Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2016

CLEVELAND MUNICIPAL SCHOOL DISTRICT

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Comprehensive Annual Financial Report

of the

Cleveland Municipal School District

For the

FISCAL YEAR ENDED JUNE 30, 2016

Prepared by

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CLEVELAND MUNICIPAL SCHOOL DISTRICT

Board of Education

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Board Chair

Louise P. Dempsey, Esq.
Board Vice Chair

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Alex Johnson, Ph.D.
Ex Officio Member

Eric S. Gordon
Chief Executive Officer

John W. Scanlan
Chief Financial & Administrative Officer

CLEVELAND
MUNICIPAL
SCHOOL DISTRICT

Introductory Section

Cleveland Municipal School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016
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CLEVELAND METROPOLITAN SCHOOL DISTRICT

John Scanlan
Finance Department

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Ronald M. Berkman, Ph.D.
Alex Johnson, Ph.D.

December 30, 2016

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, 2016. 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 is 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.

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The Chief Executive Officer leads the School District's academic work following the guidance of the Board and aligned with five State performance standards:

1. Vision, Continuous Improvement, and Focus of District Work: Superintendents establish a vision, expect continuous improvement and develop a focused plan for achieving district goals.
2. Communication and Collaboration: Superintendents establish processes to communicate and collaborate effectively.
3. Policies and Governance: Superintendents work with the Board of Education to identify, prioritize and set policies and governance procedures that maximize the success of all students.
4. Superintendents lead the creation of instructional systems designed for high student achievement.
5. Superintendents manage and organize the district's resources (human, fiscal, operational and material) to accomplish district goals.

The Chief Executive Officer of the School District has the responsibility for hiring, 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 second contract was renewed and expired after three years on June 30, 2015. He was unanimously appointed to a third contract running through June 30, 2019. 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 School District provides approximately 400,000 Cleveland residents 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 vocational education, special education and bilingual education programs. The School District's specialty schools provide advanced educational programs in fine arts, computer science, healthcare professions, law and municipal professions, business, and technical trades.

In fiscal year 2016, the School District was funded for 36,962 K-12 students according to the state foundation payment system (compared to 36,650 the previous year) in 70 K-8 schools, and 31 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. Recent trend data indicates that the district has slowed the loss of students and district planning projections reflect slight growth for 2016 due to the return of students leaving failing/closed community schools.

The School District has completed its fifteenth 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. The number of students attending charter/community schools has grown in the past ten years to 16,891 for fiscal 2016, resulting in the payment from the School District of state aid of $135.9 million.

Employee Relations

As of June 30, 2016, the School District had 5,401 full and part-time employees (compared to 5,292 the previous year). The School District paid $360.7 million in salaries and wages and $147.7 million for fringe benefits such as employer retirement contributions, health care, life insurance, and certain other benefits.

The School District's certificated administrators and supervisors (such as principals, assistant principals and many central office staff) are not members of any bargaining unit but are represented by the Cleveland Council Administrators and Supervisors; however, many of these individuals are employees on 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. The parties are currently in negotiations for a successor agreement.

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. For fiscal year 2017, they agreed to extend the previous contract for one year with a 2% compensation increase for the year;
- 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. For fiscal year 2017, they agreed to extend the previous contract for one year with a 2% compensation increase for the year;

- 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. For fiscal year 2017, they agreed to extend the previous contract for one year with a 2% compensation increase for the year;
- 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. For fiscal year 2017, they agreed to extend the previous contract for one year with a 2% compensation increase for the year;
- 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. For fiscal year 2017, they agreed to extend the previous contract for one year with a 2% compensation increase for the year;
- 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. For fiscal year 2017, they agreed to extend the previous contract for one year with a 2% compensation increase for the year; 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. For fiscal year 2017, they agreed to extend the previous contract for one year with a 2% compensation increase for the year.

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 94 percent of the School District's fiscal year 2016 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 2017 property taxes are currently estimated by the Cuyahoga County Auditor's Office based on a current collection rate of 86.9%, up from 79.6%. The forecast through 2018 assumes a current collection rate of 86.9%. The Ohio Revised Code and Ohio Administrative Code mandate Cuyahoga County to conduct a re-appraisal every six years, an update every three years and annual valuation of improvements based upon building permits received from each city annually. As of November 2015, the County is certifying its updated valuations and the district anticipates flat to small negative changes for both residential and commercial properties. The next re-appraisal is 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.

As before, foundation payments are calculated twice a month and for each payment a foundation letter is generated that specifically references that payment and provides detailed information on the formula funding calculation as well as the distribution of various other funds and transfers by which the foundation calculation is adjusted. In addition to the School Finance Payment Report (SFPR) which contains the foundation calculation details, a Statement of Settlement report is also provided as before that summarizes the payment information to school districts based on the SFPR calculation and adjustments as well as additional adjustments and transfers from outside of the foundation formula that are relevant to each payment.

The SFPR is a comprehensive document designed to walk the user through every step of the funding calculation with relative ease by referencing the data and the funding formulae provided.

Foundation Funding Components that make up the foundation formula are:

A. Opportunity Grant
B. Targeted Assistance
C. K-3 Literacy Funding
D. Economic Disadvantaged Funding
E. Limited English Proficiency Funding
F. Gifted Education Funding
G. Transportation Funding
H. Special Education Additional Funding
I. Career Tech Educational Funding
J. Capacity Aid
K. Graduation Bonus

L. Third Grade Reading Bonus

In addition to these funding components, the foundation formula also provides for a Transitional Guarantee which guarantees that no district will receive less in total FY 2016 funding than it did in FY 2015 by distributing the difference between the FY 2015 total funding (guarantee base) and the FY 2016 total calculated amount. Although the formula guarantees at least the FY 2015 total funding, it also caps the FY 2016 calculated funding at 7.5% above the FY 2015 funding level.

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 been subject to adjustment during a biennium. As indicated above, the General Assembly has the power to amend the system of State school funding. The 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.

Downtown and Other Economic Development

- The RTA's Health Line was a factor in the retention of Dealer Tire in the City's Midtown area between downtown and the City's University Circle area. Dealer Tire has agreed to lease the Victory Building for its current and future growth, which is expected to retain over 400 employees and create an additional 100 jobs. The Midtown area also continues to provide a location for incubated health technology companies like Abeona, which has announced its intention to build a gene manufacturing facility (one of 10 in the United States) in the Health Tech corridor.

- Frost Building Maintenance, Inc. is renovating the Frost Building which will become home to a 15,000 square-foot co-working space in Midtown. The space is expected to be home to over 400-member businesses within two years, creating a new location for entrepreneurs.

- The Holiday Inn Hotel located on The Cleveland Clinic Campus opened in May 2016. The Hilton Cleveland Downtown Hotel opened in June 2016. The Kimpton Schofield and Drury Plaza Hotel opened downtown in April 2016.

- The 925 Building in downtown was purchased by Hudson Holdings, which has received State and Federal Historic Tax Credits to renovate the building. The $370 million project includes 580 apartments and 93 micro-units available to companies and workers participating in a business incubator that will be located in the building. The project will also include a 279-room hotel, 200,000 square feet of office space, a fitness club and retail space. The building's lobby will function as events space and lobby for the apartments and hotel. The project is expected to create over 1,500 construction jobs and 1,800 permanent jobs.

- The NineTwelve District in downtown has become the location of several growing companies. Assurint, a 12-year old designer of background screening products, and its landlord are planning to spend $2.4 million for new space in the area where they expect to grow from 104 employees to over 220 employees in the next three years. Explorys, a Cleveland Clinic software company, was purchased by IMS, which expressed its intent to keep the company in the City and plans to add 100 new jobs to its current workforce.

- The Ohio City neighborhood continues to grow and be a destination for residents and tourists. The neighborhood includes the City-owned West Side Market, the oldest continually operating market in the country, which recently celebrated its 100th anniversary. The West 25th Street Lofts Project is under construction to create 83 loft style apartments and some rooftop penthouse units, as well as 9,100 square feet of commercial space, and Jay Lofts will add eight apartments and 14,000 square feet of retail to the growing neighborhood. Both were completed in 2015. Two other large projects were announced in 2014 and broke ground in 2015 including the Snavely Group Project which would include renovations of an existing building into 35 low income apartments and new construction of another 205 market rate apartments with 50,000 square feet of commercial space and 335 parking spaces. Total project cost is over $60 million. Abode Modern Lifestyle Developers has assembled 4 acres of land with hopes to construct a $40 to $50 million new mixed use development. The area has seen more than $15 million in new investment to redevelop over 198,000 square feet of vacant or underutilized mixed use space, including historic renovations and some new construction.

- Hemmingway Development has agreed to purchase a ten acre brownfield site that the City assembled and cleaned-up and plans to develop another Health Technology Campus to be anchored by a 40,000 square foot University Hospitals clinic and a 50,000 square foot speculative tech center, both broke ground in 2016. The City and its partners received a grant of over $700,000 from the Economic Development Administration to create the first commercially available 100 Gigabit network in the United States in the Health Tech Corridor. The network is expected to be built out by summer of 2017. The City also started to clean-up activities on another 2.5 acre site to keep pace with demand in the Health Tech Corridor and is working with a potential buyer.

- University Circle has seen a great deal of new investment. The Cleveland Clinic commenced construction of a $276 million 377,000 square foot cancer hospital. It will also complete a new $36 million, 3,000 space employee parking garage with over 12,000 square feet of retail in the area. First Interstate Properties announced a new 28 story residential tower called One University Circle that began construction in 2015. Intesa, a residential and office complex by the Coral Company, started construction in the Fall of 2015. The two projects represent a total investment of over $230 million dollars. The proposed UC3 Development, a multi-block mixed use project with over 700 apartments and 150,000 square feet of retail, broke ground in 2016.

- The County's $465 million Convention Center and Global Center for Health Innovation project in downtown Cleveland was completed in 2013 and includes 225,000 gross square feet of Class A exhibit space, 35 meeting rooms and a 32,000 square foot ballroom. The project included an integrated facility for (i) exhibition space and showrooms for medical devices and equipment and

related functions (the Global Center for Health Innovation), and (ii) exhibition, tradeshow and conference facilities, meeting rooms and related functions..

- Geis Companies completed and opened the Metropolitan, 120 luxury apartments, as well as meeting and banquet spaces in the Ameritrust complex at Ninth Street and Euclid Avenue. As part of the $240 million renovation, Geis also renovated the Cleveland Trust Rotunda, built in 1906. The same complex is home to a second renovated office building, which includes a Heinen's grocery store, other retail and office space, and residential units. The grocery store opened in late February 2015, with additional retail opening later in 2015. A new 222,000 square foot office structure was constructed and leased to the County to serve as the new County Administration building.

- Stark Enterprises purchased two buildings and a surface parking lot and has announced plans to create a 2.6 acre site that will become "nucleus", a $250 million development that will include 500 residential units, 200,000 square feet of office space, 130,000 square feet of retail space, two new parking garages and a new hotel. The planned hotel is designed to be a "bridge" across the two towers.

- The $275 million Cleveland Flats East Development Project Phase I was completed in 2013. This project consisted of an approximately 476,000-square-foot, 18-story office tower, an approximately 550-space parking garage, a 150-room Aloft hotel, and approximately 31,000 square feet of restaurant and retail space. The office tower is nearly 90% leased and restaurant and retail spaces are 100% leased. The School District expects to receive approximately $3.2 million in lieu of taxes from the developer related to the project by the end of calendar year 2017, which amount is not currently included in the five-year financial forecast. The $146 million Phase II project is underway and will contain 243 apartments and 80,000 square feet of ground floor restaurant and retail as well as 48,000 square feet of entertainment space. A new 1,200-linear-foot river walk is planned that will provide access to the riverfront. Construction on Phase II was completed in 2016. The Metroparks announced plans to open a water taxi service that will connect both sides of the river and a lakefront beach at Wendy Park, furthering the tourist draw to this area.

- Steelyard Commons, the $120 million retail redevelopment project on the site of a former steel mill, opened in 2007. Steelyard Commons has a 97% occupancy rate, maintaining most of its original tenants including Home Depot, Marshalls, Target, Wal-Mart, Old Navy and restaurants Steak 'n Shake, Applebee's, I-Hop, Chipotle, and Burger King. Additional restaurants opened in 2012 followed by an Aldi grocery store in 2013. Construction on the $24.2 million 90,000 square foot Phase II has been completed and is anchored by Burlington Coat Factory, which opened in 2014. Several outlet buildings have been constructed and occupied as well.

- The Detroit Shoreway neighborhood adjacent to Ohio City is also enjoying an arts and entertainment resurgence. The Cleveland Public Theater and Capital Theater were joined in 2015 by a new performing arts venue, the Near West Theatre. The Templin Bradley, a 30-unit mixed income apartment building with both market rate and low-income units, opened in June of 2015.

- In late 2008, the City established a new program called the Vacant Property Initiative, providing a combination of loans and forgivable loans to companies that redevelop a vacant building or lot to create and retain jobs in the City. The goal of the program is keep existing companies in the City and attract new companies by leveling the playing field with suburban locations. The City funded 75 companies by providing $28.8 million in City funds that leverages $605 million for projects totaling over $686 million in new investment. The program created 4,397 jobs and retained another 2,019 jobs. In addition to keeping and increasing payroll taxes, the program increases real estate taxes through the investment in these vacant properties.

- The Cleveland Hopkins Airport has seen a great deal of new investment. Significant changes are underway in the terminal complex, including a new canopy over the upper roadway system to shield the departure area curb front from inclement weather. Simultaneously, the ticketing lobby is being renovated to include higher ceilings, revolving doorways, valet staging areas, signage and other aesthetic improvements. Ancillary improvements are taking place at the lower roadway passenger pick-up areas as well. There is also a project that will ultimately result in improvement of signage Airport-wide. The signage project is currently in the design stage. The design, installation, testing, and commissioning of an in-line baggage screening system is underway at the Airport. The estimated cost of these projects is $41.6 million. As the terminal and ticketing lobby projects are occurring, the Airport will also complete Phase II of its Parking Redevelopment Program by installing canopies in two of the Airport surface parking lots. The Red Lot, located the closet to the terminal on the north end, will be completely covered by a 72,280 square foot canopy. In addition, the Blue lot will also be covered by a 92,680 square foot canopy. Each canopy project includes new LED lighting as well as signage. Covered walkways will connect the covered surface lots to the terminal. This project was completed in May 2016.

- 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's manufacturing sector continues to be a large employer in the region. Manitowoc's Commercial Oven Division purchased local company Cleveland Range and determined they would close their Fort Wayne, Indiana, location, and expand the Cleveland site to be the Division headquarters.

Major Initiatives

The Cleveland Plan (H.B. 525)

Three years ago, in July 2012, Governor John Kasich signed House Bill 525, also known as "The Cleveland 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 Cleveland Plan was 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 pledged to transform from a traditional, single-source school district to an entirely new system of district and charter schools that are held to the highest standards. The School District also pledged to work in partnership with internal and external stakeholders to create dramatic student achievement gains for every child. The Cleveland Plan is being implemented by 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. The Cleveland Plan creates a school district environment that empowers and values principals and teachers as professionals and makes certain that the School District students are held to the highest expectations.

The Cleveland Plan was grounded in an emerging national approach known as the "portfolio strategy," which showed promising results in cities such as Baltimore, Denver, and New York. The focus of this work is to significantly increase the number of high-performing schools and reduce and eventually eliminate low-performing schools. To do this, the School District has employed four distinct strategies:

(1) *Promote, expand, and replicate existing high-performing district and charter schools.* Effective schools, measured by a consistent standard of quality now 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 continues to attract 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 met minimum state standards and have some critical academic and social conditions in place, the School District has employed precise, customized and differentiated interventions and investments and grant some levels of autonomy.

(4) *Repurpose and address low-performing schools.* The lowest performing schools were 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 have changed under the Cleveland Plan in three fundamental ways:

1. Central office oversees 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.
2. Schools have varying levels of autonomy based on their level of performance and are accountable for delivering an excellent education.
3. All schools now have to abide by certain state and federal requirements, such as state testing and serving students with disabilities and English language learners, among others.
4. School District has shifted from traditional budgeting to a weighted per-pupil funding system for all schools and has transferred a majority of spending control to schools based on the number and needs of the students they enroll. This includes 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 has invested in several fundamental building blocks upon which the Cleveland Plan was built, including:

- 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, has been charged with ensuring the growth of the portfolio of high-performing district and charter schools within the School District.

At the time of their appointment, there was no “one” organization responsible for the quality of all public schools 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. More than 10 authorizers in the County sponsor schools in Cleveland. Prior to the formation of the Transformation Alliance, the public, and the School District

parents in particular, lacked consistent, useful information about the quality of schools in Cleveland. The Cleveland Transformation Alliance continues to address this challenge by raising awareness district-wide of the growing number of quality school options from which families can choose. Moreover, the Alliance informs families about low performing schools in an effort to help families choose the best school for their child.

Under the Cleveland Plan, the School District is eligible for 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 passed such a levy on the November 6, 2012 ballot, specifically, a 15-mill current expense levy with 14 mills 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).

Immediately upon passing the levy, the District implemented strategies to achieve objectives outlined in the Cleveland Plan, including:

- *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.
- *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 2015, the School District added three new high schools:
    - John Marshall School of Civic and Business Leadership – Scholars not only receive a rigorous education, but also opportunities to work within one of the onsite businesses, such as our coffee shop, and are actively involved in projects throughout the community.

Through these experiences, they will receive hands-on training in business planning, marketing/advertising and finance.

- John Marshall School of Engineering – an innovative school that promotes engineering practices in the everyday lives of students. Students design and build robots, construct energy efficient cars and explore green technology. Math, science and engineering courses offer hands-on experience through Design Lab and Maker Space Lab.

- John Marshall School of Information Technology – the first school in Cleveland to focus on computer science. Student experiences will include building robots, creating video games, designing websites and producing models on 3D printers. IT professionals mentor students and provide opportunities for students to explore careers after school.

- *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 Student Attendance:* The theme of the School District's attendance campaign, "Get 2 School – You Can Make It!" became a rallying cry for the community in the program's first year, and the campaign exceeded its goal by reducing the number of students who missed 10 or more days by 11 percent. The Cleveland Browns Foundation, Radio One, Dave's Markets and other partners continue to help spread the word that teachers can't teach students who aren't in school. Every day that children are in the classroom ready to learn increases their chances of success in school and reduces the chance they will be off track for promotion and graduation

- *Increasing family and community engagement:* Parental involvement is critical to a child's success in school, and the School District's parents are more involved than ever. Last school year, 91 percent of parents and caregivers had face-to-face contact with their children's teachers, up from 73 percent just two years earlier. School principals and teachers continue to make parent-teacher conferences more meaningful and engaging by helping parents analyze their children's academic data and taking new approaches to meetings, with students often leading the discussion.

- *Expanding early childhood options across the City:* The School District is committed to providing high-quality preschool options in every neighborhood to ensure all children in Cleveland have a strong start on their journey to college and careers. The School District partnership with PRE4CLE has drawn national attention from the White House for adding 1,215 preschool seats, rated as high quality by the state, in the program's first year. Enrollment in high-quality preschool increased 10 percent in Cleveland, and the School District's preschool initiative was featured in *Education Week* magazine for significantly putting more kids on track for kindergarten readiness.

- *Reading scores are on the rise:* Students who are on track in reading when they complete the third grade have a better change of graduating and reaching their college and career goals. Last year, 86 percent of the School District's third-graders complied with Ohio's Third Grade Reading Guarantee, achieving scores required to earn promotion to fourth grade. This year, the number of students who passed was up 5 percentage points and is expected to climb higher with results from the annual Elementary Summer Reading Academy. The academy is free for District students in kindergarten through third grade that are reading below their grade level. The District also monitors reading performance throughout the year and develops individual intervention plans to ensure student success.

- *Graduation rates continue to rise:* The true measure of a school district's success is its graduation rate, and in the last five years the School District's graduation rate has soared from 52 percent to a record of 66 percent, surpassing those of Atlanta, Denver, Milwaukee, Washington, D.C. and other major U.S. cities. Not only are more School District students graduating, our students are graduating better prepared for the colleges and careers that await them. Data shows that more School District graduates leave high school with higher grade point averages. More of our graduates are earning college-ready scores on the ACT admissions exam and fewer than ever need remediation in math and English when they reach college.

- *School District graduates are better prepared for college and careers:* The School District graduates are more prepared than ever for college and careers, according to The Higher Education Compact of Greater Cleveland. The Compact is a partnership that includes the City of Cleveland, the School District, 16 colleges and universities and more than 40 organizations. Not only are the School District students more college-ready, the District has reshaped it five career-tech schools. With the help of Ford Next Generation Learning, five schools that comprise the "Academies of Cleveland" have aligned career-technical programs with the needs of a 21st Century global workforce.

- *Giving Student greater 'say' in their schools, their district, and their future:* The Cleveland Plan guarantees students a voice in their education, and the CEO's Student Advisory Committee gives more than 400 high school students an opportunity to provide feedback in meetings with the

CEO. With a survey taken three times a year, all CMSD students in grades 5-12 evaluate security and academics in their schools with a goal to continually improve conditions for learning across the School District.

- *New models, modernized buildings provide a growing number of quality school choices:* The School District continues to provide families with an increasing variety of quality school options to enable students to find the right school to meet their needs and interest. In the three years, the School District has added seven high school models. To ensure families have access to 21st Century learning environments in neighborhoods across the city, we are building and remodeling more than 40 schools.

- *International newcomers feel at home in the School District:* For immigrants and refugees who come to Cleveland, the School District schools offer a doorway to a bright future at Thomas Jefferson International Newcomers Academy. The K-12 school helps arrivals from other countries and Puerto Rico to learn English and adjust to a new culture at school and in their neighborhood. The school holds up to 800 students who last year hailed from 24 countries and spoke at least that many languages. A School District welcome center at Thomas Jefferson enrolls, assesses and places students according to their needs. The similarly diverse Lincoln-West High School added a new School of Global Studies in fiscal year 2017.

- *Attracts top talent to teach in our classrooms and lead our schools:* The School District aggressively recruits school leaders and teachers to ensure that student in our schools have the best possible instruction and guidance. The *Teach Cleveland* initiative, launched two years ago, searches Ohio and states throughout the country for educators that are not only the best in the candidate pool, but passionate about serving children in urban schools. The School District hired 332 new teachers for the 2015-2016 school year. The annual Aspiring Principals Acadmey, now in its third year, selects 10 promising school leaders to serve a full year, working alongside mentor principals. The School District stands behind its pledge that, "We are all educators," in a school system where every employee – from bus drivers, to cafeteria workers, to desk staff and security officers – contributes in some meaningful way, every day, to student success.

- A robust offering of sports and extracurricular activities in the School District is one of the strongest contributors to overall student success. Research shows that participation in sports and other extracurricular activities motivates students to attend school and reduces the chances that they will drop out of school by 40 percent. With a generous gift from the Cleveland Browns, three new synthetic-turf fields will be installed this year and the Browns have pledged to install two more. Facilities provide added incentive for students to get involved in school. Senate League baseball teams play at the city's restored League Park – scene of Babe Ruth's 500th home run and the last hit in Joe DiMaggio's 56-game streak.

- With marked improvement in the District's graduation rate from 52 percent to a District of 66 percent in five years, the School District has closed the gap between the graduation rate of African-American students and that of white students. The graduation rate for black students is 12 points higher that it was in 2011, and the rate for Hispanic students is 18 points higher. The School District's Closing the Achievement Gap program works closely with students of color in the key eighth-and ninth-grade years, providing "linkage coordinators' who support students 24 hours a day. This year, the School District joined President Obama's "My Brother's Keeper Success Mentors Initiative" that pairs caring adults with students to improve school attendance.

Cleveland Plan Progress

Following implementation of *The Cleveland Plan*, the School District in the 2015-2016 school year, achieved a number of benchmarks on the state report card:

- Four-year graduation rate rose another 3 percentage points and reached yet another record high, 69.1 percent – a 17 point increase over the last five years

- Five schools had graduation rates of 100 percent: Cleveland School of the Arts, Whitney Young, Cleveland School of Science and Medicine, Cleveland School of Architecture and Design and Cleveland Early College High School
- 8.3 percent of School District students take college-level courses, nearly triple the statewide rate of 2.8 percent.
- Average daily attendance increased to more than 91 percent.
- For the third year in a row, 85 percent or more of School District third-graders met expectations of Ohio's Third Grade Reading Guarantee and earned promotion to fourth grade. Each time, the proficiency rate began the year at about 30 percent. The promotion rate exceeded those of three other urban districts in Ohio.

That progress has accelerated this year, with signs of increased engagement and increased community trust in the School District as the right choice for their child. Today, more than 90% of parents are actively engaged in their child's school and the School District's first enrollment increase in decades.

After years of budget deficits, program cuts and staff layoffs, the School District continues to attract, hire and retain quality teachers and leaders that by all accounts, is improving dramatically.

Consider these signs of progress that school reforms implemented in *The Cleveland Plan* are working:

- Added 1,200 high quality preschool seats, which 80% of these students are Kindergarten-ready
- 85% of students were promoted to the 4th grade
- The School District is one of only three districts in the nation to improve on all four reading and math tests
- Graduation rates have increased 17% since the 2010-2011 school year.
- The School District students saw a 10% decrease in college remediation rates.
- 15th highest improvement in the State of Ohio on the state report card from 2012 through 2016
- Increased enrollment by about 1,100 new student for the first time in decades
- Decreased chronic absenteeism by 6.3%
- Public confidence in the School District is growing, 72% of citizens think the district is moving in the right direction

Progress continued in the 2015-2016 school year showed the most promising gains so far under *The Cleveland Plan*.

After more than a decade of flat and low results in national testing, the official release of the National Assessment of Educational Progress (NAEP), otherwise known as the Nation's Report Card, showed the School District ranks near the top in academic growth when compared with 20 other large U.S. urban school districts in the 2015 assessment released in October.

Michael Casserly, Executive Director of the Council of the Great City Schools that represents 68 large U.S. urban districts, was among the first to cite the School District as a standout among the participating districts.

The School District's gains are "uniformly larger and better than any other school district in the country," he said. "The community should be encouraged and confident that more improvement is in store to come, as the school system is clearly on the right track."

The 2015 NAEP data shows the following about the School District:

- Is one of only three districts out of twenty-one large urban districts that improved in all four areas: 4th and 8th grade reading and 4th and 8th grade math
- Fared well even when comparisons extended beyond the 21-city Trial Urban District Assessment.

- 4th grade reading growth is 2nd highest in the nation
- 4th grade math growth is 3rd highest in the nation
- 8th grade reading growth is 4th highest in the nation
- 8th grade math growth is 5th highest in the nation
- African-American males and special education students closed their achievement gap in 4th grade reading

What is most significant is that as state testing changes from year to year, making it increasingly difficult to accurately measure our progress, the NAEP is considered the most stable, consistent and continuing assessment of what students in the United States know and can do in various subject areas.

NAEP is frequently referred to as the 'gold standard' of student assessments. In fact, the Board that oversees the tests pushed to include the results of English language learners and students with disabilities who might otherwise be excluded.

It is also significant, after years of finishing last or nearly last among other big-city school districts in the nation, which the School District showed growth in all four measures when large urban and other districts across the nation saw their scores decline or remain flat this 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 prepares a Five Year Forecast along with assumptions prior to October 31st of each fiscal year and updates this forecast between April 1 and May 31st of each fiscal year.

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 Fiscal Officer 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 Fiscal Officer must certify that the School District's appropriation measures, including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates.

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

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

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

The School District pursues an aggressive cash management program by expediting the receipt of revenues and prudently investing and depositing available cash in obligations collateralized by instruments issued by the United States Government, governmental agencies, corporations or the State of Ohio or insured by the Federal Deposit Insurance Corporation (FDIC) and/or the Securities Investor Protection Corporation (SIPC).

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

Internal Controls

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

As a recipient of federal, state, and county financial assistance, the School District is also responsible for maintaining a rigorous internal control structure that ensures full compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management, external auditors and the internal audit staff of the School District. The School District is required to undergo an annual audit in conformity with the provisions of the Uniform Guidance Title II Subtitle A Chapter 2 Part 200, Section 501. 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, 2015. 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, 2015. 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

The Cleveland Municipal School District does not discriminate in educational programs, activities or employment on the basis of race, color, national origin, sex, age, religion or disability.

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, Board Chair	2007	2019
Louise P. Dempsey, Vice Chair	1998	2019
Anne E. Bingham	2014	2017
Robert M. Heard, Sr.	2004	2017
Willetta A. Milam	2003	2017
Shaletha T. Mitchell	2011	2019
Justin L. Monday, Esq.	2015	2019
Stephanie Morales (a)	2013	2016
Lisa Thomas, Ph.D.	2011	2017

Ronald M. Berkman, Ph.D. ex-officio

Alex Johnson, Ph.D. ex-officio

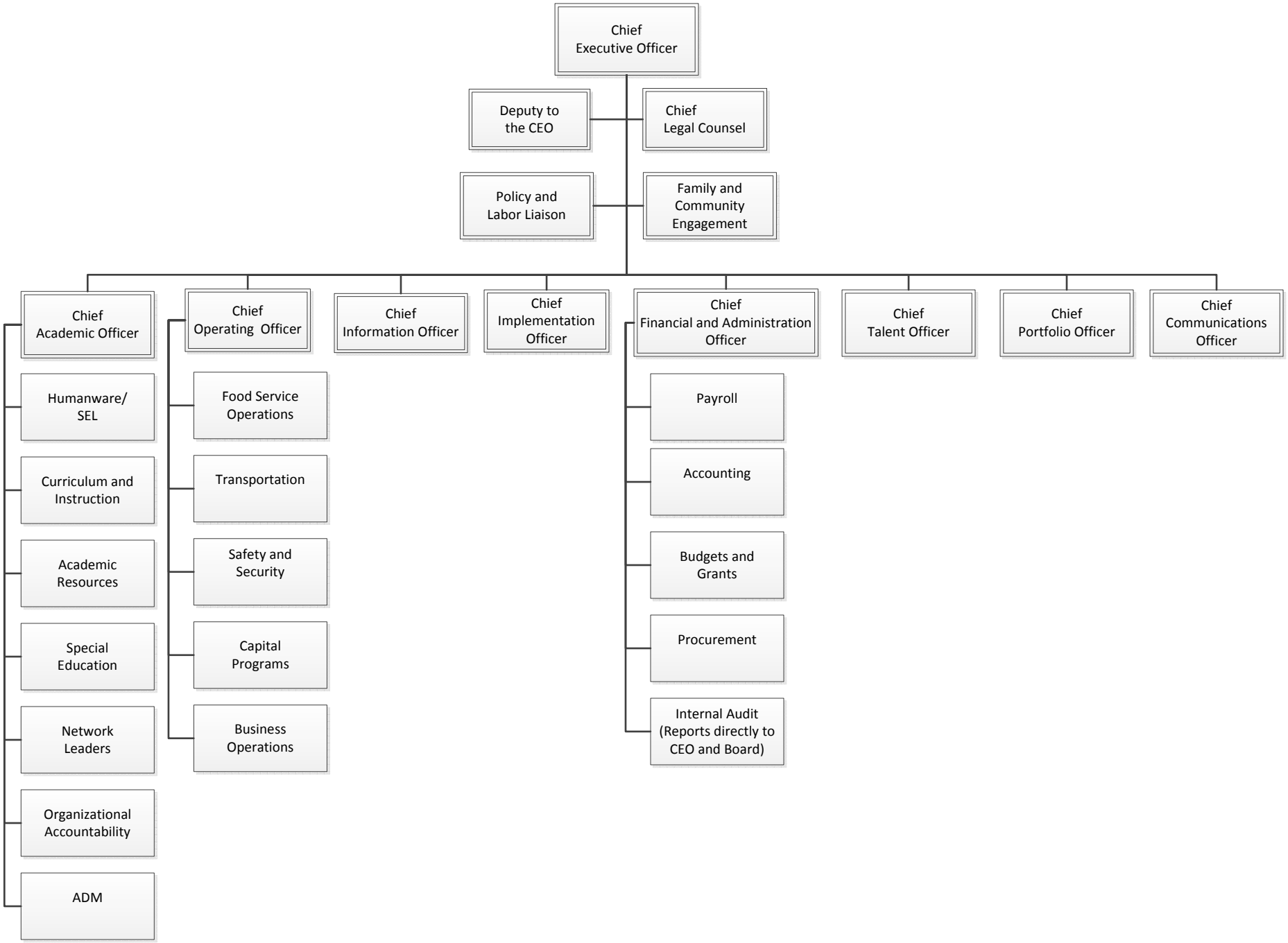
(a) Resigned 2016, vacancy has not been filled

Cleveland Municipal School District

Senior Appointed Officials

Eric Gordon	Chief Executive Officer
Michelle N. Pierre-Farid	Chief Academic Officer
Dr. Roseann Canfora	Chief Communications Officer
John Scanlan	Chief Financial and Administrative Officer
Roderick Houpe	Chief Information Officer
Wayne Belock	Chief Legal Counsel
Patrick Zohn	Chief Operating Officer
Christine Fowler-Mack	Chief Portfolio Officer
Lori Ward	Chief Talent Officer
Diana Ehlert	Deputy Chief, Academic Resources
Gary Sautter	Deputy Chief, Capitol Programs
Karen Thompson	Deputy Chief, Curriculum and Instruction
Dennis Kubick	Deputy Chief, Financial Officer/Controller
Chris Broughton	Interim Deputy Chief, Organizational Accountability
Lester Fultz	Deputy Chief, Safety and Security
Curtis Timmons	Deputy Chief, Information Technology
Michael Bowen	Executive Director, Accounting
LaTisha Grimes	Executive Director, Assessments Testing and Logistics
Derek Richey	Executive Director, Budgets
Stephanie Klupinski	Executive Director, Charter Oversight, Review & Partnership
Blessing Nwaozuzu	Executive Director, Enterprise Applications
Tracy Hill	Executive Director, Family and Community Engagement
Denine Goolsby, M.Ed	Executive Director, Humanware
Shawn Braxton	Executive Director, Instructional Technology
Larry Johnston	Executive Director, Internal Auditor
Jessica Baldwin	Executive Director, Intervention Services
Rosie Tufts	Executive Director, IT Operations
Victoria Brian	Executive Director, Legal Services
Joe Micheller	Executive Director, New School Development
Mychael Henderson	Executive Director, Payroll
Melissa Skelly	Executive Director, Policy and Planning
Angee Shaker	Executive Director, Portfolio Engagement
Angela Foraker	Executive Director, Procurement
Matt Linick	Executive Director, Research and Evaluation
Nicholas D'Amico	Executive Director, School Performance
Jessica Wilson	Executive Director, Talent Impact
Luther Johnson	Executive Director, Talent Management
Lisa Durkin	Executive Director, Talent Operations
Kevin Khayat	Interim Executive Director, Food Services
Andrew Koonce	Academic Superintendent, Achievement Schools
Valentina Moxon	Academic Superintendent, Best Practices/Academics & Culture
Trent Mosley	Academic Superintendent, Investment Schools I
Lisa Howell	Academic Superintendent, Investment Schools II
Carol Lockhart	Academic Superintendent, LIFT Schools
Lisa Farmer Cole	Academic Superintendent, Portfolio Schools
Bernard Chandler	Academic Superintendent, STEAM Schools
Kevin Burtzlaff	Board Attorney and Liasion

Cleveland Metropolitan 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, 2015.

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

Brenda Burkett

Brenda R. Burkett, CPA, CSBA, SFO
President

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, 2015

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, 2016, 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.

Lausche Building, 615 Superior Ave., NW, Twelfth Floor, Cleveland, Ohio 44113-1801
Phone: 216-787-3665 or 800-626-2297 Fax: 216-787-3361
www.ohioauditor.gov

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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected 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 30, 2016, 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.

Dave Yost
Auditor of State
Columbus, Ohio

December 30, 2016

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, 2016. 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 2016 are as follows:

- Total current and other assets increased by $105.2 million and capital assets decreased by $10.0 million, resulting in a net increase in total assets of $95.2 million in Governmental Activities.
- Total short-term liabilities decreased $11.8 million and total long-term liabilities increased $72.2 million, resulting in a net increase in total liabilities of $60.4 million in Governmental Activities.
- Total net position increased $151.1 million in Governmental Activities.
- General revenues accounted for $717.6 million in revenue or 70.4% of all revenues for Governmental Activities. Program specific revenues in the form of charges for services, sales, grants or contributions accounted for $301.0 million or 29.6% of total revenues of $1,018.6 million.
- Total program expenses were $867.5 million in Governmental Activities.
- Among major funds, the General Fund had $740.6 million in revenues and other financing sources and $693.9 million in expenditures and other financing uses. The General Fund's fund balance increased by $46.7 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, the Permanent Improvement 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 question, "How did we do financially during 2016?" 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 22. 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, the Permanent Improvement 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 School Districts self-insurance programs for employee medical benefits.

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 FY 2016 compared to the FY 2015:

	2016	2015	Change
Assets			
Current and Other Assets	$ 820.2	$ 715.0	$ 105.2
Capital Assets	811.4	821.4	(10.0)
Total Assets	1,631.6	1,536.4	95.2
Deferred Outflow & Resources			
Pension	85.1	57.1	28.0
Liabilities			
Current Liabilities	85.5	97.3	(11.8)
Long-Term Liabilities	347.8	369.8	(22.0)
Net Pension Liability	873.1	778.9	94.2
Total Liabilities	1,306.4	1,246.0	60.4
Deferred Inflow of Resources			
Property Taxes	146.4	167.1	(20.7)
Pension	73.0	140.6	(67.6)
Total Deferred Inflow & Resources	219.4	307.7	(88.3)
Net Position			
Net Investment in Capital Assets	511.8	501.4	10.4
Restricted for Debt Service	46.5	51.0	(4.5)
Restricted for Capital Projects	319.9	223.0	96.9
Restricted for Educational Special Trust	7.4	0.0	7.4
Restricted for Classroom Facilities Maintenance	9.0	16.1	(7.1)
Restricted for Food Services	1.7	0.0	1.7
Restricted for Miscellaneous State Grants	0.5	0.0	0.5
Restricted for Other Purposes	1.1	2.8	(1.7)
Unrestricted	(707.0)	(754.5)	47.5
Total Net Position	$ 190.9	$ 39.8	$ 151.1

During 2015, the School District adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

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

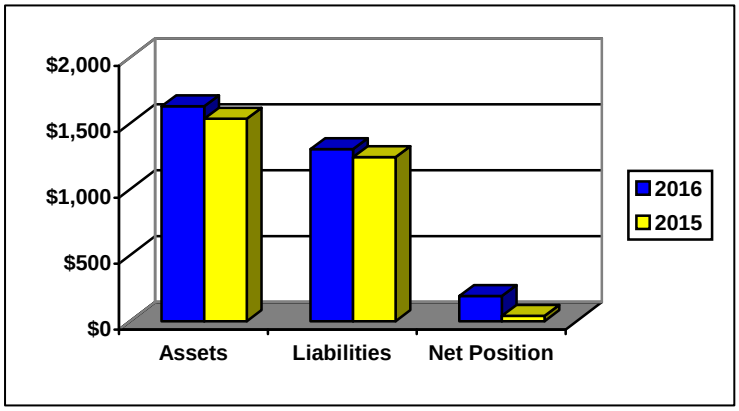
1. Present Value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

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

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

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

Graph 1
Net Position
Governmental Activities
($ In Millions)



Current and other assets increased by $105.2 million and capital assets decreased by $10.0 million, resulting in an overall increase in total assets of $95.2 million. The increase in current and other assets is mostly attributable to a net increase in intergovernmental receivable of $118.5 million in the Classroom Facilities Fund, which is due to the School District signing a new project agreement with The State of Ohio to construct ten new schools and demolish eleven existing school buildings.

Current liabilities decreased by $11.8 million and long-term liabilities increased by $72.2 million, resulting in an overall increase in liabilities of $60.4 million. The decrease in current liabilities is due primarily to the decrease of accounts payable of $6.0 million and the decrease of intergovernmental payable of $4.8 million. The net increase in long-term liabilities is due to the Net Pension Liability increased by $94.2 million.

Total net position increased by $151.2 million. The increase was partially due to the net position of restricted for capital projects increasing by $96.9 million which was due the School District signing a new project agreement with The State of Ohio. In addition, the unrestricted net position increased by $47.5 million, which was due to an increase in the tax collection rates of 7.3% from the previous year. At the end of the current year, the School District is able to report positive balances in two of the three categories of net position.

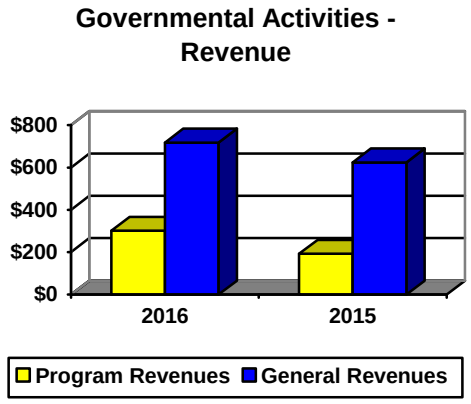
Table 2 shows the change in net position for fiscal years 2016 and 2015.

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

	Governmental Activities		
	2016	2015	Change
Revenues			
General Revenues:			
Property Taxes	$ 274.3	$ 172.6	$ 101.7
Investment Income	3.4	1.8	1.6
Miscellaneous	8.5	17.8	(9.3)
Grants and Entitlements	431.4	431.8	(0.4)
Program Revenues:			
Charges for Services	9.0	9.1	(0.1)
Operating Grants	172.6	169.7	2.9
Capital Grants	119.4	13.0	106.4
Total Revenues	1,018.6	815.8	202.8
Program Expenses			
Instruction	544.4	551.4	(7.0)
Support Services:			
Pupil and Instructional Staff	66.6	72.0	(5.4)
Board of Education, Administration, Fiscal and Business	68.5	60.4	8.1
Operation and Maintenance of Plant	68.6	64.6	4.0
Pupil Transportation	35.0	34.7	0.3
Central	29.5	25.5	4.0
Operation of Non-Instructional Services	35.3	34.7	0.6
Extracurricular Activities	6.3	6.6	(0.3)
Interest and Fiscal Charges	13.2	7.0	6.2
Total Expenses	867.4	856.9	10.5
Change in Net Position	151.2	(41.1)	192.3
Net Position Beginning of Year	39.7	80.9	
Net Position End of Year	$ 190.9	$ 39.8	$ 151.1

Graph 2
Revenue for Governmental Activities
($ In Millions)

	2016	2015
General Revenues	$ 717.6	$ 624.0
Program Revenues	301.0	191.8
Total Revenues	$ 1,018.6	$ 815.8



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 38.2% and 27.6% and grants made up 60.1% and 69.2 % of general revenues for governmental activities for the School District in fiscal years 2016 and 2015, respectively.

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

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

The 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 School District and one mill will be allocated to the current expenses of partnering community school. The collection on that levy began in January 2013. This tax levy was renewed by the voters in November 2016.

The voters of the City of Cleveland approved a new property tax levy in November 2014 (Issue 4). This levy allowed for an additional property tax to provide funds for the acquisition, construction, enlargement, renovation, and financing of general permanent improvements at a rate not exceeding 0.5 mill for each one dollar of tax valuation. Collections cannot be used to support the general operations of the School District.

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 97.0% 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 2016	Net Cost of Services 2016	Total Cost of Services 2015	Net Cost of Services 2015
Instruction	$ 544.5	$ (333.9)	$ 551.5	$ (451.5)
Support Services:				
Pupil and Instructional Staff	66.6	(38.4)	72.0	(35.9)
Board of Education, Administration, Fiscal and Business	68.5	(57.8)	60.4	(52.2)
Operation and Maintenance of Plant	68.6	(60.9)	64.6	(57.3)
Pupil Transportation	35.0	(32.0)	34.7	(31.5)
Central	29.5	(25.7)	25.5	(22.9)
Operation of Non-Instructional Services	35.3	0.7	34.7	(1.3)
Extracurricular Activities	6.3	(5.3)	6.6	(5.5)
Interest and Fiscal Charges	13.2	(13.2)	7.0	(7.0)
Total Expenses	$ 867.5	$ (566.5)	$ 857.0	$ (665.1)

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 62.8% of the total cost of services. When combined with pupil and instructional support these categories make up 70.4% of the total cost of services. This make-up is consistent with the general educational objectives of the School District. The dependence upon general revenues for governmental activities is apparent. 61.3% of instruction activities are mainly supported through taxes and general revenues. Similarly, for all governmental activities general revenue support is 65.3%. 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 22. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of $910.5 million and expenditures and other financing uses of $891.7 million, resulting in a net increase in fund balances of $18.8 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 $100.0 million, while total fund balance increased to a $113.0 million surplus.

The net changes in fund balances for the year were most significant in the Debt Service Fund, Permanent Improvement Fund, Classroom Facilities Fund and Other Governmental Funds. The fund balance in the Debt Service Fund decreased $6.3 million, the fund balance in the Permanent Improvement Fund decreased $13.0 and the fund balance in the Classroom Facilities Fund decreased $6.0. These decreases were in result of the District making payments on outstanding debts and the completion of building three new high schools. Funding of this program is described in more detail in the ***Capital Assets and Debt Administration*** section. The fund balance for Other Governmental Funds decreased by $2.7 million. The decrease was mainly due to the Race to the Top grant expiring in fiscal year 2016.

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 $711.8 million, which was $4.4 million less than the final budget estimate. The School District received slightly less than what was expected through the school foundation payment system during the fiscal year.

The final expenditure and other financing uses budget was $735.8 million. Total actual expenditures and other financing uses was $720.6 million, or $15.3 million below the final budget estimates. This was mainly due to over 200 positions not being filled. There is a continuing effort by the School District's management to reduce its expenditures to increase fund balance.

The General Fund's ending unencumbered cash balance totaled $80.1 million, which was $10.8 million more than the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2016 the School District had $811.4 million invested in capital assets net of accumulated depreciation. Table 4 shows fiscal year 2016 balances compared to 2015:

Table 4
Capital Assets
(Net of Depreciation)
($ In Millions)

	Governmental Activities		
	2016	2015	Change
Land	$ 31.8	$ 31.8	$ 0.0
Land Improvements	0.1	0.1	0.0
Buildings and Improvements	742.5	629.4	113.1
Vehicles and Equipment	15.5	16.4	(0.9)
Intangible Assets	0.9	1.3	(0.4)
Construction in Progress	20.6	142.4	(121.8)
Totals	$ 811.4	$ 821.4	$ (10.0)

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 an additional 22 schools and refurbishing 20 to 23 others. Projects were contingent on voters approving a November 2014 ballot issue that authorized $200 million in bonds for the construction and a half-mill property tax for maintenance, which was passed. The State will add more than $2 for every $1 that the District contributes to construction. Since 2000, the School District has built 37 schools and fully renovated seven others. Three high schools finished construction during the fiscal year and went into operation in fiscal year 2016. With the new levy that was passed in November 2014, the School District will be able to build approximately 20 new schools and refresh approximately 23 current school buildings.

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. See Note 11 to the basic financial statements for additional information on capital assets.

Debt Administration

At June 30, 2016 the School District had $299.6 million in bonds, notes and other long term capital lease obligations outstanding, $8.5 million due within one year. Table 5 summarizes bonds and notes outstanding.

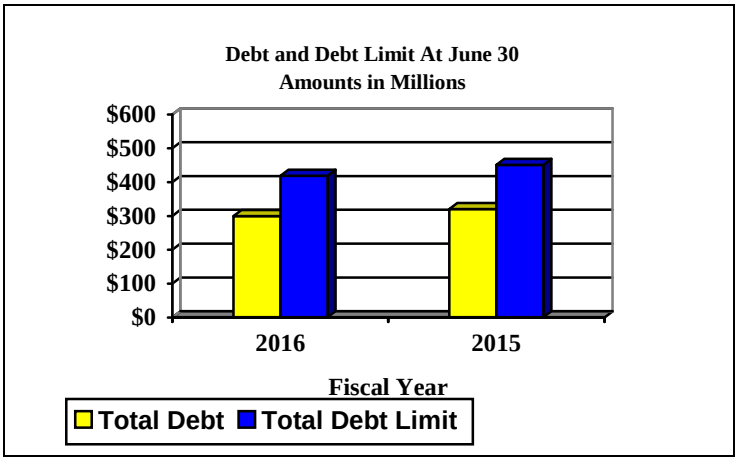
Table 5
Outstanding Debt, at Year End
($ In Millions)

	Governmental Activities 2016	Governmental Activities 2015
General Obligation Bonds and Notes:		
2001 H.B. 264 Energy Conservation Notes	$ 0.5	$ 1.6
2010 School Facilities Improvement Bonds	55.0	55.0
2012 School Facilities Improvement Bonds	15.9	17.5
2013 School Facilities Improvement Bonds	27.4	27.4
2014 School Facilities Improvement Bonds	0.0	4.2
2015 School Facilities Improvement Bonds	139.8	150.8
2015 Qualified School Constuction Bonds	49.2	49.2
Other Long-Term Obligations:		
Capital Lease Obligation	11.8	14.3
Total	$ 299.6	$ 320.0

Graph 3

Debt and Debt Limit
($ In Millions)

	2016	2015
Total Debt	$ 299.6	$ 320.0
Total Debt Limit	$ 418.5	$ 450.6



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.

In June 2015 the School District issued bonds for the purpose of constructing, renovating, remodeling, enlarging, furnishing, equipping and otherwise improving school district buildings and facilities and

acquiring, clearing, equipping and otherwise improving school district building and facility sites in the principal amount of $200 million to be repaid annually over 35 years, and levy a property tax outside the ten-mill limitation, estimated by the county fiscal officer to average over the bond repayment period 2 mills for each one dollar of tax valuation, which amounts to 20 cents for each one hundred dollars of tax valuation, to pay the annual debt charges on the bonds, and to pay debt charges on any notes issued in anticipation of those bonds.

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, 2016, the School District's overall legal debt margin was $150.5 million, with an unvoted debt margin of $4.6 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, which was renewed in November 2016. With the passing of the four year levy, the School District is projecting a positive unencumbered cash balance through fiscal year 2019. In addition, there are other ongoing issues to be addressed over the next five years as described below.

State Foundation Payments – Am. Sub. H.B. 94 of the 131th Ohio General Assembly passed in July 2015 and replaced the prior fiscal year 2014 – fiscal year 2015 biennium budget's enacted by Governor Kasich's administration. The H.B. 94 state foundation formula is for fiscal years 2016 and 2017. Payments to city, local and exempted village school districts are calculated from data reported by the district, such as the number of students enrolled in the district, and are made twice each month according to a schedule published each spring. Since the data are updated throughout the year, the annual amount due to the School District is calculated for each payment and the district receives approximately 1/24th of the annual amount.

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

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 2020 and beyond. The forecast includes

several revenue and expense assumptions based upon recent legislation, historical trends, and future assumptions.

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, Executive 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, 2016

	Total
Assets	
Equity in Pooled Cash and Cash Equivalents	$ 115,510,617
Cash and Cash Equivalents with Fiscal Agents	3,249,230
Investments	204,324,877
Investments with Fiscal Agents	19,510,000
Receivables:	
Taxes	304,667,853
Accounts	1,051,634
Intergovernmental	169,884,961
Accrued Interest	856,819
Materials and Supplies Inventory	1,179,348
Nondepreciable Capital Assets	171,735,817
Depreciable Capital Assets, Net	639,652,023
Total Assets	1,631,623,179
Deferred Outflows of Resources	
Pension	85,074,599
Liabilities	
Accounts Payable	17,210,242
Accrued Wages and Benefits	38,319,230
Retainage Payable	3,503,307
Intergovernmental Payable	20,269,673
Matured Compensated Absences Payable	810,752
Accrued Interest Payable	1,136,281
Claims Payable	4,264,860
Long-Term Obligations:	
Due Within One Year	18,738,581
Due in More Than One Year:	
Net Pension Liability	873,088,980
Other Amounts Due in More Than One Year	329,037,178
Total Liabilities	1,306,379,084
Deferred Inflows of Resources	
Property Taxes	146,424,709
Pension	73,016,132
Total Deferred Inflows of Resources	219,440,841
Net Position	
Net Investment in Capital Assets	511,830,184
Restricted	
Restricted for Debt Service	46,540,646
Restricted for Capital Programs	319,958,620
Restricted for Educational Special Trust	7,367,912
Restricted for Classroom Facilities Maintenance	9,023,877
Restricted for Food Services	1,653,536
Restricted for Miscellaneous State Grants	466,876
Restricted for Other Purposes	1,063,777
Unrestricted	(707,027,575)
Total Net Position	$ 190,877,853

See accompanying notes to the basic financial statements

Cleveland Municipal School District

Statement of Activities-Governmental Activities
For the Fiscal Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Total Net (Expense) Revenue and Changes in Net Position
Instruction:					
Regular	$ 355,008,543	$ 3,283,143	$ 27,686,802	$ 119,391,577	$(204,647,021)
Special	172,360,574	1,628,204	48,647,774	0	(122,084,596)
Vocational	9,056,446	61,803	1,961,612	0	(7,033,031)
Adult/Continuing	64,500	510	4,990	0	(59,000)
Other	7,948,798	4,775	7,868,381	0	(75,642)
Support Services:					
Pupils	34,179,013	437,033	6,572,417	0	(27,169,563)
Instructional Staff	32,419,457	115,213	21,059,213	0	(11,245,031)
Board of Education	266,498	2,116	20,685	0	(243,697)
Administration	50,223,299	779,516	7,633,524	0	(41,810,259)
Fiscal	16,663,611	358,888	1,768,304	0	(14,536,419)
Business	1,375,403	10,895	106,520	0	(1,257,988)
Operation and Maintenance of Plant	68,629,253	570,943	7,200,079	0	(60,858,231)
Pupil Transportation	35,010,112	261,455	2,709,989	0	(32,038,668)
Central	29,503,864	222,148	3,592,550	0	(25,689,166)
Operation of Non-Instructional Services	35,255,055	693,540	35,342,724	0	781,209
Extracurricular Activities	6,332,462	556,374	466,759	0	(5,309,329)
Interest and Fiscal Charges	13,212,539	0	0	0	(13,212,539)
Totals	$ 867,509,427	$ 8,986,556	$ 172,642,323	$ 119,391,577	(566,488,971)

General Revenues	
Property Taxes Levied For:	
General Purposes	246,475,848
Debt Service	22,789,130
Capital Outlay	2,947,290
Capital Projects	2,123,398
Investment Income	3,434,960
Miscellaneous	8,509,968
Grants and Entitlements not Restricted to Specific Programs	431,335,904
Total General Revenues	717,616,498
Change in Net Position	151,127,527
Net Position Beginning of Year	39,750,326
Net Position End of Year	$ 190,877,853

See accompanying notes to the basic financial statements

Cleveland Municipal School District

Balance Sheet
Governmental Funds
June 30, 2016

	General	Debt Service	Permanent Improvement	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	$ 84,003,796	$ 6,486,418	$ (1,507,517)	$ (5,184,353)	$ 17,181,594	$ 100,979,938
Cash and Cash Equivalents with Fiscal Agents	0	0	0	3,249,230	0	3,249,230
Investments	0	6,003,781	148,368,472	49,952,624	0	204,324,877
Investments with Fiscal Agents	0	19,510,000	0	0	0	19,510,000
Receivables:						
Taxes	268,247,407	26,435,883	2,630,455	0	7,354,108	304,667,853
Accounts	496,088	0	0	0	555,546	1,051,634
Intergovernmental	28,366,839	0	0	131,242,453	10,275,669	169,884,961
Accrued Interest	307,006	78,034	379,944	91,835	0	856,819
Interfund	6,728,575	0	0	0	0	6,728,575
Materials and Supplies Inventory	806,615	0	0	0	372,733	1,179,348
Total Assets	388,956,326	58,514,116	149,871,354	179,351,789	35,739,650	812,433,235
Liabilities						
Accounts Payable	8,119,500	0	1,390,909	2,990,458	4,709,375	17,210,242
Accrued Wages and Benefits	31,938,090	0	24,609	0	6,356,531	38,319,230
Retainage Payable	0	0	254,077	3,249,230	0	3,503,307
Interfund Payable	0	0	0	0	6,728,575	6,728,575
Intergovernmental Payable	17,084,254	0	57,079	0	3,128,340	20,269,673
Matured Compensated Absences Payable	810,752	0	0	0	0	810,752
Total Liabilities	57,952,596	0	1,726,674	6,239,688	20,922,821	86,841,779
Deferred Inflow of Resources						
Property Taxes	218,035,979	20,792,840	2,077,215	0	5,694,390	246,600,424
Unavailable Revenue	0	0	0	131,242,453	1,051,963	132,294,416
Total Deferred Inflow of Resources	218,035,979	20,792,840	2,077,215	131,242,453	6,746,353	378,894,840
Fund Balance:						
Nonspendable	806,615	0	0	0	372,733	1,179,348
Restricted	0	37,721,276	146,067,465	41,869,648	19,950,086	245,608,475
Assigned	12,150,076	0	0	0	0	12,150,076
Unassigned	100,011,060	0	0	0	(12,252,343)	87,758,717
Total Fund Balances	112,967,751	37,721,276	146,067,465	41,869,648	8,070,476	346,696,616
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 388,956,326	$ 58,514,116	$ 149,871,354	$ 179,351,789	$ 35,739,650	$ 812,433,235

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, 2016

Total Governmental Funds Balances		$ 346,696,616
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		811,387,840
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	100,175,715	
Intergovernmental	0	
Grants	132,294,416	
Total		232,470,131
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		10,265,819
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(1,136,281)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds		
Deferred outflows - pension	85,074,599	
Deferred inflows - pension	(73,016,132)	
Net Pension Liability	(873,088,980)	
Total		(861,030,513)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(287,795,129)	
Compensated Absences	(41,690,585)	
Worker's Compensation Claims	(6,527,518)	
Capital Lease Obligations	(11,762,527)	
Total		(347,775,759)
Net Position of Governmental Activities		$ 190,877,853

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, 2016

	General	Debt Service	Permanent Improvement	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
Revenues:						
Local Sources:						
Taxes	$ 220,889,444	$ 21,008,373	$ 2,102,408	$ 0	$ 5,635,978	$ 249,636,203
Investment Income	1,301,553	327,376	1,498,225	374,192	49,766	3,551,112
Tuition and Fees	5,454,475	0	0	0	20,142	5,474,617
Extracurricular Activities	0	0	0	0	509,981	509,981
Contributions and Donations	0	0	0	0	9,935,905	9,935,905
Food Services	0	0	0	0	685,744	685,744
Miscellaneous	7,949,109	0	0	0	2,877,072	10,826,181
State Sources:						
Unrestricted Grants-in-Aid	426,181,230	2,870,603	74,683	0	572,019	429,698,535
Restricted Grants-in-Aid	53,328,562	0	0	4,127,881	12,328,123	69,784,566
Federal Sources:						
Unrestricted Grants-in-Aid	25,522,834	0	0	0	58,653	25,581,487
Restricted Grants-in-Aid	0	0	0	0	96,875,831	96,875,831
Total Revenues	740,627,207	24,206,352	3,675,316	4,502,073	129,549,214	902,560,162
Expenditures:						
Current:						
Instruction:						
Regular	321,020,767	0	0	0	3,597,604	324,618,371
Special	134,375,854	0	0	0	38,246,380	172,622,234
Vocational	7,792,275	0	0	0	1,269,636	9,061,911
Adult/Continuing	64,500	0	0	0	0	64,500
Other	603,447	0	0	0	7,345,351	7,948,798
Support Services:						
Pupils	31,253,869	0	0	0	3,677,582	34,931,451
Instructional Staff	12,542,344	0	0	0	19,802,597	32,344,941
Board of Education	257,321	0	0	0	0	257,321
Administration	46,921,154	0	0	0	4,120,439	51,041,593
Fiscal	10,767,157	480,579	83,671	0	5,195,751	16,527,158
Business	1,325,568	0	0	0	0	1,325,568
Operation and Maintenance of Plant	57,725,209	0	408,998	0	12,108,059	70,242,266
Pupil Transportation	30,392,331	0	0	0	144,548	30,536,879
Central	27,737,167	0	0	0	1,432,731	29,169,898
Operation of Non-Instructional Services	631,514	0	0	0	34,795,556	35,427,070
Extracurricular Activities	5,856,022	0	0	0	476,277	6,332,299
Capital Outlay	21,839	0	12,950,203	13,715,280	0	26,687,322
Debt Service:						
Principal Retirement	3,565,143	16,840,000	0	0	0	20,405,143
Interest and Fiscal Charges	70,705	13,136,708	0	0	0	13,207,413
Total Expenditures	692,924,186	30,457,287	13,442,872	13,715,280	132,212,511	882,752,136
Excess (Deficiency) of Revenues Over (Under) Expenditures	47,703,021	(6,250,935)	(9,767,556)	(9,213,207)	(2,663,297)	19,808,026
Other Financing Sources (Uses):						
Transfers In	0	0	2,369,446	5,591,227	0	7,960,673
Transfers Out	(1,000,000)	0	(5,591,227)	(2,369,446)	0	(8,960,673)
Total Other Financing Sources (Uses)	(1,000,000)	0	(3,221,781)	3,221,781	0	(1,000,000)
Net Change in Fund Balances	46,703,021	(6,250,935)	(12,989,337)	(5,991,426)	(2,663,297)	18,808,026
Fund Balances at Beginning of Year	66,264,730	43,972,211	159,056,802	47,861,074	10,733,773	327,888,590
Fund Balances at End of Year	$ 112,967,751	$ 37,721,276	$ 146,067,465	$ 41,869,648	$ 8,070,476	$ 346,696,616

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, 2016

Net Change in Fund Balances - Total Governmental Funds		$ 18,808,026
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	18,379,931	
Current Year Depreciation	(28,395,176)	
Total		(10,015,245)
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	24,699,464	
Ohio School Facilities Grant	115,147,544	
Other Grants	(23,545,173)	
Total		116,301,835
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		20,405,143
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	(5,126)	
Total		(5,126)
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	789,803	
Accrued Wages and Benefits - Pension Obligation	1,443,302	
Worker's Compensation Claims	877,641	
Total		3,110,746
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.		2,522,148
Change in Net Position of Governmental Activities		$ 151,127,527

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, 2016

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Local Sources:				
Taxes	$ 212,767,988	$ 215,103,977	$ 216,251,005	$ 1,147,028
Investment Income	700,000	910,215	964,480	54,265
Tuition and Fees	5,720,000	5,487,554	5,673,613	186,059
Miscellaneous	10,222,676	7,376,859	8,568,525	1,191,666
Sale of Personal Property	35,000	16,305	13,587	(2,718)
State Sources:				
Unrestricted Grants-in-Aid	402,489,532	401,208,530	399,300,365	(1,908,165)
Restricted Grants-in-Aid	56,418,133	58,255,976	53,328,562	(4,927,414)
Federal Sources:				
Unrestricted Grants-in-Aid	14,680,683	25,236,946	25,086,763	(150,183)
Total Revenues	703,034,012	713,596,362	709,186,900	(4,409,462)
Expenditures:				
Current:				
Instruction:				
Regular	322,650,133	326,840,418	326,840,418	0
Special	139,883,103	134,246,258	134,246,258	0
Vocational	9,072,332	8,565,608	8,565,607	1
Adult/Continuing	65,120	65,120	65,120	0
Other	293,180	744,087	744,087	0
Support Services:				
Pupils	32,798,277	31,110,548	31,110,548	0
Instructional Staff	17,089,360	14,011,947	12,941,566	1,070,381
Board of Education	301,789	286,926	286,926	0
Administration	52,053,544	63,601,592	49,499,455	14,102,137
Fiscal	11,558,021	10,886,276	10,886,276	0
Business	1,717,688	1,600,287	1,600,287	0
Operation and Maintenance of Plant	62,729,665	59,867,272	59,867,272	0
Pupil Transportation	34,161,963	33,172,349	33,157,182	15,167
Central	38,074,496	37,158,338	37,158,338	0
Operation of Non-Instructional Services	1,117,173	736,256	736,256	0
Extracurricular Activities	6,175,856	6,205,127	6,204,833	294
Capital Outlay	0	23,299	23,299	0
Debt Service:				
Principal Retirement	1,068,413	1,068,413	1,068,413	0
Interest and Fiscal Charges	70,713	70,705	70,705	0
Total Expenditures	730,880,826	730,260,826	715,072,846	15,187,980
Deficiency of Revenues Under Expenditures	(27,846,814)	(16,664,464)	(5,885,946)	10,778,518
Other Financing Sources (Uses):				
Advances In	4,000,000	2,651,000	2,651,000	0
Advances Out	(4,000,000)	(4,620,000)	(4,557,000)	63,000
Transfers Out	(1,000,000)	(1,000,000)	(1,000,000)	0
Total Other Financing Sources (Uses)	(1,000,000)	(2,969,000)	(2,906,000)	63,000
Net Change in Fund Balances	(28,846,814)	(19,633,464)	(8,791,946)	10,841,518
Fund Balances at Beginning of Year	73,472,842	73,472,842	73,472,842	0
Prior Year Encumbrances Appropriated	15,421,513	15,421,513	15,421,513	0
Fund Balances at End of Year	$ 60,047,541	$ 69,260,891	$ 80,102,409	$ 10,841,518

See accompanying notes to the basic financial statements

Cleveland Municipal School District

Statement of Fund Net Position
Proprietary Fund
June 30, 2016

	Governmental Activities - Internal Service Fund
Assets:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	$ 14,530,679
Liabilities:	
Current Liabilities:	
Claims Payable	4,264,860
Net Position:	
Unrestricted	$ 10,265,819

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, 2016

	Governmental Activities - Internal Service Fund
Operating Revenues:	
Charges for Services	$ 72,297,129
Operating Expenses:	
Claims and Claim Adjustment Expenses	70,774,980
Total Operating Expenses	70,774,980
Operating Income (Loss)	1,522,149
Transfers In	1,000,000
Change in Net Position	2,522,149
Net Position Beginning of Year	7,743,670
Net Position End of Year	$ 10,265,819

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, 2016

	Governmental Activities - Internal Service Fund
Increase In Cash and Cash Equivalents:	
Cash Flows from Operating Activities:	
Cash Received from Interfund Services Provided	$ 72,297,129
Cash Payments for Claims and Claim Adjustment Expenses	(70,486,698)
Net Cash Provided by Operating Activities	1,810,431
Cash Flows from Non-Capital Financing Activities	
Cash Received through Transfers from Other Funds	1,000,000
Net Increase in Cash and Cash Equivalents	2,810,431
Cash and Cash Equivalents at Beginning of Year	11,720,248
Cash and Cash Equivalents at End of Year	$ 14,530,679

Reconciliation of Income to Net Cash Provided by Operating Activities	
Operating Income (Loss)	$ 1,522,149
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Increase in Claims Payable	288,282
Net Cash Provided by Operating Activities	$ 1,810,431

See accompanying notes to the basic financial statements

Cleveland Municipal School District

Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2016

Assets		
Equity in Pooled Cash and Cash Equivalents	$	2,384,673
Liabilities		
Due to Students	$	649,041
Payroll Withholdings		1,735,632
Total Liabilities	$	2,384,673

See accompanying notes to the basic financial statements

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.

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.

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.

Permanent Improvement Fund The permanent improvement fund is used to account for all transactions related to the acquiring, constructing, or improving of such permanent improvements.

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

of the life of the refunded or refunding debt. The deferred outflows or resources related to pension are explained in Note 13.

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 until that time. For the School District, deferred inflows of resources included property taxes, pension, and unavailable revenue. Property Taxes represent amounts for which there is an enforceable legal claim as of June 30, 2016, but which were levied to finance fiscal year 2017 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, intergovernmental grants, and miscellaneous revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net pension. (See Note 13)

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 2016, investments were limited to STAR Ohio, certificates of deposit, treasury notes and bills, federal agency securities and commercial paper.

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 2016. 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, 2016.

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 2016 amounted to $1,301,553 which includes $436,844 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.

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, 2016 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

I. Inventory

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

J. Capital Assets

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

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 position.

L. Pension

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

M. 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.

N. 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.

O. Accrued Liabilities and Long-term Obligations

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

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

P. 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 $386,075,244 of restricted net position, 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 position are available.

Q. 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.

R. 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.

S. 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.

T. Extraordinary and Special Items

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

U. Estimates

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

Note 3 – Change in Accounting Principles

For fiscal year 2016, the School District implemented the Governmental Accounting Standards Board (GASB) Statement No. 72, "Fair Value Measurement and Application," GASB Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments," GASB Statement No. 79, "Certain External Investment Pools and Pool Participants," and GASB No. 82, "Pension Issues an Amendment of GASB Statements No. 67, No. 68 and No. 73."

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. This statement provides guidance for determining a fair value measurement for financial reporting purposes for applying fair value to certain investments and disclosures related to all fair value measurements. These changes were incorporated in the School District's fiscal year 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 76 identifies – in the context of the current governmental financial reporting environment – the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with generally accepted accounting principles (GAAP) and the framework for selecting those principles. The implementation of this GASB pronouncement did not result in any changes to the School District's financial statements.

GASB Statement No. 79 establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. This statement provides accounting and financial reporting guidance and also establishes additional note disclosure requirements for governments that participate in those pools. The School District participates in STAR Ohio with implemented GASB Statement No. 79 for the fiscal year 2016. The School District incorporated the corresponding GASB 79 guidance into their fiscal year 2016 financial statements; however, there was no effect on the beginning net position/fund balance.

GASB Statement No. 82 improves consistency in the application of pension accounting. These changes were incorporated in the Schools District's fiscal year 2016 financial statements; however, there was no effect on beginning net position/fund balance.

Note 4 – Accountability

The following funds had deficit fund balances as of June 30, 2016:

Special Revenue Funds		
Race to the Top	$	3,522,877
Title VI-B Special Education		2,607,137
Vocational Education		215,666
Title I		1,630,656
Improving Teacher Quality Title II-A		839,292
Other Federal		2,797,284

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 in five categories (1) Nonspendable, (2) Restricted, (3) Committed, (4) Assigned and (5) Unassigned. Nonspendable fund balances include amounts that are not in spendable form or are legally required to remain intact. Restricted fund balances include amounts that have external restrictions by either grantors, debt covenants, laws or other governments. Committed fund balances include amounts that are committed to a specific purpose by board ordinance. Assigned fund balances include amounts to be used for a specific purpose. Unassigned fund balances include amounts that have not been assigned to any purpose.

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	Debt Service	Permanent Improvement	Classroom Facilites	Other Governmental Funds	Total Governmental Funds
Nonspendable						
Inventory	$ 806,615	$ 0	$ 0	$ 0	$ 372,733	$ 1,179,348
Restricted for						
Debt Service Payments	0	37,721,276	0	0	0	37,721,276
Capital Improvements	0	0	146,067,465	41,869,648	0	187,937,113
Education Special Trust	0	0	0	0	7,483,212	7,483,212
Classroom Facilities Maintenance	0	0	0	0	8,178,995	8,178,995
Partnering Community Schools	0	0	0	0	1,106,479	1,106,479
Other Local Grants	0	0	0	0	479,370	479,370
Other State Grants	0	0	0	0	370,347	370,347
Food Service Operations	0	0	0	0	1,711,059	1,711,059
Other Purposes	0	0	0	0	620,624	620,624
Total Restricted	0	37,721,276	146,067,465	41,869,648	19,950,086	245,608,475
Assigned to:						
Other Purposes	12,150,076	0	0	0	0	12,150,076
Total Assigned	12,150,076	0	0	0	0	12,150,076
Unassigned (Deficit)	100,011,060	0	0	0	(12,252,343)	87,758,717
Total Fund Balances	$ 112,967,751	$ 37,721,276	$ 146,067,465	$ 41,869,648	$ 8,070,476	$ 346,696,616

For the purposes in the above chart, the Restricted Fund Balance for Other Local Grants consists of Public School Support, Other Grants and District Managed Activity. The Restricted Fund Balance for Other State Grants consists of Management Information Systems, Public School Preschool, Data

Communications for School Buildings, Interactive Distance Learning, Vocational Education Enhancement and Alternative Schools. The Restricted Fund Balance for Other Purposes consists of Auxiliary Services, Miscellaneous State Grants, Miscellaneous Federal Grants and School Maintenance and Operational Assistance. The Assigned Fund Balance for Other Purposes is for the monies that the District has assigned to specific purposes through encumbrances out of the General Fund.

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);

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	$ 46,703,021
Net Adjustment for Revenue Accruals	(31,440,307)
Advances In	2,651,000
Net Adjustment for Expenditure Accruals	(3,364,146)
Advances Out	(4,557,000)
Adjustment for Encumbrances	(18,784,514)
Budget Basis	$ (8,791,946)

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 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.

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 $69,201,934. Of the bank balance, $6,223,991 was covered by federal depository insurance and $62,977,943 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, 2016, the School District had the following investments:

	Maturity		
	Less Than One Year	More Than One Year But Less Than Five Years	Total
U.S. Agency Obligations	$ 74,647,790	$ 196,585,316	$ 271,233,106
Commercial Paper	77,675,504	0	77,675,504
STAR Ohio	1,859,280	0	1,859,280
Total Portfolio	$ 154,182,574	$ 196,585,316	$ 350,767,890

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 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, 2016 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, 2016:

Investments	Percentage of Investments
FHLB	26.71%
FHLMC	25.73%
FNMA	10.15%
Commercial Paper	22.14%
FFCB	14.74%
STAR Ohio	0.53%

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 2016 represents collections of calendar year 2015 taxes. Real

property taxes received in calendar year 2016 were levied after April 1, 2015, on the assessed value listed as of January 1, 2015, 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 2016 represents collections of calendar year 2015 taxes. Public utility real and tangible personal property taxes received in calendar year 2016 became a lien December 31, 2014, were levied after April 1, 2015 and are collected in 2016 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 Fiscal Officer periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2016, are available to finance fiscal year 2016 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

The amount available as an advance at June 30, 2016 was $58,067,429, which is comprised of $50,211,428 in the general fund, $5,643,043 in the debt service fund, $553,240 in the permanent improvement fund, $1,106,479 in the partnering community school fund and $553,239 in the classroom facilities maintenance special revenue fund. The amount available as an advance at June 30, 2015, was $52,476,510, which is comprised of $45,238,359 in the general fund, $5,227,555 in the debt service fund, $502,649 in the permanent improvement fund, $1,005,298 in the partnering community school fund and $502,649 in the classroom facilities maintenance special revenue fund.

Accrued property taxes receivable includes real property and public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2016 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations and are reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property taxes.

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

The assessed values upon which the fiscal year 2016 taxes were collected are:

	2015 Second-Half Collections (in thousands of dollars)		2016 First-Half Collections (in thousands of dollars)	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	$ 4,686,243	93.59%	$ 4,315,725	92.82%
Public Utility Property	320,763	6.41	333,849	7.18
Total	$ 5,007,006	100.00%	$ 4,649,574	100.00%
Full voted tax rate per $1,000 of assessed valuation	$79.40		$79.40	

Note 9 - Receivables

Receivables at June 30, 2016 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.

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	Amount
Ohio Department of Education	$ 27,798,767
Ohio Department of Medicaid	452,508
City of Cleveland	56,932
Cleveland State University	43,758
Defense Finance and Accounting Services	14,018
Ohio School Facilities Grant	131,242,453
Miscellaneous State Grants and Subsidies	4,325
Other State Grants and Subsidies	315,061
U.S. Department of Agriculture	343,801
Title VI-B Grant and Subsidies	2,117,270
Vocational Education Grant and Subsidies	436,354
Title I Grant and Subsidies	4,478,400
Improving Teacher Quality Title II-A Grant and Subsidies	627,274
Miscellaneous Federal Grants and Subsidies	41,484
Other Federal Grants and Subsidies	1,905,141
Other	7,415
Total Intergovernmental Receivables	$ 169,884,961

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 which are 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, 2016.

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 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, 2016, was as follows:

	Balance 6/30/15	Additions	Deletions	Balance 6/30/16
Governmental Activities				
Capital Assets, not being depreciated:				
Land	$ 31,814,081	$ 0	$ 0	$ 31,814,081
Construction in Progress	142,447,276	20,905,471	(142,707,087)	20,645,660
Total Capital Assets, not being Depreciated	174,261,357	20,905,471	(142,707,087)	52,459,741
Capital Assets, being Depreciated				
Land Improvements	1,523,444	0	0	1,523,444
Buildings and Improvemets	963,594,643	139,584,330	0	1,103,178,973
Vehicles and Equipment	31,389,844	597,217	0	31,987,061
Internal Generated Software	5,878,735	0	0	5,878,735
Total Capital Assets, being Depreciated	1,002,386,666	140,181,547	0	1,142,568,213
Less: Accumulated Depreciation:				
Land Improvements	(1,415,608)	(18,752)	0	(1,434,360)
Buildings and Improvements	(334,225,980)	(26,496,099)	0	(360,722,079)
Vehicles and Equipment	(15,014,568)	(1,506,868)	0	(16,521,436)
Internal Generated Software	(4,588,782)	(373,457)	0	(4,962,239)
Total Accumulated Depreciation	(355,244,938)	(28,395,176) *	0	(383,640,114)
Total Capital Assets, being Depreciated, Net	647,141,728	111,786,371	0	758,928,099
Governmental Activities Capital Assets, Net	$ 821,403,085	$ 132,691,842	$ (142,707,087)	$ 811,387,840

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$ 26,291,272
Special	62,511
Support Services:	
Administration	540,278
Operation and Maintenance of Plant	20,329
Pupil Transportation	1,431,429
Central	33,120
Operation of Non-Instructional Services	16,237
Total Depreciation Expense	$ 28,395,176

Construction in progress is composed of the following at June 30, 2016:

	Project Authorization	Expended to June 30, 2016	Committed
Regular Instruction	$ 122,675,396	$ 20,645,660	$ 102,029,736

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 Liabilty	$ 6,000,000	$ 250,000
School Leaders Errors & Omissions (includes lawyer professional liability)		
Employment Practices Liability		
Sexual Harassment		
Sexual Misconduct/Abuse		
Employee Benefits Liability		

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

Because of the prohibitive cost of commercial insurance, the School District in 1987, established a self-insurance fund (an internal service fund) to account for and finance its uninsured risks of loss (insurance deductibles and/or self-insured retentions) and associated expenses attributing to liability and property damage claim settlements and judgments. Estimates of claims liabilities, based on historical cost information, for incurred claims (including incurred but not reported claims) as calculated by the School District's Risk Management Division for all outstanding unsettled claims total $4,264,860 as of June 30, 2016, 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, 2007, through June 30, 2016, including the estimate for incurred but not reported (IBNR) claims totals $6,527,518.

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, 2016 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 2015 and 2016 are as follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2015	$ 11,362,510	71,814,405	72,342,431	$ 10,834,484
2016	10,834,484	77,139,146	74,451,074	13,522,556

Note 13 – Defined Benefit Pension Plans

A. Net Pension Liability

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

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

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

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

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

B. Plan Description – School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2016, the allocation to pension, death benefits, and Medicare B was 14 percent. No allocation was made to the Health Care Fund.

The School District's contractually required contribution to SERS was $7,475,192 for fiscal year 2016. Of this amount $1,121,901 is reported as an intergovernmental payable.

C. Plan Description – State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five year of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for

retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five year of service on August 1, 2026.

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

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 11 percent member rate goes to the DC Plan and 1 percent goes to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2016, plan members were required to contribute 13 percent of their annual covered salary. Effective July 1, 2016, the statutory maximum employee contribution rate was increased to 14 percent. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2016 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was $35,518,073 for fiscal year 2016. Of this amount $5,756,452 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS
Proportion of the Net Pension Liability		
Prior Measurement Date	3.02406900%	2.57306004%
Current Measurement Date	3.19451700%	2.49956532%
Change in Proportionate Share	0.17044800%	-0.07349472%

	SERS	STRS	Total
Proportionate Share of the Net Pension Liability	182,282,237	690,806,743	873,088,980
Pension Expense	14,824,660	26,725,303	41,549,963

At June 30, 2016, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$ 2,935,079	31,492,069	$ 34,427,148
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	7,654,186	0	7,654,186
School District contributions subsequent to the measurement date	7,475,192	35,518,073	42,993,265
Total Deferred Outflows of Resources	18,064,457	67,010,142	85,074,599
Deferred Inflows of Resources			-
Net difference between projected and actual earnings on pension plan investments	6,039,603	49,682,064	55,721,667
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	0	17,294,465	17,294,465
Total Deferred Inflow of Resources	$ 6,039,603	$ 66,976,529	$ 73,016,132

$42,993,265 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2017	($2,193,298)	($11,211,600)	($13,404,898)
2018	(2,193,298)	($11,211,600)	(13,404,898)
2019	(2,207,197)	($11,211,600)	(13,418,797)
2020	3,489,269	15,444,805	18,934,074
	($3,104,524)	($18,189,995)	($21,294,519)

E. Actuarial Assumptions – SERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2015, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	4.00 percent to 22 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.75 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

For post-retirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement.

The most recent experience study was completed June 30, 2010.

The long-term return expectation for the Pension Plan Investments has been determined using a building block approach and assumes a time horizon, as defined in SERS' Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums

over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash	1.00%	0.00%
US Stocks	22.50%	5.00%
Non-US Stocks	22.50%	5.50%
Fixed Income	19.00%	1.50%
Private Equity	10.00%	10.00%
Real Assets	10.00%	5.00%
Multi-Asset Strategies	15.00%	7.50%
Total	100.00%	

Discount Rate The total pension liability was calculated using the discount rate of 7.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.75 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.75 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent), or one percentage point higher (8.75 percent) than the current rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	252,759,952	182,282,237	122,934,182

F. Actuarial Assumptions – STRS

The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2015, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

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

* 10 year annualized geometric nominal returns include the real rate of return and inflation of 2.5 percent

Discount Rate The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2015. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2015. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2015.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the School District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a

discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	959,582,676	690,806,743	463,516,618

G. 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, 2016, no members of the Board of Education have elected Social Security.

Note 14 - Postemployment Benefits

A. School Employees Retirement System

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2016, no allocation of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2016, this amount was $23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2016, the School District's surcharge obligation was $888,656.

The School District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were $0, $778,290, and $142,159, respectively. The full amount has been contributed for fiscal years 2016, 2015 and 2014.

B. School Teachers Retirement System

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2016 and 2015, STRS did not allocate any employer contributions to post-employment health care. The School District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were $0, $0, and $2,673,636 respectively. The full amount has been contributed for fiscal years 2016, 2015 and 2014.

Note 15 – Other Employee Benefits

A. Compensated Absences

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

B. Insurance

The School District provides life insurance to most employees through Consumer Life Insurance in the amount of $10,000 for each employee ($50,000 for certain classes of employees). The School District also provides medical and prescription drug benefits through Medical Mutual of Ohio, Aetna and Healthspan, 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.

	Capital Improvements
Set-Aside Reserve Balance as of June 30, 2015	$ (448,476)
Current Year Set-Aside Requirement	6,575,376
Current Year Offsets:	
Tax Levy for Classroom Facilities and Maintenance	(1,884,872)
Qualifying Disbursements	(34,503,458)
Totals	(30,261,430)
Set-Aside Balances Carried Forward to Future Fiscal Years	(30,261,430)
Set-Aside Reserve Balance as of June 30, 2016	$ 0

Note 17 – Long-Term Obligations

Changes in long-term obligations of the School District during fiscal year 2016 were as follows:

	Balance Outstanding 06/30/15	Additions	Deletions	Balance Outstanding 06/30/16	Amounts Due in One Year
Governmental Activities:					
General Obligation Bonds and Notes:					
2001 H.B. 264 Energy Conservation Notes	$ 1,623,542	$ 0	$ 1,068,413	$ 555,129	$ 555,129
2010 School Facilities Improvement Bonds	55,000,000	0	0	55,000,000	0
2012 School Facilities Improvement Refunding Bonds	17,495,000	0	1,640,000	15,855,000	1,705,000
2013 School Facilities Improvement Refunding Bonds	27,385,000	0	0	27,385,000	0
2014 School Facilities Improvement Refunding Bonds	4,200,000	0	4,200,000	0	0
2015 School Facilities Improvement Bonds	150,800,000	0	11,000,000	139,800,000	3,690,000
2015 Qualified School Construction Bond	49,200,000	0	0	49,200,000	0
Total General Obligation Bonds and Notes	305,703,542	0	17,908,413	287,795,129	5,950,129
Net Pension Liability					
SERS	153,046,411	29,235,826	0	182,282,237	0
STRS	625,857,249	64,949,494	0	690,806,743	0
Total Net Pension Liability	778,903,660	94,185,320	0	873,088,980	0
Other Long-Term Obligations:					
Compensated Absences	42,480,388	3,939,979	4,729,782	41,690,585	5,407,924
Workers' Compensation Claims	7,405,159	4,316,312	5,193,953	6,527,518	4,842,017
Capital Lease Obligation	14,259,257	0	2,496,730	11,762,527	2,538,511
Total Other Long-Term Obligations	64,144,804	8,256,291	12,420,465	59,980,630	12,788,452
Total Governmental Activities	$ 1,148,752,006	$ 102,441,611	$ 30,328,878	$ 1,220,864,739	$ 18,738,581

On June 10, 2015, the School District issued $200,000,000 of General Obligation School Improvement Bonds consisting of $150,800,000 of Tax Exempt School Improvement Bonds, Series 2015A and $49,200,000 of Federally Taxable Qualified School Construction Bonds, Series 2015B bearing interest at the rate of 2.00% - 5.02% per annum. The premium received on this bond issue was $9,277,561 and after deducting the bond issuance costs, $8,500,106 was transferred to the Debt Service Fund. Issue 4, which was approved by voters on November 4, 2014, will allow for construction of 20-22 new schools and the refurbishing of 20-23 schools. This debt will be retired from the Debt Service Fund.

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 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 were 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 $3,016,357 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 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.

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 $150,459,609 with an unvoted debt margin of $4,649,573 at June 30, 2016.

The School District is subject to federal arbitrage regulations. As of June 30, 2016 the District has not accrued any liability.

Principal and interest requirements to retire general obligation debt and H.B. 264 Energy Conservation Notes, outstanding at June 30, 2016, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
General Obligation Bonds and Notes			
2017	$ 5,950,129	$ 13,572,389	$ 19,522,518
2018	5,585,000	13,404,681	18,989,681
2019	5,880,000	13,248,076	19,128,076
2020	6,105,000	13,033,881	19,138,881
2021	6,375,000	12,758,431	19,133,431
2022-2026	37,290,000	59,136,143	96,426,143
2027-2050	220,610,000	93,717,722	314,327,722
Total	$ 287,795,129	$ 218,871,323	$ 506,666,452

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. $17,929,613 was added to vehicles and equipment.

The following is a schedule of future lease payments and present value of net minimum lease payments as June 30, 2016:

	Amount
2017	2,724,000
2018	2,724,000
2019	2,724,000
2020	2,724,000
2021	1,362,000
Total minimum lease payments	12,258,000
Less:	
Amount representing interest	495,473
Present value of net minimum lease payments	$ 11,762,527

Note 18 – Interfund Transfers and Balances

A. Transfers

Transfers made during the year ended June 30, 2016 were as follows:

	Transfers Out			
Transfers To	General	Permanent Improvement	Classroom Facilities	Totals
Major Governmental Funds:				
Permanent Improvement	$ 0	$ 0	$ 2,369,446	$ 2,369,446
Classroom Facilites	0	5,591,227	0	5,591,227
Non-Major Governmental Funds:				
Self Insurance Fund	1,000,000	0	0	1,000,000
Totals	$ 1,000,000	$ 5,591,227	$ 2,369,446	$ 8,960,673

The purpose of the transfer from the Permanent Improvement capital projects fund to the Classroom Facilities capital projects fund was to fund the local portion of the new Segment 7 that was approved during the fiscal year. This transfer is in compliance with the Ohio Revised Code.

The purpose of the transfer from the Classroom Facilities capital projects to the Permanent Improvement capital projects fund was to move excess funds from segments 1, 2 and 3 that were closed out during the fiscal year.

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

B. Interfund Balances

Interfund balances at June 30, 2016, consist of the following individual fund receivables and payables:

	Interfund Receivable
Interfund Payable	General
Non-Major Governmental Funds:	
Other Local	$ 111,118
Other State	242,438
Title VI-B Special Education	3,337,000
Vocational Education	312,159
Improving Teacher Quality Title II-A	627,274
Other Federal	2,098,586
Totals	$ 6,728,575

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

Note 19 - Related Organizations

A. Cleveland Public Library

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

The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the School District for operational subsidies. Although the School District does serve as the taxing authority and issues all tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Business Director of the Cleveland Public Library at 325 Superior Avenue, NE, Cleveland, Ohio 44114.

B. City of Cleveland

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

Note 20 - Jointly Governed Organizations

A. Ohio Schools' Council Association

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

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

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 2015, the District extended the contract with the BAC for three years in the amount of $260,000. 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	$ 218,634,102	$ 218,634,102	$ 0
Segment 2	133,944,185	133,944,185	0
Segment 3	150,706,231	150,706,231	0
Segment 4	136,218,096	136,218,096	0
Segment 5	204,135,009	202,542,992	1,592,017
Segment 6	32,521,132	16,964,221	15,556,911
Segment 7	66,176,889	3,027,508	63,149,381
Local Funding Initiatives	149,444,959	140,380,746	9,064,213
Total	$ 1,091,780,603	$ 1,002,418,081	$ 89,362,522

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, 6 and 7 consisted of the construction of forty-three buildings, the renovation of five buildings and the demolishing of twenty-four buildings. Local Funding Initiatives consisted of various projects throughout the School District.

Note 22 – Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At fiscal year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the fiscal year were as follows:

Governmental:	
General Fund	$ 12,150,076
Permanent Improvement Fund	7,548,307
Classroom Facilities Fund	16,503,058
Other Governmental Funds	16,114,417
Total Governmental	$ 52,315,858

Note 23 – Subsequent Event

On November 8, 2016, the voters of the City of Cleveland renewed a four year 15 mill operating levy, the original operating levy was passed in 2012. This levy was approved to support The Cleveland Plan (H.B. 525) that was signed into law on July 7, 2012. 14 mills will be allocated to the current expenses of the District and one mill will be allocated to the current expenses of partnering community schools. Based on current tax collection rates, the levy is expected to generate $60.6 million for the District, of which $4.0million will be distributed to high quality community schools. Collections will begin in calendar year 2017.

Required Supplementary Information

Cleveland Municipal School District

Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
Last Three Fiscal Years (1)

	2015	2014	2013
School District's Proportionate Share of the Net Pension Liability	3.194517%	3.024069%	3.024069%
School District's Proportionate Share of the Net Pension Liability	182,282,237	153,046,411	179,831,678
School District's Covered-Employee Payroll	94,913,384	87,603,918	82,710,748
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	192.1%	174.7%	217.4%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.16%	71.70%	65.52%

(1) Information prior to 2013 is not available.
Amounts are presented as of the School District's measurement date which is the prior fiscal year end.

Cleveland Municipal School District

Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio
Last Three Fiscal Years (1)

	2015	2014	2013
School District's Proportionate Share of the Net Pension Liability	2.49956532%	2.57306004%	2.57306004%
School District's Proportionate Share of the Net Pension Liability	690,806,743	625,857,249	745,517,166
School District's Covered-Employee Payroll	264,163,707	264,526,215	257,756,744
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	261.5%	236.6%	289.2%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.10%	74.70%	69.30%

(1) Information prior to 2013 is not available.
Amounts are presented as of the School District's measurement date which is the prior fiscal year end.

Cleveland Municipal School District

Required Supplementary Information
Schedule of the School District's Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	2016	2015	2014	2013
Contractually Required Contribution	$ 7,475,192	$ 12,509,584	$ 12,141,903	$ 11,447,168
Contributions in Relation to the Contractually Required Contribution	(7,475,192)	(12,509,584)	(12,141,903)	(11,447,168)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0
School District Covered-Employee Payroll	53,394,225	94,913,381	87,603,918	82,710,748
Contributions as a Percentage of Covered-Employee Payroll	14.00%	13.18%	13.86%	13.84%

2012	2011	2010	2009	2008	2007
$ 11,818,410	$ 11,137,020	$ 13,810,800	$ 9,893,625	$ 9,337,074	$ 9,660,106
(11,818,410)	(11,137,020)	(13,810,800)	(9,893,625)	(9,337,074)	(9,660,106)
$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
87,869,221	88,600,000	102,000,000	100,544,969	95,082,215	90,450,430
13.45%	12.57%	13.54%	9.84%	9.82%	10.68%

Cleveland Municipal School District

Schedule of the School District's Contributions
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

	2016	2015	2014	2013
Contracually Required Contribution	$ 35,518,073	$ 36,982,919	$ 34,388,408	$ 33,508,377
Contributions in Relation to the Contractually Required Contribution	(35,518,073)	(36,982,919)	(34,388,408)	(33,508,377)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0
School District Covered-Employee Payroll	253,700,519	264,163,704	264,526,215	257,756,744
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	13.00%	13.00%

2012	2011	2010	2009	2008	2007
$ 37,477,345	$ 40,479,746	$ 43,766,967	$ 43,051,294	$ 42,155,022	$ 41,330,536
(37,477,345)	(40,479,746)	(43,766,967)	(43,051,294)	(42,155,022)	(41,330,536)
$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
288,287,270	311,382,660	336,668,980	331,163,800	324,269,400	317,927,200
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

Combining Statements and Individual Fund Schedules
Fund Descriptions – Non major Governmental Funds

Non-major 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.

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

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

State Funds:

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

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

Other State Funds – This fund accounts for all activity in other State funds including 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.

Non-major Special Revenue Funds (continued)

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

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

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.

Cleveland Municipal School District

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

	Total Nonmajor Governmental Funds
Assets	
Equity in Pooled Cash and Cash Equivalents	$ 17,181,594
Receivables:	
Taxes	7,354,108
Accounts	555,546
Intergovernmental	10,275,669
Materials and Supplies Inventory	372,733
Total Assets	$ 35,739,650
Liabilities	
Accounts Payable	$ 4,709,375
Accrued Wages and Benefits	6,356,531
Interfund Payable	6,728,575
Intergovernmental Payable	3,128,340
Total Liabilities	20,922,821
Deferred Inflow & Resources	
Property Taxes	5,694,390
Unavailable Revenue	1,051,963
Total Deferred Inflow of Resources	6,746,353
Fund Balance:	
Nonspendable	372,733
Restricted	19,950,086
Unassigned	(12,252,343)
Total Fund Balances	8,070,476
Total Liabilities and Fund Balances	$ 35,739,650

Cleveland Municipal School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2016

	Total Nonmajor Governmental Funds
Revenues:	
Local Sources:	
Taxes	$ 5,635,978
Investment Income	49,766
Tuition and Fees	20,142
Extracurricular Activities	509,981
Contributions and Donations	9,935,905
Food Services	685,744
Miscellaneous	2,877,072
State Sources:	
Unrestricted Grants-in-Aid	572,019
Restricted Grants-in-Aid	12,328,123
Federal Sources:	
Unrestricted Grants-in-Aid	58,653
Restricted Grants-in-Aid	96,875,831
Total Revenues	129,549,214
Expenditures:	
Current:	
Instruction:	
Regular	3,597,604
Special	38,246,380
Vocational	1,269,636
Other	7,345,351
Support Services:	
Pupils	3,677,582
Instructional Staff	19,802,597
Administration	4,120,439
Fiscal	5,195,751
Operation and Maintenance of Plant	12,108,059
Pupil Transportation	144,548
Central	1,432,731
Operation of Non-Instructional Services	34,795,556
Extracurricular Activities	476,277
Total Expenditures	132,212,511
Deficiency of Revenues Under Expenditures	(2,663,297)
Net Change in Fund Balances	(2,663,297)
Fund Balances at Beginning of Year	10,733,773
Fund Balances at End of Year	$ 8,070,476

Cleveland Municipal School District

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2016

	Educational Special Trust	Classroom Facilities Maintenance	Partnering Community Schools
Assets			
Equity in Pooled Cash and Cash Equivalents	$ 7,543,193	$ 9,682,296	$ 0
Receivables:			
Taxes	0	2,488,416	4,865,692
Accounts	444,428	0	0
Intergovernmental	6,559	0	0
Materials and Supplies Inventory	0	0	0
Total Assets	$ 7,994,180	$ 12,170,712	$ 4,865,692
Liabilities			
Accounts Payable	$ 229,857	$ 2,056,540	$ 0
Accrued Wages and Benefits	151,458	0	0
Interfund Payable	0	0	0
Intergovernmental Payable	129,653	0	0
Deferred Revenue	0	0	0
Total Liabilities	510,968	2,056,540	0
Deferred Inflow & Resources			
Property Taxes	0	1,935,177	3,759,213
Unavailable Revenue	0	0	0
Total Deferred Inflow of Resources	0	1,935,177	3,759,213
Fund Balance:			
Nonspendable	0	0	0
Restricted	7,483,212	8,178,995	1,106,479
Unassigned	0	0	0
Total Fund Balances (Deficit)	7,483,212	8,178,995	1,106,479
Total Liabilities and Fund Balances	$ 7,994,180	$ 12,170,712	$ 4,865,692

Other Local	Auxiliary Services (NPSS)	Miscellaneous State Grants	Other State	Food Service
$ 481,471	$ 351,228	$ 499,974	$ 331,237	$ 2,104,569
0	0	0	0	0
111,118	0	0	0	0
0	0	4,325	315,061	343,801
0	0	0	0	372,733
$ 592,589	$ 351,228	$ 504,299	$ 646,298	$ 2,821,103
$ 2,101	$ 112,748	$ 32,390	$ 10,328	$ 156,909
155,752	136,368	3,394	38,334	525,206
111,118	0	0	242,438	0
75,196	65,837	1,639	18,507	256,171
0	0	0	0	0
344,167	314,953	37,423	309,607	938,286
0	0	0	0	0
0	0	93,584	0	0
0	0	93,584	0	0
0	0	0	0	372,733
479,370	36,275	373,292	370,347	1,711,059
(230,948)	0	0	(33,656)	(200,975)
248,422	36,275	373,292	336,691	1,882,817
$ 592,589	$ 351,228	$ 504,299	$ 646,298	$ 2,821,103

(continued)

Cleveland Municipal School District

Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2016

	Race To The Top	Title VI-B Special Education	Vocational Education
Assets			
Equity in Pooled Cash and Cash Equivalents	$ (2,620,681)	$ 1,144,848	$ (258,238)
Receivables:			
Taxes	0	0	0
Accounts	0	0	0
Intergovernmental	0	2,117,270	436,354
Materials and Supplies Inventory	0	0	0
Total Assets	(2,620,681)	3,262,118	178,116
Liabilities			
Accounts Payable	0	1,296,211	25,689
Accrued Wages and Benefits	0	833,325	37,722
Interfund Payable	0	3,337,000	312,159
Intergovernmental Payable	0	402,322	18,212
Total Liabilities	0	5,868,858	393,782
Deferred Inflow & Resources			
Property Taxes	0	0	0
Unavailable Revenue	902,196	397	0
Total Deferred Inflow of Resources	902,196	397	0
Fund Balance:			
Nonspendable	0	0	0
Restricted	0	0	0
Unassigned	(3,522,877)	(2,607,137)	(215,666)
Total Fund Balances (Deficit)	(3,522,877)	(2,607,137)	(215,666)
Total Liabilities and Fund Balances	$ (2,620,681)	$ 3,262,118	$ 178,116

Title I	Improving Teacher Quality Title II-A	Miscellaneous Federal Grants	Other Federal	Total Nonmajor Special Revenue Funds
$ (844,574)	$ 1	$ 141,726	$ (1,375,456)	$ 17,181,594
0	0	0	0	7,354,108
0	0	0	0	555,546
4,478,400	627,274	41,484	1,905,141	10,275,669
0	0	0	0	372,733
3,633,826	627,275	183,210	529,685	35,739,650
376,928	28,034	63,452	318,188	4,709,375
3,295,966	547,116	18,052	613,838	6,356,531
0	627,274	0	2,098,586	6,728,575
1,591,588	264,143	8,715	296,357	3,128,340
5,264,482	1,466,567	90,219	3,326,969	20,922,821
0	0	0	0	5,694,390
0	0	55,786	0	1,051,963
0	0	55,786	0	6,746,353
0	0	0	0	372,733
0	0	37,205	173,852	19,950,086
(1,630,656)	(839,292)	0	(2,971,136)	(12,252,343)
(1,630,656)	(839,292)	37,205	(2,797,284)	8,070,476
$ 3,633,826	$ 627,275	$ 183,210	$ 529,685	$ 35,739,650

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, 2016

	Educational Special Trust	Classroom Facilities Maintenance	Partnering Community Schools
Revenues:			
Local Sources:			
Taxes	$ 0	$ 1,935,462	$ 3,700,516
Investment Income	1,669	38,072	0
Tuition and Fees	20,142	0	0
Extracurricular Activities	0	0	0
Contributions and Donations	9,935,905	0	0
Food Services	0	0	0
Miscellaneous	0	0	0
State Sources:			
Unrestricted Grants-in-Aid	0	281,175	290,844
Restricted Grants-in-Aid	0	1,930,206	0
Federal Sources:			
Restricted Grants-in-Aid	0	0	0
Total Revenues	9,957,716	4,184,915	3,991,360
Expenditures:			
Current:			
Instruction:			
Regular	134,462	0	0
Special	0	0	0
Vocational	0	0	0
Other	0	0	0
Support Services:			
Pupils	26,966	0	0
Instructional Staff	7,791,863	0	0
Administration	709,712	0	0
Fiscal	0	45,081	4,022,796
Operation and Maintenance of Plant	22,307	11,443,330	0
Pupil Transportation	0	0	0
Central	1,419,673	0	0
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	13,619	0	0
Capital Outlay	0	0	0
Total Expenditures	10,118,602	11,488,411	4,022,796
Excess (Deficiency) of Revenues Over (Under) Expenditures	(160,886)	(7,303,496)	(31,436)
Net Change in Fund Balances	(160,886)	(7,303,496)	(31,436)
Fund Balances (Deficit) at Beginning of Year	7,644,098	15,482,491	1,137,915
Fund Balances (Deficit) at End of Year	$ 7,483,212	$ 8,178,995	$ 1,106,479

Other Local	Auxiliary Services (NPSS)	Miscellaneous State Grants	Other State	Food Service
$ 0	$ 0	$ 0	$ 0	$ 0
0	9,824	0	0	201
0	0	0	0	0
509,981	0	0	0	0
0	0	0	0	0
0	0	0	0	685,744
2,316,213	338,713	0	0	222,146
0	0	0	0	0
0	8,467,813	935,785	971,224	23,095
0	0	0	0	23,108,994
2,826,194	8,816,350	935,785	971,224	24,040,180
651,336	0	0	666,477	0
484,607	0	0	0	0
0	0	28,064	0	0
0	0	0	0	0
166,341	0	47,784	0	0
0	220,508	118,352	19,066	0
352,364	0	0	284,638	0
239,871	0	0	0	0
91,673	239,800	72,000	0	0
0	0	0	0	0
0	0	13,000	58	0
0	8,294,168	0	0	22,329,121
462,658	0	0	0	0
0	0	0	0	0
2,448,850	8,754,476	279,200	970,239	22,329,121
377,344	61,874	656,585	985	1,711,059
377,344	61,874	656,585	985	1,711,059
(128,922)	(25,599)	(283,293)	335,706	171,758
$ 248,422	$ 36,275	$ 373,292	$ 336,691	$ 1,882,817

(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, 2016

	Race To The Top	Title VI-B Special Education	Vocational Education
Revenues:			
Local Sources:			
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
Food Services	0	0	0
Miscellaneous	0	0	0
State Sources:			
Unrestricted Grants-in-Aid	0	0	0
Restricted Grants-in-Aid	0	0	0
Federal Sources:			
Unrestricted Grants-in-Aid	0	0	0
Restricted Grants-in-Aid	135,588	18,236,878	2,093,600
Total Revenues	135,588	18,236,878	2,093,600
Expenditures:			
Current:			
Instruction:			
Regular	0	316,955	0
Special	0	14,146,632	0
Vocational	0	0	1,241,572
Other	63,368	0	0
Support Services:			
Pupils	0	1,440,696	0
Instructional Staff	104,327	856,077	682,181
Administration	0	1,285,814	58,443
Fiscal	0	173,441	0
Operation and Maintenance of Plant	0	0	1,627
Pupil Transportation	0	0	11,846
Central	0	0	0
Operation of Non-Instructional Services	0	597,580	0
Extracurricular Activities	0	0	0
Total Expenditures	167,695	18,817,195	1,995,669
Excess (Deficiency) of Revenues Over (Under) Expenditures	(32,107)	(580,317)	97,931
Net Change in Fund Balances	(32,107)	(580,317)	97,931
Fund Balances (Deficit) at Beginning of Year	(3,490,770)	(2,026,820)	(313,597)
Fund Balances (Deficit) at End of Year	$ (3,522,877)	$ (2,607,137)	$ (215,666)

Title I	Improving Teacher Quality Title II-A	Miscellaneous Federal Grants	Other Federal	Total Nonmajor Special Revenue Funds
$ 0	$ 0	$ 0	$ 0	$ 5,635,978
0	0	0	0	49,766
0	0	0	0	20,142
0	0	0	0	509,981
0	0	0	0	9,935,905
0	0	0	0	685,744
0	0	0	0	2,877,072
0	0	0	0	572,019
0	0	0	0	12,328,123
0	0	0	58,653	58,653
38,271,367	6,011,711	655,666	8,362,027	96,875,831
38,271,367	6,011,711	655,666	8,420,680	129,549,214
1,774,262	0	171	53,941	3,597,604
17,013,505	5,977,466	0	624,170	38,246,380
0	0	0	0	1,269,636
5,295,479	0	36,904	1,949,600	7,345,351
1,628,194	0	348,268	19,333	3,677,582
4,020,304	0	253,449	5,736,470	19,802,597
1,356,593	35,416	540	36,919	4,120,439
563,407	104,828	8,146	38,181	5,195,751
214,754	0	0	22,568	12,108,059
124,405	0	0	8,297	144,548
0	0	0	0	1,432,731
3,484,776	89,011	0	900	34,795,556
0	0	0	0	476,277
35,475,679	6,206,721	647,478	8,490,379	132,212,511
2,795,688	(195,010)	8,188	(69,699)	(2,663,297)
2,795,688	(195,010)	8,188	(69,699)	(2,663,297)
(4,426,344)	(644,282)	29,017	(2,727,585)	10,733,773
$ (1,630,656)	$ (839,292)	$ 37,205	$ (2,797,284)	$ 8,070,476

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

Internal Service Funds

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

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

Cleveland Municipal School District

Combining Statement of Fund Net Position
Internal Service Funds
June 30, 2016

	Liability Self-Insurance	Employee Benefits Self-Insurance	Totals
Assets			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	$ 2,337,697	$ 12,192,982	$ 14,530,679
Liabilities			
Current Liabilities:			
Claims Payable	2,459,355	1,805,505	4,264,860
Net Assets			
Unrestricted	$ (121,658)	$ 10,387,477	$ 10,265,819

Cleveland Municipal School District

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year Ended June 30, 2016

	Liability Self-Insurance	Employee Benefits Self-Insurance	Totals
Operating Revenues:			
Charges for Services	$ 0	$ 72,297,129	$ 72,297,129
Operating Expenses:			
Claims and Claim Adjustment Expenses	268,281	70,506,699	70,774,980
Operating Income (Loss)	(268,281)	1,790,430	1,522,149
Nonoperating Revenues (Expenses):			
Transfers In	1,000,000	0	1,000,000
Change in Net Assets	731,719	1,790,430	2,522,149
Net Assets at Beginning of Year	(853,377)	8,597,047	7,743,670
Net Assets at End of Year	$ (121,658)	$ 10,387,477	$ 10,265,819

Cleveland Municipal School District

Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2016

	Liability Self-Insurance	Employee Benefits Self-Insurance	Totals
Increase (Decrease) In Cash and Cash Equivalents:			
Cash Flows from Operating Activities:			
Cash Received from Interfund Services Provided	$ 0	$ 72,297,129	$ 72,297,129
Cash Payments for Claims and Claim Adjustment Expenses	(691,553)	(69,795,145)	(70,486,698)
Net Cash Provided (Used) by Operating Activities	(691,553)	2,501,984	1,810,431
Cash Flows from Non-Capital Financing Activities			
Cash Received through Transfers from Other Funds	1,000,000	0	1,000,000
Net Increase (Decrease) in Cash and Cash Equivalents	308,447	2,501,984	2,810,431
Cash and Cash Equivalents at Beginning of Year	2,029,250	9,690,998	11,720,248
Cash and Cash Equivalents at End of Year	$ 2,337,697	$ 12,192,982	$ 14,530,679
Reconciliation of Income to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	$ (268,281)	$ 1,790,430	$ 1,522,149
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities			
Increase (Decrease) in Claims Payable	(423,272)	711,554	288,282
Net Cash Provided by Operating Activities	$ (691,553)	$ 2,501,984	$ 1,810,431

Combining Statements
Fund Descriptions – Fiduciary Funds

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

Agency Funds

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

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

Cleveland Municipal School District

Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended June 30, 2016

	Beginning Balance July 1, 2015	Additions	Deductions	Ending Balance June 30, 2016
District Agency Fund				
Assets:				
Equity in Pooled Cash and Cash Equivalents	$ 1,821,875	$ 0	$ 86,243	$ 1,735,632
Liabilities:				
Payroll Withholdings	1,821,875	0	86,243	1,735,632
Student Managed Activity				
Assets:				
Equity in Pooled Cash and Cash Equivalents	583,688	618,969	553,616	649,041
Liabilities:				
Due to Students	583,688	618,969	553,616	649,041
All Agency Funds				
Assets:				
Equity in Pooled Cash and Cash Equivalents	2,405,563	618,969	639,859	2,384,673
Total Assets	2,405,563	618,969	639,859	2,384,673
Liabilities:				
Due To Students	583,688	618,969	553,616	649,041
Payroll Withholdings	1,821,875	0	86,243	1,735,632
Total Liabilities	$ 2,405,563	$ 618,969	$ 639,859	$ 2,384,673

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, 2016

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
Local Sources:			
Taxes	$ 20,592,885	$ 20,592,885	$ 0
Investment Income	211,096	221,104	10,008
State Sources:			
Unrestricted Grants-in-Aid	2,870,603	2,870,603	0
Total Revenues	23,674,584	23,684,592	10,008
Expenditures:			
Support Services:			
Fiscal	480,579	480,579	0
Debt Service:			
Principal Retirement	16,840,000	16,840,000	0
Interest and Fiscal Charges	13,136,708	13,136,708	0
Total Expenditures	30,457,287	30,457,287	0
Net Change in Fund Balances	(6,782,703)	(6,772,695)	10,008
Fund Balances at Beginning of Year	38,747,072	38,747,072	0
Fund Balances at End of Year	$ 31,964,369	$ 31,974,377	$ 10,008

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, 2016

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
Local Sources:			
Taxes	$ 2,051,817	$ 2,051,817	$ 0
Investment Income	1,023,676	1,060,851	37,175
State Sources:			
Unrestricted Grants-in-Aid	74,683	74,683	0
Total Revenues	3,150,176	3,187,351	37,175
Expenditures:			
Support Services:			
Fiscal	47,181	47,181	0
Operation and Maintenance of Plant	544,702	464,902	79,800
Capital Outlay	21,700,543	21,700,543	0
Total Expenditures	22,292,426	22,212,626	79,800
Deficiency of Revenues Under Expenditures	(19,142,250)	(19,025,275)	116,975
Other Financing Sources (Uses):			
Transfers In	2,369,446	2,369,446	0
Operating Transfers Out	(5,591,227)	(5,591,227)	0
Total Other Financing Sources (Uses)	(3,221,781)	(3,221,781)	0
Net Change in Fund Balances	(22,364,031)	(22,247,056)	116,975
Fund Balances at Beginning of Year	153,511,493	153,511,493	0
Prior Year Encumbrances Appropriated	13,947,590	13,947,590	0
Fund Balances at End of Year	$ 145,095,052	$ 145,212,027	$ 116,975

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, 2016

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
Local Sources:			
Investment Income	$ 255,000	$ 258,899	$ 3,899
State Sources:			
Restricted Grants-in-Aid	4,108,773	4,127,881	19,108
Total Revenues	4,363,773	4,386,780	23,007
Expenditures:			
Support Services:			
Capital Outlay	100,382,971	37,846,387	62,536,584
Total Expenditures	100,382,971	37,846,387	62,536,584
Deficiency of Revenues Under Expenditures	(96,019,198)	(33,459,607)	62,559,591
Other Financing Sources (Uses):			
Transfers In	5,591,227	5,591,227	0
Transfers Out	(2,369,446)	(2,369,446)	0
Total Other Financing Sources (Uses)	3,221,781	3,221,781	0
Net Change in Fund Balances	(92,797,417)	(30,237,826)	62,559,591
Fund Balances at Beginning of Year	76,461,794	76,461,794	0
Prior Year Encumbrances Appropriated	17,394,464	17,394,464	0
Fund Balances at End of Year	$ 1,058,841	$ 63,618,432	$ 62,559,591

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, 2016

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
Local Sources:			
Investment Income	$ 277	$ 1,669	$ 1,392
Tuition and Fees	20,142	20,142	0
Contributions and Donations	10,679,581	10,756,518	76,937
Total Revenues	10,700,000	10,778,329	78,329
Expenditures:			
Instruction:			
Regular	448,464	117,242	331,222
Special	18,768	0	18,768
Vocational	22,086	0	22,086
Support Services:			
Pupils	146,922	95,056	51,866
Instructional Staff	10,433,775	9,154,910	1,278,865
Board of Education	8,049	0	8,049
Administration	1,403,218	750,961	652,257
Operation and Maintenance of Plant	7,153	6,283	870
Pupil Transportation	237,221	0	237,221
Central	1,528,244	1,446,141	82,103
Operation of Non-Instructional Services	65,801	51,985	13,816
Extracurricular Activities	87,040	13,619	73,421
Total Expenditures	14,406,741	11,636,197	2,770,544
Excess (Deficiency) of Revenues Excess of Revenues Over (Under) Expenditures	(3,706,741)	(857,868)	2,848,873
Net Change in Fund Balances	(3,706,741)	(857,868)	2,848,873
Fund Balances at Beginning of Year	6,558,737	6,558,737	0
Prior Year Encumbrances Appropriated	1,040,060	1,040,060	0
Fund Balances at End of Year	$ 3,892,056	$ 6,740,929	$ 2,848,873

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, 2016

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
Local Sources:			
Taxes	$ 1,884,872	$ 1,884,872	$ 0
Investment Income	33,132	38,071	4,939
State Sources:			
Unrestricted Grants-in-Aid	281,175	281,175	0
Restricted Grants-in-Aid	1,930,207	1,930,207	0
Total Revenues	4,129,386	4,134,325	4,939
Expenditures:			
Support Services:			
Fiscal	177,721	45,081	132,640
Operation and Maintenance of Plant	22,725,598	19,378,199	3,347,399
Total Expenditures	22,903,319	19,423,280	3,480,039
Excess of Revenues Over (Under) Expenditures	(18,773,933)	(15,288,955)	3,484,978
Net Change in Fund Balances	(18,773,933)	(15,288,955)	3,484,978
Fund Balances at Beginning of Year	11,405,876	11,405,876	0
Prior Year Encumbrances Appropriated	8,170,675	8,170,675	0
Fund Balances at End of Year	$ 802,618	$ 4,287,596	$ 3,484,978

Cleveland Municipal School District

Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Partnering Community Schools Fund
For the Fiscal Year Ended June 30, 2016

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
Local Sources:			
Taxes	$ 3,599,335	$ 3,599,335	$ 0
State Sources:			
Unrestricted Grants-in-Aid	290,844	290,844	0
Total Revenues	3,890,179	3,890,179	0
Expenditures:			
Support Services:			
Fiscal	4,022,796	4,022,796	0
Total Expenditures	4,022,796	4,022,796	0
Excess of Revenues Over (Under) Expenditures	(132,617)	(132,617)	0
Net Change in Fund Balances	(132,617)	(132,617)	0
Fund Balances at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	132,617	132,617	0
Fund Balances at End of Year	$ 0	$ 0	$ 0

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, 2016

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
Local Sources:			
Extracurricular Activities	$ 525,000	$ 509,980	$ (15,020)
Miscellaneous	2,786,651	2,477,521	(309,130)
Total Revenues	3,311,651	2,987,501	(324,150)
Expenditures:			
Instruction:			
Regular	861,585	663,610	197,975
Special	483,323	483,323	0
Support Services:			
Pupils	177,119	177,119	0
Administration	364,926	364,926	0
Fiscal	260,126	260,126	0
Operation and Maintenance of Plant	94,684	94,684	0
Extracurricular Activities	945,344	600,569	344,775
Total Expenditures	3,187,107	2,644,357	542,750
Excess (Deficiency) of Revenues Over (Under) Expenditures	124,544	343,144	218,600
Net Change in Fund Balances	124,544	343,144	218,600
Fund Balances at Beginning of Year	(122,820)	(122,820)	0
Prior Year Encumbrances Appropriated	137,345	137,345	0
Fund Balances at End of Year	$ 139,069	$ 357,669	$ 218,600

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, 2016

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
Local Sources:			
Investment Income	$ 8,500	$ 9,824	$ 1,324
Miscellaneous	338,713	338,713	0
State Sources:			
Restricted Grants-in-Aid	8,467,874	8,467,813	(61)
Total Revenues	8,815,087	8,816,350	1,263
Expenditures:			
Support Services:			
Instructional Staff	328,822	230,414	98,408
Operation and Maintenance of Plant	297,422	287,422	10,000
Operation of Non-Instructional Services	11,780,609	10,183,776	1,596,833
Total Expenditures	12,406,853	10,701,612	1,705,241
Excess of Revenues Over (Under) Expenditures	(3,591,766)	(1,885,262)	1,706,504
Net Change in Fund Balances	(3,591,766)	(1,885,262)	1,706,504
Fund Balances at Beginning of Year	375,285	375,285	0
Prior Year Encumbrances Appropriated	3,216,482	3,216,482	0
Fund Balances at End of Year	$ 1	$ 1,706,505	$ 1,706,504

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, 2016

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
State Sources:			
Restricted Grants-in-Aid	$ 916,984	$ 896,093	$ (20,891)
Total Revenues	916,984	896,093	(20,891)
Expenditures:			
Instruction:			
Regular	205,468	205,468	0
Vocational	124,428	68,353	56,075
Adult/Continuing	18,223	3,559	14,664
Other	589	0	589
Support Services:			
Pupils	66,964	47,738	19,226
Instructional Staff	378,256	254,521	123,735
Operation and Maintenance of Plant	77,473	72,000	5,473
Pupil Transportation	8,158	1,602	6,556
Central	14,630	13,000	1,630
Operation of Non-Instructional Services	12,019	0	12,019
Total Expenditures	906,208	666,241	239,967
Deficiency of Revenues Under Expenditures	10,776	229,852	219,076
Net Change in Fund Balances	10,776	229,852	219,076
Fund Balances at Beginning of Year	(347,584)	(347,584)	0
Prior Year Encumbrances Appropriated	460,443	460,443	0
Fund Balances at End of Year	$ 123,635	$ 342,711	$ 219,076

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, 2016

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
State Sources:			
Restricted Grants-in-Aid	$ 929,369	$ 671,356	$ (258,013)
Total Revenues	929,369	671,356	(258,013)
Expenditures:			
Instruction:			
Regular	655,080	655,079	1
Special	1,274	0	1,274
Support Services:			
Pupils	9,009	0	9,009
Instructional Staff	23,175	20,081	3,094
Administration	299,079	299,078	1
Central	57	57	0
Total Expenditures	987,674	974,295	13,379
Deficiency of Revenues			
Deficiency of Revenues Under Expenditures	(58,305)	(302,939)	(244,634)
Other Financing Sources (Uses):			
Advances In	42,000	42,000	0
Advances Out	(17,000)	(17,000)	0
Total Other Financing Sources (Uses)	25,000	25,000	0
Net Change in Fund Balances	(33,305)	(277,939)	(244,634)
Fund Balances at Beginning of Year	375,316	375,316	0
Prior Year Encumbrances Appropriated	8,024	8,024	0
Fund Balances at End of Year	$ 350,035	$ 105,401	$ (244,634)

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, 2016

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
Local Sources:			
Investment Income	$ 200	$ 201	$ 1
Food Services	0	685,745	685,745
Miscellaneous	900,000	222,146	(677,854)
State Sources:			
Restricted Grants-in-Aid	23,095	23,095	0
Federal Sources:			
Restricted Grants-in-Aid	23,082,705	23,081,494	(1,211)
Total Revenues	24,006,000	24,012,681	6,681
Expenditures:			
Support Services:			
Operation of Non-Instructional Services	23,783,459	23,644,538	138,921
Total Expenditures	23,783,459	23,644,538	138,921
Deficiency of Revenues Under Expenditures	222,541	368,143	145,602
Net Change in Fund Balances	222,541	368,143	145,602
Fund Balance at Beginning of Year	230,559	230,559	0
Prior Year Encumbrances Appropriated	283,459	283,459	0
Fund Balances at End of Year	$ 736,559	$ 882,161	$ 145,602

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, 2016

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
Federal Sources:			
Restricted Grants-in-Aid	$ 4,288,686	$ 4,288,686	$ 0
Total Revenues	4,288,686	4,288,686	0
Expenditures:			
Instruction:			
Other	103,968	103,968	0
Support Services:			
Pupils	41,318	32,800	8,518
Instructional Staff	1,792,164	1,792,164	0
Administration	62,951	6,172	56,779
Total Expenditures	2,000,401	1,935,104	65,297
Excess of Revenues Over Expenditures	2,288,285	2,353,582	65,297
Other Financing Sources (Uses):			
Advances Out	(1,346,000)	(1,346,000)	0
Total Other Financing Sources (Uses)	(1,346,000)	(1,346,000)	0
Net Change in Fund Balances	942,285	1,007,582	65,297
Fund Balances at Beginning of Year	(1,758,802)	(1,758,802)	0
Prior Year Encumbrances Appropriated	817,316	817,316	0
Fund Balances at End of Year	$ 799	$ 66,096	$ 65,297

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, 2016

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
Local Sources:			
Tuition and Fees	$ 4,818,078	$ 0	$ (4,818,078)
Federal Sources:			
Restricted Grants-in-Aid	14,782,615	17,676,875	2,894,260
Total Revenues	19,600,693	17,676,875	(1,923,818)
Expenditures:			
Instruction:			
Regular	316,955	316,955	0
Special	15,519,233	15,519,233	0
Support Services:			
Pupils	2,343,710	2,343,710	0
Instructional Staff	1,087,299	1,087,299	0
Administration	1,378,879	1,378,879	0
Fiscal	173,442	173,442	0
Operation of Non-Instructional Services	610,216	610,216	0
Total Expenditures	21,429,734	21,429,734	0
Excess of Revenues Over (Under) Expenditures	(1,829,041)	(3,752,859)	(1,923,818)
Other Financing Sources (Uses):			
Advances In	3,337,000	3,337,000	0
Advances Out	(175,000)	(175,000)	0
Total Other Financing Sources (Uses)	3,162,000	3,162,000	0
Net Change in Fund Balances	1,332,959	(590,859)	(1,923,818)
Fund Balances at Beginning of Year	(1,530,577)	(1,530,577)	0
Prior Year Encumbrances Appropriated	197,865	197,865	0
Fund Balances at End of Year	$ 247	$ (1,923,571)	$ (1,923,818)

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, 2016

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
Federal Sources:			
Restricted Grants-in-Aid	$ 2,164,765	$ 1,771,606	$ (393,159)
Total Revenues	2,164,765	1,771,606	(393,159)
Expenditures:			
Instruction:			
Vocational	1,576,013	1,576,013	0
Support Services:			
Instructional Staff	729,947	729,947	0
Administration	71,727	71,726	1
Operation and Maintenance of Plant	1,627	1,627	0
Pupil Transportation	15,360	15,360	0
Central	28	0	28
Total Expenditures	2,394,702	2,394,673	29
Deficiency of Revenues Under Expenditures	(229,937)	(623,067)	(393,130)
Other Financing Sources (Uses):			
Advances In	223,000	223,000	0
Advances Out	(163,000)	(163,000)	0
Total Other Financing Sources (Uses)	60,000	60,000	0
Net Change in Fund Balances	(169,937)	(563,067)	(393,130)
Fund Balances at Beginning of Year	(19,189)	(19,189)	0
Prior Year Encumbrances Appropriated	189,242	189,242	0
Fund Balances at End of Year	$ 116	$ (393,014)	$ (393,130)

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, 2016

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
Federal Sources:			
Restricted Grants-in-Aid	$ 39,192,440	$ 36,221,716	$ (2,970,724)
Total Revenues	39,192,440	36,221,716	(2,970,724)
Expenditures:			
Instruction:			
Regular	1,804,441	1,793,074	11,367
Special	18,748,257	18,748,257	0
Other	6,444,144	6,228,977	215,167
Support Services:			
Pupils	2,431,278	2,135,794	295,484
Instructional Staff	5,211,891	5,183,450	28,441
Administration	1,180,025	1,180,025	0
Fiscal	568,764	563,407	5,357
Operation and Maintenance of Plant	225,703	220,898	4,805
Pupil Transportation	501,178	343,060	158,118
Operation of Non-Instructional Services	3,801,639	3,801,638	1
Total Expenditures	40,917,320	40,198,580	718,740
Excess of Revenues Over (Under) Expenditures	(1,724,880)	(3,976,864)	(2,251,984)
Other Financing Sources (Uses):			
Advances Out	(145,000)	(145,000)	0
Total Other Financing Sources (Uses)	(145,000)	(145,000)	0
Net Change in Fund Balances	(1,869,880)	(4,121,864)	(2,251,984)
Fund Balances at Beginning of Year	619,264	619,264	0
Prior Year Encumbrances Appropriated	1,253,019	1,253,019	0
Fund Balances at End of Year	$ 2,403	$ (2,249,581)	$ (2,251,984)

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, 2016

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
Federal Sources:			
Restricted Grants-in-Aid	$ 6,335,395	$ 5,714,631	$ (620,764)
Total Revenues	6,335,395	5,714,631	(620,764)
Expenditures:			
Instruction:			
Special	5,802,600	5,802,600	0
Support Services:			
Administration	43,306	43,306	0
Fiscal	104,828	104,828	0
Operation of Non-Instructional Services	93,098	93,097	1
Total Expenditures	6,043,832	6,043,831	1
Excess of Revenues Over (Under) Expenditures	291,563	(329,200)	(620,763)
Other Financing Sources (Uses):			
Advances In	39,000	39,000	0
Advances Out	(4,000)	(4,000)	0
Total Other Financing Sources (Uses)	35,000	35,000	0
Net Change in Fund Balances	326,563	(294,200)	(620,763)
Fund Balances at Beginning of Year	(326,194)	(326,194)	0
Fund Balances at End of Year	$ 369	$ (620,394)	$ (620,763)

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, 2016

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
Federal Sources:			
Restricted Grants-in-Aid	$ 753,070	$ 712,944	$ (40,126)
Total Revenues	753,070	712,944	(40,126)
Expenditures:			
Instruction:			
Regular	229	171	58
Vocational	3,460	0	3,460
Other	41,761	41,761	0
Support Services:			
Pupils	400,832	400,831	1
Instructional Staff	333,295	303,315	29,980
Administration	540	540	0
Fiscal	10,697	8,146	2,551
Operation and Maintenance of Plant	752	0	752
Pupil Transportation	1,353	0	1,353
Central	4,755	0	4,755
Total Expenditures	797,674	754,764	42,910
Excess of Revenues Over Expenditures	(44,604)	(41,820)	2,784
Other Financing Sources (Uses):			
Advances Out	(15,000)	(15,000)	0
Total Other Financing Sources (Uses)	(15,000)	(15,000)	0
Net Change in Fund Balances	(59,604)	(56,820)	2,784
Fund Balances at Beginning of Year	246,127	246,127	0
Prior Year Encumbrances Appropriated	112,674	112,674	0
Fund Balances at End of Year	$ 299,197	$ 301,981	$ 2,784

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, 2016

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
Federal Sources:			
Unrestricted Grants-in-Aid	$ 58,653	$ 58,653	$ 0
Restricted Grants-in-Aid	8,765,276	7,091,546	(1,673,730)
Total Revenues	8,823,929	7,150,199	(1,673,730)
Expenditures:			
Instruction:			
Special	864,138	864,138	0
Other	2,134,074	2,132,124	1,950
Support Services:			
Pupils	158,769	11,895	146,874
Instructional Staff	5,977,061	5,910,872	66,189
Administration	32,422	30,269	2,153
Fiscal	38,749	38,181	568
Operation and Maintenance of Plant	31,184	27,800	3,384
Pupil Transportation	10,297	10,297	0
Operation of Non-Instructional Services	900	900	0
Total Expenditures	9,247,594	9,026,476	221,118
Excess (Deficiency) of Revenues Over (Under) Expenditures	(423,665)	(1,876,277)	(1,452,612)
Other Financing Sources (Uses):			
Advances In	916,000	916,000	0
Advances Out	(786,000)	(786,000)	0
Total Other Financing Sources (Uses)	130,000	130,000	0
Net Change in Fund Balances	(293,665)	(1,746,277)	(1,452,612)
Fund Balances at Beginning of Year	(245,465)	(245,465)	0
Prior Year Encumbrances Appropriated	568,919	568,919	0
Fund Balances at End of Year	$ 29,789	$ (1,422,823)	$ (1,452,612)

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, 2016

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Expenses:			
Support Services:			
Administration	$ 1,025,704	$ 737,220	$ 288,484
Total Expenditures	1,025,704	737,220	288,484
Excess of Revenues Over (Under) Expenditures	(1,025,704)	(737,220)	288,484
Other Financing Sources (Uses):			
Transfers In	1,000,000	1,000,000	0
Total Other Financing Sources (Uses)	1,000,000	1,000,000	0
Net Change in Fund Equity	(25,704)	262,780	288,484
Fund Equity at Beginning of Year	2,003,545	2,003,545	0
Prior Year Encumbrances Appropriated	25,704	25,704	0
Fund Equity at End of Year	$ 2,003,545	$ 2,292,029	$ 288,484

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, 2016

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
Charges for Services	$ 72,300,000	$ 72,297,129	$ (2,871)
Total Revenues	72,300,000	72,297,129	(2,871)
Expenses:			
Support Services:			
Central	71,033,622	69,828,768	1,204,854
Total Expenditures	71,033,622	69,828,768	1,204,854
Excess of Revenues Over (Under) Expenditures	1,266,378	2,468,361	1,201,983
Net Change in Fund Equity	1,266,378	2,468,361	1,201,983
Fund Equity at Beginning of Year	9,657,376	9,657,376	0
Prior Year Encumbrances Appropriated	33,623	33,623	0
Fund Equity at End of Year	$ 10,957,377	$ 12,159,360	$ 1,201,983

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.

Contents **Page**

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 contain information on the School District's current levels of outstanding debt to help the reader assess the capacity of the District to issue 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. The School District implemented GASB 68 for the year ended June 30, 2015.

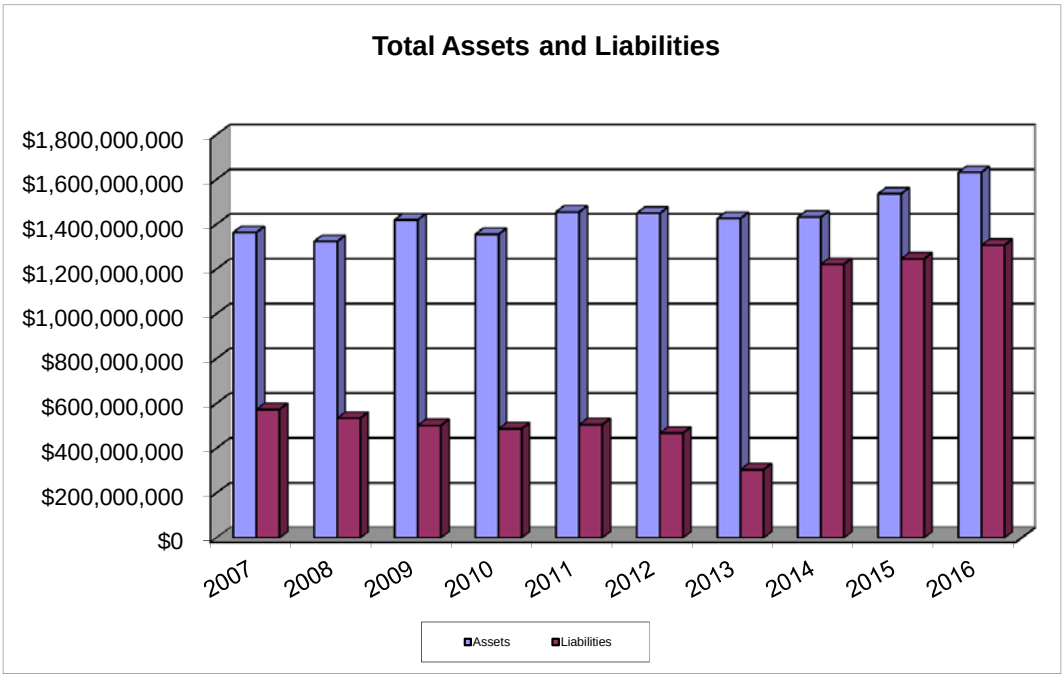
Cleveland Municipal School District

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2007	2008	2009	2010
Net Position				
Net Investment in Capital Assets	$ 261,363,643	$ 332,124,644	$ 410,820,839	$ 500,616,971
Restricted				
Restricted Debt Service	36,237,294	33,349,361	33,857,725	47,506,378
Restricted Capital Programs	423,973,593	313,896,979	391,466,835	257,882,844
Restricted Special Revenue	18,590,876	34,529,429	40,215,098	41,703,464
Unrestricted	49,393,549	74,406,756	41,835,337	20,520,336
Total Net Position	$ 789,558,955	$ 788,307,169	$ 918,195,834	$ 868,229,993

Source: School District Financial Records
a-GASB 68 was implemented in FY 15 and restated FY 14

2011	2012	2013	2014 (a)	2015 (a)	2016
$ 503,951,883	$ 518,814,295	$ 558,674,014	$ 619,248,160	$ 501,440,286	$ 511,830,184
48,223,777	51,217,114	42,713,939	49,735,043	51,010,824	46,540,646
260,606,827	278,969,178	184,352,359	84,864,225	222,963,999	319,958,620
77,722,493	58,944,626	47,468,206	47,730,652	18,957,773	19,575,978
58,715,005	73,262,646	113,553,821	(720,669,457)	(754,622,557)	(707,027,575)
$ 949,219,985	$ 981,207,859	$ 946,762,339	$ 80,908,623	$ 39,750,325	$ 190,877,853



Cleveland Municipal School District

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

	2007	2008	2009	2010
Expenses				
Governmental Activities:				
Instruction:				
Regular	$ 306,641,274	$ 327,247,872	$ 328,162,328	$ 380,866,357
Special	160,305,162	168,823,350	180,413,911	189,643,261
Vocational	12,723,093	13,985,560	11,895,564	11,923,801
Adult/Continuing	2,967,373	2,833,813	2,856,799	3,668,819
Other	12,263,429	19,765,060	19,497,068	9,655,896
Support Services:				
Pupils	37,100,301	32,218,673	27,746,864	39,107,286
Instructional Staff	48,124,670	48,850,968	57,621,095	65,429,955
Board of Education	248,637	258,840	284,153	234,344
Administration	43,218,261	46,168,403	44,605,981	48,600,081
Fiscal	9,617,654	11,408,394	12,212,820	10,120,397
Business	1,065,128	1,873,943	2,645,732	2,223,407
Operation and Maintenance of Plant	64,844,985	109,195,119	74,505,273	61,657,748
Pupil Transportation	27,944,135	27,527,934	31,991,149	30,858,435
Central	15,923,177	15,035,691	19,272,538	14,648,056
Operation of Non-Instructional Services	38,956,223	42,585,167	42,225,005	41,452,383
Extracurricular Activities	6,466,969	6,783,614	6,910,474	6,492,522
Interest and Fiscal Charges	10,180,816	9,219,611	8,078,738	7,478,002
Total Primary Government Expenses	798,591,287	883,782,012	870,925,492	924,060,750
Program Revenues				
Governmental Activities:				
Charges for Services and Sales				
Instruction:				
Regular	196,057	660,425	616,265	805,242
Special	717,094	238,482	229,296	364,149
Vocational	0	27,430	19,401	29,849
Adult/Continuing	59,177	890	707	5,916
Other	0	168	4,804	18,813
Support Services:				
Pupils	0	53,857	63,040	95,886
Instructional Staff	0	50,724	45,270	67,537
Board of Education	0	579	536	654
Administration	0	95,123	113,343	105,953
Fiscal	0	23,294	40,664	26,169
Business	0	4,354	5,007	6,204
Operation and Maintenance of Plant	0	104,131	96,210	167,875
Pupil Transportation	0	58,433	56,888	74,134
Central	0	34,018	34,908	39,399
Operation of Non-Instruction Services	0	7,798	5,512	7,879
Extracurricular Activities	0	821,166	800,606	788,285

Source: School District financial records

2011	2012	2013	2014	2015	2016
$ 297,907,426	$ 322,367,731	$ 367,669,653	$ 381,411,371	$ 362,037,069	$ 355,008,543
207,990,072	174,228,202	172,023,833	182,682,324	173,593,367	172,360,574
10,336,437	11,316,290	12,599,383	11,404,778	8,453,227	9,056,446
132,537	0	112,488	620	0	64,500
6,384,172	4,493,188	673,778	1,970,489	7,393,303	7,948,798
37,463,820	36,216,356	34,197,654	35,833,670	35,790,269	34,179,013
59,204,651	50,834,523	55,202,905	30,250,022	36,113,336	32,419,457
250,996	285,033	274,588	264,265	248,308	266,498
43,536,920	41,533,976	46,168,870	43,290,224	42,751,427	50,223,299
15,131,810	12,498,573	12,708,747	12,274,449	16,310,738	16,663,611
1,643,284	1,700,249	2,018,076	1,590,930	1,137,981	1,375,403
63,176,797	55,146,243	59,940,850	62,189,841	64,587,903	68,629,253
28,923,689	27,896,118	30,662,826	56,924,644	34,699,642	35,010,112
12,437,133	11,966,119	20,006,680	17,526,350	25,503,536	29,503,864
42,237,400	39,718,319	36,951,908	35,846,103	34,670,028	35,255,055
6,418,054	5,857,755	6,990,941	6,510,125	6,649,997	6,332,462
9,869,253	9,640,956	11,669,533	93,660	6,984,197	13,212,539
843,044,451	805,699,631	869,872,713	880,063,865	856,924,328	867,509,427

2,351,003	1,800,754	4,192,551	4,170,473	3,825,172	3,283,143
976,843	832,254	1,621,243	1,533,891	1,657,048	1,628,204
62,210	61,797	111,542	99,620	69,797	61,803
0	0	1,068	5	1,692	510
36,692	28,614	4,590	1,307	0	4,775
316,993	190,315	457,244	467,558	452,849	437,033
154,682	144,317	192,966	56,314	472,420	115,213
1,788	1,831	2,692	2,311	2,188	2,116
417,562	237,566	547,753	597,459	339,112	779,516
258,747	68,264	324,446	323,162	351,598	358,888
11,703	10,921	19,786	13,915	10,029	10,895
522,574	336,066	656,920	591,810	587,592	570,943
175,290	170,981	270,047	319,926	282,985	261,455
87,927	75,555	194,889	152,101	221,306	222,148
11,614	15,927	11,351	7,806	184,278	693,540
653,175	575,250	574,128	618,561	617,323	556,374

(continued)

Cleveland Municipal School District

Changes in Net Position of Governmental Activities (continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	2007	2008	2009	2010
Operating Grants, Contributions and Interest				
Instruction:				
Regular	$ 34,039,005	$ 35,546,322	$ 37,192,665	$ 32,685,231
Special	62,362,875	66,638,056	62,689,317	63,043,009
Vocational	1,694,687	2,533,848	1,637,911	1,326,967
Adult/Continuing	2,444,889	2,617,719	2,462,002	1,904,193
Other	11,461,176	19,133,256	18,403,044	3,127,296
Support Services:				
Pupils	10,539,199	9,175,181	5,916,754	5,548,551
Instructional Staff	27,327,018	30,313,516	35,440,720	42,964,473
Board of Education	12,989	14,767	2,849	1,387
Administration	7,231,878	4,546,107	4,575,772	4,916,794
Fiscal	1,314,680	1,348,188	925,564	705,052
Business	0	17,476	18,548	13,164
Operation and Maintenance of Plant	7,251,442	12,818,564	14,781,452	2,447,744
Pupil Transportation	1,190,477	1,601,296	1,093,004	894,026
Central	578,561	683,303	641,824	568,623
Operation of Non-Instruction Services	34,663,348	32,764,919	33,961,591	31,495,919
Extracurricular Activities	878,738	70,647	61,459	44,017
Capital Grants and Contributions				
Instruction:				
Regular	89,064,023	2,395,614	150,881,349	3,376,765
Support Services:				
Operation and Maintenance of Plant	0	0	0	0
Total Program Revenues	293,027,313	224,399,651	372,818,282	197,667,155
Net Expense	$ (505,563,974)	$ (659,382,361)	$ (498,107,210)	$ (726,393,595)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes Levied For:				
General Purposes	$ 198,996,360	$ 185,684,541	$ 155,294,660	$ 156,893,542
Debt Service	35,760,058	33,647,336	10,941,106	16,654,007
Capital Outlay	2,477,222	2,347,262	22,122,341	17,391,407
Capital Projects	0	0	0	0
Investment Income	18,843,152	18,682,784	9,507,759	5,756,808
Miscellaneous	1,665,345	7,100,867	10,669,482	11,268,565
Grants and Entitlements not Restricted to Specific Programs	399,493,775	410,667,785	419,460,527	468,463,425
Total General Revenues	657,235,912	658,130,575	627,995,875	676,427,754
Change in Net Position	$ 151,671,938	$ (1,251,786)	$ 129,888,665	$ (49,965,841)

2011	2012	2013	2014	2015	2016
$ 38,093,482	$ 20,734,813	$ 5,201,595	$ 38,760,754	$ 28,622,647	$ 27,686,802
103,872,868	28,181,385	43,030,489	50,997,326	45,079,772	48,647,774
1,446,826	1,572,223	1,379,138	1,692,844	1,151,574	1,961,612
71,032	0	510	53	0	4,990
1,663,788	49,095	168,775	1,809,839	6,442,704	7,868,381
6,100,952	6,609,256	6,132,756	7,294,674	6,809,394	6,572,417
39,853,992	26,649,396	30,471,914	26,469,136	28,316,332	21,059,213
1,240	1,979	1,247	22,411	19,814	20,685
4,190,878	2,101,662	3,090,526	7,917,347	6,098,758	7,633,524
3,198,202	764,430	717,508	1,885,624	1,312,335	1,768,304
8,117	11,804	9,162	134,917	90,807	106,520
623,740	2,234,494	2,236,816	7,388,942	6,694,034	7,200,079
3,096,448	280,450	315,733	3,482,438	2,898,364	2,709,989
299,521	151,489	99,632	1,592,966	2,430,507	3,592,550
41,054,534	29,413,981	32,517,985	31,407,090	33,223,035	35,342,724
92,068	36,928	32,198	505,410	490,802	466,759
2,037,682	43,033,556	2,100,511	3,155,969	13,049,804	119,391,577
0	0	0	0	0	0
251,744,173	166,377,353	136,689,711	193,473,959	191,806,072	301,020,456
$ (591,300,278)	$ (639,322,278)	$ (733,183,002)	$ (686,589,906)	$ (665,118,256)	$ (566,488,971)
$ 158,760,869	$ 155,316,742	$ 200,094,021	$ 235,958,843	$ 157,957,030	$ 246,417,195
28,724,375	28,235,142	12,635,634	30,404,951	11,786,075	22,789,130
2,097,559	2,083,420	1,042,267	2,498,740	1,171,067	2,947,290
0	0	0	0	1,735,036	2,123,398
3,535,089	1,910,966	1,345,163	2,942,716	1,771,268	3,434,960
13,723,968	18,445,756	23,507,563	11,360,311	17,813,733	8,509,968
465,448,410	465,318,126	459,821,084	413,100,316	431,725,749	431,394,557
672,290,270	671,310,152	698,445,732	696,265,877	623,959,958	717,616,498
$ 80,989,992	$ 31,987,874	$ (34,737,270)	$ 9,675,971	$ (41,158,298)	$ 151,127,527

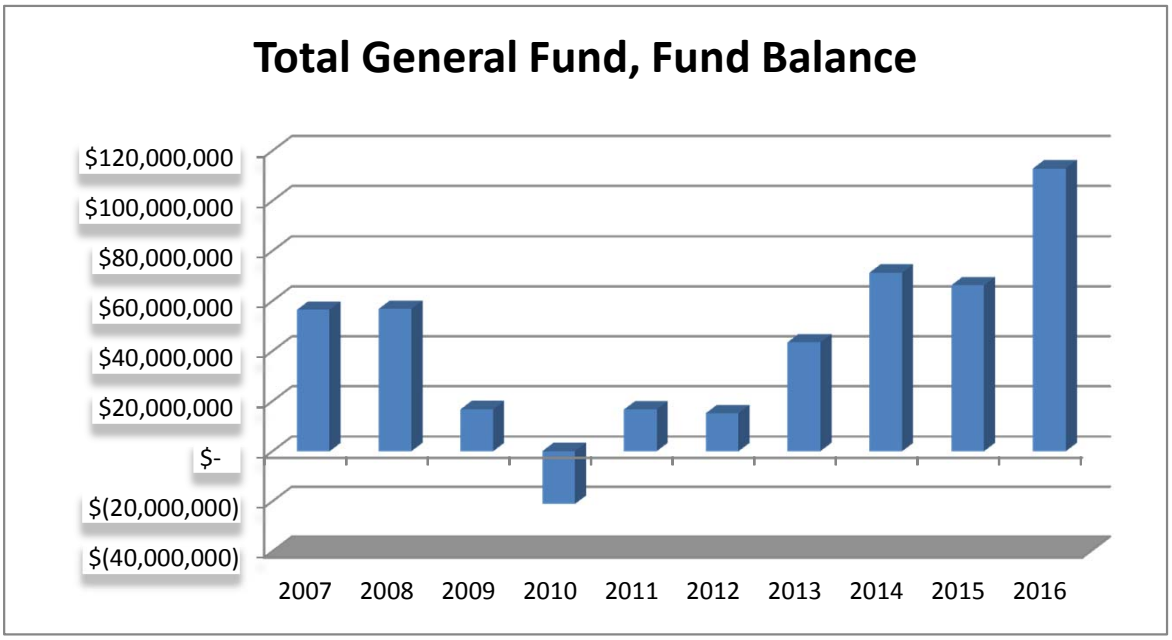
Cleveland Municipal School District

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

	2007	2008	2009	2010
General Fund				
Nonspendable	$ 683,737	$ 1,126,828	$ 598,118	$ 1,920,719
Restricted	0	0	(6,453,783)	(40,964,314)
Assigned	7,217,484	3,158,174	919,523	2,207,974
Unassigned	48,584,949	52,570,463	21,682,643	15,781,618
Total General Fund	56,486,170	56,855,465	16,746,501	(21,054,003)
All Other Government Funds				
Nonspendable	410,176	517,125	798,579	798,579
Restricted				
Debt Service	18,867,200	24,666,810	25,015,901	25,302,974
Capital Programs	159,651,722	134,193,707	112,989,202	92,432,492
Special Revenue	38,688,108	57,800,184	68,916,232	51,415,431
Unassigned	0	0	0	0
Total all Other Governmental Funds	217,617,206	217,177,826	207,719,914	169,949,476
Total Governmental Funds	$ 274,103,376	$ 274,033,291	$ 224,466,415	$ 148,895,473

Source: School District financial records
Note: The School District implemented GASB 54 in 2011

2011	2012	2013	2014	2015	2016
$ 3,691,170	$ 4,920,465	$ 6,535,268	$ 1,036,595	$ 841,940	$ 806,615
0	0	0	0	0	0
5,608,988	7,802,251	9,185,899	12,144,755	10,265,807	12,150,076
7,386,402	2,456,478	27,814,870	58,129,480	55,156,983	100,011,060
16,686,560	15,179,194	43,536,037	71,310,830	66,264,730	112,967,751
861,912	526,708	803,066	789,880	394,760	372,733
24,546,026	26,553,552	29,520,664	31,213,000	43,972,211	37,721,276
125,465,988	116,773,664	55,767,865	50,200,775	206,917,876	187,937,113
54,820,445	75,197,128	78,180,740	53,265,187	25,236,675	19,950,086
(35,448,458)	(6,600,746)	(19,869,898)	(15,616,054)	(14,897,662)	(12,252,343)
170,245,913	212,450,306	144,402,437	119,852,788	261,623,860	233,728,865
$ 186,932,473	$ 227,629,500	$ 187,938,474	$ 191,163,618	$ 327,888,590	$ 346,696,616



Cleveland Municipal School District

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

	2007	2008	2009	2010
General Revenues				
Local Sources:				
Taxes	$ 229,456,774	$ 216,291,084	$ 198,637,233	$ 175,412,408
Investment Income	18,843,152	18,682,784	9,507,759	5,756,808
Tuition and Fees	983,938	1,373,458	1,341,693	1,831,628
Extracurricular Activities	862,421	807,414	790,764	772,316
Contributions and Donations (1)	0	9,533,478	7,984,141	6,253,700
Sale of Personal Property	0	0	0	0
Food Services	0	0	0	0
Miscellaneous	7,042,147	7,100,867	10,669,482	11,268,565
Total Local Sources	257,188,432	253,789,085	228,931,072	201,295,425
State Sources:				
Unrestricted Grants-in-Aid	399,263,033	406,097,141	415,513,502	466,379,953
Restricted Grants-in-Aid	118,053,159	135,715,773	135,128,629	54,495,286
Total State Sources	517,316,192	541,812,914	550,642,131	520,875,239
Federal Sources:				
Unrestricted Grants-in-Aid	230,742	4,570,644	3,947,025	2,083,472
Restricted Grants-in-Aid	130,689,825	127,244,206	131,068,187	160,859,694
Total Federal Sources	130,920,567	131,814,850	135,015,212	162,943,166
Total Revenues	$ 905,425,191	$ 927,416,849	$ 914,588,415	$ 885,113,830

Source: School District financial records

Notes:

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

2011	2012	2013	2014	2015	2016
$ 185,815,163	$ 179,685,485	$ 211,788,636	$ 242,555,376	$ 256,365,424	$ 249,636,203
3,535,089	1,910,966	1,345,163	2,942,716	1,771,268	3,551,112
4,181,794	3,999,330	6,236,352	5,878,768	6,053,782	5,474,617
612,023	541,229	512,011	567,220	563,270	509,981
8,107,354	2,627,175	4,369,374	6,156,679	8,208,426	9,935,905
152,615	1,374,307	4,838,821	717	6,460,191	0
0	0	0	0	287,363	685,744
14,816,339	17,071,449	15,259,654	13,862,593	4,237,700	10,826,181
217,220,377	207,209,941	244,350,011	271,964,069	283,947,424	280,619,743
458,759,975	462,502,688	457,766,044	405,113,830	406,067,383	429,698,535
39,162,866	31,850,562	47,613,559	123,889,931	98,064,931	69,784,566
497,922,841	494,353,250	505,379,603	529,003,761	504,132,314	499,483,101
2,251,018	3,060,502	2,055,040	7,986,486	1,772,901	25,581,487
170,974,083	149,294,345	109,780,767	102,343,737	94,527,868	96,875,831
173,225,101	152,354,847	111,835,807	110,330,223	96,300,769	122,457,318
$ 888,368,319	$ 853,918,038	$ 861,565,421	$ 911,298,053	$ 884,380,507	$ 902,560,162

Cleveland Municipal School District

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

	2007	2008	2009	2010
Expenditures				
Current:				
Instruction:				
Regular	$ 301,277,356	$ 318,032,298	$ 317,468,088	$ 320,913,453
Special	160,202,855	170,005,047	180,320,570	189,382,175
Vocational	12,718,124	14,091,870	11,903,774	11,906,845
Adult/Continuing	2,968,255	2,851,351	2,856,799	3,665,685
Other	12,218,420	19,859,383	19,463,893	9,233,999
Support Services:				
Pupils	35,214,671	34,551,766	36,579,743	38,434,140
Instructional Staff	48,104,139	49,169,705	57,763,047	65,575,019
Board of Education	248,240	256,012	278,777	237,500
Administration	39,609,348	46,455,469	43,240,868	43,344,082
Fiscal	9,616,962	11,404,888	12,207,258	10,093,012
Business	1,051,879	1,877,131	2,657,905	2,230,778
Operations and Maintenance of Plant	59,316,050	60,307,795	64,415,385	61,633,008
Pupil Transportation	26,776,217	26,423,864	30,463,468	27,703,192
Central	16,172,708	15,138,926	18,952,494	14,731,249
Operation of Non-Instructional Services	39,601,592	42,631,226	41,995,798	41,262,127
Extracurricular Activities	6,442,131	6,798,182	6,902,348	6,493,928
Capital Outlay	80,193,958	73,333,174	98,020,101	95,529,232
Debt Service				
Principal Retirement	9,100,896	24,665,132	9,845,919	10,193,245
Interest and Fiscal Charges	10,866,721	9,633,715	8,819,056	8,122,103
Bond Issuance Costs	0	0	0	0
Total Expenditures	$ 871,700,522	$ 927,486,934	$ 964,155,291	$ 960,684,772
Capital Asset Additions	74,888,761	74,058,479	87,869,540	108,906,618
Debt Service as a Percentage of Noncapital Expenditures	2.5%	4.0%	2.1%	2.2%

Source: School District financial records

2011	2012	2013	2014	2015	2016
$ 285,176,732	$ 296,589,788	$ 296,652,085	$ 328,296,064	$ 335,082,439	$ 324,618,371
207,710,557	174,268,968	171,815,811	182,611,969	177,015,873	172,622,234
10,325,890	11,317,046	12,554,974	12,096,694	8,602,736	9,061,911
117,389	0	108,929	620	0	64,500
6,470,346	4,565,662	883,337	1,974,637	7,543,041	7,948,798
36,624,319	36,685,082	36,194,695	34,740,999	35,762,625	34,931,451
60,166,032	50,661,878	53,789,823	31,412,749	36,799,727	32,344,941
245,987	274,705	273,980	268,543	254,804	257,321
36,689,828	32,974,897	35,343,239	40,298,245	46,708,964	51,041,593
15,237,357	12,788,220	12,622,530	12,268,155	16,625,868	16,527,158
1,637,398	1,689,243	2,013,062	1,571,515	1,174,319	1,325,568
86,750,620	55,268,800	60,109,673	62,283,307	68,459,149	70,242,266
27,878,194	27,339,459	27,477,112	54,625,249	33,667,163	30,536,879
12,527,955	12,018,833	19,762,993	17,449,971	25,793,659	29,169,898
18,517,941	37,955,918	37,885,012	35,451,831	34,800,157	35,427,070
6,385,611	5,856,800	6,979,541	6,488,287	6,821,653	6,332,299
56,852,634	25,129,584	100,952,346	75,299,430	76,490,025	26,687,322
24,867,030	37,540,082	2,184,442	15,524,161	41,460,586	20,405,143
10,112,550	10,357,440	11,652,099	6,482,113	3,129,494	13,207,413
36,949	0	364,505	177,858	826,655	0
$ 904,331,319	$ 833,282,405	$ 889,620,188	$ 919,322,397	$ 957,018,937	$ 882,752,136
57,242,290	25,787,407	52,343,089	99,865,136	71,296,300	18,379,931
4.1%	5.9%	1.7%	2.7%	5.0%	3.9%

Cleveland Municipal School District

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

	2007	2008	2009	2010
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 33,724,669	$ (70,085)	$ (49,566,876)	$ (75,570,942)
Other Financing Sources (Uses)				
Inception of Capital Lease	0	0	0	0
Issuance from the Sale of Bonds	0	0	0	0
Proceeds from the Sale of Notes	15,000,000	0	0	0
Payment of Refunded Bond Escrow Agent	0	0	0	0
Premium from Sale of Bonds	0	0	0	0
Transfers In	39,180,591	29,532,247	3,770,394	11,072,036
Transfers Out	(39,180,591)	(29,532,247)	(3,770,394)	(11,072,036)
Total Other Financing Sources (Uses)	15,000,000	0	0	0
Net Change in Fund Balances	$ 48,724,669	$ (70,085)	$ (49,566,876)	$ (75,570,942)

Source: School District financial records

2011	2012	2013	2014	2015	2016
$ (15,963,000)	$ 20,635,633	$ (28,054,767)	$ (8,024,344)	$ (72,638,430)	$ 19,808,026
0	0	0	17,943,165	0	0
55,000,000	20,855,000	45,600,000	10,525,000	200,000,000	0
0	0	0	0	0	0
0	0	(63,366,472)	(16,913,399)	0	0
0	0	6,130,213	444,722	9,277,561	0
14,573,314	15,596,576	13,469,667	9,320,558	8,679,511	7,960,673
(15,573,314)	(16,390,182)	(13,469,667)	(10,070,558)	(9,179,511)	(8,960,673)
54,000,000	20,061,394	(11,636,259)	11,249,488	208,777,561	(1,000,000)
$ 38,037,000	$ 40,697,027	$ (39,691,026)	$ 3,225,144	$ 136,139,131	$ 18,808,026

Cleveland Municipal School District

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

	Real Property		Public Utility	
Fiscal Year	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
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
2015	4,629,285	13,226,529	318,829	362,306
2016	4,315,725	12,330,643	333,849	379,374

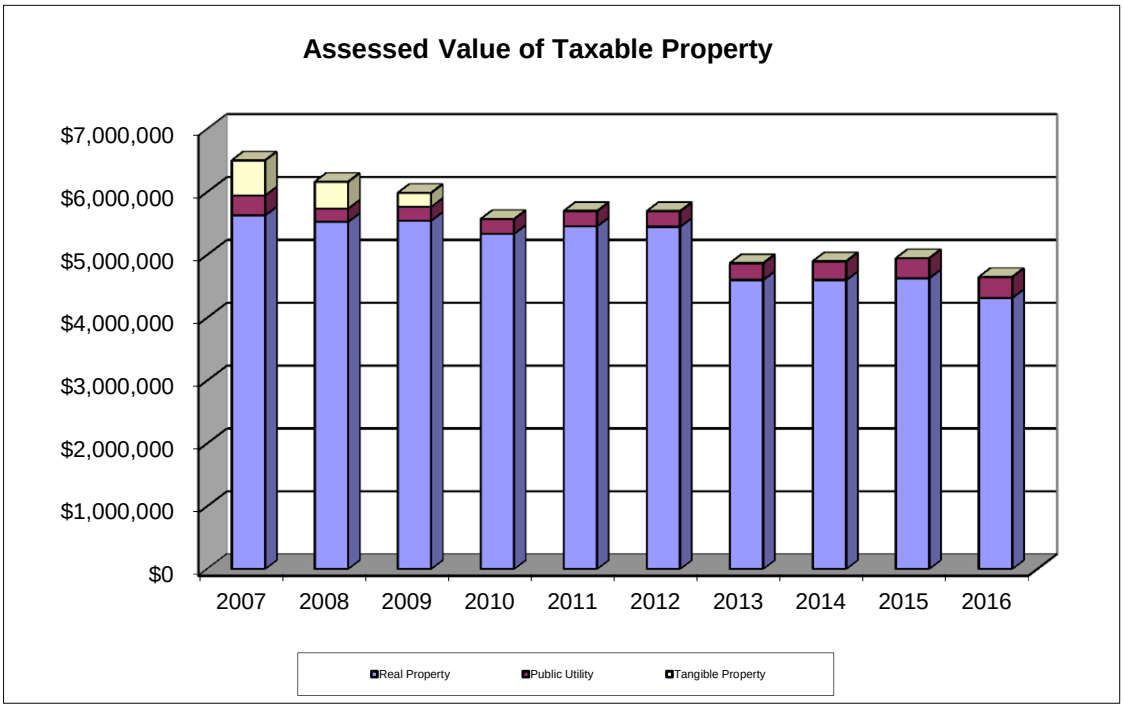
Source: Office of the County Auditor, Cuyahoga County, Ohio

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 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.

Tangible Property		Total			Total
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	Direct Rate
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
0	0	4,948,114	13,588,834	36	79.40
0	0	4,649,574	12,710,017	37	79.40



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
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
2015	12.70	23.43	6.80	73.20	1.00	5.20
2016	12.70	14.05	6.80	73.20	1.00	5.10

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	102.50	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
79.40	122.33	16.00	31.80	2.80	27.20
79.30	112.85	15.00	31.80	2.80	27.20

Cleveland Municipal School District

Principal Property Tax Payers
2015 and 2006 (1)

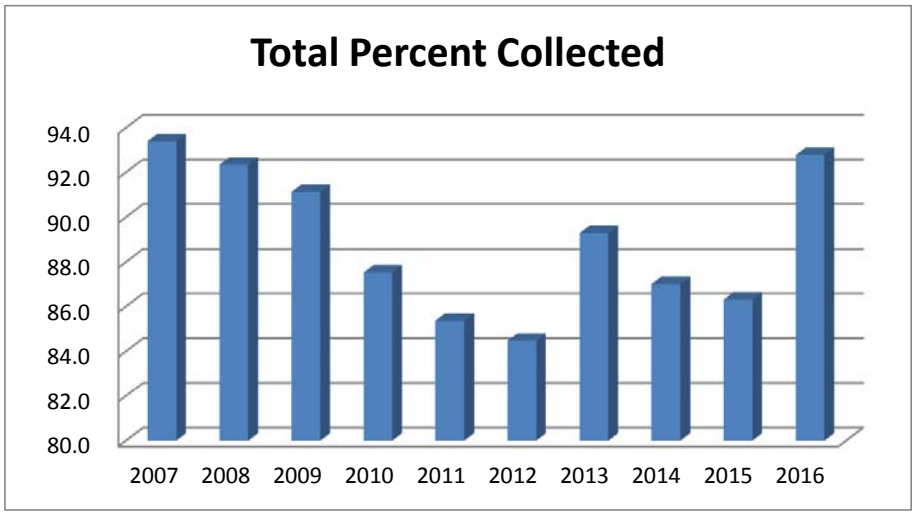
	2015			2006		
Taxpayer	Approximate Assessed Valuation	Rank	Percent of Total District Assessed Valuation	Approximate Assessed Valuation	Rank	Percent of Total District Assessed Valuatior
Cleveland Electric Illuminating Co.	$ 204,079,950	1	4.41%			
Cuyahoga County, Ohio	84,938,640	2	1.83%			
East Ohio Gas Co.	81,294,510	3	1.76%			
Key Center Properties LLC	80,915,000	4	1.75%			
City of Cleveland. Ohio	74,169,060	5	1.60%			
Cleveland Clinic Foundation	50,592,610	6	1.09%			
Rock Ohio Ceasars Cleveland LLC	49,792,550	7	1.08%			
Cleveland Financial Associates, LLC	43,903,130	8	0.95%			
American Transmission System	43,142,090	9	0.93%			
National City Bank	33,508,720	10	0.72%			
City of Cleveland, Ohio				$ 133,384,540	1	2.70%
Cleveland Financial Associates				49,232,020	2	0.99%
Cleveland Clinic Foundation				35,386,420	3	0.72%
NPW LTD Partnership				35,062,590	4	0.71%
ISG Cleveland Inc				27,201,480	5	0.55%
National City Center, LLC				27,949,990	6	0.56%
TIC OCC Ainley				22,177,160	7	0.45%
Bishop James Hickey				19,752,400	8	0.40%
Behringer Harvard				19,376,700	9	0.39%
Chester Union Associates				18,352,960	10	0.37%
Total Ten Largest	746,336,260		16.12%	387,876,260		7.84%
Total District Assessed Valuation	$ 4,629,285,000			$ 4,947,986,000		

Source: City of Cleveland 2015 CAFR, CMSD 2006 CAFR
(1) 2016 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	Current Tax Levy Billed (1)	Current Collected	Percent Collected (1)	Collected Delinquencies	Total Collected	Total Collected As Percent Of Current Tax Levy
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
2015	300,289	239,052	79.6	20,107	259,159	86.3
2016	279,407	242,941	86.9	16,304	259,245	92.8



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

			General Obligation Bonded Debt		
Fiscal Year	Estimated Population (1)	Estimated Actual Values	Net General Obligation Bonded Debt (2)	Ratio of General Obligation Bonded Debt to Estimated Actual Value	General Obligation Bonded Debt per Capita
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
2015	389,521	13,588,834,000	304,080,000	2.24	781
2016	388,072	12,710,017,000	287,240,000	2.26	740

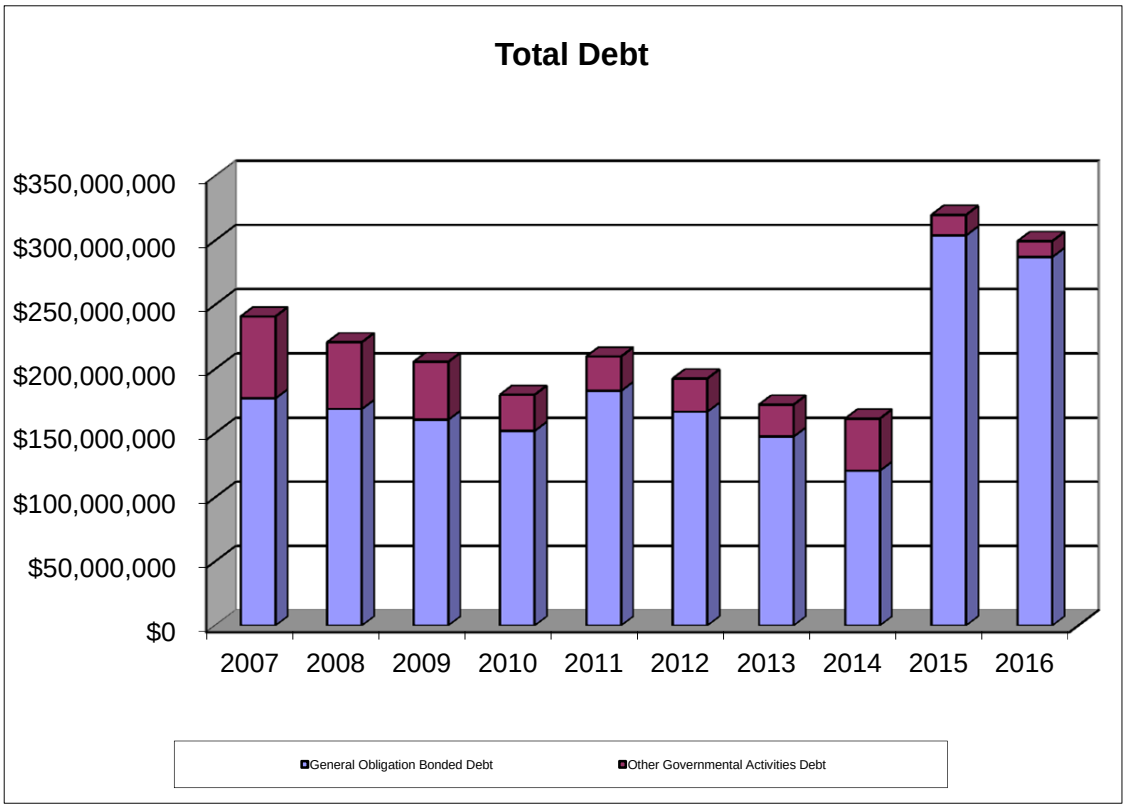
Sources:

(1) U.S. Bureau of the Census

(2) Although the general obligation bond retirement fund is restricted for debt service, it is not specifically restricted to the payment of principal. Therefore, these resources are not shown as a deduction from general obligation bonded debt.

(3) 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 (3)	Per Capita
$ 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
0	1,623,542	14,259,257	319,962,799	4.83	821
0	555,129	11,762,527	299,557,656	4.43	772



Cleveland Municipal School District

Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed Value	$ 4,649,573,350
Debt Limit (9% of assessed value)	418,461,602
Debt Applicable to Limit	268,001,993
Legal Debt Margin	$ 150,459,609

	2007	2008	2009	2010
Debt Limit	$ 585,429,030	$ 554,730,660	$ 538,879,947	$ 501,448,950
Total Net Debt Applicable to Limit	149,897,800	135,715,009	127,899,099	119,367,026
Legal Debt Margin	$ 435,531,230	$ 419,015,651	$ 410,980,848	$ 382,081,924
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	25.60%	24.47%	23.73%	23.80%

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.

2011	2012	2013	2014	2015	2016
$ 512,955,090	$ 512,724,060	$ 438,189,120	$ 446,125,379	$ 450,630,496	$ 418,461,602
156,124,865	138,566,996	115,251,131	107,878,824	287,903,530	268,001,993
$ 356,830,225	$ 374,157,064	$ 322,937,989	$ 338,246,555	$ 162,726,966	$ 150,459,609
30.44%	27.03%	26.30%	24.18%	63.89%	64.04%

Cleveland Municipal School District

Direct and Overlapping Debt Governmental Activities Debt
As of June 30, 2016

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	$ 4,496,158,470	$ 4,496,158,470	$ 126,135,928	100.00%	$ 126,135,928
Overlapping Debt:					
City of Cleveland (2)	4,496,158,470	4,589,437,780	285,650,000	97.97	279,851,305
Cuyahoga County (2)	4,496,158,470	27,526,151,060	243,900,000	16.33	39,828,870
Village of Bratenahl (2)	89,154,690	89,154,690	430,000	100.00	430,000
Village of Linndale (2)	2,211,430	2,211,430	0	100.00	0
Newburgh Heights Village (2)	22,022,170	22,022,170	505,000	100.00	505,000
City of Garfield Heights (2)	18,580,740	312,144,310	18,744,000	5.95	1,115,268
Greater Cleveland Regional Transit Authority (2)	4,496,158,470	27,526,151,060	88,715,000	16.33	14,487,160
Total Overlapping Debt	13,620,444,440	60,067,272,500	637,944,000		336,217,603
Total	$ 18,116,602,910	$ 64,563,430,970	$ 764,079,928		$ 462,353,531

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

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) 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
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
2015	389,521	6,618,740,832	16,992	5.0
2016	388,072	6,766,423,392	17,436	5.0

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

	2015			2006		
Employer	Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Cleveland Clinic Health System	32,269	1	21.36%			
University Hospitals	15,447	2	10.22			
U.S. Office of Personnel Management	11,536	3	7.63			
Cuyahoga County	7,772	4	5.14			
Cleveland Metropolitan School District	7,203	5	4.77			
City of Cleveland	6,666	6	4.41			
MetroHealth System	5,839	7	3.86			
KeyCorp	4,708	8	3.12			
Case Western Reserve University	4,443	9	2.94			
U.S. Postal Services	3,941	10	2.61			
Cleveland Clinic Health System				27,755	1	16.02%
University Hospitals Health System				16,611	2	9.59
U.S. Office of Personnel Management				9,916	3	5.73
Cuyahoga County				9,142	4	5.28
City of Cleveland				8,136	5	4.70
Cleveland Municipal School District				7,472	6	0.48
KeyCorp				6,397	7	3.69
National City Corop				6,051	8	3.49
MetroHealth System				5,503	9	3.18
Case Western Reserve University				5,075	10	2.93
	99,824		66.06%	102,058		58.91%
Total Employment within city			151,100			173,200

Source: Crain's Cleveland Business, 2015 Top Business Lists and 2006 Top Business Lists
"Largest Northeast Ohio Employers" "Largest Cuyahoga County Employers".
U.S. Department of Labor

Cleveland Municipal School District

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Percentage Change 2007-2016
Educational Staff											
Regular Education	1,943	2,020	1,956	1,945	2,392	1,940	1,648	1,742	1,780	1,744	-10.24 %
Special Education	1,383	1,250	1,244	1,212	925	775	787	718	848	813	-41.21
Vocational Education	83	86	80	76	83	0	0	0	0	0	0.00
Educational Services	371	389	378	384	217	14	9	0	0	0	0.00
Full Time (permanent) Substitute	3	2	2	2	0	0	0	0	0	0	0.00
Other Professional - Educational	19	14	13	10	46	27	27	35	29	45	136.84
Total Educational	3,802	3,761	3,673	3,629	3,663	2,756	2,471	2,495	2,657	2,602	-31.56
Student Services											
Curriculum Specialist	8	28	27	64	65	116	124	106	108	66	725.00
Paraprofessional	0	0	0	0	0	148	101	153	152	153	0.00
Counseling	73	71	72	70	72	57	58	52	51	50	-31.51
Librarian/Media	91	95	96	92	69	47	32	34	29	26	-71.43
Remedial Specialist	46	44	33	34	55	224	227	247	121	261	467.39
Psychologist	62	61	61	71	69	75	75	70	69	68	9.68
Registered Nurse	57	66	65	63	60	42	33	39	38	42	-26.32
Social Work	0	12	13	14	7	8	7	6	6	7	0.00
Physical Therapist	10	9	9	9	9	8	8	8	8	7	-30.00
Speech/Language Therapist	73	72	75	74	74	72	71	75	75	71	-2.74
Occ/ Mobility Therapist	26	24	25	25	26	25	23	25	24	25	-3.85
Other Professional Services	58	70	71	69	96	147	145	135	78	81	39.66
Total Student Services	504	552	547	585	602	969	904	950	759	857	70.04
Support Staff											
Bookkeeping	5	4	4	3	34	20	21	16	30	19	280.00
Clerical Assignment	260	259	259	246	275	220	213	203	201	202	-22.31
Teaching Aide	633	717	734	800	517	496	500	524	532	537	-15.17
Other Office/Clerical	37	25	44	21	109	24	20	18	20	27	-27.03
Attendance Officer	21	19	19	19	19	17	16	16	16	12	-42.86
Maintenance	92	69	33	30	35	31	34	33	32	37	-59.78
Custodial	333	327	329	320	305	292	279	308	320	323	-3.00
Food Service /Dietitian	5	5	5	5	4	4	4	5	4	3	-40.00
Guard/Watchman	203	213	324	319	305	212	228	225	230	226	11.33
Mechanic/ Foreman	26	26	59	57	50	50	47	42	47	50	92.31
Vehicle Operating/Dispatch	49	47	45	41	46	46	29	31	27	29	-40.82
Computer Operating/Programmin	10	7	7	6	17	25	26	25	25	25	150.00
Total Support	1,674	1,718	1,862	1,867	1,716	1,437	1,417	1,446	1,484	1,490	-10.99
Administrative Staff											
Administrative Assistant	11	10	11	11	6	5	5	7	8	8	-27.27
Deputy/Associate Superintendent	32	38	35	35	21	20	20	28	25	40	25.00
Director	0	0	0	0	6	4	4	8	10	5	0.00
Principal	135	130	129	123	121	115	104	111	113	113	-16.30
Assistant Principal	66	70	79	72	74	74	71	74	72	81	22.73
Supervisor/Manager	118	124	132	125	51	47	42	84	66	92	-22.03
Coordinator	22	23	29	29	28	34	28	47	43	44	100.00
Education Adminstrative Speciali	0	0	10	9	9	9	9	8	6	10	0.00
Other Official/Administrator	142	139	136	140	48	45	44	44	49	59	-58.45
Total administrative	526	534	561	544	364	353	327	411	392	452	-14.07
Total	6,506	6,565	6,643	6,625	6,345	5,515	5,119	5,302	5,292	5,401	-16.98 %

Source: District records

Cleveland Municipal School District

Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures (1)	Cost Per Pupil	Percentage Change
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
2015	39,083	768,488,105	19,663	20.37
2016	39,125	686,521,896	17,547	(10.76)

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 less Interest and Fiscal Charges and community school payments.
(3) Meal percentage includes lunch only.

Expenses (2)	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free and Reduced - Paid Meals (3)
$ 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
706,826,034	18,085	(1.38)	2,657	14.7	100.00
718,366,526	18,361	1.52	2,602	15.0	100.00

Cleveland Municipal School District

Teacher Base Salaries
Last Ten Fiscal Years

Fiscal Year	Minimum Salary	Maximum Salary	Statewide Average Salary
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
2015	42,215	81,760	57,636
2016	42,637	82,578	57,154

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

Cleveland Municipal School District

School Building Information
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
K-8 Schools:										
A.B. Hart (1932)										
Square feet	115,452	115,452	115,452	115,452	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	975	975	975	975	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	433	338	399	308	N/A	N/A	N/A	N/A	N/A	N/A
Adlai Stevenson (1967)(2010)										
Square feet	41,000	41,000	41,000	41,000	63,282	63,282	63,282	63,282	63,282	63,282
Capacity	525	525	525	525	450	450	450	450	450	450
Enrollment	326	290	368	258	417	370	428	334	400	430
Alexander G. Bell (1971)										
Square feet	70,829	70,829	70,829	70,829	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	825	825	825	825	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	397	384	382	394	N/A	N/A	N/A	N/A	N/A	N/A
Alfred A. Benesch-Carl Lewis Stokes (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	0	0	400	433	323	0	0	367	386	376
Almira (1916) (2013)										
Square feet	68,933	68,933	68,933	68,933	68,933	68,933	64,297	64,297	64,297	64,297
Capacity	650	650	650	650	650	650	450	450	450	450
Enrollment	521	466	474	374	386	325	317	335	484	499
Andrew J. Rickoff (2005)										
Square feet	95,153	95,153	95,153	95,153	95,153	95,153	95,153	95,153	95,153	95,153
Capacity	720	720	720	720	720	720	720	720	720	720
Enrollment	570	570	544	513	487	525	490	478	436	477
Anton Grdina (1959) (2011)										
Square feet	75,600	75,600	75,600	75,600	75,600	72,670	72,670	72,670	72,670	72,670
Capacity	700	700	700	700	700	540	540	540	540	540
Enrollment	576	522	475	419	330	344	342	323	324	371
Artemus Ward (2009)										
Square feet	N/A	N/A	64,298	64,298	63,282	63,282	63,282	63,282	63,282	63,282
Capacity	N/A	N/A	450	450	450	450	450	450	450	450
Enrollment	N/A	N/A	420	475	458	494	514	460	474	491
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	571	491	435	355	355	0	0	0	0	0
Benjamin Franklin (1923)										
Square feet	83,260	83,260	83,260	83,260	83,719	83,719	83,719	83,719	83,719	83,719
Capacity	800	800	800	800	800	800	800	800	800	800
Enrollment	738	669	656	640	648	608	548	578	560	602

Cleveland Municipal School District

School Building Information
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Bolton (1971)										
Square feet	53,700	53,700	53,700	53,700	53,700	53,700	53,700	53,700	53,700	53,700
Capacity	650	650	650	650	650	650	650	650	650	650
Enrollment	293	343	289	300	388	347	284	284	279	346
Brooklawn (1957) New Tech West										
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	312	304	270	253	0	0	0	0	287	289
Buckeye-Woodland (1975)										
Square feet	44,800	44,800	44,800	44,800	52,493	52,493	52,493	52,493	52,493	0
Capacity	625	625	625	625	625	625	625	625	625	0
Enrollment	304	260	262	253	319	270	205	228	212	0
Buhrer (1969) (2009)										
Square feet	42,086	42,086	42,086	52,850	52,850	52,850	52,850	52,850	52,850	52,850
Capacity	600	600	600	350	350	350	350	350	350	350
Enrollment	0	0	0	333	320	342	356	364	361	393
Campus International School										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	56,650	56,650
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	114	210	298	366	451	538
Captain Arthur Roth (1965)										
Square feet	70,016	70,016	70,016	70,016	70,016	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	370	315	280	259	287	N/A	N/A	N/A	N/A	N/A
Case (1975)										
Square feet	69,559	69,559	69,559	69,559	69,559	69,559	69,559	69,559	69,559	69,559
Capacity	800	800	800	800	800	800	800	800	800	800
Enrollment	481	413	353	412	412	367	320	304	301	361
Charles Dickens										
Square feet	N/A	N/A	N/A	N/A	64,272	64,272	64,272	64,272	64,272	64,272
Capacity	N/A	N/A	N/A	N/A	450	450	450	450	450	450
Enrollment	N/A	N/A	N/A	N/A	425	406	382	315	316	387
Charles H. Lake (1961)										
Square feet	55,823	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	675	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	289	N/A	N/A	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	152,607	152,607	152,607	152,607	152,607	152,607
Capacity	N/A	N/A	N/A	N/A	1,400	1,400	1,400	1,400	1,400	1,400
Enrollment	N/A	N/A	N/A	N/A	742	472	479	477	479	773

Cleveland Municipal School District

School Building Information
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Charles Orr (1955)										
Square feet	33,000	33,000	33,000	33,000	33,000	N/A	N/A	N/A	N/A	N/A
Capacity	425	425	425	425	425	N/A	N/A	N/A	N/A	N/A
Enrollment	0	146	99	143	0	N/A	N/A	N/A	N/A	N/A
Charles W. Elliot (1954)										
Square feet	104,360	104,360	104,360	104,360	104,360	104,360	104,360	104,360	104,360	104,360
Capacity	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050
Enrollment	342	299	316	311	447	502	464	397	303	342
Clara Westropp Fundamental Education Center (1967)										
Square feet	116,246	116,246	116,246	116,246	116,246	116,246	116,246	116,246	116,246	116,246
Capacity	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	627	640	580	547	515	449	399	408	373	406
Clark (1973)										
Square feet	59,064	59,064	59,064	59,064	59,064	59,064	59,064	59,064	59,064	59,064
Capacity	525	525	525	525	525	525	525	525	525	525
Enrollment	577	579	557	584	553	592	623	593	578	606
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	0	0	0	0	0	0	0	0	0	0
Cranwood-*PACT & Eagle* (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	0	0	0	300	365	324	0	0	232	361
Daniel E. Morgan (1959)(2007)										
Square feet	66,409	66,409	66,409	66,409	66,409	66,409	66,409	66,409	66,409	66,409
Capacity	480	480	480	480	480	480	480	480	480	480
Enrollment	430	448	406	355	325	322	302	295	269	288
Denison (1972)										
Square feet	42,714	42,714	42,714	42,714	52,351	52,351	52,351	52,351	52,351	52,351
Capacity	825	825	825	825	825	825	825	825	825	825
Enrollment	698	713	709	708	597	645	570	465	417	375
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	390	362	371	380	0	412	0	0	0	0
Douglas MacArthur (1) (1967) Girls Leadership Academy										
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	76	136	173	207	250	274	281	300	326

Cleveland Municipal School District

School Building Information
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
East Clark (2) (1894)										
Square feet	56,755	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	575	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	387	N/A	N/A	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	63,281	63,281	63,281	63,281	63,281	63,281	63,281
Capacity	N/A	N/A	N/A	450	450	450	450	450	450	450
Enrollment	N/A	N/A	N/A	452	389	398	314	309	265	242
Emile B. deSauze (1966)										
Square feet	51,457	51,457	51,457	51,457	48,860	N/A	N/A	N/A	N/A	N/A
Capacity	575	575	575	575	575	N/A	N/A	N/A	N/A	N/A
Enrollment	360	344	304	284	258	N/A	N/A	N/A	N/A	N/A
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	361	330	279	236	0	0	0	0	0	0
Euclid Park (1922)										
Square feet	43,182	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	500	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	291	N/A	N/A	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	53,767	53,767	53,767	53,767	53,767	53,767
Capacity	N/A	N/A	N/A	N/A	351	351	351	351	351	351
Enrollment	N/A	N/A	N/A	N/A	321	345	343	364	347	367
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	1,115	1,115	1,115	1,115	1,115	1,115	1,115	1,115	1,115
Enrollment	0	297	520	463	592	544	460	411	392	445
Forest Hill Parkway (1967)										
Square feet	51,278	51,278	51,278	51,278	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	450	450	450	450	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	380	390	365	276	N/A	N/A	N/A	N/A	N/A	N/A
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	401	395	379	372	407	327	300	281	261	220
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	0	0	0	0	0	0	0	0	0	0

Cleveland Municipal School District

School Building Information

Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Garfield (2009)										
Square feet	N/A	N/A	N/A	60,777	60,777	60,777	60,777	60,777	60,777	60,777
Capacity	N/A	N/A	N/A	426	426	426	426	426	426	426
Enrollment	N/A	N/A	N/A	375	425	518	526	500	486	554
George Washington Carver (1954)										
Square feet	53,800	53,800	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	475	475	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	463	404	N/A	N/A	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	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	536	449	356	345	402
Giddings (1970)										
Square feet	53,533	53,533	53,533	53,533	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	550	550	550	550	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	302	288	275	275	N/A	N/A	N/A	N/A	N/A	N/A
Gracemount (1947)										
Square feet	49,922	49,922	49,922	49,922	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	487	432	493	493	N/A	N/A	N/A	N/A	N/A	N/A
Hannah Gibbons (1960) (2006)										
Square feet	52,953	52,953	52,953	52,953	52,953	52,953	52,953	52,953	52,953	52,953
Capacity	351	351	351	351	351	351	351	351	351	351
Enrollment	267	246	237	228	226	281	277	254	240	274
Harvey Rice (1903) (2009)										
Square feet	82,414	82,414	82,414	63,280	63,280	63,280	63,280	63,280	63,280	63,280
Capacity	975	975	975	450	450	450	450	450	450	450
Enrollment	317	267	233	362	422	446	468	448	445	444
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	497	508	403	416	430	415	417	357	320	380
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	0	0	0	595	595	616	541	535	568	568
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	302	321	238	252	0	0	0	0	0	0

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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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	427	368	306	318	336	399	358	310	284	291
John D. Rockefeller (1961)										
Square feet	54,400	54,400	54,400	54,400	54,400	54,400	54,400	N/A	N/A	N/A
Capacity	700	700	700	700	700	700	700	N/A	N/A	N/A
Enrollment	321	242	236	216	0	0	0	N/A	N/A	N/A
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	431	444	383	356	0	0	0	0	0	0
Joseph F. Landis (1963)										
Square feet	49,170	49,170	49,170	49,170	49,170	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	379	399	341	360	0	N/A	N/A	N/A	N/A	N/A
Joseph M. Gallagher (1976)										
Square feet	126,816	126,816	126,816	126,816	126,816	126,816	126,816	126,816	126,816	126,816
Capacity	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Enrollment	762	791	771	737	654	652	638	676	657	741
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	0	100	129	166	168	168	154	158	172	200
Kentucky-Paul L. Dunbar Swing Space (1940)										
Square feet	42,870	42,870	42,870	42,870	35,010	35,010	35,010	35,010	35,010	35,010
Capacity	575	575	575	575	575	575	575	575	575	575
Enrollment	422	438	437	316	192	158	173	215	244	244
Louis Agassiz (1929)										
Square feet	43,074	43,074	43,074	43,074	43,074	43,074	43,074	43,074	43,074	43,074
Capacity	525	525	525	525	525	525	525	525	525	525
Enrollment	313	322	338	351	344	338	315	310	263	335
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	375	245	0	0	0	0	0	0	0	0
Louisa May Alcott (1926)										
Square feet	31,240	31,240	31,240	31,240	31,240	31,240	30,649	30,649	30,649	30,649
Capacity	300	300	300	300	300	300	300	300	300	300
Enrollment	230	212	235	226	233	203	238	224	234	258

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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Luiz Munoz Marin (1976)										
Square feet	157,009	157,009	157,009	157,009	119,639	119,639	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	822	872	774	773	796	708	683	621	551	588
Margaret Spellacy - Ginn Academy (1969)										
Square feet	116,246	116,246	116,246	116,246	106,582	106,582	106,582	106,582	106,582	106,582
Capacity	900	900	900	900	900	900	900	900	900	900
Enrollment	0	541	477	272	251	216	203	258	337	381
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	609	614	574	585	535	487	432	415	338	360
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	471	498	483	469	503	454	356	318	280	318
Mary B. Martin & Early Childhood (2006)										
Square feet	70,048	70,048	70,048	70,048	70,048	70,048	70,048	70,048	70,048	70,048
Capacity	490	490	490	490	490	490	490	490	490	490
Enrollment	390	340	398	343	321	445	300	369	340	346
Mary M. Bethune (2006)										
Square feet	68,498	68,498	68,498	68,498	68,731	68,731	68,731	68,731	68,731	68,731
Capacity	500	500	500	500	500	500	500	500	500	500
Enrollment	417	352	344	349	363	333	342	306	289	280
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	375	343	308	288	304	304	297	266	239	255
Memorial (2005)										
Square feet	83,584	83,584	83,584	83,584	84,865	84,865	84,865	84,865	84,865	84,865
Capacity	625	625	625	625	625	625	625	625	625	625
Enrollment	522	454	475	480	481	464	424	421	380	404

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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	368	378	341	323	447	420	382	332	295	258
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	426	394	314	0	0	0	262	269	322	418
Miles Park (2007)										
Square feet	92,027	92,027	92,027	92,027	92,029	92,029	92,029	92,029	92,029	92,029
Capacity	650	650	650	650	650	650	650	650	650	650
Enrollment	461	538	430	497	556	605	543	563	470	513
Mound (1904)										
Square feet	38,355	38,355	38,355	38,355	36,642	36,642	36,642	36,642	36,642	36,642
Capacity	500	500	500	500	500	500	500	500	500	500
Enrollment	348	287	241	234	253	0	0	0	0	0
Mound (2011)										
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	467	461	395	402	398
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	0	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	442	349	311	298	0	0	0	0	0	0
Nathan Hale (2011)										
Square feet	N/A	N/A	N/A	N/A	56,348	56,348	56,348	56,348	56,348	56,348
Capacity	N/A	N/A	N/A	N/A	400	400	400	400	400	400
Enrollment	N/A	N/A	N/A	N/A	409	436	390	380	352	505
Nathanial Hawthorne (1917)										
Square feet	48,375	48,375	48,375	48,375	48,375	48,375	48,375	48,375	48,375	48,375
Capacity	650	650	650	650	650	650	650	650	650	650
Enrollment	0	345	0	0	356	0	0	0	0	0

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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Newton D. Baker (1954)										
Square feet	91,706	91,706	91,706	91,706	91,706	91,706	91,706	91,706	91,706	91,706
Capacity	550	550	550	550	550	550	550	550	550	550
Enrollment	662	671	567	441	463	366	287	349	335	400
Oliver Hazard Perry (1927)										
Square feet	55,570	55,570	55,570	55,570	55,570	55,570	55,570	55,570	55,570	55,570
Capacity	575	575	575	575	575	575	575	575	575	575
Enrollment	444	385	409	406	388	331	305	255	247	275
Orchard (1901)										
Square feet	66,678	66,678	66,678	66,678	66,678	66,678	63,282	63,282	63,282	63,282
Capacity	800	800	800	800	800	800	450	450	450	450
Enrollment	534	576	0	0	0	0	305	301	416	445
Patrick Henry (1922)										
Square feet	130,443	130,443	130,443	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	975	975	975	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	491	410	305	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Patrick Henry (2009)										
Square feet	N/A	N/A	N/A	63,281	63,287	63,287	63,287	63,287	63,287	63,287
Capacity	N/A	N/A	N/A	450	450	450	450	450	450	450
Enrollment	N/A	N/A	N/A	309	331	340	355	342	312	361
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	330	360	228	316	0	0	0	0	0	334
Paul Revere (1925)										
Square feet	82,840	82,840	82,840	82,840	80,996	80,996	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	584	483	370	370	441	456	329	290	258	0
Riverside (2005)										
Square feet	61,820	61,820	61,820	61,820	61,820	61,820	61,820	61,820	61,820	61,820
Capacity	450	450	450	450	450	450	450	450	450	450
Enrollment	477	516	545	521	537	465	474	473	497	519
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	498	386	282	292	292	0	0	0	0	0

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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Robert H. Jamison (1966)										
Square feet	140,000	140,000	140,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	1,125	1,125	1,125	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	604	563	503	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Robert H. Jamison @ Moses Cleveland (2009)										
Square feet	N/A	N/A	N/A	64,298	65,000	65,000	65,000	65,000	65,000	65,000
Capacity	N/A	N/A	N/A	450	450	450	450	450	450	450
Enrollment	N/A	N/A	N/A	444	397	400	388	388	364	375
Robinson G. Jones (2009)										
Square feet	N/A	N/A	64,281	64,281	64,281	64,281	64,281	64,281	64,281	64,281
Capacity	N/A	N/A	450	450	450	450	450	450	450	450
Enrollment	N/A	N/A	361	369	361	397	391	422	416	477
Scranton (1973)										
Square feet	52,575	52,575	52,575	52,575	52,575	52,575	52,575	52,575	52,575	52,575
Capacity	625	625	625	625	625	625	625	625	625	625
Enrollment	538	452	430	465	433	424	421	390	345	434
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	0	351	0	0	0	0	0	0	0	0
Sunbeam (1923)										
Square feet	78,518	78,518	78,518	78,518	78,518	78,518	78,518	78,518	78,518	78,518
Capacity	425	425	425	425	425	425	425	425	425	425
Enrollment	214	224	170	207	236	225	213	229	242	380
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	0	0	0	0	0	0	0	0	0	0
Thomas Jefferson (2011)										
Square feet	N/A	N/A	N/A	N/A	101,591	101,591	101,591	101,591	101,591	101,591
Capacity	N/A	N/A	N/A	N/A	785	785	785	785	785	785
Enrollment	N/A	N/A	N/A	N/A	188	251	294	372	457	720
Tremont (1917)										
Square feet	119,508	119,508	119,508	119,508	119,508	119,508	119,508	119,508	119,508	119,508
Capacity	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	427	402	377	463	452	518	535	504	534	585

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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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	327	248	251	220	239	0	0	0	0	0
Valley View (1) (1951) Boys Leadership Academy										
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	0	74	106	133	169	175	189	172	170	205
Wade Park (1975)										
Square feet	68,600	68,600	68,600	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	725	725	725	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	307	222	177	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wade Park (2009)										
Square feet	N/A	N/A	N/A	68,600	68,600	68,600	68,600	68,600	68,600	68,600
Capacity	N/A	N/A	N/A	501	501	501	501	501	501	501
Enrollment	N/A	N/A	N/A	355	372	370	346	331	330	399
Walton (1971)										
Square feet	52,786	52,786	52,786	52,786	52,786	52,786	52,786	52,786	52,786	52,786
Capacity	700	700	700	700	700	700	700	700	700	700
Enrollment	697	583	553	577	576	467	370	310	287	239
Warner (2007)										
Square feet	N/A	75,799	75,799	75,799	75,799	75,799	75,799	75,799	75,799	75,799
Capacity	N/A	570	570	570	570	570	570	570	570	570
Enrollment	N/A	110	163	242	276	325	314	370	352	425
Watterson-Lake (1906)										
Square feet	65,241	65,241	65,241	65,241	65,241	65,241	65,241	65,241	65,241	65,241
Capacity	600	600	600	600	600	600	600	600	600	600
Enrollment	494	524	533	500	393	377	339	265	221	189
Waverly (1976)										
Square feet	72,603	72,603	72,603	72,603	72,603	72,603	72,603	72,603	72,603	72,603
Capacity	575	575	575	575	575	575	575	575	575	575
Enrollment	450	458	460	430	383	340	302	278	196	166
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	473	495	427	423	345	364	385	412	373	407
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	0	0	0	0	0	0	0	0	0	0

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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Willow (1964)										
Square feet	53,914	53,914	53,914	53,914	53,914	53,914	53,914	53,914	53,914	53,914
Capacity	425	425	425	425	425	425	425	425	425	425
Enrollment	273	240	218	216	234	255	227	266	260	259
Woodland Hills (1971)										
Square feet	49,443	49,443	49,443	49,443	49,443	N/A	N/A	N/A	N/A	N/A
Capacity	600	600	600	600	600	N/A	N/A	N/A	N/A	N/A
Enrollment	393	376	353	300	345	N/A	N/A	N/A	N/A	N/A
Wilbur Wright (1929)										
Square feet	105,192	105,192	105,192	105,192	105,192	105,192	105,192	105,192	105,192	105,192
Capacity	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	558	588	572	596	539	437	442	370	337	380
Willson (2010)										
Square feet	N/A	N/A	N/A	N/A	76,217	76,217	76,217	76,217	76,217	76,217
Capacity	N/A	N/A	N/A	N/A	574	574	574	574	574	574
Enrollment	N/A	N/A	N/A	N/A	385	392	367	329	331	368
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	387	351	363	475	360	313	299	823	800	0
Cleveland Learning Center - Halle (1) (1904)										
Square feet	41,085	41,085	41,085	41,085	49,337	49,337	Closed	Closed	Closed	Closed
Capacity	500	500	500	500	500	500	Closed	Closed	Closed	Closed
Enrollment	359	404	464	344	356	356	Closed	Closed	Closed	Closed
Cleveland School of the Arts (1910)										
Square feet	90,400	90,400	90,400	90,400	90,400	90,400	90,400	90,400	122,727	122,727
Capacity	850	850	850	850	850	850	850	850	775	775
Enrollment	602	558	558	0	1,114	0	541	535	607	584
Cleveland School for the Digital Arts (2015)										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	122,727	122,727
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	775	775
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	129	152
Collinwood CompuTech (1924)										
Square feet	345,203	345,203	345,203	345,203	345,203	345,203	345,203	345,203	345,203	345,203
Capacity	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700

Cleveland Municipal School District

School Building Information
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Enrollment	968	962	898	793	712	623	624	591	607	436
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	860	715	701	717	0	0	0	0	0	0
East Technical (1972) Administration Site										
Square feet	318,600	318,600	318,600	318,600	320,370	320,370	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	907	783	785	746	1,171	817	565	655	543	505
Garrett Morgan Cleveland School of Science (1940)										
Square feet	101,900	101,900	101,900	101,900	101,900	101,900	101,900	101,900	101,900	101,900
Capacity	675	675	675	675	675	675	675	675	675	675
Enrollment	264	227	208	247	240	314	310	297	275	252
Glenville (1966)										
Square feet	248,000	248,000	248,000	248,000	248,000	248,000	248,000	248,000	248,000	248,000
Capacity	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350
Enrollment	1,538	1,340	1,167	963	985	813	716	637	568	469
Health Careers Center (1980)-MLK										
Square feet	86,950	86,950	86,950	86,950	86,950	86,950	86,950	86,950	86,950	86,950
Capacity	425	425	425	425	425	425	425	425	425	425
Enrollment	0	143	196	254	277	264	263	438	438	630
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	1,575	1,409	1,360	1,230	1,171	1,195	1,199	1,188	1,437	1,252
Jane Addams Business Careers (1968)										
Square feet	214,752	214,752	214,752	214,752	214,752	214,752	214,752	214,752	214,752	214,752
Capacity	975	975	975	975	975	975	975	975	975	975
Enrollment	472	479	474	518	595	638	294	345	414	338
John Adams High (2007)										
Square feet	228,032	228,032	228,032	228,032	228,032	228,032	228,032	228,032	228,032	228,032
Capacity	1,335	1,335	1,335	1,335	1,335	1,335	1,335	1,335	1,335	1,335
Enrollment	1,067	1,169	1,140	1,162	1,121	1,109	1,017	1,053	881	833
John F. Kennedy (1965)										
Square feet	264,661	264,661	264,661	264,661	264,661	264,661	264,661	264,661	264,661	264,661
Capacity	2,075	2,075	2,075	2,075	2,075	2,075	2,075	2,075	2,075	2,075
Enrollment	1,077	940	978	839	975	804	823	800	571	319
John Hay (2006)										
Square feet	210,353	210,353	210,353	210,353	210,353	210,353	210,353	210,353	210,353	210,353
Capacity	1,232	1,232	1,232	1,232	1,232	1,232	1,232	1,232	1,232	1,232
Enrollment	476	576	673	857	855	835	882	872	1,259	1,351

Cleveland Municipal School District

School Building Information
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
John Marshall (1932) (2015)										
Square feet	256,924	256,924	256,924	256,924	256,924	256,924	N/A	N/A	228,606	228,606
Capacity	2,250	2,250	2,250	2,250	2,250	2,250	N/A	N/A	1,260	1,260
Enrollment	1,715	1,643	1,668	1,519	1,213	1,039	N/A	N/A	1,214	1,226
Lincoln-West (1970)										
Square feet	304,645	304,645	304,645	304,645	337,548	337,548	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	1,496	1,369	1,386	1,357	1,301	1,156	1,109	1,031	945	717
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	172	156	0	122	0	0	0	0	0
Martin L. King Jr. (1972)										
Square feet	173,359	173,359	173,359	173,359	179,544	179,544	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	677	550	502	233	273	262	0	0	483	0
Max S. Hayes Vocational-Genesis (1957)(2016)										
Square feet	246,282	246,282	246,282	246,282	224,329	224,329	224,329	224,329	224,329	169,864
Capacity	2,150	2,150	2,150	2,150	2,150	2,150	2,150	2,150	2,150	800
Enrollment	416	468	498	506	510	877	565	883	974	650
MC2 Stem Academy										
Square feet	N/A	N/A	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Capacity	N/A	N/A	150	150	150	150	150	150	150	150
Enrollment	N/A	N/A	67	152	214	274	289	326	386	396
South (Admin Records) (1968)										
Square feet	292,518	292,518	292,518	292,518	265,187	265,187	265,187	265,187	265,187	265,187
Capacity	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Enrollment	1,043	941	880	896	0	0	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	243	238	243	241	227	232	195	203	139	85
Washington Park										
Square feet	N/A	N/A	N/A	N/A	27,331	27,331	27,331	27,331	27,331	27,331
Capacity	N/A	N/A	N/A	N/A	475	475	475	475	475	475
Enrollment	N/A	N/A	N/A	N/A	140	146	196	185	237	282
Whitney Young (1950)										
Square feet	121,609	121,609	121,609	121,609	121,609	121,609	121,609	121,609	121,609	121,609
Capacity	725	725	725	725	725	725	725	725	725	725
Enrollment	434	415	380	339	401	332	294	257	268	239

Cleveland Municipal School District

School Building Information
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Administrative										
Buildings	8	8	8	8	8	8	8	7	7	7
Square Feet	556,286	556,286	556,286	556,286	556,286	556,286	556,286	346,927	346,927	346,927
Transportation										
Garages (3)	3	3	3	3	3	3	3	3	3	3
Buses	311	305	305	305	305	305	305	337	337	337
Athletics										
Football Fields	4	4	4	4	4	5	5	4	4	4
Soccer Fields	3	4	4	4	4	6	6	4	4	4
Running Tracks	4	2	2	2	2	4	4	3	3	3
Baseball/Softball	0	0	0	0	0	0	0	0	0	0
Swimming Pools	7	5	5	5	5	3	3	2	2	2
Playgrounds	50	50	50	50	50	50	50	50	50	50

Source: District Records
Ohio Department of Education

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Cleveland Municipal School District

Eric S. Gordon, Chief Executive Officer

John W. Scanlan
Chief Financial
& Administrative Officer

Dennis Kubick
Deputy Chief
Financial Officer / Controller

Michael R. Bowen
Director of Accounting

Cooper Martin
Assistant Controller

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CLEVELAND
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SCHOOL DISTRICT

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The Cleveland Board of Education does not discriminate in educational programs, activities or employment on the basis of race, color, national origin, sex, sexual orientation, religion or disability.

CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2016

Dave Yost • Auditor of State

CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY

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CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Federal CFDA Number**	**Pass Through Entity Identifying Number**	**Total Federal Expenditures**
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through the Ohio Department of Education:			
Child Nutrition Cluster:			
Non-Cash Assistance (Food Distribution):			
National School Lunch Program	10.555	N/A	$ 1,417,269
School Breakfast Program	10.553	N/A	120,900
Non-Cash Assistance Subtotal			1,538,169
Cash Assistance:			
National School Lunch Program	10.555	N/A	15,814,787
School Breakfast Program	10.553	N/A	6,161,622
Cash Assistance Subtotal			21,976,409
Total Child Nutrition Cluster			23,514,578
Farm to School Grant Program	10.575	N/A	7,763
Fresh Fruit and Vegetable Program	10.582	N/A	684,711
Total U.S. Department of Agriculture			**24,207,052**
U.S. DEPARTMENT OF DEFENSE			
Direct Program:			
Junior ROTC	12.000	N/A	20,425
Total U.S. Department of Defense			**20,425**
U.S. DEPARTMENT OF EDUCATION			
Direct Program:			
School Improvement Grants:			
Developing a Sustainable Principal Pipeline	84.377B	N/A	214,246
Passed Through the Ohio Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	40,118,378
Special Education Cluster:			
Special Education Grants to States	84.027	N/A	18,237,672
Special Education Preschool Grants	84.173	N/A	367,712
Total Special Education Cluster			18,605,384
Career and Technical Education - Basic Grants to States	84.048	N/A	2,090,819
Education for Homeless Children and Youth	84.196	N/A	367,423
School Improvement Grants	84.377A	N/A	2,784,656
Impact Aid	84.041	N/A	27,029
Fund for the Improvement of Education	84.215	N/A	4,641
Twenty-First Century Community Learning Centers	84.287	N/A	2,264
English Language Acquisition State Grants	84.365	N/A	817,479
Improving Teacher Quality State Grants	84.367	N/A	6,011,712
ARRA - State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395A	N/A	1,935,104
Total U.S. Department of Education			**72,979,135**

The accompanying notes are an integral part of this schedule

CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Federal CFDA Number**	**Pass Through Entity Identifying Number**	**Total Federal Expenditures**
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Direct Program:			
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079	N/A	$ 353,506
Passed Through the Educational Service Center of Cuyahoga County:			
Refugee and Entrant Assistance Discretionary Grants	93.576	N/A	24,675
Total U.S. Department of Health and Human Services			**378,181**
TOTAL EXPENDITURES OF FEDERAL AWARDS			**$ 97,584,793**

The accompanying notes are an integral part of this schedule (Concluded)

Note A – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Cleveland Municipal School District (the District's) under programs of the federal government for the year ended June 30, 2016. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

Note B – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments* (codified in 2 CFR Part 225), or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The District has elected not to use the 10-percent de minimus indirect cost rate as allowed under the Uniform Guidance.

Note C – Child Nutrition Cluster

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

Note D – Food Donation Program

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

Note E – Transfers Between Program Years

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The District transferred the following amounts from 2015 to 2016 programs:

Program Title	CFDA Number	Amount Transferred
Title I Grants to Local Educational Agencies	84.010	$13,660,269
School Improvement Grants	84.377A	946,477
Improving Teacher Quality State Grants	84.367	3,397,913
English Language Acquisition State Grants	84.365	206,711
Special Education Grants to States	84.027	5,768,367
Special Education Preschool Grants	84.173	132,606

CFDA- Catalog of Federal Domestic Assistance

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

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cleveland Municipal School District (the District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 30, 2016.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2016-001 to be a material weakness.

Compliance and Other Matters

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

Entity's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the District's response and, accordingly, we express no opinion on it.

Purpose of this Report

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

Dave Yost
Auditor of State
Columbus, Ohio

December 30, 2016

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

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

To the Board of Education:

Report on Compliance for* Each *Major Federal Program

We have audited Cleveland Municipal School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each the District's major federal programs for the year ended June 30, 2016. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal programs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Basis for Qualified Opinion on the Title I Grants to Local Educational Agencies, Improving Teacher Quality State Grants, and English Language Acquisition Grants

As described in Findings 2016-002, in the accompanying schedule of findings, the District did not comply with requirements regarding Maintenance of Effort applicable to the Title I Grants to Local Educational Agencies, Improving Teacher Quality State Grants, and English Language Acquisition Grants major federal programs. Compliance with this requirement is necessary, in our opinion, for the District to comply with requirements applicable to these programs.

Qualified Opinion on the Title I Grants to Local Educational Agencies, Improving Teacher Quality State Grants, and English Language Acquisition Grants

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion on the Title I Grants to Local Educational Agencies, Improving Teacher Quality State Grants, and English Language Acquisition Grants paragraph, the Cleveland Municipal School District, Cuyahoga County, Ohio complied, in all material respects, with the requirements referred to above that could directly and materially affect its Title I Grants to Local Educational Agencies, Improving Teacher Quality State Grants, and English Language Acquisition Grants for the year ended June 30, 2016.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the Cleveland Municipal School District, complied in all material respects with the requirements referred to above that could directly and materially affect each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings for the year ended June 30, 2016.

Other Matters

The District's response to our noncompliance finding is described in the accompanying schedule of findings. We did not audit the District's response and, accordingly, we express no opinion on it.

Report on Internal Control over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency, described in the accompanying schedule of findings as item 2016-002.

The District's response to our internal control over compliance finding is described in the accompanying schedule of findings and corrective action plan. We did not audit the District's response and, accordingly, we express no opinion on it.

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

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

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Cleveland Municipal School District, Cuyahoga County, Ohio (the District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 30, 2016. We conducted our audit to opine on the District's basic financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Dave Yost
Auditor of State
Columbus, Ohio

February 13, 2017

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CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2016

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material control weaknesses reported at the financial statement level (GAGAS)?**	Yes
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material internal control weaknesses reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	Yes
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified for all major programs except for the Title I Grants to Local Educational Agencies, English Language Acquisition State Grants, and Improving Teacher Quality State Grants federal programs
(d)(1)(vi)	**Are there any reportable findings under § .510(a)?**	Yes
(d)(1)(vii)	**Major Programs (list):**	Child Nutrition Cluster CFDA# 84.377 – School Improvement Grants CFDA# 84.010 – Title I Grants to Local Educational Agencies CFDA# 84.365 – English Language Acquisition State Grants CFDA# 84.367 – Improving Teacher Quality State Grants
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 2,927,544 Type B: all others
(d)(1)(ix)	**Low Risk Auditee?**	No

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

Finding Number	2016-001

Material Weakness – Financial Reporting

Sound financial reporting is the responsibility of the Board of Education and the Chief Financial Officer and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The excel spreadsheet used to calculate the pension amounts was not properly updated to reflect 2016. As a result, adjustments were made and Deferred Outflows was reduced by $43,083,731 and Deferred Inflows was reduced by $718,533 on the Statement of Net Position-Governmental Activities and various expense functions were increased by $42,365,198 on the Statement of Activities-Governmental Activities. The adjustments are as follows:

Statement of Net Position - Governmental Activities	Amount Reported	Correct Amount	Difference
Deferred Outflows	$128,158,330	$85,074,599	$43,083,731
Deferred Inflows	73,734,665	73,016,132	718,533

Statement of Activities - Governmental Activities	Amount Reported	Correct Amount	Difference
Current:			
Instruction:			
Regular	$ 337,311,102	$ 355,008,543	$ 17,697,441
Special	161,718,396	172,360,574	10,642,178
Vocational	8,353,599	9,056,446	702,847
Support Services:			
Pupils	30,353,268	34,179,013	3,825,745
Instructional Staff	30,775,931	32,419,457	1,643,526
Board of Education	249,991	266,498	16,507
Administration	46,889,070	50,223,299	3,334,229
Fiscal	16,409,851	16,663,611	253,760
Business	1,324,347	1,375,403	51,056
Operation and Maintenance of Plant	66,180,097	68,629,253	2,449,156
Pupil Transportation	34,163,314	35,010,112	846,798
Central	28,707,486	29,503,864	796,378
Extracurricular Activities	6,226,885	6,332,462	105,577
Total	$ 768,663,337	$ 811,028,535	$ 42,365,198

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

Finding Number	**2016-001**

(CONTINUED)

These weaknesses resulted in misstatements to the financial statements.

The accompanying financial statements and the District's accounting records reflect adjustments recording these amounts.

We recommend the District develop appropriate monitoring procedures to ensure the financial statements are complete and accurate.

District's Response
When calculating the Pension Liability for fiscal year 2016, the District failed to update a percentage from the previous year. For upcoming year, the District will be more careful when calculating the liability to make sure it is accurate prior to submitting the draft Financial Statements. Also the District will compute the liability at the beginning of the audit so we can review with the auditors prior to submission. This is a one-time incident that should not be repeated.

3. FINDINGS FOR FEDERAL AWARDS

Material Noncompliance, Significant Deficiency, Maintenance of Effort Requirement

Finding Number	2016-002
CFDA Title and Number	CFDA #84.010 – Title I Grants to Local Educational Agencies CFDA# 84.367 - Improving Teacher Quality State Grants CFDA# 84.365 – English Language Acquisition Grants
Year	2016
Federal Agency	U. S. Department of Education
Pass-Through Agency	Ohio Department of Education

Background/Requirements

Title I, Sections 1116(a) and (b)(1), (7), and (8) of the Elementary and Secondary Education Act (ESEA) (20 USC 6316(a) and (b)(1), (7), and (8)) and 34 CFR sections 200.30 through 200.34 require school districts annually review the progress of each school served under Title I, Part A to determine whether the school has made AYP. Every school and district must meet AYP goals that the ODE Accountability Model (approved by USDOE) has established for reading and mathematics proficiency and test participation, attendance rate and graduation rate. AYP determinations for districts and schools are based on test participation and proficiency rate goals. These goals are evaluated for the student groups when the minimum subgroup size has been met. AYP graduation and attendance goals are evaluated for the "All Students" group only. Failure to meet any of the proficiency or participation goals, attendance levels or graduation targets results in the district or school not meeting AYP. This is commonly referred to as a maintenance of effort requirement.

3. FINDINGS FOR FEDERAL AWARDS

Finding 2016-002 - Material Noncompliance, Significant Deficiency, Maintenance of Effort Requirement (Continued)

Title I, Sections 1111(h)(2) and 1116(a)(1)(C) of ESEA (20 USC 6311(h)(2) and 6316(a)(1)(C)) and 34 CFR sections 200.36 through 200.38 also require each school district that receives Title I, Part A funds prepare and disseminate to all schools in the district—and to all parents of students attending those schools—an annual district-wide report card that, among other things, includes the number, names, and percentage of schools identified for school improvement and how long the schools have been so identified.

Under the NCLB model, a school's report card specifies its performance as compared to other schools in Ohio. Specifically, the NCLB school report card displays student achievement data in reading, mathematics, science and other core subjects required by the state so that parents and the public can see how their schools are progressing over time. In addition, the report card includes information on student attendance rates and graduation rates.

A school's performance on the report card can be affected by the students counted in the scoring. If the scores of low-performing students can be excluded from a particular school's report card, the overall performance of that school shows a corresponding improvement.

Under No Child Left Behind (NCLB), there are several allowable ways student test scores can be excluded from an individual school's report card and pushed to the school district wide or state report card as described in ODE's "Where Kids Count" (WKC) Methodology. Breaks in enrollment result in student test scores being pushed to the statewide composite report card. In this scenario, the local report card includes only students enrolled for the FAY. A student must be enrolled continuously at a single school from the end of October count week to May 10th for grades 3-8 or March 19th for all other grades to qualify for the full academic year of attendance. When a lawful break in enrollment occurs, school districts push the student's test scores to the State's report card. Schools break enrollment by withdrawing or enrolling students between October count week and the end of the academic school year.

The concept of due process prior to withdrawal of truant students is further emphasized by the NLCB Act and IDEA. The NCLB Act requires every Title I eligible child be served under the program. Withdrawing students prior to receiving due process inaccurately inflates the school's AYP report card rating, which results in an understatement of Title I allocations to the eligible buildings within a school district.

The process of creating breaks in enrollment entails admitting or withdrawing students after the official October Average Daily Membership (ADM) count week. Valid reasons to create a "break" in enrollment are established pursuant to Chapter 2 of the 2011 ODE EMIS Manual. One of the more common reasons is the student withdrew due to truancy/nonattendance.

Ohio Rev. Code § 3321.19 defines chronic truancy and habitual truancy. Section 3321.191 empowers Ohio school governing boards to adopt their own policies for intervention and withdrawal of students as long as such policies are in compliance with provisions of that section. If a parent, guardian, or other custodian of a habitual truant fails to cause the child's attendance at school, the board of education may proceed with an intervention strategy in accordance with its adopted policy, may initiate delinquency proceedings, or both. Each board is required under Ohio Rev. Code §3321.191 to adopt a policy to guide employees in addressing and ameliorating the habitual truancy of students.

3. FINDINGS FOR FEDERAL AWARDS

Finding 2016-002 - Material Noncompliance, Significant Deficiency, Maintenance of Effort Requirement (Continued)

With regard to truancy, schools are permitted to withdraw students only after appropriate due process. The statutes provide several procedural steps which schools must follow in dealing with violations of the compulsory attendance laws.

Certain breaks in a student enrollment causes student test scores to be pushed to the statewide composite report card rather than the local school district.

Enrollment during fiscal 2015 is the basis for determining funding for 2016 fiscal year. Breaks in enrollment during fiscal year 2015 caused student test scores to be pushed to the statewide composite report card.

A test of both withdrawals under EMIS withdrawal code 71, breaks in enrollment and students being rolled up to the State, disclosed the District had insufficient documentation to support the withdrawals, breaks in enrollment and students being excluded from the local report card and rolled up to the State.

Regarding truancies, we noted the District withdrew students under EMIS withdraw code 71 and either did not refer these truant students to the court system or the case was not fully adjudicated by the court. Based on these facts, the District removed truant students under code 71 without full completion and documentation of appropriate truancy due process.

We recommend the District continue training its employees on the procedures requiring completion and maintenance of enrollment forms, withdrawal forms, and appropriate documentation supporting attendance events. The District should also file a complaint in juvenile court if the child is an unruly child for being an habitual truant or is a delinquent child for being an habitual truant who previously has been adjudicated an unruly child for being an habitual truant and that the parent, guardian, or other person having care of the child has violated.

District's Response

Since release of the Auditor's prior year report, the District has taken a number of steps to implement improvements both in the Enrollment office and the Attendance office. The newly created Enrollment office has continued to convene a working group to monitor and standardize enrollment and withdrawal practices. This working group will both provide proactive record/file review and issue recommendations as appropriate.

- Enrollment staff has and will continue scanning all enrollment paperwork and send the paper forms to schools. Additionally, instructions have been issued to school staff on where and how to access the electronic enrollment documentation.
- A comprehensive training manual was created by a cross-functional team for all secretaries and enrollment staff and distributed at the mandatory in-service training.
- Personnel who enroll students received training about the importance of full completed enrollment forms. Enrollment guidance will continue to include instructions on verifying complete forms.

3. FINDINGS FOR FEDERAL AWARDS

Finding 2016-002 - Material Noncompliance, Significant Deficiency, Maintenance of Effort Requirement (Continued)

In addition, the Attendance office conducted training for all secretaries were in the on-line attendance entry process. Further this process was shared with all building team leaders and Superintendents. High Schools implemented the on-line attendance entry process August 11, 2014 and K-8 buildings came onboard after the winter break on January 6, 2015. Furthermore, the Attendance office put the following process into place to monitor/correct the use of EMIS code 71:

- Conduct an advance search for students withdrawn to code 71 in Student Information System (SIS).
- Submit request for the SIS team to provide the name of the users.
- Notify the Chief Academic Officer of the errors.
- Notify the user's immediate supervisor of the errors.
- SIS team provides instruction/training on how to correct errors.
- User required to complete training and correct errors.
- Process repeats every 6-8 weeks during the open school year.
- Random checks with SIS team to confirm code 71 is locked.

CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY
CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
JUNE 30, 2016

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2016-001	When calculating the Pension Liability for fiscal year 2016, the District failed to update a percentage from the previous year. For upcoming year, the District will be more careful when calculating the liability to make sure it is accurate prior to submitting the draft Financial Statements. Also the District will compute the liability at the beginning of the audit so we can review with the auditors prior to submission. This is a one-time incident that should not be repeated.	10/31/17	Executive Director of Accounting
2016-002	Since release of the Auditor's prior year report, the District has taken a number of steps to implement improvements both in the Enrollment office and the Attendance office. The newly created Enrollment office has continued to convene a working group to monitor and standardize enrollment and withdrawal practices. This working group will both provide proactive record/file review and issue recommendations as appropriate. • Enrollment staff has and will continue scanning all enrollment paperwork and send the paper forms to schools. Additionally, instructions have been issued to school staff on where and how to access the electronic enrollment documentation. • A comprehensive training manual was created by a cross-functional team for all secretaries and enrollment staff and distributed at the mandatory in-service training. • Personnel who enroll students received training about the importance of full completed enrollment forms. Enrollment guidance will continue to include instructions on verifying complete forms. In addition, the Attendance office conducted training for all secretaries were in the on-line attendance entry process. Further this process was shared with all building team leaders and Superintendents. High Schools implemented the on-line attendance entry process August 11, 2014 and K-8 buildings came onboard after the winter break on January 6, 2015. Furthermore, the Attendance office put the following process into place to monitor/correct the use of EMIS code 71: • Conduct an advance search for students withdrawn to code 71 in Student Information System (SIS). • Submit request for the SIS team to provide the name of the users. • Notify the Chief Academic Officer of the errors. • Notify the user's immediate supervisor of the errors. • SIS team provides instruction/training on how to correct errors. • User required to complete training and correct errors. • Process repeats every 6-8 weeks during the open school year. • Random checks with SIS team to confirm code 71 is locked.	Ongoing	Chief Academic Officer and Chief Information Officer

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CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Finding Number	Finding Summary	Status	Additional Information
2015-001	Certain breaks in a student enrollment causes student test scores to be pushed to the statewide composite report card rather than the local school district. In two instances, the District had insufficient documentation supporting breaks in enrollment and the student being excluded from the local report card and rolled up to the State. The District also did not file a complaint in juvenile court if the child is an unruly child for being an habitual truant or is a delinquent child for being an habitual truant who previously has been adjudicated an unruly child for being an habitual truant and that the parent, guardian, or other person having care of the child has violated, contrary to the Federal and State requirements.	Partially Corrected	The accounting codes allowing this to occur have been disabled.