	(53,122,280)
Central	17,526,350	152,101	1,592,966	0	(15,781,283)
Operation of Non-Instructional Services	35,846,103	7,806	31,407,090	0	(4,431,207)
Extracurricular Activities	6,510,125	618,561	505,410	0	(5,386,154)
Interest and Fiscal Charges	93,660	0	0	0	(93,660)
Totals	\$ 880,063,865	\$ 8,956,219	\$ 181,361,771	\$ 3,155,969	(686,589,906)
General Revenues					
Property Taxes Levied For:					
					235,958,843
					30,404,951
					2,498,740
					2,942,716
					11,360,311
					413,100,316
					<u>696,265,877</u>
					9,675,971
					<u>946,762,339</u>
					<u>\$ 956,438,310</u>

See accompanying notes to the basic financial statements

Cleveland Municipal School District

*Balance Sheet
Governmental Funds
June 30, 2014*

	General	Debt Service	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 83,640,883	\$ 26,520,740	\$ (9,335,075)	\$ 29,578,498	\$ 130,405,046
Cash and Cash Equivalents with Fiscal Agents	0	0	2,669,256	150,428	2,819,684
Investments	0	0	43,401,285	18,049,023	61,450,308
Investments with Fiscal Agents	0	0	0	19,230,644	19,230,644
Receivables:					
Taxes	328,725,147	36,378,796	0	3,302,916	368,406,859
Accounts	529,362	0	0	177,050	706,412
Intergovernmental	2,259,256	0	34,710,143	12,400,146	49,369,545
Accrued Interest	174,938	0	41,548	172,212	388,698
Interfund	5,593,980	0	0	0	5,593,980
Materials and Supplies Inventory	1,036,595	0	0	789,880	1,826,475
Total Assets	421,960,161	62,899,536	71,487,157	83,850,797	640,197,651
Liabilities					
Accounts Payable	3,706,004	0	4,196,431	4,448,169	12,350,604
Accrued Wages and Benefits	30,987,655	0	0	7,077,541	38,065,196
Retainage Payable	0	0	2,669,257	18,779	2,688,036
Interfund Payable	0	0	0	5,410,595	5,410,595
Intergovernmental Payable	19,588,177	0	0	4,562,581	24,150,758
Matured Compensated Absences Payable	2,124,503	0	0	0	2,124,503
Total Liabilities	56,406,339	0	6,865,688	21,517,665	84,789,692
Deferred Inflow of Resources					
Property Taxes	294,242,992	31,686,536	0	2,918,303	328,847,831
Unavailable Revenue	0	0	34,710,143	686,367	35,396,510
Total Deferred Inflow of Resources	294,242,992	31,686,536	34,710,143	3,604,670	364,244,341
Fund Balance:					
Nonspendable	1,036,595	0	0	789,880	1,826,475
Restricted	0	26,520,740	0	47,555,680	74,076,420
Committed	12,144,755	0	65,398,895	25,614,343	103,157,993
Assigned	0	4,692,260	0	384,613	5,076,873
Unassigned	58,129,480	0	(35,487,569)	(15,616,054)	7,025,857
Total Fund Balances	71,310,830	31,213,000	29,911,326	58,728,462	191,163,618
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 421,960,161	\$ 62,899,536	\$ 71,487,157	\$ 83,850,797	\$ 640,197,651

See accompanying notes to the basic financial statements

Cleveland Municipal School District
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 June 30, 2014*

Total Governmental Funds Balances \$ 191,163,618

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

Capital assets used in governmental activities are not financial
 resources and therefore are not reported in the funds 780,671,545

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

Delinquent Property Taxes	156,355,657	
Grants	35,396,510	
Total	191,752,167	191,752,167

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. 5,314,696

In the statement of activities, interest is accrued on outstanding
 bonds, whereas in governmental funds, an interest expenditure
 is reported when due. (558,744)

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

General Obligation Bonds	(123,458,491)	
QZAB Bonds	(21,250,000)	
Compensated Absences	(43,814,545)	
Worker's Compensation Claims	(6,667,042)	
Capital Lease Obligations	(16,714,894)	
Total	(211,904,972)	(211,904,972)

Net Position of Governmental Activities \$ 956,438,310

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, 2014

	General	Debt Service	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
Revenues:					
<i>Local Sources:</i>					
Taxes	\$ 215,520,989	\$ 25,076,183	\$ 0	\$ 1,958,204	\$ 242,555,376
Investment Income	1,021,069	109,881	608,118	1,203,648	2,942,716
Tuition and Fees	5,856,556	0	0	22,212	5,878,768
Extracurricular Activities	750	0	0	566,470	567,220
Contributions and Donations	7,232	0	0	6,149,447	6,156,679
Sale of Personal Property	0	0	0	717	717
Miscellaneous	10,189,839	0	0	3,672,754	13,862,593
<i>State Sources:</i>					
Unrestricted Grants-in-Aid	400,866,811	3,874,195	0	372,824	405,113,830
Restricted Grants-in-Aid	56,856,187	0	48,908,145	18,125,599	123,889,931
<i>Federal Sources:</i>					
Unrestricted Grants-in-Aid	7,986,486	0	0	0	7,986,486
Restricted Grants-in-Aid	0	0	0	102,343,737	102,343,737
Total Revenues	698,305,919	29,060,259	49,516,263	134,415,612	911,298,053
Expenditures:					
<i>Current:</i>					
<i>Instruction:</i>					
Regular	314,967,783	0	0	13,328,281	328,296,064
Special	143,341,021	0	0	39,270,948	182,611,969
Vocational	11,389,145	0	0	707,549	12,096,694
Adult/Continuing	620	0	0	0	620
Other	158,273	0	0	1,816,364	1,974,637
<i>Support Services:</i>					
Pupils	29,721,518	0	0	5,019,481	34,740,999
Instructional Staff	6,412,277	0	0	25,000,472	31,412,749
Board of Education	268,543	0	0	0	268,543
Administration	35,187,754	0	0	5,110,491	40,298,245
Fiscal	10,361,102	610,840	0	1,296,213	12,268,155
Business	1,571,515	0	0	0	1,571,515
Operation and Maintenance of Plant	52,940,807	0	0	9,342,500	62,283,307
Pupil Transportation	54,258,705	0	0	366,544	54,625,249
Central	17,362,617	0	0	87,354	17,449,971
Operation of Non-Instructional Services	892,561	0	0	34,559,270	35,451,831
Extracurricular Activities	5,934,033	0	0	554,254	6,488,287
Capital Outlay	12,897	0	67,624,638	7,661,895	75,299,430
<i>Debt Service:</i>					
Principal Retirement	964,161	14,560,000	0	0	15,524,161
Interest and Fiscal Charges	406,565	6,075,548	0	0	6,482,113
Bond Issuance Costs	0	177,858	0	0	177,858
Total Expenditures	686,151,897	21,424,246	67,624,638	144,121,616	919,322,397
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,154,022	7,636,013	(18,108,375)	(9,706,004)	(8,024,344)
Other Financing Sources (Uses):					
Inception of Capital Lease	17,943,165	0	0	0	17,943,165
Issuance of Sale of Bonds	0	10,525,000	0	0	10,525,000
Payment to Refunded Bonds Escrow Agent	0	(16,913,399)	0	0	(16,913,399)
Premium from Sale of Bonds	0	444,722	0	0	444,722
Transfers In	0	0	0	9,320,558	9,320,558
Transfers Out	(2,322,394)	0	(7,748,164)	0	(10,070,558)
Total Other Financing Sources (Uses)	15,620,771	(5,943,677)	(7,748,164)	9,320,558	11,249,488
Net Change in Fund Balances	27,774,793	1,692,336	(25,856,539)	(385,446)	3,225,144
Fund Balances at Beginning of Year	43,536,037	29,520,664	55,767,865	59,113,908	187,938,474
Fund Balances at End of Year	\$ 71,310,830	\$ 31,213,000	\$ 29,911,326	\$ 58,728,462	\$ 191,163,618

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, 2014*

Net Change in Fund Balances - Total Governmental Funds \$ 3,225,144

*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	99,865,136	
Current Year Depreciation	(29,528,639)	
Total	70,336,497	70,336,497

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. (20,831,817)

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	26,307,158	
Ohio School Facilities Grant	(73,469,165)	
Other Grants	(2,230,900)	
Total	(49,392,907)	(49,392,907)

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. (10,525,000)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 15,524,161

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	6,121,589	
Total		6,121,589

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	(2,873,050)	
Worker's Compensation Claims	(346,694)	
Total	(3,219,744)	(3,219,744)

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. (1,561,952)

Change in Net Position of Governmental Activities **\$ 9,675,971**

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, 2014

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Local Sources:</i>				
Taxes	\$ 180,124,025	\$ 206,021,360	\$ 205,962,637	\$ (58,723)
Investment Income	516,216	590,267	590,267	0
Tuition and Fees	5,023,033	5,546,540	5,743,582	197,042
Extracurricular Activities	656	0	750	750
Contributions and Donations	6,325	7,855	7,232	(623)
Miscellaneous	9,268,635	10,448,052	10,598,212	150,160
<i>State Sources:</i>				
Unrestricted Grants-in-Aid	349,735,454	401,378,601	399,904,657	(1,473,944)
Restricted Grants-in-Aid	49,723,413	56,867,339	56,856,187	(11,152)
<i>Federal Sources:</i>				
Unrestricted Grants-in-Aid	6,963,452	7,967,498	7,962,352	(5,146)
Total Revenues	601,361,209	688,827,512	687,625,876	(1,201,636)
Expenditures:				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	325,297,339	315,707,666	315,707,666	0
Special	148,903,573	143,994,599	143,994,599	0
Vocational	11,735,824	11,653,605	11,653,605	0
Adult/Continuing	643	620	620	0
Other	276,506	289,886	289,886	0
<i>Support Services:</i>				
Pupils	30,664,037	30,545,155	30,545,155	0
Instructional Staff	7,250,813	7,657,218	7,657,218	0
Board of Education	272,141	272,124	272,124	0
Administration	35,568,589	48,932,562	35,140,804	13,791,758
Fiscal	10,148,291	10,576,154	10,576,154	0
Business	1,679,668	2,634,219	2,634,219	0
Operation and Maintenance of Plant	55,354,206	56,571,401	56,571,401	0
Pupil Transportation	32,773,269	32,730,030	32,730,030	0
Central	18,277,944	23,371,743	23,371,743	0
Operation of Non-Instructional Services	925,749	904,487	904,487	0
Extracurricular Activities	6,177,160	6,328,621	6,328,621	0
Capital Outlay	13,372	12,895	12,895	0
<i>Debt Service:</i>				
Principal Retirement	861,152	964,161	964,161	0
Interest and Fiscal Charges	421,605	406,565	406,565	0
Total Expenditures	686,601,881	693,553,711	679,761,953	13,791,758
Deficiency of Revenues Under Expenditures	(85,240,672)	(4,726,199)	7,863,923	12,590,122
Other Financing Sources (Uses):				
Advances In	9,690,000	9,690,000	9,690,000	0
Advances Out	(3,722,250)	(3,722,250)	(3,722,250)	0
Transfers Out	(2,322,394)	(2,322,394)	(2,322,394)	0
Total Other Financing Sources (Uses)	3,645,356	3,645,356	3,645,356	0
Net Change in Fund Balances	(81,595,316)	(1,080,843)	11,509,279	12,590,122
Fund Balances at Beginning of Year	56,397,195	56,397,195	56,397,195	0
<i>Prior Year Encumbrances Appropriated</i>	12,951,829	12,951,829	12,951,829	0
Fund Balances at End of Year	\$ (12,246,292)	\$ 68,268,181	\$ 80,858,303	\$ 12,590,122

See accompanying notes to the basic financial statements

Cleveland Municipal School District

Statement of Fund Net Position

Proprietary Fund

June 30, 2014

	<u>Governmental Activities - Internal Service Fund</u>
Assets:	
<i>Current Assets:</i>	
Equity in Pooled Cash and Cash Equivalents	\$ 10,010,164
Liabilities:	
<i>Current Liabilities:</i>	
Claims Payable	<u>4,695,468</u>
Net Position:	
Unrestricted	<u>\$ 5,314,696</u>

See accompanying notes to the basic financial statements

Cleveland Municipal School District
*Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2014*

	<u>Governmental Activities - Internal Service Fund</u>
<i>Operating Revenues:</i>	
Charges for Services	\$ 58,626,878
<i>Operating Expenses:</i>	
Claims and Claim Adjustment Expenses	<u>60,938,830</u>
<i>Total Operating Expenses</i>	<u>60,938,830</u>
<i>Operating Loss</i>	(2,311,952)
<i>Nonoperating Revenues (Expenses):</i>	
Transfers In	<u>750,000</u>
<i>Change in Net Position</i>	(1,561,952)
<i>Net Position Beginning of Year</i>	<u>6,876,648</u>
<i>Net Position End of Year</i>	<u><u>\$ 5,314,696</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, 2014

	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	\$ 58,626,878
Cash Payments for Claims and Claim Adjustment Expenses	<u>(59,189,908)</u>
<i>Net Cash Provided by Operating Activities</i>	(563,030)
<i>Cash Flows from Non-Capital Financing Activities</i>	
Cash Received through Transfers from Other Funds	<u>750,000</u>
<i>Net Increase in Cash and Cash Equivalents</i>	186,970
Cash and Cash Equivalents at Beginning of Year	<u>9,823,194</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u><u>\$ 10,010,164</u></u>
 <i>Reconciliation of Income to Net Cash Provided by Operating Activities</i>	
<i>Operating Income (Loss)</i>	\$ (2,311,952)
<i>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities</i>	
Increase in Claims Payable	<u>1,748,922</u>
<i>Net Cash Provided by Operating Activities</i>	<u><u>\$ (563,030)</u></u>

See accompanying notes to the basic financial statements

Cleveland Municipal School District
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2014

Assets

Equity in Pooled Cash and Cash Equivalents	\$ 2,261,347
Taxes Receivable	<u>6,593,183</u>

Total Assets

\$ 8,854,530

Liabilities

Due to Students	\$ 535,637
Interfund Payable	183,385
Due to Others	6,409,798
Payroll Withholdings	<u>1,725,710</u>

Total Liabilities

\$ 8,854,530

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, 2014

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 most significant of the School District's accounting policies are described below.

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

A. Basis of Presentation

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

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

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

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.

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

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 position, financial position and cash flows and are classified as either enterprise or internal service. The School District only has internal service funds.

Internal Service Funds The internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost-reimbursement basis. The internal service 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 position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The School District has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has two agency funds, 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 position. The statement of activities presents increases (i.e. revenues) and decreases (i.e. expenses) in total net position.

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

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

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

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 inflows of resources, and in the presentation of expenses versus expenditures.

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 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 Outflows/Inflows of Resources In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources included property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2014, but which were levied to finance fiscal year 2015 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District unavailable revenue

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

includes delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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 2014, 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, 2014

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 2014. 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, 2014.

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 2014 amounted to \$1,021,069 which includes \$91,167 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, 2014

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 the Chief Financial Officer which has been 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, 2014 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 expensed/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 position 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, 2014

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. Inter-fund Balances

On fund financial statements, receivables and payables resulting from short-term inter-fund loans are classified as “inter-fund 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. The General Fund is typically used to liquidate the compensated absences.

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, 2014

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources and 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 Position

Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position for other purposes included resources restricted for non-public schools and community involvement.

The government-wide statement of net position reports \$178,907,269 of restricted net assets, none of which is restricted by enabling legislation.

The School District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net 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. Inter-fund 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 non-operating.

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

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.

Note 3 – Change in Accounting Principles

For fiscal year 2014, the School District has implemented Governmental Accounting Standard Board (GASB) Statement No. 66, “Technical Corrections – 2012; an amendment of GASB Statements No.10 and No. 62,” GASB Statement No. 69 “Government Combinations and Disposals of Government Operations” and GASB Statement No. 70 “Accounting and Financial Reporting for Nonexchange Financial Guarantees.”

GASB Statement No. 66 objective is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. The implementation of this statement did not result in any change in the School District’s financial Statements.

GASB Statement No. 69 objective is to improve financial reporting by addressing accounting and financial reporting for government combinations and disposals of government operations. The term government combinations is used in this Statement to refer to a variety of arrangements including mergers and acquisitions. Government combinations also include transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. Transfers of operations may be present in shared service arrangements, reorganizations, redistricting, annexations, and arrangements in which operation is transferred to a new government created to provide those services. The implementation of this statement did not result in any change in the School District’s financial statements.

GASB Statement No. 70 provides accounting and financial reporting guidance to state and local governments that offer non-exchange financial guarantees to others and for governments that receive guarantees on their obligations. The implementation of this statement did not result in any change in the School District’s financial statements.

Cleveland Municipal School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Note 4 – Fund Deficits

The following funds had deficit fund balances as of June 30, 2014:

Special Revenue Funds

Auxiliary Services	\$	735,367
Race to the Top		4,674,542
Title VI-B Special Education		1,634,394
Vocational Education		279,388
Improving Teacher Quality Title II-A		834,066
Other Federal		2,647,560

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 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, 2014

Fund Balances	General	Debt Service	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
<i>Nonspendable</i>					
Inventory	\$ 1,036,595	\$ 0	\$ 0	\$ 789,880	\$ 1,826,475
<i>Restricted for</i>					
Debt Service Payments	0	26,520,740	0	0	26,520,740
Capital Improvements	0	0	0	3,344,098	3,344,098
Classroom Facilities Maintenance	0	0	0	17,919,000	17,919,000
Other Local	0	0	0	247,820	247,820
Other State Grants	0	0	0	376,838	376,838
Other Purposes	0	0	0	25,667,924	25,667,924
<i>Total Restricted</i>	0	26,520,740	0	47,555,680	74,076,420
<i>Committed to:</i>					
Capital Improvements	0	0	65,398,895	16,945,351	82,344,246
Classroom Facilities Maintenance	0	0	0	3,051,810	3,051,810
Auxiliary Services (NPSS)	0	0	0	925,207	925,207
Food Service	0	0	0	69,725	69,725
Title VI - B Special Educaiton	0	0	0	92,336	92,336
Vocational Education	0	0	0	126,061	126,061
Title I	0	0	0	1,147,134	1,147,134
Other Purposes	12,144,755	0	0	3,256,719	15,401,474
<i>Total Committed</i>	12,144,755	0	65,398,895	25,614,343	103,157,993
<i>Assigned to:</i>					
Classroom Facilities Maintenance	0	0	0	384,613	384,613
Debt Service Payments	0	4,692,260	0	0	4,692,260
<i>Total Assigned</i>	0	4,692,260	0	384,613	5,076,873
<i>Unassigned (Deficit)</i>	58,129,480	0	(35,487,569)	(15,616,054)	7,025,857
<i>Total Fund Balances</i>	\$ 71,310,830	\$ 31,213,000	\$ 29,911,326	\$ 58,728,462	\$ 191,163,618

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:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

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	\$ 27,774,793
Net Adjustment for Revenue Accruals	(10,680,043)
Advances In	9,690,000
Net Adjustment for Expenditure Accruals	6,100,132
Advances Out	(3,722,250)
Adjustment for Encumbrances	(17,653,353)
Budget Basis	<u><u>\$ 11,509,279</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.

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

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

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, 2014

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 \$113,978,270. Of the bank balance, \$16,313,017 was covered by federal depository insurance and \$97,665,253 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, 2014, the School District had the following investments:

	Maturity		Total
	Less Than One Year	More Than One Year But Less Than Five Years	
U.S. Agency Obligations	\$ 33,766,654	\$ 117,110,100	\$ 150,876,754
Commercial Paper	33,988,260	0	33,988,260
STAR Ohio	105	0	105
Total Portfolio	<u>\$ 67,755,019</u>	<u>\$ 117,110,100</u>	<u>\$ 184,865,119</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, 2014

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, 2014 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, 2014:

Investments	Percentage of Investments
FHLB	31.07%
FHLMC	24.52%
Commercial Paper	18.39%
FNMA	17.37%
FFCB	8.66%
STAR Ohio	0.00%

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 2014 represents collections of calendar year 2014 taxes. Real property taxes received in calendar year 2013 were levied after April 1, 2012, on the assessed value listed as of January 1, 2012, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid 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 2014 represents collections of calendar year 2013 taxes. Public utility real and tangible personal property taxes received in calendar year 2013 became a lien December 31, 2011, were levied after April 1, 2012 and are collected in 2012 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, 2014, are available to finance fiscal year 2014 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, 2014

Accrued property taxes receivable includes real property and public utility property taxes which are measurable as of June 30, 2014 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 to deferred inflows of resources – property taxes.

The amount available as an advance at June 30, 2014 was \$40,328,254, which is comprised of \$34,482,155 in the general fund, \$4,692,260 in the debt service fund, \$769,226 in the partnering community school fund and \$384,613 in the classroom facilities maintenance special revenue fund. The amount available as an advance at June 30, 2013, was \$29,151,353, which is comprised of \$24,900,295 in the general fund, \$3,412,030 in the debt service fund, \$559,352 in the partnering community school fund and \$279,676 in the classroom facilities maintenance special revenue fund.

The last tax settlement made by the County for fiscal year 2014 was \$9,199,708 in the general fund, \$1,225,416 in the debt service fund, \$6,434 in the partnering community school fund and \$100,444 in the classroom facilities maintenance special revenue fund.

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

The assessed values upon which the fiscal year 2014 taxes were collected are:

	2013 Second- Half Collections		2014 First- Half Collections	
	(in thousands of dollars)		(in thousands of dollars)	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$ 4,602,210	94.53%	\$ 4,601,349	93.91%
Public Utility Property	266,558	5.47	298,603	6.09
Total	\$ 4,868,768	100.00%	\$ 4,899,952	100.00%
Full voted tax rate per \$1,000 of assessed valuation	\$79.80		\$79.80	

Note 9 - Receivables

Receivables at June 30, 2014 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, 2014

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amount</u>
State of Ohio	\$ 1,099,835
City of Cleveland	1,038,839
Cuyahoga County Treasurer	75,013
Cuyahoga Board of Elections	37,339
Defense Finance and Accounting Services	33,901
Regional Transit Authority	1,210
Ohio School Facilities Grant	34,710,143
Other State Grant and Subsidies	163,464
Race to the Top Grant and Subsidies	1,396,011
Title VI-B Grant and Subsidies	976,907
Vocational Education Federal Grant and Subsidies	316,591
Title I Grant and Subsidies	8,206,965
Improving Teacher Quality Title II-A Grant and Subsidies	509,355
Miscellaneous Federal Grants and Subsidies	53,731
Other Federal Grants and Subsidies	635,218
Other	<u>115,023</u>
Total Intergovernmental Receivables	<u>\$ 49,369,545</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, 2014.

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 (AOS) issued its *Statewide Audit of Student Attendance Data and Accountability System* on February 11, 2013, a statewide assessment of school year 2010-11 student attendance and enrollment practices for select Ohio schools. AOS referred the Cleveland Municipal School District as a district with evidence of removing students from enrollment without lawful reason, regardless of motivation to the Ohio Department of Education (ODE) and U.S. Department of Education Office of the Inspector General (IG) for further investigation and recalculation of the school report cards. The removal

Cleveland Municipal School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

of students does not necessarily imply malicious intent. The ODE and IG have not yet determined the impact of these results.

Note 11 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2014, was as follows:

	Balance 6/30/13	Additions	Deletions	Balance 6/30/14
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 33,201,164	\$ 0	\$ (592,968)	\$ 32,608,196
Construction in Progress	85,382,570	83,909,591	(94,665,118)	74,627,043
<i>Total Capital Assets, not being Depreciated</i>	<u>118,583,734</u>	<u>83,909,591</u>	<u>(95,258,086)</u>	<u>107,235,239</u>
<i>Capital Assets, being Depreciated</i>				
Land Improvements	1,736,777	0	0	1,736,777
Buildings and Improvemets	912,379,299	93,092,845	(36,228,052)	969,244,092
Vehicles and Equipment	24,511,804	18,120,786	(25,000)	42,607,590
Internal Generated Software	5,981,706	0	0	5,981,706
<i>Total Capital Assets, being Depreciated</i>	<u>944,609,586</u>	<u>111,213,631</u>	<u>(36,253,052)</u>	<u>1,019,570,165</u>
Less: Accumulated Depreciation:				
Land Improvements	(1,521,772)	(42,987)	0	(1,564,759)
Buildings and Improvements	(306,619,143)	(25,391,726)	15,591,129	(316,419,740)
Vehicles and Equipment	(21,794,305)	(2,076,234)	25,000	(23,845,539)
Internal Generated Software	(2,286,129)	(2,017,692)	0	(4,303,821)
<i>Total Accumulated Depreciation</i>	<u>(332,221,349)</u>	<u>(29,528,639) *</u>	<u>15,616,129</u>	<u>(346,133,859)</u>
<i>Total Capital Assets, being Depreciated, Net</i>	<u>612,388,237</u>	<u>81,684,992</u>	<u>(20,636,923)</u>	<u>673,436,306</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$ 730,971,971</u>	<u>\$ 165,594,583</u>	<u>\$ (115,895,009)</u>	<u>\$ 780,671,545</u>

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 24,488,970
Special	66,360
Vocational	12,550
Support Services:	
Instructional Staff	4,320
Administration	2,925,670
Pupil Transportation	1,960,286
Central	35,917
Operation of Non-Instructional Services	33,071
Capital Outlay	1,495
Total Depreciation Expense	<u><u>\$ 29,528,639</u></u>

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Construction in progress is composed of the following at June 30, 2014:

	Project Authorization	Expended to June 30, 2014	Committed
Regular Instruction	\$ 174,982,772	\$ 74,627,043	\$ 100,355,729
Support Services - Administration	1,779,067	420,249	1,358,818
Total	\$ 176,761,839	\$ 75,047,292	\$ 101,714,547

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:

Coverage During Fiscal Year	Liability Limits	Deductible
Property (Physical Damage) Insurance	\$ 200,000,000	\$ 250,000
Boiler and Machinery	50,000,000	250,000
Commerical Crime Insurance	2,000,000	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

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		

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

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 \$4,695,468 as of June 30, 2014, 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, 2005, through June 30, 2014, including the estimate for incurred but not reported (IBNR) claims totals \$6,667,042.

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.

The claims liability reported at June 30, 2014 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 2013 and 2014 are as follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2013	\$ 10,451,981	61,514,004	62,699,091	\$ 9,266,894
2014	9,266,894	66,082,460	63,986,844	11,362,510

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

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, 2014, the allocation to pension and death benefits is 13.10 percent. The remaining 0.90 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, 2014, 2013 and 2012 were \$11,639,234, \$10,936,231, and \$11,238,769, respectively; 37.71 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012.

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.

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

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

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, 2014, plan members were required to contribute 11 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 2014, 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, 2014, 2013, and 2012 were \$34,757,272, \$33,535,645, and \$37,451,090, respectively; 83.99 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012. Contributions to the DC and Combined Plans for fiscal year 2014 were \$1,406,140 made by the School District and \$1,104,824 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, 2014, 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 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

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Code Section 401h. For 2014, 0.16 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 2014 this amount was \$1,696,858.

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, 2014, 2013, and 2012 were \$142,159, \$133,572, and \$486,789 respectively; 37.71 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2014, this actuarially required allocation was 0.74 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2014, 2013 and 2012 were \$657,483, \$617,772, and \$663,707 respectively; 37.71 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012.

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 2013, 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, 2014, 2013, and 2012 were \$2,673,636, \$2,579,665, and \$2,880,853 respectively; 83.99 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 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.

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

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, 2013	\$ (9,968,849)
Current Year Set-Aside Requirement	6,845,670
Current Year Offsets:	
Tax Levy for Classroom Facilities and Maintenance	(1,853,658)
Qualifying Disbursements	0
Totals	<u>(4,976,837)</u>
Set-Aside Balances Carried Forward to Future Fiscal Years	<u>(4,976,837)</u>
Set-Aside Reserve Balance as of June 30, 2014	<u>\$ 0</u>

Cleveland Municipal School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Note 17 – Long-Term Obligations

Changes in long-term obligations of the School District during fiscal year 2014 were as follows:

	Balance Outstanding 6/30/13	Additions	Deletions	Balance Outstanding 06/30/14	Amounts Due in One Year
Governmental Activities:					
General Obligation Bonds and Notes:					
2001 H.B. 264 Energy Conservation Notes	\$ 3,602,652	\$ 0	\$ 964,161	\$ 2,638,491	\$ 1,014,949
2002 School Facilities Improvement Bonds	0	0	0	0	0
Unamortized Premium	4,046,616	0	4,046,616	0	0
2004 School Facilities Improvement Bonds	20,165,000	0	20,165,000	0	0
Unamortized Premium	2,023,689	0	2,023,689	0	0
2010 School Facilities Improvement Bonds	55,000,000	0	0	55,000,000	0
2012 School Facilities Improvement Refunding Bonds	20,610,000	0	1,535,000	19,075,000	1,580,000
2013 School Facilities Improvement Refunding Bonds	45,600,000	0	9,380,000	36,220,000	8,835,000
2014 School Facilities Improvement Refunding Bonds	0	10,525,000	0	10,525,000	6,325,000
Total General Obligation Bonds and Notes	151,047,957	10,525,000	38,114,466	123,458,491	17,754,949
QZAB Bonds:					
2001 QZAB - Technology Academy	5,500,000	0	0	5,500,000	5,500,000
2001 QZAB - Arts Academy	5,750,000	0	0	5,750,000	5,750,000
2001 QZAB - Literacy Academy	10,000,000	0	0	10,000,000	10,000,000
Total QZAB Bonds	21,250,000	0	0	21,250,000	21,250,000
Other Long-Term Obligations:					
Compensated Absences	40,941,495	4,653,840	1,780,790	43,814,545	3,492,745
Workers' Compensation Claims	6,320,348	3,378,140	3,031,446	6,667,042	4,793,484
Capital Lease Obligation	0	17,943,165	1,228,271	16,714,894	2,455,637
Total Other Long-Term Obligations	47,261,843	25,975,145	6,040,507	67,196,481	10,741,866
Total Governmental Activities	\$ 219,559,800	\$ 36,500,145	\$ 44,154,973	\$ 211,904,972	\$ 49,746,815

On January 9, 2014, the School District issued \$10,525,000 of School Improvement Refunding Bonds, Series 2014, at a true interest cost of approximately 3%. Proceeds of this bond issue (including a portion of the original issue premium), together with \$6,124,354 of cash on hand in the District's bond retirement fund, for a total of \$16,913,400 was deposited in an escrow fund that is being used ultimately to pay principal of and interest on \$10,789,045 in aggregate principal amount of certain of the District's School Improvement Bonds, Series 2004, through June 1, 2014, the date of optional early redemption of those series 2004 Bonds. As a result, those Series 2004 bonds were defeased and considered no longer outstanding for purposes of the School District's direct debt limitations. This refunding transaction resulted in a reduction in future debt of \$7,643,843, equivalent to then-present values savings (at the time of sale of the Refunding Bonds) of \$7,175,176, which, after deducting contributions to the escrow fund

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

from sources other than the proceeds of the Refunding Bonds, yielded net present value savings of approximately \$1,050,822.

On January 29, 2013, the School District issued \$45,600,000 of School Improvement Refunding Bonds, Series 2013, at a true interest cost of approximately 3%. Proceeds of this bond issue (including a portion of the original issue premium), together with \$12,000,000 of cash on hand in the District's bond retirement fund, for a total of \$63,366,472.36, was deposited in an escrow fund that is being used ultimately to pay principal of and interest on \$59,020,000 in aggregate principal amount of certain of the District's School Improvement Bonds, Series 2004, through June 1, 2014, the date of optional early redemption of those Series 2004 Bonds. As a result, those Series 2004 Bonds were defeased and considered no longer outstanding for purposes of the District's direct debt limitations.

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.

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 \$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.

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

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

\$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.

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. 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 \$338,246,555 with an unvoted debt margin of \$4,956,949 at June 30, 2014.

The School District is subject to federal arbitrage regulations. As of June 30, 2014 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, 2014, are as follows:

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Fiscal Year Ending June 30,	Principal	Interest	Total
General Obligation Bonds and Notes			
2015	\$ 17,754,949	\$ 5,663,977	\$ 23,418,926
2016	6,908,412	5,013,838	11,922,250
2017	2,260,130	4,798,133	7,058,263
2018	1,790,000	4,705,275	6,495,275
2019	2,845,000	4,632,175	7,477,175
2020-2024	15,980,000	21,351,712	37,331,712
2025-2029	75,920,000	9,940,250	85,860,250
	<u>123,458,491</u>	<u>56,105,360</u>	<u>179,563,851</u>
QZAB Bonds			
2015	21,250,000	97,875	21,347,875
	<u>21,250,000</u>	<u>97,875</u>	<u>21,347,875</u>
Grand Total	<u>\$ 144,708,491</u>	<u>\$ 56,203,235</u>	<u>\$ 200,911,726</u>

In fiscal year 2014, the School District entered into an agreement to lease 225 buses. The cost of this lease was \$19,068,000. This agreement is, in substance, a lease purchase (capital lease) and is classified as a long-term lease obligation in the financial statements.

The following is a schedule of future lease payments and present value of net minimum lease payments as June 30, 2014:

	<u>Amount</u>
2015	\$ 2,724,000
2016	2,724,000
2017	2,724,000
2018	2,724,000
2019	2,724,000
2020-21	4,086,000
Total minimum lease payments	<u>17,706,000</u>
Less:	
Amount representing interest	<u>991,106</u>
Present value of net minimum lease payments	<u>\$ 16,714,894</u>

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Note 18 – Interfund Transfers and Balances

A. Transfers

Transfers made during the year ended June 30, 2014 were as follows:

Transfers To	Transfers Out		Totals
	General	Classroom Facilities	
Non-Major Governmental Funds:			
Permanent Improvement	\$ 0	\$ 7,748,164	\$ 7,748,164
Educational Special Trust	944,394	0	944,394
Food Service	628,000	0	628,000
Self Insurance Fund	750,000	0	750,000
Totals	<u>\$ 2,322,394</u>	<u>\$ 7,748,164</u>	<u>\$ 10,070,558</u>

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 self insurance fund was to fund the account for legal expenditures.

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

B. Interfund Balances

Interfund balances at June 30, 2014, consist of the following individual fund receivables and payables:

Interfund Payable	Interfund Receivable
	General
Agency Funds	
Partnering Community Schools	\$ 183,385
Non-Major Governmental Funds:	
Other State	103,281
Race to the Top	2,980,000
Title VI-B	923,970
Carl D Perkins Vocational Education	195,451
Improving Teacher Quality Title II-A	509,355
Other Federal	698,538
Totals	\$ 5,593,980

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

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

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.

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

Projects	Committed Amount	Amount Paid	Remaining on Commitment
Segment 1	\$ 218,650,447	\$ 218,650,447	\$ 0
Segment 2	100,432,383	100,432,383	0
Segment 3	132,678,415	132,678,415	0
Segment 4	136,749,655	135,977,396	772,259
Segment 5	197,720,336	123,652,468	74,067,868
Segment 6	9,118,481	4,021,387	5,097,094
Local Funding Initiatives	123,347,870	103,654,439	19,693,431
Total	<u>\$ 918,697,587</u>	<u>\$ 819,066,935</u>	<u>\$ 99,630,652</u>

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

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 – Nonrecognized Events

On November 4, 2014, the voters of the City of Cleveland passed a new \$200 million bond levy and 0.5 mill continuing permanent improvement levy. The approval of this levy allows the District to continue the Construction Facility Program that began in 2001. With this levy, the State of Ohio will match District spending with approximately \$257 million. With this new money, the District will be able to build approximately 20 new schools and refresh approximately 23 current school buildings. The permanent improvement levy will generate an approximate \$2.5 million a year.

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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.

Straight A Fund – This fund accounts for State funds that are restricted for projects that will provide advancement in student achievement, achieve spending reductions or allow a greater share of resources to be utilized in the classroom.

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 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.

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.

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.

Fund Descriptions – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

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.

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 School Maintenance and Operational Assistance, Title II Technology, Title I Subsidiary A, Title I Subsidiary G, Nutrition Education Training Program, Bilingual Education Program, Transition for Refugee Children, 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.

Cleveland Municipal School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 26,386,114	\$ 3,192,384	\$ 29,578,498
Cash and Cash Equivalents With Fiscal Agents	0	150,428	150,428
Investments	0	18,049,023	18,049,023
Investments with Fiscal Agents	19,230,644	0	19,230,644
Receivables:			
Taxes	3,302,916	0	3,302,916
Accounts	177,050	0	177,050
Intergovernmental	12,400,146	0	12,400,146
Accrued Interest	154,546	17,666	172,212
Materials and Supplies Inventory	789,880	0	789,880
Total Assets	\$ 62,441,296	\$ 21,409,501	\$ 83,850,797
Liabilities			
Accounts Payable	\$ 3,527,319	\$ 920,850	\$ 4,448,169
Accrued Wages and Benefits	7,047,546	29,995	7,077,541
Retainage Payable	0	18,779	18,779
Interfund Payable	5,410,595	0	5,410,595
Intergovernmental Payable	4,412,153	150,428	4,562,581
Total Liabilities	20,397,613	1,120,052	21,517,665
Deferred Inflow & Resources			
Property Taxes	2,918,303	0	2,918,303
Unavailable Revenue	686,367	0	686,367
Total Deferred Inflow of Resources	3,604,670	0	3,604,670
Fund Balance:			
Nonspendable	789,880	0	789,880
Restricted	44,211,582	3,344,098	47,555,680
Committed	8,668,992	16,945,351	25,614,343
Assigned	384,613	0	384,613
Unassigned	(15,616,054)	0	(15,616,054)
Total Fund Balances	38,439,013	20,289,449	58,728,462
Total Liabilities and Fund Balances	\$ 62,441,296	\$ 21,409,501	\$ 83,850,797

Cleveland Municipal School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2014

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
<i>Local Sources:</i>			
Taxes	\$ 1,958,204	\$ 0	\$ 1,958,204
Investment Income	1,046,076	157,572	1,203,648
Tuition and Fees	22,212	0	22,212
Extracurricular Activities	566,470	0	566,470
Contributions and Donations	6,149,447	0	6,149,447
Sale of Personal Property	0	717	717
Miscellaneous	3,670,754	2,000	3,672,754
<i>State Sources:</i>			
Unrestricted Grants-in-Aid	372,824	0	372,824
Restricted Grants-in-Aid	18,125,599	0	18,125,599
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	102,343,737	0	102,343,737
Total Revenues	134,255,323	160,289	134,415,612
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	13,328,281	0	13,328,281
Special	39,270,948	0	39,270,948
Vocational	707,549	0	707,549
Other	1,816,364	0	1,816,364
<i>Support Services:</i>			
Pupils	5,019,481	0	5,019,481
Instructional Staff	25,000,472	0	25,000,472
Administration	5,110,491	0	5,110,491
Fiscal	1,296,213	0	1,296,213
Operation and Maintenance of Plant	8,929,917	412,583	9,342,500
Pupil Transportation	366,544	0	366,544
Central	87,354	0	87,354
Operation of Non-Instructional Services	34,559,270	0	34,559,270
Extracurricular Activities	554,254	0	554,254
Capital Outlay	0	7,661,895	7,661,895
Total Expenditures	136,047,138	8,074,478	144,121,616
Deficiency of Revenues Under Expenditures	(1,791,815)	(7,914,189)	(9,706,004)
Other Financing Sources:			
Transfers In	1,572,394	7,748,164	9,320,558
Transfers Out	0	0	0
Total Other Financing Sources (Uses)	1,572,394	7,748,164	9,320,558
Net Change in Fund Balances	(219,421)	(166,025)	(385,446)
Fund Balances at Beginning of Year Restated	38,658,434	20,455,474	59,113,908
Fund Balances at End of Year	\$ 38,439,013	\$ 20,289,449	\$ 58,728,462

Cleveland Municipal School District

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2014

	Educational Special Trust	Classroom Facilities Maintenance	Other Local
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 7,026,542	\$ 22,050,248	\$ 379,509
Investments with Fiscal Agents	19,230,644	0	0
Receivables:			
Taxes	0	3,302,916	0
Accounts	165,105	0	0
Intergovernmental	4,223	0	0
Accrued Interest	154,546	0	0
Materials and Supplies Inventory	0	0	0
Total Assets	\$ 26,581,060	\$ 25,353,164	\$ 379,509
Liabilities			
Accounts Payable	\$ 75,211	\$ 1,079,438	\$ 0
Accrued Wages and Benefits	292,594	0	188,707
Interfund Payable	0	0	0
Intergovernmental Payable	183,180	0	118,141
Deferred Revenue	0	0	0
Total Liabilities	550,985	1,079,438	306,848
Deferred Inflow & Resources			
Property Taxes	0	2,918,303	0
Unavailable Revenue	0	0	0
Total Deferred Inflow of Resources	0	2,918,303	0
Fund Balance:			
Nonspendable	0	0	0
Restricted	25,367,942	17,919,000	247,820
Committed	662,133	3,051,810	130,487
Assigned	0	384,613	0
Unassigned	0	0	(305,646)
Total Fund Balances (Deficit)	26,030,075	21,355,423	72,661
Total Liabilities and Fund Balances	\$ 26,581,060	\$ 25,353,164	\$ 379,509

Auxiliary Services (NPSS)	Straight A Fund	Miscellaneous State Grants	Other State	Food Service
\$ (314,602)	\$ 143,000	\$ 786,042	\$ 339,937	\$ 85,806
0	0	0	0	0
0	0	0	0	0
0	0	0	0	11,945
0	0	0	163,464	137,681
0	0	0	0	0
0	0	0	0	789,880
<u>\$ (314,602)</u>	<u>\$ 143,000</u>	<u>\$ 786,042</u>	<u>\$ 503,401</u>	<u>\$ 1,025,312</u>
\$ 153,922	\$ 143,000	\$ 240,000	\$ 0	\$ 151,014
132,382	0	5,205	16,435	450,158
0	0	0	103,281	0
82,878	0	3,259	10,289	281,824
0	0	0	0	0
<u>369,182</u>	<u>143,000</u>	<u>248,464</u>	<u>130,005</u>	<u>882,996</u>
0	0	0	0	0
51,583	0	313,165	0	0
<u>51,583</u>	<u>0</u>	<u>313,165</u>	<u>0</u>	<u>0</u>
0	0	0	0	789,880
0	0	173,759	376,838	0
925,207	0	50,654	2,828	69,725
0	0	0	0	0
(1,660,574)	0	0	(6,270)	(717,289)
<u>(735,367)</u>	<u>0</u>	<u>224,413</u>	<u>373,396</u>	<u>142,316</u>
<u>\$ (314,602)</u>	<u>\$ 143,000</u>	<u>\$ 786,042</u>	<u>\$ 503,401</u>	<u>\$ 1,025,312</u>

(continued)

Cleveland Municipal School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2014

	Race To The Top	Title VI-B Special Education	Vocational Education
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ (1,069,764)	\$ (123,643)	\$ (258,238)
Investments with Fiscal Agents	0	0	0
Receivables:			
Taxes	0	0	0
Accounts	0	0	0
Intergovernmental	1,396,011	976,907	316,591
Accrued Interest	0	0	0
Materials and Supplies Inventory	0	0	0
Total Assets	326,247	853,264	58,353
Liabilities			
Accounts Payable	782,050	209,377	58,091
Accrued Wages and Benefits	756,389	832,881	51,781
Interfund Payable	2,980,000	923,970	195,451
Intergovernmental Payable	473,541	521,430	32,418
Total Liabilities	4,991,980	2,487,658	337,741
Deferred Inflow & Resources			
Property Taxes	0	0	0
Unavailable Revenue	8,809	0	0
Total Deferred Inflow of Resources	8,809	0	0
Fund Balance:			
Nonspendable	0	0	0
Restricted	0	0	0
Committed	2,057,977	92,336	126,061
Assigned	0	0	0
Unassigned	(6,732,519)	(1,726,730)	(405,449)
Total Fund Balances (Deficit)	(4,674,542)	(1,634,394)	(279,388)
Total Liabilities and Fund Balances	\$ 326,247	\$ 853,264	\$ 58,353

Title I	Improving Teacher Quality Title II-A	Miscellaneous Federal Grants	Other Federal	Total Nonmajor Special Revenue Funds
\$ (1,087,625)	\$ 1	\$ 190,745	\$ (1,761,844)	\$ 26,386,114
0	0	0	0	19,230,644
0	0	0	0	3,302,916
0	0	0	0	177,050
8,206,965	509,355	53,731	635,218	12,400,146
0	0	0	0	154,546
0	0	0	0	789,880
<u>7,119,340</u>	<u>509,356</u>	<u>244,476</u>	<u>(1,126,626)</u>	<u>62,441,296</u>
508,400	0	38,246	88,570	3,527,319
3,354,315	512,939	13,701	440,059	7,047,546
0	509,355	0	698,538	5,410,595
2,099,986	321,128	8,578	275,501	4,412,153
<u>5,962,701</u>	<u>1,343,422</u>	<u>60,525</u>	<u>1,502,668</u>	<u>20,397,613</u>
0	0	0	0	2,918,303
<u>263,316</u>	<u>0</u>	<u>31,228</u>	<u>18,266</u>	<u>686,367</u>
<u>263,316</u>	<u>0</u>	<u>31,228</u>	<u>18,266</u>	<u>3,604,670</u>
0	0	0	0	789,880
0	0	48,751	77,472	44,211,582
1,147,134	0	103,972	248,668	8,668,992
0	0	0	0	384,613
<u>(253,811)</u>	<u>(834,066)</u>	<u>0</u>	<u>(2,973,700)</u>	<u>(15,616,054)</u>
<u>893,323</u>	<u>(834,066)</u>	<u>152,723</u>	<u>(2,647,560)</u>	<u>38,439,013</u>
<u>\$ 7,119,340</u>	<u>\$ 509,356</u>	<u>\$ 244,476</u>	<u>\$ (1,126,626)</u>	<u>\$ 62,441,296</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, 2014

	Educational Special Trust	Classroom Facilities Maintenance	Other Local
Revenues:			
<i>Local Sources:</i>			
Taxes	\$ 0	\$ 1,958,204	\$ 0
Investment Income	1,039,554	5,916	0
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	566,470
Contributions and Donations	6,149,447	0	0
Miscellaneous	0	0	2,503,749
<i>State Sources:</i>			
Unrestricted Grants-in-Aid	0	372,824	0
Restricted Grants-in-Aid	0	1,930,207	0
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	0	0	0
Total Revenues	<u>7,189,001</u>	<u>4,267,151</u>	<u>3,070,219</u>
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	1,516	0	1,392,112
Special	1,298	0	280,527
Vocational	522	0	0
Other	84,879	0	0
<i>Support Services:</i>			
Pupils	59,728	0	206,469
Instructional Staff	3,560,389	0	0
Administration	310,702	0	282,815
Fiscal	2,965	47,700	234,605
Operation and Maintenance of Plant	40,000	8,459,161	131,464
Pupil Transportation	17,708	0	0
Central	72,398	0	0
Operation of Non-Instructional Services	950	0	0
Extracurricular Activities	225	0	554,029
Total Expenditures	<u>4,153,280</u>	<u>8,506,861</u>	<u>3,082,021</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	3,035,721	(4,239,710)	(11,802)
Other Financing Sources:			
Transfers In	944,394	0	0
Total Other Financing Sources (Uses)	<u>944,394</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	3,980,115	(4,239,710)	(11,802)
Fund Balances (Deficit) at Beginning of Year Restated	<u>22,049,960</u>	<u>25,595,133</u>	<u>84,463</u>
Fund Balances (Deficit) at End of Year	<u>\$ 26,030,075</u>	<u>\$ 21,355,423</u>	<u>\$ 72,661</u>

<u>Auxiliary Services (NPSS)</u>	<u>Straight A Fund</u>	<u>Miscellaneous State Grants</u>	<u>Other State</u>	<u>Food Service</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
575	0	0	0	31
0	0	0	22,212	0
0	0	0	0	0
0	0	0	0	0
300,794	0	0	0	866,211
0	0	0	0	0
8,914,254	6,000,000	330,773	458,675	491,690
0	0	0	0	19,886,449
<u>9,215,623</u>	<u>6,000,000</u>	<u>330,773</u>	<u>480,887</u>	<u>21,244,381</u>
0	4,900,000	0	165,559	0
0	0	0	37,548	0
0	0	0	0	0
0	0	0	0	0
0	0	59,187	230,932	0
256,553	0	597,604	12,562	0
0	1,100,000	0	0	0
0	0	0	0	0
11,936	0	0	0	0
0	0	0	0	0
0	0	0	14,956	0
7,354,069	0	1,361	0	23,010,326
0	0	0	0	0
<u>7,622,558</u>	<u>6,000,000</u>	<u>658,152</u>	<u>461,557</u>	<u>23,010,326</u>
1,593,065	0	(327,379)	19,330	(1,765,945)
0	0	0	0	628,000
0	0	0	0	628,000
1,593,065	0	(327,379)	19,330	(1,137,945)
(2,328,432)	0	551,792	354,066	1,280,261
<u>\$ (735,367)</u>	<u>\$ 0</u>	<u>\$ 224,413</u>	<u>\$ 373,396</u>	<u>\$ 142,316</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, 2014

	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	10,717,564	11,102,633	1,585,743
Total Revenues	<u>10,717,564</u>	<u>11,102,633</u>	<u>1,585,743</u>
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	2,940,848	0	0
Special	0	7,026,789	0
Vocational	0	0	706,785
Other	3,150	0	0
<i>Support Services:</i>			
Pupils	901,600	1,784,240	0
Instructional Staff	6,918,302	274,035	778,093
Administration	206,170	1,389,542	43,403
Fiscal	12,387	177,164	0
Operation and Maintenance of Plant	6,600	0	14,924
Pupil Transportation	0	0	0
Central	0	0	0
Operation of Non-Instructional Services	0	634,406	0
Extracurricular Activities	0	0	0
Total Expenditures	<u>10,989,057</u>	<u>11,286,176</u>	<u>1,543,205</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(271,493)	(183,543)	42,538
Other Financing Sources:			
Transfers In	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	(271,493)	(183,543)	42,538
Fund Balances (Deficit) at Beginning of Year Restated	<u>(4,403,049)</u>	<u>(1,450,851)</u>	<u>(321,926)</u>
Fund Balances (Deficit) at End of Year	<u>\$ (4,674,542)</u>	<u>\$ (1,634,394)</u>	<u>\$ (279,388)</u>

Title I	Improving Teacher Quality Title II-A	Miscellaneous Federal Grants	Other Federal	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,958,204
0	0	0	0	1,046,076
0	0	0	0	22,212
0	0	0	0	566,470
0	0	0	0	6,149,447
0	0	0	0	3,670,754
0	0	0	0	372,824
0	0	0	0	18,125,599
<u>42,146,937</u>	<u>5,937,816</u>	<u>177,820</u>	<u>10,788,775</u>	<u>102,343,737</u>
<u>42,146,937</u>	<u>5,937,816</u>	<u>177,820</u>	<u>10,788,775</u>	<u>134,255,323</u>
3,913,569	0	0	14,677	13,328,281
23,245,698	5,834,670	0	2,844,418	39,270,948
0	0	242	0	707,549
1,621,880	0	106,455	0	1,816,364
977,893	0	179,556	619,876	5,019,481
6,235,568	0	0	6,367,366	25,000,472
1,515,650	23,704	0	238,505	5,110,491
703,466	45,232	6,060	66,634	1,296,213
193,455	0	8,339	64,038	8,929,917
270,253	0	0	78,583	366,544
0	0	0	0	87,354
3,498,810	0	0	59,348	34,559,270
0	0	0	0	554,254
<u>42,176,242</u>	<u>5,903,606</u>	<u>300,652</u>	<u>10,353,445</u>	<u>136,047,138</u>
(29,305)	34,210	(122,832)	435,330	(1,791,815)
0	0	0	0	1,572,394
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,572,394</u>
(29,305)	34,210	(122,832)	435,330	(219,421)
<u>922,628</u>	<u>(868,276)</u>	<u>275,555</u>	<u>(3,082,890)</u>	<u>38,658,434</u>
<u>\$ 893,323</u>	<u>\$ (834,066)</u>	<u>\$ 152,723</u>	<u>\$ (2,647,560)</u>	<u>\$ 38,439,013</u>

Cleveland Municipal School District

Combining Balance Sheet

Nonmajor Capital Projects Funds

June 30, 2014

	Permanent Improvement
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 3,192,384
Cash and Cash Equivalents With Fiscal Agents	150,428
Investments	18,049,023
Receivables:	
Accrued Interest	17,666
Total Assets	<u>\$ 21,409,501</u>
Liabilities	
Accounts Payable	\$ 920,850
Accrued Wages and Benefits	29,995
Retainage Payable	18,779
Intergovernmental Payable	150,428
Total Liabilities	<u>1,120,052</u>
Fund Balance:	
Restricted	3,344,098
Committed	16,945,351
Total Fund Balances	<u>20,289,449</u>
Total Liabilities, Deferred Inflow and Fund Balances	<u>\$ 21,409,501</u>

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, 2014

	<u>Permanent Improvement</u>
Revenues:	
<i>Local Sources:</i>	
Investment Income	\$ 157,572
Sale of Personal Property	717
Miscellaneous	2,000
Total Revenues	<u>160,289</u>
Expenditures:	
Current:	
<i>Support Services:</i>	
Operation and Maintenance of Plant	412,583
Capital Outlay	7,661,895
Total Expenditures	<u>8,074,478</u>
Deficiency of Revenues Under Expenditures	(7,914,189)
Other Financing Uses:	
Transfers In	<u>7,748,164</u>
Net Change in Fund Balances	(166,025)
Fund Balances at Beginning of Year	<u>20,455,474</u>
Fund Balances at End of Year	<u>\$ 20,289,449</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.

Partnering Community School – This fund reflects resources that belong to the Community Schools that partner with the District.

Cleveland Municipal School District
Combining Statement of Fund Net Position
Internal Service Funds
June 30, 2014

	Liability Self-Insurance	Employee Benefits Self-Insurance	Totals
<i>Assets</i>			
<i>Current Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$ 2,002,547	\$ 8,007,617	\$ 10,010,164
<i>Liabilities</i>			
<i>Current Liabilities:</i>			
Claims Payable	3,068,151	1,627,317	4,695,468
<i>Net Position</i>			
Unrestricted	\$ (1,065,604)	\$ 6,380,300	\$ 5,314,696

Cleveland Municipal School District
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2014

	Liability Self-Insurance	Employee Benefits Self-Insurance	Totals
<i>Operating Revenues:</i>			
Charges for Services	\$ 0	\$ 58,626,878	\$ 58,626,878
<i>Operating Expenses:</i>			
Claims and Claim Adjustment Expenses	1,051,248	59,887,582	60,938,830
<i>Operating Income (Loss)</i>	(1,051,248)	(1,260,704)	(2,311,952)
<i>Nonoperating Revenues (Expenses):</i>			
Transfers In	750,000	0	750,000
Change in Net Position	(301,248)	(1,260,704)	(1,561,952)
Net Position at Beginning of Year	(764,356)	7,641,004	6,876,648
<i>Net Position at End of Year</i>	\$ (1,065,604)	\$ 6,380,300	\$ 5,314,696

Cleveland Municipal School District
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2014

	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	\$ 0	\$ 58,626,878	\$ 58,626,878
Cash Payments for Claims and Claim Adjustment Expenses	(929,643)	(58,260,265)	(59,189,908)
<i>Net Cash Provided (Used) by Operating Activities</i>	(929,643)	366,613	(563,030)
<i>Cash Flows from Non-Capital Financing Activities</i>			
Cash Received through Transfers from Other Funds	750,000	0	750,000
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(179,643)	366,613	186,970
Cash and Cash Equivalents at Beginning of Year	2,182,190	7,641,004	9,823,194
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$ 2,002,547</u>	<u>\$ 8,007,617</u>	<u>\$ 10,010,164</u>
<i>Reconciliation of Income to Net Cash Provided (Used) by Operating Activities</i>			
Operating Income (Loss)	\$ (1,051,248)	\$ (1,260,704)	\$ (2,311,952)
<i>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities</i>			
Increase (Decrease) in Claims Payable	121,605	1,627,317	1,748,922
<i>Net Cash Provided by Operating Activities</i>	<u>\$ (929,643)</u>	<u>\$ 366,613</u>	<u>\$ (563,030)</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.

Partnering Community School – This fund reflects resources that belong to the Community Schools that partner with the District.

Cleveland Municipal School District
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended June 30, 2014

	Beginning Balance July 1, 2013	Additions	Deductions	Ending Balance June 30, 2014
District Agency Fund				
<i>Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$ 1,708,810	\$ 16,900	\$ 0	\$ 1,725,710
<i>Liabilities:</i>				
Payroll Withholdings	1,708,810	16,900	0	1,725,710
 Partnering Community School				
<i>Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	0	4,020,343	4,020,343	0
Taxes Receivable	0	6,593,183	0	6,593,183
<i>Liabilities:</i>				
Interfund Payable	0	183,385	0	183,385
Due to Others	0	10,430,141	4,020,343	6,409,798
 Student Managed Activity				
<i>Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	598,060	630,496	692,919	535,637
<i>Liabilities:</i>				
Due to Students	598,060	630,496	692,919	535,637
 All Agency Funds				
<i>Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	2,306,870	4,667,739	4,713,262	2,261,347
Taxes Receivable	0	6,593,183	0	6,593,183
Total Assets	2,306,870	11,260,922	4,713,262	8,854,530
<i>Liabilities:</i>				
Due To Students	598,060	630,496	692,919	535,637
Interfund Payable	0	183,385	0	183,385
Due to Others	0	10,430,141	4,020,343	6,409,798
Payroll Withholdings	1,708,810	16,900	0	1,725,710
Total Liabilities	\$ 2,306,870	\$ 11,260,922	\$ 4,713,262	\$ 8,854,530

**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, 2014

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Local Sources:</i>			
Taxes	\$ 23,770,192	\$ 23,800,717	\$ 30,525
Investment Income	109,881	109,881	0
<i>State Sources:</i>			
Unrestricted Grants-in-Aid	3,874,195	3,874,195	0
Total Revenues	<u>27,754,268</u>	<u>27,784,793</u>	<u>30,525</u>
Expenditures:			
<i>Support Services:</i>			
Fiscal	700,000	610,840	89,160
<i>Debt Service:</i>			
Principal Retirement	25,349,045	25,349,045	0
Interest and Fiscal Charges	6,075,548	6,075,548	0
Bond Issuance Costs	177,858	177,858	0
Total Expenditures	<u>32,302,451</u>	<u>32,213,291</u>	<u>89,160</u>
Deficiency of Revenues Under Expenditures	<u>(4,548,183)</u>	<u>(4,428,498)</u>	<u>119,685</u>
Other Financing Sources:			
Proceeds from Sale of Bonds	10,525,000	10,525,000	0
Payment to Refunded Bonds Escrow Agent	(6,124,354)	(6,124,354)	0
Premium from Sale of Notes	444,722	444,722	0
Total Other Financing Sources	<u>4,845,368</u>	<u>4,845,368</u>	<u>0</u>
Net Change in Fund Balances	297,185	416,870	119,685
Fund Balances at Beginning of Year	<u>26,103,869</u>	<u>26,103,869</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 26,401,054</u>	<u>\$ 26,520,739</u>	<u>\$ 119,685</u>

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, 2014

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Local Sources:</i>			
Investment Income	\$ 322,026	\$ 322,026	\$ 0
<i>State Sources:</i>			
Restricted Grants-in-Aid	48,876,853	48,908,145	31,292
Total Revenues	<u>49,198,879</u>	<u>49,230,171</u>	<u>31,292</u>
Expenditures:			
Capital Outlay	140,589,580	140,449,722	139,858
Total Expenditures	<u>140,589,580</u>	<u>140,449,722</u>	<u>139,858</u>
Deficiency of Revenues Under Expenditures	(91,390,701)	(91,219,551)	171,150
Other Financing Sources:			
Transfers Out	(7,748,164)	(7,748,164)	0
Total Other Financing Sources (Uses)	<u>(7,748,164)</u>	<u>(7,748,164)</u>	<u>0</u>
Net Change in Fund Balances	(99,138,865)	(98,967,715)	171,150
Fund Balances at Beginning of Year	66,203,312	66,203,312	0
<i>Prior Year Encumbrances Appropriated</i>	<u>33,337,444</u>	<u>33,337,444</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 401,891</u>	<u>\$ 573,041</u>	<u>\$ 171,150</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, 2014

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Local Sources:</i>			
Investment Income	\$ 966,088	\$ 966,088	\$ 0
Contributions and Donations	6,044,874	6,044,728	(146)
Total Revenues	<u>7,010,962</u>	<u>7,010,816</u>	<u>(146)</u>
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	223,498	1,550	221,948
Special	20,067	1,298	18,769
Vocational	22,608	542	22,066
Other	89,226	89,226	0
<i>Support Services:</i>			
Pupils	103,639	62,048	41,591
Instructional Staff	9,348,071	4,171,312	5,176,759
Board of Education	8,049	0	8,049
Administration	838,188	329,616	508,572
Fiscal	24,628	2,965	21,663
Operation and Maintenance of Plant	19,888	0	19,888
Pupil Transportation	254,929	19,775	235,154
Central	1,898,276	158,475	1,739,801
Operation of Non-Instructional Services	18,323	1,668	16,655
Extracurricular Activities	54,749	1,076	53,673
Total Expenditures	<u>12,924,139</u>	<u>4,839,551</u>	<u>8,084,588</u>
Excess of Revenues Over (Under) Expenditures	(5,913,177)	2,171,265	8,084,442
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	(4,968,783)	3,115,659	8,084,442
Fund Balances at Beginning of Year	21,923,339	21,923,339	0
<i>Prior Year Encumbrances Appropriated</i>	841,542	841,542	0
Fund Balances at End of Year	<u>\$ 17,796,098</u>	<u>\$ 25,880,540</u>	<u>\$ 8,084,442</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, 2014

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Local Sources:</i>			
Taxes	\$ 1,851,446	\$ 1,853,658	\$ 2,212
Investment Income	5,900	5,916	16
<i>State Sources:</i>			
Unrestricted Grants-in-Aid	201,976	372,824	170,848
Restricted Grants-in-Aid	2,103,282	1,930,207	(173,075)
Total Revenues	<u>4,162,604</u>	<u>4,162,605</u>	<u>1</u>
Expenditures:			
<i>Support Services:</i>			
Fiscal	47,700	47,700	0
Operation and Maintenance of Plant	13,279,523	11,719,135	1,560,388
Capital Outlay	1,556	0	1,556
Total Expenditures	<u>13,328,779</u>	<u>11,766,835</u>	<u>1,561,944</u>
Net Change in Fund Balances	(9,166,175)	(7,604,230)	1,561,945
Fund Balances at Beginning of Year	25,591,904	25,591,904	0
<i>Prior Year Encumbrances Appropriated</i>	<u>2,361,788</u>	<u>2,361,788</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 18,787,517</u>	<u>\$ 20,349,462</u>	<u>\$ 1,561,945</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, 2014

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Local Sources:</i>			
Extracurricular Activities	\$ 566,470	\$ 566,470	\$ 0
Miscellaneous	2,590,124	2,513,124	(77,000)
Total Revenues	<u>3,156,594</u>	<u>3,079,594</u>	<u>(77,000)</u>
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	1,435,431	1,429,802	5,629
Special	279,534	279,534	0
<i>Support Services:</i>			
Pupils	198,103	198,103	0
Administration	242,819	242,819	0
Fiscal	233,167	233,167	0
Operation and Maintenance of Plant	130,947	130,947	0
Extracurricular Activities	962,888	683,352	279,536
Total Expenditures	<u>3,482,889</u>	<u>3,197,724</u>	<u>285,165</u>
Net Change in Fund Balances	(326,295)	(118,130)	208,165
Fund Balances at Beginning of Year	367,151	367,151	0
<i>Prior Year Encumbrances Appropriated</i>	127,089	127,089	0
Fund Balances at End of Year	<u>\$ 167,945</u>	<u>\$ 376,110</u>	<u>\$ 208,165</u>

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, 2014

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Local Sources:</i>			
Investment Income	\$ 575	\$ 575	\$ 0
Miscellaneous	300,794	300,794	0
<i>State Sources:</i>			
Restricted Grants-in-Aid	7,233,736	7,233,736	0
Total Revenues	<u>7,535,105</u>	<u>7,535,105</u>	<u>0</u>
Expenditures:			
<i>Current:</i>			
<i>Support Services:</i>			
Instructional Staff	339,141	255,508	83,633
Operation and Maintenance of Plant	77,975	11,936	66,039
Operation of Non-Instructional Services	9,673,353	8,797,898	875,455
Total Expenditures	<u>10,090,469</u>	<u>9,065,342</u>	<u>1,025,127</u>
Net Change in Fund Balances	(2,555,364)	(1,530,237)	1,025,127
Fund Balances at Beginning of Year	136,508	136,508	0
<i>Prior Year Encumbrances Appropriated</i>	<u>2,566,573</u>	<u>2,566,573</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 147,717</u>	<u>\$ 1,172,844</u>	<u>\$ 1,025,127</u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Straight A Fund
For the Fiscal Year Ended June 30, 2014

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>State Sources:</i>			
Restricted Grants-in-Aid	\$ 6,000,000	\$ 6,000,000	\$ 0
Total Revenues	<u>6,000,000</u>	<u>6,000,000</u>	<u>0</u>
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	4,900,000	4,900,000	0
<i>Support Services:</i>			
Administration	1,100,000	1,100,000	0
Total Expenditures	<u>6,000,000</u>	<u>6,000,000</u>	<u>0</u>
Net Change in Fund Balances	0	0	0
Fund Balances at Beginning of Year	0	0	0
<i>Prior Year Encumbrances Appropriated</i>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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, 2014

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>State Sources:</i>			
Restricted Grants-in-Aid	\$ 394,881	\$ 427,086	\$ 32,205
Total Revenues	<u>394,881</u>	<u>427,086</u>	<u>32,205</u>
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	26,476	0	26,476
Adult/Continuing	54,782	3,559	51,223
Other	589	0	589
<i>Support Services:</i>			
Pupils	66,964	54,203	12,761
Instructional Staff	902,656	650,345	252,311
Operation and Maintenance of Plant	5,473	0	5,473
Pupil Transportation	8,158	1,602	6,556
Operation of Non-Instructional Services	13,864	1,361	12,503
Total Expenditures	<u>1,078,962</u>	<u>711,070</u>	<u>367,892</u>
Net Change in Fund Balances	(684,081)	(283,984)	400,097
Fund Balances at Beginning of Year	779,371	779,371	0
<i>Prior Year Encumbrances Appropriated</i>	<u>16,962</u>	<u>16,962</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 112,252</u>	<u>\$ 512,349</u>	<u>\$ 400,097</u>

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, 2014

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Local Sources:</i>			
Tuition and Fees	\$ 22,000	\$ 22,212	\$ 212
<i>State Sources:</i>			
Restricted Grants-in-Aid	446,255	282,579	(163,676)
Total Revenues	468,255	304,791	(163,464)
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	170,005	166,428	3,577
Special	37,548	37,548	0
<i>Support Services:</i>			
Pupils	240,830	240,830	0
Instructional Staff	13,078	13,038	40
Administration	14,981	14,973	8
Pupil Transportation	1,159	0	1,159
Central	29,430	15,014	14,416
Total Expenditures	507,031	487,831	19,200
Deficiency of Revenues Under Expenditures	(38,776)	(183,040)	(144,264)
Other Financing Uses:			
Advances In	250	250	0
Advances Out	(22,000)	(22,000)	0
Total Other Financing Sources (Uses)	(21,750)	(21,750)	0
Net Change in Fund Balances	(60,526)	(204,790)	(144,264)
Fund Balances at Beginning of Year	436,040	436,040	0
<i>Prior Year Encumbrances Appropriated</i>	16,643	16,643	0
Fund Balances at End of Year	\$ 392,157	\$ 247,893	\$ (144,264)

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, 2014

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Local Sources:</i>			
Investment Income	\$ 31	\$ 31	\$ 0
Food Services	560,926	560,926	0
Miscellaneous	127,812	127,812	0
<i>State Sources:</i>			
Restricted Grants-in-Aid	491,690	491,690	0
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	22,590,567	22,590,569	2
Total Revenues	<u>23,771,026</u>	<u>23,771,028</u>	<u>2</u>
Expenditures:			
<i>Current:</i>			
Operation of Non-Instructional Services	23,124,806	23,094,807	29,999
Total Expenditures	<u>23,124,806</u>	<u>23,094,807</u>	<u>29,999</u>
Deficiency of Revenues Under Expenditures	646,220	676,221	30,001
Other Financing Sources:			
Transfers In	628,000	628,000	0
Total Other Financing Sources (Uses)	<u>628,000</u>	<u>628,000</u>	<u>0</u>
Net Change in Fund Balances	1,274,220	1,304,221	30,001
Fund Balance at Beginning of Year	(1,415,217)	(1,415,217)	0
<i>Prior Year Encumbrances Appropriated</i>	141,437	141,437	0
Fund Balances at End of Year	<u>\$ 440</u>	<u>\$ 30,441</u>	<u>\$ 30,001</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, 2014

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$ 11,305,025	\$ 10,029,938	\$ (1,275,087)
Expenditures:			
Current:			
<i>Instruction:</i>			
Regular	3,033,697	3,033,697	0
Other	3,150	3,150	0
<i>Support Services:</i>			
Pupils	862,272	862,272	0
Instructional Staff	9,466,924	9,466,924	0
Administration	193,492	193,492	0
Fiscal	12,387	12,387	0
Operation and Maintenance of Plant	5,072	5,072	0
Total Expenditures	13,576,994	13,576,994	0
Excess of Revenues Over Expenditures	(2,271,969)	(3,547,056)	(1,275,087)
Other Financing Uses:			
Advances In	2,980,000	2,980,000	0
Advances Out	(2,850,000)	(2,850,000)	0
Total Other Financing Sources (Uses)	130,000	130,000	0
Net Change in Fund Balances	(2,141,969)	(3,417,056)	(1,275,087)
Fund Balances at Beginning of Year	(492,736)	(492,736)	0
<i>Prior Year Encumbrances Appropriated</i>	2,686,778	2,686,778	0
Fund Balances at End of Year	\$ 52,073	\$ (1,223,014)	\$ (1,275,087)

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, 2014

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$ 12,171,676	\$ 11,194,769	\$ (976,907)
Total Revenues	<u>12,171,676</u>	<u>11,194,769</u>	<u>(976,907)</u>
Expenditures:			
Current:			
<i>Instruction:</i>			
Special	6,923,890	6,923,890	0
<i>Support Services:</i>			
Pupils	1,730,258	1,730,258	0
Instructional Staff	451,331	451,331	0
Administration	1,432,563	1,432,563	0
Fiscal	177,164	177,164	0
Operation of Non-Instructional Services	678,336	641,598	36,738
Total Expenditures	<u>11,393,542</u>	<u>11,356,804</u>	<u>36,738</u>
Excess of Revenues Over (Under) Expenditures	778,134	(162,035)	(940,169)
Other Financing Sources (Uses):			
Advances In	150,000	150,000	0
Total Other Financing Sources (Uses)	<u>150,000</u>	<u>150,000</u>	<u>0</u>
Net Change in Fund Balances	928,134	(12,035)	(940,169)
Fund Balances at Beginning of Year	(1,051,770)	(1,051,770)	0
<i>Prior Year Encumbrances Appropriated</i>	<u>123,642</u>	<u>123,642</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 6</u>	<u>\$ (940,163)</u>	<u>\$ (940,169)</u>

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, 2014

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$ 1,967,735	\$ 1,511,144	\$ (456,591)
Total Revenues	<u>1,967,735</u>	<u>1,511,144</u>	<u>(456,591)</u>
Expenditures:			
Current:			
<i>Instruction:</i>			
Vocational	875,681	875,680	1
<i>Support Services:</i>			
Instructional Staff	856,304	844,650	11,654
Administration	44,652	44,652	0
Operation and Maintenance of Plant	14,367	10,169	4,198
Total Expenditures	<u>1,791,004</u>	<u>1,775,151</u>	<u>15,853</u>
Deficiency of Revenues Under Expenditures	176,731	(264,007)	(440,738)
Other Financing Sources:			
Advances In	81,000	81,000	0
Advances Out	(500,000)	(500,000)	0
Total Other Financing Sources (Uses)	<u>(419,000)</u>	<u>(419,000)</u>	<u>0</u>
Net Change in Fund Balances	(242,269)	(683,007)	(440,738)
Fund Balances at Beginning of Year	126,164	126,164	0
<i>Prior Year Encumbrances Appropriated</i>	<u>258,240</u>	<u>258,240</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 142,135</u>	<u>\$ (298,603)</u>	<u>\$ (440,738)</u>

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, 2014

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$ 46,652,732	\$ 43,398,235	\$ (3,254,497)
Total Revenues	<u>46,652,732</u>	<u>43,398,235</u>	<u>(3,254,497)</u>
Expenditures:			
Current:			
<i>Instruction:</i>			
Regular	4,366,986	4,366,986	0
Special	24,146,681	24,146,681	0
Other	801,624	801,624	0
<i>Support Services:</i>			
Pupils	836,118	836,118	0
Instructional Staff	7,353,984	7,353,984	0
Administration	2,423,961	1,591,273	832,688
Fiscal	703,466	703,466	0
Operation and Maintenance of Plant	160,859	113,688	47,171
Pupil Transportation	216,481	216,481	0
Operation of Non-Instructional Services	3,690,233	3,690,124	109
Total Expenditures	<u>44,700,393</u>	<u>43,820,425</u>	<u>879,968</u>
Excess of Revenues Over (Under) Expenditures	1,952,339	(422,190)	(2,374,529)
Other Financing Sources (Uses):			
Advances In	(2,557,000)	(2,557,000)	0
Total Other Financing Sources (Uses)	<u>(2,557,000)</u>	<u>(2,557,000)</u>	<u>0</u>
Net Change in Fund Balances	(604,661)	(2,979,190)	(2,374,529)
Fund Balances at Beginning of Year	236,157	236,157	0
<i>Prior Year Encumbrances Appropriated</i>	<u>2,521,392</u>	<u>2,521,392</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 2,152,888</u>	<u>\$ (221,641)</u>	<u>\$ (2,374,529)</u>

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, 2014

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$ 6,467,573	\$ 5,958,218	\$ (509,355)
Total Revenues	<u>6,467,573</u>	<u>5,958,218</u>	<u>(509,355)</u>
Expenditures:			
Current:			
<i>Instruction:</i>			
Special	5,917,867	5,917,867	0
<i>Support Services:</i>			
Administration	22,975	22,975	0
Fiscal	45,232	45,232	0
Total Expenditures	<u>5,986,074</u>	<u>5,986,074</u>	<u>0</u>
Net Change in Fund Balances	481,499	(27,856)	(509,355)
Fund Balances at Beginning of Year	(481,499)	(481,499)	0
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ (509,355)</u>	<u>\$ (509,355)</u>

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, 2014

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$ 537,487	\$ 527,645	\$ (9,842)
Total Revenues	<u>537,487</u>	<u>527,645</u>	<u>(9,842)</u>
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Vocational	1,781	1,781	0
Other	137,105	137,105	0
<i>Support Services:</i>			
Pupils	210,826	210,826	0
Instructional Staff	38,519	37,708	811
Fiscal	6,060	6,060	0
Operation and Maintenance of Plant	8,339	8,339	0
Total Expenditures	<u>402,630</u>	<u>401,819</u>	<u>811</u>
Net Change in Fund Balances	134,857	125,826	(9,031)
Fund Balances at Beginning of Year	(77,298)	(77,298)	0
<i>Prior Year Encumbrances Appropriated</i>	<u>312,173</u>	<u>312,173</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 369,732</u>	<u>\$ 360,701</u>	<u>\$ (9,031)</u>

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, 2014

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$ 12,325,621	\$ 11,690,400	\$ (635,221)
Total Revenues	<u>12,325,621</u>	<u>11,690,400</u>	<u>(635,221)</u>
Expenditures:			
Current:			
<i>Instruction:</i>			
Regular	1,353	1,353	0
Special	3,249,377	3,216,948	32,429
<i>Support Services:</i>			
Pupils	908,969	908,969	0
Instructional Staff	6,357,671	6,335,083	22,588
Administration	413,423	402,792	10,631
Fiscal	76,082	66,634	9,448
Operation and Maintenance of Plant	59,568	59,568	0
Pupil Transportation	96,064	96,064	0
Operation of Non-Instructional Services	126,344	62,411	63,933
Total Expenditures	<u>11,288,851</u>	<u>11,149,822</u>	<u>139,029</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,036,770	540,578	(496,192)
Other Financing Sources:			
Advances In	511,000	511,000	0
Advances Out	(3,761,000)	(3,761,000)	0
Total Other Financing Sources (Uses)	<u>(3,250,000)</u>	<u>(3,250,000)</u>	<u>0</u>
Net Change in Fund Balances	(2,213,230)	(2,709,422)	(496,192)
Fund Balances at Beginning of Year	466,803	466,803	0
<i>Prior Year Encumbrances Appropriated</i>	<u>1,928,949</u>	<u>1,928,949</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 182,522</u>	<u>\$ (313,670)</u>	<u>\$ (496,192)</u>

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, 2014

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Local Sources:</i>			
Investment Income	\$ 81,242	\$ 94,811	\$ 13,569
Sale of Personal Property	2,876	2,876	0
Miscellaneous	2,000	2,000	0
Total Revenues	86,118	99,687	13,569
Expenditures:			
<i>Current:</i>			
Operation and Maintenance of Plant	1,346,552	420,249	926,303
Capital Outlay	27,077,843	26,210,923	866,920
Total Expenditures	28,424,395	26,631,172	1,793,223
Deficiency of Revenues Under Expenditures	(28,338,277)	(26,531,485)	1,806,792
Other Financing Sources:			
Transfers In	7,748,164	7,748,164	0
Total Other Financing Sources (Uses)	7,748,164	7,748,164	0
Net Change in Fund Balances	(20,590,113)	(18,783,321)	1,806,792
Fund Balances at Beginning of Year	22,317,903	22,317,903	0
<i>Prior Year Encumbrances Appropriated</i>	7,418,022	7,418,022	0
Fund Balances at End of Year	\$ 9,145,812	\$ 10,952,604	\$ 1,806,792

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, 2014

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Expenses:			
Claims	\$ 1,113,354	\$ 1,091,547	\$ 21,807
Excess of Revenues Over (Under) Expenditures	(1,113,354)	(1,091,547)	21,807
Other Financing Sources (Uses):			
Transfers In	750,000	750,000	0
Net Change in Fund Equity	(363,354)	(341,547)	21,807
Fund Equity at Beginning of Year	1,868,835	1,868,835	0
<i>Prior Year Encumbrances Appropriated</i>	313,354	313,354	0
Fund Equity at End of Year	\$ 1,818,835	\$ 1,840,642	\$ 21,807

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, 2014

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 58,626,878	\$ 58,626,878	\$ 0
Expenses:			
Claims	59,061,309	58,308,263	753,046
Net Change in Fund Equity	(434,431)	318,615	753,046
Fund Equity at Beginning of Year	7,579,696	7,579,696	0
<i>Prior Year Encumbrances Appropriated</i>	61,309	61,309	0
Fund Equity at End of Year	\$ 7,206,574	\$ 7,959,620	\$ 753,046

Statistical Section



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 54 for the year ended June 30, 2011; schedules presenting government wide net position information include information beginning in that year. GASB 54 changed the classification of the governmental fund balance, but did not change the government-wide net position.

Cleveland Municipal School District

Net Position by Component

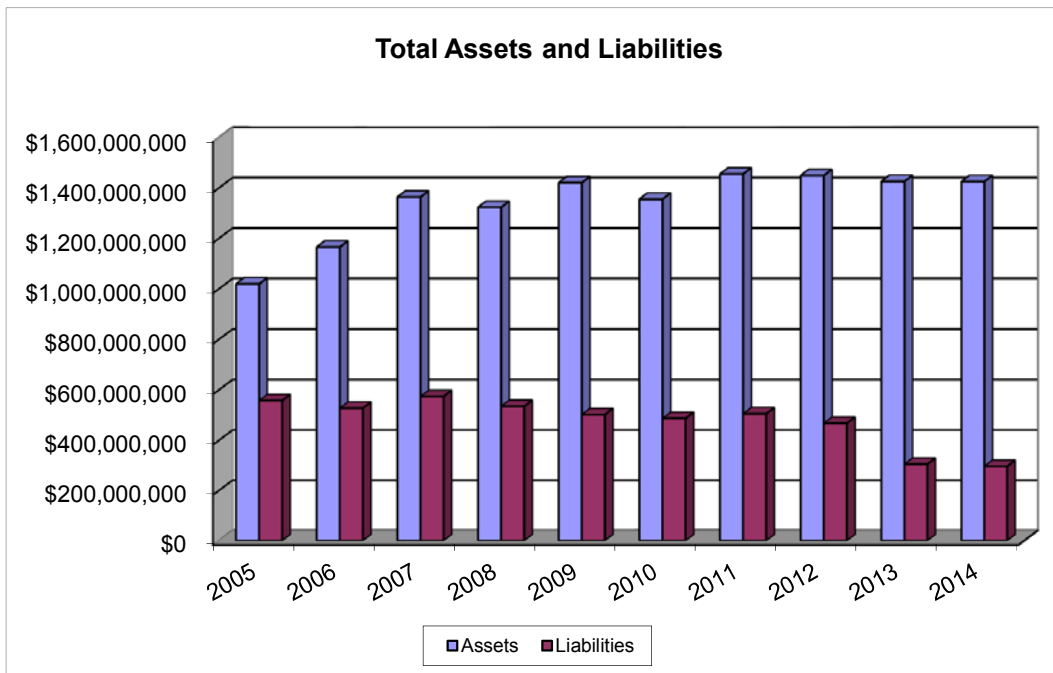
Last Ten Fiscal Years

(accrual basis of accounting)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Net Position				
Net Investment in Capital Assets	\$ 117,395,590	\$ 208,222,499	\$ 261,363,643	\$ 332,124,644
Restricted				
Restricted Debt Service	53,685,274	49,134,737	36,237,294	33,349,361
Restricted Capital Projects	326,783,809	362,464,498	423,973,593	313,896,979
Restricted Special Revenue	11,361,537	16,028,862	18,590,876	34,529,429
Unrestricted	(47,337,174)	2,036,421	49,393,549	74,406,756
Total Net Position	<u>\$ 461,889,036</u>	<u>\$ 637,887,017</u>	<u>\$ 789,558,955</u>	<u>\$ 788,307,169</u>

Source: School District Financial Records

2009	2010	2011	2012	2013	2014
\$ 410,820,839	\$ 500,616,971	\$ 503,951,883	\$ 518,814,295	\$ 558,674,014	\$ 619,248,160
33,857,725	47,506,378	48,223,777	51,217,114	42,713,939	49,735,043
391,466,835	257,882,844	260,606,827	278,969,178	184,352,359	84,864,225
40,215,098	41,703,464	77,722,493	58,944,626	47,468,206	44,308,001
41,835,337	20,520,336	58,715,005	73,262,646	113,553,821	158,282,881
<u>\$ 918,195,834</u>	<u>\$ 868,229,993</u>	<u>\$ 949,219,985</u>	<u>\$ 981,207,859</u>	<u>\$ 946,762,339</u>	<u>\$ 956,438,310</u>



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

	2005	2006	2007	2008
Expenses				
Governmental Activities:				
Instruction:				
Regular	\$ 249,352,851	\$ 316,945,841	\$ 306,641,274	\$ 327,247,872
Special	152,153,082	143,913,038	160,305,162	168,823,350
Vocational	12,683,615	11,907,870	12,723,093	13,985,560
Adult/Continuing	3,490,435	2,300,131	2,967,373	2,833,813
Other	150	12,759,762	12,263,429	19,765,060
<i>Support Services:</i>				
Pupils	33,877,518	35,380,163	37,100,301	32,218,673
Instructional Staff	54,824,175	51,072,946	48,124,670	48,850,968
Board of Education	223,199	267,321	248,637	258,840
Administration	43,927,480	41,342,791	43,218,261	46,168,403
Fiscal	12,234,280	9,946,686	9,617,654	11,408,394
Business	1,284,442	942,371	1,065,128	1,873,943
Operation and Maintenance of Plant	56,317,807	58,569,487	64,844,985	109,195,119
Pupil Transportation	28,867,256	28,965,329	27,944,135	27,527,934
Central	14,936,994	15,969,839	15,923,177	15,035,691
Operation of Non-Instructional Services	44,009,082	42,532,273	38,956,223	42,585,167
Extracurricular Activities	5,968,627	5,814,665	6,466,969	6,783,614
Interest and Fiscal Charges	13,588,410	11,647,137	10,180,816	9,219,611
Total Primary Government Expenses	727,739,403	790,277,650	798,591,287	883,782,012
Program Revenues				
Governmental Activities:				
Charges for Services and Sales				
Instruction:				
Regular	0	0	196,057	660,425
Special	192,893	148,405	717,094	238,482
Vocational	0	0	0	27,430
Adult/Continuing	83,071	38,252	59,177	890
Other	0	0	0	168
Support Services:				
Pupils	0	0	0	53,857
Instructional Staff	0	0	0	50,724
Board of Education	0	0	0	579
Administration	0	0	0	95,123
Fiscal	0	0	0	23,294
Business	0	0	0	4,354
Operation and Maintenance of Plant	0	0	0	104,131
Pupil Transportation	0	0	0	58,433
Central	0	0	0	34,018
Operation of Non-Instruction Services	0	0	0	7,798
Extracurricular Activities	0	0	0	821,166

Source: School District financial records

2009	2010	2011	2012	2013	2014
\$ 328,162,328	\$ 380,866,357	\$ 297,907,426	\$ 322,367,731	\$ 367,669,653	\$ 381,411,371
180,413,911	189,643,261	207,990,072	174,228,202	172,023,833	182,682,324
11,895,564	11,923,801	10,336,437	11,316,290	12,599,383	11,404,778
2,856,799	3,668,819	132,537	0	112,488	620
19,497,068	9,655,896	6,384,172	4,493,188	673,778	1,970,489
27,746,864	39,107,286	37,463,820	36,216,356	34,197,654	35,833,670
57,621,095	65,429,955	59,204,651	50,834,523	55,202,905	30,250,022
284,153	234,344	250,996	285,033	274,588	264,265
44,605,981	48,600,081	43,536,920	41,533,976	46,168,870	43,290,224
12,212,820	10,120,397	15,131,810	12,498,573	12,708,747	12,274,449
2,645,732	2,223,407	1,643,284	1,700,249	2,018,076	1,590,930
74,505,273	61,657,748	63,176,797	55,146,243	59,940,850	62,189,841
31,991,149	30,858,435	28,923,689	27,896,118	30,662,826	56,924,644
19,272,538	14,648,056	12,437,133	11,966,119	20,006,680	17,526,350
42,225,005	41,452,383	42,237,400	39,718,319	36,951,908	35,846,103
6,910,474	6,492,522	6,418,054	5,857,755	6,990,941	6,510,125
8,078,738	7,478,002	9,869,253	9,640,956	11,669,533	93,660
870,925,492	924,060,750	843,044,451	805,699,631	869,872,713	880,063,865

616,265	805,242	2,351,003	1,800,754	4,192,551	4,170,473
229,296	364,149	976,843	832,254	1,621,243	1,533,891
19,401	29,849	62,210	61,797	111,542	99,620
707	5,916	0	0	1,068	5
4,804	18,813	36,692	28,614	4,590	1,307

63,040	95,886	316,993	190,315	457,244	467,558
45,270	67,537	154,682	144,317	192,966	56,314
536	654	1,788	1,831	2,692	2,311
113,343	105,953	417,562	237,566	547,753	597,459
40,664	26,169	258,747	68,264	324,446	323,162
5,007	6,204	11,703	10,921	19,786	13,915
96,210	167,875	522,574	336,066	656,920	591,810
56,888	74,134	175,290	170,981	270,047	319,926
34,908	39,399	87,927	75,555	194,889	152,101
5,512	7,879	11,614	15,927	11,351	7,806
800,606	788,285	653,175	575,250	574,128	618,561

(continued)

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

	2005	2006	2007	2008
Operating Grants, Contributions and Interest				
Instruction:				
Regular	\$ 71,510,982	\$ 33,931,074	\$ 34,039,005	\$ 35,546,322
Special	49,947,447	63,057,863	62,362,875	66,638,056
Vocational	968,521	741,042	1,694,687	2,533,848
Adult/Continuing	2,215,834	2,451,716	2,444,889	2,617,719
Other	0	11,151,414	11,461,176	19,133,256
Support Services:				
Pupils	5,702,967	7,803,544	10,539,199	9,175,181
Instructional Staff	32,431,931	40,672,337	27,327,018	30,313,516
Board of Education	11,126	7,701	12,989	14,767
Administration	5,347,769	4,916,688	7,231,878	4,546,107
Fiscal	1,402,369	1,068,558	1,314,680	1,348,188
Business	0	0	0	17,476
Operation and Maintenance of Plant	672,986	2,547,221	7,251,442	12,818,564
Pupil Transportation	635,920	1,294,475	1,190,477	1,601,296
Central	1,220,287	895,218	578,561	683,303
Operation of Non-Instruction Services	37,057,500	39,136,205	34,663,348	32,764,919
Extracurricular Activities	849,552	895,653	878,738	70,647
Capital Grants and Contributions				
Instruction:				
Regular	109,387,736	119,828,477	89,064,023	2,395,614
Support Services:				
Instructional Staff	14,867	0	0	0
Operation and Maintenance of Plant	38,370	682,985	0	0
Central	133	0	0	0
<i>Total Program Revenues</i>	<u>319,692,261</u>	<u>331,268,828</u>	<u>293,027,313</u>	<u>224,399,651</u>
Net Expense	<u>\$ (408,047,142)</u>	<u>\$ (459,008,822)</u>	<u>\$ (505,563,974)</u>	<u>\$ (659,382,361)</u>
General Revenues and Other				
Changes in Net Assets				
Governmental Activities:				
Property Taxes Levied For:				
General Purposes	\$ 193,293,701	\$ 197,583,328	\$ 198,996,360	\$ 185,684,541
Debt Service	29,573,166	31,620,440	35,760,058	33,647,336
Capital Outlay	2,309,596	2,459,275	2,477,222	2,347,262
Investment Income	7,362,433	16,205,770	18,843,152	18,682,784
Miscellaneous	2,410,759	9,715,420	1,665,345	7,100,867
Grants and Entitlements not Restricted to				
Specific Programs	330,273,507	384,582,569	399,493,775	410,667,785
Total Primary Government	<u>565,223,162</u>	<u>642,166,802</u>	<u>657,235,912</u>	<u>658,130,575</u>
Change in Net Assets				
Total Primary Government	<u>\$ 157,176,020</u>	<u>\$ 183,157,980</u>	<u>\$ 151,671,938</u>	<u>\$ (1,251,786)</u>

	2009	2010	2011	2012	2013	2014
\$	37,192,665	\$ 32,685,231	\$ 38,093,482	\$ 20,734,813	\$ 5,201,595	\$ 38,760,754
	62,689,317	63,043,009	103,872,868	28,181,385	43,030,489	50,997,326
	1,637,911	1,326,967	1,446,826	1,572,223	1,379,138	1,692,844
	2,462,002	1,904,193	71,032	0	510	53
	18,403,044	3,127,296	1,663,788	49,095	168,775	1,809,839
	5,916,754	5,548,551	6,100,952	6,609,256	6,132,756	7,294,674
	35,440,720	42,964,473	39,853,992	26,649,396	30,471,914	26,469,136
	2,849	1,387	1,240	1,979	1,247	22,411
	4,575,772	4,916,794	4,190,878	2,101,662	3,090,526	7,917,347
	925,564	705,052	3,198,202	764,430	717,508	1,885,624
	18,548	13,164	8,117	11,804	9,162	134,917
	14,781,452	2,447,744	623,740	2,234,494	2,236,816	7,388,942
	1,093,004	894,026	3,096,448	280,450	315,733	3,482,438
	641,824	568,623	299,521	151,489	99,632	1,592,966
	33,961,591	31,495,919	41,054,534	29,413,981	32,517,985	31,407,090
	61,459	44,017	92,068	36,928	32,198	505,410
	150,881,349	3,376,765	2,037,682	43,033,556	2,100,511	3,155,969
	0	0	0	0	0	0
	0	0	0	0	0	0
	0	0	0	0	0	0
	<u>372,818,282</u>	<u>197,667,155</u>	<u>251,744,173</u>	<u>166,377,353</u>	<u>136,689,711</u>	<u>193,473,959</u>
\$	<u>(498,107,210)</u>	<u>(726,393,595)</u>	<u>(591,300,278)</u>	<u>(639,322,278)</u>	<u>(733,183,002)</u>	<u>(686,589,906)</u>
\$	155,294,660	\$ 156,893,542	\$ 158,760,869	\$ 155,316,742	\$ 200,094,021	\$ 235,958,843
	10,941,106	16,654,007	28,724,375	28,235,142	12,635,634	30,404,951
	22,122,341	17,391,407	2,097,559	2,083,420	1,042,267	2,498,740
	9,507,759	5,756,808	3,535,089	1,910,966	1,345,163	2,942,716
	10,669,482	11,268,565	13,723,968	18,445,756	23,507,563	11,360,311
	<u>419,460,527</u>	<u>468,463,425</u>	<u>465,448,410</u>	<u>465,318,126</u>	<u>459,821,084</u>	<u>413,100,316</u>
	<u>627,995,875</u>	<u>676,427,754</u>	<u>672,290,270</u>	<u>671,310,152</u>	<u>698,445,732</u>	<u>696,265,877</u>
\$	<u>129,888,665</u>	<u>(49,965,841)</u>	<u>80,989,992</u>	<u>31,987,874</u>	<u>(34,737,270)</u>	<u>9,675,971</u>

Cleveland Municipal School District

Fund Balances, Governmental Funds

Last Ten Fiscal Years

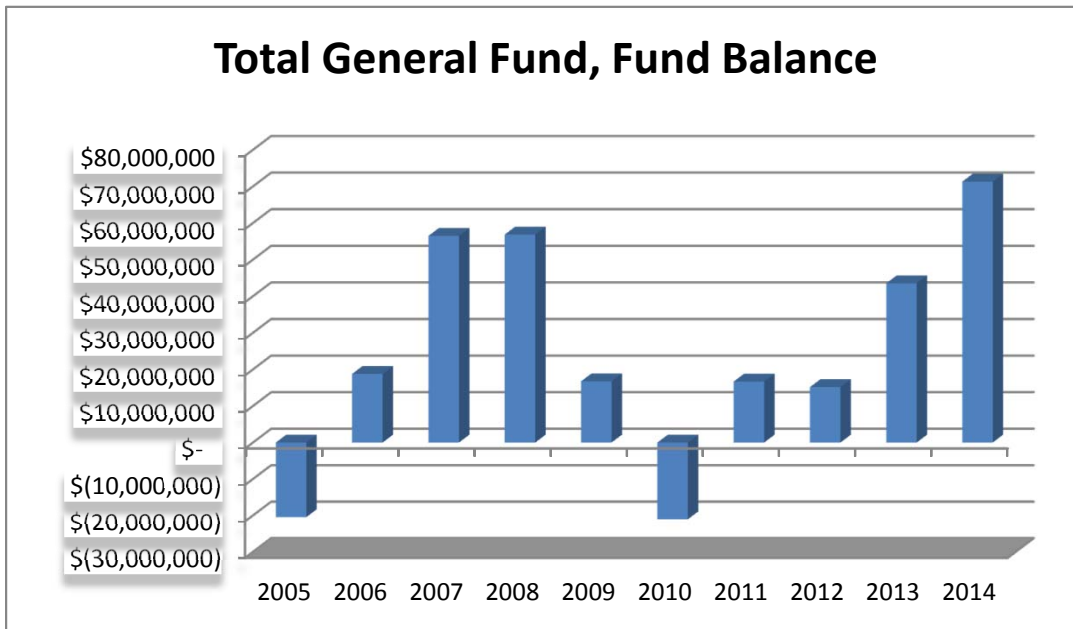
(modified accrual basis of accounting)

	2005	2006	2007	2008
General Fund				
Nonspendable	\$ 702,401	\$ 656,976	\$ 683,737	\$ 1,126,828
Restricted	(48,377,637)	(21,522,382)	0	0
Committed	4,805,598	6,467,758	7,217,484	3,158,174
Unassigned	22,404,297	33,183,447	48,584,949	52,570,463
Total General Fund	<u>(20,465,341)</u>	<u>18,785,799</u>	<u>56,486,170</u>	<u>56,855,465</u>
All Other Governmental Funds				
Nonspendable	277,925	291,769	410,176	517,125
Restricted				
Debt Service	34,578,380	30,376,315	14,238,392	19,367,096
Capital Programs	131,254,059	87,359,128	125,530,579	97,428,288
Special Revenue	0	6,951,949	7,631,660	5,703,271
Committed	65,909,495	77,386,743	64,881,973	88,523,867
Assigned	5,851,848	4,227,004	4,924,426	5,638,179
Unassigned	(2,198,856)	0	0	0
Total all Other Governmental Funds	<u>235,672,851</u>	<u>206,592,908</u>	<u>217,617,206</u>	<u>217,177,826</u>
Total Governmental Funds	<u>\$ 215,207,510</u>	<u>\$ 225,378,707</u>	<u>\$ 274,103,376</u>	<u>\$ 274,033,291</u>

Source: School District financial records

Note: The School District implemented GASB 54 in 2011

2009	2010	2011	2012	2013	2014
\$ 598,118	\$ 1,920,719	\$ 3,691,170	\$ 4,920,465	\$ 6,535,268	\$ 1,036,595
(6,453,783)	(40,964,314)	0	0	0	0
919,523	2,207,974	5,608,988	7,802,251	9,185,899	12,144,755
21,682,643	15,781,618	7,386,402	2,456,478	27,814,870	58,129,480
16,746,501	(21,054,003)	16,686,560	15,179,194	43,536,037	71,310,830
798,579	798,579	861,912	526,708	803,066	789,880
19,153,121	21,439,876	20,124,660	21,981,311	26,108,634	26,520,740
61,135,167	66,946,176	126,510,249	59,357,444	45,160,957	3,344,098
19,089,437	19,495,855	(15,924,805)	51,399,384	46,112,591	44,211,582
101,305,463	57,405,892	33,933,454	80,880,693	42,395,381	91,013,238
6,238,147	3,863,098	4,740,443	4,905,512	3,691,706	5,076,873
0	0	0	(6,600,746)	(19,869,898)	(51,103,623)
207,719,914	169,949,476	170,245,913	212,450,306	144,402,437	119,852,788
<u>\$ 224,466,415</u>	<u>\$ 148,895,473</u>	<u>\$ 186,932,473</u>	<u>\$ 227,629,500</u>	<u>\$ 187,938,474</u>	<u>\$ 191,163,618</u>



Cleveland Municipal School District

Governmental Funds Revenues
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Revenues				
Local Sources:				
Taxes	\$ 224,900,023	\$ 225,725,605	\$ 229,456,774	\$ 216,291,084
Investment Income	7,362,433	16,205,770	18,843,152	18,682,784
Tuition and Fees	346,739	195,468	983,938	1,373,458
Extracurricular Activities	823,214	888,418	862,421	807,414
Contributions and Donations (1)	0	0	0	9,533,478
Sale of Personal Property	0	0	0	0
Miscellaneous	10,368,681	18,124,497	7,042,147	7,100,867
Total Local Sources	<u>243,801,090</u>	<u>261,139,758</u>	<u>257,188,432</u>	<u>253,789,085</u>
State Sources:				
Unrestricted Grants-in-Aid	322,634,276	384,220,944	399,263,033	406,097,141
Restricted Grants-in-Aid	143,316,706	130,630,795	118,053,159	135,715,773
Total State Sources	<u>465,950,982</u>	<u>514,851,739</u>	<u>517,316,192</u>	<u>541,812,914</u>
Federal Sources:				
Unrestricted Grants-in-Aid	7,639,231	361,625	230,742	4,570,644
Restricted Grants-in-Aid	118,920,360	125,743,351	130,689,825	127,244,206
Total Federal Sources	<u>126,559,591</u>	<u>126,104,976</u>	<u>130,920,567</u>	<u>131,814,850</u>
Total Revenues	<u>\$ 836,311,663</u>	<u>\$ 902,096,473</u>	<u>\$ 905,425,191</u>	<u>\$ 927,416,849</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.

2009	2010	2011	2012	2013	2014
\$ 198,637,233	\$ 175,412,408	\$ 185,815,163	\$ 179,685,485	\$ 211,788,636	\$ 242,555,376
9,507,759	5,756,808	3,535,089	1,910,966	1,345,163	2,942,716
1,341,693	1,831,628	4,181,794	3,999,330	6,236,352	5,878,768
790,764	772,316	612,023	541,229	512,011	567,220
7,984,141	6,253,700	8,107,354	2,627,175	4,369,374	6,156,679
0	0	152,615	1,374,307	4,838,821	717
10,669,482	11,268,565	14,816,339	17,071,449	15,259,654	13,862,593
<u>228,931,072</u>	<u>201,295,425</u>	<u>217,220,377</u>	<u>207,209,941</u>	<u>244,350,011</u>	<u>271,964,069</u>
415,513,502	466,379,953	458,759,975	462,502,688	457,766,044	405,113,830
135,128,629	54,495,286	39,162,866	31,850,562	47,613,559	123,889,931
<u>550,642,131</u>	<u>520,875,239</u>	<u>497,922,841</u>	<u>494,353,250</u>	<u>505,379,603</u>	<u>529,003,761</u>
3,947,025	2,083,472	2,251,018	3,060,502	2,055,040	7,986,486
131,068,187	160,859,694	170,974,083	149,294,345	109,780,767	102,343,737
<u>135,015,212</u>	<u>162,943,166</u>	<u>173,225,101</u>	<u>152,354,847</u>	<u>111,835,807</u>	<u>110,330,223</u>
<u>\$ 914,588,415</u>	<u>\$ 885,113,830</u>	<u>\$ 888,368,319</u>	<u>\$ 853,918,038</u>	<u>\$ 861,565,421</u>	<u>\$ 911,298,053</u>

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

	2005	2006	2007	2008
Expenditures				
Current:				
Instruction:				
Regular	\$ 247,538,531	\$ 311,511,315	\$ 301,277,356	\$ 318,032,298
Special	152,415,325	143,898,323	160,202,855	170,005,047
Vocational	12,841,844	11,934,317	12,718,124	14,091,870
Adult/Continuing	3,519,447	2,321,948	2,968,255	2,851,351
Other	150	12,496,611	12,218,420	19,859,383
Support Services:				
Pupils	36,034,088	35,284,327	35,214,671	34,551,766
Instructional Staff	54,943,213	51,117,118	48,104,139	49,169,705
Board of Education	209,576	280,079	248,240	256,012
Administration	39,700,442	39,129,081	39,609,348	46,455,469
Fiscal	12,265,464	9,925,994	9,616,962	11,404,888
Business	1,289,034	983,446	1,051,879	1,877,131
Operations and Maintenance of Plant	60,192,807	56,628,484	59,316,050	60,307,795
Pupil Transportation	28,199,461	27,392,258	26,776,217	26,423,864
Central	15,118,320	15,972,950	16,172,708	15,138,926
Operation of Non-Instructional Services	44,051,523	40,693,064	39,601,592	42,631,226
Extracurricular Activities	6,061,353	5,823,466	6,442,131	6,798,182
Capital Outlay	81,404,824	92,090,262	80,193,958	73,333,174
Debt Service				
Principal Retirement	28,978,523	22,755,277	9,100,896	24,665,132
Interest and Fiscal Charges	13,648,029	11,686,956	10,866,721	9,633,715
Bond Issuance Costs	0	0	0	0
Total Expenditures	\$ 838,411,954	\$ 891,925,276	\$ 871,700,522	\$ 927,486,934
Capital Expenditures (included above)	81,404,824	92,090,262	80,193,958	73,333,174
Debt Service as a Percentage of Noncapital Expenditures	5.6%	4.3%	2.5%	4.0%

Source: School District financial records

2009	2010	2011	2012	2013	2014
\$ 317,468,088	\$ 320,913,453	\$ 285,176,732	\$ 296,589,788	\$ 296,652,085	\$ 328,296,064
180,320,570	189,382,175	207,710,557	174,268,968	171,815,811	182,611,969
11,903,774	11,906,845	10,325,890	11,317,046	12,554,974	12,096,694
2,856,799	3,665,685	117,389	0	108,929	620
19,463,893	9,233,999	6,470,346	4,565,662	883,337	1,974,637
36,579,743	38,434,140	36,624,319	36,685,082	36,194,695	34,740,999
57,763,047	65,575,019	60,166,032	50,661,878	53,789,823	31,412,749
278,777	237,500	245,987	274,705	273,980	268,543
43,240,868	43,344,082	36,689,828	32,974,897	35,343,239	40,298,245
12,207,258	10,093,012	15,237,357	12,788,220	12,622,530	12,268,155
2,657,905	2,230,778	1,637,398	1,689,243	2,013,062	1,571,515
64,415,385	61,633,008	86,750,620	55,268,800	60,109,673	62,283,307
30,463,468	27,703,192	27,878,194	27,339,459	27,477,112	54,625,249
18,952,494	14,731,249	12,527,955	12,018,833	19,762,993	17,449,971
41,995,798	41,262,127	18,517,941	37,955,918	37,885,012	35,451,831
6,902,348	6,493,928	6,385,611	5,856,800	6,979,541	6,488,287
98,020,101	95,529,232	56,852,634	25,129,584	100,952,346	75,299,430
9,845,919	10,193,245	24,867,030	37,540,082	2,184,442	15,524,161
8,819,056	8,122,103	10,112,550	10,357,440	11,652,099	6,482,113
0	0	36,949	0	364,505	177,858
<u>\$ 964,155,291</u>	<u>\$ 960,684,772</u>	<u>\$ 904,331,319</u>	<u>\$ 833,282,405</u>	<u>\$ 889,620,188</u>	<u>\$ 919,322,397</u>
98,020,101	95,529,232	56,852,634	25,129,584	100,952,346	75,299,430
2.2%	2.1%	4.1%	5.9%	1.8%	2.6%

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)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (2,100,291)	\$ 10,171,197	\$ 33,724,669	\$ (70,085)
Other Financing Sources (Uses)				
Inception of Capital Lease	0	0	0	0
Issuance from the Sale of Bonds	125,000,000	0	0	0
Proceeds from the Sale of Notes	0	0	15,000,000	0
Payment of Refunded Bond Escrow Agent	0	0	0	0
Premium from Sale of Bonds	3,066,194	0	0	0
Transfers In	3,108,186	6,944,394	39,180,591	29,532,247
Transfers Out	<u>(3,108,186)</u>	<u>(6,944,394)</u>	<u>(39,180,591)</u>	<u>(29,532,247)</u>
Total Other Financing Sources (Uses)	<u>128,066,194</u>	<u>0</u>	<u>15,000,000</u>	<u>0</u>
Net Change in Fund Balances	<u>\$ 125,965,903</u>	<u>\$ 10,171,197</u>	<u>\$ 48,724,669</u>	<u>\$ (70,085)</u>

Source: School District financial records

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ (49,566,876)	\$ (75,570,942)	\$ (15,963,000)	\$ 20,635,633	\$ (28,054,767)	\$ (8,024,344)
0	0	0	0	0	17,943,165
0	0	55,000,000	20,855,000	45,600,000	10,525,000
0	0	0	0	0	0
0	0	0	0	(63,366,472)	(16,913,399)
0	0	0	0	6,130,213	444,722
3,770,394	11,072,036	14,573,314	15,596,576	13,469,667	9,320,558
<u>(3,770,394)</u>	<u>(11,072,036)</u>	<u>(15,573,314)</u>	<u>(16,390,182)</u>	<u>(13,469,667)</u>	<u>(10,070,558)</u>
<u>0</u>	<u>0</u>	<u>54,000,000</u>	<u>20,061,394</u>	<u>(11,636,259)</u>	<u>11,249,488</u>
<u>\$ (49,566,876)</u>	<u>\$ (75,570,942)</u>	<u>\$ 38,037,000</u>	<u>\$ 40,697,027</u>	<u>\$ (39,691,026)</u>	<u>\$ 3,225,144</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
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
2013	4,602,210	13,149,171	266,558	302,907
2014	4,601,349	13,146,711	298,603	339,322

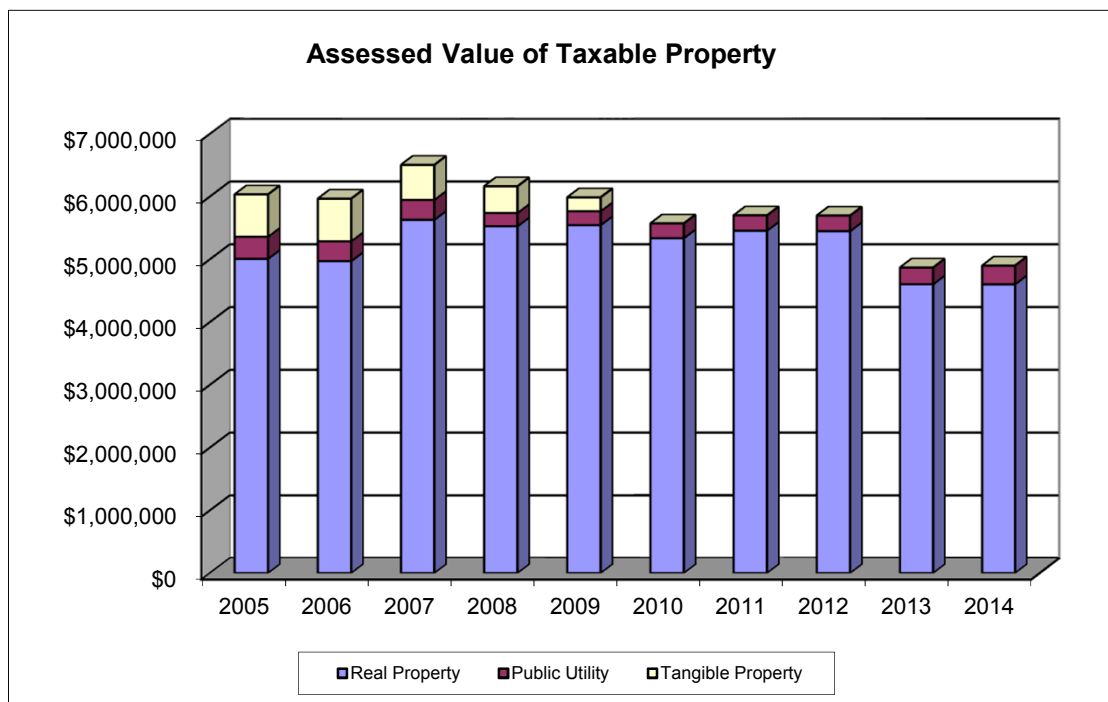
Source: Office of the County Auditor, Cuyahoga County, Ohio

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		
\$ 674,031	\$ 2,930,570	\$ 6,033,840	\$ 17,637,852	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	20,899,744	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
0	0	4,868,768	13,452,078	36	64.80
0	0	4,899,952	13,486,033	36	79.80



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
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
2013	12.70	18.30	6.80	73.20	0.50	6.10
2014	12.70	20.03	6.80	73.20	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.

CMSD Total	Total (1)	Village of Bratenahl (2)	Village of Newburgh Heights (2)	Village of Linndale (2)	City of Garfield Heights (2)
64.80	102.60	14.00	18.50	2.80	21.10
64.80	102.60	14.10	18.50	2.80	21.90
64.80	102.50	14.00	19.50	2.80	21.90
64.80	102.50	14.00	19.50	2.80	21.90
64.80	102.40	15.50	19.50	2.80	23.30
64.80	102.40	15.50	19.50	2.80	28.70
64.80	102.70	16.00	23.10	2.80	24.70
64.80	102.60	16.00	23.10	2.80	24.30
79.80	117.60	16.10	23.10	2.80	27.00
79.80	119.33	16.00	31.80	2.80	27.00

Cleveland Municipal School District

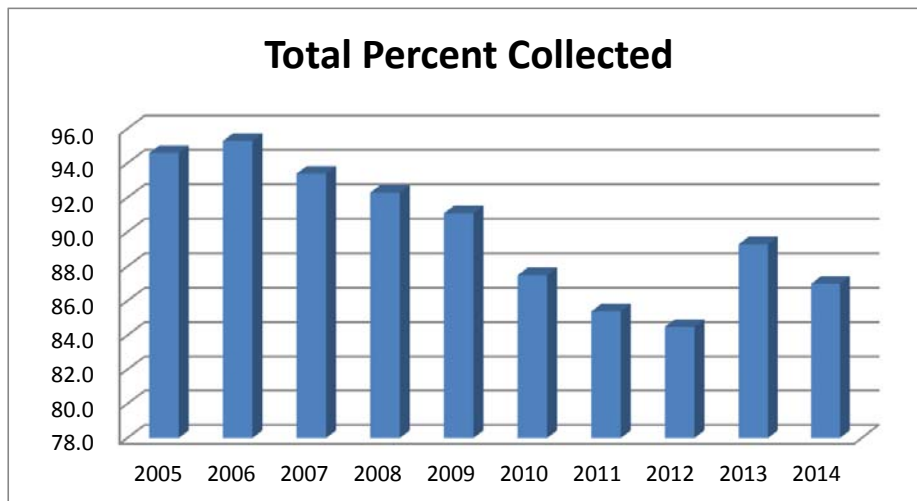
Principal Property Tax Payers
2013 and 2004 (1)

Taxpayer	2013			2004		
	Approximate Assessed Valuation	Rank	Percent of Total District Assessed Valuation	Approximate Assessed Valuation	Rank	Percent of Total District Assessed Valuation
Cleveland Electric Illuminating Co.	\$ 207,043,050	1	4.50%			
Cleveland Clinic Foundation	198,883,610	2	4.32%			
Cuyahoga County, Ohio	88,117,300	3	1.91%			
City of Cleveland, Ohio	81,985,740	4	1.78%			
Key Center Properties LLC	80,559,150	5	1.75%			
East Ohio Gas Co.	66,267,070	6	1.44%			
Cleveland Financial Associates, LLC	51,485,990	7	1.12%			
Higbee Mothership LLC	44,484,100	8	0.97%			
Hub North Point Properties LLC	35,123,770	9	0.76%			
National City Bank	34,413,150	10	0.75%			
City of Cleveland, Ohio				\$ 138,004,710	1	2.82%
ZML - Cleve Public Sq LLC				47,232,500	2	0.96%
NPW LTD Partnership				35,560,000	3	0.73%
ISG Cleveland Inc.				34,267,430	4	0.70%
Cleveland Clinic Fpundation				29,700,590	5	0.61%
Ohio Bell Telephone				28,464,420	6	0.58%
National City Center LLC				28,000,000	7	0.57%
Bishop James Hickey				22,366,800	8	0.46%
600 Superior Place Partnership				16,275,000	9	0.33%
CG Erieview				10,500,010	10	0.21%
Total Ten Largest	<u>888,362,930</u>		<u>19.29%</u>	<u>390,371,460</u>		<u>7.97%</u>
Total District Assessed Valuation	<u>\$ 4,602,210,000</u>			<u>\$ 4,898,753,740</u>		

Source: City of Cleveland 2013 CAFR, CMSD 2004 CAFR
(1) 2014 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
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
2012	227,945	173,457	76.1	19,090	192,547	84.5
2013	286,871	236,946	82.6	19,192	256,138	89.3
2014	294,107	236,058	80.3	19,822	255,880	87.0



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.

Cleveland Municipal School District

Ratio of Bonded Debt to Personal Income and Debt per Capita

Last Ten Fiscal Years

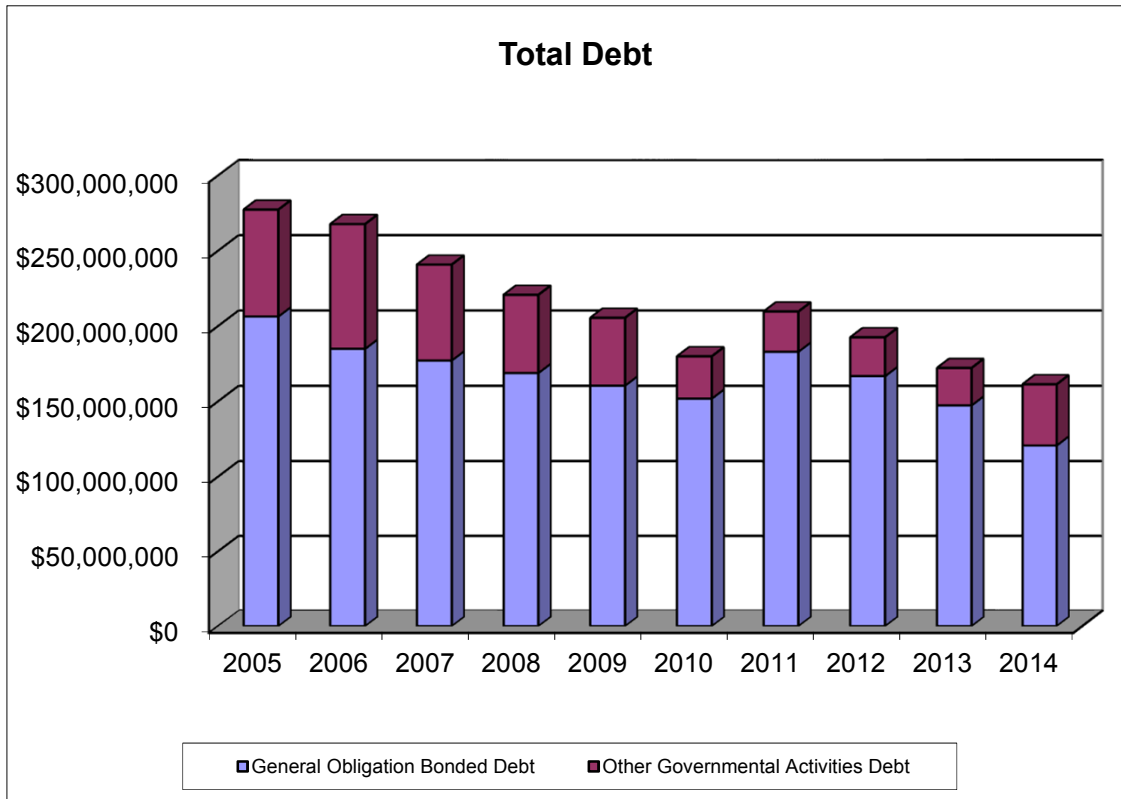
Fiscal Year	Estimated Population (1)	Estimated Actual Values	General Obligation Bonded Debt		
			General Obligation Bonded Debt	Ratio of General Obligation Bonded Debt to Estimated Actual Value	General Obligation Bonded Debt per Capita
2005	478,403	\$ 17,637,852,000	\$ 206,497,009	1.17%	432
2006	444,313	18,185,019,000	185,023,671	1.02	416
2007	444,313	20,899,743,000	177,255,333	0.85	399
2008	438,042	19,430,231,000	168,976,995	0.87	386
2009	433,748	19,631,518,000	160,598,657	0.82	370
2010	431,369	15,514,107,000	151,950,319	0.98	352
2011	431,369	15,865,004,000	183,101,981	1.15	424
2012	396,815	15,850,866,000	166,883,643	1.05	421
2013	390,928	13,452,078,000	147,445,305	1.10	377
2014	390,113	13,486,033,000	120,820,000	0.90	310

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	Capital Lease Obligation	Total Debt	Percentage of Personal Income (2)	Per Capita
\$ 21,250,000	\$ 43,736,113	\$ 5,940,034	\$ 277,423,156	4.06%	\$ 580
21,250,000	56,571,154	4,954,716	267,799,541	4.22	603
21,250,000	38,490,704	3,929,270	240,925,307	3.79	542
21,250,000	27,767,780	2,862,062	220,856,837	3.53	504
21,250,000	22,007,532	1,751,391	205,607,580	3.32	474
21,250,000	6,215,191	595,487	180,010,997	2.92	417
21,250,000	5,388,648	0	209,740,629	3.24	486
21,250,000	4,518,566	0	192,652,209	2.98	485
21,250,000	3,602,652	0	172,297,957	2.62	441
21,250,000	2,638,491	16,714,894	161,423,385	2.44	414



Cleveland Municipal School District

Legal Debt Margin Information

Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed Value	\$4,956,948,660
Debt Limit (9% of assessed value)	446,125,379
Debt Applicable to Limit	<u>107,878,824</u>
Legal Debt Margin	<u><u>\$ 338,246,555</u></u>

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Debt Limit	\$ 543,045,600	\$ 536,965,920	\$ 585,429,030	\$ 554,730,660
Total Net Debt Applicable to Limit	<u>157,165,358</u>	<u>141,812,427</u>	<u>149,897,800</u>	<u>135,715,009</u>
Legal Debt Margin	<u><u>\$ 385,880,242</u></u>	<u><u>\$ 395,153,493</u></u>	<u><u>\$ 435,531,230</u></u>	<u><u>\$ 419,015,651</u></u>
 Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	 28.94%	 26.41%	 25.60%	 24.47%

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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 538,879,947	\$ 501,448,950	\$ 512,955,090	\$ 512,724,060	\$ 438,189,120	\$ 446,125,379
<u>127,899,099</u>	<u>119,367,026</u>	<u>156,124,865</u>	<u>138,566,996</u>	<u>115,251,131</u>	<u>107,878,824</u>
<u>\$ 410,980,848</u>	<u>\$ 382,081,924</u>	<u>\$ 356,830,225</u>	<u>\$ 374,157,064</u>	<u>\$ 322,937,989</u>	<u>\$ 338,246,555</u>
23.73%	23.80%	30.44%	27.03%	26.30%	24.18%

Cleveland Municipal School District
Direct and Overlapping Debt Governmental Activities Debt
As of June 30, 2014

Name of Governmental Unit	Municipality Accessed Value	Accessed Value	General Obligation Debt Outstanding	Percentage Applicable to Cleveland Municipal School District (1)	Amount Applicable to Cleveland Municipal School District
Direct Debt:					
Cleveland Municipal School District (2)	\$ 4,956,948,660	\$ 4,956,948,660	\$ 120,820,000	100.00%	\$ 120,820,000
Overlapping Debt:					
City of Cleveland (3)	4,797,974,980	4,956,948,660	346,550,000	96.79	335,425,745
Cuyahoga County (3)	4,956,948,660	27,694,841,450	314,245,000	17.90	56,249,855
Village of Bratenahl (3)	88,796,050	4,956,948,660	675,000	1.79	12,083
Village of Linndale (3)	2,364,530	4,956,948,660	0	0.05	0
Newburgh Heights Village (3)	22,191,050	4,956,948,660	350,000	0.45	1,575
City of Garfield Heights (3)	24,269,910	4,956,948,660	24,318,000	0.49	119,158
Greater Cleveland Regional Transit Authority (3)	4,956,948,660	27,694,841,450	116,450,000	17.90	20,844,550
Total Overlapping Debt	<u>14,849,493,840</u>	<u>80,174,426,200</u>	<u>802,588,000</u>		<u>412,652,966</u>
Total	<u>\$19,806,442,500</u>	<u>\$85,131,374,860</u>	<u>\$ 923,408,000</u>		<u>\$ 533,472,966</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 \$2,638,491 and QZAB debt of \$21,250,000.
- (3) City of Cleveland, Cuyahoga County, Village of Bratenahl, City of Garfield Heights, Village of Lindale Newburgh Heights Village 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
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
2013	390,928	6,572,281,536	16,812	7.5
2014	390,113	6,628,800,096	16,992	5.5

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	2013			2004		
	Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Cleveland Clinic Health System	30,979	1	2.98%			
University Hospitals	12,719	2	1.23			
U.S. Office of Personnel Management	11,939	3	1.15			
Cuyahoga County	7,544	4	0.73			
Cleveland Metropolitan School District	6,875	5	0.66			
City of Cleveland	6,825	6	0.66			
MetroHealth System	5,396	7	0.52			
KeyCorp	4,955	8	0.48			
Case Western Reserve University	4,543	9	0.44			
Sherwin-Williams Co.	3,221	10	0.31			
Cleveland Clinic Health System				24,406	1	2.28%
University Hospitals				14,504	2	1.36
Cleveland Metropolitan School District				10,613	3	0.99
Cuyahoga County				8,837	4	0.83
City of Cleveland				8,232	5	0.77
KeyCorp				6,504	6	0.48
United States Postal Service				5,508	7	0.51
MetroHealth System				5,400	8	0.50
Case Western Reserve University				5,328	9	0.50
Continental Airlines				3,105	10	0.29
	<u>94,996</u>		<u>9.15%</u>	<u>92,437</u>		<u>8.64%</u>
Total Nonfarm Employment			1,038,000			1,069,700

Source: Crain's Cleveland Business, 2013 Top Business Lists and 2004 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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Percentage Change 2005-2014
Educational Staff											
Regular Education	2,548	2,058	1,943	2,020	1,956	1,945	2,392	1,940	1,648	1,742	-31.63 %
Special Education	903	1,335	1,383	1,250	1,244	1,212	925	775	787	718	-20.49
Vocational Education	106	87	83	86	80	76	83	0	0	0	-100.00
Educational Services	382	386	371	389	378	384	217	14	9	0	-100.00
Full Time (permanent) Substitute	92	30	3	2	2	2	0	0	0	0	0.00
Other Professional - Educational	91	74	19	14	13	10	46	27	27	35	-61.54
Total Educational	4,122	3,970	3,802	3,761	3,673	3,629	3,663	2,756	2,471	2,495	-39.47
Student Services											
Curriculum Specialist	1	1	8	28	27	64	65	116	124	106	10,500.00
Paraprofessional	0	0	0	0	0	0	0	148	101	153	0.00
Counseling	71	67	73	71	72	70	72	57	58	52	-26.76
Librarian/Media	89	84	91	95	96	92	69	47	32	34	-61.80
Remedial Specialist	187	139	46	44	33	34	55	224	227	247	32.09
Psychologist	70	70	62	61	61	71	69	75	75	70	0.00
Registered Nurse	54	55	57	66	65	63	60	42	33	39	-27.78
Social Work	11	1	0	12	13	14	7	8	7	6	-45.45
Physical Therapist	9	9	10	9	9	9	9	8	8	8	-11.11
Speech/Language Therapist	77	76	73	72	75	74	74	72	71	75	-2.60
Occ/ Mobility Therapist	27	22	26	24	25	25	26	25	23	25	-7.41
Other Professional Services	52	67	58	70	71	69	96	147	145	135	159.62
Total Student Services	648	591	504	552	547	585	602	969	904	950	46.60
Support Staff											
Bookkeeping	12	8	5	4	4	3	34	20	21	16	33.33
Clerical Assignment	281	257	260	259	259	246	275	220	213	203	-27.76
Teaching Aide	633	624	633	717	734	800	517	496	500	524	-17.22
Other Office/Clerical	49	30	37	25	44	21	109	24	20	18	-63.27
Attendance Officer	21	22	21	19	19	19	19	17	16	16	-23.81
Maintenance	71	66	92	69	33	30	35	31	34	33	-53.52
Custodial	373	332	333	327	329	320	305	292	279	308	-17.43
Food Service /Dietitian	4	4	5	5	5	5	4	4	4	5	25.00
Guard/Watchman	164	196	203	213	324	319	305	212	228	225	37.20
Mechanic/ Foreman	27	26	26	26	59	57	50	50	47	42	55.56
Vehicle Operating/Dispatch	50	49	49	47	45	41	46	46	29	31	-38.00
Computer Operating/Programmin	21	13	10	7	7	6	17	25	26	25	19.05
Total Support	1,706	1,627	1,674	1,718	1,862	1,867	1,716	1,437	1,417	1,446	-15.24
Administrative Staff											
Administrative Assistant	7	9	11	10	11	11	6	5	5	7	0.00
Deputy/Associate Superintendent	18	19	32	38	35	35	21	20	20	28	55.56
Director	0	0	0	0	0	0	6	4	4	8	0.00
Principal	135	129	135	130	129	123	121	115	104	111	-17.78
Assistant Principal	56	60	66	70	79	72	74	74	71	74	32.14
Supervisor/Manager	151	133	118	124	132	125	51	47	42	84	-44.37
Coordinator	27	23	22	23	29	29	28	34	28	47	74.07
Education Adminstrative Speciali	0	0	0	0	10	9	9	9	9	8	0.00
Other Official/Administrator	156	155	142	139	136	140	48	45	44	44	-71.79
Total administrative	550	528	526	534	561	544	364	353	327	411	-25.27
Total	7,026	6,716	6,506	6,565	6,643	6,625	6,345	5,515	5,119	5,302	-24.54 %

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>
2005	62,542	\$ 688,266,686	\$ 11,005	-1.43%
2006	57,698	749,470,503	12,990	18.03
2007	52,769	659,532,746	12,498	(3.78)
2008	50,078	699,907,987	13,976	11.82
2009	47,120	717,251,299	15,222	8.91
2010	46,697	710,783,125	15,221	(0.00)
2011	43,363	676,334,027	15,597	2.47
2012	40,758	600,391,312	14,731	(5.55)
2013	38,717	604,516,648	15,614	5.99
2014	37,967	620,202,126	16,335	4.62

Source: Ohio Department of Education

Notes:

- (1) Operating expenditures are total expenditures for all governmental funds less debt service, capital outlays, and community school payments.
- (2) Total Program Expenses for all governmental funds less Interest and Fiscal Charges and community school payments.
- (3) Meal percentage includes lunch only.

<u>Expenses (2)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil- Teacher Ratio</u>	<u>Percentage of Students Receiving Free and Reduced - Paid Meals (3)</u>
\$ 688,037,101	\$ 11,001	-2.15%	3,557	17.6%	85.43%
762,708,235	13,219	20.16	3,436	16.8	84.83
674,827,732	12,788	(3.26)	3,502	15.1	84.83
754,615,475	15,069	17.83	3,515	14.2	70.34
732,627,838	15,548	3.18	3,583	13.2	77.85
780,525,681	16,715	7.50	3,554	13.1	77.88
697,047,069	16,075	-3.83	3,317	13.1	82.01
636,194,688	15,609	-2.90	2,715	15.0	81.87
688,253,032	17,777	13.89	2,853	13.6	100.00
696,276,661	18,339	3.16	2,495	15.2	100.00

Cleveland Municipal School District

Teacher Base Salaries

Last Ten Fiscal Years

Fiscal Year	Minimum Salary	Maximum Salary	Statewide Average Salary
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	56,715
2013	37,412	79,353	56,307
2014	42,215	87,631	55,916

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

Cleveland Municipal School District

School Building Information

Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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	867	524	433	338	399	308	0	0	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	238	319	326	290	368	258	417	370	428	334
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	387	452	397	384	382	394	0	0	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	648	0	0	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	368	0	0	0	400	433	323	0	0	367
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	625	553	521	466	474	374	386	325	317	335
Andrew J. Rickoff (2) (1920)										
Square feet	56,348	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	252	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Andrew J. Rickoff (2005)										
Square feet	N/A	91,785	91,785	91,785	91,785	91,785	91,785	91,785	91,785	91,785
Capacity	N/A	725	725	725	725	725	725	725	725	725
Enrollment	N/A	509	570	570	544	513	487	525	490	478
Anton Grdina (1959)										
Square feet	75,600	75,600	75,600	75,600	75,600	75,600	67,719	N/A	N/A	N/A
Capacity	700	700	700	700	700	700	700	N/A	N/A	N/A
Enrollment	589	624	576	522	475	419	330	N/A	N/A	N/A
Anton Grdina (2011)										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	71,280	71,280	71,280
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	540	540	540
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	344	342	323
Artemus Ward (1949)										
Square feet	35,826	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	450	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	373	N/A	N/A	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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Artemus Ward (2009)										
Square feet	N/A	N/A	N/A	N/A	64,298	64,298	63,282	63,282	63,282	63,282
Capacity	N/A	N/A	N/A	N/A	450	450	450	450	450	450
Enrollment	N/A	N/A	N/A	N/A	420	475	458	494	514	460
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	428	686	571	491	435	355	355	0	0	0
Benjamin Franklin (1923)										
Square feet	83,260	83,260	83,260	83,260	83,260	83,260	83,719	83,719	83,719	83,719
Capacity	800	800	800	800	800	800	800	800	800	800
Enrollment	686	784	738	669	656	640	648	608	548	578
Bolton (1971)										
Square feet	53,700	53,700	53,700	53,700	53,700	53,700	44,110	44,110	44,110	44,110
Capacity	650	650	650	650	650	650	650	650	650	650
Enrollment	415	385	293	343	289	300	388	347	284	284
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	328	319	312	304	270	253	0	0	0	0
Buckeye-Woodland (1975)										
Square feet	44,800	44,800	44,800	44,800	44,800	44,800	52,493	52,493	52,493	52,493
Capacity	625	625	625	625	625	625	625	625	625	625
Enrollment	429	360	304	260	262	253	319	270	205	228
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	475	446	0	0	0	0	0	0	0	0
Buhrer (2009)										
Square feet	N/A	N/A	N/A	N/A	N/A	52,850	52,850	52,850	52,850	52,850
Capacity	N/A	N/A	N/A	N/A	N/A	350	350	350	350	350
Enrollment	N/A	N/A	N/A	N/A	N/A	333	320	342	356	364
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	114	210	298	366
Captain Arthur Roth (1965)										
Square feet	70,016	70,016	70,016	70,016	70,016	70,016	66,397	N/A	N/A	N/A
Capacity	975	975	975	975	975	975	975	N/A	N/A	N/A
Enrollment	345	412	370	315	280	259	287	N/A	N/A	N/A

Cleveland Municipal School District

School Building Information

Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Carl & Louis Stokes Central Academy										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	120,451	120,451	120,451	120,451
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	775	775	775	775
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	544	469	399	421
Case (1975)										
Square feet	69,559	69,559	69,559	69,559	69,559	69,559	57,688	57,688	57,688	57,688
Capacity	800	800	800	800	800	800	800	800	800	800
Enrollment	579	553	481	413	353	412	412	367	320	304
Charles Dickens										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	50,989	50,989	50,989	50,989
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	425	406	382	315
Charles H. Lake (1961)										
Square feet	55,823	55,823	55,823	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	675	675	675	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	315	324	289	N/A	N/A	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	152,607	152,607	152,607	152,607
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	1,400	1,400	1,400	1,400
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	742	472	479	477
Charles Orr (1955)										
Square feet	33,000	33,000	33,000	33,000	33,000	33,000	33,000	N/A	N/A	N/A
Capacity	425	425	425	425	425	425	425	N/A	N/A	N/A
Enrollment	0	0	0	146	99	143	0	N/A	N/A	N/A
Charles W. Elliot (1954)										
Square feet	104,360	104,360	104,360	104,360	104,360	104,360	90,497	90,497	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	648	417	342	299	316	311	447	502	464	397
Clara Westropp Fundamental Education Center (1967)										
Square feet	116,246	116,246	116,246	116,246	116,246	116,246	106,582	106,582	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	671	712	627	640	580	547	515	449	399	408
Clark (1973)										
Square feet	59,064	59,064	59,064	59,064	59,064	59,064	56,178	56,178	56,178	56,178
Capacity	525	525	525	525	525	525	525	525	525	525
Enrollment	655	605	577	579	557	584	553	592	623	593
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	387	0	0	0	0	0	0	0	0	0

Cleveland Municipal School District

School Building Information

Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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	290	0	0	0	0	300	365	324	0	0
Daniel E. Morgan (1959)										
Square feet	51,272	51,272	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	825	825	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	438	423	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Daniel E. Morgan (2007)										
Square feet	N/A	N/A	66,409	66,409	66,409	66,409	66,409	66,409	66,409	66,409
Capacity	N/A	N/A	480	480	480	480	480	480	480	480
Enrollment	N/A	N/A	430	448	406	355	325	322	302	295
Denison (1972)										
Square feet	42,714	42,714	42,714	42,714	42,714	42,714	52,351	52,351	52,351	52,351
Capacity	825	825	825	825	825	825	825	825	825	825
Enrollment	726	706	698	713	709	708	597	645	570	465
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	298	392	390	362	371	380	0	412	0	0
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	76	136	173	207	250	274	281
East Clark (2) (1894)										
Square feet	56,755	56,755	56,755	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	575	575	575	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	419	463	387	N/A	N/A	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	63,281	63,281	63,281	63,281	63,281
Capacity	N/A	N/A	N/A	N/A	N/A	450	450	450	450	450
Enrollment	N/A	N/A	N/A	N/A	N/A	452	389	398	314	309
Emile B. deSauze (1966)										
Square feet	51,457	51,457	51,457	51,457	51,457	51,457	48,860	48,860	48,860	48,860
Capacity	575	575	575	575	575	575	575	575	575	575
Enrollment	339	407	360	344	304	284	258	0	0	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	567	423	361	330	279	236	0	0	0	0

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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Euclid Park (1922)										
Square feet	43,182	43,182	43,182	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	500	500	500	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	289	358	291	N/A	N/A	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	53,767	53,767	53,767	53,767
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	351	351	351	351
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	321	345	343	364
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	656	0	0	297	520	463	592	544	460	411
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	389	407	380	390	365	276	0	0	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	352	458	401	395	379	372	407	327	300	281
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	189	0	0	0	0	0	0	0	0	0
Garfield (2009)										
Square feet	N/A	N/A	N/A	N/A	N/A	60,777	60,777	60,777	60,777	60,777
Capacity	N/A	N/A	N/A	N/A	N/A	426	426	426	426	426
Enrollment	N/A	N/A	N/A	N/A	N/A	375	425	518	526	500
George Washington Carver (1954)										
Square feet	53,800	53,800	53,800	53,800	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	475	475	475	475	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	429	516	463	404	N/A	N/A	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	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	536	449	356
Giddings (1970)										
Square feet	53,533	53,533	53,533	53,533	53,533	53,533	49,607	49,607	49,607	49,607
Capacity	550	550	550	550	550	550	550	550	550	550
Enrollment	436	389	302	288	275	275	263	0	0	0

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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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	629	561	487	432	493	493	0	0	0	0
Hannah Gibbons (1960)										
Square feet	21,831	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	225	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	223	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Hannah Gibbons (2006)										
Square feet	N/A	N/A	52,953	52,953	52,953	52,953	52,953	52,953	52,953	52,953
Capacity	N/A	N/A	351	351	351	351	351	351	351	351
Enrollment	N/A	N/A	267	246	237	228	226	281	277	254
Harvey Rice (2) (1903)										
Square feet	82,414	82,414	82,414	82,414	82,414	N/A	N/A	N/A	N/A	N/A
Capacity	975	975	975	975	975	N/A	N/A	N/A	N/A	N/A
Enrollment	402	352	317	267	233	N/A	N/A	N/A	N/A	N/A
Harvey Rice (2009)										
Square feet	N/A	N/A	N/A	N/A	N/A	63,280	63,280	63,280	63,280	63,280
Capacity	N/A	N/A	N/A	N/A	N/A	450	450	450	450	450
Enrollment	N/A	N/A	N/A	N/A	N/A	362	422	446	468	448
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	261	564	497	508	403	416	430	415	417	357
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	320	0	0	0	0	595	595	616	541	535
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	289	362	302	321	238	252	0	0	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	360	555	427	368	306	318	336	399	358	310
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	570	434	321	242	236	216	0	0	0	0

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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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	361	433	431	444	383	356	0	0	0	0
Joseph F. Landis (1963)										
Square feet	49,170	49,170	49,170	49,170	49,170	49,170	49,170	N/A	N/A	N/A
Capacity	725	725	725	725	725	725	725	N/A	N/A	N/A
Enrollment	368	431	379	399	341	360	0	N/A	N/A	N/A
Joseph M. Gallagher (1976)										
Square feet	126,816	126,816	126,816	126,816	126,816	126,816	127,266	127,266	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	889	865	762	791	771	737	654	652	638	676
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	207	0	0	100	129	166	168	168	154	158
Kentucky-Paul L. Dunbar Swing Space (1940)										
Square feet	42,870	42,870	42,870	42,870	42,870	42,870	35,010	35,010	35,010	35,010
Capacity	575	575	575	575	575	575	575	575	575	575
Enrollment	370	106	422	438	437	316	192	158	173	215
Louis Agassiz (1929)										
Square feet	43,074	43,074	43,074	43,074	43,074	43,074	40,185	40,185	40,185	40,185
Capacity	525	525	525	525	525	525	525	525	525	525
Enrollment	371	375	313	322	338	351	344	338	315	310
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	308	478	375	245	0	0	0	0	0	0
Louisa May Alcott (1926)										
Square feet	31,240	31,240	31,240	31,240	31,240	31,240	26,277	26,277	26,277	26,277
Capacity	300	300	300	300	300	300	300	300	300	300
Enrollment	214	208	230	212	235	226	233	203	238	224
Luiz Munoz Marin (1976)										
Square feet	157,009	157,009	157,009	157,009	157,009	157,009	119,639	119,639	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	730	727	822	872	774	773	796	708	683	621
Margaret Spellacy - Ginn Academy (1969)										
Square feet	116,246	116,246	116,246	116,246	116,246	116,246	106,582	106,582	106,582	106,582
Capacity	900	900	900	900	900	900	900	900	900	900
Enrollment	298	0	0	541	477	272	251	216	203	258

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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	651	659	609	614	574	585	535	487	432	415
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	450	507	471	498	483	469	503	454	356	318
Mary B. Martin (2) (1963)										
Square feet	57,737	57,737	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	825	825	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	297	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mary B. Martin & Early Childhood (2006)										
Square feet	N/A	N/A	70,048	70,048	70,048	70,048	70,048	70,048	70,048	70,048
Capacity	N/A	N/A	490	490	490	490	490	490	490	490
Enrollment	N/A	N/A	390	340	398	343	321	445	300	369
Mary M. Bethune (2) (1964)										
Square feet	48,613	48,613	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	450	450	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	328	480	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mary M. Bethune (2006)										
Square feet	N/A	N/A	68,498	68,498	68,498	68,498	68,731	68,731	68,731	68,731
Capacity	N/A	N/A	500	500	500	500	500	500	500	500
Enrollment	N/A	N/A	417	352	344	349	363	333	342	306
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	440	404	375	343	308	288	304	304	297	266
Memorial (2005)										
Square feet	N/A	83,584	83,584	83,584	83,584	83,584	82,160	82,160	82,160	82,160
Capacity	N/A	625	625	625	625	625	625	625	625	625
Enrollment	N/A	501	522	454	475	480	481	464	424	421
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	300	432	368	378	341	323	447	420	382	332
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	483	556	426	394	314	0	0	0	262	269

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Miles Park (2) (1971)										
Square feet	43,027	43,027	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	500	500	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	421	513	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Miles Park (2007)										
Square feet	N/A	N/A	92,027	92,027	92,027	92,027	92,029	92,029	92,029	92,029
Capacity	N/A	N/A	650	650	650	650	650	650	650	650
Enrollment	N/A	N/A	461	538	430	497	556	605	543	563
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	244	0	0	0	0	0	0	0	0	0
Mound (1904)										
Square feet	38,355	38,355	38,355	38,355	38,355	38,355	36,642	36,642	36,642	36,642
Capacity	500	500	500	500	500	500	500	500	500	500
Enrollment	369	416	348	287	241	234	253	0	0	0
Mound (2011)										
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	467	461	395
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	264	0	0	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	651	522	442	349	311	298	0	0	0	0
Nathan Hale (2011)										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	56,348	56,348	56,348	56,348
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	400	400	400	400
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	409	436	390	380
Nathaniel Hawthorne (1917)										
Square feet	48,375	48,375	48,375	48,375	48,375	48,375	46,502	46,502	46,502	46,502
Capacity	650	650	650	650	650	650	650	650	650	650
Enrollment	0	0	0	345	0	0	356	0	0	0
Newton D. Baker (1954)										
Square feet	91,706	91,706	91,706	91,706	91,706	91,706	94,379	94,379	94,379	94,379
Capacity	550	550	550	550	550	550	550	550	550	550
Enrollment	498	505	662	671	567	441	463	366	287	349

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Oliver Hazard Perry (1927)										
Square feet	55,570	55,570	55,570	55,570	55,570	55,570	50,989	50,989	50,989	50,989
Capacity	575	575	575	575	575	575	575	575	575	575
Enrollment	644	564	444	385	409	406	388	331	305	255
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	460	378	534	576	0	0	0	0	305	301
Patrick Henry (1922)										
Square feet	130,443	130,443	130,443	130,443	130,443	N/A	N/A	N/A	N/A	N/A
Capacity	975	975	975	975	975	N/A	N/A	N/A	N/A	N/A
Enrollment	738	739	491	410	305	N/A	N/A	N/A	N/A	N/A
Patrick Henry (2009)										
Square feet	N/A	N/A	N/A	N/A	N/A	63,281	63,287	63,287	63,287	63,287
Capacity	N/A	N/A	N/A	N/A	N/A	450	450	450	450	450
Enrollment	N/A	N/A	N/A	N/A	N/A	309	331	340	355	342
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	301	255	330	360	228	316	0	0	0	0
Paul Revere (1925)										
Square feet	82,840	82,840	82,840	82,840	82,840	82,840	80,996	80,996	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	668	502	584	483	370	370	441	456	329	290
Riverside (1935)										
Square feet	38,836	38,836	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	424	447	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Riverside (2005)										
Square feet	N/A	N/A	61,820	61,820	61,820	61,820	61,820	61,820	61,820	61,820
Capacity	N/A	N/A	450	450	450	450	450	450	450	450
Enrollment	N/A	N/A	477	516	545	521	537	465	474	473
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	500	429	498	386	282	292	292	0	0	0
Robert H. Jamison (1966)										
Square feet	140,000	140,000	140,000	140,000	140,000	N/A	N/A	N/A	N/A	N/A
Capacity	1,125	1,125	1,125	1,125	1,125	N/A	N/A	N/A	N/A	N/A
Enrollment	635	698	604	563	503	N/A	N/A	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	64,298	65,000	65,000	65,000	65,000
Capacity	N/A	N/A	N/A	N/A	N/A	450	450	450	450	450
Enrollment	N/A	N/A	N/A	N/A	N/A	444	397	400	388	388
Robinson G. Jones (2) (1951)										
Square feet	38,311	38,311	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	550	550	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	438	352	N/A	N/A	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	64,281	64,281	63,281	63,281	63,281	63,281
Capacity	N/A	N/A	N/A	N/A	450	450	450	450	450	450
Enrollment	N/A	N/A	N/A	N/A	361	369	361	397	391	422
Scranton (1973)										
Square feet	52,575	52,575	52,575	52,575	52,575	52,575	51,447	51,447	51,447	51,447
Capacity	625	625	625	625	625	625	625	625	625	625
Enrollment	386	610	538	452	430	465	433	424	421	390
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	358	0	0	351	0	0	0	0	0	0
Sunbeam (1923)										
Square feet	78,518	78,518	78,518	78,518	78,518	78,518	70,397	70,397	70,397	70,397
Capacity	425	425	425	425	425	425	425	425	425	425
Enrollment	224	272	214	224	170	207	236	225	213	229
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	845	692	0	0	0	0	0	0	0	0
Thomas Jefferson (2011)										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	101,591	101,591	101,591	101,591
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	785	785	785	785
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	188	251	294	372
Tremont (1917)										
Square feet	119,508	119,508	119,508	119,508	119,508	119,508	100,396	100,396	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	465	472	427	402	377	463	452	518	535	504
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	349	373	327	248	251	220	239	0	0	0

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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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	128	0	0	74	106	133	169	175	189	172
Wade Park (1975)										
Square feet	68,600	68,600	68,600	68,600	68,600	N/A	N/A	N/A	N/A	N/A
Capacity	725	725	725	725	725	N/A	N/A	N/A	N/A	N/A
Enrollment	365	540	307	222	177	N/A	N/A	N/A	N/A	N/A
Wade Park (2009)										
Square feet	N/A	N/A	N/A	N/A	N/A	68,600	68,600	68,600	68,600	68,600
Capacity	N/A	N/A	N/A	N/A	N/A	501	501	501	501	501
Enrollment	N/A	N/A	N/A	N/A	N/A	355	372	370	346	331
Walton (1971)										
Square feet	52,786	52,786	52,786	52,786	52,786	52,786	46,493	46,493	46,493	46,493
Capacity	700	700	700	700	700	700	700	700	700	700
Enrollment	721	686	697	583	553	577	576	467	370	310
Warner (2007)										
Square feet	N/A	N/A	N/A	75,799	75,799	75,799	75,799	75,799	75,799	75,799
Capacity	N/A	N/A	N/A	570	570	570	570	570	570	570
Enrollment	N/A	N/A	N/A	110	163	242	276	325	314	370
Watterson-Lake (1906)										
Square feet	65,241	65,241	65,241	65,241	65,241	65,241	69,814	69,814	69,814	69,814
Capacity	600	600	600	600	600	600	600	600	600	600
Enrollment	524	471	494	524	533	500	393	377	339	265
Waverly (1976)										
Square feet	72,603	72,603	72,603	72,603	72,603	72,603	55,666	55,666	55,666	55,666
Capacity	575	575	575	575	575	575	575	575	575	575
Enrollment	419	360	450	458	460	430	383	340	302	278
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	358	470	473	495	427	423	345	364	385	412
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	295	0	0	0	0	0	0	0	0	0
Willow (1964)										
Square feet	53,914	53,914	53,914	53,914	53,914	53,914	39,867	39,867	39,867	39,867
Capacity	425	425	425	425	425	425	425	425	425	425
Enrollment	274	293	273	240	218	216	234	255	227	266

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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Woodland Hills (1971)										
Square feet	49,443	49,443	49,443	49,443	49,443	49,443	49,443	N/A	N/A	N/A
Capacity	600	600	600	600	600	600	600	N/A	N/A	N/A
Enrollment	410	510	393	376	353	300	345	N/A	N/A	N/A
Wilbur Wright (1929)										
Square feet	105,192	105,192	105,192	105,192	105,192	105,192	106,863	106,863	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	831	624	558	588	572	596	539	437	442	370
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	463	N/A	N/A	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	76,217	76,217	76,217	76,217
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	574	574	574	574
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	385	392	367	329
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	671	450	387	351	363	475	360	313	299	0
Cleveland Learning Center - Halle-Orchard Swing Space (1) (1904)										
Square feet	41,085	41,085	41,085	41,085	41,085	41,085	49,337	49,337	49,337	49,337
Capacity	500	500	500	500	500	500	500	500	500	500
Enrollment	135	420	359	404	464	344	356	356	305	301
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	602	601	602	558	558	0	1,114	0	541	535
Collinwood CompuTech (1924)										
Square feet	345,203	345,203	345,203	345,203	345,203	345,203	297,759	297,759	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	1,488	1,121	968	962	898	793	712	623	624	591
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	1,091	1,008	860	715	701	717	0	0	0	0
East Technical (1972)										
Square feet	318,600	318,600	318,600	318,600	318,600	318,600	320,370	320,370	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	1,101	1,020	907	783	785	746	1,171	817	565	655

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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Garrett Morgan Cleveland School of Science (1940)										
Square feet	101,900	101,900	101,900	101,900	101,900	101,900	76,835	76,835	76,835	76,835
Capacity	675	675	675	675	675	675	675	675	675	675
Enrollment	388	333	264	227	208	247	240	314	310	297
Glenville (1966)										
Square feet	248,000	248,000	248,000	248,000	248,000	248,000	207,000	207,000	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	1,698	1,604	1,538	1,340	1,167	963	985	813	716	637
Health Careers Center (1980)										
Square feet	86,950	86,950	86,950	86,950	86,950	86,950	67,000	67,000	67,000	67,000
Capacity	425	425	425	425	425	425	425	425	425	425
Enrollment	368	365	0	143	196	254	277	264	263	438
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	1,683	1,553	1,575	1,409	1,360	1,230	1,171	1,195	1,199	1,188
Jane Addams Business Careers (1968)										
Square feet	214,752	214,752	214,752	214,752	214,752	214,752	157,428	157,428	157,428	157,428
Capacity	975	975	975	975	975	975	975	975	975	975
Enrollment	589	557	472	479	474	518	595	638	294	345
John Adams High (2007)										
Square feet	N/A	N/A	224,000	224,000	224,000	224,000	222,945	222,945	222,945	222,945
Capacity	N/A	N/A	1,335	1,335	1,335	1,335	1,335	1,335	1,335	1,335
Enrollment	0	0	1,067	1,169	1,140	1,162	1,121	1,109	1,017	1,053
John F. Kennedy (1965)										
Square feet	264,661	264,661	264,661	264,661	264,661	264,661	252,023	252,023	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	1,823	1,758	1,077	940	978	839	975	804	823	800
John Hay (2006)										
Square feet	N/A	N/A	210,353	210,353	210,353	210,353	210,353	210,353	210,353	210,353
Capacity	N/A	N/A	1,232	1,232	1,232	1,232	1,232	1,232	1,232	1,232
Enrollment	N/A	N/A	476	576	673	857	855	835	882	872
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	1,905	1,788	1,715	1,643	1,668	1,519	1,213	1,039	853	804
Lincoln-West (1970)										
Square feet	304,645	304,645	304,645	304,645	304,645	304,645	337,548	337,548	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	1,552	1,490	1,496	1,369	1,386	1,357	1,301	1,156	1,109	1,031

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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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	0	0	0	172	156	0	122	0	0	0
Martin L. King Jr. (1972)										
Square feet	173,359	173,359	173,359	173,359	173,359	173,359	179,544	179,544	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	795	765	677	550	502	233	273	262	0	0
Max S. Hayes Vocational-Genesis (1957)										
Square feet	246,282	246,282	246,282	246,282	246,282	246,282	224,329	224,329	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	558	509	416	468	498	506	510	877	565	883
MC2 Stem Academy @ Nela Park										
Square feet	N/A	N/A	N/A	N/A	20,000	20,000	20,000	20,000	20,000	20,000
Capacity	N/A	N/A	N/A	N/A	150	150	150	150	150	150
Enrollment	N/A	N/A	N/A	N/A	67	152	214	274	289	326
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	1,429	1,258	1,043	941	880	896	0	0	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	198	253	243	238	243	241	227	232	195	203
Washington Park										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	27,331	27,331	27,331	27,331
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	475	475	475	475
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	140	146	196	185
Whitney Young (1950)										
Square feet	121,609	121,609	121,609	121,609	121,609	121,609	100,321	100,321	100,321	100,321
Capacity	725	725	725	725	725	725	725	725	725	725
Enrollment	395	375	434	415	380	339	401	332	294	257
Administrative										
Buildings	8	8	8	8	8	8	8	8	8	7
Square Feet	556,286	556,286	556,286	556,286	556,286	556,286	556,286	556,286	556,286	346,927
Transportation										
Garages (3)	3	3	3	3	3	3	3	3	3	3
Buses	327	311	311	305	305	305	305	305	305	305

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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Athletics										
Football Fields	4	4	4	4	4	4	4	5	5	4
Soccer Fields	3	3	3	4	4	4	4	6	6	4
Running Tracks	4	4	4	2	2	2	2	4	4	3
Baseball/Softball	0	0	0	0	0	0	0	0	0	0
Swimming Pools	7	7	7	5	5	5	5	3	3	2
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.

Cleveland Municipal School District

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John W. Scanlan
Chief Financial
& Administrative Officer

Dennis Kubick
Deputy Chief
Financial Officer

Michael R. Bowen
Director
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