

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2015



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Comprehensive Annual Financial Report

of the

Cleveland Municipal School District

For the

**FISCAL YEAR ENDED
JUNE 30, 2015**

Prepared by

Finance Department

John W. Scanlan

Chief Financial and Administrative Officer

Dennis Kubick

Deputy Chief Financial Officer/Controller

Michael Bowen

Director of Accounting

Cooper Martin

Assistant Controller

CLEVELAND MUNICIPAL SCHOOL DISTRICT

Board of Education



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Eric S. Gordon
Chief Executive
Officer



John W. Scanlan
Chief Financial &
Administrative Officer



Introductory Section



Cleveland Municipal School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015
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Chief Executive Officer
Eric S. Gordon

Board of Education
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Ronald M. Berkman, Ph.D.
Alex Johnson, Ph.D.

December 31, 2015

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, 2015. This CAFR includes an opinion from the State Auditor and conforms to generally accepted accounting principles as applicable to governmental activities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the School District. This report will provide the taxpayers of the School District with comprehensive financial data in a format which will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to taxpayers, financial rating services and other interested parties.

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

The School District

The Board of Education and Administration

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

The Chief Executive Officer 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 399,000 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 2015, the School District enrolled 37,148 K-12 students (compared to 37,967 the previous year) in 73 K-8 schools, and 23 senior high schools. In addition, classes were provided in four residential school programs. The School District also operated a variety of specialized educational facilities (consisting of gardens, athletic fields, a sheltered workshop and a greenhouse), eight administration

facilities (including a central kitchen and two leased sites) and two transportation depots. An enrollment projection from Future Think predicted enrollment declining to 33,425 in fiscal years 2018 and 30,691 in fiscal year 2023. However, 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 fourteenth 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 18,145 for fiscal 2015, resulting in the payment from the School District of state aid of \$143.1 million.

Employee Relations

As of June 30, 2015, the School District had 5,292 full and part-time employees (compared to 5,302 the previous year). The School District paid \$362.5million in salaries and wages and \$149.0 million for fringe benefits such as employer retirement contributions, health care, life insurance, and certain other benefits.

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

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

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

- The International Brotherhood of Teamsters Local 407 (school bus drivers and bus attendants), with a three year agreement ending on June 30, 2016, with a 3% compensation increase in the first year of the contract, a stipend of \$450, \$650, or \$950 to be paid in the second year of the contract since sufficient progress was made toward a differentiated compensation system and a 1% increase in the third year of the contract. Members will pay 7.9% of monthly healthcare premium costs capped at \$75 for individual and \$170 for family coverage;
- The City, County, and State Truck Drivers Union Local 244 (truck drivers), with a three year agreement ending on June 30, 2016, with a 3% compensation increase in the first year of the contract, a stipend of \$450, \$650, or \$950 to be paid in the second year of the contract since sufficient progress was made toward a differentiated compensation system and a 1% increase in

the third year of the contract. Members will pay 10% of monthly healthcare premium costs capped at \$75 for individual and \$170 for family coverage;

- The National Conference of Fireman and Oilers Local 860 (assistant custodians, laborers, and mechanics), with a three year agreement ending on June 30, 2016, with a 3% base wage increase in year one with a July 1, 2013 effective date; \$800 stipend year two; and 1% base wage increase year three. Members will pay 10% of monthly healthcare premium costs capped at \$75 for individual and \$170 for family coverage;
- The International Brotherhood of Teamsters Local 436 (security officers), with a contract that expires June 30, 2016 with a 3% compensation increase in the first year of the contract, a stipend of \$450, \$650, \$950 to be paid in the second year of the contract since sufficient progress was made toward a differentiated compensation system and a 1% increase in the third year of the contract. Members will pay 7.9% of monthly healthcare premium costs capped at \$75 for individual and \$170 for family coverage for 2013-2014; 8.8% of the monthly healthcare premium costs capped at \$75 for individual and \$170 for family coverage for 2014-2015; and 10% of the monthly healthcare premium costs capped at \$75 for individual and \$170 for family coverage for 2015-2016;
- The Service Employees International Union Local 1199 (clerical, food service and cleaning staff), with a contract that expires June 30, 2016 with a 3% base wage increase in year one with July 1, 2013 effective date; \$500 stipend year two; and 1% base wage increase year three. Members will pay 10% of monthly healthcare premium costs capped at \$75 for individual and \$170 for family coverage and a \$75 working spouse surcharge for those employees whose annualized income is greater than \$23,000. For those employees whose annualized wages are \$23,000 or less, employee contribution shall be 6.5% of monthly healthcare premium costs capped at \$75 for individual and \$170 for family coverage. If at any time the employee's annualized wages exceed \$23,000, the employee's contribution shall be increased to 10% effective the first month after the annualized wages exceed;
- The Cleveland Building Trades Council (trades people) and the carpenters union, with a three year agreement ending June 30, 2016, with a 3% compensation increase in the first year of the contract, a stipend of \$450, \$650 or \$950 to be paid in the second year of the contract since sufficient progress was made toward a differentiated compensation system and a 1% increase in the third year of the contract. Members will pay 8.5% of monthly healthcare premium costs capped at \$75 for individual and \$170 for family coverage; and
- The National Conference of Fireman and Oilers Local 777 (custodians), with a three year agreement ending on June 30, 2016, with a 3% compensation increase in the first year of the contract, a stipend of \$800 to be paid in the second year of the contract since sufficient progress was made toward a differentiated compensation system and a 1% increase in the third year of the contract. Members will pay 10% of monthly healthcare premium costs capped at \$75 for individual and \$170 for family coverage.

The Reporting Entity

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

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

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

Economic Condition and Outlook

The School District's primary sources of revenues are from the State of Ohio through the State Foundation program and through the levying of property taxes on real property located within the School District. These two sources combined represent approximately 93 percent of the School District's fiscal year 2015 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 2016 property taxes are currently estimated by the Cuyahoga County Auditor's Office based on a current collection rate of 79.6%, down from 82.6%. The forecast through 2018 assumes a current collection rate of 79.6%. The Ohio Revised Code and Ohio Administrative Code mandate Cuyahoga County to conduct a re-appraisal every six years, an update every three years and annual valuation of improvements based upon building permits received from each city annually. 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 be subject to adjustment during a biennium. As indicated above, the General Assembly has the power to amend the system of State school funding. The School District cannot predict whether, when or in what form any future system of State school funding will be enacted into law.

Local Economy

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

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

Downtown and Other Economic Development

- One of the central focus areas is the Health Tech Corridor, a three-block wide area running from Cleveland State University to University Circle encompassing 1,600 acres. The Health Tech Corridor includes three colleges and universities and three major hospitals. In 2014, RTA completed a new transit station in the University Circle neighborhood on Cedar Avenue and commenced construction of a new transit station on Mayfield Road. These stations complement the HealthLine by connecting it to the City's heavy rail system, which provides direct access to Cleveland Hopkins International Airport.
- The Health Tech Corridor also is the home to eight technology incubators intending to further the goal of fostering entrepreneurial growth and innovation. The City, working with public, private and philanthropic partners, has helped to fund three post-incubator buildings for a total of nearly 193,000 square feet of space at a cost of over \$41 million, referred to as Midtown Technology Park. Over 170,000 square feet of the Midtown Technology Park is now leased, and new tenants are starting to occupy a third building. Tenants include the nationally known Jump Start and Cleveland HeartLab. Other developers also have projects underway that would bring another 200,000 square feet of space.
- In 2013, construction was completed on the \$26 million Victory Center, located in the Health Tech Corridor on Euclid Avenue. This 150,000-square-foot building offers office space geared toward biomedical research and technology companies. Also in the Health Tech Corridor, the City completed brownfield cleanup of over ten acres of land that Hemingway Development will purchase and develop into 90,000 square feet of office space, 40,000 of which will be occupied by University Hospitals, and 50,000 of which will be set aside as a tech center.

- In the City of Cleveland, major projects around the health care sector includes:
 - The \$41 million University Hospitals Center for Emergency Medicine at Case Medical Center;
 - The Cleveland Clinic’s \$112 million Glickman Tower;
 - The \$260 million University Hospitals Seidman Cancer Center;
 - The ongoing \$500 plus million VA Medical Center expansion; and
 - The \$504 million Cleveland Clinic Miller Family Pavilion.
- The 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, the Geis Companies also renovated the Cleveland Trust Rotunda, built in 1906. The same complex will be home to a second renovated 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 the rest of the development slated to open later in 2015. Adjacent to the redevelopment of the Ameritrust complex, a new 222,000-square-foot administrative headquarters for the County was constructed and opened in 2014.
- The City worked with the Cleveland Browns to bring needed improvements to the stadium in 2014, including state-of-the-art scoreboards in both end zones and increase seating capacity in the lower level. The total cost of the project was estimated at \$120 million.
- The Cleveland Indians completed a multimillion dollar renovation of Progressive Field in time for the 2015 season. The team stated that this is the first and largest of several years’ worth of renovations the team is considering.
- In the Gateway District, 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 City is expected to select a development team amongst four respondents to their Request for Proposals for private lake development. The City’s Group Plan provided direction for the development of more than 28 acres of property along the Lake Erie shoreline, with the goal of infusing a sustainable and complementary assortment of entertainment, dining, hospitality, office and public waterfront access.
- The 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. A \$260 million Hilton convention center hotel, funded through bonds issued by the County, is on track to open in mid-2016 in time for the Republican National Convention. The 30-story, 650-room Hilton is being built on the site of the former County administration building, which was razed in early 2014. In preparation for the Republican National Convention, several other hotels were either recently completed or are expected to be completed in time for the convention. They include the 48-room Westin, which opened in the spring of 2014; the 150-room Metropolitan, which opened in the fall of 2014; the 120-room Kimpton, expected to open in mid-2015, and the 180-room Drury Plaza Hotel, expected to open in the fall of 2015. The 206-room Le Meridian is expected to open in the winter of 2016.
- The Convention Center Hotel, Hilton Cleveland Downtown, will connect the new Cleveland Convention Center, the Global Center for Health Innovation, and our downtown mall in a way

that has never been done before. With this hotel, the Northeast Ohio region will be in a stronger position than ever to compete on a national and international stage. With the new Hilton Cleveland Downtown in place, the Cleveland Convention Center attendee experience will be world-class. The \$260 million project is expected to employ 2,800 workers during the construction and 450 full-time jobs at the hotel. The new Hilton Cleveland Downtown is scheduled to open by 2016.

- In April 2013, the Drury Hotel Company's \$4.5 million offer on the former Cleveland Municipal School District headquarters was accepted by the School District, adding another hotel to growing Downtown Cleveland. The historical building, located at 1380 E. 6th Street, will be renovated to become a Drury Plaza with about 180 rooms, and is estimated to open in summer 2016.
- 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 2015, 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 is expected to be completed in 2015. 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.
- Westin Cleveland Downtown, a roughly \$74 million 484 room project opened in May 2014. The Westin is located in the form Crowne Plaza hotel located across the street from the Convention Center. The Urban Farmer Steakhouse is located on the first floor of the hotel.
- Le Meridien is the next hotel brand expanding into the downtown Cleveland market. This marks the sixth hotel project now under development in downtown Cleveland, totaling nearly 1,800 rooms to be added to the market in the next 36 months. Being developed in the John Harkness Brown Building, the hotel will house 206 hotel rooms, an indoor pool, a bar and restaurant, meeting areas, first floor retail space, and an attached parking garage. The downtown Cleveland Le Meridien location will be one of only 17 locations in the United States.
- The Kimpton Hotel and apartments located in the Schofield Building in the heart of downtown Cleveland is slated to open in mid-2015. The \$50 million project will feature a chef-driven destination restaurant and more than 7,400 square feet of meeting and event space, including a ballroom and outdoor roof terrace. The hotel will be part of a mixed use development that will also include 25 luxury apartments on the buildings top four floors and ground floor retail.
- The "Uptown" area of the City's University Circle neighborhood (which is situated at the confluence of the campuses of Case Western Reserve University, the Cleveland Institute of Art, the Cleveland Institute of Music, and several other educational and cultural institutions) has received a particularly large amount of investment: the Museum of Contemporary Art Cleveland opened its new \$27.2 million facility in October 2012; the new 153-room, \$27 million Courtyard by Marriott opened in April 2013; the 158,000-square-foot Phase I of the Uptown project, including restaurants, retail, and 102 market-rate apartments, opened in October 2012; and the \$21 million Phase II of the Uptown project, which includes an additional 43 apartments, dormitories for students of the nearby Cleveland Institute of Art, and additional retail space, opened in August 2014.
- The Cleveland Institute of Art completed Phase I of an eight-year expansion and renovation

project. Phase I included a \$30 million renovation of the Joseph McCullough Center for the Visual Arts (the “McCullough Center”). Construction for Phase II includes a \$33.5 million, 79,000-square-foot addition to the McCullough Center. The expansion will be named the George Gund Building and will include a new 300-seat theater for the Cinematique and a new art gallery. Construction is expected to be completed in 2015.

- 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.
- The City continues to see investment in its manufacturing sector. ArcelorMittal’s Cleveland Plant opened its long idled West Bank facility and added 150 employees to now exceed 1,850 workers at the plant. They are now the most efficient steel mill in the US with the most tons of steel per hour of any U.S. facility. The City’s land development project called the Cuyahoga Valley Industrial Center (“CVIC”), adjacent to Steel Warehouse, Heidtman Steel and ArcelorMittal, has created a 60-acre buildable site for redevelopment and is now finishing the roads and utility work to the site. The project has rail and highway access and is located directly beside Interstate 77. The project is expected to attract over 700,000 square feet of industrial buildings and is currently listed with a local brokerage firm for sale.
- The \$600 million Horseshoe Casino Cleveland is being developed in two phases by Rock Ohio Caesars LLC. Phase I of the project opened on May 14, 2012 in the renovated historic downtown Higbee building, and employs nearly 1,600 workers. Phase I development cost approximately \$350 million. The developer has purchased the property for Phase II, adjacent to the Phase I site, but construction has not started and an expected completion date has not been announced. The casino attracted 3.3 million patrons and generated more than \$218 million in revenue in 2014.
- The City’s revitalization efforts will be on full display in 2016, when an estimated 40,000 to 50,000 people flock to Northeast Ohio for the Republican National Convention. According to the Cleveland 2016 Host Committee, the Republican National Convention requires 16,000 hotel rooms be available for the convention in the host city. Though the convention typically last only one week, former host cities report that impact is felt throughout the month leading up the convention. Attendees stay an average of four to seven nights, and additional personnel stay anywhere from two to four weeks. Cleveland hopes the national spotlight cast on the City during June 2016 will showcase recent developments, possibly spurring future interest and investment in the area.

Major Initiatives

The Cleveland Plan (H.B. 525)

Three years ago, in July 2012, Governor John Kasich signed House Bill 525, also known as “The Cleveland Plan” (the Plan), into law. Cleveland Mayor Frank Jackson, Governor Kasich, the General Assembly, the Cleveland Teacher’s Union and the Cleveland business community collaborated to create a

plan for the School District to improve standards, reward, retain, and recruit high-quality educators, and increase school autonomy and accountability.

The goal of the Plan 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 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 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 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 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 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 2014, the School District added four new high schools:
 - E³agle Academy,
 - PACT – A Problem-based Academy of Critical Thinking that was developed with a \$3 million grant from the Carnegie Corporation is housed on the John F. Kennedy High School campus. Students will have flexible schedules that blend classroom and online instruction, so they can master skills at their own pace,
 - Cleveland High School for the Digital Arts – Where experts in the field help integrate digital arts into other high school subjects, and
 - Bard High School Early College Cleveland – Students can earn a high school diploma and a two-year associate degree in four years.
- *Holding ourselves and each other accountable for results:* The School District is committed to holding itself accountable for setting higher standards for students by measuring their learning and implementing supports needed to ensure student success. Every person in the organization thinks of themselves as an educator. We are committed to being visibly engaged every day and to holding ourselves accountable for results while supporting one another in our common goal to raise student achievement.
- *Ensuring college & workforce readiness:* Research shows that by 2018, more than 60 percent of new jobs will require some kind of post-secondary education – a technical certificate, two-year or four-year degree. Common Core State Standards are now used in all district schools, as well as Naviance curriculum in grades 9-12, to help students connect academic achievement to their career and college goals. The School District is committed to expanding and strengthening college and career planning resources, increasing college enrollment rates, decreasing college remediation rates and increasing the number of high school student enrolled in: Advanced Placement, Post-Secondary Options, Dual Credit Programs and Apprenticeships and Internship Programs.
- *Giving staff and communities’ greater autonomy to make decisions about their schools:* The Plan calls for transferring authority from the central office to individual schools, where the people know best where students need assistance and can make the best possible decisions to help them succeed. By granting greater autonomy and implementing student-based budgeting this year, school leaders, their staffs and communities have increased freedom to make decisions about their school calendar, academic programs and supports, the people they hire and the money they spend. Today, the School District provides money to schools based not on a one-size-fits-all-schools formula, but on enrollment numbers and on the individual needs of students, giving increased opportunities for school staff and families to direct resources and supports where they can have the greatest impact on student achievement.
- *Implementing student-based budgeting:* Student-based budgeting was a critical first step in decentralizing school funding and ensuring that the money follows the child. With greater autonomy and decision-making at the building level, student-based budgeting ensures that:
 - Funding follows the child on a per-student basis to the public school he or she attends.

- Per-student funding varies according to the child’s individual needs and other relevant circumstances.
- Funding is distributed according to student need to ensure equity.
- Funding arrives at the school as real dollars, not as teaching positions or staffing norms, so funds can be spent flexibly to achieve results.

Today, resources are more transparent than ever as the School District maintains its Cleveland Plan promise to increase equity for students and provide a financial incentive for schools to improve practices to attract and retain families

- *Improving customer service:* With support from the Cleveland Clinic, a valued community partner, the School District implemented a plan to improve customer service and create more family-friendly schools and offices District-wide. The School District staff is trained in strategies to improve communication and the customer experience. Staying true to one of our goals, the School District is using surveys and metrics to increase two-way communication and measure customer satisfaction.
- *Increasing family and community engagement:* Requires all parents and caregivers have face-to-face contact at a parent-teacher conference, open house or other event by December of the school year. In an effort to increase family and community engagement, the School District is committed to making parent-teacher conferences more meaningful, convenient and inviting for families by extending hours and holding them at times when parents can pick up their child’s report card.
- *Expanding early childhood options across the City:* Fulfilling the promise to expand free, high quality Pre-K options across the City, the School District joined partners this school year to launch PRE4CLE, a citywide effort to make high-quality preschool available to 3 and 4 year olds. The Cleveland Early Childhood Compact has increased the number of providers who, like the School District, meet state quality standards so every parent in Cleveland has an opportunity to choose a quality preschool for their child.
- *Investing in our children and our communities:* The School District targeted 23 low-performing schools over the last three years for intensive intervention. Investment School strategy, an aggressive freeform measure that is showing promising results, is based on each school’s particular needs and on community feedback about the changes they want to see in their schools. Thus far, reforms produced more positive school climates, increased family and community engagement and higher scores on assessments. The School District has remained steadfast in its commitment to the citizens of Cleveland to demonstrate measureable academic progress and reduce the number of low-performing schools by 50 percent.
- *Partnering with community agencies:* Community partners have responded to the CEO’s call for support. Today, our partners play a stronger role than ever in our common goal to raise student achievement. United Way has linked the School District schools with a growing list of lead agencies that pair with schools to provide “wraparound” services tailored to each school’s individual needs.
 - At Franklin D. Roosevelt PreK-8 school in the Glenville neighborhood, the Boys and Girls Clubs of Greater Cleveland organization is on site to provide academic and extracurricular programs before, during and after school. With help from the Cleveland Food Bank, students have three daily meals, as well as the academic and social support they need.
 - The MetroHealth partnership provides health services this year at 11 schools, expanding medical service to help *reduce* chronic absenteeism and improve school performance. School District families now have easy access to resources to manage their children’s

urgent care, immunizations, sports physicals and lab tests. Students don't miss time at school and parents don't miss time at work.

- *Giving Student greater 'say' in their schools, their district, their future:* Student Advisory Committee was established in 2012 to meet a requirement of the Cleveland Plan to involve students in academic reform. Students representing a cross-section of grades, achievement levels and personalities from 26 high schools now serve as delegates to citywide education summits where they work with school principals to improve conditions for learning at their schools. Students who serve on the Advisory Committee analyze survey data, dialogue with students from other schools and work together to draft plans aimed at improving attendance, safety, morale, academic achievement, discipline, respect and overall school climate and culture at their schools.
- Participation in sports competition not only improves a student's physical health; it also plays a key role in overall youth development, including improved academic performance, higher self-esteem, fewer behavioral problems and increased opportunities for substantial college scholarships. Last year, The School District earned numerous regional and state championship appearances and more than \$3 million in athletic scholarships for our student athletes who will go on to play for Division I sport teams. The School District continues to have a rich legacy of championships.
- The School District Parent University provides informative and skill-building classes for parents and caregivers of students attending Cleveland's public schools. Free classes in locations throughout the city include computer basics, reading at home, advocating for your child, college readiness, financial literacy and others, designed to help families increase their involvement in school and support student learning at home. The School District has significantly expanded the number of College Bus tours that enable families to attend college visits with students to "visualize" their child's future in higher education.
- The School District high schools use web-based software known as Family Connection/Naviance to help parents and their children navigate high school courses, colleges and career plans. School counselors, principals and staff will provide parents with up-to-date information specific to their child's high school. Family connection allows parents and their children to get involved in the planning and advising process, to research college and career options and to prepare for the future. Also, it enables the School District to share information with families about upcoming meetings and events, local scholarship opportunities and other resources for college and career information.
- The School District's Project ACT ensures homeless students have access to the same free education all residential students receive within the School District. Barriers that may prevent homeless students from attending school are eliminated through the work of Project ACT, which partners with the School District departments and community resources. Using a comprehensive holistic approach to deliver direct instructional and support services necessary for the homeless child's transition into school, Project ACT facilitators work to ensure each child's success and ongoing participation in the educational system. Support services include meeting the physical, social and emotional needs of each homeless child and empowering parents to support their children's educational endeavors. The School District works closely with Project ACT and community support organizations to ensure school information is available to students and families who are living in doubled-up situations and shelters.
- Since its inception, the Closing the Achievement Gap (CTAG) initiative has succeeded in increasing the number of participants promoted to 10th grade. The CTAG initiative provides targeted intervention for ninth-grade minority males who run the risk of dropping out of school, as statistics show that these students are more likely to drop out if they repeat ninth-grade. The goal is to partner these young men with Linkage Coordinators in schools who act as mentors, life coaches and advocates. They motivate the students and address social and emotional issues so young men will succeed academically and graduate from high school. Success relies upon

collaboration among parents, school administrators, teachers and the community. Students develop effective study habits and communication skills, learn proper etiquette and the importance of smart decision-making and become better prepared to navigate high school. Exposure trips have significant impact on those who seldom leave their neighborhoods. Students travel to cultural and higher-educational institutions where each young man can see his potential, change his outlook and dream a brighter future.

Cleveland Plan Progress

Following implementation of *The Cleveland Plan*, the School District in the 2014-2015 school year, achieved a number of benchmarks on the state report card:

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

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 80% 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:

- Raised graduation rate 12.1% - record high for the School District.
- 80% of parents actively engage in their child's school.
- Increased enrollment for the first time in decades (+866 students in fiscal year 2016).
- PRE4CLE added 1,500 preschool seats, an increase in 52%.
- 86% of 3rd graders passed the 3rd Grade Reading Guarantee.
- Increased number of students in mid-to-high-performing seats by 19%.
- Eliminated 10 failing schools by closing or replacing them with new models.
- Hired over 750 new teachers over the last 3 years.
- 71% of teachers met or exceeded Ohio's student learning expectations.
- 81% of teachers rated skilled or accomplished.
- Maintained financial stability for the fourth straight year.
- Constructing and renovating more than 40 schools over the next 5 years.
- 73% of citizens rated the School District schools as fair or better.
- 72% of citizens say the School District schools are improving.

Progress continued in the 2014-2015 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 Auditor of an amended

certificate of estimated resources based on final assessed values and tax rates, which is usually within the first three months of the fiscal year.

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

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

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

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

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

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

Internal Controls

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

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

Awards

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. 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, 2014. This award certifies that the report substantially conforms to the principles and standards of financial reporting as recommended and adopted by ASBO. The award is granted only after an intensive review of financial reports by an expert ASBO panel of review consisting of certified public accountants and practicing School business officials. Receiving the award is recognition that a School system has met the highest standards of excellence in School financial reporting.

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

Acknowledgments

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

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

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

Respectfully submitted,



John W. Scanlan
Chief Financial and Administrative Officer

Cleveland Municipal School District

Board Members

Appointed by Mayor of City of Cleveland

Name	Began Service as a Board Member	Present Term Expires June 30
Denise W. Link, Board Chair	2007	2019
Louise P. Dempsey, Vice Chair	1998	2019
Ericka L. Abrams (a)	2014	2015
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. (b)	2015	2019
Stephanie Morales	2013	2019
Lisa Thomas, Ph.D.	2011	2017

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

Alex Johnson, Ph.D. ex-officio

(a) Term expired June 30, 2015, did not seek reelection.

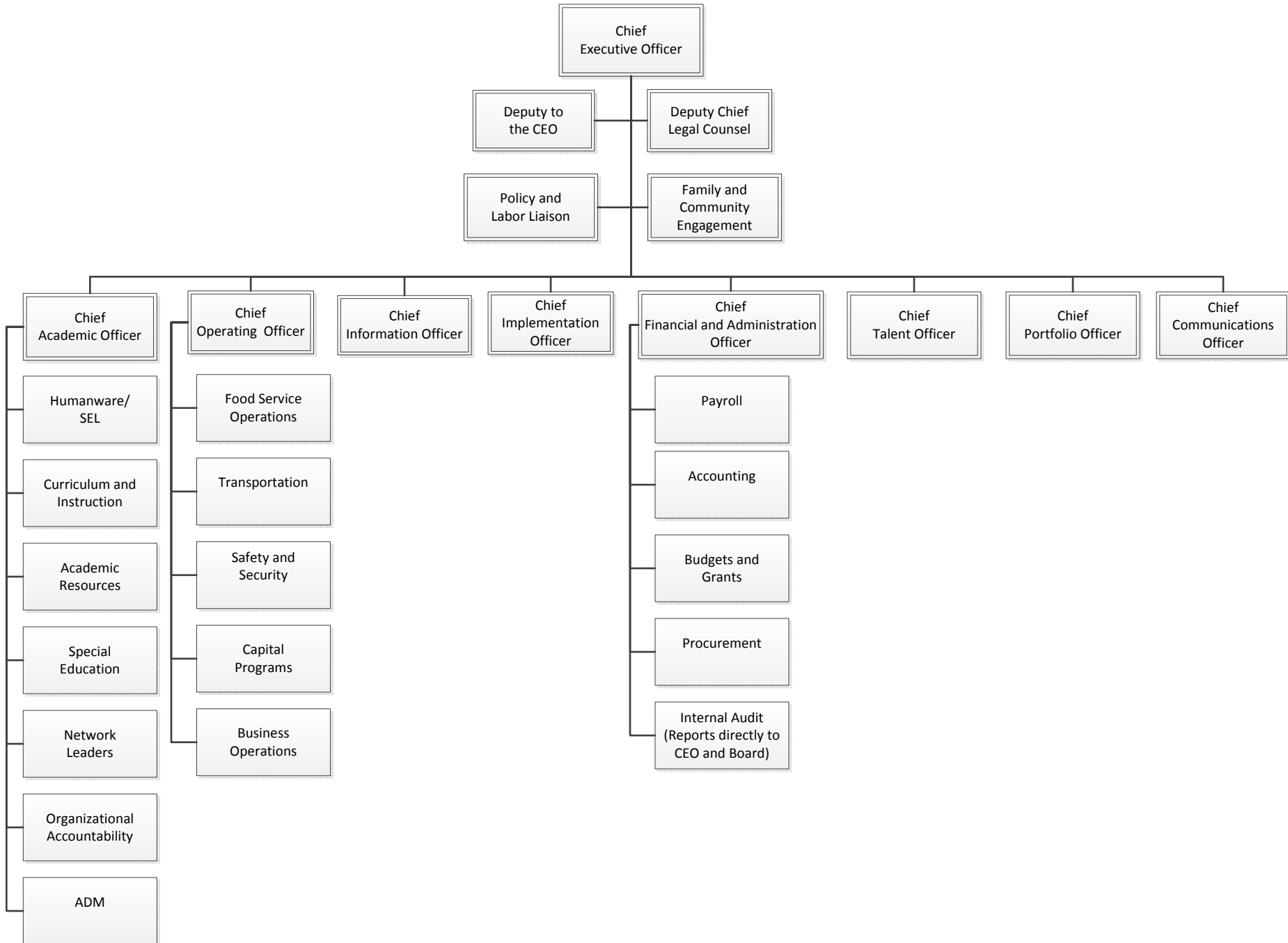
(b) Appointed August 14, 2015 for term beginning July 1, 2015 through June 30, 2019.

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
Patrick Zohn	Chief Operating Officer
Christine Fowler-Mack	Chief Portfolio Officer
Kevin Khayat	Chief Strategy Implementation
Lora Cover	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
Wayne Belock	Deputy Chief, Legal Counsel
Dr. Russell Brown	Deputy Chief, Organizational Accountability
Lester Fultz	Deputy Chief, Safety and Security
Curtis Timmons	Deputy Chief, Information Technology
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
Joseph Vaughn	Executive Director, Food Services
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
Angee Shaker	Executive Director, Portfolio Engagement
Angela Foraker	Executive Director, Procurement
Kevin Alin	Executive Director, School Choice & Enrollment
Andrew Koonce	Academic Superintendent, Achievement Schools
Valentina Moxon	Academic Superintendent, Best Practices/Academics & Culture
Trent Mosley	Academic Superintendent, Investment Schools I
Warren Morgan	Academic Superintendent, Investment Schools II
Carol Lockhart	Academic Superintendent, LIFT (TBT) Schools
Lisa Farmer Cole	Academic Superintendent, Portfolio Schools
Bernard Chandler	Academic Superintendent, STEAM Schools
Kevin Burtzlaff	Board Attorney and Liaison

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, 2014*

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



A handwritten signature in black ink, appearing to read 'M. Pepera', written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO
President

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

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, 2014

Executive Director/CEO

Financial Section



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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, 2015, 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 Government's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Cleveland Municipal School District, Cuyahoga County, Ohio, as of June 30, 2015, 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.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during the year ended June 30, 2015, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We did not modify our opinion regarding this matter.

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 31, 2015, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

Dave Yost
Auditor of State
Columbus, Ohio

December 31, 2015

Cleveland Municipal School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

The discussion and analysis of the School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2015. 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 2015 are as follows:

- ❑ Total current and other assets increased by \$63.6 million and capital assets increased by \$40.7 million, resulting in a net increase in total assets of \$104.3 million in Governmental Activities.
- ❑ Total short-term liabilities increased \$12.5 million and total long-term liabilities increased \$11.5 million, resulting in a net increase in total liabilities of \$24.0 million in Governmental Activities.
- ❑ Total net position decreased \$41.2 million in Governmental Activities.
- ❑ General revenues accounted for \$624.0 million in revenue or 76.5% of all revenues for Governmental Activities. Program specific revenues in the form of charges for services, sales, grants or contributions accounted for \$191.8 million or 23.5% of total revenues of \$815.8 million.
- ❑ Total program expenses were \$857.0 million in Governmental Activities.
- ❑ Among major funds, the General Fund had \$698.6 million in revenues and other financing sources and \$703.6 million in expenditures and other financing uses. The General Fund's fund balance decreased by \$5.0 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 .

Cleveland Municipal School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

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 2015?" 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.

Cleveland Municipal School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

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.

Cleveland Municipal School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

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 2015 compared to the restated FY 2014:

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

	Governmental Activities		Change
	2015	2014	
Assets			
Current and Other Assets	\$ 715.0	\$ 651.4	\$ 63.6
Capital Assets	821.4	780.7	40.7
Total Assets	1,536.4	1,432.1	104.3
Deferred Outflow & Resources			
Pension	57.1	46.4	10.7
Liabilities			
Current Liabilities	97.3	84.8	12.5
Long-Term Liabilities	369.8	211.9	157.9
Net Pension Liability	778.9	925.3	(146.4)
Total Liabilities	1,246.0	1,222.0	24.0
Deferred Inflow of Resources			
Property Taxes	167.1	175.5	(8.4)
Pension	140.6	0.0	140.6
Total Deferred Inflow & Resources	307.7	175.5	132.2
Net Position			
Net Investment in Capital Assets	501.4	619.2	(117.8)
Restricted for Debt Service	51.0	49.7	1.3
Restricted for Capital Projects	223.0	84.9	138.1
Restricted for Classroom Facilities Maintenance	16.1	22.9	(6.8)
Restricted for Other Purposes	2.8	24.8	(22.0)
Unrestricted for Pension	(862.5)	(878.9)	16.4
Unrestricted for Other Purposes	107.9	158.3	(50.4)
Total Net Position	\$ 39.7	\$ 80.9	\$ (41.2)

Cleveland Municipal School District

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

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 *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.

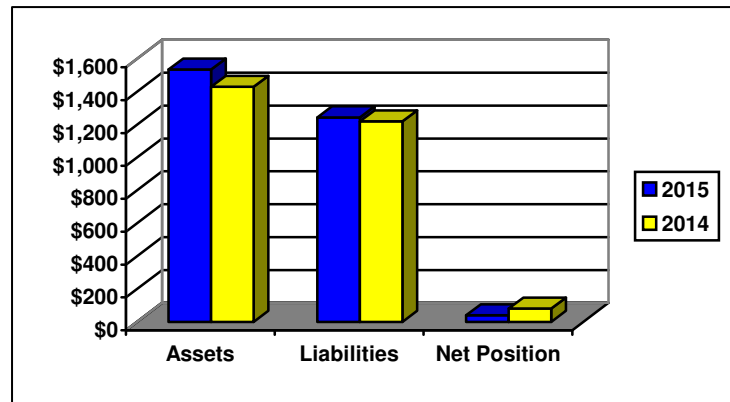
Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution 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.

Cleveland Municipal School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

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.

As a result of implementing GASB 68, the School District is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2014, from \$956,438,310 to \$80,908,623.

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



Current and other assets increased by \$63.6 million and capital assets increased by \$40.7 million, resulting in an overall increase in total assets of \$104.3 million. The increase in current and other assets is mostly attributable to a net increase in intergovernmental receivable of \$23.8 million in the General Fund, which is due to the School District receiving reimbursement from the Ohio Department of Medicaid for services provided dating back to fiscal year 2005. Also, the School District issued \$200 million in capital improvement bonds during the fiscal year. The primary reason for the increase in capital assets is that the School District constructed three new high schools.

Current liabilities increased by \$12.5 million and long-term liabilities increased by \$11.5 million, resulting in an overall increase in liabilities of \$24.0 million. The increase in current liabilities is due primarily to the increase of accounts payable of \$10.8 million. The net increase in long-term liabilities is due to the School District issuing \$200 million in Capital Improvement bonds on June 10, 2015 and the Net Pension Liability decreased by \$146.4 million.

Total net position decreased by \$41.2 million. The decrease was due to the net investment in capital assets decreasing by \$117.8 million. This decrease was due to the School District issuing \$200 million in Capital Improvement bonds on June 10, 2015. The unrestricted for other purposes decreased by \$50.4 million, which was due to a decrease in taxes receivable as a result of the removal of delinquent taxes that were determined by the county auditor as uncollectable. 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.

Cleveland Municipal School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

Table 2 shows the change in net position for fiscal years 2015 and 2014.

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

	Governmental Activities		Change
	2015	2014	
Revenues			
General Revenues:			
Property Taxes	\$ 172.6	\$ 276.3	\$ (103.7)
Investment Income	1.8	11.4	(9.6)
Miscellaneous	17.8	2.9	14.9
Grants and Entitlements	431.8	413.1	18.7
Program Revenues:			
Charges for Services	9.1	9.0	0.1
Operating Grants	169.7	181.4	(11.7)
Capital Grants	13.0	3.1	9.9
Total Revenues	815.8	897.2	(81.4)
Program Expenses			
Instruction	551.5	577.5	(26.0)
Support Services:			
Pupil and Instructional Staff	72.0	66.1	5.9
Board of Education, Administration, Fiscal and Business	60.4	61.4	(1.0)
Operation and Maintenance of Plant	64.6	62.2	2.4
Pupil Transportation	34.7	56.9	(22.2)
Central	25.5	17.5	8.0
Operation of Non-Instructional Services	34.7	35.8	(1.1)
Extracurricular Activities	6.6	6.5	0.1
Interest and Fiscal Charges	7.0	0.1	6.9
Total Expenses	857.0	884.0	(27.0)
Change in Net Position	(41.2)	13.2	(54.4)
Net Position Beginning of Year	80.9	N/A	
Net Position End of Year	\$ 39.7	\$ 80.9	\$ (41.2)

Cleveland Municipal School District
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For the Fiscal Year Ended June 30, 2015
Unaudited

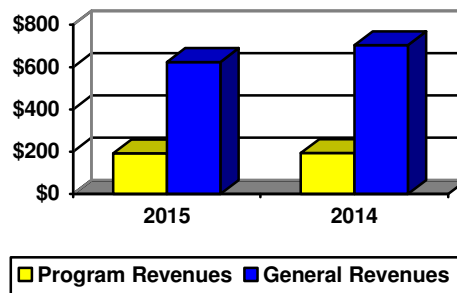
The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$46,396,506 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$37,914,414. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

Total 2015 program expenses under GASB 68	\$	856,924,328
Pension expense under GASB 68		(37,914,414)
2015 contractually required contribution		49,727,850
Adjusted 2015 program expenses		868,737,764
Total 2014 program expenses under GASB 27		884,084,208
Decrease in program expenses not related to pension	\$	(15,346,444)

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

	2015	2014
General Revenues	\$ 624.0	\$ 703.7
Program Revenues	191.8	193.5
Total Revenues	\$ 815.8	\$ 897.2

**Governmental Activities -
Revenue**



General Revenues

General revenues for the School District are comprised almost entirely of property tax collections and grants from various sources. Property taxes made up 27.6% and 39.3% and grants made up 69.2% and 58.7 % of general revenues for governmental activities for the School District in fiscal years 2015 and 2014, 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

Cleveland Municipal School District

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

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.

The voters of the City of Cleveland approved a new property tax levy in November 2014 (issue 4) Levy 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, which amounts to 5 cents for each one hundred dollars of tax valuation, for a continuing period of time, commencing in 2014, first due in calendar year 2015

The primary source of grant revenue is State general operating aid known as the "Foundation Program Aid". Established by Ohio law and funded by biennial appropriations, the Foundation Program is a statutory program through which the State currently makes direct payments to school districts based upon a statutory formula. Moneys distributed to a school district under the existing Foundation Program are required to be used for current operating expenses, unless specifically allocated by the State for some other purpose.

Program Revenues

Operating and capital grants comprise 95.3% of total program revenues of the School District. These grants, obtained mainly from the Federal Government, State of Ohio and the Ohio School Facilities Commission, support specific educational programs and objectives as defined by these agencies as well as the capital programs. The amount available to the School District may vary from year to year depending on amounts made available by these agencies and the needs of the School District.

Cleveland Municipal School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

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

	Total Cost of Services 2015	Net Cost of Services 2015	Total Cost of Services 2014	Net Cost of Services 2014
Instruction	\$ 551.5	\$ (451.5)	\$ 577.5	\$ (475.3)
Support Services:				
Pupil and Instructional Staff	72.0	(35.9)	66.1	(31.8)
Board of Education, Administration, Fiscal and Business	60.4	(52.2)	61.4	(50.5)
Operation and Maintenance of Plant	64.6	(57.3)	62.2	(54.2)
Pupil Transportation	34.7	(31.5)	56.9	(53.1)
Central	25.5	(22.9)	17.5	(15.8)
Operation of Non-Instructional Services	34.7	(1.3)	35.8	(4.4)
Extracurricular Activities	6.6	(5.5)	6.5	(5.4)
Interest and Fiscal Charges	7.0	(7.0)	0.1	(0.1)
Total Expenses	\$ 857.0	\$ (665.1)	\$ 884.0	\$ (690.6)

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 64.4% of the total cost of services. When combined with pupil and instructional support these categories make up 72.8% 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. 81.9% of instruction activities are mainly supported through taxes and general revenues. Similarly, for all governmental activities general revenue support is 77.6%. 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 23. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$1,102.3 million and expenditures and other financing uses of \$966.2 million, resulting in a net increase in fund balances of \$136.1 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 \$55.2 million, while total fund balance decreased to a \$66.3 million surplus.

Cleveland Municipal School District

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

Service Fund increased \$12.8 million, the fund balance in the Permanent Improvement Fund increased \$138.8 and the fund balance in the Classroom Facilities Fund increased \$17.9. These increases were in result of the voters of the City of Cleveland passing a new \$200 million bond levy in November 2014. In June 2015, the School District issued the \$200 million in bonds. 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 \$28.3 million. The decrease was mainly due to the School District paying \$21.3 million in principal of Qualified Zone Academy Bonds.

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 \$691.6 million, which was \$5.5 million less than the final budget estimate. The School District anticipated a \$3.2 million Medicaid reimbursement in FY15, but it was not received till FY16. The School District also anticipated a \$3.0 million state reimbursement for catastrophic aid in the General Fund. This reimbursement was received with federal dollars and recorded in Title VI-B, Special Education Fund.

The final expenditure and other financing uses budget was \$738.4 million. Total actual expenditures and other financing uses was \$716.6 million, or \$21.8 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 \$73.5 million, which was \$16.3 million more than the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2015 the School District had \$821.4 million invested in capital assets net of accumulated depreciation. Table 4 shows fiscal year 2015 balances compared to 2014:

Cleveland Municipal School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

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

	Governmental Activities		Change
	2015	2014	
Land	\$ 31.8	\$ 32.6	\$ (0.8)
Land Improvements	0.1	0.1	0.0
Buildings and Improvements	629.4	652.9	(23.5)
Vehicles and Equipment	16.4	18.8	(2.4)
Intangible Assets	1.3	1.7	(0.4)
Construction in Progress	142.4	74.6	67.8
Totals	\$ 821.4	\$ 780.7	\$ 40.7

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

In 2000, a Facilities Assessment Commission was established to review the condition of the School District's facilities. The Commission recommended that a complete renovation program of all School District facilities be undertaken and that a substantial contribution from the State of Ohio (through the Ohio School Facilities Commission) could be included in the proposed construction and renovation plan by participation in the Classroom Facilities Assistance Program (CFAP). Since then, the School District and the Ohio School Facilities Commission have created a Master Facilities Plan, which was revised in 2008 and then again in 2014, that addresses the needs of all buildings in the School District and the unique needs of the School District and its students. The Revised Master Facilities Plan has been approved by the School District's Board, the Ohio School Facilities Commission and the State Controlling Board. The Revised Master Facilities Plan calls for building up to 22 schools and refurbishing 20 to 23 others. Projects were contingent on voters approving a November 2014 ballot issue that authorizes \$200 million in bonds for the construction and a half-mill property tax for maintenance, which was passed. The State 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. The complete program is currently estimated to be finished in 2019. See Note 11 to the basic financial statements for additional information on capital assets.

Debt Administration

At June 30, 2015 the School District had \$320.0 million in bonds, notes and other long term capital lease obligations outstanding, \$20.4 million due within one year. Table 5 summarizes bonds and notes outstanding.

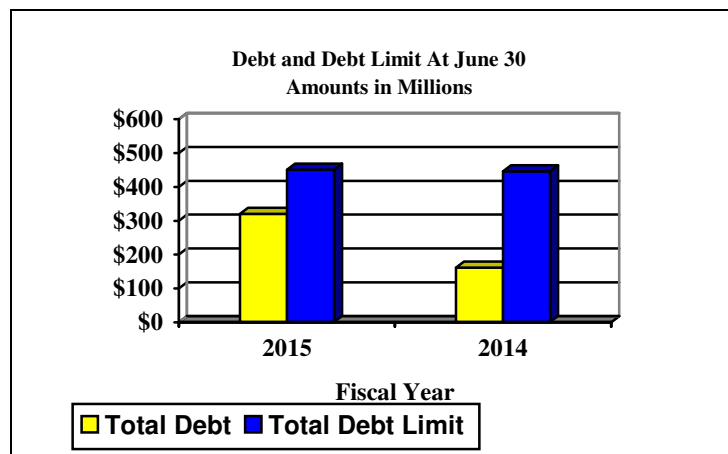
Cleveland Municipal School District
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Table 5
Outstanding Debt, at Year End
(\$ In Millions)

	Governmental Activities 2015	Governmental Activities 2014
General Obligation Bonds and Notes:		
2001 H.B. 264 Energy Conservation Notes	\$ 1.6	\$ 2.6
2010 School Facilities Improvement Bonds	55.0	55.0
2012 School Facilities Improvement Bonds	17.5	19.1
2013 School Facilities Improvement Bonds	27.4	36.2
2014 School Facilities Improvement Bonds	4.2	10.5
2015 School Facilities Improvement Bonds	150.8	0.0
2015 Qualified School Construction Bonds	49.2	0.0
QZAB Bonds:		
2001 QZAB - Technology Academy	0.0	5.5
2001 QZAB - Arts Academy	0.0	5.8
2001 QZAB - Literacy Academy	0.0	10.0
Other Long-Term Obligations:		
Capital Lease Obligation	14.3	16.7
Total	<u>\$ 320.0</u>	<u>\$ 161.4</u>

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

	2015	2014
Total Debt	\$ 320.0	\$ 161.4
Total Debt Limit	\$ 450.6	\$ 446.1



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

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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 \$200,000,000, 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, 2015, the School District's overall legal debt margin was \$149.9 million, with an unvoted debt margin of \$5.0 million. See Note 17 to the basic financial statements for additional information on all long-term obligations.

Current Issues

In November 2012, the voters of the city of Cleveland approved a four year 15 mill operating levy. With the passing of the four year levy, the School District is projecting a positive unencumbered cash balance through fiscal year 2017. In addition, there are other ongoing issues to be addressed over the next five years as described below.

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

Cleveland Municipal School District

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

State Foundation Payments – Am. Sub. H. B. 59 of the 130th Ohio General Assembly passed in July 2013 and replaced the prior FY 12 – FY 13 biennium budget's "Bridge Formula" enacted by Governor Kasich's administration as a transition away from the previous Evidence-Based Model (EBM) funding model. The H.B. 59 state foundation formula for fiscal years 2014 and 2015 began to include changes to the funding formula to replace the "Bridge" formula calculations. The new foundation formula known as the School Finance Payment Report (SFPR) was in effect for FY 14- FY 15. The new foundation formula provided funding for a number of different services designed to serve the needs of various populations of students, the targeted assistance to a district was capped and in some cases triggered guarantees. H.B. 59 introduced major changes to funding of community schools. Payments to community schools however still take the form of deductions from the state foundation payment of the school districts in which the community school students are entitled to attend school. Community school students are counted as part of the enrollment base of the resident school districts in order to generate state funding for the resident district for those students. Average Daily Membership remains the primary base for calculations. The Ohio Department of Education (ODE) provides detailed funding calculations with each distribution of revenue which calculations for payments deferred to other schools for students residing in the District.

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.

Straight A Fund – The Straight A Fund was created by the State of Ohio during fiscal year 2014. This \$250 million fund will provide funds to educational entities in Ohio with the drive and courage to try new approaches that meet the learning needs of its students, reduce the cost of running a school or school district, or drive more dollars in the classroom. The School District did not receive any new money during fiscal year 2015.

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 2018 and beyond. The forecast includes several revenue and expense assumptions based upon recent legislation, historical trends, and future assumptions.

Cleveland Municipal School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

Contacting the School District's Financial Management

This financial report is designed to provide our citizen's, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Michael Bowen, Director of Accounting at Cleveland Municipal School District, 1111 Superior Avenue East, Cleveland, Ohio 44114 or by email Michael.Bowen@clevelandmetroschools.org.

BASIC FINANCIAL STATEMENTS

Cleveland Municipal School District
Statement of Net Position-Governmental Activities
June 30, 2015

	<u>Total</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 298,122,307
Cash and Cash Equivalents with Fiscal Agents	3,242,757
Investments	48,782,347
Investments with Fiscal Agents	16,240,000
Receivables:	
Taxes	295,018,881
Accounts	773,253
Intergovernmental	51,361,102
Accrued Interest	238,387
Materials and Supplies Inventory	1,236,700
Nondepreciable Capital Assets	174,261,357
Depreciable Capital Assets, Net	647,141,728
Total Assets	1,536,418,819
Deferred Outflows of Resources	
Pension	57,055,672
Liabilities	
Accounts Payable	23,163,130
Accrued Wages and Benefits	37,828,338
Retainage Payable	3,242,757
Intergovernmental Payable	25,073,492
Matured Compensated Absences Payable	2,864,763
Accrued Interest Payable	1,131,155
Claims Payable	3,976,578
Long-Term Obligations:	
Due Within One Year	30,328,878
Due in More Than One Year:	
Net Pension Liability	778,903,660
Other Amounts Due in More Than One Year	339,519,468
Total Liabilities	1,246,032,219
Deferred Inflows of Resources	
Property Taxes	167,066,120
Pension	140,625,827
Total Deferred Inflows of Resources	307,691,947
Net Position	
Net Investment in Capital Assets	501,440,286
Restricted	
Restricted for Debt Service	51,010,824
Restricted for Capital Programs	222,963,999
Restricted for Classroom Facilities Maintenance	16,139,436
Restricted for Other Purposes	2,818,337
Unrestricted	
Unrestricted Pension	(862,473,815)
Unrestricted Other Purposes	107,851,258
Total Net Position	\$ 39,750,325

See accompanying notes to the basic financial statements

Cleveland Municipal School District
Statement of Activities-Governmental Activities
For the Fiscal Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Total Net (Expense) Revenue and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	
Instruction:					
Regular	\$ 362,037,069	\$ 3,825,172	\$ 28,622,647	\$ 13,049,804	\$(316,539,446)
Special	173,593,367	1,657,048	45,079,772	0	(126,856,547)
Vocational	8,453,227	69,797	1,151,574	0	(7,231,856)
Other	7,393,303	1,692	6,442,704	0	(948,907)
Support Services:					
Pupils	35,790,269	452,849	6,809,394	0	(28,528,026)
Instructional Staff	36,113,336	472,420	28,316,332	0	(7,324,584)
Board of Education	248,308	2,188	19,814	0	(226,306)
Administration	42,751,427	339,112	6,098,758	0	(36,313,557)
Fiscal	16,310,738	351,598	1,312,335	0	(14,646,805)
Business	1,137,981	10,029	90,807	0	(1,037,145)
Operation and Maintenance of Plant	64,587,903	587,592	6,694,034	0	(57,306,277)
Pupil Transportation	34,699,642	282,985	2,898,364	0	(31,518,293)
Central	25,503,536	221,306	2,430,507	0	(22,851,723)
Operation of Non-Instructional Services	34,670,028	184,278	33,223,035	0	(1,262,715)
Extracurricular Activities	6,649,997	617,323	490,802	0	(5,541,872)
Interest and Fiscal Charges	6,984,197	0	0	0	(6,984,197)
Totals	\$ 856,924,328	\$ 9,075,389	\$ 169,680,879	\$ 13,049,804	(665,118,256)
General Revenues					
Property Taxes Levied For:					
					157,957,030
					11,786,075
					1,171,067
					1,735,036
					1,771,268
					17,813,733
					431,725,749
					<u>623,959,958</u>
					Change in Net Position (41,158,298)
					<u>Net Position Beginning of Year Restated 80,908,623</u>
					<u>Net Position End of Year \$ 39,750,325</u>

See accompanying notes to the basic financial statements

Cleveland Municipal School District

Balance Sheet Governmental Funds June 30, 2015

	General	Debt Service	Permanent Improvement	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$ 71,559,465	\$ 10,207,914	\$ 148,839,452	\$ 33,217,295	\$ 22,577,933	\$ 286,402,059
Cash and Cash Equivalents with Fiscal Agents	0	0	0	3,242,757	0	3,242,757
Investments	0	12,267,512	11,205,650	24,037,585	0	47,510,747
Investments with Fiscal Agents	0	16,240,000	0	0	0	16,240,000
Receivables:						
Taxes	259,444,401	26,196,448	1,928,927	0	7,449,105	295,018,881
Accounts	491,403	0	0	0	1,553,450	2,044,853
Intergovernmental	26,126,824	0	0	16,094,909	9,139,369	51,361,102
Accrued Interest	166,055	29,230	21,065	22,037	0	238,387
Interfund	7,078,216	0	0	0	0	7,078,216
Materials and Supplies Inventory	841,940	0	0	0	394,760	1,236,700
Total Assets	365,708,304	64,941,104	161,995,094	76,614,583	41,114,617	710,373,702
Liabilities						
Accounts Payable	7,212,393	0	1,442,241	9,415,843	5,092,653	23,163,130
Accrued Wages and Benefits	30,934,102	0	34,124	0	6,860,112	37,828,338
Retainage Payable	0	0	0	3,242,757	0	3,242,757
Interfund Payable	0	0	0	0	7,078,216	7,078,216
Intergovernmental Payable	20,340,809	0	35,649	0	4,697,034	25,073,492
Matured Compensated Absences Payable	2,864,763	0	0	0	0	2,864,763
Total Liabilities	61,352,067	0	1,512,014	12,658,600	23,728,015	99,250,696
Deferred Inflow of Resources						
Property Taxes	214,206,042	20,968,893	1,426,278	0	5,941,158	242,542,371
Unavailable Revenue	23,885,465	0	0	16,094,909	711,671	40,692,045
Total Deferred Inflow of Resources	238,091,507	20,968,893	1,426,278	16,094,909	6,652,829	283,234,416
Fund Balance:						
Nonspendable	841,940	0	0	0	394,760	1,236,700
Restricted	0	43,972,211	159,056,802	47,861,074	25,236,675	276,126,762
Assigned	10,265,807	0	0	0	0	10,265,807
Unassigned	55,156,983	0	0	0	(14,897,662)	40,259,321
Total Fund Balances	66,264,730	43,972,211	159,056,802	47,861,074	10,733,773	327,888,590
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 365,708,304	\$ 64,941,104	\$ 161,995,094	\$ 76,614,583	\$ 41,114,617	\$ 710,373,702

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, 2015*

Total Governmental Funds Balances \$ 327,888,590

*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 821,403,085

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	75,476,251	
Intergovernmental	23,885,465	
Grants	16,806,580	
Total	116,168,296	116,168,296

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. 7,743,670

In the statement of activities, interest is accrued on outstanding
 bonds, whereas in governmental funds, an interest expenditure
 is reported when due. (1,131,155)

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

General Obligation Bonds	(305,703,542)	
Compensated Absences	(42,480,388)	
Worker's Compensation Claims	(7,405,159)	
Capital Lease Obligations	(14,259,257)	
Pension Liability	(862,473,815)	
Total	(1,232,322,161)	(1,232,322,161)

Net Position of Governmental Activities \$ 39,750,325

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, 2015

	General	Debt Service	Permanent Improvement	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
Revenues:						
<i>Local Sources:</i>						
Taxes	\$ 225,248,887	\$ 23,269,505	\$ 1,735,036	\$ 0	\$ 6,111,996	\$ 256,365,424
Investment Income	817,619	179,260	96,874	271,351	406,164	1,771,268
Tuition and Fees	6,033,392	0	0	0	20,390	6,053,782
Extracurricular Activities	150	0	0	0	563,120	563,270
Contributions and Donations	9,255	0	0	0	8,199,171	8,208,426
Sale of Personal Property	6,460,191	0	0	0	0	6,460,191
Food Services	0	0	0	0	287,363	287,363
Miscellaneous	1,788,381	87	0	0	2,449,232	4,237,700
<i>State Sources:</i>						
Unrestricted Grants-in-Aid	401,790,800	3,467,101	37,765	0	771,717	406,067,383
Restricted Grants-in-Aid	54,715,459	0	0	31,665,038	11,684,434	98,064,931
<i>Federal Sources:</i>						
Unrestricted Grants-in-Aid	1,772,901	0	0	0	0	1,772,901
Restricted Grants-in-Aid	0	0	0	0	94,527,868	94,527,868
Total Revenues	698,637,035	26,915,953	1,869,675	31,936,389	125,021,455	884,380,507
Expenditures:						
<i>Current:</i>						
<i>Instruction:</i>						
Regular	330,795,886	0	0	0	4,286,553	335,082,439
Special	140,194,850	0	0	0	36,821,023	177,015,873
Vocational	8,074,229	0	0	0	528,507	8,602,736
Other	200,079	0	0	0	7,342,962	7,543,041
<i>Support Services:</i>						
Pupils	31,081,858	0	0	0	4,680,767	35,762,625
Instructional Staff	10,755,245	0	0	0	26,044,482	36,799,727
Board of Education	254,804	0	0	0	0	254,804
Administration	43,046,993	0	0	0	3,661,971	46,708,964
Fiscal	11,325,630	553,756	30,580	0	4,715,902	16,625,868
Business	1,174,319	0	0	0	0	1,174,319
Operation and Maintenance of Plant	57,267,003	0	552,634	0	10,639,512	68,459,149
Pupil Transportation	33,274,662	0	0	0	392,501	33,667,163
Central	25,445,481	0	0	0	348,178	25,793,659
Operation of Non-Instructional Services	864,965	0	0	0	33,935,192	34,800,157
Extracurricular Activities	6,312,273	0	0	0	509,380	6,821,653
Capital Outlay	33,476	0	10,870,960	65,585,589	0	76,490,025
<i>Debt Service:</i>						
Principal Retirement	1,014,949	19,195,637	0	0	21,250,000	41,460,586
Interest and Fiscal Charges	222,039	2,907,455	0	0	0	3,129,494
Bond Issuance Costs	0	777,455	49,200	0	0	826,655
Total Expenditures	701,338,741	23,434,303	11,503,374	65,585,589	155,156,930	957,018,937
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,701,706)	3,481,650	(9,633,699)	(33,649,200)	(30,135,475)	(72,638,430)
Other Financing Sources (Uses):						
Issuance of Sale of Bonds	0	0	155,236,169	44,763,831	0	200,000,000
Premium from Sale of Bonds	0	9,277,561	0	0	0	9,277,561
Transfers In	0	0	0	6,835,117	1,844,394	8,679,511
Transfers Out	(2,344,394)	0	(6,835,117)	0	0	(9,179,511)
Total Other Financing Sources (Uses)	(2,344,394)	9,277,561	148,401,052	51,598,948	1,844,394	208,777,561
Net Change in Fund Balances	(5,046,100)	12,759,211	138,767,353	17,949,748	(28,291,081)	136,139,131
Fund Balances at Beginning of Year (Restated)	71,310,830	31,213,000	20,289,449	29,911,326	39,024,854	191,749,459
Fund Balances at End of Year	\$ 66,264,730	\$ 43,972,211	\$ 159,056,802	\$ 47,861,074	\$ 10,733,773	\$ 327,888,590

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, 2015*

Net Change in Fund Balances - Total Governmental Funds \$ 136,139,131

*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	71,296,300	
Current Year Depreciation	(27,103,741)	
Total	44,192,559	44,192,559

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

(3,461,019)

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	(83,716,216)	
Ohio School Facilities Grant	(18,615,234)	
Other Grants	23,910,769	
Total	(78,420,681)	(78,420,681)

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

(200,000,000)

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

41,460,586

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	(572,411)	
Total	(572,411)	(572,411)

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	1,334,157	
Accrued Wages and Benefits - Pension Obligation	16,478,523	
Worker's Compensation Claims	(738,117)	
Total	17,074,563	17,074,563

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.

2,428,974

Change in Net Position of Governmental Activities

\$ (41,158,298)

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, 2015

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Local Sources:</i>				
Taxes	\$ 206,923,886	\$ 213,267,548	\$ 214,184,881	\$ 917,333
Investment Income	611,261	630,000	735,133	105,133
Tuition and Fees	5,377,062	5,541,907	5,929,277	387,370
Extracurricular Activities	175	180	150	(30)
Contributions and Donations	9,093	9,372	9,255	(117)
Miscellaneous	6,930,519	9,392,988	8,441,702	(951,286)
Sale of Personal Property	0	0	226,945	226,945
<i>State Sources:</i>				
Unrestricted Grants-in-Aid	391,319,861	403,316,548	401,835,052	(1,481,496)
Restricted Grants-in-Aid	54,739,972	56,418,134	54,715,459	(1,702,675)
<i>Federal Sources:</i>				
Unrestricted Grants-in-Aid	4,646,976	4,789,438	1,776,347	(3,013,091)
Total Revenues	670,558,805	693,366,115	687,854,201	(5,511,914)
Expenditures:				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	330,705,975	334,796,749	333,039,842	1,756,907
Special	147,573,519	139,702,423	139,702,423	0
Vocational	9,312,971	8,820,967	8,820,967	0
Adult/Continuing	107,090	620	620	0
Other	251,375	324,859	324,859	0
<i>Support Services:</i>				
Pupils	32,981,059	31,427,280	31,427,280	0
Instructional Staff	15,426,577	12,700,021	12,697,728	2,293
Board of Education	290,993	275,878	275,877	1
Administration	47,864,463	62,847,071	42,835,931	20,011,140
Fiscal	12,141,646	11,669,555	11,669,555	0
Business	2,711,812	1,272,509	1,272,509	0
Operation and Maintenance of Plant	63,892,629	58,859,524	58,859,524	0
Pupil Transportation	34,792,361	34,617,304	34,617,070	234
Central	28,447,549	27,253,967	27,253,967	0
Operation of Non-Instructional Services	1,308,983	1,008,267	1,008,267	0
Extracurricular Activities	6,439,640	6,544,933	6,544,933	0
Capital Outlay	29,368	31,531	31,531	0
<i>Debt Service:</i>				
Principal Retirement	1,014,949	1,014,949	1,014,949	0
Interest and Fiscal Charges	222,052	222,039	222,039	0
Total Expenditures	735,515,011	733,390,446	711,619,871	21,770,575
Deficiency of Revenues Under Expenditures	(64,956,206)	(40,024,331)	(23,765,670)	16,258,661
Other Financing Sources (Uses):				
Advances In	3,722,250	3,722,250	3,722,250	0
Advances Out	(4,000,000)	(2,651,000)	(2,651,000)	0
Transfers Out	(2,844,394)	(2,344,394)	(2,344,394)	0
Total Other Financing Sources (Uses)	(3,122,144)	(1,273,144)	(1,273,144)	0
Net Change in Fund Balances	(68,078,350)	(41,297,475)	(25,038,814)	16,258,661
Fund Balances at Beginning of Year	80,858,303	80,858,303	80,858,303	0
<i>Prior Year Encumbrances Appropriated</i>	17,653,353	17,653,353	17,653,353	0
Fund Balances at End of Year	\$ 30,433,306	\$ 57,214,181	\$ 73,472,842	\$ 16,258,661

See accompanying notes to the basic financial statements

Cleveland Municipal School District

Statement of Fund Net Position

Proprietary Fund

June 30, 2015

	<u>Governmental Activities - Internal Service Fund</u>
Assets:	
<i>Current Assets:</i>	
Equity in Pooled Cash and Cash Equivalents	\$ 11,720,248
Liabilities:	
<i>Current Liabilities:</i>	
Claims Payable	<u>3,976,578</u>
Net Position:	
Unrestricted	<u>\$ 7,743,670</u>

See accompanying notes to the basic financial statements

Cleveland Municipal School District
*Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2015*

	Governmental Activities - Internal Service Fund
<i>Operating Revenues:</i>	
Charges for Services	\$ 66,530,296
<i>Operating Expenses:</i>	
Claims and Claim Adjustment Expenses	64,601,322
<i>Total Operating Expenses</i>	64,601,322
<i>Operating Income (Loss)</i>	1,928,974
Transfers In	500,000
<i>Change in Net Position</i>	2,428,974
<i>Net Position Beginning of Year</i>	5,314,696
<i>Net Position End of Year</i>	\$ 7,743,670

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, 2015

	Governmental Activities - Internal Service Fund
<i>Increase In Cash and Cash Equivalents:</i>	
<i>Cash Flows from Operating Activities:</i>	
Cash Received from Interfund Services Provided	\$ 66,530,296
Cash Payments for Claims and Claim Adjustment Expenses	<u>(65,320,212)</u>
<i>Net Cash Provided by Operating Activities</i>	1,210,084
<i>Cash Flows from Non-Capital Financing Activities</i>	
Cash Received through Transfers from Other Funds	<u>500,000</u>
<i>Net Increase in Cash and Cash Equivalents</i>	1,710,084
Cash and Cash Equivalents at Beginning of Year	<u>10,010,164</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u><u>\$ 11,720,248</u></u>
<i>Reconciliation of Income to Net Cash Provided by Operating Activities</i>	
<i>Operating Income (Loss)</i>	\$ 1,928,974
<i>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities</i>	
Increase in Claims Payable	<u>(718,890)</u>
<i>Net Cash Provided by Operating Activities</i>	<u><u>\$ 1,210,084</u></u>

See accompanying notes to the basic financial statements

Cleveland Municipal School District
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2015

Assets

Equity in Pooled Cash and Cash Equivalents	<u>\$ 2,405,563</u>
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Liabilities

Due to Students	\$ 583,688
Payroll Withholdings	<u>1,821,875</u>

<i>Total Liabilities</i>	<u>\$ 2,405,563</u>
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See accompanying notes to the basic financial statements

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Note 1 - Description of the School District and Reporting Entity

A. School District and Board of Education

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

B. Financial Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to insure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards and agencies that are not legally separate from the School District. For the School District, this includes general operations, food service, capital projects and student related activities of the School District.

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

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

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

Note 2 - Summary of Significant Accounting Policies

The financial statements of the Cleveland Municipal School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the School District's accounting policies are described below.

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

A. Basis of Presentation

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

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

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

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

B. Fund Accounting

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

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

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

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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, 2015, but which were levied to finance fiscal year 2016 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.

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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 2015, 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 2015. 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, 2015.

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 2015 amounted to \$817,619 which includes \$472,738 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,

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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, 2015 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.

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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 position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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 \$292,932,596 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.

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

V. Restatement of Fund Balance

During fiscal year 2015, it was determined that the Partnering Community School Fund should be classified as a special revenue fund, instead of an agency fund. Therefore, the fund balances for Other Governmental Funds increased by \$585,841.

	Revised Fund			Restated Fund
	Balance 6/30/14	Additions	Deductions	Balance 6/30/14
General Fund	\$ 71,310,830	\$ 0	\$ 0	\$ 71,310,830
Debt Service Fund	31,213,000	0	0	31,213,000
Classroom Facilites Fund	29,911,326	0	0	29,911,326
Other Governmental Funds	58,728,462	585,841	0	59,314,303
	<u>\$ 191,163,618</u>	<u>\$ 585,841</u>	<u>\$ 0</u>	<u>\$ 191,749,459</u>

Note 3 – Change in Accounting Principles

For fiscal year 2015, the School District implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB No. 68.” GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported June 30, 2014:

Net Position June 30, 2014	\$ 956,438,310
Change in Net Position due to Other Governmental Funds	3,422,651
Restated Net Position June 30, 2014	<u>959,860,961</u>
Adjustments:	
Net Pension Liability	(925,348,844)
Deferred Outflow-Payments Subsequent to Measurement Date	<u>46,396,506</u>
Restated Net Position June 30, 2014 due to GASB 68	<u>\$ 80,908,623</u>

Other than employer contributions subsequent to the measurement date, the School District made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Note 4 – Accountability

The following funds had deficit fund balances as of June 30, 2015:

Special Revenue Funds

Other Local	\$	128,922
Auxiliary Services (NPSS)		25,599
Miscellaneous State Grants		283,293
Race to the Top		3,490,770
Title VI-B Special Education		2,026,820
Vocational Education		313,597
Title I		4,426,344
Improving Teacher Quality Title II-A		644,282
Other Federal		2,727,585

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:

Cleveland Municipal School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Fund Balances	General	Debt Service	Permanent Improvement	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
<i>Nonspendable</i>						
Inventory	\$ 841,940	\$ 0	\$ 0	\$ 0	\$ 394,760	\$ 1,236,700
<i>Restricted for</i>						
Debt Service Payments	0	43,972,211	0	0	0	43,972,211
Capital Improvements	0	0	159,056,802	47,861,074	0	206,917,876
Education Special Trust	0	0	0	0	7,644,098	7,644,098
Classroom Facilities Maintenance	0	0	0	0	15,482,491	15,482,491
Partnering Community Schools	0	0	0	0	1,137,915	1,137,915
Other Local Grants	0	0	0	0	432,047	432,047
Other State Grants	0	0	0	0	368,879	368,879
Other Purposes	0	0	0	0	171,245	171,245
<i>Total Restricted</i>	<u>0</u>	<u>43,972,211</u>	<u>159,056,802</u>	<u>47,861,074</u>	<u>25,236,675</u>	<u>276,126,762</u>
<i>Assigned to:</i>						
Other Purposes	10,265,807	0	0	0	0	10,265,807
<i>Total Assigned</i>	<u>10,265,807</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,265,807</u>
<i>Unassigned (Deficit)</i>	<u>55,156,983</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(14,897,662)</u>	<u>40,259,321</u>
<i>Total Fund Balances</i>	<u>\$ 66,264,730</u>	<u>\$ 43,972,211</u>	<u>\$ 159,056,802</u>	<u>\$ 47,861,074</u>	<u>\$ 10,733,773</u>	<u>\$ 327,888,590</u>

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

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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	\$ (5,046,100)
Net Adjustment for Revenue Accruals	(10,782,834)
Advances In	3,722,250
Net Adjustment for Expenditure Accruals	5,140,383
Advances Out	(2,651,000)
Adjustment for Encumbrances	(15,421,513)
Budget Basis	<u>\$ (25,038,814)</u>

Note 7 - Deposits and Investments

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

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

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

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

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC) and/or Securities Investor Protection Corporation (SIPC), by eligible securities pledged by the 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:

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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

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Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2015

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 \$291,810,354. Of the bank balance, \$32,370,851 was covered by federal depository insurance and \$259,439,503 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, 2015, the School District had the following investments:

	Maturity		Total
	Less Than One Year	More Than One Year But Less Than Five Years	
U.S. Agency Obligations	\$ 12,027,258	\$ 107,450,391	\$ 119,477,649
Commercial Paper	31,276,125	0	31,276,125
STAR Ohio	793	0	793
Total Portfolio	<u>\$ 43,304,176</u>	<u>\$ 107,450,391</u>	<u>\$ 150,754,567</u>

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

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal Home Loan Bank Bonds, Federal National Mortgage Association Bonds, Federal Home Loan Mortgage Corporation Bonds, Federal Farm Credit Bank and Federal Home Loan Mortgage Corporation Discounted Notes are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty’s trust department or agent but not in the School District’s name. The School District has no investment policy dealing with investment custodial credit risk beyond the requirement in State statute that prohibits payment for 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, 2015 in FHLMC, FNMA, FFCB and FHLB agency securities were rated AAA by Standard & Poor’s. The investments in STAR Ohio were rated

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

AAA 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, 2015:

FHLB	23.28%
FHLMC	36.01%
FNMA	13.31%
Commercial Paper	20.74%
FFCB	6.66%
STAR Ohio	0.00%

Note 8 - Property Taxes

Property taxes are levied and assessed on a calendar year basis while the school district fiscal year runs from July through June. First half tax collections are received by the school district in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real and public utility located in the School District. Real property tax revenue received in calendar 2015 represents collections of calendar year 2014 taxes. Real property taxes received in calendar year 2015 were levied after April 1, 2014, on the assessed value listed as of January 1, 2014, 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 2015 represents collections of calendar year 2014 taxes. Public utility real and tangible personal property taxes received in calendar year 2015 became a lien December 31, 2013, were levied after April 1, 2014 and are collected in 2015 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Cuyahoga County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2015, are available to finance fiscal year 2015 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, 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. The amount available as an advance at June 30, 2014, was \$40,328,254, which is comprised of \$34,482,155 in the general fund, \$4,692,260 in the debt service fund, \$769,226 in the partnering community school fund and \$384,613 in the classroom facilities maintenance special revenue fund.

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Accrued property taxes receivable includes real property and public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2015 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 2015 taxes were collected are:

	2014 Second- Half Collections		2015 First- Half Collections	
	(in thousands of dollars)		(in thousands of dollars)	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$ 4,656,489	93.94%	\$ 4,686,243	93.59%
Public Utility Property	300,460	6.06	320,763	6.41
Total	\$ 4,956,949	100.00%	\$ 5,007,006	100.00%
Full voted tax rate per \$1,000 of assessed valuation		\$79.80		\$79.40

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Note 9 - Receivables

Receivables at June 30, 2015 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 Medicaid	\$ 23,892,429
City of Cleveland	1,050,843
State of Ohio	917,902
Local School Districts	219,138
Defense Finance and Accounting Services	23,492
Ohio School Facilities Grant	16,094,909
Miscellaneous State Grants and Subsidies	30,865
Other State Grants and Subsidies	15,193
U.S. Department of Agriculture	182,742
Race to the Top Grant and Subsidies	3,253,318
Title VI-B Grant and Subsidies	1,556,870
Vocational Education Grant and Subsidies	114,361
Title I Grant and Subsidies	2,856,754
Improving Teacher Quality Title II-A Grant and Subsidies	330,194
Miscellaneous Federal Grants and Subsidies	137,207
Other Federal Grants and Subsidies	661,865
Other	23,020
Total Intergovernmental Receivables	<u>\$ 51,361,102</u>

Note 10 – Contingencies

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements 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, 2015.

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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.

D. School Foundation Adjustments FY 2015

School District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the FY 2014-2015 school year, traditional school districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the school district, which can extend past the fiscal year end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2015 Foundation funding for the school district; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the School District.

Cleveland Municipal School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Note 11 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2015, was as follows:

	Balance 6/30/14	Additions	Deletions	Balance 6/30/15
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 32,608,196	\$ 0	\$ (794,115)	\$ 31,814,081
Construction in Progress	74,627,043	74,910,100	(7,089,867)	142,447,276
<i>Total Capital Assets, not being Depreciated</i>	<u>107,235,239</u>	<u>74,910,100</u>	<u>(7,883,982)</u>	<u>174,261,357</u>
<i>Capital Assets, being Depreciated</i>				
Land Improvements	1,736,777	0	(213,333)	1,523,444
Buildings and Improvemets	969,244,092	4,270,182	(9,919,631)	963,594,643
Vehicles and Equipment	42,607,590	0	(11,217,746)	31,389,844
Internal Generated Software	5,981,706	0	(102,971)	5,878,735
<i>Total Capital Assets, being Depreciated</i>	<u>1,019,570,165</u>	<u>4,270,182</u>	<u>(21,453,681)</u>	<u>1,002,386,666</u>
Less: Accumulated Depreciation:				
Land Improvements	(1,564,759)	(36,568)	185,719	(1,415,608)
Buildings and Improvements	(316,419,740)	(24,722,560)	6,916,320	(334,225,980)
Vehicles and Equipment	(23,845,539)	(1,967,566)	10,798,537	(15,014,568)
Internal Generated Software	(4,303,821)	(377,047)	92,086	(4,588,782)
<i>Total Accumulated Depreciation</i>	<u>(346,133,859)</u>	<u>(27,103,741) *</u>	<u>17,992,662</u>	<u>(355,244,938)</u>
<i>Total Capital Assets, being Depreciated, Net</i>	<u>673,436,306</u>	<u>(22,833,559)</u>	<u>(3,461,019)</u>	<u>647,141,728</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$ 780,671,545</u>	<u>\$ 52,076,541</u>	<u>\$ (11,345,001)</u>	<u>\$ 821,403,085</u>

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 24,511,930
Special	62,511
Vocational	12,550
Support Services:	
Instructional Staff	4,320
Administration	602,340
Pupil Transportation	1,855,905
Central	35,917
Operation of Non-Instructional Services	18,268
Total Depreciation Expense	<u>\$ 27,103,741</u>

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Construction in progress is composed of the following at June 30, 2015:

	Project Authorization	Expended to June 30, 2015	Committed
Regular Instruction	\$ 169,394,906	\$ 142,447,276	\$ 26,947,630

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.

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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 \$3,976,578 as of June 30, 2015, 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, 2006, through June 30, 2015, including the estimate for incurred but not reported (IBNR) claims totals \$7,405,159.

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, 2015 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 2014 and 2015 are as follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2014	\$ 9,266,894	66,082,460	63,986,844	\$ 11,362,510
2015	11,362,510	71,814,405	72,342,431	10,834,484

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-

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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.

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Age and service requirements for retirement are as follows:

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

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

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first 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, 2015, the allocation to pension, death benefits, and Medicare B was 13.18 percent. The remaining 0.82 percent of the 14 percent employer contribution rate was allocated to the Health Care Fund.

The School District's contractually required contribution to SERS was \$11,807,225 for fiscal year 2015. Of this amount \$7,050,466 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 will be 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

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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, member contributions are allocated among investment choices by the member, and employer contributions 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. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2015, plan members were required to contribute 12 percent of their annual covered salary. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2015 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$36,982,499 for fiscal year 2015. Of this amount \$5,898,310 is reported as an intergovernmental payable.

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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, 2014, 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:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	153,046,411	625,857,249	778,903,660
Proportion of the Net Pension Liability	3.024069%	2.57306004%	
Pension Expense	9,000,383	28,914,031	37,914,414

At June 30, 2015, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	1,302,587	6,025,235	7,327,822
School District contributions subsequent to the measurement date	13,675,772	36,052,078	49,727,850
Total Deferred Outflows of Resources	<u>14,978,359</u>	<u>42,077,313</u>	<u>57,055,672</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	24,839,863	115,785,964	140,625,827

\$49,727,850 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:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2016	(\$5,884,319)	(\$27,440,182)	(\$33,324,501)
2017	(5,884,319)	(27,440,182)	(33,324,501)
2018	(5,884,319)	(27,440,182)	(33,324,501)
2019	(5,884,319)	(27,440,183)	(33,324,502)
	<u>(\$23,537,276)</u>	<u>(\$109,760,729)</u>	<u>(\$133,298,005)</u>

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

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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, 2014, 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:

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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	218,346,771	153,046,411	98,116,734

F. Actuarial Assumptions – STRS

The total pension liability in the June 30, 2014, 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

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

Actuarial assumptions used in the June 30, 2014, 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%	

Discount Rate The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2014. 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, 2014. 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, 2014.

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	895,961,981	625,857,249	397,412,586

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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, 2015, 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 2015, 0.82 percent 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 2015, this amount was \$20,450. 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 2015, the School District's surcharge obligation was \$1,860,649.

The School District's contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were \$778,290, \$142,159, and \$133,572, respectively. For fiscal year 2015, 40.29 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2014 and 2013.

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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. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 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, 2015, 2014, and 2013 were \$0, \$2,673,636, and \$2,579,665 respectively. The full amount has been contributed for fiscal years 2014 and 2013.

Note 15 – Other Employee Benefits

A. Compensated Absences

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

B. Insurance

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

Note 16 - Set-Asides

The School District is required by State statute to annually set aside, in the general fund, an amount based upon statutory formula for the acquisition and construction of capital improvements. Amounts not spent by fiscal year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years. The School District may still establish a budget reserve, if it so chooses; however, the requirement is no longer mandatory. The School District is also required to set aside money for any unspent portions of a bus purchase subsidy received annually from the State.

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For the Fiscal Year Ended June 30, 2015

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

	<u>Capital Improvements</u>
Set-Aside Reserve Balance as of June 30, 2014	\$ (4,976,837)
Current Year Set-Aside Requirement	6,443,143
Current Year Offsets:	
Tax Levy for Classroom Facilities and Maintenance	(1,914,782)
Qualifying Disbursements	0
Totals	<u>(448,476)</u>
Set-Aside Balances Carried Forward to Future Fiscal Years	<u>(448,476)</u>
Set-Aside Reserve Balance as of June 30, 2015	<u>\$ 0</u>

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Notes to the Basic Financial Statements
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Note 17 – Long-Term Obligations

Changes in long-term obligations of the School District during fiscal year 2015 were as follows:

	Balance Outstanding 06/30/14	Additions	Deletions	Balance Outstanding 06/30/15	Amounts Due in One Year
Governmental Activities:					
General Obligation Bonds and Notes:					
2001 H.B. 264 Energy Conservation Notes	\$ 2,638,491	\$ 0	\$ 1,014,949	\$ 1,623,542	\$ 1,068,413
2010 School Facilities Improvement Bonds	55,000,000	0	0	55,000,000	0
2012 School Facilities Improvement Refunding Bonds	19,075,000	0	1,580,000	17,495,000	1,640,000
2013 School Facilities Improvement Refunding Bonds	36,220,000	0	8,835,000	27,385,000	0
2014 School Facilities Improvement Refunding Bonds	10,525,000	0	6,325,000	4,200,000	4,200,000
2015 School Facilities Improvement Bonds	0	150,800,000	0	150,800,000	11,000,000
2015 Qualified School Construction Bond	0	49,200,000	0	49,200,000	0
Total General Obligation Bonds and Notes	123,458,491	200,000,000	17,754,949	305,703,542	17,908,413
QZAB Bonds:					
2001 QZAB - Technology Academy	5,500,000	0	5,500,000	0	0
2001 QZAB - Arts Academy	5,750,000	0	5,750,000	0	0
2001 QZAB - Literacy Academy	10,000,000	0	10,000,000	0	0
Total QZAB Bonds	21,250,000	0	21,250,000	0	0
Net Pension Liability					
SERS	179,831,678	0	26,785,267	153,046,411	0
STRS	745,517,166	0	119,659,917	625,857,249	0
Total Net Pension Liability	925,348,844	0	146,445,184	778,903,660	0
Other Long-Term Obligations:					
Compensated Absences	43,814,545	2,158,588	3,492,745	42,480,388	4,729,782
Workers' Compensation Claims	6,667,042	5,531,601	4,793,484	7,405,159	5,193,953
Capital Lease Obligation	16,714,894	0	2,455,637	14,259,257	2,496,730
Total Other Long-Term Obligations	67,196,481	7,690,189	10,741,866	64,144,804	12,420,465
Total Governmental Activities	\$ 1,137,253,816	\$ 207,690,189	\$ 196,191,999	\$ 1,148,752,006	\$ 30,328,878

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

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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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 \$3,235,294 on December 1st of each year starting in 2010, reducing the outstanding principal amount of this series of bonds by that aggregate amount pursuant to Sections 133.01 and 133.04 of the Revised Code.

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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

Qualified Zone Academy Bonds-Literacy Academy - On June 18, 2001, the School District issued \$10,000,000 of non-interest-bearing obligations in order to remodel Central Middle School, Franklin D. Roosevelt Middle School, Harry E. Davis Middle School, and Martin Luther King, Jr. Middle School. The obligations were issued for a fourteen-year period with final maturity at June 17, 2015. These obligations are not general obligation bonds and were retired from the Educational Special Trust Fund.

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

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

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

The School District's overall legal debt margin was \$162,726,966 with an unvoted debt margin of \$5,007,006 at June 30, 2015.

The School District is subject to federal arbitrage regulations. As of June 30, 2015 the District has not accrued any liability.

Principal and interest requirements to retire general obligation debt, QZAB bonds and H.B. 264 Energy Conservation Notes, outstanding at June 30, 2015, are as follows:

Fiscal Year	Principal	Interest	Total
<u>Ending June 30,</u>			
General Obligation Bonds and Notes			
2016	\$ 17,908,412	\$ 13,207,484	\$ 31,115,896
2017	5,950,130	13,572,389	19,522,519
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
2021-2025	35,285,000	60,730,443	96,015,443
2026-2050	228,990,000	104,881,853	333,871,853
Total	<u>\$ 305,703,542</u>	<u>\$ 232,078,807</u>	<u>\$ 537,782,349</u>

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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, 2015:

	<u>Amount</u>
2016	\$ 2,724,000
2017	2,724,000
2018	2,724,000
2019	2,724,000
2020	2,724,000
2021	<u>1,362,000</u>
Total minimum lease payments	14,982,000
Less:	
Amount representing interest	<u>722,743</u>
Present value of net minimum lease payments	<u><u>\$ 14,259,257</u></u>

Note 18 – Interfund Transfers and Balances

A. Transfers

Transfers made during the year ended June 30, 2015 were as follows:

<u>Transfers To</u>	<u>Transfers Out</u>		<u>Totals</u>
	<u>General</u>	<u>Permanent Improvement</u>	
Major Governmental Funds:			
Classroom Facilities	\$ 0	\$ 6,835,117	\$ 6,835,117
Non-Major Governmental Funds:			
Educational Special Trust	944,394	0	944,394
Food Service	900,000	0	900,000
Self Insurance Fund	<u>500,000</u>	<u>0</u>	<u>500,000</u>
Totals	<u><u>\$ 2,344,394</u></u>	<u><u>\$ 6,835,117</u></u>	<u><u>\$ 9,179,511</u></u>

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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 Campus International School. This transfer is in compliance with the Ohio Revised Code.

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

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

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

B. Interfund Balances

Interfund balances at June 30, 2015, consist of the following individual fund receivables and payables:

<u>Interfund Payable</u>	<u>Interfund Receivable</u>	
	<u>General</u>	
Non-Major Governmental Funds:		
Other Local	\$	544,851
Other State		20,852
Race to the Top		2,287,486
Title VI-B Special Education		1,507,712
Vocational Education		163,000
Title I		145,000
Improving Teacher Quality Title II-A		330,194
Miscellaneous Federal Grants		15,000
Other Federal		2,064,121
Totals	\$	<u>7,078,216</u>

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

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Cuyahoga Community College, 2900 Community College Avenue MBA, Room 221, Cleveland, Ohio 44115.

Note 21 – Construction and Other Significant Commitments

<u>Projects</u>	<u>Committed Amount</u>	<u>Amount Paid</u>	<u>Remaining on Commitment</u>
Segment 1	\$ 218,634,102	\$ 218,634,102	\$ 0
Segment 2	99,998,886	99,998,886	0
Segment 3	132,209,511	132,209,511	0
Segment 4	135,977,396	135,977,396	0
Segment 5	202,839,949	178,066,070	24,773,879
Segment 6	41,603,323	6,766,161	34,837,162
Local Funding Initiatives	136,260,155	114,765,851	21,494,304
Total	<u>\$ 967,523,322</u>	<u>\$ 886,417,977</u>	<u>\$ 81,105,345</u>

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

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**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 Two Fiscal Years (1)

	2014	2013
School District's Proportionate Share of the Net Pension Liability	3.024069%	3.024069%
School District's Proportionate Share of the Net Pension Liability	153,046,411	179,831,678
School District's Covered-Employee Payroll	87,603,918	82,710,748
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	174.7%	217.4%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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 Two Fiscal Years (1)

	<u>2014</u>	<u>2013</u>
School District's Proportionate Share of the Net Pension Liability	2.57306004%	2.57306004%
School District's Proportionate Share of the Net Pension Liability	625,857,249	745,517,166
School District's Covered-Employee Payroll	264,526,215	257,756,744
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	236.6%	289.2%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$ 12,509,584	\$ 12,141,903	\$ 11,447,168	\$ 11,818,410
Contributions in Relation to the Contractually Required Contribution	<u>(12,509,584)</u>	<u>(12,141,903)</u>	<u>(11,447,168)</u>	<u>(11,818,410)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
School District Covered-Employee Payroll	94,913,381	87,603,918	82,710,748	87,869,221
Contributions as a Percentage of Covered- Employee Payroll	13.18%	13.86%	13.84%	13.45%

2011	2010	2009	2008	2007	2006
\$ 11,137,020	\$ 13,810,800	\$ 9,893,625	\$ 9,337,074	\$ 9,660,106	\$ 9,929,134
(11,137,020)	(13,810,800)	(9,893,625)	(9,337,074)	(9,660,106)	(9,929,134)
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
88,600,000	102,000,000	100,544,969	95,082,215	90,450,430	93,848,144
12.57%	13.54%	9.84%	9.82%	10.68%	10.58%

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$ 36,982,919	\$ 34,388,408	\$ 33,508,377	\$ 37,477,345
Contributions in Relation to the Contractually Required Contribution	<u>(36,982,919)</u>	<u>(34,388,408)</u>	<u>(33,508,377)</u>	<u>(37,477,345)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
School District Covered-Employee Payroll	264,163,704	264,526,215	257,756,744	288,287,270
Contributions as a Percentage of Covered- Employee Payroll	14.00%	13.00%	13.00%	13.00%

2011	2010	2009	2008	2007	2006
\$ 40,479,746	\$ 43,766,967	\$ 43,051,294	\$ 42,155,022	\$ 41,330,536	\$ 43,365,595
(40,479,746)	(43,766,967)	(43,051,294)	(42,155,022)	(41,330,536)	(43,365,595)
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
311,382,660	336,668,980	331,163,800	324,269,400	317,927,200	333,581,500
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

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

Nonmajor Special Revenue Funds

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

Local Funds:

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

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

Partnering Community School – 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.

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

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

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

Federal Funds:

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

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

Fund Descriptions – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

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

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

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, 2015

	Total Nonmajor Governmental Funds
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 22,577,933
Receivables:	
Taxes	7,449,105
Accounts	1,553,450
Intergovernmental	9,139,369
Materials and Supplies Inventory	394,760
Total Assets	\$ 41,114,617
Liabilities	
Accounts Payable	\$ 5,092,653
Accrued Wages and Benefits	6,860,112
Interfund Payable	7,078,216
Intergovernmental Payable	4,697,034
Total Liabilities	23,728,015
Deferred Inflow & Resources	
Property Taxes	5,941,158
Unavailable Revenue	711,671
Total Deferred Inflow of Resources	6,652,829
Fund Balance:	
Nonspendable	394,760
Restricted	25,236,675
Unassigned	(14,897,662)
Total Fund Balances	10,733,773
Total Liabilities and Fund Balances	\$ 41,114,617

Cleveland Municipal School District

*Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2015*

	Total Nonmajor Governmental Funds
Revenues:	
<i>Local Sources:</i>	
Taxes	\$ 6,111,996
Investment Income	406,164
Tuition and Fees	20,390
Extracurricular Activities	563,120
Contributions and Donations	8,199,171
Food Services	287,363
Miscellaneous	2,449,232
<i>State Sources:</i>	
Unrestricted Grants-in-Aid	771,717
Restricted Grants-in-Aid	11,684,434
<i>Federal Sources:</i>	
Restricted Grants-in-Aid	94,527,868
Total Revenues	125,021,455
 Expenditures:	
<i>Current:</i>	
<i>Instruction:</i>	
Regular	4,286,553
Special	36,821,023
Vocational	528,507
Other	7,342,962
<i>Support Services:</i>	
Pupils	4,680,767
Instructional Staff	26,044,482
Administration	3,661,971
Fiscal	4,715,902
Operation and Maintenance of Plant	10,639,512
Pupil Transportation	392,501
Central	348,178
Operation of Non-Instructional Services	33,935,192
Extracurricular Activities	509,380
<i>Debt Service:</i>	
Principal Retirement	21,250,000
Total Expenditures	155,156,930
Deficiency of Revenues Under Expenditures	(30,135,475)
 Other Financing Sources:	
Transfers In	1,844,394
Total Other Financing Sources (Uses)	1,844,394
Net Change in Fund Balances	(28,291,081)
Fund Balances at Beginning of Year Restated	39,024,854
Fund Balances at End of Year	\$ 10,733,773

Cleveland Municipal School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2015

	Educational Special Trust	Classroom Facilities Maintenance	Partnering Community School
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 6,757,254	\$ 17,214,763	\$ 132,617
Receivables:			
Taxes	0	2,458,377	4,990,728
Accounts	1,271,600	0	0
Intergovernmental	0	0	0
Materials and Supplies Inventory	0	0	0
Total Assets	\$ 8,028,854	\$ 19,673,140	\$ 5,123,345
Liabilities			
Accounts Payable	\$ 95,706	\$ 2,234,921	\$ 0
Accrued Wages and Benefits	176,437	0	0
Interfund Payable	0	0	0
Intergovernmental Payable	112,613	0	0
Deferred Revenue	0	0	0
Total Liabilities	384,756	2,234,921	0
Deferred Inflow & Resources			
Property Taxes	0	1,955,728	3,985,430
Unavailable Revenue	0	0	0
Total Deferred Inflow of Resources	0	1,955,728	3,985,430
Fund Balance:			
Nonspendable	0	0	0
Restricted	7,644,098	15,482,491	1,137,915
Unassigned	0	0	0
Total Fund Balances (Deficit)	7,644,098	15,482,491	1,137,915
Total Liabilities and Fund Balances	\$ 8,028,854	\$ 19,673,140	\$ 5,123,345

Other Local	Auxiliary Services (NPSS)	Miscellaneous State Grants	Other State	Food Service
\$ 432,288	\$ 1,025,192	\$ 95,897	\$ 373,377	\$ 372,581
0	0	0	0	0
272,426	0	0	0	9,424
0	0	30,865	15,193	182,742
0	0	0	0	394,760
<u>\$ 704,714</u>	<u>\$ 1,025,192</u>	<u>\$ 126,762</u>	<u>\$ 388,570</u>	<u>\$ 959,507</u>
\$ 241	\$ 825,235	\$ 245,253	\$ 0	\$ 53,444
176,129	137,681	3,044	19,540	448,224
544,851	0	0	20,852	0
112,415	87,875	1,943	12,472	286,081
0	0	0	0	0
<u>833,636</u>	<u>1,050,791</u>	<u>250,240</u>	<u>52,864</u>	<u>787,749</u>
0	0	0	0	0
0	0	159,815	0	0
<u>0</u>	<u>0</u>	<u>159,815</u>	<u>0</u>	<u>0</u>
0	0	0	0	394,760
432,047	0	0	368,879	0
<u>(560,969)</u>	<u>(25,599)</u>	<u>(283,293)</u>	<u>(33,173)</u>	<u>(223,002)</u>
<u>(128,922)</u>	<u>(25,599)</u>	<u>(283,293)</u>	<u>335,706</u>	<u>171,758</u>
<u>\$ 704,714</u>	<u>\$ 1,025,192</u>	<u>\$ 126,762</u>	<u>\$ 388,570</u>	<u>\$ 959,507</u>

(continued)

Cleveland Municipal School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2015

	Race To The Top	Title VI-B Special Education	Vocational Education
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ (2,686,777)	\$ (123,643)	\$ (88,185)
Receivables:			
Taxes	0	0	0
Accounts	0	0	0
Intergovernmental	3,253,318	1,556,870	114,361
Materials and Supplies Inventory	0	0	0
Total Assets	566,541	1,433,227	26,176
Liabilities			
Accounts Payable	512,623	708,405	85,763
Accrued Wages and Benefits	744,321	759,302	55,553
Interfund Payable	2,287,486	1,507,712	163,000
Intergovernmental Payable	510,465	484,628	35,457
Total Liabilities	4,054,895	3,460,047	339,773
Deferred Inflow & Resources			
Property Taxes	0	0	0
Unavailable Revenue	2,416	0	0
Total Deferred Inflow of Resources	2,416	0	0
Fund Balance:			
Nonspendable	0	0	0
Restricted	0	0	0
Unassigned	(3,490,770)	(2,026,820)	(313,597)
Total Fund Balances (Deficit)	(3,490,770)	(2,026,820)	(313,597)
Total Liabilities and Fund Balances	\$ 566,541	\$ 1,433,227	\$ 26,176

Title I	Improving Teacher Quality Title II-A	Miscellaneous Federal Grants	Other Federal	Total Nonmajor Special Revenue Funds
\$ (649,110)	\$ 1	\$ 46,628	\$ (324,950)	\$ 22,577,933
0	0	0	0	7,449,105
0	0	0	0	1,553,450
2,856,754	330,194	137,207	661,865	9,139,369
0	0	0	0	394,760
<u>2,207,644</u>	<u>330,195</u>	<u>183,835</u>	<u>336,915</u>	<u>41,114,617</u>
86,820	0	2,501	241,741	5,092,653
3,511,018	393,274	26,300	409,289	6,860,112
145,000	330,194	15,000	2,064,121	7,078,216
2,463,145	251,009	16,786	322,145	4,697,034
<u>6,205,983</u>	<u>974,477</u>	<u>60,587</u>	<u>3,037,296</u>	<u>23,728,015</u>
0	0	0	0	5,941,158
<u>428,005</u>	<u>0</u>	<u>94,231</u>	<u>27,204</u>	<u>711,671</u>
<u>428,005</u>	<u>0</u>	<u>94,231</u>	<u>27,204</u>	<u>6,652,829</u>
0	0	0	0	394,760
0	0	29,017	142,228	25,236,675
<u>(4,426,344)</u>	<u>(644,282)</u>	<u>0</u>	<u>(2,869,813)</u>	<u>(14,897,662)</u>
<u>(4,426,344)</u>	<u>(644,282)</u>	<u>29,017</u>	<u>(2,727,585)</u>	<u>10,733,773</u>
<u>\$ 2,207,644</u>	<u>\$ 330,195</u>	<u>\$ 183,835</u>	<u>\$ 336,915</u>	<u>\$ 41,114,617</u>

Cleveland Municipal School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Fiscal Year Ended June 30, 2015

	Educational Special Trust	Classroom Facilities Maintenance	Partnering Community School
Revenues:			
<i>Local Sources:</i>			
Taxes	\$ 0	\$ 2,032,818	\$ 4,079,178
Investment Income	393,559	10,563	0
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Contributions and Donations	8,199,171	0	0
Food Services	0	0	0
Miscellaneous	0	0	0
<i>State Sources:</i>			
Unrestricted Grants-in-Aid	0	371,190	400,527
Restricted Grants-in-Aid	0	1,930,207	0
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	0	0	0
Total Revenues	8,592,730	4,344,778	4,479,705
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	0	0	0
Special	0	0	0
Vocational	0	0	0
Other	92,970	0	0
<i>Support Services:</i>			
Pupils	75,616	0	0
Instructional Staff	6,044,252	0	0
Administration	108,669	0	0
Fiscal	0	47,640	3,927,631
Operation and Maintenance of Plant	3,416	10,170,070	0
Pupil Transportation	0	0	0
Central	348,178	0	0
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	0	0	0
Capital Outlay	0	0	0
<i>Debt Service:</i>			
Principal Retirement	21,250,000	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	27,923,101	10,217,710	3,927,631
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(19,330,371)	(5,872,932)	552,074
Other Financing Sources:			
Transfers In	944,394	0	0
Total Other Financing Sources (Uses)	944,394	0	0
Net Change in Fund Balances	(18,385,977)	(5,872,932)	552,074
Fund Balances (Deficit) at Beginning of Year Restated	26,030,075	21,355,423	585,841
Fund Balances (Deficit) at End of Year	\$ 7,644,098	\$ 15,482,491	\$ 1,137,915

Other Local	Auxiliary Services (NPSS)	Miscellaneous State Grants	Other State	Food Service
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	2,019	0	0	23
0	0	0	20,390	0
563,120	0	0	0	0
0	0	0	0	0
0	0	0	0	287,363
2,272,426	0	0	0	176,806
0	0	0	0	0
0	8,091,198	733,909	463,107	466,013
0	0	0	0	20,271,140
<u>2,835,546</u>	<u>8,093,217</u>	<u>733,909</u>	<u>483,497</u>	<u>21,201,345</u>
1,022,500	0	928,259	217,668	0
494,082	0	0	0	0
0	0	0	0	0
0	0	0	0	0
196,094	0	38,295	7,949	0
0	244,821	215,988	8,810	0
431,524	0	0	278,343	0
279,999	0	0	0	0
103,550	28,465	56,191	0	0
0	0	0	8,417	0
0	0	0	0	0
0	7,110,163	2,882	0	22,071,903
509,380	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>3,037,129</u>	<u>7,383,449</u>	<u>1,241,615</u>	<u>521,187</u>	<u>22,071,903</u>
(201,583)	709,768	(507,706)	(37,690)	(870,558)
0	0	0	0	900,000
0	0	0	0	900,000
(201,583)	709,768	(507,706)	(37,690)	29,442
72,661	(735,367)	224,413	373,396	142,316
<u>\$ (128,922)</u>	<u>\$ (25,599)</u>	<u>\$ (283,293)</u>	<u>\$ 335,706</u>	<u>\$ 171,758</u>

(continued)

Cleveland Municipal School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds (continued)

For the Fiscal Year Ended June 30, 2015

	Race To The Top	Title VI-B Special Education	Vocational Education
Revenues:			
<i>Local Sources:</i>			
Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Contributions and Donations	0	0	0
Food Services	0	0	0
Miscellaneous	0	0	0
<i>State Sources:</i>			
Unrestricted Grants-in-Aid	0	0	0
Restricted Grants-in-Aid	0	0	0
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	9,707,425	20,286,490	1,276,012
Total Revenues	9,707,425	20,286,490	1,276,012
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	260,443	0	0
Special	0	15,484,088	0
Vocational	0	0	515,365
Other	58,224	0	0
<i>Support Services:</i>			
Pupils	1,082,781	1,344,549	0
Instructional Staff	6,971,031	1,752,922	689,826
Administration	146,440	1,368,603	39,246
Fiscal	0	67,053	0
Operation and Maintenance of Plant	4,734	0	1,169
Pupil Transportation	0	0	64,615
Central	0	0	0
Operation of Non-Instructional Services	0	661,701	0
Extracurricular Activities	0	0	0
<i>Debt Service:</i>			
Principal Retirement	0	0	0
Total Expenditures	8,523,653	20,678,916	1,310,221
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,183,772	(392,426)	(34,209)
Other Financing Sources:			
Transfers In	0	0	0
Total Other Financing Sources (Uses)	0	0	0
Net Change in Fund Balances	1,183,772	(392,426)	(34,209)
Fund Balances (Deficit) at Beginning of Year Restated	(4,674,542)	(1,634,394)	(279,388)
Fund Balances (Deficit) at End of Year	\$ (3,490,770)	\$ (2,026,820)	\$ (313,597)

Title I	Improving Teacher Quality Title II-A	Miscellaneous Federal Grants	Other Federal	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,111,996
0	0	0	0	406,164
0	0	0	0	20,390
0	0	0	0	563,120
0	0	0	0	8,199,171
0	0	0	0	287,363
0	0	0	0	2,449,232
0	0	0	0	771,717
0	0	0	0	11,684,434
<u>30,023,149</u>	<u>5,567,409</u>	<u>540,426</u>	<u>6,855,817</u>	<u>94,527,868</u>
<u>30,023,149</u>	<u>5,567,409</u>	<u>540,426</u>	<u>6,855,817</u>	<u>125,021,455</u>
1,855,039	0	776	1,868	4,286,553
14,725,090	5,223,660	0	894,103	36,821,023
0	0	13,142	0	528,507
5,881,432	0	89,184	1,221,152	7,342,962
1,491,761	0	266,885	176,837	4,680,767
5,515,995	0	249,745	4,351,092	26,044,482
1,012,252	61,206	662	215,026	3,661,971
267,731	92,759	411	32,678	4,715,902
218,262	0	43,327	10,328	10,639,512
314,953	0	0	4,516	392,501
0	0	0	0	348,178
4,060,301	0	0	28,242	33,935,192
0	0	0	0	509,380
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>21,250,000</u>
<u>35,342,816</u>	<u>5,377,625</u>	<u>664,132</u>	<u>6,935,842</u>	<u>155,156,930</u>
(5,319,667)	189,784	(123,706)	(80,025)	(30,135,475)
0	0	0	0	1,844,394
0	0	0	0	1,844,394
(5,319,667)	189,784	(123,706)	(80,025)	(28,291,081)
<u>893,323</u>	<u>(834,066)</u>	<u>152,723</u>	<u>(2,647,560)</u>	<u>39,024,854</u>
<u>\$ (4,426,344)</u>	<u>\$ (644,282)</u>	<u>\$ 29,017</u>	<u>\$ (2,727,585)</u>	<u>\$ 10,733,773</u>

Combining Statements

Fund Descriptions – Internal Service Funds

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

Internal Service Funds

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

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

Cleveland Municipal School District
Combining Statement of Fund Net Position
Internal Service Funds
June 30, 2015

	<u>Liability Self-Insurance</u>	<u>Employee Benefits Self-Insurance</u>	<u>Totals</u>
Assets			
<i>Current Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$ 2,029,250	\$ 9,690,998	\$ 11,720,248
Liabilities			
<i>Current Liabilities:</i>			
Claims Payable	<u>2,882,627</u>	<u>1,093,951</u>	<u>3,976,578</u>
Net Assets			
Unrestricted	<u>\$ (853,377)</u>	<u>\$ 8,597,047</u>	<u>\$ 7,743,670</u>

Cleveland Municipal School District
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year Ended June 30, 2015

	Liability Self-Insurance	Employee Benefits Self-Insurance	Totals
<i>Operating Revenues:</i>			
Charges for Services	\$ 0	\$ 66,530,296	\$ 66,530,296
<i>Operating Expenses:</i>			
Claims and Claim Adjustment Expenses	287,773	64,313,549	64,601,322
<i>Operating Income (Loss)</i>	(287,773)	2,216,747	1,928,974
<i>Nonoperating Revenues (Expenses):</i>			
Transfers In	500,000	0	500,000
Change in Net Assets	212,227	2,216,747	2,428,974
Net Assets at Beginning of Year	(1,065,604)	6,380,300	5,314,696
<i>Net Assets at End of Year</i>	\$ (853,377)	\$ 8,597,047	\$ 7,743,670

Cleveland Municipal School District

Combining Statement of Cash Flows

Internal Service Funds

For the Fiscal Year Ended June 30, 2015

	Liability Self-Insurance	Employee Benefits Self-Insurance	Totals
<i>Increase (Decrease) In Cash and Cash Equivalents:</i>			
<i>Cash Flows from Operating Activities:</i>			
Cash Received from Interfund Services Provided	\$ 0	\$ 66,530,296	\$ 66,530,296
Cash Payments for Claims and Claim Adjustment Expenses	(473,297)	(64,846,915)	(65,320,212)
<i>Net Cash Provided (Used) by Operating Activities</i>	(473,297)	1,683,381	1,210,084
<i>Cash Flows from Non-Capital Financing Activities</i>			
Cash Received through Transfers from Other Funds	500,000	0	500,000
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	26,703	1,683,381	1,710,084
Cash and Cash Equivalents at Beginning of Year	2,002,547	8,007,617	10,010,164
<i>Cash and Cash Equivalents at End of Year</i>	\$ 2,029,250	\$ 9,690,998	\$ 11,720,248
<i>Reconciliation of Income to Net Cash Provided (Used) by Operating Activities</i>			
Operating Income (Loss)	\$ (287,773)	\$ 2,216,747	\$ 1,928,974
<i>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities</i>			
Increase (Decrease) in Claims Payable	(185,524)	(533,366)	(718,890)
<i>Net Cash Provided by Operating Activities</i>	\$ (473,297)	\$ 1,683,381	\$ 1,210,084

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, 2015

	Beginning Balance (Restated) July 1, 2014	Additions	Deductions	Ending Balance June 30, 2015
District Agency Fund				
<i>Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$ 1,725,710	\$ 96,165	\$ 0	\$ 1,821,875
<i>Liabilities:</i>				
Payroll Withholdings	1,725,710	96,165	0	1,821,875
 Student Managed Activity				
<i>Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	535,637	611,518	563,467	583,688
<i>Liabilities:</i>				
Due to Students	535,637	611,518	563,467	583,688
 All Agency Funds				
<i>Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	2,261,347	707,683	563,467	2,405,563
Total Assets	<u>2,261,347</u>	<u>707,683</u>	<u>563,467</u>	<u>2,405,563</u>
<i>Liabilities:</i>				
Due To Students	535,637	611,518	563,467	583,688
Payroll Withholdings	1,725,710	96,165	0	1,821,875
Total Liabilities	<u>\$ 2,261,347</u>	<u>\$ 707,683</u>	<u>\$ 563,467</u>	<u>\$ 2,405,563</u>

**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, 2015

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Local Sources:</i>			
Taxes	\$ 25,062,122	\$ 22,734,210	\$ (2,327,912)
Investment Income	147,738	181,677	33,939
Miscellaneous	0	87	87
<i>State Sources:</i>			
Unrestricted Grants-in-Aid	1,440,200	3,467,101	2,026,901
Total Revenues	<u>26,650,060</u>	<u>26,383,075</u>	<u>(266,985)</u>
Expenditures:			
<i>Support Services:</i>			
Fiscal	700,000	553,756	146,244
<i>Debt Service:</i>			
Principal Retirement	16,740,000	16,740,000	0
Interest and Fiscal Charges	5,364,000	5,363,092	908
Bond Issuance Costs	1,296,000	777,455	518,545
Total Expenditures	<u>24,100,000</u>	<u>23,434,303</u>	<u>665,697</u>
Deficiency of Revenues Under Expenditures	2,550,060	2,948,772	398,712
Other Financing Sources (Uses):			
Premium from Sale of Bonds	0	9,277,561	9,277,561
Total Other Financing Sources (Uses)	<u>0</u>	<u>9,277,561</u>	<u>9,277,561</u>
Net Change in Fund Balances	2,550,060	12,226,333	9,676,273
Fund Balances at Beginning of Year	<u>26,520,739</u>	<u>26,520,739</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 29,070,799</u>	<u>\$ 38,747,072</u>	<u>\$ 9,676,273</u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Local Sources:</i>			
Taxes	\$ 1,300,205	\$ 1,232,387	\$ (67,818)
Investment Income	0	84,579	84,579
<i>State Sources:</i>			
Unrestricted Grants-in-Aid	0	37,765	37,765
Total Revenues	1,300,205	1,354,731	54,526
Expenditures:			
<i>Current:</i>			
<i>Support Services:</i>			
Fiscal	30,580	30,580	0
Operation and Maintenance of Plant	942,379	545,504	396,875
Capital Outlay	24,740,920	24,433,718	307,202
<i>Debt Service:</i>			
Bond Issuance Cost	49,200	49,200	0
Total Expenditures	25,763,079	25,059,002	704,077
Deficiency of Revenues Under Expenditures	(24,462,874)	(23,704,271)	758,603
Other Financing Sources (Uses):			
Issuance from Sale of Bonds	156,720,937	155,236,169	(1,484,768)
Operating Transfers Out	(6,835,117)	(6,835,117)	0
Total Other Financing Sources (Uses)	149,885,820	148,401,052	(1,484,768)
Net Change in Fund Balances	125,422,946	124,696,781	(726,165)
Fund Balances at Beginning of Year	10,952,604	10,952,604	0
<i>Prior Year Encumbrances Appropriated</i>	17,862,108	17,862,108	0
Fund Balances at End of Year	\$ 154,237,658	\$ 153,511,493	\$ (726,165)

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, 2015

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Local Sources:</i>			
Investment Income	\$ 99,012	\$ 216,582	\$ 117,570
<i>State Sources:</i>			
Restricted Grants-in-Aid	31,664,759	31,665,038	279
Total Revenues	<u>31,763,771</u>	<u>31,881,620</u>	<u>117,849</u>
Expenditures:			
Capital Outlay	144,574,205	77,187,141	67,387,064
Total Expenditures	<u>144,574,205</u>	<u>77,187,141</u>	<u>67,387,064</u>
Deficiency of Revenues Under Expenditures	(112,810,434)	(45,305,521)	67,504,913
Other Financing Sources (Uses):			
Issuance from Sale of Notes	50,286,229	44,763,831	(5,522,398)
Transfers In	0	6,835,117	6,835,117
Total Other Financing Sources (Uses)	<u>50,286,229</u>	<u>51,598,948</u>	<u>1,312,719</u>
Net Change in Fund Balances	(62,524,205)	6,293,427	68,817,632
Fund Balances at Beginning of Year	573,041	573,041	0
<i>Prior Year Encumbrances Appropriated</i>	<u>69,595,326</u>	<u>69,595,326</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 7,644,162</u>	<u>\$ 76,461,794</u>	<u>\$ 68,817,632</u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Educational Special Trust Fund
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Local Sources:</i>			
Investment Income	\$ 1,040,450	\$ 1,068,950	\$ 28,500
Contributions and Donations	7,500,000	7,096,899	(403,101)
Total Revenues	8,540,450	8,165,849	(374,601)
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	451,519	34	451,485
Special	18,768	0	18,768
Vocational	22,086	20	22,066
Other	90,189	90,188	1
<i>Support Services:</i>			
Pupils	128,967	75,716	53,251
Instructional Staff	9,967,990	7,033,654	2,934,336
Board of Education	8,049	0	8,049
Administration	889,437	198,901	690,536
Fiscal	9,162	0	9,162
Operation and Maintenance of Plant	53,243	40,000	13,243
Pupil Transportation	237,221	2,067	235,154
Central	1,937,051	437,241	1,499,810
Operation of Non-Instructional Services	6,301	718	5,583
Extracurricular Activities	41,035	851	40,184
<i>Debt Service:</i>			
Principal Retirement	21,250,000	21,250,000	0
Total Expenditures	35,111,018	29,129,390	5,981,628
Excess of Revenues Over (Under) Expenditures	(26,570,568)	(20,963,541)	5,607,027
Other Financing Sources (Uses):			
Transfers In	0	944,394	944,394
Total Other Financing Sources (Uses)	0	944,394	944,394
Net Change in Fund Balances	(26,570,568)	(20,019,147)	6,551,421
Fund Balances at Beginning of Year	25,880,540	25,880,540	0
<i>Prior Year Encumbrances Appropriated</i>	697,344	697,344	0
Fund Balances at End of Year	\$ 7,316	\$ 6,558,737	\$ 6,551,421

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, 2015

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Local Sources:</i>			
Taxes	\$ 2,137,360	\$ 1,914,782	\$ (222,578)
Investment Income	0	10,563	10,563
<i>State Sources:</i>			
Unrestricted Grants-in-Aid	0	371,190	371,190
Restricted Grants-in-Aid	2,115,457	1,930,207	(185,250)
Total Revenues	<u>4,252,817</u>	<u>4,226,742</u>	<u>(26,075)</u>
Expenditures:			
<i>Support Services:</i>			
Fiscal	47,640	47,640	0
Operation and Maintenance of Plant	18,796,137	17,185,262	1,610,875
Total Expenditures	<u>18,843,777</u>	<u>17,232,902</u>	<u>1,610,875</u>
Net Change in Fund Balances	(14,590,960)	(13,006,160)	1,584,800
Fund Balances at Beginning of Year	20,349,462	20,349,462	0
<i>Prior Year Encumbrances Appropriated</i>	4,062,574	4,062,574	0
Fund Balances at End of Year	<u>\$ 9,821,076</u>	<u>\$ 11,405,876</u>	<u>\$ 1,584,800</u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Partnering Community Schools
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Local Sources:</i>			
Taxes	\$ 4,243,633	\$ 3,843,106	\$ (400,527)
<i>State Sources:</i>			
Unrestricted Grants-in-Aid	0	400,527	400,527
Total Revenues	<u>4,243,633</u>	<u>4,243,633</u>	<u>0</u>
Expenditures:			
<i>Support Services:</i>			
Fiscal	4,060,248	4,060,248	0
Total Expenditures	<u>4,060,248</u>	<u>4,060,248</u>	<u>0</u>
Net Change in Fund Balances	183,385	183,385	0
Fund Balances at Beginning of Year	(183,385)	(183,385)	0
<i>Prior Year Encumbrances Appropriated</i>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Other Local Funds
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Local Sources:</i>			
Extracurricular Activities	\$ 551,504	\$ 563,120	\$ 11,616
Miscellaneous	2,544,851	2,000,000	(544,851)
Total Revenues	<u>3,096,355</u>	<u>2,563,120</u>	<u>(533,235)</u>
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	1,039,917	1,039,917	0
Special	480,884	480,884	0
<i>Support Services:</i>			
Pupils	204,046	204,046	0
Administration	437,340	437,340	0
Fiscal	273,558	273,558	0
Operation and Maintenance of Plant	109,106	109,106	0
Extracurricular Activities	947,904	647,686	300,218
Total Expenditures	<u>3,492,755</u>	<u>3,192,537</u>	<u>300,218</u>
Net Change in Fund Balances	(396,400)	(629,417)	(233,017)
Fund Balances at Beginning of Year	376,110	376,110	0
<i>Prior Year Encumbrances Appropriated</i>	130,487	130,487	0
Fund Balances at End of Year	<u>\$ 110,197</u>	<u>\$ (122,820)</u>	<u>\$ (233,017)</u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Auxiliary Services (NPSS) Fund
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Local Sources:</i>			
Investment Income	\$ 1,810	\$ 2,019	\$ 209
<i>State Sources:</i>			
Restricted Grants-in-Aid	8,033,531	8,039,615	6,084
Total Revenues	<u>8,035,341</u>	<u>8,041,634</u>	<u>6,293</u>
Expenditures:			
<i>Current:</i>			
<i>Support Services:</i>			
Instructional Staff	281,517	242,820	38,697
Operation and Maintenance of Plant	66,124	44,030	22,094
Operation of Non-Instructional Services	9,852,359	9,631,472	220,887
Total Expenditures	<u>10,200,000</u>	<u>9,918,322</u>	<u>281,678</u>
Net Change in Fund Balances	(2,164,659)	(1,876,688)	287,971
Fund Balances at Beginning of Year	1,172,844	1,172,844	0
<i>Prior Year Encumbrances Appropriated</i>	<u>1,079,129</u>	<u>1,079,129</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 87,314</u>	<u>\$ 375,285</u>	<u>\$ 287,971</u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Straight A Fund
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>State Sources:</i>			
Restricted Grants-in-Aid	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
<i>Support Services:</i>			
Administration	143,000	143,000	0
Total Expenditures	<u>143,000</u>	<u>143,000</u>	<u>0</u>
Net Change in Fund Balances	(143,000)	(143,000)	0
Fund Balances at Beginning of Year	0	0	0
<i>Prior Year Encumbrances Appropriated</i>	<u>143,000</u>	<u>143,000</u>	<u>0</u>
Fund Balances at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous State Grants Fund
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>State Sources:</i>			
Restricted Grants-in-Aid	\$ 1,469,330	\$ 549,694	\$ (919,636)
Total Revenues	<u>1,469,330</u>	<u>549,694</u>	<u>(919,636)</u>
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	948,113	948,113	0
Adult/Continuing	18,223	3,559	14,664
Other	589	0	589
<i>Support Services:</i>			
Pupils	55,256	38,292	16,964
Instructional Staff	577,643	577,643	0
Operation and Maintenance of Plant	153,664	128,191	25,473
Pupil Transportation	8,158	1,602	6,556
Operation of Non-Instructional Services	21,503	2,882	18,621
Total Expenditures	<u>1,783,149</u>	<u>1,700,282</u>	<u>82,867</u>
Net Change in Fund Balances	(313,819)	(1,150,588)	(836,769)
Fund Balances at Beginning of Year	512,349	512,349	0
<i>Prior Year Encumbrances Appropriated</i>	<u>290,655</u>	<u>290,655</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 489,185</u>	<u>\$ (347,584)</u>	<u>\$ (836,769)</u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Other State Funds
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Local Sources:</i>			
Tuition and Fees	\$ 20,390	\$ 20,390	\$ 0
<i>State Sources:</i>			
Restricted Grants-in-Aid	646,377	611,378	(34,999)
Total Revenues	<u>666,767</u>	<u>631,768</u>	<u>(34,999)</u>
Expenditures:			
Current:			
<i>Instruction:</i>			
Regular	212,785	212,785	0
<i>Support Services:</i>			
Pupils	(15,911)	(71,284)	55,373
Instructional Staff	10,076	9,847	229
Administration	364,102	364,101	1
Pupil Transportation	2,830	0	2,830
Central	8,474	8,474	0
Total Expenditures	<u>582,356</u>	<u>523,923</u>	<u>58,433</u>
Deficiency of Revenues Under Expenditures	84,411	107,845	23,434
Other Financing Sources (Uses):			
Advances In	17,000	17,000	0
Advances Out	(250)	(250)	0
Total Other Financing Sources (Uses)	<u>16,750</u>	<u>16,750</u>	<u>0</u>
Net Change in Fund Balances	101,161	124,595	23,434
Fund Balances at Beginning of Year	247,893	247,893	0
<i>Prior Year Encumbrances Appropriated</i>	<u>2,828</u>	<u>2,828</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 351,882</u>	<u>\$ 375,316</u>	<u>\$ 23,434</u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Local Sources:</i>			
Investment Income	\$ 21	\$ 23	\$ 2
Food Services	0	287,363	287,363
Miscellaneous	0	297,416	297,416
<i>State Sources:</i>			
Restricted Grants-in-Aid	500,000	466,013	(33,987)
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	20,748,095	20,226,079	(522,016)
Total Revenues	<u>21,248,116</u>	<u>21,276,894</u>	<u>28,778</u>
Expenditures:			
<i>Current:</i>			
Operation of Non-Instructional Services	22,374,802	22,173,578	201,224
Total Expenditures	<u>22,374,802</u>	<u>22,173,578</u>	<u>201,224</u>
Deficiency of Revenues Under Expenditures	(1,126,686)	(896,684)	230,002
Other Financing Sources (Uses):			
Transfers In	1,000,000	900,000	(100,000)
Total Other Financing Sources (Uses)	<u>1,000,000</u>	<u>900,000</u>	<u>(100,000)</u>
Net Change in Fund Balances	(126,686)	3,316	130,002
Fund Balance at Beginning of Year	30,441	30,441	0
<i>Prior Year Encumbrances Appropriated</i>	<u>196,802</u>	<u>196,802</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 100,557</u>	<u>\$ 230,559</u>	<u>\$ 130,002</u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Race to the Top Fund
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$ 10,834,175	\$ 7,843,725	\$ (2,990,450)
Total Revenues	<u>10,834,175</u>	<u>7,843,725</u>	<u>(2,990,450)</u>
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	260,443	260,443	0
Other	192,155	122,256	69,899
<i>Support Services:</i>			
Pupils	2,117,816	1,150,949	966,867
Instructional Staff	7,910,070	7,886,969	23,101
Administration	158,661	158,661	0
Operation and Maintenance of Plant	6,262	6,262	0
Central	93,713	0	93,713
Total Expenditures	<u>10,739,120</u>	<u>9,585,540</u>	<u>1,153,580</u>
Excess of Revenues Over Expenditures	95,055	(1,741,815)	(1,836,870)
Other Financing Sources (Uses):			
Advances In	1,346,000	1,346,000	0
Advances Out	(2,980,000)	(2,980,000)	0
Total Other Financing Sources (Uses)	<u>(1,634,000)</u>	<u>(1,634,000)</u>	<u>0</u>
Net Change in Fund Balances	(1,538,945)	(3,375,815)	(1,836,870)
Fund Balances at Beginning of Year	(1,223,014)	(1,223,014)	0
<i>Prior Year Encumbrances Appropriated</i>	<u>2,840,027</u>	<u>2,840,027</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 78,068</u>	<u>\$ (1,758,802)</u>	<u>\$ (1,836,870)</u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B Special Education Fund
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$ 21,281,528	\$ 19,706,527	\$ (1,575,001)
Total Revenues	<u>21,281,528</u>	<u>19,706,527</u>	<u>(1,575,001)</u>
Expenditures:			
Current:			
<i>Instruction:</i>			
Special	15,044,351	15,030,295	14,056
<i>Support Services:</i>			
Pupils	1,591,394	1,591,394	0
Instructional Staff	1,794,360	1,794,360	0
Administration	1,334,845	1,334,845	0
Fiscal	67,053	67,053	0
Operation of Non-Instructional Services	670,187	670,187	0
Total Expenditures	<u>20,502,190</u>	<u>20,488,134</u>	<u>14,056</u>
Excess of Revenues Over (Under) Expenditures	779,338	(781,607)	(1,560,945)
Other Financing Sources (Uses):			
Advances In	175,000	175,000	0
Advances Out	(150,000)	(150,000)	0
Total Other Financing Sources (Uses)	<u>25,000</u>	<u>25,000</u>	<u>0</u>
Net Change in Fund Balances	804,338	(756,607)	(1,560,945)
Fund Balances at Beginning of Year	(940,163)	(940,163)	0
<i>Prior Year Encumbrances Appropriated</i>	<u>166,193</u>	<u>166,193</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 30,368</u>	<u>\$ (1,530,577)</u>	<u>\$ (1,560,945)</u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Vocational Education Fund
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$ 1,725,242	\$ 1,478,242	\$ (247,000)
Total Revenues	<u>1,725,242</u>	<u>1,478,242</u>	<u>(247,000)</u>
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Vocational	705,248	667,035	38,213
<i>Support Services:</i>			
Pupils	14,027	0	14,027
Instructional Staff	689,453	689,453	0
Administration	52,650	39,915	12,735
Operation and Maintenance of Plant	3,962	3,962	0
Pupil Transportation	64,615	64,615	0
Central	4,197	0	4,197
Total Expenditures	<u>1,534,152</u>	<u>1,464,980</u>	<u>69,172</u>
Deficiency of Revenues Under Expenditures	191,090	13,262	(177,828)
Other Financing Sources (Uses):			
Advances In	163,000	163,000	0
Advances Out	(81,000)	(81,000)	0
Total Other Financing Sources (Uses)	<u>82,000</u>	<u>82,000</u>	<u>0</u>
Net Change in Fund Balances	273,090	95,262	(177,828)
Fund Balances at Beginning of Year	(298,603)	(298,603)	0
<i>Prior Year Encumbrances Appropriated</i>	<u>184,152</u>	<u>184,152</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 158,639</u>	<u>\$ (19,189)</u>	<u>\$ (177,828)</u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$ 40,198,049	\$ 35,538,049	\$ (4,660,000)
Total Revenues	<u>40,198,049</u>	<u>35,538,049</u>	<u>(4,660,000)</u>
Expenditures:			
Current:			
<i>Instruction:</i>			
Regular	1,985,113	1,985,113	0
Special	16,297,018	15,401,706	895,312
Other	5,452,182	5,452,182	0
<i>Support Services:</i>			
Pupils	1,679,512	1,679,512	0
Instructional Staff	6,215,488	6,215,488	0
Administration	2,301,176	1,060,750	1,240,426
Fiscal	502,660	267,731	234,929
Operation and Maintenance of Plant	300,550	193,139	107,411
Pupil Transportation	262,912	156,470	106,442
Operation of Non-Instructional Services	5,064,627	4,085,462	979,165
Total Expenditures	<u>40,061,238</u>	<u>36,497,553</u>	<u>3,563,685</u>
Excess of Revenues Over (Under) Expenditures	136,811	(959,504)	(1,096,315)
Other Financing Sources (Uses):			
Advances In	145,000	145,000	0
Total Other Financing Sources (Uses)	<u>145,000</u>	<u>145,000</u>	<u>0</u>
Net Change in Fund Balances	281,811	(814,504)	(1,096,315)
Fund Balances at Beginning of Year	(221,641)	(221,641)	0
<i>Prior Year Encumbrances Appropriated</i>	<u>1,655,409</u>	<u>1,655,409</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 1,715,579</u>	<u>\$ 619,264</u>	<u>\$ (1,096,315)</u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Improving Teacher Quality Title II-A Fund
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$ 6,242,570	\$ 5,746,570	\$ (496,000)
Total Revenues	<u>6,242,570</u>	<u>5,746,570</u>	<u>(496,000)</u>
Expenditures:			
Current:			
<i>Instruction:</i>			
Special	5,413,597	5,413,597	0
<i>Support Services:</i>			
Administration	66,670	61,053	5,617
Fiscal	148,610	92,759	55,851
Operation of Non-Instructional Services	9,600	0	9,600
Total Expenditures	<u>5,638,477</u>	<u>5,567,409</u>	<u>71,068</u>
Excess of Revenues Over (Under) Expenditures	604,093	179,161	(424,932)
Other Financing Sources (Uses):			
Advances In	4,000	4,000	0
Total Other Financing Sources (Uses)	<u>4,000</u>	<u>4,000</u>	<u>0</u>
Net Change in Fund Balances	608,093	183,161	(424,932)
Fund Balances at Beginning of Year	<u>(509,355)</u>	<u>(509,355)</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 98,738</u>	<u>\$ (326,194)</u>	<u>\$ (424,932)</u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous Federal Grants Fund
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$ 573,393	\$ 519,953	\$ (53,440)
Total Revenues	<u>573,393</u>	<u>519,953</u>	<u>(53,440)</u>
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	13,230	776	12,454
Vocational	23,216	15,539	7,677
Other	96,289	96,289	0
<i>Support Services:</i>			
Pupils	413,887	359,201	54,686
Instructional Staff	428,677	274,999	153,678
Administration	1,202	1,202	0
Fiscal	7,336	411	6,925
Operation and Maintenance of Plant	50,475	43,327	7,148
Pupil Transportation	3,151	0	3,151
Central	4,755	0	4,755
Total Expenditures	<u>1,042,218</u>	<u>791,744</u>	<u>250,474</u>
Excess of Revenues Over Expenditures	(468,825)	(271,791)	197,034
Other Financing Sources (Uses):			
Advances In	15,000	15,000	0
Total Other Financing Sources (Uses)	<u>15,000</u>	<u>15,000</u>	<u>0</u>
Net Change in Fund Balances	(453,825)	(256,791)	197,034
Fund Balances at Beginning of Year	360,701	360,701	0
<i>Prior Year Encumbrances Appropriated</i>	<u>142,217</u>	<u>142,217</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 49,093</u>	<u>\$ 246,127</u>	<u>\$ 197,034</u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Other Federal Funds
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Federal Sources:</i>			
Unrestricted Grants-in-Aid	\$ 103,396	\$ 115,250	\$ 11,854
Restricted Grants-in-Aid	7,789,860	6,712,426	(1,077,434)
Total Revenues	<u>7,893,256</u>	<u>6,827,676</u>	<u>(1,065,580)</u>
Expenditures:			
Current:			
<i>Instruction:</i>			
Special	848,246	817,859	30,387
Other	1,214,510	1,214,510	0
<i>Support Services:</i>			
Pupils	210,235	210,235	0
Instructional Staff	4,851,106	4,667,950	183,156
Administration	352,847	352,847	0
Fiscal	68,584	24,670	43,914
Operation and Maintenance of Plant	2,230	2,230	0
Pupil Transportation	9,165	9,165	0
Operation of Non-Instructional Services	28,242	28,242	0
Total Expenditures	<u>7,585,165</u>	<u>7,327,708</u>	<u>257,457</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	308,091	(500,032)	(808,123)
Other Financing Sources (Uses):			
Advances In	786,000	786,000	0
Advances Out	(511,000)	(511,000)	0
Total Other Financing Sources (Uses)	<u>275,000</u>	<u>275,000</u>	<u>0</u>
Net Change in Fund Balances	583,091	(225,032)	(808,123)
Fund Balances at Beginning of Year	(313,670)	(313,670)	0
<i>Prior Year Encumbrances Appropriated</i>	<u>293,237</u>	<u>293,237</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 562,658</u>	<u>\$ (245,465)</u>	<u>\$ (808,123)</u>

Cleveland Municipal School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Liability Self-Insurance Fund
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<i>Expenses:</i>			
Claims	\$ 961,904	\$ 499,001	\$ 462,903
Excess of Revenues Over (Under) Expenditures	(961,904)	(499,001)	462,903
<i>Other Financing Sources (Uses):</i>			
Transfers In	500,000	500,000	0
Net Change in Fund Equity	(461,904)	999	462,903
Fund Equity at Beginning of Year	1,840,642	1,840,642	0
<i>Prior Year Encumbrances Appropriated</i>	161,904	161,904	0
<i>Fund Equity at End of Year</i>	\$ 1,540,642	\$ 2,003,545	\$ 462,903

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, 2015

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 66,530,300	\$ 66,530,296	\$ (4)
Expenses:			
Claims	65,130,923	64,880,538	250,385
Net Change in Fund Equity	1,399,377	1,649,758	250,381
Fund Equity at Beginning of Year	7,959,620	7,959,620	0
<i>Prior Year Encumbrances Appropriated</i>	47,998	47,998	0
Fund Equity at End of Year	\$ 9,406,995	\$ 9,657,376	\$ 250,381

Statistical Section



STATISTICAL SECTION

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

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The School District implemented GASB Statement 54 for the year ended June 30, 2011; schedules presenting government wide net position information include information beginning in that year. GASB 54 changed the classification of the governmental fund balance, but did not change the government wide net position. 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

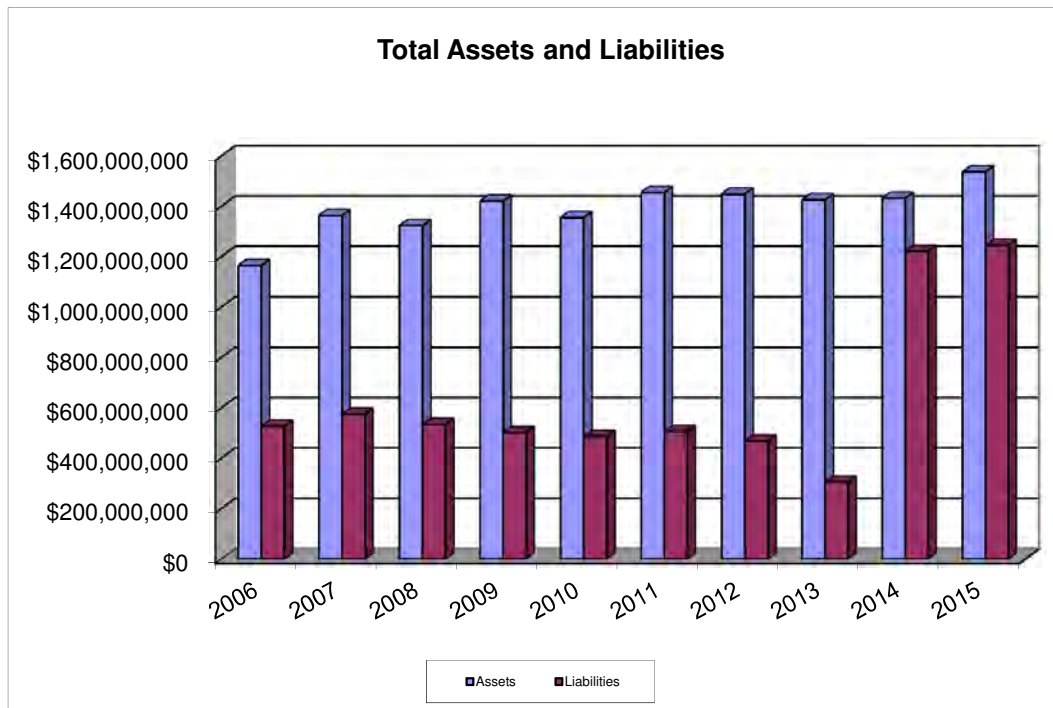
(accrual basis of accounting)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Net Position				
Net Investment in Capital Assets	\$ 208,222,499	\$ 261,363,643	\$ 332,124,644	\$ 410,820,839
Restricted				
Restricted Debt Service	49,134,737	36,237,294	33,349,361	33,857,725
Restricted Capital Programs	362,464,498	423,973,593	313,896,979	391,466,835
Restricted Special Revenue	16,028,862	18,590,876	34,529,429	40,215,098
Unrestricted - Pension	0	0	0	0
Unrestricted - Other Purposes	2,036,421	49,393,549	74,406,756	41,835,337
Total Net Position	<u>\$ 637,887,017</u>	<u>\$ 789,558,955</u>	<u>\$ 788,307,169</u>	<u>\$ 918,195,834</u>

Source: School District Financial Records

a-GASB 68 was implemented in FY 15 and restated FY 14

2010	2011	2012	2013	2014 (a)	2015 (a)
\$ 500,616,971	\$ 503,951,883	\$ 518,814,295	\$ 558,674,014	\$ 619,248,160	\$ 501,440,286
47,506,378	48,223,777	51,217,114	42,713,939	49,735,043	51,010,824
257,882,844	260,606,827	278,969,178	184,352,359	84,864,225	222,963,999
41,703,464	77,722,493	58,944,626	47,468,206	47,730,652	18,957,773
0	0	0	0	(878,952,338)	(862,473,815)
20,520,336	58,715,005	73,262,646	113,553,821	158,282,881	107,851,258
\$ 868,229,993	\$ 949,219,985	\$ 981,207,859	\$ 946,762,339	\$ 80,908,623	\$ 39,750,325



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

	2006	2007	2008	2009
Expenses				
Governmental Activities:				
Instruction:				
Regular	\$ 316,945,841	\$ 306,641,274	\$ 327,247,872	\$ 328,162,328
Special	143,913,038	160,305,162	168,823,350	180,413,911
Vocational	11,907,870	12,723,093	13,985,560	11,895,564
Adult/Continuing	2,300,131	2,967,373	2,833,813	2,856,799
Other	12,759,762	12,263,429	19,765,060	19,497,068
<i>Support Services:</i>				
Pupils	35,380,163	37,100,301	32,218,673	27,746,864
Instructional Staff	51,072,946	48,124,670	48,850,968	57,621,095
Board of Education	267,321	248,637	258,840	284,153
Administration	41,342,791	43,218,261	46,168,403	44,605,981
Fiscal	9,946,686	9,617,654	11,408,394	12,212,820
Business	942,371	1,065,128	1,873,943	2,645,732
Operation and Maintenance of Plant	58,569,487	64,844,985	109,195,119	74,505,273
Pupil Transportation	28,965,329	27,944,135	27,527,934	31,991,149
Central	15,969,839	15,923,177	15,035,691	19,272,538
Operation of Non-Instructional Services	42,532,273	38,956,223	42,585,167	42,225,005
Extracurricular Activities	5,814,665	6,466,969	6,783,614	6,910,474
Interest and Fiscal Charges	11,647,137	10,180,816	9,219,611	8,078,738
Total Primary Government Expenses	790,277,650	798,591,287	883,782,012	870,925,492
Program Revenues				
Governmental Activities:				
Charges for Services and Sales				
Instruction:				
Regular	0	196,057	660,425	616,265
Special	148,405	717,094	238,482	229,296
Vocational	0	0	27,430	19,401
Adult/Continuing	38,252	59,177	890	707
Other	0	0	168	4,804
Support Services:				
Pupils	0	0	53,857	63,040
Instructional Staff	0	0	50,724	45,270
Board of Education	0	0	579	536
Administration	0	0	95,123	113,343
Fiscal	0	0	23,294	40,664
Business	0	0	4,354	5,007
Operation and Maintenance of Plant	0	0	104,131	96,210
Pupil Transportation	0	0	58,433	56,888
Central	0	0	34,018	34,908
Operation of Non-Instruction Services	0	0	7,798	5,512
Extracurricular Activities	0	0	821,166	800,606

Source: School District financial records

2010	2011	2012	2013	2014	2015
\$ 380,866,357	\$ 297,907,426	\$ 322,367,731	\$ 367,669,653	\$ 381,411,371	\$ 362,037,069
189,643,261	207,990,072	174,228,202	172,023,833	182,682,324	173,593,367
11,923,801	10,336,437	11,316,290	12,599,383	11,404,778	8,453,227
3,668,819	132,537	0	112,488	620	0
9,655,896	6,384,172	4,493,188	673,778	1,970,489	7,393,303
39,107,286	37,463,820	36,216,356	34,197,654	35,833,670	35,790,269
65,429,955	59,204,651	50,834,523	55,202,905	30,250,022	36,113,336
234,344	250,996	285,033	274,588	264,265	248,308
48,600,081	43,536,920	41,533,976	46,168,870	43,290,224	42,751,427
10,120,397	15,131,810	12,498,573	12,708,747	12,274,449	16,310,738
2,223,407	1,643,284	1,700,249	2,018,076	1,590,930	1,137,981
61,657,748	63,176,797	55,146,243	59,940,850	62,189,841	64,587,903
30,858,435	28,923,689	27,896,118	30,662,826	56,924,644	34,699,642
14,648,056	12,437,133	11,966,119	20,006,680	17,526,350	25,503,536
41,452,383	42,237,400	39,718,319	36,951,908	35,846,103	34,670,028
6,492,522	6,418,054	5,857,755	6,990,941	6,510,125	6,649,997
7,478,002	9,869,253	9,640,956	11,669,533	93,660	6,984,197
924,060,750	843,044,451	805,699,631	869,872,713	880,063,865	856,924,328

805,242	2,351,003	1,800,754	4,192,551	4,170,473	3,825,172
364,149	976,843	832,254	1,621,243	1,533,891	1,657,048
29,849	62,210	61,797	111,542	99,620	69,797
5,916	0	0	1,068	5	1,692
18,813	36,692	28,614	4,590	1,307	0
95,886	316,993	190,315	457,244	467,558	452,849
67,537	154,682	144,317	192,966	56,314	472,420
654	1,788	1,831	2,692	2,311	2,188
105,953	417,562	237,566	547,753	597,459	339,112
26,169	258,747	68,264	324,446	323,162	351,598
6,204	11,703	10,921	19,786	13,915	10,029
167,875	522,574	336,066	656,920	591,810	587,592
74,134	175,290	170,981	270,047	319,926	282,985
39,399	87,927	75,555	194,889	152,101	221,306
7,879	11,614	15,927	11,351	7,806	184,278
788,285	653,175	575,250	574,128	618,561	617,323

(continued)

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

	2006	2007	2008	2009
Operating Grants, Contributions and Interest				
Instruction:				
Regular	\$ 33,931,074	\$ 34,039,005	\$ 35,546,322	\$ 37,192,665
Special	63,057,863	62,362,875	66,638,056	62,689,317
Vocational	741,042	1,694,687	2,533,848	1,637,911
Adult/Continuing	2,451,716	2,444,889	2,617,719	2,462,002
Other	11,151,414	11,461,176	19,133,256	18,403,044
Support Services:				
Pupils	7,803,544	10,539,199	9,175,181	5,916,754
Instructional Staff	40,672,337	27,327,018	30,313,516	35,440,720
Board of Education	7,701	12,989	14,767	2,849
Administration	4,916,688	7,231,878	4,546,107	4,575,772
Fiscal	1,068,558	1,314,680	1,348,188	925,564
Business	0	0	17,476	18,548
Operation and Maintenance of Plant	2,547,221	7,251,442	12,818,564	14,781,452
Pupil Transportation	1,294,475	1,190,477	1,601,296	1,093,004
Central	895,218	578,561	683,303	641,824
Operation of Non-Instruction Services	39,136,205	34,663,348	32,764,919	33,961,591
Extracurricular Activities	895,653	878,738	70,647	61,459
Capital Grants and Contributions				
Instruction:				
Regular	119,828,477	89,064,023	2,395,614	150,881,349
Support Services:				
Operation and Maintenance of Plant	682,985	0	0	0
<i>Total Program Revenues</i>	<u>331,268,828</u>	<u>293,027,313</u>	<u>224,399,651</u>	<u>372,818,282</u>
Net Expense	<u>\$ (459,008,822)</u>	<u>\$ (505,563,974)</u>	<u>\$ (659,382,361)</u>	<u>\$ (498,107,210)</u>
General Revenues and Other				
Changes in Net Position				
Governmental Activities:				
Property Taxes Levied For:				
General Purposes	\$ 197,583,328	\$ 198,996,360	\$ 185,684,541	\$ 155,294,660
Debt Service	31,620,440	35,760,058	33,647,336	10,941,106
Capital Outlay	2,459,275	2,477,222	2,347,262	22,122,341
Capital Projects	0	0	0	0
Investment Income	16,205,770	18,843,152	18,682,784	9,507,759
Miscellaneous	9,715,420	1,665,345	7,100,867	10,669,482
Grants and Entitlements not Restricted to				
Specific Programs	384,582,569	399,493,775	410,667,785	419,460,527
Total Primary Government	<u>642,166,802</u>	<u>657,235,912</u>	<u>658,130,575</u>	<u>627,995,875</u>
Change in Net Position				
Total Primary Government	<u>\$ 183,157,980</u>	<u>\$ 151,671,938</u>	<u>\$ (1,251,786)</u>	<u>\$ 129,888,665</u>

	2010	2011	2012	2013	2014	2015
\$	32,685,231	\$ 38,093,482	\$ 20,734,813	\$ 5,201,595	\$ 38,760,754	\$ 28,622,647
	63,043,009	103,872,868	28,181,385	43,030,489	50,997,326	45,079,772
	1,326,967	1,446,826	1,572,223	1,379,138	1,692,844	1,151,574
	1,904,193	71,032	0	510	53	0
	3,127,296	1,663,788	49,095	168,775	1,809,839	6,442,704
	5,548,551	6,100,952	6,609,256	6,132,756	7,294,674	6,809,394
	42,964,473	39,853,992	26,649,396	30,471,914	26,469,136	28,316,332
	1,387	1,240	1,979	1,247	22,411	19,814
	4,916,794	4,190,878	2,101,662	3,090,526	7,917,347	6,098,758
	705,052	3,198,202	764,430	717,508	1,885,624	1,312,335
	13,164	8,117	11,804	9,162	134,917	90,807
	2,447,744	623,740	2,234,494	2,236,816	7,388,942	6,694,034
	894,026	3,096,448	280,450	315,733	3,482,438	2,898,364
	568,623	299,521	151,489	99,632	1,592,966	2,430,507
	31,495,919	41,054,534	29,413,981	32,517,985	31,407,090	33,223,035
	44,017	92,068	36,928	32,198	505,410	490,802
	3,376,765	2,037,682	43,033,556	2,100,511	3,155,969	13,049,804
	0	0	0	0	0	0
	<u>197,667,155</u>	<u>251,744,173</u>	<u>166,377,353</u>	<u>136,689,711</u>	<u>193,473,959</u>	<u>191,806,072</u>
	<u>\$ (726,393,595)</u>	<u>\$ (591,300,278)</u>	<u>\$ (639,322,278)</u>	<u>\$ (733,183,002)</u>	<u>\$ (686,589,906)</u>	<u>\$ (665,118,256)</u>
\$	156,893,542	\$ 158,760,869	\$ 155,316,742	\$ 200,094,021	\$ 235,958,843	\$ 157,957,030
	16,654,007	28,724,375	28,235,142	12,635,634	30,404,951	11,786,075
	17,391,407	2,097,559	2,083,420	1,042,267	2,498,740	1,171,067
	0	0	0	0	0	1,735,036
	5,756,808	3,535,089	1,910,966	1,345,163	2,942,716	1,771,268
	11,268,565	13,723,968	18,445,756	23,507,563	11,360,311	17,813,733
	468,463,425	465,448,410	465,318,126	459,821,084	413,100,316	431,725,749
	<u>676,427,754</u>	<u>672,290,270</u>	<u>671,310,152</u>	<u>698,445,732</u>	<u>696,265,877</u>	<u>623,959,958</u>
	<u>\$ (49,965,841)</u>	<u>\$ 80,989,992</u>	<u>\$ 31,987,874</u>	<u>\$ (34,737,270)</u>	<u>\$ 9,675,971</u>	<u>\$ (41,158,298)</u>

Cleveland Municipal School District

Fund Balances, Governmental Funds

Last Ten Fiscal Years

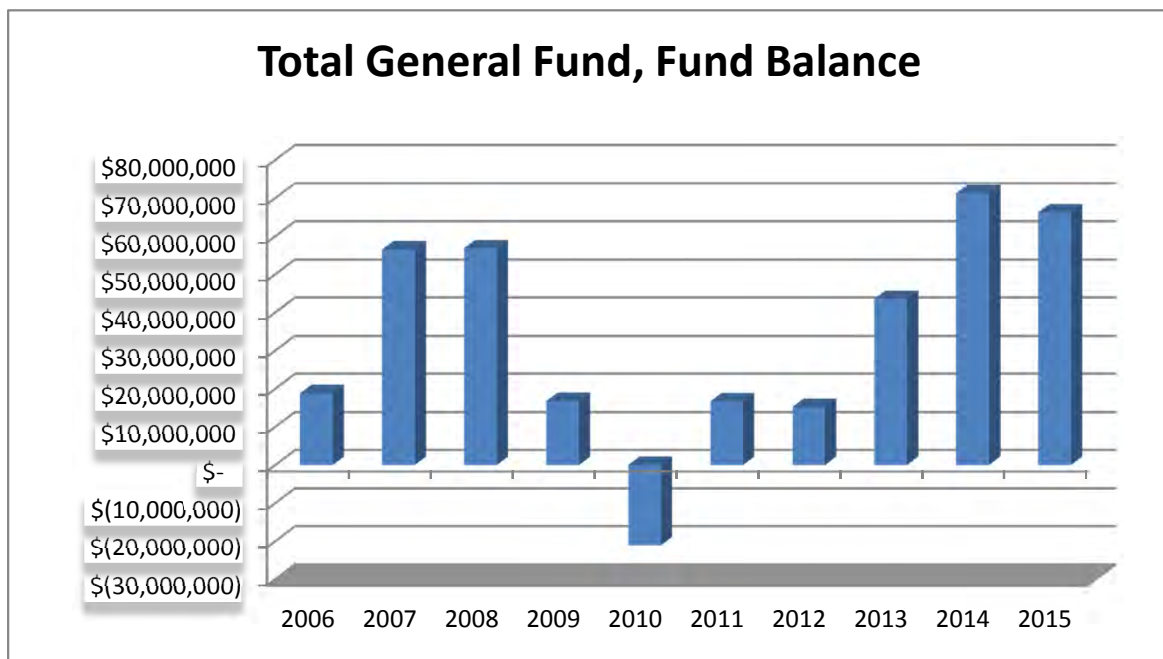
(modified accrual basis of accounting)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund				
Nonspendable	\$ 656,976	\$ 683,737	\$ 1,126,828	\$ 598,118
Restricted	(21,522,382)	0	0	(6,453,783)
Assigned	6,467,758	7,217,484	3,158,174	919,523
Unassigned	33,183,447	48,584,949	52,570,463	21,682,643
Total General Fund	<u>18,785,799</u>	<u>56,486,170</u>	<u>56,855,465</u>	<u>16,746,501</u>
All Other Government Funds				
Nonspendable	291,769	410,176	517,125	798,579
Restricted				
Debt Service	34,317,573	18,867,200	24,666,810	25,015,901
Capital Programs	142,078,425	159,651,722	134,193,707	112,989,202
Special Revenue	29,905,141	38,688,108	57,800,184	68,916,232
Unassigned	0	0	0	0
Total all Other Governmental Funds	<u>206,592,908</u>	<u>217,617,206</u>	<u>217,177,826</u>	<u>207,719,914</u>
Total Governmental Funds	<u>\$ 225,378,707</u>	<u>\$ 274,103,376</u>	<u>\$ 274,033,291</u>	<u>\$ 224,466,415</u>

Source: School District financial records

Note: The School District implemented GASB 54 in 2011

2010	2011	2012	2013	2014	2015
\$ 1,920,719	\$ 3,691,170	\$ 4,920,465	\$ 6,535,268	\$ 1,036,595	\$ 841,940
(40,964,314)	0	0	0	0	0
2,207,974	5,608,988	7,802,251	9,185,899	12,144,755	10,265,807
15,781,618	7,386,402	2,456,478	27,814,870	58,129,480	55,156,983
<u>(21,054,003)</u>	<u>16,686,560</u>	<u>15,179,194</u>	<u>43,536,037</u>	<u>71,310,830</u>	<u>66,264,730</u>
798,579	861,912	526,708	803,066	789,880	394,760
25,302,974	24,546,026	26,553,552	29,520,664	31,213,000	43,972,211
92,432,492	125,465,988	116,773,664	55,767,865	50,200,775	206,917,876
51,415,431	54,820,445	75,197,128	78,180,740	53,265,187	25,236,675
0	(35,448,458)	(6,600,746)	(19,869,898)	(15,616,054)	(14,897,662)
<u>169,949,476</u>	<u>170,245,913</u>	<u>212,450,306</u>	<u>144,402,437</u>	<u>119,852,788</u>	<u>261,623,860</u>
<u>\$ 148,895,473</u>	<u>\$ 186,932,473</u>	<u>\$ 227,629,500</u>	<u>\$ 187,938,474</u>	<u>\$ 191,163,618</u>	<u>\$ 327,888,590</u>



Cleveland Municipal School District

Governmental Funds Revenues

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2006	2007	2008	2009
General Revenues				
Local Sources:				
Taxes	\$ 225,725,605	\$ 229,456,774	\$ 216,291,084	\$ 198,637,233
Investment Income	16,205,770	18,843,152	18,682,784	9,507,759
Tuition and Fees	195,468	983,938	1,373,458	1,341,693
Extracurricular Activities	888,418	862,421	807,414	790,764
Contributions and Donations (1)	0	0	9,533,478	7,984,141
Sale of Personal Property	0	0	0	0
Miscellaneous	18,124,497	7,042,147	7,100,867	10,669,482
Total Local Sources	261,139,758	257,188,432	253,789,085	228,931,072
State Sources:				
Unrestricted Grants-in-Aid	384,220,944	399,263,033	406,097,141	415,513,502
Restricted Grants-in-Aid	130,630,795	118,053,159	135,715,773	135,128,629
Total State Sources	514,851,739	517,316,192	541,812,914	550,642,131
Federal Sources:				
Unrestricted Grants-in-Aid	361,625	230,742	4,570,644	3,947,025
Restricted Grants-in-Aid	125,743,351	130,689,825	127,244,206	131,068,187
Total Federal Sources	126,104,976	130,920,567	131,814,850	135,015,212
Total Revenues	\$ 902,096,473	\$ 905,425,191	\$ 927,416,849	\$ 914,588,415

Source: School District financial records

Notes:

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

2010	2011	2012	2013	2014	2015
\$ 175,412,408	\$ 185,815,163	\$ 179,685,485	\$ 211,788,636	\$ 242,555,376	\$ 256,365,424
5,756,808	3,535,089	1,910,966	1,345,163	2,942,716	1,771,268
1,831,628	4,181,794	3,999,330	6,236,352	5,878,768	6,053,782
772,316	612,023	541,229	512,011	567,220	563,270
6,253,700	8,107,354	2,627,175	4,369,374	6,156,679	8,208,426
0	152,615	1,374,307	4,838,821	717	6,460,191
11,268,565	14,816,339	17,071,449	15,259,654	13,862,593	4,525,063
<u>201,295,425</u>	<u>217,220,377</u>	<u>207,209,941</u>	<u>244,350,011</u>	<u>271,964,069</u>	<u>283,947,424</u>
466,379,953	458,759,975	462,502,688	457,766,044	405,113,830	406,067,383
54,495,286	39,162,866	31,850,562	47,613,559	123,889,931	98,064,931
<u>520,875,239</u>	<u>497,922,841</u>	<u>494,353,250</u>	<u>505,379,603</u>	<u>529,003,761</u>	<u>504,132,314</u>
2,083,472	2,251,018	3,060,502	2,055,040	7,986,486	1,772,901
160,859,694	170,974,083	149,294,345	109,780,767	102,343,737	94,527,868
<u>162,943,166</u>	<u>173,225,101</u>	<u>152,354,847</u>	<u>111,835,807</u>	<u>110,330,223</u>	<u>96,300,769</u>
<u>\$ 885,113,830</u>	<u>\$ 888,368,319</u>	<u>\$ 853,918,038</u>	<u>\$ 861,565,421</u>	<u>\$ 911,298,053</u>	<u>\$ 884,380,507</u>

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

	2006	2007	2008	2009
Expenditures				
Current:				
Instruction:				
Regular	\$ 311,511,315	\$ 301,277,356	\$ 318,032,298	\$ 317,468,088
Special	143,898,323	160,202,855	170,005,047	180,320,570
Vocational	11,934,317	12,718,124	14,091,870	11,903,774
Adult/Continuing	2,321,948	2,968,255	2,851,351	2,856,799
Other	12,496,611	12,218,420	19,859,383	19,463,893
Support Services:				
Pupils	35,284,327	35,214,671	34,551,766	36,579,743
Instructional Staff	51,117,118	48,104,139	49,169,705	57,763,047
Board of Education	280,079	248,240	256,012	278,777
Administration	39,129,081	39,609,348	46,455,469	43,240,868
Fiscal	9,925,994	9,616,962	11,404,888	12,207,258
Business	983,446	1,051,879	1,877,131	2,657,905
Operations and Maintenance of Plant	56,628,484	59,316,050	60,307,795	64,415,385
Pupil Transportation	27,392,258	26,776,217	26,423,864	30,463,468
Central	15,972,950	16,172,708	15,138,926	18,952,494
Operation of Non-Instructional Services	40,693,064	39,601,592	42,631,226	41,995,798
Extracurricular Activities	5,823,466	6,442,131	6,798,182	6,902,348
Capital Outlay	92,090,262	80,193,958	73,333,174	98,020,101
Debt Service				
Principal Retirement	22,755,277	9,100,896	24,665,132	9,845,919
Interest and Fiscal Charges	11,686,956	10,866,721	9,633,715	8,819,056
Bond Issuance Costs	0	0	0	0
Total Expenditures	\$ 891,925,276	\$ 871,700,522	\$ 927,486,934	\$ 964,155,291
Capital Asset Additions	89,005,963	74,888,761	74,058,479	87,869,540
Debt Service as a Percentage of Noncapital Expenditures	4.3%	2.5%	4.0%	2.1%

Source: School District financial records

2010	2011	2012	2013	2014	2015
\$ 320,913,453	\$ 285,176,732	\$ 296,589,788	\$ 296,652,085	\$ 328,296,064	\$ 335,082,439
189,382,175	207,710,557	174,268,968	171,815,811	182,611,969	177,015,873
11,906,845	10,325,890	11,317,046	12,554,974	12,096,694	8,602,736
3,665,685	117,389	0	108,929	620	0
9,233,999	6,470,346	4,565,662	883,337	1,974,637	7,543,041
38,434,140	36,624,319	36,685,082	36,194,695	34,740,999	35,762,625
65,575,019	60,166,032	50,661,878	53,789,823	31,412,749	36,799,727
237,500	245,987	274,705	273,980	268,543	254,804
43,344,082	36,689,828	32,974,897	35,343,239	40,298,245	46,708,964
10,093,012	15,237,357	12,788,220	12,622,530	12,268,155	16,625,868
2,230,778	1,637,398	1,689,243	2,013,062	1,571,515	1,174,319
61,633,008	86,750,620	55,268,800	60,109,673	62,283,307	68,459,149
27,703,192	27,878,194	27,339,459	27,477,112	54,625,249	33,667,163
14,731,249	12,527,955	12,018,833	19,762,993	17,449,971	25,793,659
41,262,127	18,517,941	37,955,918	37,885,012	35,451,831	34,800,157
6,493,928	6,385,611	5,856,800	6,979,541	6,488,287	6,821,653
95,529,232	56,852,634	25,129,584	100,952,346	75,299,430	76,490,025
10,193,245	24,867,030	37,540,082	2,184,442	15,524,161	41,460,586
8,122,103	10,112,550	10,357,440	11,652,099	6,482,113	3,129,494
0	36,949	0	364,505	177,858	826,655
<u>\$ 960,684,772</u>	<u>\$ 904,331,319</u>	<u>\$ 833,282,405</u>	<u>\$ 889,620,188</u>	<u>\$ 919,322,397</u>	<u>\$ 957,018,937</u>
108,906,618	57,242,290	25,787,407	52,343,089	99,865,136	71,296,300
2.2%	4.1%	5.9%	1.7%	2.7%	5.1%

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 10,171,197	\$ 33,724,669	\$ (70,085)	\$ (49,566,876)
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	0	15,000,000	0	0
Payment of Refunded Bond Escrow Agent	0	0	0	0
Premium from Sale of Bonds	0	0	0	0
Transfers In	6,944,394	39,180,591	29,532,247	3,770,394
Transfers Out	(6,944,394)	(39,180,591)	(29,532,247)	(3,770,394)
Total Other Financing Sources (Uses)	<u>0</u>	<u>15,000,000</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	<u>\$ 10,171,197</u>	<u>\$ 48,724,669</u>	<u>\$ (70,085)</u>	<u>\$ (49,566,876)</u>

Source: School District financial records

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ (75,570,942)	\$ (15,963,000)	\$ 20,635,633	\$ (28,054,767)	\$ (8,024,344)	\$ (72,638,430)
0	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
11,072,036	14,573,314	15,596,576	13,469,667	9,320,558	8,679,511
<u>(11,072,036)</u>	<u>(15,573,314)</u>	<u>(16,390,182)</u>	<u>(13,469,667)</u>	<u>(10,070,558)</u>	<u>(9,179,511)</u>
<u>0</u>	<u>54,000,000</u>	<u>20,061,394</u>	<u>(11,636,259)</u>	<u>11,249,488</u>	<u>208,777,561</u>
<u>\$ (75,570,942)</u>	<u>\$ 38,037,000</u>	<u>\$ 40,697,027</u>	<u>\$ (39,691,026)</u>	<u>\$ 3,225,144</u>	<u>\$ 136,139,131</u>

Cleveland Municipal School District

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

Fiscal Year	Real Property		Public Utility	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2006	4,970,503	14,201,437	316,245	359,369
2007	5,629,680	16,084,800	318,454	361,879
2008	5,526,506	15,790,017	212,297	241,246
2009	5,544,198	15,840,565	222,204	252,505
2010	5,336,350	15,246,715	235,305	267,392
2011	5,455,841	15,588,117	243,660	276,886
2012	5,449,321	15,569,488	247,613	281,378
2013	4,602,210	13,149,171	266,558	302,907
2014	4,601,349	13,146,711	298,603	339,322
2015	4,629,285	13,226,529	318,829	362,306

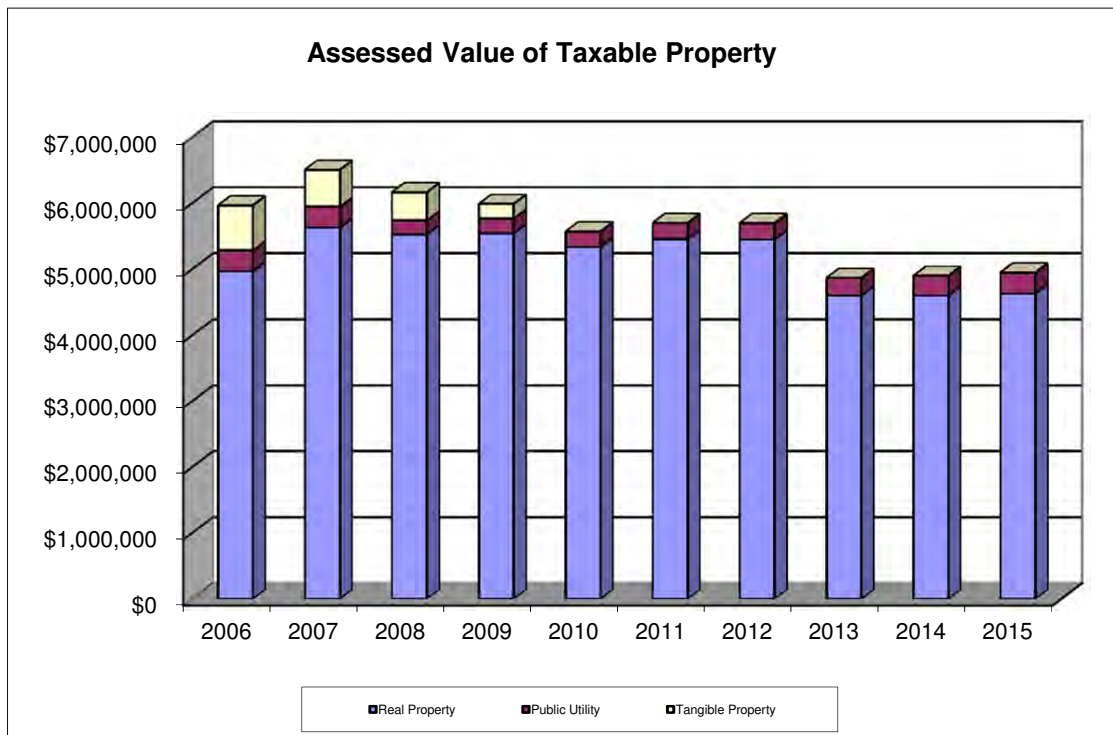
Source: Office of the County Auditor, Cuyahoga County, Ohio

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

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

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

Tangible Property		Total		Ratio	Total Direct Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
679,540	3,624,213	5,966,288	18,185,019	33	64.80
556,633	4,453,064	6,504,767	20,899,744	31	64.80
424,871	3,398,968	6,163,674	19,430,231	32	64.80
221,153	3,538,448	5,987,555	19,631,518	30	64.80
0	0	5,571,655	15,514,107	36	64.80
0	0	5,699,501	15,865,003	36	64.80
0	0	5,696,934	15,850,866	36	64.80
0	0	4,868,768	13,452,078	36	64.80
0	0	4,899,952	13,486,033	36	79.80
0	0	4,948,114	13,588,834	36	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
2006	12.70	18.30	6.80	58.20	0.50	6.10
2007	12.70	18.20	6.80	58.20	0.50	6.10
2008	12.70	18.20	6.80	58.20	0.50	6.10
2009	12.70	18.10	6.80	58.20	0.50	6.10
2010	12.70	18.10	6.80	58.20	0.50	6.10
2011	12.70	18.40	6.80	58.20	0.50	6.10
2012	12.70	18.30	6.80	58.20	0.50	6.10
2013	12.70	18.30	6.80	73.20	0.50	6.10
2014	12.70	20.03	6.80	73.20	0.50	6.10
2015	12.70	23.43	6.80	73.20	1.00	5.20

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.

<u>CMSD Total</u>	<u>Total (1)</u>	<u>Village of Bratenahl (2)</u>	<u>Village of Newburgh Heights (2)</u>	<u>Village of Linndale (2)</u>	<u>City of Garfield Heights (2)</u>
64.80	102.60	14.10	18.50	2.80	21.90
64.80	102.50	14.00	19.50	2.80	21.90
64.80	102.50	14.00	19.50	2.80	21.90
64.80	102.40	15.50	19.50	2.80	23.30
64.80	102.40	15.50	19.50	2.80	28.70
64.80	102.70	16.00	23.10	2.80	24.70
64.80	102.60	16.00	23.10	2.80	24.30
79.80	117.60	16.10	23.10	2.80	27.00
79.80	119.33	16.00	31.80	2.80	27.00
79.40	122.33	16.00	31.80	2.80	27.20

Cleveland Municipal School District

Principal Property Tax Payers

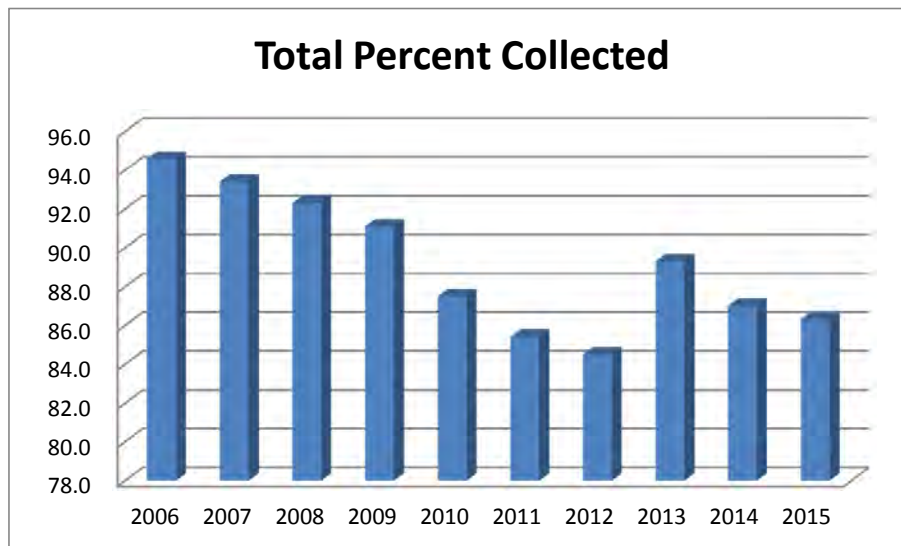
2014 and 2005 (1)

Taxpayer	2014			2005		
	Approximate Assessed Valuation	Rank	Percent of Total District Assessed Valuation	Approximate Assessed Valuation	Rank	Percent of Total District Assessed Valuation
Cleveland Electric Illuminating Co.	\$ 212,996,550	1	4.63%			
Cleveland Clinic Foundation	198,885,560	2	4.32%			
Cuyahoga County, Ohio	154,466,450	3	3.36%			
City of Cleveland, Ohio	85,991,990	4	1.87%			
Key Center Properties LLC	80,559,150	5	1.75%			
East Ohio Gas Co.	74,159,240	6	1.61%			
Cleveland Financial Associates, LLC	43,750,010	7	0.95%			
Fed/Main Street LLC	41,238,160	8	0.90%			
Higbee Mothership LLC	39,899,100	9	0.87%			
Hub North Point Properties LLC	35,123,770	10	0.76%			
Cleveland Electric Illuminating Co.				\$ 138,442,336	1	2.32%
Ohio Bell Telephone				83,355,085	2	1.40%
ZML - Cleveland Public Square, LLC				47,232,500	3	0.79%
Cleveland Clinic Foundation				36,009,880	4	0.60%
NPW LTD Partnership				35,560,000	5	0.60%
National City Center, LLC				28,000,000	6	0.47%
ISG Cleveland Inc.				25,984,630	7	0.44%
East Ohio Gas				25,152,347	8	0.42%
SBC Ameritech				21,064,414	9	0.35%
Bishop James Hickey				19,425,000	10	0.33%
Total Ten Largest	<u>967,069,980</u>		<u>21.02%</u>	<u>460,226,192</u>		<u>7.71%</u>
Total District Assessed Valuation	<u>\$ 4,601,349,000</u>			<u>\$ 5,966,288,000</u>		

Source: City of Cleveland 2014 CAFR, CMSD 2006 CAFR
 (1) 2015 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
2006	251,189	221,282	88.1	18,022	239,304	95.3
2007	245,044	212,722	86.8	16,160	228,882	93.4
2008	228,622	192,688	84.3	18,439	211,127	92.3
2009	218,073	183,273	84.0	15,452	198,725	91.1
2010	224,782	181,857	80.9	14,888	196,745	87.5
2011	225,219	177,622	78.9	14,652	192,274	85.4
2012	227,945	173,457	76.1	19,090	192,547	84.5
2013	286,871	236,946	82.6	19,192	256,138	89.3
2014	294,107	236,058	80.3	19,822	255,880	87.0
2015	300,289	239,052	79.6	20,107	259,159	86.3



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

Notes:

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (2) Represents collection year.

Cleveland Municipal School District

Ratio of Bonded Debt to Personal Income and Debt per Capita

Last Ten Fiscal Years

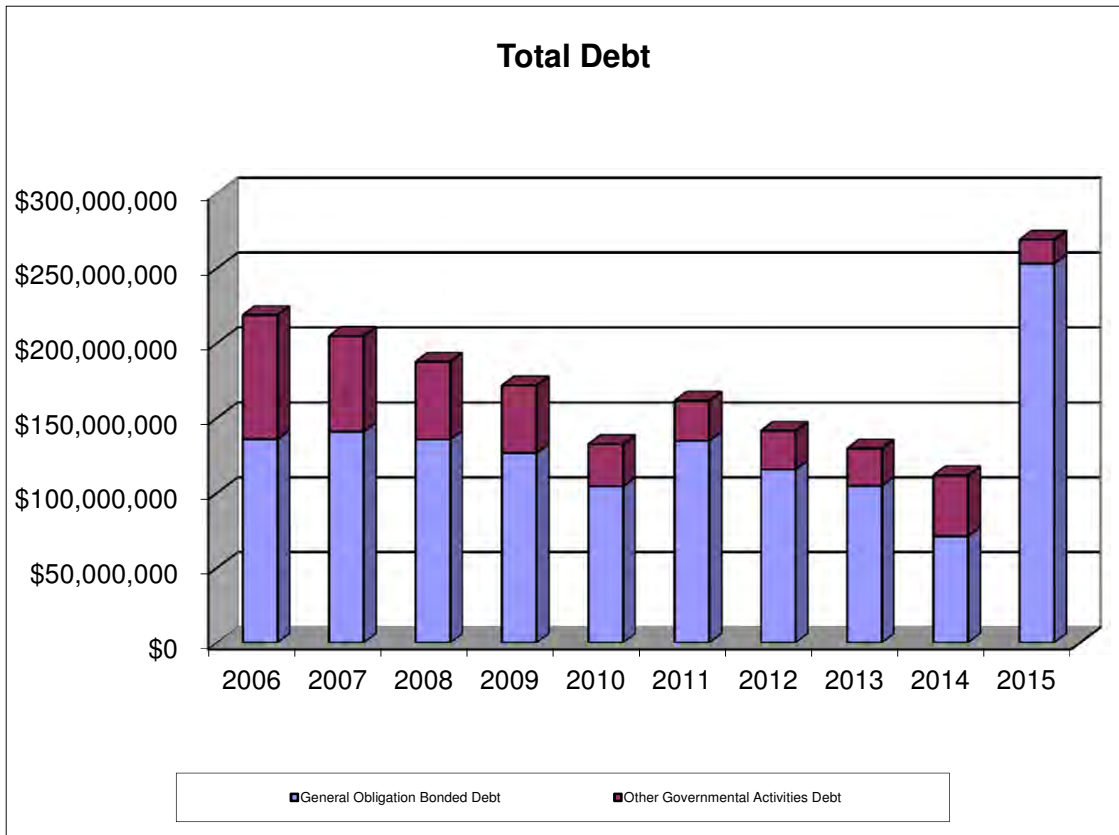
Fiscal Year	Estimated Population (1)	Estimated Actual Values	General Obligation Bonded Debt		
			Net General Obligation Bonded Debt (2)	Ratio of General Obligation Bonded Debt to Estimated Actual Value	General Obligation Bonded Debt per Capita
2006	444,313	\$ 18,185,019,000	\$ 135,888,934	0.75%	\$ 306
2007	444,313	20,899,743,000	141,018,039	0.67	317
2008	438,042	19,430,231,000	135,627,634	0.70	310
2009	433,748	19,631,518,000	126,740,932	0.65	292
2010	431,369	15,514,107,000	104,443,941	0.67	242
2011	431,369	15,865,004,000	134,878,204	0.85	313
2012	396,815	15,850,866,000	115,666,529	0.73	291
2013	390,928	13,452,078,000	104,731,366	0.78	268
2014	390,113	13,486,033,000	71,084,957	0.53	182
2015	389,521	13,588,834,000	253,069,176	1.86	650

Sources:

- (1) U.S. Bureau of the Census
- (2) Net General Obligation Bonded Debt equals total outstanding General Obligation Bonded Debt less Net Position for Debt Service
- (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	\$ 56,571,154	\$ 4,954,716	\$ 218,664,804	3.44%	\$ 492
21,250,000	38,490,704	3,929,270	204,688,013	3.22	461
21,250,000	27,767,780	2,862,062	187,507,476	3.00	428
21,250,000	22,007,532	1,751,391	171,749,855	2.77	396
21,250,000	6,215,191	595,487	132,504,619	2.15	307
21,250,000	5,388,648	0	161,516,852	2.50	374
21,250,000	4,518,566	0	141,435,095	2.19	356
21,250,000	3,602,652	0	129,584,018	1.97	331
21,250,000	2,638,491	16,714,894	111,688,342	1.68	286
0	1,623,542	14,259,257	268,951,975	4.06	690



Cleveland Municipal School District

Legal Debt Margin Information Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed Value	\$ 5,007,005,510
Debt Limit (9% of assessed value)	450,630,496
Debt Applicable to Limit	<u>287,903,530</u>
Legal Debt Margin	<u><u>\$ 162,726,966</u></u>

	2006	2007	2008	2009
Debt Limit	\$ 536,965,920	\$ 585,429,030	\$ 554,730,660	\$ 538,879,947
Total Net Debt Applicable to Limit	<u>141,812,427</u>	<u>149,897,800</u>	<u>135,715,009</u>	<u>127,899,099</u>
Legal Debt Margin	<u><u>\$ 395,153,493</u></u>	<u><u>\$ 435,531,230</u></u>	<u><u>\$ 419,015,651</u></u>	<u><u>\$ 410,980,848</u></u>
 Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	 26.41%	 25.60%	 24.47%	 23.73%

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

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



<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 501,448,950	\$ 512,955,090	\$ 512,724,060	\$ 438,189,120	\$ 446,125,379	\$ 450,630,496
<u>119,367,026</u>	<u>156,124,865</u>	<u>138,566,996</u>	<u>115,251,131</u>	<u>107,878,824</u>	<u>287,903,530</u>
<u>\$ 382,081,924</u>	<u>\$ 356,830,225</u>	<u>\$ 374,157,064</u>	<u>\$ 322,937,989</u>	<u>\$ 338,246,555</u>	<u>\$ 162,726,966</u>
23.80%	30.44%	27.03%	26.30%	24.18%	63.89%

Cleveland Municipal School District
Direct and Overlapping Debt Governmental Activities Debt
As of June 30, 2015

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	\$ 5,007,005,410	\$ 5,007,005,410	\$ 319,962,799	100.00%	\$ 319,962,799
Overlapping Debt:					
City of Cleveland (2)	4,850,414,770	5,007,005,410	318,225,000	96.87	308,272,733
Cuyahoga County (2)	5,007,005,410	27,733,453,110	262,275,000	18.05	47,351,202
Village of Bratenahl (2)	87,313,060	5,007,005,410	155,000	1.74	2,703
Village of Linndale (2)	2,263,670	5,007,005,410	0	5.00	0
Newburgh Heights Village (2)	21,985,330	5,007,005,410	513,000	0.44	2,253
City of Garfield Heights (2)	362,754,970	5,007,005,410	21,108,000	7.24	1,529,264
Greater Cleveland Regional Transit Authority (2)	5,007,005,410	27,733,453,110	102,840,000	18.05	18,566,762
Total Overlapping Debt	<u>15,338,742,620</u>	<u>80,501,933,270</u>	<u>705,116,000</u>		<u>375,724,917</u>
Total	<u>\$ 20,345,748,030</u>	<u>\$ 85,508,938,680</u>	<u>\$ 1,025,078,799</u>		<u>\$ 695,687,716</u>

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

Notes:

- (1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision.
- (2) 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
2006	444,313	\$ 6,349,677,083	\$ 14,291	5.1%
2007	444,313	6,349,677,083	14,291	6.1
2008	438,042	6,260,058,222	14,291	6.4
2009	433,748	6,198,692,668	14,291	10.5
2010	431,369	6,164,694,379	14,291	10.5
2011	396,815	6,468,878,130	16,302	9.3
2012	396,815	6,468,878,130	16,302	7.4
2013	390,928	6,572,281,536	16,812	7.5
2014	390,113	6,628,800,096	16,992	5.5
2015	389,521	6,618,740,832	16,992	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

Employer	2014			2005		
	Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Cleveland Clinic Health System	32,251	1	22.03%			
University Hospitals	14,518	2	9.92			
U.S. Office of Personnel Management	11,254	3	7.69			
Cuyahoga County	7,776	4	5.31			
Cleveland Metropolitan School District	6,953	5	4.75			
City of Cleveland	6,757	6	4.62			
MetroHealth System	5,823	7	3.98			
KeyCorp	4,812	8	3.29			
Case Western Reserve University	4,512	9	3.08			
Sherwin-Williams Co.	3,430	10	2.34			
Cleveland Clinic Health System				24,166	1	13.83%
University Hospitals Health System				14,276	2	8.17
U.S. Office of Personnel Management				9,204	3	5.27
Cuyahoga County				9,138	4	5.23
City of Cleveland				8,260	5	4.73
Cleveland Municipal School District				7,428	6	0.48
National City Corporation				6,233	7	3.57
KeyCorp				6,044	8	3.46
Case Western Reserve University				5,362	9	3.07
MetroHealth System				5,353	10	3.06
	<u>98,086</u>		<u>67.00%</u>	<u>95,464</u>		<u>54.63%</u>
Total Employment within city			146,400			174,700

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Percentage Change 2006-2015
Educational Staff											
Regular Education	2,058	1,943	2,020	1,956	1,945	2,392	1,940	1,648	1,742	1,780	-13.51 %
Special Education	1,335	1,383	1,250	1,244	1,212	925	775	787	718	848	-36.48
Vocational Education	87	83	86	80	76	83	0	0	0	0	0.00
Educational Services	386	371	389	378	384	217	14	9	0	0	0.00
Full Time (permanent) Substitute	30	3	2	2	2	0	0	0	0	0	0.00
Other Professional - Educational	74	19	14	13	10	46	27	27	35	29	-60.81
Total Educational	3,970	3,802	3,761	3,673	3,629	3,663	2,756	2,471	2,495	2,657	-33.07
Student Services											
Curriculum Specialist	1	8	28	27	64	65	116	124	106	108	10,700.00
Paraprofessional	0	0	0	0	0	0	148	101	153	152	0.00
Counseling	67	73	71	72	70	72	57	58	52	51	-23.88
Librarian/Media	84	91	95	96	92	69	47	32	34	29	-65.48
Remedial Specialist	139	46	44	33	34	55	224	227	247	121	-12.95
Psychologist	70	62	61	61	71	69	75	75	70	69	-1.43
Registered Nurse	55	57	66	65	63	60	42	33	39	38	-30.91
Social Work	1	0	12	13	14	7	8	7	6	6	500.00
Physical Therapist	9	10	9	9	9	9	8	8	8	8	-11.11
Speech/Language Therapist	76	73	72	75	74	74	72	71	75	75	-1.32
Occ/ Mobility Therapist	22	26	24	25	25	26	25	23	25	24	9.09
Other Professional Services	67	58	70	71	69	96	147	145	135	78	16.42
Total Student Services	591	504	552	547	585	602	969	904	950	759	28.43
Support Staff											
Bookkeeping	8	5	4	4	3	34	20	21	16	30	275.00
Clerical Assignment	257	260	259	259	246	275	220	213	203	201	-21.79
Teaching Aide	624	633	717	734	800	517	496	500	524	532	-14.74
Other Office/Clerical	30	37	25	44	21	109	24	20	18	20	-33.33
Attendance Officer	22	21	19	19	19	19	17	16	16	16	-27.27
Maintenance	66	92	69	33	30	35	31	34	33	32	-51.52
Custodial	332	333	327	329	320	305	292	279	308	320	-3.61
Food Service /Dietitian	4	5	5	5	5	4	4	4	5	4	0.00
Guard/Watchman	196	203	213	324	319	305	212	228	225	230	17.35
Mechanic/ Foreman	26	26	26	59	57	50	50	47	42	47	80.77
Vehicle Operating/Dispatch	49	49	47	45	41	46	46	29	31	27	-44.90
Computer Operating/Programmin	13	10	7	7	6	17	25	26	25	25	92.31
Total Support	1,627	1,674	1,718	1,862	1,867	1,716	1,437	1,417	1,446	1,484	-8.79
Administrative Staff											
Administrative Assistant	9	11	10	11	11	6	5	5	7	8	-11.11
Deputy/Associate Superintendent	19	32	38	35	35	21	20	20	28	25	31.58
Director	0	0	0	0	0	6	4	4	8	10	0.00
Principal	129	135	130	129	123	121	115	104	111	113	-12.40
Assistant Principal	60	66	70	79	72	74	74	71	74	72	20.00
Supervisor/Manager	133	118	124	132	125	51	47	42	84	66	-50.38
Coordinator	23	22	23	29	29	28	34	28	47	43	86.96
Education Administrative Speciali	0	0	0	10	9	9	9	9	8	6	0.00
Other Official/Administrator	155	142	139	136	140	48	45	44	44	49	-68.39
Total administrative	528	526	534	561	544	364	353	327	411	392	-25.76
Total	6,716	6,506	6,565	6,643	6,625	6,345	5,515	5,119	5,302	5,292	-21.20 %

Source: District records

Cleveland Municipal School District

Operating Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures (1)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>
2006	57,698	\$ 749,470,503	\$ 12,990	18.03%
2007	52,769	659,532,746	12,498	(3.78)
2008	50,078	699,907,987	13,976	11.82
2009	47,120	717,251,299	15,222	8.91
2010	46,697	710,783,125	15,221	(0.00)
2011	43,363	676,334,027	15,597	2.47
2012	40,758	600,391,312	14,731	(5.55)
2013	38,717	604,516,648	15,614	5.99
2014	37,967	620,202,126	16,335	4.62
2015	39,083	768,488,105	19,663	20.37

Source: Ohio Department of Education

Notes:

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

Expenses (2)	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free and Reduced - Paid Meals (3)
\$ 762,708,235	\$ 13,219	20.16%	3,436	16.8	84.83%
674,827,732	12,788	(3.26)	3,502	15.1	84.83
754,615,475	15,069	17.83	3,515	14.2	70.34
732,627,838	15,548	3.18	3,583	13.2	77.85
780,525,681	16,715	7.50	3,554	13.1	77.88
697,047,069	16,075	-3.83	3,317	13.1	82.01
636,194,688	15,609	-2.90	2,715	15.0	81.87
688,253,032	17,777	13.89	2,853	13.6	100.00
696,276,661	18,339	3.16	2,495	15.2	100.00
563,861,478	14,427	-21.33	2,657	14.7	100.00

Cleveland Municipal School District

Teacher Base Salaries

Last Ten Fiscal Years

Fiscal Year	Minimum Salary	Maximum Salary	Statewide Average Salary
2006	\$ 34,237	\$ 72,619	\$ 50,772
2007	35,264	74,798	53,536
2008	36,322	77,042	53,410
2009	37,412	79,353	54,656
2010	38,534	81,734	55,958
2011	36,836	76,736	56,715
2012	36,740	77,929	56,715
2013	37,412	79,353	56,307
2014	42,215	87,631	55,916
2015	42,637	82,578	57,636

Source: Ohio Department of Education

American Federation of Teachers, AFL-CIO

Cleveland Municipal School District

School Building Information

Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
K-8 Schools:										
A.B. Hart (1932)										
Square feet	115,452	115,452	115,452	115,452	115,452	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	524	433	338	399	308	N/A	N/A	N/A	N/A	N/A
Adlai Stevenson (1967)(2010)										
Square feet	41,000	41,000	41,000	41,000	41,000	63,282	63,282	63,282	63,282	63,282
Capacity	525	525	525	525	525	450	450	450	450	450
Enrollment	319	326	290	368	258	417	370	428	334	400
Alexander G. Bell (1971)										
Square feet	70,829	70,829	70,829	70,829	70,829	N/A	N/A	N/A	N/A	N/A
Capacity	825	825	825	825	825	N/A	N/A	N/A	N/A	N/A
Enrollment	452	397	384	382	394	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	0	400	433	323	0	0	367	386
Almira (1916) (2013)										
Square feet	68,933	68,933	68,933	68,933	68,933	68,933	68,933	64,297	64,297	64,297
Capacity	650	650	650	650	650	650	650	450	450	450
Enrollment	553	521	466	474	374	386	325	317	335	484
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	509	570	570	544	513	487	525	490	478	436
Anton Grdina (1959) (2011)										
Square feet	75,600	75,600	75,600	75,600	75,600	75,600	72,670	72,670	72,670	72,670
Capacity	700	700	700	700	700	700	540	540	540	540
Enrollment	624	576	522	475	419	330	344	342	323	324
Artemus Ward (2009)										
Square feet	N/A	N/A	N/A	64,298	64,298	63,282	63,282	63,282	63,282	63,282
Capacity	N/A	N/A	N/A	450	450	450	450	450	450	450
Enrollment	N/A	N/A	N/A	420	475	458	494	514	460	474
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	686	571	491	435	355	355	0	0	0	0
Benjamin Franklin (1923)										
Square feet	83,260	83,260	83,260	83,260	83,260	83,719	83,719	83,719	83,719	83,719
Capacity	800	800	800	800	800	800	800	800	800	800
Enrollment	784	738	669	656	640	648	608	548	578	560

Cleveland Municipal School District

School Building Information

Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
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	385	293	343	289	300	388	347	284	284	279
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	319	312	304	270	253	0	0	0	0	287
Buckeye-Woodland (1975)										
Square feet	44,800	44,800	44,800	44,800	44,800	52,493	52,493	52,493	52,493	52,493
Capacity	625	625	625	625	625	625	625	625	625	625
Enrollment	360	304	260	262	253	319	270	205	228	212
Buhrer (1969) (2009)										
Square feet	42,086	42,086	42,086	42,086	52,850	52,850	52,850	52,850	52,850	52,850
Capacity	600	600	600	600	350	350	350	350	350	350
Enrollment	446	0	0	0	333	320	342	356	364	361
Campus International School										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	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	N/A	114	210	298	366	451
Captain Arthur Roth (1965)										
Square feet	70,016	70,016	70,016	70,016	70,016	70,016	N/A	N/A	N/A	N/A
Capacity	975	975	975	975	975	975	N/A	N/A	N/A	N/A
Enrollment	412	370	315	280	259	287	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	553	481	413	353	412	412	367	320	304	301
Charles Dickens										
Square feet	N/A	N/A	N/A	N/A	N/A	64,272	64,272	64,272	64,272	64,272
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	425	406	382	315	316
Charles H. Lake (1961)										
Square feet	55,823	55,823	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	675	675	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	324	289	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	N/A	152,607	152,607	152,607	152,607	152,607
Capacity	N/A	N/A	N/A	N/A	N/A	1,400	1,400	1,400	1,400	1,400
Enrollment	N/A	N/A	N/A	N/A	N/A	742	472	479	477	479

Cleveland Municipal School District

School Building Information

Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Charles Orr (1955)										
Square feet	33,000	33,000	33,000	33,000	33,000	33,000	N/A	N/A	N/A	N/A
Capacity	425	425	425	425	425	425	N/A	N/A	N/A	N/A
Enrollment	0	0	146	99	143	0	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	417	342	299	316	311	447	502	464	397	303
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	712	627	640	580	547	515	449	399	408	373
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	605	577	579	557	584	553	592	623	593	578
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	0	300	365	324	0	0	232
Daniel E. Morgan (1959)(2007)										
Square feet	51,272	66,409	66,409	66,409	66,409	66,409	66,409	66,409	66,409	66,409
Capacity	825	480	480	480	480	480	480	480	480	480
Enrollment	423	430	448	406	355	325	322	302	295	269
Denison (1972)										
Square feet	42,714	42,714	42,714	42,714	42,714	52,351	52,351	52,351	52,351	52,351
Capacity	825	825	825	825	825	825	825	825	825	825
Enrollment	706	698	713	709	708	597	645	570	465	417
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	392	390	362	371	380	0	412	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	0	76	136	173	207	250	274	281	300

Cleveland Municipal School District

School Building Information

Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
East Clark (2) (1894)										
Square feet	56,755	56,755	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	575	575	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	463	387	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	N/A	63,281	63,281	63,281	63,281	63,281	63,281
Capacity	N/A	N/A	N/A	N/A	450	450	450	450	450	450
Enrollment	N/A	N/A	N/A	N/A	452	389	398	314	309	265
Emile B. deSauze (1966)										
Square feet	51,457	51,457	51,457	51,457	51,457	48,860	N/A	N/A	N/A	N/A
Capacity	575	575	575	575	575	575	N/A	N/A	N/A	N/A
Enrollment	407	360	344	304	284	258	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	423	361	330	279	236	0	0	0	0	0
Euclid Park (1922)										
Square feet	43,182	43,182	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	500	500	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	358	291	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	N/A	53,767	53,767	53,767	53,767	53,767
Capacity	N/A	N/A	N/A	N/A	N/A	351	351	351	351	351
Enrollment	N/A	N/A	N/A	N/A	N/A	321	345	343	364	347
F. D. Roosevelt (1976)										
Square feet	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000
Capacity	1,275	1,275	1,115	1,115	1,115	1,115	1,115	1,115	1,115	1,115
Enrollment	0	0	297	520	463	592	544	460	411	392
Forest Hill Parkway (1967)										
Square feet	51,278	51,278	51,278	51,278	51,278	N/A	N/A	N/A	N/A	N/A
Capacity	450	450	450	450	450	N/A	N/A	N/A	N/A	N/A
Enrollment	407	380	390	365	276	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	458	401	395	379	372	407	327	300	281	261
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

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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Garfield (2009)										
Square feet	N/A	N/A	N/A	N/A	60,777	60,777	60,777	60,777	60,777	60,777
Capacity	N/A	N/A	N/A	N/A	426	426	426	426	426	426
Enrollment	N/A	N/A	N/A	N/A	375	425	518	526	500	486
George Washington Carver (1954)										
Square feet	53,800	53,800	53,800	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	475	475	475	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	516	463	404	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	N/A	63,280	63,280	63,280	63,280
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	450	450	450	450
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	536	449	356	345
Giddings (1970)										
Square feet	53,533	53,533	53,533	53,533	53,533	N/A	N/A	N/A	N/A	N/A
Capacity	550	550	550	550	550	N/A	N/A	N/A	N/A	N/A
Enrollment	389	302	288	275	275	N/A	N/A	N/A	N/A	N/A
Gracemount (1947)										
Square feet	49,922	49,922	49,922	49,922	49,922	N/A	N/A	N/A	N/A	N/A
Capacity	475	475	475	475	475	N/A	N/A	N/A	N/A	N/A
Enrollment	561	487	432	493	493	N/A	N/A	N/A	N/A	N/A
Hannah Gibbons (1960) (2006)										
Square feet	N/A	52,953	52,953	52,953	52,953	52,953	52,953	52,953	52,953	52,953
Capacity	N/A	351	351	351	351	351	351	351	351	351
Enrollment	N/A	267	246	237	228	226	281	277	254	240
Harvey Rice (1903) (2009)										
Square feet	82,414	82,414	82,414	82,414	63,280	63,280	63,280	63,280	63,280	63,280
Capacity	975	975	975	975	450	450	450	450	450	450
Enrollment	352	317	267	233	362	422	446	468	448	445
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	564	497	508	403	416	430	415	417	357	320
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	0	595	595	616	541	535	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	362	302	321	238	252	0	0	0	0	0

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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
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	555	427	368	306	318	336	399	358	310	284
John D. Rockefeller (1961)										
Square feet	54,400	54,400	54,400	54,400	54,400	54,400	54,400	54,400	N/A	N/A
Capacity	700	700	700	700	700	700	700	700	N/A	N/A
Enrollment	434	321	242	236	216	0	0	0	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	433	431	444	383	356	0	0	0	0	0
Joseph F. Landis (1963)										
Square feet	49,170	49,170	49,170	49,170	49,170	49,170	N/A	N/A	N/A	N/A
Capacity	725	725	725	725	725	725	N/A	N/A	N/A	N/A
Enrollment	431	379	399	341	360	0	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	865	762	791	771	737	654	652	638	676	657
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	0	100	129	166	168	168	154	158	172
Kentucky-Paul L. Dunbar Swing Space (1940)										
Square feet	42,870	42,870	42,870	42,870	42,870	35,010	35,010	35,010	35,010	35,010
Capacity	575	575	575	575	575	575	575	575	575	575
Enrollment	106	422	438	437	316	192	158	173	215	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	375	313	322	338	351	344	338	315	310	263
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	478	375	245	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	31,240	30,649	30,649	30,649
Capacity	300	300	300	300	300	300	300	300	300	300
Enrollment	208	230	212	235	226	233	203	238	224	234

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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Luiz Munoz Marin (1976)										
Square feet	157,009	157,009	157,009	157,009	157,009	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	727	822	872	774	773	796	708	683	621	551
Margaret Spellacy - Ginn Academy (1969)										
Square feet	116,246	116,246	116,246	116,246	116,246	106,582	106,582	106,582	106,582	106,582
Capacity	900	900	900	900	900	900	900	900	900	900
Enrollment	0	0	541	477	272	251	216	203	258	337
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	659	609	614	574	585	535	487	432	415	338
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	507	471	498	483	469	503	454	356	318	280
Mary B. Martin (2) (1963)										
Square feet	57,737	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	825	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mary B. Martin & Early Childhood (2006)										
Square feet	N/A	70,048	70,048	70,048	70,048	70,048	70,048	70,048	70,048	70,048
Capacity	N/A	490	490	490	490	490	490	490	490	490
Enrollment	N/A	390	340	398	343	321	445	300	369	340
Mary M. Bethune (2) (1964)										
Square feet	48,613	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	450	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	480	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mary M. Bethune (2006)										
Square feet	N/A	68,498	68,498	68,498	68,498	68,731	68,731	68,731	68,731	68,731
Capacity	N/A	500	500	500	500	500	500	500	500	500
Enrollment	N/A	417	352	344	349	363	333	342	306	289
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	404	375	343	308	288	304	304	297	266	239
Memorial (2005)										
Square feet	83,584	83,584	83,584	83,584	83,584	84,865	84,865	84,865	84,865	84,865
Capacity	625	625	625	625	625	625	625	625	625	625
Enrollment	501	522	454	475	480	481	464	424	421	380

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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
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	432	368	378	341	323	447	420	382	332	295
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	556	426	394	314	0	0	0	262	269	322
Miles Park (2) (1971)										
Square feet	43,027	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	513	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Miles Park (2007)										
Square feet	N/A	92,027	92,027	92,027	92,027	92,029	92,029	92,029	92,029	92,029
Capacity	N/A	650	650	650	650	650	650	650	650	650
Enrollment	N/A	461	538	430	497	556	605	543	563	470
Mound (1904)										
Square feet	38,355	38,355	38,355	38,355	38,355	36,642	36,642	36,642	36,642	36,642
Capacity	500	500	500	500	500	500	500	500	500	500
Enrollment	416	348	287	241	234	253	0	0	0	0
Mound (2011)										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	63,280	63,280	63,280	63,280
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	450	450	450	450
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	467	461	395	402
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	522	442	349	311	298	0	0	0	0	0
Nathan Hale (2011)										
Square feet	N/A	N/A	N/A	N/A	N/A	56,348	56,348	56,348	56,348	56,348
Capacity	N/A	N/A	N/A	N/A	N/A	400	400	400	400	400
Enrollment	N/A	N/A	N/A	N/A	N/A	409	436	390	380	352
Nathaniel 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	0	345	0	0	356	0	0	0	0

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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
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	505	662	671	567	441	463	366	287	349	335
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	564	444	385	409	406	388	331	305	255	247
Orchard (1901)										
Square feet	66,678	66,678	66,678	66,678	66,678	66,678	66,678	63,282	63,282	63,282
Capacity	800	800	800	800	800	800	800	450	450	450
Enrollment	378	534	576	0	0	0	0	305	301	416
Patrick Henry (1922)										
Square feet	130,443	130,443	130,443	130,443	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	739	491	410	305	N/A	N/A	N/A	N/A	N/A	N/A
Patrick Henry (2009)										
Square feet	N/A	N/A	N/A	N/A	63,281	63,287	63,287	63,287	63,287	63,287
Capacity	N/A	N/A	N/A	N/A	450	450	450	450	450	450
Enrollment	N/A	N/A	N/A	N/A	309	331	340	355	342	312
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	255	330	360	228	316	0	0	0	0	0
Paul Revere (1925)										
Square feet	82,840	82,840	82,840	82,840	82,840	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	502	584	483	370	370	441	456	329	290	258
Riverside (1935)										
Square feet	38,836	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	447	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Riverside (2005)										
Square feet	N/A	61,820	61,820	61,820	61,820	61,820	61,820	61,820	61,820	61,820
Capacity	N/A	450	450	450	450	450	450	450	450	450
Enrollment	N/A	477	516	545	521	537	465	474	473	497
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	429	498	386	282	292	292	0	0	0	0

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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Robert H. Jamison (1966)										
Square feet	140,000	140,000	140,000	140,000	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	1,125	1,125	1,125	1,125	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	698	604	563	503	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	N/A	64,298	65,000	65,000	65,000	65,000	65,000
Capacity	N/A	N/A	N/A	N/A	450	450	450	450	450	450
Enrollment	N/A	N/A	N/A	N/A	444	397	400	388	388	364
Robinson G. Jones (2) (1951)										
Square feet	38,311	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	550	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	352	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Robinson G. Jones (2009)										
Square feet	N/A	N/A	N/A	64,281	64,281	64,281	64,281	64,281	64,281	64,281
Capacity	N/A	N/A	N/A	450	450	450	450	450	450	450
Enrollment	N/A	N/A	N/A	361	369	361	397	391	422	416
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	610	538	452	430	465	433	424	421	390	345
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	0	351	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	272	214	224	170	207	236	225	213	229	242
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	692	0	0	0	0	0	0	0	0	0
Thomas Jefferson (2011)										
Square feet	N/A	N/A	N/A	N/A	N/A	101,591	101,591	101,591	101,591	101,591
Capacity	N/A	N/A	N/A	N/A	N/A	785	785	785	785	785
Enrollment	N/A	N/A	N/A	N/A	N/A	188	251	294	372	457
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	472	427	402	377	463	452	518	535	504	534

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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
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	373	327	248	251	220	239	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	0	74	106	133	169	175	189	172	170
Wade Park (1975)										
Square feet	68,600	68,600	68,600	68,600	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	725	725	725	725	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	540	307	222	177	N/A	N/A	N/A	N/A	N/A	N/A
Wade Park (2009)										
Square feet	N/A	N/A	N/A	N/A	68,600	68,600	68,600	68,600	68,600	68,600
Capacity	N/A	N/A	N/A	N/A	501	501	501	501	501	501
Enrollment	N/A	N/A	N/A	N/A	355	372	370	346	331	330
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	686	697	583	553	577	576	467	370	310	287
Warner (2007)										
Square feet	N/A	N/A	75,799	75,799	75,799	75,799	75,799	75,799	75,799	75,799
Capacity	N/A	N/A	570	570	570	570	570	570	570	570
Enrollment	N/A	N/A	110	163	242	276	325	314	370	352
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	471	494	524	533	500	393	377	339	265	221
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	360	450	458	460	430	383	340	302	278	196
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	470	473	495	427	423	345	364	385	412	373
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

Cleveland Municipal School District

School Building Information

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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
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	293	273	240	218	216	234	255	227	266	260
Woodland Hills (1971)										
Square feet	49,443	49,443	49,443	49,443	49,443	49,443	N/A	N/A	N/A	N/A
Capacity	600	600	600	600	600	600	N/A	N/A	N/A	N/A
Enrollment	510	393	376	353	300	345	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	624	558	588	572	596	539	437	442	370	337
Willson (2010)										
Square feet	N/A	N/A	N/A	N/A	N/A	76,217	76,217	76,217	76,217	76,217
Capacity	N/A	N/A	N/A	N/A	N/A	574	574	574	574	574
Enrollment	N/A	N/A	N/A	N/A	N/A	385	392	367	329	331
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	450	387	351	363	475	360	313	299	823	800
Cleveland Learning Center - Halle (1) (1904)										
Square feet	41,085	41,085	41,085	41,085	41,085	49,337	49,337	Closed	Closed	Closed
Capacity	500	500	500	500	500	500	500	Closed	Closed	Closed
Enrollment	420	359	404	464	344	356	356	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	90,400	122,727
Capacity	850	850	850	850	850	850	850	850	850	775
Enrollment	601	602	558	558	0	1,114	0	541	535	607
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
Capacity		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	775
Enrollment		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	607
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

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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Enrollment	1,121	968	962	898	793	712	623	624	591	129
East High (1975)										
Square feet	165,711	165,711	165,711	165,711	165,711	165,711	165,711	165,711	165,711	165,711
Capacity	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875
Enrollment	1,008	860	715	701	717	0	0	0	0	0
East Technical (1972) Administration Site										
Square feet	318,600	318,600	318,600	318,600	318,600	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	1,020	907	783	785	746	1,171	817	565	655	543
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	333	264	227	208	247	240	314	310	297	275
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	1,604	1,538	1,340	1,167	963	985	813	716	637	568
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	365	0	143	196	254	277	264	263	438	438
James F. Rhodes (1932)										
Square feet	164,931	164,931	164,931	164,931	164,931	164,931	164,931	164,931	164,931	164,931
Capacity	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225
Enrollment	1,553	1,575	1,409	1,360	1,230	1,171	1,195	1,199	1,188	1,437
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	557	472	479	474	518	595	638	294	345	414
John Adams High (2007)										
Square feet	N/A	228,032	228,032	228,032	228,032	228,032	228,032	228,032	228,032	228,032
Capacity	N/A	1,335	1,335	1,335	1,335	1,335	1,335	1,335	1,335	1,335
Enrollment	N/A	1,067	1,169	1,140	1,162	1,121	1,109	1,017	1,053	881
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	1,758	1,077	940	978	839	975	804	823	800	571
John Hay (2006)										
Square feet	N/A	210,353	210,353	210,353	210,353	210,353	210,353	210,353	210,353	210,353
Capacity	N/A	1,232	1,232	1,232	1,232	1,232	1,232	1,232	1,232	1,232
Enrollment	N/A	476	576	673	857	855	835	882	872	1,259

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Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
John Marshall (1932) (2015)										
Square feet	256,924	256,924	256,924	256,924	256,924	256,924	256,924	N/A	N/A	228,606
Capacity	2,250	2,250	2,250	2,250	2,250	2,250	2,250	N/A	N/A	1,260
Enrollment	1,788	1,715	1,643	1,668	1,519	1,213	1,039	N/A	N/A	1,214
Lincoln-West (1970)										
Square feet	304,645	304,645	304,645	304,645	304,645	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	1,490	1,496	1,369	1,386	1,357	1,301	1,156	1,109	1,031	945
Margaret A. Ireland Complex (1962)										
Square feet	58,000	58,000	58,000	58,000	58,000	58,000	58,000	58,000	58,000	58,000
Capacity	525	525	525	525	525	525	525	525	525	525
Enrollment	0	0	172	156	0	122	0	0	0	0
Martin L. King Jr. (1972)										
Square feet	173,359	173,359	173,359	173,359	173,359	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	765	677	550	502	233	273	262	0	0	483
Max S. Hayes Vocational-Genesis (1957)										
Square feet	246,282	246,282	246,282	246,282	246,282	224,329	224,329	224,329	224,329	224,329
Capacity	2,150	2,150	2,150	2,150	2,150	2,150	2,150	2,150	2,150	2,150
Enrollment	509	416	468	498	506	510	877	565	883	974
MC2 Stem Academy @ Max Hayes										
Square feet	N/A	N/A	N/A	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Capacity	N/A	N/A	N/A	150	150	150	150	150	150	150
Enrollment	N/A	N/A	N/A	67	152	214	274	289	326	386
South (Admin Records) (1968)										
Square feet	292,518	292,518	292,518	292,518	292,518	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	1,258	1,043	941	880	896	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	253	243	238	243	241	227	232	195	203	139
Washington Park										
Square feet	N/A	N/A	N/A	N/A	N/A	27,331	27,331	27,331	27,331	27,331
Capacity	N/A	N/A	N/A	N/A	N/A	475	475	475	475	475
Enrollment	N/A	N/A	N/A	N/A	N/A	140	146	196	185	237
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	375	434	415	380	339	401	332	294	257	268

Cleveland Municipal School District

School Building Information

Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Administrative										
Buildings	8	8	8	8	8	8	8	8	7	7
Square Feet	556,286	556,286	556,286	556,286	556,286	556,286	556,286	556,286	346,927	346,927
Transportation										
Garages (3)	3	3	3	3	3	3	3	3	3	3
Buses	311	311	305	305	305	305	305	305	337	337
Athletics										
Football Fields	4	4	4	4	4	4	5	5	4	4
Soccer Fields	3	3	4	4	4	4	6	6	4	4
Running Tracks	4	4	2	2	2	2	4	4	3	3
Baseball/Softball	0	0	0	0	0	0	0	0	0	0
Swimming Pools	7	7	5	5	5	5	3	3	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

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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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Dave Yost • Auditor of State

CLEVELAND MUNICIPAL SCHOOL DISTRICT

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 12, 2016**