

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 1999

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disburse- ments	Non-Cash Disburse- ments
U. S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program	NA	10.550	\$0	\$1,072,944	\$0	\$1,072,944
School Breakfast Program	04278603PU0098	10.553	842,038	0	842,038	0
School Breakfast Program	04278603PU0099		5,040,441	0	4,504,724	0
Subtotal CFDA 10.553			5,882,479	0	5,346,762	0
National School Lunch Program	04378603PU0098	10.555	2,220,089	0	2,220,089	0
National School Lunch Program	04378603PU0099		13,376,564	0	14,360,657	0
Subtotal CFDA 10.555			15,596,653	0	16,580,746	0
Total Department of Agriculture - Nutrition Cluster			21,479,132	1,072,944	21,927,508	1,072,944
U.S. DEPARTMENT OF DEFENSE						
<i>Direct Assistance:</i>						
Junior ROTC	NA-96	12.000	96,624	0	9,811	0
Total U.S. Department of Defense			96,624	0	9,811	0
U.S. DEPARTMENT OF LABOR						
<i>Passed Through Ohio Department of Education:</i>						
School to Work	VESTW96-043786	17.249	34,000	0	31,781	0
<i>Passed Through the City of Cleveland:</i>						
Job Training Partnership Act	SYETP & CY 97	17.250	166,389	0	1,473	0
	SYETP & CY 98		2,796,130	0	2,722,671	0
	SYETP & CY 99		0	0	44,568	0
Subtotal CFDA 17.250			2,962,519	0	2,768,712	0
Total U.S. Department of Labor			2,996,519	0	2,800,493	0
U.S. DEPARTMENT OF TRANSPORTATION						
<i>Passed Through Ohio Department of Education</i>						
State and Community Highway Safety	1998PSN/1	20.600	22,625	0	5,934	0
Total U.S. Department of Transportation			22,625	0	5,934	0
NATIONAL SCIENCE FOUNDATION						
<i>Direct Assistance</i>						
Cleveland Urban System Initiative	NA - 96	47.076	0	0	12,570	0
	NA - 98		1,480,773	0	1,422,034	0
	NA - 99		1,316,987	0	1,765,722	0
Total National Science Foundation			2,797,760	0	3,200,326	0
U.S. DEPARTMENT OF EDUCATION						
<i>Passed Through Ohio Department of Education:</i>						
Adult Basic and Literacy Education	043786 AB-S1 97	84.002	0	0	316	0
	043786 AB-S1 98		124,295	0	(447,774)	0
	043786 AB-S1 99		1,439,506	0	1,966,473	0
Subtotal CFDA 84.002			1,563,801	0	1,519,015	0

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 1999

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disburse- ments	Non-Cash Disburse- ments
Title 1 -ESEA	043786 C1-S1 96	84.010	0	0	72,401	0
	043786 C1-S1 97		0	0	134,145	0
	043786 C1-S1 98		10,310,463	0	10,881,910	0
	043786 C1-S1 99		26,297,019	0	25,408,223	0
Subtotal CFDA 84.010			36,607,482	0	36,496,679	0
Special Education Cluster: Handicapped - Preschool Grant	043786 PG-S1 97P	84.173	0	0	13,588	0
	043786 PG-S1 98P		146,809	0	163,655	0
	043786 PG-S1 99P		250,667	0	251,071	0
Subtotal CFDA 84.173			397,476	0	428,314	0
Handicapped - State Grant	043786 6B-SF 97	84.027	0	0	(108,755)	0
	043786 6B-SF 98		1,536,602	0	1,219,412	0
	043786 6B-SF 99		4,097,954	0	3,075,371	0
<i>Passed Through Cuyahoga County:</i> Handicapped - State Grant	NA	84.027	248,003	0	138,372	0
Subtotal CFDA 84.027			5,882,559	0	4,324,400	0
Total Special Education Cluster			6,280,035	0	4,752,714	0
<i>Passed Through Ohio Department of Education:</i> Vocational Education - Basic Grant -VI-B	043786 20-C1 95	84.048	0	0	(25,491)	0
	043786 20-C1 96		0	0	(6,651)	0
	043786 20-C1 97		0	0	(90,577)	0
	043786 20-C1 98		410,478	0	1,045,715	0
	043786 20-C1 99		2,359,765	0	1,780,611	0
	043786 20-C2 99		0	0	30,000	0
Opportunities - Single Parents/Displaced	043786 20-A4 97		0	0	28,047	0
	043786 20-A4 98		9,393	0	20,370	0
	043786 20-A4 99		92,791	0	112,750	0
Sex Equity	043786 20-A5 97		0	0	(400)	0
	043786 20-A5 98		(4,459)	0	1,000	0
	043786 20-A5 99		17,000	0	15,305	0
Subtotal CFDA 84.048			2,884,968	0	2,910,679	0
<i>Direct Assistance:</i> Pell Grants	NA - 98	84.063	20,694	0	70,135	0
	NA - 99		62,049	0	13,170	0
Subtotal CFDA 84.063			82,743	0	83,305	0
<i>Passed Through Cuyahoga County:</i> Refugee Dollars and English as a Second Language	NA - 97	84.146	3,459	0	0	0
	NA - 98		162,199	0	84,613	0
	NA - 99		0	0	741	0
Subtotal CFDA 84.146			165,658	0	85,354	0
<i>Passed Through Ohio Department of Education:</i> Emergency Immigrant Assistance	043786 EL-S1 97	84.162	0	0	2,631	0
	043786 EL-S1 98		0	0	9,735	0
	043786 EL-S1 99		56,147	0	34,339	0
Subtotal CFDA 84.162			56,147	0	46,705	0

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 1999

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disburse- ments	Non-Cash Disburse- ments
<i>Direct Assistance:</i>						
Magnet Schools Assistance	NA - 96	84.165	0	0	(70)	0
	NA - 97		0	0	3,789	0
	NA - 98		1,360,000	0	385,547	0
Subtotal CFDA 84.165			1,360,000	0	389,266	0
<i>Passed Through Ohio Department of Education:</i>						
Drug Free Schools and Communities	043786 DR-S1 96	84.186	0	0	25,808	0
	043786 DR-S1 97		0	0	800	0
	043786 DR-S1 98		0	0	187,881	0
	043786 DR-S1 99		627,413	0	697,018	0
Subtotal CFDA 84.186			627,413	0	911,507	0
Title VII - Bilingual Education Tech. Assistance	043786 T7-51 98	84.194	0	0	5,000	0
Homeless Care Education	043786 HC-S1 97	84.196	0	0	1,478	0
	043786 HC-S1 98		75,440	0	70,642	0
	043786 HC-S1 99		152,713	0	145,550	0
Subtotal CFDA 84.196			228,153	0	217,670	0
Even Start	043786 CX-S1 97	84.213	46,450	0	95,845	0
Character Education	043786 PIS1 99	84.215	11,667	0	5,553	0
Capital Expenses - Title 1	043786 CX-S1 97	84.216	328,500	0	49,847	0
Goals 2000	043786 G254 97	84.276	0	0	6,597	0
	043786 G254 98		44,177	0	190,902	0
	043786 G254 99		142,708	0	84,016	0
	043786 G254 99P		12,000	0	6,189	0
Subtotal CFDA 84.276			198,885	0	287,704	0
Eisenhower Professional Development	043786 MS-S1 95	84.281	0	0	10,510	0
	043786 MS-S1 97		0	0	23	0
	043786 MS-S1 98		394,383	0	468,776	0
	043786 MS-S1 99		117,480	0	149,179	0
			0	0	0	0
Subtotal CFDA 84.281			511,863	0	628,488	0
21st Century Community Learning Ctr Program	043786 R287A 99	84.287	0	0	700	0
Innovative Education Program Strategy - Title VI	043786 C2-S1 96	84.298	0	0	337,129	0
	043786 C2-S1 97		0	0	4,607	0
	043786 C2-S1 98		0	0	284,327	0
	043786 C2-S1 99		925,461	0	727,211	0
Subtotal CFDA 84.298			925,461	0	1,353,274	0
Technical Literacy Challenge Fund	043786 TF-S1 98	84.318	299,319	0	484,133	0
	043786 TF-S2 99		487,500	0	10,899	0
Subtotal CFDA 84.318			786,819	0	495,032	0

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 1999

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disburse- ments	Non-Cash Disburse- ments
Reform Demonstration	043786 RFS1 99	84.332	75,000	0	704	0
Total U.S. Department of Education			<u>52,741,045</u>	<u>0</u>	<u>50,335,041</u>	<u>0</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
<i>Passed Through Cuyahoga County:</i>						
Job Opportunity and Basic Skills Training	NA	93.021	0	0	2,252	0
			<u>124,118</u>	<u>0</u>	<u>149,401</u>	<u>0</u>
Subtotal CFDA 93.021			124,118	0	151,653	0
<i>Passed Through Ohio Department of Education:</i>						
Dependent Care Plan	043786 DC-S1 99	93.673	467,764	0	477,850	0
<i>Passed Through City of Cleveland</i>						
Healthy Family Healthy Start	NA-98	93.926	189,617	0	107,080	0
			<u>0</u>	<u>0</u>	<u>375,050</u>	<u>0</u>
Subtotal CFDA 93.926			189,617	0	482,130	0
Total U.S. Department of Health and Human Services			<u>781,499</u>	<u>0</u>	<u>1,111,633</u>	<u>0</u>
Total Federal Assistance			<u>\$80,915,204</u>	<u>\$1,072,944</u>	<u>\$79,390,746</u>	<u>\$1,072,944</u>

The accompanying notes to this schedule are an integral part of this schedule.

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 1999, the District had no significant food commodities in inventory.

NOTE C - NEGATIVE AMOUNTS

Negative amounts are due to adjustments made to the District's account codes for this program. Some adjustments are made in order to reflect receipts and expenditures in the proper program year.

NOTE D - MATCHING REQUIREMENTS

Certain Federal programs require that the District contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

NOTE E - E-RATE PROGRAM

The Schedule of Federal Awards Expenditures does not include the E-rate program which the District does not consider to be a federal program.

NA - Not available

CFDA - Catalog of Federal Domestic Assistance

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STATE OF OHIO
OFFICE OF THE AUDITOR

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

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

We have audited the financial statements of the Cleveland Municipal School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 1999, and have issued our report thereon dated February 25, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the management of the District in a separate letter dated February 25, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings as items 1999-10818-01 through 1999-10818-03. Items appearing with an asterisk (*) have appeared in prior reports.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 1999-10818-02 and 1999-10818-03 to be a material weaknesses. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the District in a separate letter dated February 25, 2000.

This report is intended for the information and use of management, the Board of Education and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Jim Petro
Auditor of State

February 25, 2000



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OFFICE OF THE AUDITOR

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of the Cleveland Municipal School District, Cuyahoga County, Ohio, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 1999. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings as item 1999-10818-04. We also noted certain instances of noncompliance that do not require inclusion in this report that we have reported to the management of the District in a separate letter dated February 25, 2000.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the District's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying schedule of findings as items 1999-10818-01 and 1999-10818-02. Items appearing with an asterisk (*) have appeared in prior reports.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider item 1999-10818-02 to be a material weakness. We also noted other matters involving the internal control over federal compliance that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated February 25, 2000.

Schedule of Federal Awards Expenditures

We have audited the general-purpose financial statements of the Cleveland Municipal School District as of and for the year ended June 30, 1999, and have issued our report thereon dated February 25, 2000. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

This report is intended for the information and use of management, the Board of Education and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

February 25, 2000

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SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	Yes
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	Yes
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	Yes
(d)(1)(vii)	Major Programs (list):	<i>Special Education. Cluster: Sp. Ed. Grants to States, CFDA #84.027; Sp. Ed. Preschool Grant, CFDA #84.173; Child Nutrition Cluster: Gov't. Donated Foods Program, CFDA # 10.550; School Breakfast Program, CFDA #10.553, and Nat'l. School Lunch Program, CFDA #10.555; JTPA, CFDA #17.250; Title I, CFDA #84.010; Nat'l. Science Foundation, CFDA #47.076; and Vocational Education, CFDA # 84.048</i>
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 2,413,910 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
(Continued)

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

Finding Number	1999-10818-01
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See federal finding # 1999-10818-01 below; this finding is also required to be reported in accordance with GAGAS.

Finding Number	1999-10818-02
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See federal finding # 1999-10818-02 below; this finding is also required to be reported in accordance with GAGAS.

Finding Number	1999-10818-03
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***STUDENT ACTIVITIES - MATERIAL WEAKNESS**

During our testing of the student activity accounts we noted the following:

- 1) The Student Activity Manual adopted by the Board of Education requires that a Monthly Financial Report (CT-4A) and a Project Potential Form (AF2) be filed by each school. During our testing, we noted that approximately 28% of the Monthly Financial Reports (CT-4A) and 46% of the Project Potential Forms (AF2) were not on file for the month ending June 30, 1999.
- 2) Student activity collections from the individual schools have not been reconciled to the student activity bank account for the months of February, 1999 through June, 1999.
- 3) Student activity funds are not accounted for within an agency fund as prescribed by the Uniform School Accounting System.
- 4) A liability has not been accrued nor can the District adequately assess the amounts due to students.
- 5) Large discrepancies exist amongst the receipts collected at similar size schools of the same grade level throughout the District. The following is a sample of high schools and the student activity collections for the fiscal year ending June 30, 1999: (a) Glenville High School--\$178,919; (b) John Marshall High School--\$81,056; and, (c) Lincoln-West High School--\$131,911.
- 6) Lack of enforcement of the Board policies and procedures in the Student Activity Manual by school principals and District management.

Lack of compliance with Board policies and procedures established in the Student Activity Manual has resulted in untimely reconciliations, missing files, and inadequate accounting for these funds. Mismanagement of such funds in the past and present along with little attention for resolution of the situation has only postponed and potentially worsened the problem.

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
(Continued)

Finding Number	1999-10818-03 (Continued)
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Although the student activity advisors receive training, there is only one person at the Board of Education to process the documents submitted by the individual schools, to reconcile the accounts, and to train the advisors for approximately 100 schools. This same individual is also responsible for federal grants administration and reporting. During the audit period, the District engaged and committed additional staff to these tasks.

We recommend that District management and school principals adhere to and enforce District policies and procedures. A reconciliation of student activity records to the student activity bank account should be performed on a monthly basis. Records should be kept in an orderly manner and the District should account for the amounts due to students in an agency fund as prescribed by the Uniform School Accounting System rather than a special revenue fund since the monies belong to students. In addition, disciplinary and investigative procedures of the District should be followed when suspecting illegal activity with these funds.

3. FINDINGS FOR FEDERAL AWARDS

***USE OF DIRECT PAY PURCHASING SYSTEM - REPORTABLE CONDITION**

Finding Number	1999-10818-01
CFDA Title and Number	All Programs on Schedule of Fed. Awards Expenditures
Federal Award Number / Year	All Programs on Schedule of Fed. Awards Expenditures
Federal Agency	All Programs on Schedule of Fed. Awards Expenditures
Pass-Through Agency	All Programs on Schedule of Fed. Awards Expenditures

Many of the District's employees are circumventing the internal control procedures over the purchasing system. We noted the use of the Direct Payment method, which allows individuals to purchase items that cost less than \$6,000 without authorization or approval of the Purchasing Department, in approximately 42% of the items chosen for testing. Consequently, Purchasing has limited control over the vendors used or the prices paid for goods and services. This weakness has also resulted in numerous budgetary violations because it is difficult for the District to track these purchases.

We recommend the District limit the use of the Direct Payment method to emergency situations only. As a result, Purchasing may be able to secure better prices for goods costing less than \$6,000 and monitoring of budgetary compliance would be improved. It would also deter those individuals, who are currently authorized to use the Direct Payment method, from potential misuse of their authority.

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
(Continued)

***BUDGETARY MANAGEMENT AND REVIEW - MATERIAL WEAKNESS**

Finding Number	1999-10818-02
CFDA Title and Number	All Programs on Schedule of Fed. Awards Expenditures
Federal Award Number / Year	All Programs on Schedule of Fed. Awards Expenditures
Federal Agency	All Programs on Schedule of Fed. Awards Expenditures
Pass-Through Agency	All Programs on Schedule of Fed. Awards Expenditures

Currently within the Treasury Department, the responsibility for budget review and management is divided as follows: the Budget Division is responsible for the General Fund budget and the Cashier's Office is responsible for the budgets of all other funds. Under this organizational structure the budgetary transactions of the various funds may be subjected to different requirements and processes.

Given the financial condition of the District and the large number of appropriations which were overdrawn at June 30, 1999, as evidenced by the budgetary violations listed in the CAFR, we recommend the District make a greater attempt to monitor the appropriations at the object level to ensure that appropriations are not overdrawn.

In addition, we recommend that all expenditures should be subjected to a standardized review and approval process. In order to attain this level of review, we recommend the total budget be made the responsibility of the Budget Division of the Treasury Department. In order to accomplish this reorganization, it may be necessary for the Treasurer to study and review the staffing of this department. This would ensure that the entire budget is subjected to the same standards.

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
(Continued)

TITLE VI-B - NONCOMPLIANCE

Finding Number	1999-10818-04
CFDA Title and Number	Special Education Cluster: Special Education Grants to States, CFDA #84.027; Special Education Preschool Grants, CFDA #84.173
Federal Award Number / Year	043786-6B-SF-99 / 1999
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

34 CFR 300.342 requires the development and implementation of an individualized education program (IEP) for each of its handicapped children and ensures that an IEP is developed for each handicapped child who is placed in or referred to a private school or facility by a public agency or who is enrolled in a private school and receives special education or related services from a public agency. 34 CFR 300.343 also requires reviews of each IEP periodically, but not less than annually, to determine whether the annual goals for the child are being achieved.

During our testing of student files, we noted approximately 28% of the students did not have a current IEP and approximately 6% did not contain any IEP.

Lack of a current IEP could result in unnecessary and ineligible services being rendered with federal grant funds. As a result, we recommend implementation of procedures to ensure that all students receiving special education services be eligible by having a current IEP on file.

SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)

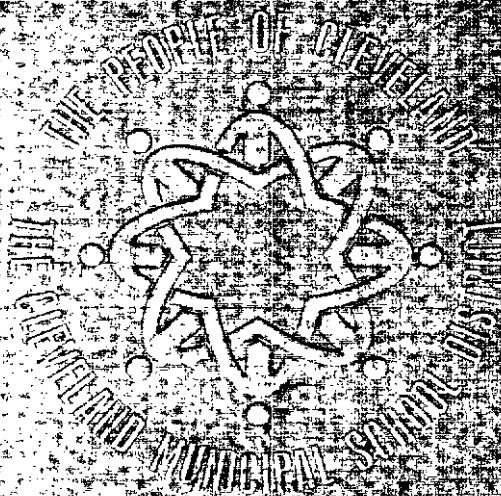
<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No <u>Longer Valid</u> ; <i>Explain:</i>
1998-10818-01	Cash Reconciliations	Yes	No longer valid. Finding was fully corrected.
1998-10818-02	Use of Direct Pay Purchasing System	No	While the School District still utilizes Direct Pay Request forms, their use has typically been limited to items with a cost of \$100 or less with the following notable exceptions: student activity fund transactions and mileage and travel reimbursements.
1998-10818-03	Budgetary Management and Review	No	The Finance Department is in the process of reorganizing the responsibilities within the department and intends to give oversight responsibility of all funds to the Director of Financial Plans and Forecasts. Staffing levels within the department will be modified accordingly to provide sufficient resources to the Director of Financial Plans and Forecasts to perform this oversight. The new organizational structure is supposed to be in place by June 30, 2000.
1998-10818-04	Food Service Cash Collections	Yes	No longer valid. Finding was fully corrected
1998-10818-05	Student Activities	No	<p>The Student Activity Fund Coordinator is in the process of meeting with each school principal to reconcile all student activity funds. The District anticipates this process will be substantially completed by September 30, 2000.</p> <p>Beginning on July 1, 2000, the Student Activity Funds cash management will be centralized in the Finance Department to provide better control over expenditure activity and to provide better ongoing record keeping.</p>

CORRECTIVE ACTION PLAN

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
1999-10818-01	While the District still utilizes Direct Pay Request forms, their use has typically been limited to items with a cost of \$100 or less with the following notable exceptions: student activity fund transactions and mileage and travel reimbursements. District management will re-emphasize to the schools and component managers the policies and procedures related to the use of Direct Pay request forms.	6/30/00	Keith Miles, Director of Financial Methods and Procedures
1999-10818-02	The Finance Department is in the process of reorganizing the responsibilities within the department and intends to give oversight responsibility of all funds to the Director of Financial Plans and Forecasts. Staffing levels within the department will be modified accordingly to provide sufficient resources to the Director of Financial Plans and Forecasts to perform this oversight. The new organizational structure will be in place by April 1, 2000.	4/1/00	Erbert Johnson, Chief Financial Officer
1999-10818-03	<p>The Student Activity Fund Coordinator is in the process of meeting with each school principal to reconcile all prior year student activity funds. The District anticipates this process will be substantially completed by September 30, 2000.</p> <p>Beginning on July 1, 2000, the Student Activity Fund cash management will be centralized to provide better control over expenditure activity and to provide better ongoing record keeping.</p>	12/31/00	Julie Evanoff, Controller
1 9 9 9 - 10818-04	<p>The District recognizes that improvements must be made regarding the filing, control and management of student IEP forms. During fiscal year 1999-2000, re-evaluations were completed on over 900 students as part of a concerted effort to bring student files up to date.</p> <p>In addition, the Divisions of Psychological Services and Special Education have relocated to the Lakeside Administration Building. IEP records are now being consolidated at the Lakeside facility and a task force is being constituted to improve records management and processing. New controls and systems are planned for implementation during fiscal 2000-2001.</p> <p>The District is also currently reviewing and evaluating software for developing, managing and reporting on special education students, the status of their services and the status of their IEP forms. The tentative target date for pilot implementation of the software is February 2001.</p>	6/30/01	Robert Hacking, Director of Psychological Services and Special Education

Comprehensive Annual Financial Report

**FISCAL YEAR ENDED
JUNE 30, 1999**



Cleveland Municipal School District

1380 East Sixth Street • Cleveland, Ohio 44114

Comprehensive Annual Financial Report

Of the

Cleveland Municipal School District

For the

**FISCAL YEAR ENDED
JUNE 30, 1999**

Prepared by

Finance Department
Erbert C. Johnson
Chief Financial Officer/Treasurer

1380 East Sixth Street • Cleveland, Ohio 44114

Cleveland Board of Education



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Margaret M. Hopkins, *Vice Chair*



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George F. Dixon



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Dr. Jerry Sue Thornton
ex officio



Dr. Claire Van Ummersen
ex officio



Barbara Byrd-Bennett
Chief Executive Officer



Erbert C. Johnson
CFO/Treasurer

INTRODUCTORY SECTION

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Cleveland Municipal School District

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Barbara Byrd-Bennett
Chief Executive Officer

Myrna Elliott-Lewis, Ed.D.
Chief Academic Officer

Louis J. Erste
Chief Operating Officer

Erbert Johnson
Chief Financial Officer

Lisa Marie Ruda
Chief Legal Counsel

William W. Wendling
Chief Communications Officer

February 25, 2000

Board of Education
Cleveland Municipal School District
1380 East Sixth Street
Cleveland, Ohio 44114

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, 1999. This CAFR includes an opinion from the State Auditor and conforms to generally accepted accounting principles as applicable to governmental entities. 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 various funds and account groups of the School District. This report will provide the taxpayers of the Cleveland Municipal 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.

The comprehensive annual financial report is presented in three sections as follows:

1. The Introductory Section, which contains a Table of Contents, Letter of Transmittal, List of Board Members, List of Senior Appointed Officials, an Organizational Chart of the School District, Government Finance Officers Association (GFOA) Certificate of Achievement and Association of School Business Officials (ASBO) Certificate of Excellence.
2. The Financial Section which begins with the Report of Independent Accountants includes the General Purpose Financial Statements and Notes that provide an overview of the School District's financial position and operating results, the Combining Statements by Fund Type, and other schedules that provide detailed information relative to the General Purpose Financial Statements.
3. The Statistical Section presents social and economic data, financial trends and the fiscal capacity of the Cleveland Municipal School District.

The School District

The Board of Education and Administration

The Board of Education of the Cleveland Municipal 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, together with the School District, 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 September 9, 1998 and whose terms run until June 30, 2003.

The appointment of a new nine member School Board on September 9, 1998 marked another dramatic change in the governance structure of the School District. Between March 3, 1995 and September 9, 1998, the Federal District Court (the Court) overseeing the School District's desegregation case issued an order (the March 3rd Order) transferring all authority for the operation of the School District from the old seven member elected School Board to the State Superintendent of Public Instruction. At that time, the State was ordered to institute structural, managerial and operational reforms to enable the School District to achieve financial stability and to successfully implement the terms of the desegregation orders. With this order the old elected Board ceased to be the governing body for the School District. On September 9, 1998, the Court vacated the March 3rd Order, thereby ending three and one-half years of State Control of the School District. This release triggered the immediate implementation of the provisions of Ohio Substitute House Bill No. 269 (H.B. No. 269) which called for the transfer of the supervision and control of the School District to a new nine-member Board of Education appointed by the Mayor of the City of Cleveland. The legislation also provided for Mayoral appointment powers with respect to the Chief Executive Officer (formerly known as Superintendent) position for the School District. Additionally, the legislation provides for a referendum on the Mayor's authority to continue appointing board members, to take place at the general election in the first even-numbered year occurring at least four years after the transfer takes place.

Up until September 9, 1998, the Superintendent of Schools, (the "Superintendent") was the chief executive officer of the School District and had the responsibility for directing and assigning teachers and other employees, assigning the pupils to the proper schools and grades, and performing such other duties as determined by the elected Board. Pursuant to the authority assigned by the Court in its March 3rd Order, the State Superintendent of Public Instruction appointed Dr. Richard A. Boyd as Superintendent on April 5, 1995. Dr. Boyd was given a joint appointment as Superintendent and Deputy State Superintendent for the Cleveland Public Schools. Under the governance structure established by the Court, the Superintendent/Deputy State Superintendent reported to the State Superintendent, not the elected Board. Dr. Boyd resigned his dual posts in December 1997 and Mr. James Penning, the Chief Operating Officer - Operations, was named to succeed him in January 1998. Following the lifting of the March 3rd Order, on September 9, 1998, Mayor Michael R. White appointed Mr. Louis J. Erste, the School District's Chief of Staff, as the Interim Chief Executive Officer, replacing Mr. Penning, who had resigned his superintendent positions. On November 16, 1998, the Mayor appointed Mrs. Barbara Byrd-Bennett as the School District's Chief Executive Officer with a four-year contract.

The Treasurer is the chief fiscal officer of the Board and the School District. Following the March 3rd Order, a new administrative structure was implemented in which the Treasurer reports to the Superintendent. Mr. Bryan Christman, Controller for the School District, was appointed in July 1996 to the position of Interim Chief Financial Officer/Treasurer. In December 1996, Mr Christman's appointment was made permanent. On September 9, 1998, Mr. Christman was appointed Chief Financial Officer of the District when the new authority of the Chief Executive Officer as granted under House Bill No. 269 became effective. Subsequent to fiscal year-end, a new Chief Financial Officer/Treasurer, Erbert Johnson, was appointed by the Chief Executive Officer.

In accordance with H.B. No. 269, following September 9, 1998, the School District is now referred to as the Cleveland Municipal School District. Other key provisions of the legislation include a requirement that all administrators submit their resignation from their respective positions, and that all such administrators become employees on an at-will basis. These requirements were met on September 9, 1998.

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.

In fiscal year 1999, the School District enrolled 76,558 students (compared to 76,500 the previous year) in 82 elementary schools, 23 middle schools, and 16 senior high schools, including 28 magnet schools, which provide special curricula or vocational education and skills programs. In addition classes are provided in seven residential school programs.

The School District also operated a variety of special educational facilities (consisting of gardens, athletic fields, a sheltered workshop and a greenhouse), four administration facilities (including a central kitchen) and three transportation depots.

Employee Relations

As of June 30, 1999 the School District had 9,789 full and part-time employees (compared to 8,441 the previous year). In the fiscal year ended June 30, 1999, the School District paid \$385.9 million in salaries and wages and \$94.4 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 represented by the Cleveland Council of Administrators and Supervisors ("CCAS"), while teachers and educational specialists, including aides, are represented by the Cleveland Teachers Union ("CTU").

Classified employees (secretarial-clerical, custodial, maintenance, transportation and cafeteria staff) of the School District are represented for collective bargaining purposes by a variety of unions: the International Brotherhood of Teamsters Local 407 (School bus drivers and attendants); the City, County, State Truck Drivers Union Local 244 (truck drivers); the International Brotherhood of Firemen and Oilers Locals 777 and 701 (custodians, assistant custodians, laborers, mechanics and security officers); the Service, Hospital, Nursing Home and Public Employees Union Local 47 (clerical, food service and cleaning staff); and the Cleveland Building Trades Council (tradesmen).

In the opinion of the School District, labor relations with all of its employees are good.

The Reporting Entity

Cleveland Municipal 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." In evaluating how to define the School District for financial reporting purposes, management has considered all agencies, departments and organizations making up the Cleveland Municipal School District (the primary government) and its potential component units.

Excluded from the reporting entity because it is fiscally independent of the School District is the Cleveland Public Library. The library is a related organization whose relationship to the School District is described in Note 15 to the general purpose financial statements. The School District participates in the Ohio Schools Council which is a jointly governed organization. This relationship is described in Note 22 to the general

purpose financial statements.

A complete discussion of the School District's reporting entity is provided in Note 1 to the general purpose 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 and personal property located within the School District. These two sources combined represent approximately 85 percent of the School District's fiscal year 1999 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 occur in a new fiscal year. Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property 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. Public utility property taxes are assessed on tangible personal property at varying percentages of true value and on real property at 35 percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25 percent of true value.

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

The assessed valuation of real property is fixed at 35 percent of true value and is determined pursuant to rules of the State Tax Commissioner, except that real property devoted exclusively to agricultural use is assessed at not more than 35 percent of its current agricultural use value. Real property devoted exclusively to forestry or timber growing is taxed at 50 percent of the local tax rate upon its true value.

Generally, tangible personal property used in business (except for public utility) is currently assessed for ad valorem taxation purposes at 25 percent of its true value (in general, the same as net book value). Certain public utility tangible personal property (except railroad operating property) currently is assessed at 35 percent of its true value. The first \$10,000 of taxable value of tangible personal property is exempted from taxation; partial reimbursement of reduced collections resulting from the partial exemption is paid from State sources.

The General Assembly has periodically exercised its power to revise the laws applicable to the determination of assessed valuation of taxable property and the amount of receipts to be produced by ad valorem taxes levied on that property, and may continue to make similar revisions.

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.

The following table presents certain information concerning School Foundation Program payments to the School District for the last ten years (in thousands):

Fiscal Year	Foundation Revenue		General Fund Revenues (a)		Foundation Revenues as Percent of General Fund Revenues
1990	\$158,994		\$362,890		43.81%
1991	166,110		372,331		44.61
1992	163,287	(b)	364,461	(b)	44.80
1993	168,132	(b)	373,939	(b)	44.96
1994	169,731	(b)	370,582	(b)	45.80
1995	182,199	(b)	405,375	(b)	44.95
1996	200,895	(b) (c)	428,320	(b)	46.90
1997	207,088	(b) (c)	450,462	(b)	45.97
1998	232,467	(b) (c)	534,235	(b)	43.51
1999	287,017	(b) (c)	579,218	(b)	49.55

- (a) These amounts represent budget basis and excludes the proceeds of cash flow borrowing.
- (b) Included for comparison purposes are budget basis amounts of \$13,526,000 in fiscal year 1992, \$18,837,000 in fiscal year 1993, \$23,393,000 in fiscal year 1994, \$28,939,000 in fiscal year 1995, \$38,006,000 in fiscal year 1996, \$37,191,000 in fiscal year 1997, and \$36,840,000 in fiscal year 1998, \$27,392,000 in fiscal year 1999, of Disadvantaged Pupil Impact Aid classified as a special revenue fund effective in fiscal 1992.
- (c) Prior to fiscal year 1996, Disadvantaged Pupil Program Fund monies were not included.

Basic eligibility for School Foundation Program payments is based on a School District's compliance with State-mandated minimum standards. The School District is in compliance with those standards and has no reason to believe it will not remain in compliance.

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in that system. Declared unconstitutional was the State's "school foundation program" which provides significant amounts of monetary support to the School District. Since the Supreme Court ruling, numerous pieces of legislation have been passed by the

State legislature in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State has appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. At this time, the Ohio Supreme Court has not rendered an opinion on this issue. The decision of the Court of Common Pleas in Perry County has been stayed by the Ohio Supreme Court, and, as such, school districts are still operating under the laws that the Common Pleas Court declared unconstitutional. This issue is further discussed in Note 17 to the general purpose financial statements.

Local Economy

The City of Cleveland, located on the southern shores of Lake Erie, is the central city of the largest metropolitan area in the State of Ohio. Cleveland's economy is more diverse than it has been in two decades, the result of sound growth during the mid-to-late 1980's. Founded in 1796, Cleveland grew into the dominant manufacturing and business center of Northeast Ohio. As the national economy moved away from a manufacturing base, so did that of the Greater Cleveland area. Beginning in the mid 1980's and continuing in the 1990's, Cleveland's economic base is rebuilding, with less concentration in manufacturing and a greater dependence on services and trade. While current employment is more concentrated in manufacturing than the national average, the dependence is far below levels of the early 1970's.

The City of Cleveland and the Cleveland Primary Metropolitan Statistical Area (PMSA) continue to be attractive locations for industrial and service headquarters ranked in the Fortune 500. Currently, nine Fortune 500 corporations are located within the Greater Cleveland area, including six in the City of Cleveland.

Non-manufacturing industries and employment levels continue to grow within the Cleveland PMSA. Health care services, the legal and accounting professions, finance and insurance industries are also prominent in the Cleveland area. Major construction projects either completed or in process continue to contribute to the renaissance of the City's downtown area. Economic growth is expected to continue in the Cleveland area throughout the 1990's and into the next century.

Educating Cleveland's Children

Our Vision

Each student in the Cleveland Municipal School district will be successful in a rigorous instructional program, and our teachers, principals and administrative staff will be valued, will hold themselves responsible and accountable and will be rewarded for their professionalism.

Our Strategic Focus Over the Next Five Years

The following six strategic focal points are critical to our achievement of our vision:

1. **High Standard/Rigorous Curriculum-**Insist upon high standards and a strong curriculum that will prepare our students for life, work, higher education, and citizenship. We will begin to accomplish this by:
 - Establishing/implementing content and performance standards.
 - Instituting a comprehensive literacy program.
 - Improving early childhood preparation.
 - Developing and implementing an instructional technology plan.
 - Strengthening multilingual/multicultural programs and policies.
 - Restructuring and improving special education.
 - Infusing arts into the curriculum.

2. **Effective and Committed Workforce**-Instill among our workforce - particularly teachers and principals - a commitment to excellence, individual student achievement, continuous professional development, and a willingness to be held accountable. We will begin to accomplish this by:
 - Designing and implementing a coordinated professional development plan.
 - Improving teacher quality.
 - Improving principal leadership.
 - Improving customer service and support to and at schools.

3. **Quality Schools**-Guarantee that every school offers every student a safe, supportive, resource-rich learning environment that complements the child's learning abilities. We will begin to accomplish this by:
 - Increasing school capacity to provide quality instruction.
 - Adopting policies to support quality schools.
 - Ensuring safe, secure and orderly schools.
 - Providing schools with support and materials on a timely basis.
 - Improving facilities.
 - Redesigning, restructuring and creating new schools.

4. **Sound Financial, Management, and Accountability Systems**-Maximize the district's financial resources through performance-based management planning, implementation, and accountability systems. We will begin to accomplish this by:
 - Redesigning/restructuring central office to support schools.
 - Establishing measurable goals and benchmarks across the organization linked to an accountability framework.
 - Integrating data-driven decision making.
 - Using resources effectively.
 - Meeting federal and state requirements.
 - Regularly monitoring and reporting progress.
 - Improving management/labor relations.

5. **Parent and Community Support**-Engage parents and the broad community in meaningful support and reinforcement for academic achievement at the individual student and school building levels. We will begin to accomplish this by:
 - Strengthening organized parent engagement.
 - Expanding parent education - focus on academics.
 - Improving communications with parents and the community.
 - Increasing collaboration with business, universities and community organizations.

6. **Student Needs**-Deliver the types of services and educational opportunities that will meet both the academic and non-academic needs of students and their families. We will begin to accomplish this by:
 - Targeting underachieving students.
 - Better preparing students for career and post secondary education.
 - Addressing non-academic needs of students and families.
 - Promoting extracurricular activities.

Significant First-Year Accomplishments

We have made great strides during our first year. Some of the key accomplishments include:

1. High standards/rigorous curriculum

- Articulation and adoption of a literacy policy.
- Adoption of minimum grade-point average requirements for students who participate in athletics and other extracurricular activities.
- Implementation of one of the largest summer school programs in the nation.
- Laid the ground work for establishment of Sylvan Learning Labs in ten high schools.
- Began the Corridors of Excellence initiative to point 6th graders toward college.
- Development of school-based instructional support teams for literacy, math, science and technology.
- Reorganization of the special Education Program and establishment of supervisors for each region.
- Expansion of concept of School to Career education to include vocational education and K-12 instruction.
- Completion of initial draft of English Language Arts standards.
- Begin implementation of school performance indicators.
- Laid ground work to establish charter schools under District oversight.
- District's 4th grade students had the largest percentage gains on the State proficiency test among the State's largest districts.

2. Effective and Committed Workforce

- Establishment of a Summer Literacy Institute for teachers.
- Establishment of six regional superintendents to help promote accountability at the individual school building level.
- Establishment of a CEO district as a means of focusing attention on schools in need of central office oversight.
- Gave 33 principals wider latitude for decision-making by naming them Empowered Schools.
- Reorganization of central office staff to function more effectively and efficiently.
- Provided proficiency test warm up books to be used by teachers for classroom instruction.
- Development of an extensive catalog of professional development opportunities for teachers.
- Development of an extensive catalog of professional development opportunities for assistant principals and principals.
- Implementation of new payroll/personnel systems that are Y2K compliant.
- Recruited and hired more than 700 teachers.
- Installed new principals at 44 buildings.

3. Quality Schools

- Adopted Policy on student discipline to maximize student time on task yet maintaining zero tolerance for serious infractions.
- Created a safety committee of parents, students, community leaders and representatives from city, county and district administrations to review security protocols in all schools.
- Partnered with Cleveland Initiative for Education's Habitat for Schools program to paint 31 schools and landscape 49 properties.
- Expanded emphasis on arts education.
- Completed \$14 million project to connect all schools to the Internet with appropriate filtering software.
- Adopted budget with \$11.8 million set aside for new textbooks.
- Created additional option/alternative schools.
- Revised and implemented a new Facilities Operations Manual to provide standard operating procedures for custodians.
- *Completed full review of all district facilities and prioritized buildings for rehabilitation/replacement.*
- Implemented Safe School Helpline.
- Implemented a true capacity study with an architect and engineering firm to calculate capacity based on state standards and physical assessments.
- Increased schools' gardening project from 6 to 65 buildings.
- Increased the amount of money received through grants.
- Created "Customer Feedback" forms for principals to evaluate and provide comments on operational services.
- Reorganized Human Resources Department.

4. Sound Financial Management and Accountability Systems

- Received release from fiscal emergency by Auditor of State.
- Adopted five-year financial plan that maintains financial stability through 2004.
- Adopted FY 2000 budget of \$583.9 million.
- Partnered with the City to establish a funders' roundtable with foundations, non-profit and business communities to assist the District in meeting its goals.
- Completed \$20 million enhancement of computer systems to ensure that financial systems are Y2K compliant.
- Provided timely and meaningful information to the community on use of funds generated by 1996 Issue 31 levy.

5. Parent and Community Support

- Attracted more than 41,000 persons to fall 1999 open houses.
- Established tutoring program in all elementary and middle schools.
- Redesigned District website to be user-friendly.
- Drafted, adopted and communicated district's strategic implementation plan, *Educating Cleveland's Children*.
- Adopted new Telephone Information Center protocols to better handle customer inquiries.
- Launched several new publications, including redesigned newsletter for parents and guardians, *Educating Cleveland's Children*.
- Increased community confidence in district through increased positive stories about District students and senior leadership in print and electronic media.
- Increased frequency of communications with parents through letters, telephone calls and student-focused publications.
- Conducted community forums on discipline, budget, safety and various school building issues.
- Attracted more than 2,000 people to Parent Information Roundup during summer weeks leading up to start of school.
- Produced first District-wide video teleconference to demonstrate techniques for teaching literacy.
- Drafted Continuous Improvement Plan to underscore the District's commitment to improving academic outcomes for all students.

6. Student Needs

- Implemented Phase One of start times reform to better meet the learning needs of students.
- Collaborated with the City to hold a job fair for 1999 graduates of CMSD.
- Received the federal Safe Schools/Healthy Student initiative grant of \$2.8 million per year for three years.
- Partnered with the City to receive the Urban/Rural Opportunities Grant focused on school to work.
- Gained approval for participation in Universal Feeding Program, which provides breakfast and lunch to all students at no charge to them or their families.
- Piloted a program to coordinate services between Cuyahoga County Department of Children & Family Services and the District.
- Began a project with Helen Keller Worldwide/ChildSight to provide vision care screening to thousands of middle school students and free glasses to those who need them.
- Piloted a program in Region IV to provide a mobile dental lab to students and their families.
- Summer Immunization Program inoculated 700 CMSD students.
- Project ACT services reached 1,226 homeless children.
- 1,632 CMSD staff, children and adults attended community awareness programs about the education of homeless children.
- Over 13,000 people visited the Project ACT website at www.projectact.com.
- Dramatically expanded nursing coverage at schools.
- Began development of database of community agencies and organizations providing services in CMSD school.

What Progress to Look For

As we move toward our vision of excellence for students and teachers alike, the community will clearly note:

- Higher test scores on state proficiency exams.
- Increased attendance.
- Higher graduation rates.
- More graduates going to and remaining in post secondary education.
- Fewer students being suspended.
- Decreased referrals and placements in special education.
- More teachers and principals engaged in meaningful professional development targeted to District priorities.
- Recruitment efforts reach more teacher prospects from a wider variety of colleges and universities.
- Teachers and principals actively seek employment with Cleveland Municipal School District.
- People will move into the city and enroll their children in our public schools.

Financial Information

Internal Accounting and Budgetary Control

The School District's accounting system is organized on a "fund" basis. Each fund (and account group) is a distinct self-balancing accounting entity. Under this system, governmental funds, expendable trust funds and agency funds are presented on the modified accrual basis whereby revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. Proprietary funds are presented on the accrual basis whereby revenues are recognized when earned and expenses when incurred.

In developing the School District's accounting system much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

The School District utilizes a fully automated accounting system as well as an automated system for payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensures that the financial information generated is both accurate and reliable. As a result of the Year 2000 (Y2K) shortcomings in the accounting systems, the School District developed and adopted a comprehensive strategic plan for its computer operations. Such plan incorporated a combination of new system implementation and remediation of date sensitive programming code in several existing data processing systems, eliminating or mitigating the effects of Y2K with respect to its mission-critical systems. Implementation of the new accounting system began in February 1999 and was completed by October 1999.

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 object account level within a function and fund. All purchase order requests must be

approved by the appropriate levels of authority and certified by the Treasurer; necessary funds are then encumbered and purchase orders 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 at each cost center site. As an additional safeguard, all employees are covered by a blanket bond, and certain individuals in policy-making roles are covered by a separate, higher limit bond.

The basis of accounting and the various funds and account groups utilized by the School District are fully described in Note 2 of the financial statements. Additional information on the School District's budgetary accounting can also be found in Note 2.

General Governmental Functions

The following schedule presents a summary of governmental funds' revenues (GAAP Basis) for the fiscal years ended June 30, 1998 and 1999, and the amount and percentage of increases and decreases in relation to the prior year's revenues (in thousands):

	1998 Amount	1999 Amount	Percent of Total	Change	Percent Change
<i>Revenues:</i>					
<i>Local Sources:</i>					
Taxes	\$223,363	\$233,514	34.30%	\$10,151	4.54%
Interest	11,544	13,767	2.02	2,223	19.26
Tuition and Fees	1,391	1,728	0.25	337	24.23
Extracurricular Activities	1,274	1,293	0.19	19	1.49
Rentals	126	104	0.02	(22)	(17.46)
Miscellaneous	4,706	2,536	0.37	(2,170)	(46.11)
<i>State Sources:</i>					
Unrestricted Grants-in-Aid	230,946	284,614	41.80	53,668	23.24
Restricted Grants-in-Aid	73,131	46,269	6.80	(26,862)	(36.73)
Desegregation	40,000	38,200	5.61	(1,800)	(4.50)
<i>Reimbursement</i>					
<i>Federal Sources:</i>					
Unrestricted Grants-in-Aid	5,505	3,958	0.58	(1,547)	(28.10)
Restricted Grants-in-Aid	58,371	54,889	8.06	(3,482)	(5.97)
<i>Total Revenues</i>	<u>\$650,357</u>	<u>\$680,872</u>	<u>100.00%</u>	<u>\$30,515</u>	<u>4.69%</u>

The increase in unrestricted grants-in-aid from State sources resulted primarily from increased state foundation monies.

The decrease in restricted grants-in-aid from State sources resulted from decreased grant monies for two capital project funds, School Net Plus and School Facilities grants.

The following schedule presents a summary of governmental funds type expenditures (GAAP Basis) for the fiscal years ended June 30, 1998 and 1999, and the amount and percentage of increases and decreases in relation to the prior year's expenditures (in thousands).

	<u>1998</u> <u>Amount</u>	<u>1999</u> <u>Amount</u>	<u>Percent</u> <u>of</u> <u>Total</u>	<u>Change</u>	<u>Percent</u> <u>Change</u>
<i>Expenditures:</i>					
Current:					
Instruction	\$314,411	\$351,350	55.87%	\$36,939	11.75%
Support Services	188,729	217,646	34.61	28,917	15.32
Operation of Non- Instructional Activities	12,709	13,955	2.22	1,246	9.80
Extracurricular Activities	5,047	5,934	0.94	887	17.57
Capital Outlay	22,924	18,020	2.87	(4,904)	(21.39)
Intergovernmental	10	0	0.00	(10)	(100.00)
Debt Service:					
Principal Retirement	13,513	8,975	1.43	(4,538)	(33.58)
Interest and Fiscal Charges	<u>14,439</u>	<u>12,991</u>	<u>2.06</u>	<u>(1,448)</u>	<u>(10.03)</u>
<i>Total Expenditures</i>	<u>\$571,782</u>	<u>\$628,871</u>	<u>100.00%</u>	<u>\$57,089</u>	<u>9.98%</u>

The increase in instruction and support services resulted primarily from levy related expenditures for several items, including additional teachers and administrative support personnel, new basal adoptions of textbooks, and a 4.8% increase in basic school level funding. Additionally, increases in instruction are due to a salary adjustment for teachers in accordance with a renegotiated teachers' contract.

Capital outlay expenditures decline primarily due to one-time School Net Plus monies being used to provide classroom computers in the prior fiscal year. Levy monies continued to be used for roofing repairs and replacements.

General Fund Deficit

Prior year deficits have been eliminated during fiscal 1999. This is reflected in the accumulated general fund balance of \$2,445,761 (GAAP basis) at June 30, 1999, a substantial change from the deficit of \$43,558,205 (GAAP basis) at June 30, 1998. This improvement resulted primarily from passing the 13.5 mill operating levy in November of 1996, which generates approximately \$65 million annually.

Financial Highlights - Enterprise Funds

Food service, consumer services rotary, and child care center are classified as enterprise operations since they resemble those activities found in private industry; management periodically desires to determine the amount of profit/loss resulting from these operations that are significantly financed from user fees. In total, the enterprise funds had a net income of \$836,881 for the fiscal year ended June 30, 1999. Of the proprietary funds, the Child Care Center enterprise fund was the only fund which had deficit retained earnings at June 30, 1999. Management is analyzing the Child Care Center operations to determine the appropriate action to alleviate the deficit.

Financial Highlights - Internal Service Fund

At the conclusion of fiscal year 1999, the only internal service fund carried on the financial records related to self-insurance. This fund accounts for the revenues and expenses related to the provision of general liability and property damage claim settlements and judgments. The internal service fund had a net income of \$645,179 due to lower than expected claim activity. Management is analyzing claim history to determine the appropriate interfund charges for future years.

Financial Highlights - Fiduciary Funds

The trust funds carried on the financial records of the School District are the Educational Special Trust and the Administrative Special Trust expendable trust funds that have assets totaling \$1,881,100.

Debt Administration

At June 30, 1999, general obligation bonds outstanding totaled \$120,790,387. During fiscal year 1999, \$8,975,000 of general obligation bonds were retired. As of June 30, 1999, the overall debt margin was \$400,400,214 and the unvoted debt margin was \$5,511,157. All existing bond obligations are general obligation debt backed by the full faith and credit of the School District and will be retired fully by fiscal year 2012. At June 30, 1999, the School District had outstanding revenue anticipation notes of \$116,470,000.

Cash Management

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 or the State of Ohio or insured by the Federal Deposit Insurance Corporation. The total amount of interest earned was \$13,775,529 for the year ended June 30, 1999, \$11,282,779 being credited directly to the general fund. The program is beneficial because of access to daily balances which enables the School District to maintain minimum balance accounts and invest to the maximum extent.

Protection of the School District's deposits is provided by the federal deposit insurance corporation as well as 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 face value of the pooled collateral must equal at least 110 percent of public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

Risk Management

The School District established a self insurance internal service fund to account for and finance its uninsured risks of loss and associated expenses attributable to general liability and property damage claim settlements and judgments.

All employees of Cleveland Municipal School District are covered by a blanket bond, while certain individuals in policy-making roles are covered by separate, higher limit bond coverage.

The School District participates in the Workers' Compensation Retrospective Rating Plan. In the Retrospective Rating Plan, the School District assumes a portion of the risk in return for a reduction in current premiums.

Pension Plans

All School District employees are covered by the state-wide School Employees Retirement System of Ohio (SERS) or the State Teachers Retirement System (STRS). The School District's employer contributions to both systems are based on a percentage of employees' salaries. State law requires the School District to pay the employer share as determined by each retirement system. See notes 10 and 11 to the general purpose financial statements for complete details.

General Fixed Assets

The general fixed assets of the Cleveland Municipal School District are used to carry on the main education and support function of the system and are not financial resources available for expenditure. The total

general fixed assets at June 30, 1999, were \$445,865,170. Such assets are accounted for at historical cost. Depreciation is not recognized on general fixed assets.

Independent Audit

State statutes require the School District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Independent auditor Jim Petro, Auditor of State, was selected to render an opinion on the School District's financial statements as of and for the year ended June 30, 1999. The opinion appears at the beginning of the financial section of this 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 Cleveland Municipal School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 1998. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ASBO 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, 1998. 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 Cleveland Municipal School District's financial reporting. It enhances the School District's accountability to the residents of the Cleveland Municipal School District.

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

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

Respectfully submitted,


Barbara Byrd-Bennett
Chief Executive Officer


Erbert Johnson, CPA
Chief Financial Officer/Treasurer

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

Cleveland Municipal School District
Board Members
 Appointed by Mayor of City of Cleveland

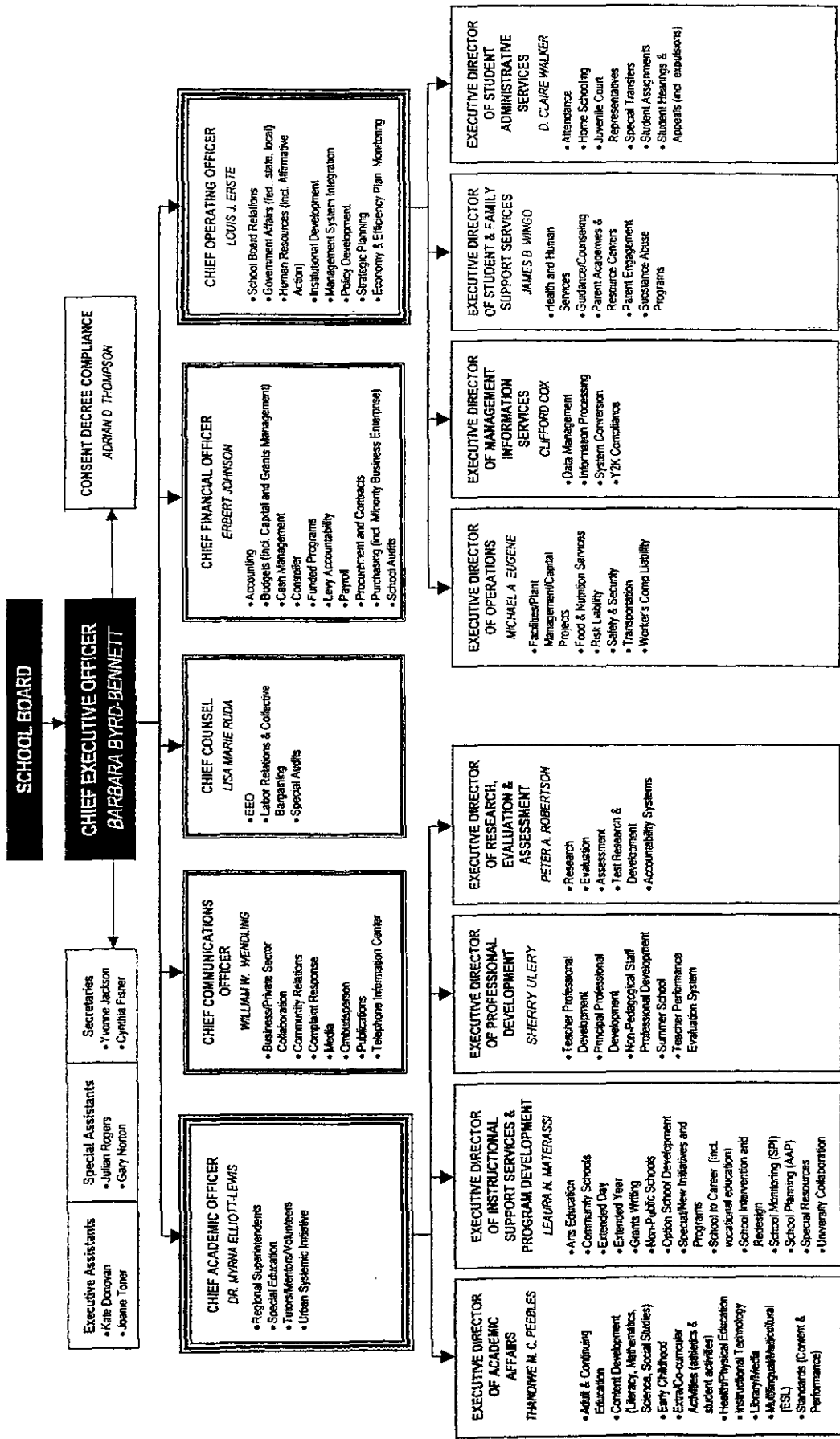
Name	Began Service As A Board Member September 9 (a)	Present Term Expires June 30 (a)
Hilton O. Smith Chairman	1998	2003
Margaret M. Hopkins, Vice Chairman	1998	2003
Rashidah Abdulhaqq	1998	2003
Erskine L. Bevel	1998	2003
David J. Carney	1998	2003
Louise P. Dempsey	1998	2003
George F. Dixon	1998	2003
Douglas D. Fear	1998	2003
Sandra Morgan	1998	2003
Jerry Sue Thornton, ex-officio	1998	2003
Claire Van Ummersen, ex-officio	1998	2003

(a) On September 9, 1998 the School District was released by the Federal District court from State control that was instituted by March 3, 1995, Federal Court Order. This release triggered the implementation of the supervision and control of the School District to a new nine-member Board of Education appointed by the Mayor of the City of Cleveland.

Cleveland Municipal School District
Senior Appointed Officials

Barbara Byrd-Bennett	Chief Executive Officer
Dr. Myrna Elliott-Lewis	Chief Academic Officer
Louis J. Erste	Chief Operating Officer
Erbert Johnson, CPA	Chief Financial Officer/Treasurer
Lisa Marie Ruda	Chief Legal Counsel
William W. Wendling	Chief Communications Officer
Clifford Cox	Executive Director of Management Information Services
Michael A. Eugene	Executive Director of Operations
Leaura N. Materassi	Executive Director of Instructional Support Services and Program Development
Thandiwe M. C. Peebles	Executive Director of Academic Affairs
Peter A. Robertson	Executive Director of Research, Evaluation
Sherry Ulery	Executive Director of Professional Development
D. Claire Walker	Executive Director of Student Administrative Services
James B. Wingo	Executive Director of Student and Family Support Services

Cleveland Municipal School District ORGANIZATION CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Cleveland City School
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1998

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



Cary Brueckner
President

Jeffrey L. Esdell
Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to
CLEVELAND CITY SCHOOL DISTRICT
For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 1998

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

Glen A. Franklin
President

Don L. Hagan
Executive Director

FINANCIAL SECTION

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Lausche Building, 12th Floor
615 Superior Avenue, NW
Cleveland, Ohio 44113

Telephone 216-787-3665
800-626-2297

Facsimile 216-787-3361
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Board of Education
Cleveland Municipal School District
1380 East Sixth Street
Cleveland, Ohio 44114

We have audited the accompanying general-purpose financial statements of the Cleveland Municipal School District, Cuyahoga County, Ohio (District) as of and for the year ended June 30, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

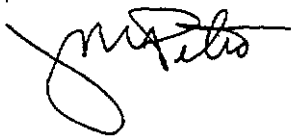
In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Cleveland Municipal School District, Cuyahoga County, Ohio as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2000 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 grants.

Report of Independent Accountants
Cleveland Municipal School District
Page 2

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the District, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the general-purpose financial statements taken as a whole.

We did not audit the data included in the statistical section of this report and therefore express no opinion thereon.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

Jim Petro
Auditor of State

February 25, 2000

General Purpose Financial Statements

Cleveland Municipal School District
 Combined Balance Sheet
 All Fund Types and Account Groups
 June 30, 1999
 (With Comparative Totals for June 30, 1998)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits:				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$169,328,491	\$11,327,811	\$26,744,678	\$29,131,702
Cash and Cash Equivalents				
With Fiscal Agents	0	0	1,473	0
Restricted Assets - Equity in Pooled Cash and Cash Equivalents	4,264,000	0	0	0
Investments with Fiscal Agents	0	0	894,673	0
Receivables:				
Taxes	304,049,368	0	19,596,018	0
Accounts	14,897	0	0	0
Intergovernmental	2,281,200	7,938,553	0	0
Interfund	4,388,000	0	0	0
Materials and Supplies Inventory	707,867	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0
Other Debits:				
Amount Available in Debt Service Fund for Retirement of General Obligation Bonds	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
Total Assets and Other Debits	\$485,033,823	\$19,266,364	\$47,236,842	\$29,131,702

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	1999	1998
\$5,224,584	\$2,590,992	\$27,301,323	\$0	\$0	\$271,649,581	\$200,858,463
0	0	0	0	0	1,473	167,021
0	0	0	0	0	4,264,000	3,347,498
0	0	0	0	0	894,673	21,348,076
0	0	0	0	0	323,645,386	315,401,019
36,792	0	268,715	0	0	320,404	45,160
2,724,044	0	0	0	0	12,943,797	15,501,157
0	0	0	0	0	4,388,000	6,024,796
450,802	0	0	0	0	1,158,669	1,571,159
524,157	0	0	445,865,170	0	446,389,327	450,029,538
0	0	0	0	26,406,796	26,406,796	23,156,028
0	0	0	0	152,007,569	152,007,569	170,414,458
<u>\$8,960,379</u>	<u>\$2,590,992</u>	<u>\$27,570,038</u>	<u>\$445,865,170</u>	<u>\$178,414,365</u>	<u>\$1,244,069,675</u>	<u>\$1,207,864,373</u>

(continued)

Cleveland Municipal School District
 Combined Balance Sheet
 All Fund Types and Account Groups (continued)
 June 30, 1999
 (With Comparative Totals for June 30, 1998)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities, Fund Equity and Other Credits:				
Liabilities:				
Accounts Payable	\$14,729,978	\$2,441,164	\$0	\$205,333
Accrued Wages and Benefits	57,683,590	6,308,909	0	171,711
Interfund Payable	0	1,231,000	3,150,000	0
Intergovernmental Payable	8,047,313	862,243	0	24,040
Deferred Revenue	281,273,835	6,945,520	17,680,046	0
Undistributed Monies	0	0	0	0
Payroll Withholdings	0	0	0	0
Accrued Interest Payable	519,440	0	0	0
Notes Payable	116,470,000	0	0	0
Claims Payable	3,863,906	0	0	0
EPA Loans Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Total Liabilities	482,588,062	17,788,836	20,830,046	401,084
Fund Equity and Other Credits:				
Investment in General Fixed Assets	0	0	0	0
Retained Earnings:				
Unreserved	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	23,962,182	7,766,514	0	9,638,108
Reserved for Inventory	707,867	0	0	0
Reserved for Property Taxes	20,258,928	0	1,779,966	0
Reserved for Budget Stabilization	3,347,000	0	0	0
Reserved for Bus Purchases	917,000	0	0	0
Unreserved:				
Designations	15,977,400	0	0	0
Undesignated (Deficit)	(62,724,616)	(6,288,986)	24,626,830	19,092,510
Total Fund Equity and Other Credits	2,445,761	1,477,528	26,406,796	28,730,618
Total Liabilities, Fund Equity and Other Credits	\$485,033,823	\$19,266,364	\$47,236,842	\$29,131,702

See accompanying notes to the general purpose financial statements

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	1999	1998
\$426,448	\$2,311	\$135,476	\$0	\$0	\$17,940,710	\$13,818,944
1,078,466	0	57,912	0	35,437,807	100,738,395	101,121,076
0	0	7,000	0	0	4,388,000	6,024,796
54,425	0	0	0	5,136,030	14,124,051	15,784,841
337,754	0	1,319,295	0	0	307,556,450	304,578,110
0	0	20,000,000	0	0	20,000,000	20,000,000
0	0	5,688,938	0	0	5,688,938	5,091,291
0	0	0	0	0	519,440	565,297
0	0	0	0	0	116,470,000	128,055,000
0	585,365	0	0	16,511,000	20,960,271	18,849,358
0	0	0	0	539,141	539,141	607,355
0	0	0	0	120,790,387	120,790,387	128,538,939
<u>1,897,093</u>	<u>587,676</u>	<u>27,208,621</u>	<u>0</u>	<u>178,414,365</u>	<u>729,715,783</u>	<u>743,035,007</u>
0	0	0	445,865,170	0	445,865,170	449,573,617
7,063,286	2,003,316	0	0	0	9,066,602	7,584,542
0	0	149,017	0	0	41,515,821	35,930,551
0	0	0	0	0	707,867	791,633
0	0	0	0	0	22,038,894	13,898,791
0	0	0	0	0	3,347,000	3,347,498
0	0	0	0	0	917,000	0
0	0	0	0	0	15,977,400	19,820,562
0	0	212,400	0	0	(25,081,862)	(66,117,828)
<u>7,063,286</u>	<u>2,003,316</u>	<u>361,417</u>	<u>445,865,170</u>	<u>0</u>	<u>514,353,892</u>	<u>464,829,366</u>
<u>\$8,960,379</u>	<u>\$2,590,992</u>	<u>\$27,570,038</u>	<u>\$445,865,170</u>	<u>\$178,414,365</u>	<u>\$1,244,069,675</u>	<u>\$1,207,864,373</u>

(concluded)

Cleveland Municipal School District
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
All Governmental Fund Types and Expendable Trust Funds
For the Fiscal Year Ended June 30, 1999
(With Comparative Totals for the Fiscal Year Ended June 30, 1998)

	Governmental Fund Types		
	General	Special Revenue	Debt Service
Revenues:			
<i>Local Sources:</i>			
Taxes	\$218,139,246	\$0	\$15,374,315
Interest	11,282,779	212,149	1,547,999
Tuition and Fees	1,358,352	369,678	0
Extracurricular Activities	0	1,293,306	0
Rentals	104,352	0	0
Miscellaneous	917,443	645,930	0
<i>State Sources:</i>			
Unrestricted Grants-in-Aid	284,614,426	0	0
Restricted Grants-in-Aid	118,717	37,719,501	0
Desegregation Reimbursement	38,200,000	0	0
<i>Federal Sources:</i>			
Unrestricted Grants-in-Aid	3,957,556	0	0
Restricted Grants-in-Aid	0	54,888,588	0
Total Revenues	558,692,871	95,129,152	16,922,314
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	204,639,798	29,347,350	0
Special	66,440,408	28,335,683	0
Vocational	16,241,480	701,363	0
Adult/Continuing	2,507,041	1,281,022	0
Other	1,827,954	27,779	0
<i>Support Services:</i>			
Pupils	21,580,370	3,199,035	0
Instructional Staff	16,908,771	14,481,634	0
Board of Education	108,155	0	0
Administration	32,934,167	4,196,131	0
Fiscal	8,250,798	223,145	235,480
Business	2,634,530	29,297	0
Operation and Maintenance of Plant	54,148,409	2,765,341	0
Pupil Transportation	33,031,516	245,484	0
Central	20,963,648	1,460,379	0
Operation of Non-Instructional Services	4,047,667	9,907,221	0
Extracurricular Activities	4,665,159	1,269,418	0
Capital Outlay	12,572,313	0	0
Intergovernmental	0	0	0
<i>Debt Service:</i>			
Principal Retirement	1,199,999	0	7,775,000
Interest and Fiscal Charges	7,329,650	0	5,661,066
Total Expenditures	512,031,833	97,470,481	13,671,546
Excess of Revenues Over (Under) Expenditures	46,661,038	(2,341,329)	3,250,768
<i>Other Financing Sources (Uses):</i>			
Operating Transfers In	0	45,539	0
Operating Transfers Out	(657,072)	0	0
Total Other Financing Sources (Uses)	(657,072)	45,539	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	46,003,966	(2,295,790)	3,250,768
Fund Balances (Deficit) at Beginning of Year	(43,358,205)	3,773,318	23,156,028
Fund Balances (Deficit) at End of Year	\$2,445,761	\$1,477,528	\$26,406,796

See accompanying notes to the general purpose financial statements

Capital Projects	Fiduciary Fund Type	Totals (Memorandum Only)	
	Expendable Trust	1999	1998
\$0	\$0	\$233,513,561	\$223,362,432
724,168	8,434	13,775,529	11,566,209
0	49,027	1,777,057	1,431,280
0	1,544	1,294,850	1,275,939
0	0	104,352	125,406
972,730	1,764,746	4,300,849	5,829,330
0	0	284,614,426	230,945,514
8,430,757	0	46,268,975	73,130,537
0	0	38,200,000	40,000,000
0	0	3,957,556	5,505,195
0	0	54,888,588	58,371,212
<u>10,127,655</u>	<u>1,823,751</u>	<u>682,695,743</u>	<u>631,543,054</u>
0	0	233,987,148	203,261,984
0	0	94,776,091	87,261,071
0	0	16,942,842	17,023,889
0	0	3,788,063	3,913,623
0	0	1,855,733	2,950,684
0	491,464	25,270,869	22,088,364
24,040	545,230	31,959,675	30,800,946
0	0	108,155	47,747
0	291,380	37,421,678	36,668,428
0	0	8,709,423	7,951,092
0	0	2,663,827	932,006
225,048	100,504	57,239,502	51,080,319
0	15,101	33,292,101	25,932,663
0	18,655	22,442,682	14,686,687
0	0	13,954,888	12,709,080
0	0	5,934,577	5,046,897
5,448,015	0	18,020,328	22,923,467
0	0	0	10,355
0	0	8,974,999	13,513,214
0	0	12,990,716	14,439,428
<u>5,697,103</u>	<u>1,462,334</u>	<u>630,333,297</u>	<u>573,241,944</u>
<u>4,430,552</u>	<u>361,417</u>	<u>52,362,446</u>	<u>78,574,518</u>
0	0	45,539	5,999,052
0	0	(657,072)	(5,999,052)
0	0	(611,533)	0
4,430,552	361,417	51,750,913	78,301,110
24,300,066	0	7,671,207	(70,629,903)
<u>\$28,730,618</u>	<u>\$361,417</u>	<u>\$59,422,120</u>	<u>\$7,671,207</u>

Cleveland Municipal School District
Combined Statement of Revenues, Expenditures and
Changes in Fund Balances - (Non-GAAP Basis) Budget and Actual
All Governmental Fund Types and Expendable Trust Funds
For the Fiscal Year Ended June 30, 1999

	General Fund		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
Revenues:			
Local Sources:			
Taxes	\$211,162,264	\$211,162,264	\$0
Interest	11,282,778	11,282,779	1
Tuition and Fees	1,218,043	1,218,040	(3)
Extracurricular Activities	0	0	0
Rentals	104,352	104,352	0
Miscellaneous	928,377	928,381	4
State Sources:			
Unrestricted Grants-in-Aid	310,974,498	284,853,432	(26,121,066)
Restricted Grants-in-Aid	0	118,717	118,717
Desegregation Reimbursement	38,200,000	38,200,000	0
Federal Sources:			
Unrestricted Grants-in-Aid	3,957,556	3,957,556	0
Restricted Grants-in-Aid	0	0	0
Total Revenues	577,827,868	551,825,521	(26,002,347)
Expenditures:			
Current:			
Instruction:			
Regular	245,641,487	218,433,256	27,208,231
Special	62,853,277	68,241,065	(5,387,788)
Vocational	16,826,891	16,946,077	(119,186)
Adult/Continuing	2,344,972	2,429,129	(84,157)
Other	1,671,372	2,179,307	(507,935)
Support Services:			
Pupils	20,477,334	20,659,098	(181,764)
Instructional Staff	22,154,990	25,353,149	(3,198,159)
Board of Education	45,699	91,482	(45,783)
Administration	33,916,187	31,154,065	2,762,122
Fiscal	7,012,418	8,103,243	(1,090,825)
Business	1,542,522	1,422,129	120,393
Operation and Maintenance of Plant	53,302,476	52,855,808	446,668
Pupil Transportation	34,487,113	33,647,268	839,845
Central	25,051,859	28,290,296	(3,238,437)
Operation of Non-Instructional Services	7,508,926	5,908,480	1,600,446
Extracurricular Activities	4,401,608	6,214,027	(1,812,419)
Capital Outlay	17,624,008	17,308,448	315,560
Debt Service:			
Principal Retirement	12,853,215	12,785,000	68,215
Interest and Fiscal Charges	7,375,508	7,375,507	1
Total Expenditures	577,092,062	559,396,834	17,695,228
Excess of Revenues Over (Under) Expenditures	735,806	(7,571,313)	(8,307,119)
Other Financing Sources (Uses):			
Advances In	2,874,796	2,874,796	0
Advances Out	(2,000,000)	(1,238,000)	762,000
Operating Transfers In	0	0	0
Operating Transfers Out	(600,000)	(657,072)	(57,072)
Total Other Financing Sources (Uses)	274,796	979,724	704,928
Excess of Revenues and Other Financing Sources Expenditures and Other Financing Uses	1,010,602	(6,591,589)	(7,602,191)
Fund Balances at Beginning of Year	91,904,489	91,904,489	0
Prior Year Encumbrances Appropriated	40,395,658	40,395,658	0
Fund Balances at End of Year	\$133,310,749	\$125,708,558	(\$7,602,191)

Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$14,564,801	\$14,744,354	\$179,553
232,002	212,149	(19,853)	0	1,552,814	1,552,814
18,038	98,038	80,000	0	0	0
1,265,000	1,293,306	28,306	0	0	0
0	0	0	0	0	0
11,300	11,300	0	0	0	0
0	0	0	0	0	0
44,651,574	38,707,099	(5,944,475)	0	0	0
0	0	0	0	0	0
0	189,617	189,617	0	0	0
65,261,438	59,260,417	(6,001,021)	0	0	0
111,439,352	99,771,926	(11,667,426)	14,564,801	16,297,168	1,732,367
26,385,430	29,363,957	(2,978,507)	0	0	0
30,598,890	29,669,073	929,815	0	0	0
653,027	826,702	(173,675)	0	0	0
2,199,040	1,247,290	951,750	0	0	0
0	27,779	(27,779)	0	0	0
3,499,508	3,535,901	(36,393)	0	0	0
19,075,414	16,406,212	2,669,202	0	0	0
0	0	0	0	0	0
4,363,290	4,166,312	196,978	0	0	0
66,340	244,731	(178,391)	235,480	235,480	0
21,888	26,114	(4,226)	0	0	0
13,915,620	4,154,296	9,761,324	0	0	0
541,158	269,612	271,546	0	0	0
3,632,213	2,183,541	1,448,672	0	0	0
14,200,204	12,184,971	2,015,233	0	0	0
2,574,332	1,192,630	1,381,702	0	0	0
260,217	261,424	(1,207)	0	0	0
0	0	0	7,775,000	7,775,000	0
0	0	0	5,661,066	5,661,066	0
121,986,591	105,760,547	16,226,044	13,671,546	13,671,546	0
(10,547,239)	(5,988,621)	4,558,618	893,255	2,625,622	1,732,367
828,000	1,231,000	403,000	0	0	0
(192,000)	(2,009,000)	(1,817,000)	0	(385,796)	(385,796)
13,450	45,539	32,089	0	0	0
0	0	0	0	0	0
649,450	(732,461)	(1,381,911)	0	(385,796)	(385,796)
(9,897,789)	(6,721,082)	3,176,707	893,255	2,239,826	1,346,571
4,490,025	4,490,025	0	25,510,212	25,510,212	0
5,747,134	5,747,134	0	0	0	0
539,370	53,516,077	53,176,707	526,403,467	527,750,038	51,346,571

(continued)

Cleveland Municipal School District
Combined Statement of Revenues, Expenditures and
Changes in Fund Balances - (Non-GAAP Basis) Budget and Actual
All Governmental Fund Types and Expendable Trust Funds (continued)
For the Fiscal Year Ended June 30, 1999

	Capital Projects Funds		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
<i>Revenues:</i>			
<i>Local Sources:</i>			
Taxes	\$0	\$0	\$0
Interest	0	724,168	724,168
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Rentals	0	0	0
Miscellaneous	1,000,000	1,012,730	12,730
<i>State Sources:</i>			
Unrestricted Grants-in-Aid	0	0	0
Restricted Grants-in-Aid	8,200,000	8,430,757	230,757
Desegregation Reimbursement	0	0	0
<i>Federal Sources:</i>			
Unrestricted Grants-in-Aid	0	0	0
Restricted Grants-in-Aid	0	0	0
Total Revenues	9,200,000	10,167,655	967,655
<i>Expenditures:</i>			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	6,689,498	3,476,993	3,212,505
Special	0	0	0
Vocational	0	0	0
Adult/Continuing	0	0	0
Other	0	0	0
<i>Support Services:</i>			
Pupils	0	0	0
Instructional Staff	3,174,208	1,919,147	1,255,061
Board of Education	0	0	0
Administration	0	0	0
Fiscal	0	0	0
Business	0	0	0
Operation and Maintenance of Plant	15,377,461	7,515,078	7,862,383
Pupil Transportation	0	0	0
Central	848,063	756,765	91,298
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	0	0	0
Capital Outlay	3,133,191	1,597,459	1,535,732
<i>Debt Service:</i>			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	29,222,421	15,265,442	13,956,979
Excess of Revenues Over (Under) Expenditures	(20,022,421)	(5,097,787)	14,924,634
<i>Other Financing Sources (Uses):</i>			
Advances In	0	0	0
Advances Out	0	0	0
Operating Transfers In	0	0	0
Operating Transfers Out	0	0	0
Total Other Financing Sources (Uses)	0	0	0
Excess of Revenues and Other Financing Sources Expenditures and Other Financing Uses	(20,022,421)	(5,097,787)	14,924,634
Fund Balances at Beginning of Year	21,025,319	21,025,319	0
Prior Year Encumbrances Appropriated	3,566,060	3,566,060	0
Fund Balances at End of Year	\$4,568,958	\$19,493,592	\$14,924,634

See accompanying notes to the general purpose financial statements

Expendable Trust Funds			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$225,727,065	\$225,906,618	\$179,553
0	8,434	8,434	11,514,780	13,780,344	2,265,564
0	49,027	49,027	1,236,081	1,365,105	129,024
0	1,554	1,554	1,265,000	1,294,860	29,860
0	0	0	104,352	104,352	0
1,280,000	1,497,350	217,350	3,219,677	3,449,761	230,084
0	0	0	310,974,498	284,853,432	(26,121,066)
0	0	0	52,851,574	47,256,573	(5,595,001)
0	0	0	38,200,000	38,200,000	0
0	0	0	3,957,556	4,147,173	189,617
0	0	0	65,261,438	59,260,417	(6,001,021)
1,280,000	1,556,365	276,365	714,312,021	679,618,635	(34,693,386)
0	0	0	278,716,435	251,274,206	(27,442,229)
0	0	0	93,452,167	97,910,140	(4,457,973)
0	0	0	17,479,918	17,772,779	(292,861)
0	0	0	4,544,012	3,676,419	867,593
0	0	0	1,671,572	2,207,086	(535,514)
897,021	458,460	438,561	24,873,863	24,653,459	220,404
1,033,425	574,075	459,350	45,438,037	44,252,583	1,185,454
0	0	0	45,699	91,482	(45,783)
485,763	294,435	191,328	38,765,240	35,614,812	3,150,428
0	0	0	7,314,238	8,583,454	(1,269,216)
0	0	0	1,564,410	1,448,243	116,167
394,697	118,371	75,826	82,790,254	64,644,053	18,146,201
12,354	13,745	(1,391)	35,040,625	33,930,625	1,110,000
34,084	17,900	16,184	29,566,219	31,248,502	(1,682,283)
0	0	0	21,709,130	18,093,451	3,615,679
0	0	0	6,975,940	7,406,657	(430,717)
0	0	0	21,017,416	19,167,331	1,850,085
0	0	0	20,628,215	20,560,000	68,215
0	0	0	13,036,574	13,036,573	1
2,657,344	1,477,486	1,179,858	744,629,964	695,571,855	49,058,109
(1,377,344)	78,879	1,456,223	(30,317,943)	(15,953,220)	14,364,723
0	7,000	7,000	3,702,796	4,112,796	410,000
0	0	0	(2,192,000)	(3,632,796)	(1,440,796)
0	0	0	13,450	45,539	32,089
0	0	0	(600,000)	(657,072)	(57,072)
0	7,000	7,000	924,246	(131,533)	(1,055,779)
(1,377,344)	35,879	1,463,223	(29,393,697)	(16,084,753)	13,308,944
1,347,155	1,347,155	0	144,277,200	144,277,200	0
30,189	30,189	0	49,739,041	49,739,041	0
\$0	\$1,463,223	\$1,463,223	\$164,622,544	\$177,931,488	\$13,308,944

(concluded)

Cleveland Municipal School District
Combined Statement of Revenues,
Expenses and Changes in Retained Earnings
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 1999
(With Comparative Totals for the Fiscal Year Ended June 30, 1998)

	Proprietary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service	1999	1998
Operating Revenues:				
Sales	\$2,550,867	\$0	\$2,550,867	\$2,556,152
Charges for Services	17,480	1,000,000	1,017,480	1,000,000
Other	460,367	0	460,367	542,363
Total Operating Revenues	3,028,714	1,000,000	4,028,714	4,098,515
Operating Expenses:				
Salaries	7,894,463	0	7,894,463	7,393,411
Fringe Benefits	3,887,666	0	3,887,666	3,555,827
Purchased Services	963,570	0	963,570	1,195,320
Materials and Supplies	12,094,482	0	12,094,482	12,453,491
Depreciation	130,352	0	130,352	80,950
Claims	0	354,821	354,821	773,747
Other	159,640	0	159,640	160,733
Total Operating Expenses	25,130,173	354,821	25,484,994	25,613,479
Operating Income (Loss)	(22,101,459)	645,179	(21,456,280)	(21,514,964)
Non-Operating Revenues (Expenses):				
Donated Commodities	1,080,194	0	1,080,194	1,431,149
Operating Grants	21,246,613	0	21,246,613	22,237,109
Total Non-Operating Revenues	22,326,807	0	22,326,807	23,668,258
Income Before Operating Transfers	225,348	645,179	870,527	2,153,294
Operating Transfers In	611,533	0	611,533	0
Net Income	836,881	645,179	1,482,060	2,153,294
Retained Earnings at Beginning of Year	6,226,405	1,358,137	7,584,542	5,431,248
Retained Earnings at End of Year	\$7,063,286	\$2,003,316	\$9,066,602	\$7,584,542

See accompanying notes to the general purpose financial statements

Cleveland Municipal School District
Combined Statement of Cash Flows
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 1999
(With Comparative Totals for the Fiscal Year Ended June 30, 1998)

	Proprietary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service	1999	1998
<i>Increase (Decrease) In Cash and Cash Equivalents:</i>				
<i>Cash Flows from Operating Activities:</i>				
Cash Received from Customers	\$2,522,400	\$0	\$2,522,400	\$2,555,220
Cash Received from Quasi-External Transactions with Other Funds	17,480	1,000,000	1,017,480	1,000,000
Cash Received from Other Operating Sources	494,108	0	494,108	570,397
Cash Payments to Suppliers for Goods and Services	(12,078,520)	0	(12,078,520)	(11,966,626)
Cash Payments to Employees for Services	(8,023,388)	0	(8,023,388)	(7,270,995)
Cash Payments for Employee Benefits	(3,872,005)	0	(3,872,005)	(3,544,530)
Cash Payments for Claims	0	(326,503)	(326,503)	(787,274)
Cash Payments for Other Operating Activities	(159,640)	0	(159,640)	(160,733)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(21,099,565)</u>	<u>673,497</u>	<u>(20,426,068)</u>	<u>(19,604,541)</u>
<i>Cash Flows from Noncapital Financing Activities:</i>				
Operating Grants Received	21,590,776	0	21,590,776	21,400,980
Advance In	0	0	0	480,000
Advance Out	(480,000)	0	(480,000)	(300,000)
Transfer In	611,533	0	611,533	0
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>21,722,309</u>	<u>0</u>	<u>21,722,309</u>	<u>21,580,980</u>
<i>Cash Flows from Capital and Related Financing Activities:</i>				
Payments for Capital Acquisitions	(198,588)	0	(198,588)	(169,807)
Net Increase in Cash and Cash Equivalents	424,156	673,497	1,097,653	1,806,632
Cash and Cash Equivalents at Beginning of Year	<u>4,800,428</u>	<u>1,917,495</u>	<u>6,717,923</u>	<u>4,911,291</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$5,224,584</u>	<u>\$2,590,992</u>	<u>\$7,815,576</u>	<u>\$6,717,923</u>

(continued)

Cleveland Municipal School District
Combined Statement of Cash Flows
All Proprietary Fund Types (continued)
For the Fiscal Year Ended June 30, 1999
(With Comparative Totals for the Fiscal Year Ended June 30, 1998)

	Proprietary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service	1999	1998
	<i>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</i>			
<i>Operating Income (Loss)</i>	(\$22,101,459)	\$645,179	(\$21,456,280)	(\$21,514,964)
Depreciation	130,352	0	130,352	80,950
Donated Commodities Used During Year	1,080,194	0	1,080,194	1,431,149
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(18,967)	0	(18,967)	62,574
(Increase) Decrease in Intergovernmental Receivable	24,241	0	24,241	(35,472)
(Increase) Decrease in Materials and Supplies Inventory	328,724	0	328,724	231,619
Increase (Decrease) in Accounts Payable	(185,766)	2,311	(183,455)	241,193
Increase (Decrease) in Accrued Wages and Benefits	(119,776)	0	(119,776)	93,595
Increase/(Decrease) in Deferred Revenue	(251,415)	0	(251,415)	(221,776)
Increase (Decrease) in Intergovernmental Payable	14,307	0	14,307	40,118
Increase (Decrease) in Claims Payable	0	26,007	26,007	(13,527)
<i>Total Adjustments</i>	<u>1,001,894</u>	<u>28,318</u>	<u>1,030,212</u>	<u>1,910,423</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(\$21,099,565)</u>	<u>\$673,497</u>	<u>(\$20,426,068)</u>	<u>(\$19,604,541)</u>

See accompanying notes to the general purpose financial statements

(concluded)

Cleveland Municipal School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Note 1 - Description of The School District And Reporting Entity

The Board of Education of the Cleveland Municipal 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, together with the School District, 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 September 9, 1998 and whose terms run until June 30, 2003.

The appointment of a new nine member School Board on September 9, 1998 marked another dramatic change in the governance structure of the School District. Between March 3, 1995 and September 9, 1998, the Federal District Court (the Court) overseeing the School District's desegregation case issued an order (the March 3rd Order) transferring all authority for the operation of the School District from the old seven member elected School Board to the State Superintendent of Public Instruction. At that time, the State was ordered to institute structural, managerial and operational reforms to enable the School District to achieve financial stability and to successfully implement the terms of the desegregation orders. With this order the old elected Board ceased to be the governing body for the School District. On September 9, 1998, the Court vacated the March 3rd Order, thereby ending three and one-half years of State Control of the School District. This release triggered the immediate implementation of the provisions of Ohio Substitute House Bill No. 269 (H.B. No. 269) which called for the transfer of the supervision and control of the School District to a new nine-member Board of Education appointed by the Mayor of the City of Cleveland. The legislation also provided for Mayoral appointment powers with respect to the Chief Executive Officer (formerly known as Superintendent) position for the School District. Additionally, the legislation provides for a referendum on the Mayor's authority to continue appointing board members, to take place at the general election in the first even-numbered year occurring at least four years after the transfer takes place.

Until September 9, 1998, the Superintendent of Schools, (the "Superintendent") was the chief executive officer of the School District and had the responsibility for directing and assigning teachers and other employees, assigning the pupils to the proper schools and grades, and performing such other duties as determined by the elected Board. Pursuant to the authority assigned by the Court in its March 3rd Order, the State Superintendent of Public Instruction appointed Dr. Richard A. Boyd as Superintendent on April 5, 1995. Dr. Boyd was given a joint appointment as Superintendent and Deputy State Superintendent for the Cleveland Public Schools. Under the governance structure established by the Court, the Superintendent/Deputy State Superintendent reported to the State Superintendent, not the elected Board. Dr. Boyd resigned his dual posts in December 1997 and Mr. James Penning, the Chief Operating Officer - Operations, was named to succeed him in January 1998. Following the lifting of the March 3rd Order, on September 9, 1998, Mayor Michael R. White appointed Mr. Louis J. Erste, the School District's Chief of Staff, as the Interim Chief Executive Officer, replacing Mr. Penning, who had resigned his superintendent positions. On November 16, 1998, the Mayor appointed Mrs. Barbara Byrd-Bennett as the School District's Chief Executive Officer with a four-year contract.

In accordance with H.B. No. 269, following September 9, 1998, the School District is now referred to as the Cleveland Municipal School District. Other key provisions of the legislation include a requirement that all administrators submit their resignation from their respective positions, and that all such administrators become employees on an at-will basis. These requirements were met on September 9, 1998.

Cleveland Municipal School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

A. Desegregation Court Case

The Cleveland School Desegregation court case, Reed v. Rhodes was initiated in 1973 on behalf of all African-American students in the Cleveland Public Schools and their parents (the plaintiffs). In 1976 the United States District Court (the Court) found that the State defendants (the Ohio State Board of Education and the State Superintendent of Public Instruction, collectively the State) and the local defendants (the School District's Board of Education and the Superintendent) had violated the plaintiff's constitutional right to equal protection of the laws by intentionally fostering and maintaining a segregated school system. The Court's 1978 Remedial Order required the School District to implement changes in virtually all areas of School District operations. The State, by virtue of its supervisory responsibilities over the School District as well as its co-defendant status in the case, is required to finance 50 percent of all incremental desegregation costs incurred by the School District resulting from the Remedial Order. All such State desegregation expenditure reimbursements are recognized in the General Fund.

In May 1994, the Court issued a Consent Decree implementing a Settlement Agreement (the Agreement) approved by all parties to the case. The Agreement, which is designed to bring Reed v. Rhodes to an orderly and just resolution, calls for a seven-year phaseout period which began July 1, 1993, after which the defendants shall be released from all further obligations thereunder. An integral part of the Agreement is the School District's implementation of Vision 21, a seven-year educational improvement and desegregation plan to improve the educational achievement of children in the School District. The provisions of the Agreement will be funded jointly by the State and the School District. The State will provide \$295 million over the seven-year period, while the School District will match \$275 million of the State's payments. For the fiscal year ended June 30, 1999, the School District has received \$38.2 million of the State's desegregation payments. Through June 30, 1999, the School District has received \$275 million of the \$295 million, including all \$20 million not requiring a match.

On July 1, 1997, the School District and the State filed a motion requesting unitary status with regard to the School District's continuing Desegregation Court Case. In April, 1998, after a lengthy hearing, the Court issued a ruling which granted the defendants' request and declared the School District to be unitary. Under the terms of the ruling, the School District and the State are still under obligation to carry out the provisions of the May 1994 Consent Decree, which requires continuing certain previously specified desegregation programs through June 30, 2000.

B. State Assumption of Control

On March 3, 1995, the Court issued an order transferring all authority for the operation of the School District from the Board of Education to the State Superintendent of Public Instruction, thereby suspending the Board's governing powers over the School District. The Court had concluded that the resignations of the School Superintendent and her two top deputies in fiscal year 1995, in conjunction with the School District's severe financial status, had impaired the School District's ability to implement the Court's previously issued desegregation orders, including the May 1994 Consent Decree.

Additionally, the March 3rd Court order included provisions ordering the State to institute structural, managerial and operational reforms to enable the School District to achieve financial stability and to successfully implement the terms of the desegregation orders. The Court, at that time, expressed a desire to return the School District to local control at the earliest practicable date.

Cleveland Municipal School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

The March 3rd Court order also included a mandate to identify and close 14 of the School District's 136 facilities. The School District implemented the closure of nine elementary schools, two high schools and one administrative site. As a result of changed circumstances and increased enrollment, the two administrative sites were not closed and two schools were required to be reopened.

C. Change in Governance Structure

On September 9, 1998, the School District was released by the Federal District Court from State control that was instituted by the March 3, 1995, Federal Court Order. This release triggered the implementation of the provisions of Ohio Substitute House Bill No. 269 which calls for the transfer of the supervision and control of the School District to a new nine member Board of Education appointed by the Mayor of the City of Cleveland. The legislation also provides for Mayoral appointment powers with respect to the Chief Executive Officer (formerly known as Superintendent) position for the School District. Additionally the legislation provides for a referendum on the Mayor's authority to continue appointing board members, to take place at the general election in the first even-numbered year occurring at least four years after the transfer takes place.

D. Fiscal Emergency/Watch

In October 1996, the School District was declared to be in a state of "Fiscal Emergency" by the Auditor of State. New legislation effective September 1996, permitted this declaration due to the School District's declining financial condition. In accordance with the new law, a seven-member Financial Planning and Supervision Commission was established to oversee all financial affairs of the School District. The Commission's primary charge is to develop, adopt, and implement a five year financial recovery plan (Plan). The Commission accordingly adopted the School District's Plan in March 1997. The Commission is comprised of the State Superintendent of Public Instruction, the School District Superintendent, the Mayor of the City of Cleveland, State Director of Budget and Management, an appointee of the Superintendent of Public Instruction, an appointee of the governor and an appointee of the mayor.

The three primary financial components of the Plan consisted of (1) achieving budget reductions in fiscal year 1997, (2) passing a 13.5 mill levy, and (3) restructuring the School District's operating debt over a ten year period. Budget reductions were achieved in the fall of 1996 as a result of the successful conclusion of contract negotiations and the implementation of other budget reductions. The levy attempt was successful in November 1996 and the operating debt was restructured in May 1997.

On September 9, 1999, the Auditor of State released the district from "fiscal emergency" and upgraded its financial status to "fiscal watch". The related certification excerpt read as follows:

Pursuant to a request to the Auditor of State by the Cleveland Municipal School District Financial Planning and Supervision Commission, the Auditor of State has determined that the Cleveland Municipal School District no longer meets the fiscal emergency conditions set forth in Section 3316.03 (B), Revised Code, and the Cleveland Municipal School District has met the requirements of Section 3316.16, Revised Code, for termination of the Cleveland Municipal School District Financial Planning and Supervision Commission. Therefore, the existence of the Cleveland Municipal School District Financial Planning and Supervision Commission and its role in the operation of the Cleveland Municipal School District is terminated as of September 9, 1999.

Cleveland Municipal School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Section 3316.03, Revised Code, requires the Cleveland Municipal School District to remain in a state of fiscal watch for the duration of the repayment period of any restructured loan issued while in a state of fiscal emergency. The debt, authorized under Section 3316.06, Revised Code, will mature on June 1, 2007.

At the time of termination of the Commission, an effective financial accounting and reporting system has not been implemented. Section 3316.16(E) Revised Code, requires the Auditor of State to monitor the progress of implementation and exercise authority under this section and Chapter 117, Revised Code, to secure full implementation within two years.

E. 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 Cleveland Municipal School District, this includes general operations, food service and student related activities of the School District.

Within the School District boundaries, there are also various non-public schools. Current State legislature provides funding to these non-public schools. These monies are received and disbursed on behalf of the non-public school by the treasurer 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 a related organizations and the Ohio Schools Council as a jointly governed organization. These organizations are discussed further in Note 15 and Note 22 to the general purpose financial statements.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

Cleveland Municipal School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

A. Basis Of Presentation - Fund Accounting

The School District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial 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 recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

For financial statement presentation purposes, the various funds of the School District are grouped into the following generic fund types under the broad fund categories governmental, proprietary and fiduciary.

Governmental Fund Types:

Governmental funds are those through which most governmental functions of the School District are financed. The acquisition, use and balances of the School District's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds and trust funds) are accounted for through governmental funds. The following are the School District's governmental fund types:

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

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

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.

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

Proprietary Fund Types:

Proprietary funds are used to account for the School District's ongoing activities which are similar to those found in the private sector. The following are the School District's proprietary fund types:

Enterprise Funds - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic

Cleveland Municipal School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Fund - This fund accounts 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.

Fiduciary Fund Types:

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 governmental units and/or other funds. These include expendable trust and agency funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups:

To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group - This account group is established to account for all fixed assets of the School District, other than those accounted for in the proprietary or trust funds.

General Long-Term Obligations Account Group - This account group is established to account for all long-term obligations of the School District except those accounted for in the proprietary or trust funds.

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types and expendable trust funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The modified accrual basis of accounting is followed for the governmental, expendable trust and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay

Cleveland Municipal School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

liabilities of the current fiscal year. The available period for the School District is sixty days after year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: interest, tuition, grants, and student fees.

The School District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of the fiscal year end and delinquent property taxes, whose availability is indeterminable and which are intended to finance the ensuing fiscal year operations, have been recorded as deferred 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 the governmental funds.

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund types. Revenues are recognized when they are earned and become measurable, and expenses are recognized when they are incurred, if measurable. 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 reported as deferred revenue.

C. Budgetary Data

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. Even though annual budgets are legally adopted, proprietary budgetary statements have not been presented since they are not required under GAAP. The legal level of budgetary control is at the object level within each function within each individual fund. Any budgetary modifications at this level may only be made by resolution of the School District.

Advances in and advances out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

Tax Budget

Prior to January 15, the Chief Executive Officer and Chief Financial Officer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates. By no later than January 20, the Board-adopted budget is filed with the Cuyahoga County Budget Commission for rate determination.

Cleveland Municipal School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Estimated Resources

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Chief Financial Officer. The amounts reported in the budgetary statement reflect the amounts in the final amended certificate issued during the fiscal year.

Appropriations

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation or alter total function appropriations within a fund, or alter object appropriations within functions, must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts. Formal budgetary integration is employed as a management control device during the year for all funds, other than agency funds, consistent with statutory provisions.

Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds and reported in the notes to the financial statements for proprietary funds.

Lapsing of Appropriations

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

Cleveland Municipal School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

D. Cash and Investments

To improve cash management, all cash received by the School District is pooled. Monies for all funds, including proprietary funds, 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" on the balance sheet.

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 balance sheet as "cash and cash equivalents with fiscal agents" and "investments with fiscal agents".

During fiscal year 1999, investments were limited to STAR Ohio, repurchase agreements, treasury notes, federal agency securities, commercial paper, and Armada Government Money Market.

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 (STAROhio) during fiscal year 1999. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio 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 STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 1999.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, 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.

E. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve and a bus purchase reserve. These reserves are required by State statute. The budget stabilization reserve can be used only after receiving approval from the State Superintendent of Public Instruction. The bus purchase reserve can only be spent for qualifying bus purchase expenditures. During fiscal year 1998, the School District received a \$3,347,000 refund from the Bureau of Workers' Compensation which State statute required to be included in the budget reserve. The bus purchase reserve was established in fiscal year 1999 from property tax receipts set aside for bus purchases. A fund balance reserve for both types of restricted assets has also been established. See Note 19 for further discussion.

Cleveland Municipal School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

F. Materials and Supplies Inventory

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available expendable resources even though it is a component of net current assets. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale and are expensed when used.

G. Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of two thousand dollars. The School District does not have 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 general fixed assets is also not capitalized.

Assets in the general fixed assets account group are not depreciated. Depreciation of fixed assets in the enterprise funds is computed using the straight-line method over an estimated useful life of five years for furniture and equipment and twenty years for buildings and improvements. Improvements to fund fixed assets are depreciated over the remaining useful lives of the related fixed assets.

During the last decade, studies performed by outside organizations have been conducted in order to evaluate the extent of capital repair or replacement that would be necessary to bring the School District's physical facilities up to a certain minimal condition. The studies indicate the necessity of significant capital expenditures. The School District is currently in the process of developing a long-term capital improvement plan for the express purpose of addressing all potential options with regard to necessary repair and/or replacement of certain facilities.

In conjunction with the passage of a 13.5 mill operating levy in November 1996, the School District is continuing its program of using \$22 million of the new revenues for roof replacements and related capital repairs. These projects are ongoing and are being supplemented by \$24 million in State matching funds for qualifying capital repairs and replacement projects. The program is expected to continue into fiscal year 2000.

Cleveland Municipal School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

H. Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursement basis, are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Reimbursement type grants received before the revenue recognition criteria have been met are reported as deferred revenue. Other than commodities, grants and entitlements for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are earned and become measurable.

I. Interfund Assets and Liabilities

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables" and "interfund payables".

J. 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 eligible 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 the School District's past experience of making termination payments.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "accrued wages and benefits payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

K. Accrued Liabilities and Long-Term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgements, compensated absences, contractually required pension contributions, and special termination benefits that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. In general, payments made more than sixty days after year end are considered not to have been made with current available financial resources. Bonds and long-term loans are reported as a liability of the general long-term obligations account group until due.

Cleveland Municipal School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.

L. Contributed Capital

No contributed capital was supplied by the School District or other agencies on inception of the enterprise funds. Start-up costs were funded through advances which were subsequently reimbursed to the advancing fund.

M. Interfund Transactions

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

N. Fund Balance Reserves and Designations

The School District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Designations represent tentative plans for future use of financial resources. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, inventories of supplies and materials, property taxes, budget stabilization and future bus purchases in accordance with new Ohio Revised Code requirements. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute.

The designation for carryover represents amounts set aside by the School District for educational programs delineated as part of the 1996 successful operating levy and for other programs designated by the Board of Education.

O. 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.

P. Totals - Memorandum Only Columns

Total columns on the general purpose financial statements are captioned "Totals - (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Cleveland Municipal School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Q. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the School District's financial position and operations. Certain restatements and reclassifications have been made to the 1998 comparative data. However, comparative data have not been presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual, as their inclusion would make the statements unduly complex.

Note 3 - Fund Deficits and Legal Compliance

A. Fund Deficits

The recurring Child Care Special Revenue fund deficit has been reduced during fiscal 1999. This is reflected in the accumulated deficit of \$27,445 at June 30, 1999, a decrease from the deficit of \$483,472 at June 30, 1998. The Administrative Special Trust expendable trust fund also had deficit a of \$20,727 at June 30, 1999. There are also several funds with negative budgetary-basis fund balances. The School District is analyzing these funds to determine the appropriate action to alleviate the deficits.

B. Accountability

A computer system conversion of the financial reporting system during June-September, 1999 and a continuing vacancy in a key treasury department position (controller) contributed to the inadvertent omission of appropriation which would have precluded the occurrence of the following budgetary violations. The hiring of a new controller, subsequent to fiscal year end, will minimize the likelihood of this recurring.

The Bilingual Education Program Fund had appropriations in excess of estimated resources of \$870,999, contrary to Ohio Revised Code Section 5705.39. The following accounts had expenditures plus encumbrances in excess of appropriations contrary to Ohio Revised Code Section 5705.41.

Fund/Function/Object	Appropriation	Expenditure	Excess
General Fund			
<i>Instruction</i>			
<i>Regular</i>			
Purchased Services	\$959,578	\$2,628,674	\$1,669,096
Capital Outlay - New	1,318,428	3,090,673	1,772,245
<i>Special</i>			
Salaries and Wages	37,612,622	37,912,333	299,711
Fringe Benefits	10,649,171	10,735,865	86,694
Purchased Services	14,201,112	19,254,299	5,053,187
Capital Outlay - New	9,809	10,112	303

Cleveland Municipal School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Fund/Function/Object	Appropriation	Expenditure	Excess
<i>Vocational</i>			
Salaries and Wages	\$12,672,658	\$12,751,548	\$78,890
Fringe Benefits	3,544,320	3,566,685	22,365
Capital Outlay - New	379,057	436,707	57,650
<i>Adult/Continuing</i>			
Salaries and Wages	1,767,934	1,870,161	102,227
<i>Other</i>			
Purchased Services	799,679	1,035,027	235,348
Materials and Supplies	871,893	1,144,280	272,387
<i>Support Services</i>			
<i>Pupils</i>			
Salaries and Wages	15,647,675	15,864,651	216,976
Fringe Benefits	4,224,987	4,306,356	81,369
<i>Instructional Staff</i>			
Fringe Benefits	2,785,840	2,830,215	44,375
Purchased Services	737,506	1,275,233	537,727
Materials and Supplies	5,590,968	9,842,523	4,251,555
Capital Outlay - New	348,573	371,661	23,088
Capital Outlay - Replace	33,721	43,617	9,896
Other	14,183	29,468	15,285
<i>Board of Education</i>			
Salaries and Wages	16,749	41,684	24,935
Fringe Benefits	4,197	11,652	7,455
Purchased Services	23,436	34,331	10,895
Materials and Supplies	1,317	3,815	2,498
<i>Administration</i>			
Purchased Services	1,235,925	1,649,073	413,148
Materials and Supplies	739,984	1,275,602	535,618
<i>Fiscal</i>			
Purchased Services	1,048,489	1,190,102	141,613
Other	2,771,205	3,771,778	1,000,573
<i>Business</i>			
Materials and Supplies	18,214	28,912	10,698
<i>Operation and Maintenance of Plant</i>			
Salaries and Wages	26,357,136	26,468,205	111,069
Fringe and Benefits	7,240,182	7,270,053	29,871

Cleveland Municipal School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Fund/Function/Object	Appropriation	Expenditure	Excess
<i>Pupil Transportation</i>			
Salaries and Wages	\$17,512,430	\$18,273,596	\$761,166
Fringe and Benefits	4,802,632	5,029,306	226,674
Capital Outlay -Replace	5,006,465	5,165,042	158,577
<i>Central</i>			
Fringe and Benefits	1,465,490	1,508,261	42,771
Purchased Services	10,504,536	14,557,166	4,052,630
Materials and Supplies	318,390	386,001	67,611
Capital Outlay - New	4,174,308	4,620,826	446,518
<i>Operation of Non-Instructional Services</i>			
<i>Food Service Operations</i>			
Materials and Supplies	26,880	38,264	11,384
<i>Community Services</i>			
Salaries and Wages	0	486	486
Fringe Benefits	0	82	82
<i>Extracurricular Activities</i>			
<i>Academic and Subject Oriented Activities</i>			
Salaries and Wages	431,920	1,518,447	1,086,527
Fringe Benefits	75,356	276,451	201,095
Purchased Services	257,796	910,785	652,989
Materials and Supplies	32,988	78,948	45,960
Capital Outlay - New	119,550	1,761,400	1,641,850
<i>Sports Oriented Activities</i>			
Other	143,922	153,786	9,864
Capital Outlay			
<i>Site Improvement Services</i>			
Salaries and Wages	13,674	16,061	2,387
<i>Other Facilities Acquisition and Construction</i>			
Salaries and Wages	24,788	472,299	447,511

Special Revenue Funds

Student Activities

Extracurricular Activities

Academic and Subjected Oriented Activities

Purchased Services	0	3,107	3,107
Materials and Supplies	0	4,319	4,319
Capital Outlay - New	0	27,163	27,163
Other	2,865	474,973	472,108

Cleveland Municipal School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Fund/Function/Object	Appropriation	Expenditure	Excess
Auxiliary Services			
<i>Support Services</i>			
<i>Operation and Maintenance Plant</i>			
Capital Outlay - New	\$11,917	\$81,002	\$69,085
<i>Operation of Non-Instructional Services</i>			
<i>Community Services</i>			
Purchased Services	1,949,885	4,286,955	2,337,070
Teacher Development			
<i>Support Services</i>			
<i>Instructional Staff</i>			
Other	0	60,734	60,734
<i>Business</i>			
Purchased Services	0	717	717
<i>Operation and Maintenance of Plant</i>			
Purchased Service	0	35	35
Capital Outlay - New	20,403	52,059	31,656
DPIA			
<i>Instruction</i>			
<i>Regular</i>			
Materials and Supplies	5,159,298	8,157,054	2,997,756
Capital Outlay-New	0	38,514	38,514
Other	0	10,577	10,577
Bilingual Education			
<i>Instruction</i>			
<i>Adult/Continuing</i>			
Purchase Services	0	13,991	13,991
Materials and Supplies	2,791	3,017	226
Miscellaneous State Grants			
<i>Instruction</i>			
<i>Special</i>			
Purchased Services	0	1,344	1,344
<i>Vocational</i>			
Purchased Services	6,499	29,484	22,985
Materials and Supplies	65,059	89,695	24,636
Capital Outlay-New	0	83,584	83,584

Cleveland Municipal School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Fund/Function/Object	Appropriation	Expenditure	Excess
Support Services			
<i>Instructional Staff</i>			
Materials and Supplies	\$12,528	\$18,954	\$6,426
Capital Outlay - New	0	766	766
Other	956	1,481	525
Operation of Non-Instructional Services			
<i>Community Services</i>			
Salaries and Wages	0	11,690	11,690
Fringe Benefits	0	3,285	3,285
Purchased Services	0	410	410
Miscellaneous Federal Grants			
<i>Instruction</i>			
<i>Regular</i>			
Salaries and Wages	1,764	1,838	74
Fringe Benefits	322	335	13
Purchased Services	512	2,731	2,219
Materials and Supplies	1,308	4,518	3,210
Capital Outlay - New	0	39	39
Other	0	189	189
<i>Vocational</i>			
Capital Outlay - New	0	3,780	3,780
Support Services			
<i>Pupils</i>			
Salaries and Wages	244,787	364,805	120,018
Fringe Benefits	69,136	87,859	18,723
Purchased Services	18,511	444,686	426,175
Materials and Supplies	58,818	63,131	4,313
<i>Instructional Staff</i>			
Purchased Services	122,145	155,924	33,779
Other	227	6,664	6,437
<i>Fiscal</i>			
Other	0	3,691	3,691
Emergency Immigrant Assistance			
<i>Instruction</i>			
<i>Special</i>			
Purchased Services	14,642	23,454	8,812

Cleveland Municipal School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Fund/Function/Object	Appropriation	Expenditure	Excess
Adult Basic Education			
<i>Support Services</i>			
<i>Pupils</i>			
Materials and Supplies	\$120	\$484	\$364
<i>Instructional Staff</i>			
Fringe Benefits	71,941	72,569	628
<i>Fiscal</i>			
Other	0	14,486	14,486
<i>Operational and Maintenance Of Plant</i>			
Capital Outlay - New	209	570	361
<i>Central</i>			
Purchased Services	3,552	4,214	662
JTPA/OWA Youth			
<i>Support Service</i>			
<i>Administration</i>			
Purchased Services	71,792	238,443	166,651
<i>Fiscal</i>			
Other	0	18,117	18,117
<i>Operation and Maintenance of Plant</i>			
Salaries	464	539	75
Fringe Benefits	0	20	20
Purchased Services	6,427	6,722	295
NDEA Title III			
<i>Support Services</i>			
<i>Instructional Staff</i>			
Purchased Services	49,582	53,573	3,991
Title VI-B			
<i>Instruction</i>			
<i>Other</i>			
Capital Outlay - New	0	14,646	14,646

Cleveland Municipal School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Fund/Function/Object	Appropriation	Expenditure	Excess
Support Services			
<i>Pupils</i>			
Purchased Services	\$2,061	\$2,303	\$242
<i>Fiscal</i>			
Other	0	30,645	30,645
<i>Operation and Maintenance of Plant</i>			
Purchased Services	2,401	3,794	1,393
Vocational Education			
<i>Instruction</i>			
<i>Vocational</i>			
Fringe Benefits	125,960	126,308	348
Purchased Service	258	2,315	2,057
Materials and Supplies	19,720	41,302	21,582
Capital Outlay-New	0	15,000	15,000
<i>Adult/Continuing</i>			
Salaries	56,821	68,374	11,553
<i>Other</i>			
Other	0	13,133	13,133
Support Service			
<i>Pupils</i>			
Salaries	311,360	314,021	2,661
Purchased Services	57,487	88,704	31,217
Capital Outlay-New	102,147	170,740	68,593
Other	0	11,000	11,000
<i>Instructional Staff</i>			
Salaries	289,906	329,823	39,917
Fringe Benefits	68,839	80,479	11,640
<i>Operation and Maintenance of Plant</i>			
Purchased Services	6,258	6,371	113
<i>Pupil Transportation</i>			
Purchased Services	21,142	21,583	441
<i>Central</i>			
Salaries	224,919	229,370	4,451
Fringe Benefit	62,524	63,764	1,240
Materials and Supplies	7,121	7,367	246

Cleveland Municipal School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Fund/Function/Object	Appropriation	Expenditure	Excess
Consumer Education			
<i>Support Services</i>			
<i>Instructional Staff</i>			
Salaries and Wages	\$4,753	\$6,144	\$1,391
Fringe Benefits	54	1,069	1,015
Purchased Services	1,297	3,226	1,929
Early Childhood Education			
<i>Support Services</i>			
<i>Instructional Staff</i>			
Salaries and Wages	100,969	104,948	3,979
Fringe Benefits	28,927	30,072	1,145
Career Enhancement			
<i>Support Services</i>			
<i>Instructional Staff</i>			
Materials and Supplies	1,882	11,757	9,875
<i>Central</i>			
Purchase Services	1,908	23,075	21,167
Public School Preschool			
<i>Instruction</i>			
<i>Regular</i>			
Materials and Supplies	2,006	8,389	6,383
<i>Support Services</i>			
<i>Pupil Transportation</i>			
Purchased Services	1,013	1,077	64
Post Secondary Vocational Education			
<i>Support Services</i>			
<i>Instructional Staff</i>			
Materials and Supplies	395	5,611	5,216
Other	0	3,880	3,880
<i>Business</i>			
Purchased Services	5,008	9,429	4,421
Scientific Personnel Improvement			
<i>Support Services</i>			
<i>Instructional Staff</i>			
Purchased Services	3,877	5,681	1,804
<i>Business</i>			
Purchased Services	10,952	10,974	22

Cleveland Municipal School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Fund/Function/Object	Appropriation	Expenditure	Excess
<i>Central</i>			
Purchased Services	\$407,499	\$462,174	\$54,675
Career Development			
<i>Support Services</i>			
<i>Pupils</i>			
Salaries and Wages	139,143	163,484	24,341
Fringe Benefits	36,330	41,738	5,408
Materials and Supplies	1,149	1,450	301
<i>Instruction Staff</i>			
Salaries and Wages	25,231	27,380	2,149
Fringe Benefits	6,964	7,557	593
Purchased Services	2,087	2,105	18
Title I			
<i>Instruction</i>			
<i>Special</i>			
Purchased Services	97,795	101,859	4,064
Materials and Supplies	2,288,441	2,647,863	359,422
<i>Support Services</i>			
<i>Administration</i>			
Purchased Services	36,901	38,880	1,979
Materials and Supplies	14,065	21,111	7,046
<i>Fiscal</i>			
Purchased Services	194	264	70
Other	0	143,376	143,376
<i>Operation of Non-instructional Services</i>			
<i>Community Services</i>			
Salaries and Wages	1,800,152	1,860,195	60,043
Fringe Benefits	501,216	521,463	20,247
Purchased Services	11,915	157,201	145,286
<i>Capital Outlay</i>			
<i>Site Acquisition Services</i>			
Purchased Services	30,217	54,085	23,868
Title VI			
<i>Instruction</i>			
<i>Special</i>			
Salaries and Wages	9,739	10,914	1,175
Fringe Benefits	2,715	3,050	335
Purchased Services	0	1,700	1,700
Materials and Supplies	1,500	3,517	2,017

Cleveland Municipal School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Fund/Function/Object	Appropriation	Expenditure	Excess
Support Services			
<i>Fiscal</i>			
Other	\$0	\$4,616	\$4,616
<i>Operation and Maintenance of Plant</i>			
Capital Outlay - New	159,359	210,817	51,458
Drug Free Schools			
<i>Support Services</i>			
<i>Instructional Staff</i>			
Salaries and Wages	640,251	653,278	13,027
Materials and Supplies	10,126	17,310	7,184
Capital Projects Funds			
School Net Plus			
<i>Support Services</i>			
<i>Instructional Staff</i>			
Purchased Services	15,320	86,313	70,993
<i>Operation and Maintenance of Plant</i>			
Purchased Services	2,743	3,854	1,111
Expendable Trust			
Educational Special Trust			
<i>Support Services</i>			
<i>Pupils</i>			
Capital Outlay - New	8,034	44,906	36,872
<i>Instructional Staff</i>			
Capital Outlay - New	3,992	4,376	384
<i>Pupil Transportation</i>			
Purchased Services	12,354	13,745	1,391

Cleveland Municipal School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Note 4 - Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - (Non-GAAP Basis) Budget and Actual, All Governmental Fund Types and Expendable Trust Funds 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) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures for all funds (budget) rather than as a reservation of fund balance for governmental fund types (GAAP).
4. Principal payments on short-term note obligations are reported on the operating statement (budget) rather than on the balance sheet (GAAP).

The following tables summarize the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements on a fund type basis.

	Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses Governmental Fund Types and Expendable Trust Funds				
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>
GAAP Basis	\$46,003,966	(\$2,295,790)	\$3,250,768	\$4,430,552	\$361,417
Net Adjustment for Revenue Accruals	(6,867,350)	4,642,774	(625,146)	40,000	(267,386)
Advance In	2,874,796	1,231,000	0	0	7,000
Advance Out	(1,238,000)	(2,009,000)	(385,796)	0	0
Principal Retirement	(11,585,001)	0	0	0	0
Net Adjustment for Expenditure Accruals	12,103,930	8,807,217	0	69,770	134,020
Encumbrances	<u>(47,883,930)</u>	<u>(17,097,283)</u>	<u>0</u>	<u>(9,638,109)</u>	<u>(149,172)</u>
Budget Basis	<u>(\$6,591,589)</u>	<u>(\$6,721,082)</u>	<u>\$2,239,826</u>	<u>(\$5,097,787)</u>	<u>\$85,879</u>

Cleveland Municipal School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Note 5 - Deposits and Investments

State statutes classify monies held by the School District into three categories.

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

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

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

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

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

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

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4. Bonds and other obligation's 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 bankers' 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 moneys available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating 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 treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements."

A. Deposits

At fiscal year end, the carrying amount of the School District's deposits was (\$6,935,964) and the bank balance was \$3,093,871. Of the bank balance, \$270,667 was covered by federal depository insurance and \$2,823,204 uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, non-compliance by the financial institution with federal requirements would potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

B. Investments

The School District's investments are required to be categorized to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust

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department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. The School District's investment in STAR Ohio, an investment pool operated by the Ohio State Treasurer, is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

	Category 3	Carrying Value	Fair Value
Repurchase Agreements	\$624,000	\$624,000	\$624,000
Federal Home Loan Bank Notes	490,390	490,390	490,390
U.S. Treasury Bills	94,158	94,158	94,158
U.S. Treasury Notes	310,125	310,125	310,125
Investment in STAR Ohio		282,227,018	282,227,018
Total		\$283,745,691	\$283,745,691

The classification of cash and cash equivalents, and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between the classifications of cash and investments on the combined financial statements and the classification per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents	Investments
GASB Statement No. 9	\$275,915,054	\$894,673
Investments which are part of a cash management pool:		
STAR Ohio	(282,227,018)	282,227,018
Repurchase Agreement	(624,000)	624,000
GASB Statement 3	(\$6,935,964)	\$283,745,691

Cleveland Municipal School District
Notes to the General Purpose Financial Statements
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Note 6 - Property Taxes

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property 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. Public utility property taxes are assessed on real property at 35 percent of true value and on tangible personal property at varying percentages of true value.

Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments (except for public utilities) are 25 percent of true 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.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30 and are intended to finance the fiscal year in which they are paid. This year, the June 1999 tangible personal property tax settlement was not received until July of 1999.

The School District receives property taxes through the Cuyahoga County Auditor. 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, 1999, are available to finance fiscal year 1999 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding, the late settlement of personal property taxes and real property, tangible personal property, and public utility taxes which became measurable as of June 30, 1999. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 1999, was \$20,258,928 in the general fund and \$1,779,966 in the debt service fund.

Cleveland Municipal School District
Notes to the General Purpose Financial Statements
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The assessed values upon which the fiscal year 1999 taxes were collected are (in thousands):

	1998 Second- Half Collections		1999 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential And Other Real Estate	\$4,044,292	74.78%	\$4,116,029	74.68%
Public Utility Personal	476,178	8.80	479,223	8.70
Tangible Personal Property	<u>887,928</u>	<u>16.42</u>	<u>915,905</u>	<u>16.62</u>
	<u>\$5,408,398</u>	<u>100.00%</u>	<u>\$5,511,157</u>	<u>100.00%</u>
 Tax rate per \$1,000 of assessed valuation	 <u>\$61.00</u>		 <u>\$61.00</u>	

Note 7 - Receivables

Receivables at June 30, 1999, consisted 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 year guarantee of federal funds. A summary of the principal items of intergovernmental receivables follows:

Intergovernmental Receivables	Amounts
General Fund	
City of Cleveland	\$27,658
E-Rate	1,340,290
Department of Education	725,605
Miscellaneous	32,090
Vocational Training	4,375
Various School Districts	<u>151,182</u>
Total General Fund	<u>2,281,200</u>
Special Revenue Funds:	
Consumer Education	1,804
Career Development	42,239
Post Secondary Voc. Ed.	3,000
Early Childhood Education	117,577
Misc. State Grants	340,178
Adult Basic Education	412,619
JTPA/OWA Youth	295,658
Vocational Education	30,000
Scientific Personnel Improvement	882,610

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Title I	4,551,454
Title VI	266,653
Drug Free Schools	484,919
Miscellaneous Federal Grants	<u>509,842</u>
Total Special Revenue Funds	<u>7,938,553</u>
Enterprise Funds:	
Food Service	2,703,692
Consumer Rotary	11,231
Child Care Center	<u>9,121</u>
Total Enterprise Funds	<u>2,724,044</u>
Total Intergovernmental Receivables	<u>\$12,943,797</u>

Note 8 - Fixed Assets

A summary of the enterprise fund fixed assets at June 30, 1999, follows:

	<u>Totals</u>
Land and Improvements	\$286,348
Buildings and Improvements	932,894
Furniture and Equipment	3,705,741
Less Accumulated Depreciation	<u>(4,400,826)</u>
Net Fixed Assets	<u>\$524,157</u>

A summary of the changes in general fixed assets during fiscal year 1999 follows:

	<u>Balance</u> <u>June 30, 1998</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 1999</u>
Land and Improvements	\$31,935,841	\$0	\$1,916,022	\$30,019,819
Buildings and Improvements	302,694,645	11,218,086	14,672,910	299,239,821
Furniture and Equipment	<u>114,943,131</u>	<u>8,333,224</u>	<u>6,670,825</u>	<u>116,605,530</u>
Total	<u>\$449,573,617</u>	<u>\$19,551,310</u>	<u>\$23,259,757</u>	<u>\$445,865,170</u>

Cleveland Municipal School District
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Note 9 - Risk Management

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The School District insures through commercial insurance companies for the following:

<u>Coverage</u>	<u>Liability Limits</u>	<u>Deductible</u>
School Leaders Errors and Omissions	\$1,000,000	\$250,000
Employed Attorneys Professional Liability	1,000,000	25,000
Physical Damage Mobile Classrooms	5,000,000	1,000
Treasurer's and Employee's Blanket Fidelity Bond	1,000,000	10,000
School Nurses Professional Liability	2,000,000	500
General Liability, Automobile Liability and Physical Damage	5,000,000	1,000,000

Settled claims have not exceeded this commercial coverage in any of the past five years. There have been no significant reductions in insurance coverage from last year.

Because of the prohibitive cost of commercial insurance, the School District in 1987, established a self insurance fund (an internal service fund) to account for and finance its uninsured risks of loss and associated expenses attributing to general 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 third party administrator for all outstanding unsettled claims total \$585,365 as of June 30, 1999, and are recorded in the self insurance internal service fund.

The School District participates in the Ohio Bureau of Workers' Compensation (the Bureau) 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. Current limits for claims incurred in calendar year 1999 are no limit per claim and \$11,255,400 in the aggregate. Estimates of claims liabilities based on actuarial methods, for incurred claims as calculated by the Bureau for the cumulative retrospective rating period January 1, 1991, through June 30, 1999, total \$10,870,000 and are recorded, in addition to an estimate for incurred but not reported (IBNR) claims totaling \$5,641,000, in the general long-term obligations account group. Additionally, claims in process amounting to \$3,863,906 are recorded as claims payable in the general fund.

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 of \$20,960,271 reported in the general and internal service funds and general long-term obligations account group at June 30, 1999, is based on the requirements of GASB No. 10 which requires

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that a liability for unpaid claim 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 the past two fiscal years are as follows:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
1998	\$17,206,164	\$5,391,729	\$3,748,535	\$18,849,358
1999	18,849,358	7,065,315	4,954,402	20,960,271

Note 10 - Defined Benefit Pension Plans

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 N. Fourth Street, Columbus, Ohio 43215.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 1999, 7.7 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 1998, 9.02 percent was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The School District's contributions to SERS for the fiscal years ended June 30, 1999, 1998, and 1997 were \$6,460,761, \$7,360,867 and \$7,506,224, respectively; 58.11 percent has been contributed for fiscal year 1999 and 100 percent for fiscal years 1998 and 1997. \$3,441,815 representing the unpaid contribution for fiscal year 1999, is recorded as a liability within the respective funds and the general long-term obligations account group.

B. State Teachers Retirement System

The School District participates in the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised

Cleveland Municipal School District
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Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

For fiscal year ended June 30, 1999, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 6.0 percent was the portion used to fund pension obligations. For fiscal year 1998, the portion used to fund pension obligations was 10.5 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 1999, 1998, and 1997 were \$17,223,636, \$28,508,792, and \$29,706,228, respectively; 82.32 percent has been contributed for fiscal year 1999 and 100 percent for the fiscal years 1998 and 1997. \$5,331,532 representing the unpaid contribution for fiscal year 1999, is recorded as a liability within the respective funds.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System.

Note 11 - Post Employment Benefits

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 1999, the STRS Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund, an increase from 3.5 percent for fiscal year 1998. For the School District, this amount equaled \$9,692,989 during fiscal 1999.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$2,156 million at June 30, 1998 (the latest information available). For the year ended June 30, 1998, net health care costs paid by STRS were \$258,906,000 and STRS had 91,999 eligible benefit recipients.

Cleveland Municipal School District
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For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, disability, and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 1999, employer contributions to fund health care benefits were 6.3 percent of covered payroll, an increase from 4.98 percent for fiscal year 1998. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 1999, the minimum pay has been established at \$12,400.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 125 percent of annual health care expenses. Expenses for health care at June 30, 1998 (the latest information available), were \$111,900,575 and the target level was \$139.9 million. At June 30, 1998 SERS had net assets available for payment of health care benefits of \$160.3 million. SERS has approximately 49,164 participants currently receiving health care benefits. For the School District, the amount to fund health care benefits, including the surcharge, equaled \$3,934,491 during the 1999 fiscal year.

Note 12 - 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. Upon retirement, the Cleveland Teachers' Union (CTU) contract provides for payments of accumulated sick leave up to 40 percent and \$40,000 for fiscal years 1997 through 2000. Remaining employees receive payment for up to 30 percent (varying by bargaining group) of accumulated sick leave up to varying maximums of as much as \$30,000.

B. Insurance

The School District provides life insurance to most employees through Medical Life Insurance in the amount of \$10,000 for all full-time employees. The School District also provides medical/surgical and dental benefits primarily through Medical Mutual of Ohio, QualChoice Health Plan, Inc. and Kaiser Permanente to all eligible employees.

Cleveland Municipal School District
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Note 13 - Long Term Obligations

Changes in long-term obligations of the School District during fiscal year 1999 were as follows:

	<u>Principal Outstanding 6/30/98</u>	<u>Additions</u>	<u>Retirements</u>	<u>Principal Outstanding 6/30/99</u>
<i>General Long-Term Obligations</i>				
<i>General Obligation Bonds:</i>				
1992 Library Improvement Bonds	\$75,960,000	\$0	\$3,560,000	\$72,400,000
1992 School Improvement Refunding Bonds	22,515,000	0	4,215,000	18,300,000
1992 School Improvement Capital Appreciation Bonds	20,703,939	1,226,448	0	21,930,387
1994 6.53% Energy Conservation Improvement Bonds	<u>9,360,000</u>	<u>0</u>	<u>1,200,000</u>	<u>8,160,000</u>
<i>Total General Obligation Bonds</i>	<u>128,538,939</u>	<u>1,226,448</u>	<u>8,975,000</u>	<u>120,790,387</u>
<i>Compensated Absences</i>	44,752,230	0	9,314,423	35,437,807
<i>Workers' Compensation Claims</i>	14,806,000	6,330,588	4,625,588	16,511,000
<i>Pension Obligation</i>	4,865,962	5,136,030	4,865,962	5,136,030
<i>EPA Loans</i>	<u>607,355</u>	<u>0</u>	<u>68,214</u>	<u>539,141</u>
<i>Total General Long-Term Obligations</i>	<u>\$193,570,486</u>	<u>\$12,693,066</u>	<u>\$27,849,187</u>	<u>\$178,414,365</u>

Library Improvement Bonds - On August 12, 1992, the School District issued \$90,000,000 in voted general obligation bonds for the purpose of improving the Cleveland Public Library. The library bond issuance consists of \$43,895,000 of current interest serial bonds which have yields ranging from 2.90 percent to 5.7 percent, and \$46,105,000 of term bonds with a yield of 5.875 percent. The bonds were issued for a twenty year period with final maturity at December 1, 2004 for the interest serial bonds and December 1, 2011 for the term bonds. The bonds will be retired from the debt service fund.

School Improvement Refunding Bonds - On August 12, 1992, the School District issued \$80,554,320 in voted general obligation bonds for the purpose of advance refunding the outstanding balance of the school improvement bonds of \$70,290,000. The school improvement refunding issuance consists of \$65,895,000 of current interest serial bonds which have yield rates ranging from 2.55 to 5.40 percent, and \$14,659,320 of capital appreciation (zero coupon) serial bonds which have yield rates ranging from 5.70 to 6.15 percent. The refunding bonds replaced bonds which had interest rates ranging from 5.125 to 9.0 percent. The bonds

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were issued for an eighteen year period with final maturity at December 1, 2002 for the current interest bonds and December 1, 2008 for the capital appreciation bonds. Because of the deep discount associated with the issuance of capital appreciation bonds (otherwise known as zero-coupon bonds), the School District records the annual accretion of discount interest in the general long-term obligations account group. The bonds will be retired from the debt service fund. As of June 30, 1999, the remaining \$9,815,000 of the refunded school improvement bonds are considered defeased by assets of \$7,418,650 (market value of \$10,565,994) held in the irrevocable trust.

Energy Conservation Bonds - On September 15, 1994, the School District issued \$12,535,000 of bonds in order to remodel approximately fifteen school buildings so as to conserve energy. The bonds were issued for a ten year period with final maturity at September 15, 2004. The bonds will be retired from the general fund.

EPA Asbestos Loans - The School District has received various loans from the Environmental Protection Agency (EPA) for use in asbestos removal projects throughout the School District, under the authority of Ohio Revised Code section 3317.22. The loans were issued for ten year periods, with final maturity during fiscal year 2010. The loans will be retired from the general fund.

Workers' compensation will be paid from the general fund. Compensated absences and the pension obligation will be paid from the fund from which the employees' salaries are paid.

The School District's overall legal debt margin was \$401,620,554 with an unvoted debt margin of \$5,511,157 at June 30, 1999.

Principal and interest requirements to retire general obligation debt, including EPA loans outstanding at June 30, 1999, are as follows:

Fiscal Year Ended June 30	Principal	Interest	Total
2000	\$9,543,214	\$5,779,475	\$15,322,689
2001	10,033,214	5,265,295	15,298,509
2002	10,578,214	4,710,985	15,289,199
2003	10,962,350	4,121,872	15,084,222
2004	10,783,680	4,454,594	15,238,274
Thereafter	69,428,856	22,314,487	91,743,343
Total	<u>\$121,329,528</u>	<u>\$46,646,708</u>	<u>\$167,976,236</u>

Cleveland Municipal School District
Notes to the General Purpose Financial Statements
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Note 14 - Notes Payable

The School District's note activity, including amounts outstanding, interest rates and the purpose for which the note was issued is as follows:

	Balance 6/30/98	Issued	Retired	Balance 6/30/99
General Fund:				
1997 4.60%-5.75%				
Revenue Anticipation Notes	\$128,055,000	\$0	(\$11,585,000)	\$116,470,000

The revenue anticipation note series are collateralized by anticipated general fund taxes and State Foundation revenues which have been appropriated by the School District for the payment of such notes.

On May 22, 1997, the School District advance refunded its 1993 Series notes. These notes were considered to be defeased and the liability for those notes had been removed from the general fund. At June 30, 1998, there was \$14,430,000 of refunded 1993 Series notes which were considered defeased by assets of \$14,620,753 held in the irrevocable trust. As of June 30, 1999, these notes were completely repaid.

Principal and interest requirements to retire notes outstanding at June 30, 1999 are as follows:

Fiscal Year Ended June 30	Principal	Interest	Total
2000	\$12,135,000	\$6,233,275	\$18,368,275
2001	12,740,000	5,626,525	18,366,525
2002	13,380,000	4,989,525	18,369,525
2003	14,050,000	4,320,525	18,370,525
2004	14,725,000	3,636,125	18,361,125
Thereafter	49,440,000	5,675,750	55,115,750
	\$116,470,000	\$30,481,725	\$146,951,725

Note 15 - Related Organization

Cleveland Public Library - The Cleveland Public Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the Cleveland Municipal School District Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the School District for operational subsidies. Although the School District does serve as the taxing authority and 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

Cleveland Municipal School District
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Trustees. Financial information can be obtained from the Cleveland Public Library, Joan Tompkins, Business Director, at 325 Superior Avenue, NE, Cleveland, Ohio 44114.

City of Cleveland - In November 1998, the Mayor of the City of Cleveland was given appointment authority for the Cleveland Municipal 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 of Education. Mrs. Barbara Byrd-Bennett was appointed to the position of Chief Executive Officer by the Mayor on November 16, 1998 and was approved by the Board of Education. The Board of Education 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 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 16 - Interfund Transactions

As of June 30, 1999, receivable and payables that resulted from various interfund transactions were as follows:

Fund	Receivable	Payable
General	\$4,388,000	\$0
Special Revenue Funds:		
Early Childhood Education	0	118,000
Post Secondary Education	0	3,000
Adult Basic Education	0	43,000
JTPA/OWA Youth	0	202,000
Scientific Personnel Improvement	0	450,000
Title VI	0	85,000
Drug Free Schools	0	330,000
Total Special Revenue Funds	0	1,231,000
Debt Service	0	3,150,000
Fiduciary Fund:		
Admin. Special Trust	0	7,000
Total All Funds	<u>\$4,388,000</u>	<u>\$4,388,000</u>

Cleveland Municipal School District
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For the Fiscal Year Ended June 30, 1999

Note 17 - State School Funding Decision

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in that system. Declared unconstitutional was the State's "school foundation program" which provides significant amounts of monetary support to the School District. For fiscal year ended June 30, 1999, the School District received \$270,609,000 in school foundation support for its general fund, and \$287,017,000 in total (all funds) support.

In addition, the Court declared the spending reserve borrowing program and the emergency school loan assistance program unconstitutional. The spending reserve program allowed the School District to borrow against amounts anticipated to be collected from tangible personal property taxes after the School District's June 30 fiscal year end. During the fiscal year ended June 30, 1999, the School District did not borrow under this program. Historically, the School District has relied on this borrowing to meet their cash flow needs at the end of each fiscal year. State statute has recently been amended to gradually decrease the annual amount that may be borrowed under this program. The need for continued borrowing will depend on the level of funding adopted by the State legislature in response to the Supreme Court decision.

The emergency school loan program allowed the School District to borrow money from a commercial financial institution with repayment going directly to the lender from the State through withholding a portion of the School District's future school foundation payments. The School District has borrowed under this program in fiscal years 1993, 1995, 1996 and 1997. The principal reduction of outstanding notes originated under this program. The need for continued borrowing will depend on the level of funding adopted by the State legislature in response to the Supreme Court decision. The terms of the debt are further described in Note 14 to these financial statements.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the Ohio General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient," clause of the Ohio Constitution. The State has appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. At this time, the Ohio Supreme Court has not rendered an opinion on this issue. The decision of the Court of Common Pleas in Perry County has been stayed by the Ohio Supreme Court and, as such, school districts are still operating under the laws that the Common Pleas Court declared unconstitutional.

As of the date of these financial statements, the School District is unable to determine what effect, if any, this ongoing litigation will have on its future State funding under these programs and on its financial operations.

Note 18 - 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

Cleveland Municipal School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 1999.

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.

Note 19 - 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 purchase of textbooks and other instructional materials and an equal amount 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 is also required to set aside money for budget stabilization.

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

	Textbooks	Capital Improvements	Budget Reserve	Total
Set-aside balance carried forward at July 1, 1998	\$0	\$0	\$3,347,000	
Current year set-aside requirement	6,863,000	6,863,000	0	
Qualifying expenditures	(9,532,685)	(12,935,349)	0	
Total	<u>(\$2,669,685)</u>	<u>(\$6,072,349)</u>	<u>\$3,347,000</u>	
Cash balance carried forward to fiscal year 1999-2000				\$3,347,000
Amount restricted for bus purchases				917,000
Total restricted assets				<u>\$4,264,000</u>

Although the School District had offsets and qualifying disbursements during the year that reduced the set-aside amounts to below zero, these extra amounts may not be used to reduce the set-aside requirements of future years. Negative amounts are therefore not presented as being carried forward to the next fiscal year.

Cleveland Municipal School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Note 20 - Segment Information for Enterprise Funds

The School District maintains three Enterprise funds to account for the operations of food service, consumer services and child care center. The table below reflects in a summarized format the more significant financial data relating to the Enterprise Funds of the Cleveland Municipal School District as of and for the fiscal year ended June 30, 1999.

	Food Service	Consumer Services Rotary	Child Care Center	Totals
Operating Revenues	\$2,607,005	\$255,714	\$165,995	\$3,028,714
Depreciation Expense	122,235	8,117	0	130,352
Operating Loss	(21,976,135)	12,643	(137,967)	(22,101,459)
Federal Donated Commodities	1,080,194	0	0	1,080,194
Operating Grants	21,264,152	0	(17,539)	21,246,613
Net Income (Loss)	368,211	12,643	456,027	836,881
Fixed Asset Additions	198,588	0	0	198,588
Net Working Capital	6,837,756	173,432	(20,049)	6,991,139
Total Assets	8,773,532	177,728	9,119	8,960,379
Total Long-Term Liabilities	444,614	0	7,396	452,010
Total Equity	6,917,299	173,432	(27,445)	7,063,286

Note 21 - Contractual Commitments

As of June 30, 1999, the Cleveland Municipal School District had contractual commitments outstanding for textbooks and roof repair in the amounts of \$1.3 million and \$4.1 million, respectively.

Note 22 - Jointly Governed Organizations

The Ohio Schools Council (Council) is a jointly governed organization among eighty-two school districts. 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.

Cleveland Municipal School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

The degree of control exercised by any school district is limited to its representation on the Board. Financial information can be obtained by contacting Joseph Lesak, the Executive Secretary of the Ohio Schools Council at 155 Center Road, Bedford, Ohio 44146.

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Combining, Individual Fund
and Account Group
Statements and Schedules

General Fund

The General Fund is the operating fund of the School District and is used to account for all financial resources except those required to be accounted for in other funds.

Cleveland Municipal School District

Comparative Balance Sheet

General Fund

June 30, 1999 and 1998

	1999	1998
Assets:		
Equity in Pooled Cash and Cash Equivalents	\$169,328,491	\$128,787,743
Cash and Cash Equivalents With Fiscal Agents	0	164,909
Restricted Assets - Equity in Pooled Cash and Cash Equivalents	4,264,000	3,347,498
Investments with Fiscal Agents	0	0
Receivables:		
Taxes	304,049,368	295,730,549
Accounts	14,897	27,335
Intergovernmental	2,281,200	2,378,394
Interfund	4,388,000	6,024,796
Materials and Supplies Inventory	707,867	791,633
Total Assets	\$485,033,823	\$437,252,857
Liabilities:		
Accounts Payable	\$14,729,978	\$11,008,506
Accrued Wages and Benefits	57,683,590	47,883,345
Intergovernmental Payable	8,047,313	9,882,916
Deferred Revenue	281,273,835	279,931,998
Accrued Interest Payable	519,440	565,297
Notes Payable	116,470,000	128,055,000
Claims Payable	3,863,906	3,484,000
Total Liabilities	482,588,062	480,811,062
Fund Equity:		
Fund Balance:		
Reserved for Encumbrances	23,962,182	28,014,381
Reserved for Inventory	707,867	791,633
Reserved for Property Taxes	20,258,928	12,775,718
Reserved for Budget Stabilization	3,347,000	3,347,498
Reserved for Bus Purchases	917,000	0
Unreserved:		
Designation	15,977,400	19,820,562
Undesignated (Deficit)	(62,724,616)	(108,307,997)
Total Fund Equity (Deficit)	2,445,761	(43,558,205)
Total Liabilities and Fund Equity	\$485,033,823	\$437,252,857

Cleveland Municipal School District
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balance
General Fund
For the Fiscal Years Ended June 30, 1999 and 1998

	1999	1998
Revenues:		
Local Sources:		
Taxes	\$218,139,246	\$210,177,889
Interest	11,282,779	9,884,978
Tuition and Fees	1,358,352	1,382,630
Rentals	104,352	125,406
Miscellaneous	917,443	4,531,065
State Sources:		
Unrestricted Grants-in-Aid	284,614,426	230,945,514
Desegregation Reimbursement	38,200,000	40,000,000
Restricted Grants-in-Aid	118,717	0
Federal Sources:		
Unrestricted Grants-in-Aid	3,957,556	5,505,195
Total Revenues	558,692,871	502,552,677
Expenditures:		
Current:		
Instruction:		
Regular	204,639,798	178,111,820
Special	66,440,408	50,599,686
Vocational	16,241,480	16,302,392
Adult/Continuing	2,507,041	1,379,958
Other	1,827,954	2,950,684
Support Services:		
Pupils	21,580,370	18,105,373
Instructional Staff	16,908,771	16,032,977
Board of Education	108,155	47,747
Administration	32,934,167	32,607,856
Fiscal	8,250,798	7,344,510
Business	2,634,530	903,053
Operation and Maintenance of Plant	54,148,409	42,312,147
Pupil Transportation	33,031,516	25,493,312
Central	20,963,648	12,598,942
Operation of Non-Instructional Services	4,047,667	4,739,212
Extracurricular Activities	4,665,159	4,367,722
Capital Outlay	12,572,313	4,040,768
Debt Service:		
Principal Retirement	1,199,999	6,093,214
Interest and Fiscal Charges	7,329,650	8,416,747
Total Expenditures	512,031,833	432,448,120
Excess of Revenues Over Expenditures	46,661,038	70,104,557
Other Financing Uses:		
Operating Transfers Out	(657,072)	(5,999,052)
Total Other Financing Uses	(657,072)	(5,999,052)
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	46,003,966	64,105,505
Fund Balance (Deficit) at Beginning of Year	(43,558,205)	(107,663,710)
Fund Balance (Deficit) at End of Year	\$2,445,761	(\$43,558,205)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
General Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
<i>Local Sources:</i>			
Taxes	\$211,162,264	\$211,162,264	\$0
Interest	11,282,778	11,282,779	1
Tuition and Fees	1,218,043	1,218,040	(3)
Rentals	104,352	104,352	0
Miscellaneous	928,377	928,381	4
<i>State Sources:</i>			
Unrestricted Grants-in-Aid	310,974,498	284,853,432	(26,121,066)
Restricted Grants-in-Aid	0	118,717	118,717
Desegregation Reimbursement	38,200,000	38,200,000	0
<i>Federal Sources:</i>			
Unrestricted Grants-in-Aid	3,957,556	3,957,556	0
Total Revenues	577,827,868	551,825,521	(26,002,347)
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
<i>Regular:</i>			
Salaries and Wages	179,947,607	160,308,927	19,638,680
Fringe Benefits	43,512,813	42,803,149	709,664
Purchased Services	959,578	2,628,674	(1,669,096)
Materials and Supplies	19,574,148	9,336,824	10,237,324
Capital Outlay - New	1,318,428	3,090,673	(1,772,245)
Capital Outlay - Replacement	131,929	113,619	18,310
Other	196,984	151,390	45,594
Total Regular	\$245,641,487	\$218,433,256	\$27,208,231

(continued)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Special:			
Salaries and Wages	\$37,612,622	\$37,912,333	(\$299,711)
Fringe Benefits	10,649,171	10,735,865	(86,694)
Purchased Services	14,201,112	19,254,299	(5,053,187)
Materials and Supplies	380,182	328,131	52,051
Capital Outlay - New	9,809	10,112	(303)
Capital Outlay - Replacement	339	289	50
Other	42	36	6
Total Special	62,853,277	68,241,065	(5,387,788)
Vocational:			
Salaries and Wages	12,672,658	12,751,548	(78,890)
Fringe Benefits	3,544,320	3,566,685	(22,365)
Purchased Services	69,915	46,489	23,426
Materials and Supplies	135,316	121,955	13,361
Capital Outlay - New	379,057	436,707	(57,650)
Capital Outlay - Replacement	22,459	19,998	2,461
Other	3,166	2,695	471
Total Vocational	16,826,891	16,946,077	(119,186)
Adult/Continuing:			
Salaries and Wages	1,767,934	1,870,161	(102,227)
Fringe Benefits	460,222	456,638	3,584
Purchased Services	5,132	4,395	737
Materials and Supplies	40,303	35,702	4,601
Capital Outlay - New	71,381	62,233	9,148
Total Adult/Continuing	\$2,344,972	\$2,429,129	(\$84,157)

(continued)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance -(Non-GAAP Basis) Budget And Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Other:			
Purchased Services	\$799,679	\$1,035,027	(\$235,348)
Materials and Supplies	871,893	1,144,280	(272,387)
Total Other	1,671,572	2,179,307	(507,735)
Total Instruction	329,338,199	308,228,834	21,109,365
Support Services:			
Pupils:			
Salaries and Wages	15,647,675	15,864,651	(216,976)
Fringe Benefits	4,224,987	4,306,356	(81,369)
Purchased Services	383,744	296,839	86,905
Materials and Supplies	173,652	149,492	24,160
Capital Outlay - New	18,149	15,611	2,538
Other	29,127	26,149	2,978
Total Pupils	20,477,334	20,659,098	(181,764)
Instructional Staff:			
Salaries and Wages	12,644,199	10,960,432	1,683,767
Fringe Benefits	2,785,840	2,830,215	(44,375)
Purchased Services	737,506	1,275,233	(537,727)
Materials and Supplies	5,590,968	9,842,523	(4,251,555)
Capital Outlay - New	348,573	371,661	(23,088)
Capital Outlay - Replacement	33,721	43,617	(9,896)
Other	14,183	29,468	(15,285)
Total Instructional Staff	\$22,154,990	\$25,353,149	(\$3,198,159)

(continued)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Board of Education:			
Salaries and Wages	\$16,749	\$41,684	(\$24,935)
Fringe Benefits	4,197	11,652	(7,455)
Purchased Services	23,436	34,331	(10,895)
Materials and Supplies	1,317	3,815	(2,498)
Total Board of Education	45,699	91,482	(45,783)
Administration:			
Salaries and Wages	26,803,101	25,453,596	1,349,505
Fringe Benefits	5,000,000	2,667,876	2,332,124
Purchased Services	1,235,925	1,649,073	(413,148)
Materials and Supplies	739,984	1,275,602	(535,618)
Capital Outlay - New	87,687	64,079	23,608
Other	49,490	43,839	5,651
Total Administration	33,916,187	31,154,065	2,762,122
Fiscal:			
Salaries and Wages	2,417,488	2,397,098	20,390
Fringe Benefits	672,486	652,637	19,849
Purchased Services	1,048,489	1,190,102	(141,613)
Materials and Supplies	83,494	76,373	7,121
Capital Outlay - New	19,256	15,255	4,001
Other	2,771,205	3,771,778	(1,000,573)
Total Fiscal	\$7,012,418	\$8,103,243	(\$1,090,825)

(continued)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Business:			
Salaries and Wages	\$324,346	\$323,988	\$358
Fringe Benefits	90,406	90,178	228
Purchased Services	1,103,948	975,241	128,707
Materials and Supplies	18,214	28,912	(10,698)
Capital Outlay - New	5,461	3,685	1,776
Other	147	125	22
Total Business	1,542,522	1,422,129	120,393
Operation and Maintenance of Plant:			
Salaries and Wages	26,357,136	26,468,205	(111,069)
Fringe Benefits	7,240,182	7,270,053	(29,871)
Purchased Services	15,925,327	15,841,478	83,849
Materials and Supplies	2,672,398	2,339,725	332,673
Capital Outlay - New	962,141	815,658	146,483
Capital Outlay - Replacement	47,431	44,267	3,164
Other	97,861	76,422	21,439
Total Operation and Maintenance of Plant	53,302,476	52,855,808	446,668
Pupil Transportation:			
Salaries and Wages	17,512,430	18,273,596	(761,166)
Fringe Benefits	4,802,632	5,029,306	(226,674)
Purchased Services	4,580,169	2,703,863	1,876,306
Materials and Supplies	2,585,417	2,475,461	109,956
Capital Outlay - New	5,006,465	5,165,042	(158,577)
Total Pupil Transportation	\$34,487,113	\$33,647,268	\$839,845

(continued)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Central:			
Salaries and Wages	\$6,133,766	\$6,116,883	\$16,883
Fringe Benefits	1,465,490	1,508,261	(42,771)
Purchased Services	10,504,536	14,557,166	(4,052,630)
Materials and Supplies	318,390	386,001	(67,611)
Capital Outlay - New	4,174,308	4,620,826	(446,518)
Other	2,455,369	1,101,159	1,354,210
Total Central	25,051,859	28,290,296	(3,238,437)
Total Support Services	197,990,598	201,576,538	(3,585,940)
Operation of Non-Instructional Services:			
Food Service Operations:			
Materials and Supplies	26,880	38,264	(11,384)
Community Services:			
Salaries and Wages	0	486	(486)
Fringe Benefits	0	82	(82)
Purchased Services	7,482,046	5,869,648	1,612,398
Total Community Services	7,482,046	5,870,216	1,611,830
Total Operation of Non-Instructional Services	7,508,926	5,908,480	1,600,446
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Salaries and Wages	431,920	1,518,447	(1,086,527)
Fringe Benefits	75,356	276,451	(201,095)
Purchased Services	257,796	910,785	(652,989)
Materials and Supplies	32,988	78,948	(45,960)
Capital Outlay - New	119,550	1,761,400	(1,641,850)
Other	\$43,482	\$32,977	\$10,505

(continued)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Total Academic and Subject Oriented Activities	\$961,092	\$4,579,008	(\$3,617,916)
Sports Oriented Activities:			
Salaries and Wages	1,295,758	401,623	894,135
Fringe Benefits	226,066	101,889	124,177
Purchased Services	871,853	868,729	3,124
Materials and Supplies	98,613	50,829	47,784
Capital Outlay - New	804,304	58,163	746,141
Other	143,922	153,786	(9,864)
Total Sports Oriented Activities	3,440,516	1,635,019	1,805,497
<i>Total Extracurricular Activities</i>	4,401,608	6,214,027	(1,812,419)
Capital Outlay:			
<i>Facilities Acquisition and Construction Services:</i>			
Site Improvement Services:			
Salaries and Wages	13,674	16,061	(2,387)
Fringe Benefits	6,328	6,233	95
Purchased Services	30,645	27,836	2,809
Materials and Supplies	534	250	284
Total Site Improvement Services	51,181	50,380	801
Architecture and Engineering Services:			
Capital Outlay - Replacement	1,903,510	1,499,631	403,879
Total Architecture and Engineering Services	\$1,903,510	\$1,499,631	\$403,879

(continued)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance -(Non-GAAP Basis) Budget And Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Building Improvement Services:			
Purchased Services	\$474,407	\$141,996	\$332,411
Capital Outlay - New	117,659	100,161	17,498
Capital Outlay - Replacement	15,052,463	15,043,981	8,482
Total Building Improvement Services	15,644,529	15,286,138	358,391
Other Facilities Acquisition and Construction Services:			
Capital Outlay - Replacement	24,788	472,299	(447,511)
Total Capital Outlay	17,624,008	17,308,448	315,560
Debt Service:			
Principal Retirement	12,853,215	12,785,000	68,215
Interest and Fiscal Charges	7,375,508	7,375,507	1
Total Debt Service	20,228,723	20,160,507	68,216
Total Expenditures	577,092,062	559,396,834	17,695,228
Excess of Revenues Over (Under) Expenditures	735,806	(7,571,313)	(8,307,119)
Other Financing Sources (Uses):			
Advances In	2,874,796	2,874,796	0
Advances Out	(2,000,000)	(1,238,000)	762,000
Operating Transfers Out	(600,000)	(657,072)	(57,072)
Total Other Financing Sources (Uses)	\$274,796	\$979,724	\$704,928

(continued)

Cleveland Municipal School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance -(Non-GAAP Basis) Budget And Actual
 General Fund (continued)
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$1,010,602	(\$6,591,589)	(\$7,602,191)
Fund Balance at Beginning of Year	91,904,489	91,904,489	0
Prior Year Encumbrances Appropriated	40,395,658	40,395,658	0
<i>Fund Balance at End of Year</i>	<u>\$133,310,749</u>	<u>\$125,708,558</u>	<u>(\$7,602,191)</u>

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Special Revenue Funds

Special Revenue Funds are established to account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes. A description of the School District's special revenue funds follows:

Public School Support Fund - This fund accounts for school site sales revenue and expenditures for field trips, assemblies, and other activity costs.

Library Automated Systems Fund - This fund accounts for State monies used for the School District's libraries.

School Improvement Models Fund - This fund accounts for State venture grants used for staff development.

Student Activities Fund - This fund accounts for student activity programs which have student participation in the activity, but do not have student management of the programs. This fund would usually include athletic programs but could also include the band, cheerleaders, flag corps and other similar types of activities.

Disadvantaged Pupil Program Fund - This fund accounts for State monies used for improving the educational and cultural status of disadvantaged pupils.

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

Consumer Education Fund - This fund accounts for State monies expended in conjunction with consumer education projects.

Career Development Fund - This fund accounts for State monies received for vocational education career development projects.

Post-Secondary Vocational Education Fund - This fund accounts for monies used to provide opportunities for adults to obtain adequate employment skills.

Teacher Development Fund - This fund accounts for State monies used for teacher training.

Early Childhood Education Fund - This fund accounts for grant monies used to provide early childhood education programs.

Career Enhancement Fund - This fund accounts for monies used for developing, researching, implementing and evaluating career enhancement programs.

Adolescent Pregnancy Prevention Fund - This fund accounts for State monies used to educate students on pregnancy prevention.

Special Revenue Funds (continued)

Management Information Systems Fund - This fund accounts for State monies used for hardware and software development, or other costs associated with the requirements of the management information system.

School Building Incentive Grant Fund - This fund accounts for grant monies used by individual school building teams for improving performance.

Public School Preschool Fund - This fund accounts for monies used to assist school districts in paying the costs of preschool programs for three and four-year olds.

Entry Year Programs Fund - This fund accounts for State monies provided for the training of experienced teachers to mentor entry-level teachers in classroom management, organization and instructional strategies.

Public/Private Match Grant Fund - This fund accounts for matching grants used for innovative academic programs.

Disadvantaged Pupil Impact Aid (DPIA) Fund - This fund accounts for monies received for disadvantaged pupil impact aid.

Data Support Communications Fund - This fund accounts for State monies received to provide Ohio Educational Computer Network connections.

School Net Professional Development Fund - This fund accounts for State monies received for a limited number of professional development subsidy grants.

Textbook Subsidy Fund - This fund accounts for State monies received for textbook subsidies.

Miscellaneous State Grants Fund - This fund accounts for various monies received from State agencies which are not classified elsewhere.

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

JTPA/OWA Youth Fund - This fund accounts for monies used for planning and conducting programs that provide for the training and upgrading of unemployed persons; reimbursement to boards of education and private schools for developing approved projects and the expansion of State direction and supervision of manpower programs.

NDEA Title III Fund - This fund accounts for monies used in programs for strengthening instruction in science, mathematics, modern foreign languages, english, arts and humanities, reading, history, geography, civics, economics and industrial arts.

Special Revenue Funds (continued)

Title VI-B 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 vocational schools, ancillary services, research, advisory committees and work-study projects, including sex equity grants.

Bilingual Education Fund - This fund accounts for monies received to develop and carry out elementary and secondary school programs, including activities at the preschool level to meet the educational needs of children of limited english proficiency.

Scientific Personnel Improvement Fund - This fund accounts for monies used for a more effective supply of scientific manpower and to provide resources for science and/or mathematics education.

Title I Fund - This fund accounts for federal monies used to assist the School District in meeting the special needs of educationally deprived children.

Title VI Fund - This fund accounts for federal revenues which support the implementation of a variety of programs such as computer education, gifted and talented programs, in-service and staff development.

Emergency Immigrant Assistance Fund - This fund accounts for monies received for programs to assist in the public education of immigrants.

Drug Free Schools Fund - This fund accounts for federal revenues used to implement programs for drug abuse education and prevention programs.

Early Childhood Educational Development Fund - This fund accounts for federal revenues used to plan for the development and expansion of school-age child care services in local communities.

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 classified elsewhere.

Cleveland Municipal School District
Combining Balance Sheet
All Special Revenue Funds
June 30, 1999
(With Comparative Totals for June 30, 1998)

	Public School Support	Library Automated Systems	School Improvement Models	Student Activities
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$944,284	\$1,156	\$394,443	\$632,654
Receivables:				
Intergovernmental	0	0	0	0
Total Assets	\$944,284	\$1,156	\$394,443	\$632,654
Liabilities:				
Accounts Payable	\$27,897	\$0	\$14,357	\$71,521
Accrued Wages and Benefits	0	0	8,811	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	0	0	0	0
Deferred Revenue	0	1,156	371,275	0
Total Liabilities	27,897	1,156	394,443	71,521
Fund Equity:				
Fund Balance:				
Reserved for Encumbrances	16,707	0	29,961	31,856
Unreserved, Undesignated (Deficit)	899,680	0	(29,961)	529,277
Total Fund Equity	916,387	0	0	561,133
Total Liabilities and Fund Equity	\$944,284	\$1,156	\$394,443	\$632,654

Disadvantaged Pupil Program	Auxiliary Services	Consumer Education	Career Development	Post- Secondary Vocational Education	Teacher Development
\$23,034	\$3,744,088	\$3,709	\$105	\$0	\$377,387
0	0	1,804	42,239	3,000	0
<u>\$23,034</u>	<u>\$3,744,088</u>	<u>\$5,513</u>	<u>\$42,344</u>	<u>\$3,000</u>	<u>\$377,387</u>
\$0	\$819,730	\$5,513	\$79	\$0	\$34,826
0	388,419	0	42,265	0	28,364
0	0	0	0	3,000	0
0	54,379	0	0	0	0
<u>23,034</u>	<u>2,481,560</u>		<u>0</u>	<u>0</u>	<u>314,197</u>
<u>23,034</u>	<u>3,744,088</u>	<u>5,513</u>	<u>42,344</u>	<u>3,000</u>	<u>377,387</u>
36	2,295,774	5,513	17,154	16	57,501
(36)	(2,295,774)	(5,513)	(17,154)	(16)	(57,501)
0	0	0	0	0	0
<u>\$23,034</u>	<u>\$3,744,088</u>	<u>\$5,513</u>	<u>\$42,344</u>	<u>\$3,000</u>	<u>\$377,387</u>

(continued)

Cleveland Municipal School District
Combining Balance Sheet
All Special Revenue Funds (continued)
June 30, 1999
(With Comparative Totals for June 30, 1998)

	Early Childhood Education	Career Enhancement	Adolescent Pregnancy Prevention
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$423	\$488,542	\$14,097
Receivables:			
Intergovernmental	117,577	0	0
Total Assets	118,000	488,542	14,097
Liabilities:			
Accounts Payable	\$0	\$26,066	\$0
Accrued Wages and Benefits	0	5,023	0
Interfund Payable	118,000	0	0
Intergovernmental Payable	0	0	0
Deferred Revenue	0	457,453	14,097
Total Liabilities	118,000	488,542	14,097
Fund Equity:			
Fund Balance:			
Reserved for Encumbrances	0	82,056	0
Unreserved, Undesignated (Deficit)	0	(82,056)	0
Total Fund Equity	0	0	0
Total Liabilities and Fund Equity	118,000	488,542	14,097

<u>Management Information Systems</u>	<u>School Building Incentive Grant</u>	<u>Public School Preschool</u>	<u>Entry Year Programs</u>	<u>Public/ Private Match Grant</u>	<u>DPIA</u>
\$189,380	\$3,269	\$58,146	\$28,612	\$1,622	\$218,485
0	0	0	0	0	0
<u>\$189,380</u>	<u>\$3,269</u>	<u>\$58,146</u>	<u>\$28,612</u>	<u>\$1,622</u>	<u>\$218,485</u>
\$0	\$0	\$4,157	\$0	\$0	\$3,601
5,979	0	24,222	1,218	0	1,331
0	0	0	0	0	0
0	0	0	0	0	0
183,401	3,269	29,767	27,394	1,622	213,553
<u>189,380</u>	<u>3,269</u>	<u>58,146</u>	<u>28,612</u>	<u>1,622</u>	<u>218,485</u>
5,004	46	10,062	1,000	0	72,406
(5,004)	(46)	(10,062)	(1,000)	0	(72,406)
0	0	0	0	0	0
<u>\$189,380</u>	<u>\$3,269</u>	<u>\$58,146</u>	<u>\$28,612</u>	<u>\$1,622</u>	<u>\$218,485</u>

(continued)

Cleveland Municipal School District
Combining Balance Sheet
All Special Revenue Funds (continued)
June 30, 1999
(With Comparative Totals for June 30, 1998)

	<u>Data Support Communications</u>	<u>School Net Professional Development</u>	<u>Textbook Subsidy</u>	<u>Miscellaneous State Grants</u>
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$608,695	\$220,000	\$0	\$480,901
Receivables:				
Intergovernmental	<u>0</u>	<u>0</u>	<u>0</u>	<u>340,178</u>
Total Assets	<u>\$608,695</u>	<u>\$220,000</u>	<u>\$0</u>	<u>\$821,079</u>
Liabilities:				
Accounts Payable	\$0	\$0	\$0	\$146,339
Accrued Wages and Benefits	0	0	0	60,564
Interfund Payable	0	0	0	0
Intergovernmental Payable	0	0	0	8,479
Deferred Revenue	<u>608,695</u>	<u>220,000</u>	<u>0</u>	<u>605,689</u>
Total Liabilities	<u>608,695</u>	<u>220,000</u>	<u>0</u>	<u>821,071</u>
Fund Equity:				
Fund Balance:				
Reserved for Encumbrances	0	0	0	437,911
Unreserved, Undesignated (Deficit)	<u>0</u>	<u>0</u>	<u>0</u>	<u>(437,903)</u>
Total Fund Equity	<u>0</u>	<u>0</u>	<u>0</u>	<u>8</u>
Total Liabilities and Fund Equity	<u>\$608,695</u>	<u>\$220,000</u>	<u>\$0</u>	<u>\$821,079</u>

Adult Basic Education	JTPA/ OWA Youth	NDEA Title III	Title VI-B	Vocational Education	Bilingual Education
\$1,283	\$1,216	\$254,916	\$1,109,911	\$374,550	\$19,530
412,619	295,658	0	0	30,000	0
<u>\$413,902</u>	<u>\$296,874</u>	<u>\$254,916</u>	<u>\$1,109,911</u>	<u>\$404,550</u>	<u>\$19,530</u>
\$8,837	\$68,527	\$0	\$219,781	\$38,561	\$689
317,601	26,347	3,953	642,032	205,183	0
43,000	202,000	0	0	0	0
44,464	0	0	89,885	28,726	0
0	0	250,963	158,213	132,080	18,841
<u>413,902</u>	<u>296,874</u>	<u>254,916</u>	<u>1,109,911</u>	<u>404,550</u>	<u>19,530</u>
12,933	381,267	40,588	273,527	701,952	22,100
(12,933)	(381,267)	(40,588)	(273,527)	(701,952)	(22,100)
0	0	0	0	0	0
<u>\$413,902</u>	<u>\$296,874</u>	<u>\$254,916</u>	<u>\$1,109,911</u>	<u>\$404,550</u>	<u>\$19,530</u>

(continued)

Cleveland Municipal School District
Combining Balance Sheet
All Special Revenue Funds (continued)
June 30, 1999
(With Comparative Totals for June 30, 1998)

	Scientific Personnel Improvement	Title I	Title VI	Emergency Immigrant Assistance
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$6,140	\$390,109	\$1,633	\$45,624
Receivables:				
Intergovernmental	882,610	4,551,454	266,653	0
Total Assets	\$888,750	\$4,941,563	\$268,286	\$45,624
Liabilities:				
Accounts Payable	\$37,885	\$604,051	\$51,185	\$5,834
Accrued Wages and Benefits	351,636	3,804,835	115,878	2,519
Interfund Payable	450,000	0	85,000	0
Intergovernmental Payable	49,229	532,677	16,223	0
Deferred Revenue	0	0	0	37,271
Total Liabilities	888,750	4,941,563	268,286	45,624
Fund Equity:				
Fund Balance:				
Reserved for Encumbrances	278,060	2,162,131	322,986	6,235
Unreserved, Undesignated (Deficit)	(278,060)	(2,162,131)	(322,986)	(6,235)
Total Fund Equity	0	0	0	0
Total Liabilities and Fund Equity	\$888,750	\$4,941,563	\$268,286	\$45,624

Drug Free Schools	Early Childhood Educational Development	Miscellaneous Federal Grants	TOTALS	
			1999	1998
\$3,118	\$2,695	\$684,054	\$11,327,811	\$10,237,158
484,919	0	509,842	7,938,553	9,988,996
<u>\$488,037</u>	<u>\$2,695</u>	<u>\$1,193,896</u>	<u>\$19,266,364</u>	<u>\$20,226,154</u>
\$26,266	\$1,373	\$224,089	\$2,441,164	\$1,898,170
115,589	0	157,140	6,308,909	7,204,355
330,000	0	0	1,231,000	2,009,000
16,182	0	21,999	862,243	988,122
0	1,322	790,668	6,945,520	4,353,189
<u>488,037</u>	<u>2,695</u>	<u>1,193,896</u>	<u>17,788,836</u>	<u>16,452,836</u>
0	2,410	499,322	7,766,514	4,452,937
0	(2,410)	(499,322)	(6,288,986)	(679,619)
0	0	0	1,477,528	3,773,318
<u>\$488,037</u>	<u>\$2,695</u>	<u>\$1,193,896</u>	<u>\$19,266,364</u>	<u>\$20,226,154</u>

Cleveland Municipal School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds
For the Fiscal Year Ended June 30, 1999
(With Comparative Totals for the Fiscal Year Ended June 30, 1998)

	Public School Support	Library Automated Systems	School Improvement Models	Student Activities
Revenues:				
<i>Local Sources:</i>				
Interest	\$0	\$0	\$0	\$0
Tuition and Fees	80,000	0	0	0
Extracurricular Activities	520,940	0	0	772,366
Miscellaneous	0	0	0	0
<i>State Sources:</i>				
Restricted Grants-in-Aid	0	0	302,963	0
<i>Federal Sources:</i>				
Restricted Grants-in-Aid	0	0	0	0
Total Revenues	600,940	0	302,963	772,366
Expenditures:				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	0	0	0	0
Special	0	0	0	0
Vocational	0	0	0	0
Adult/Continuing	0	0	0	0
Other	0	0	0	0
<i>Support Services:</i>				
Pupils	9,348	0	0	0
Instructional Staff	0	0	283,854	0
Administration	0	0	0	0
Fiscal	0	0	0	0
Business	0	0	0	0
Operation and Maintenance of Plant	0	0	14,210	0
Pupil Transportation	0	0	0	0
Central	0	0	4,899	0
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	503,701	0	0	703,864
Intergovernmental	0	0	0	0
Total Expenditures	513,049	0	302,963	703,864
Excess of Revenues Over (Under) Expenditures	87,891	0	0	68,502
<i>Other Financing Sources :</i>				
Operating Transfers In	0	0	0	0
Total Other Financing Sources	0	0	0	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	87,891	0	0	68,502
Fund Balances at Beginning of Year	828,496	0	0	492,631
Fund Balances at End of Year	\$916,387	\$0	\$0	\$561,133

Disadvantaged Pupil Program	Auxiliary Services	Consumer Education	Career Development	Post- Secondary Vocational Education	Teacher Development
\$0	\$212,149	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	4,621,705	22,497	234,305	33,460	294,650
0	0	0	0	0	0
0	4,833,854	22,497	234,305	33,460	294,650
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	245,215	0	0
0	0	22,497	19,010	24,047	236,085
0	0	0	0	0	0
0	0	0	0	0	0
0	4,402	0	1,890	9,413	0
0	0	0	0	0	46,739
0	0	0	0	0	717
0	0	0	0	0	11,109
0	7,281,643	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	7,286,045	22,497	266,115	33,460	294,650
0	(2,452,191)	0	(31,810)	0	0
0	0	0	31,810	0	0
0	0	0	31,810	0	0
0	(2,452,191)	0	0	0	0
0	2,452,191	0	0	0	0
\$0	\$0	\$0	\$0	\$0	\$0

(continued)

Cleveland Municipal School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 1999
(With Comparative Totals for the Fiscal Year Ended June 30, 1998)

	Early Childhood Education	Career Enhancement	Adolescent Pregnancy Prevention
Revenues:			
<i>Local Sources:</i>			
Interest	\$0	\$0	\$0
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Miscellaneous	26,250	0	0
<i>State Sources:</i>			
Restricted Grants-in-Aid	0	332,717	0
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	101,367	0	0
Total Revenues	<u>127,617</u>	<u>332,717</u>	<u>0</u>
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	0	0	0
Special	0	0	0
Vocational	0	0	0
Adult/Continuing	0	0	0
Other	0	0	0
<i>Support Services:</i>			
Pupils	0	0	0
Instructional Staff	127,617	300,244	0
Administration	0	0	0
Fiscal	0	9,000	0
Business	0	140	0
Operation and Maintenance of Plant	0	258	0
Pupil Transportation	0	0	0
Central	0	23,073	0
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	0	0	0
Intergovernmental	0	0	0
Total Expenditures	<u>127,617</u>	<u>332,717</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<i>Other Financing Sources:</i>			
Operating Transfers In	0	0	0
Total Other Financing Sources	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>Management Information Systems</u>	<u>School Building Incentive Grant</u>	<u>Public School Preschool</u>	<u>Entry Year Programs</u>	<u>Public/ Private Match Grant</u>	<u>DPIA</u>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	18,038	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
311,490	0	178,043	56,517	0	27,358,065
0	0	0	0	0	0
<u>311,490</u>	<u>0</u>	<u>196,081</u>	<u>56,517</u>	<u>0</u>	<u>27,358,065</u>
0	0	194,329	0	0	27,122,375
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	56,517	0	232,385
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	1,101
0	0	0	0	0	2,204
0	0	1,574	0	0	0
311,490	0	178	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>311,490</u>	<u>0</u>	<u>196,081</u>	<u>56,517</u>	<u>0</u>	<u>27,358,065</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

(continued)

Cleveland Municipal School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 1999
(With Comparative Totals for the Fiscal Year Ended June 30, 1998)

	Data Support Communications	School Net Professional Development	Textbook Subsidy	Miscellaneous State Grants
Revenues:				
Local Sources:				
Interest	\$0	\$0	\$0	\$0
Tuition and Fees	0	0	0	226,140
Extracurricular Activities	0	0	0	0
Miscellaneous	0	0	0	114,038
State Sources:				
Restricted Grants-in-Aid	0	0	2,023,606	561,947
Federal Sources:				
Restricted Grants-in-Aid	0	0	0	0
Total Revenues	<u>0</u>	<u>0</u>	<u>2,023,606</u>	<u>902,125</u>
Expenditures:				
Current:				
Instruction:				
Regular	0	0	2,023,606	0
Special	0	0	0	1,344
Vocational	0	0	0	61,152
Adult/Continuing	0	0	0	322
Other	0	0	0	0
Support Services:				
Pupils	0	0	0	351,594
Instructional Staff	0	0	0	286,111
Administration	0	0	0	0
Fiscal	0	0	0	0
Business	0	0	0	0
Operation and Maintenance of Plant	0	0	0	158,008
Pupil Transportation	0	0	0	9,131
Central	0	0	0	8,863
Operation of Non-Instructional Services	0	0	0	25,592
Extracurricular Activities	0	0	0	0
Intergovernmental	0	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>2,023,606</u>	<u>902,117</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>8</u>
Other Financing Sources :				
Operating Transfers In	0	0	0	0
Total Other Financing Sources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>8</u>
Fund Balances at Beginning of Year	0	0	0	0
Fund Balances at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$8</u>

Adult Basic Education	JTPA/ OWA Youth	NDEA Title III	Title VI-B	Vocational Education	Bilingual Education
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	30,000	0
175,492	0	0	0	0	0
<u>1,739,955</u>	<u>2,761,052</u>	<u>602,499</u>	<u>5,073,136</u>	<u>2,872,970</u>	<u>86,043</u>
<u>1,915,447</u>	<u>2,761,052</u>	<u>602,499</u>	<u>5,073,136</u>	<u>2,902,970</u>	<u>86,043</u>
0	0	0	0	0	0
96,607	0	0	2,012,560	0	0
0	0	0	0	640,210	0
1,120,387	0	0	0	85,116	75,197
0	0	0	14,646	13,133	0
125,314	0	1,500	791,289	545,764	0
430,727	30	597,541	1,662,399	492,554	0
113,620	2,529,209	0	451,119	12,600	0
14,486	18,117	0	30,645	0	150
0	0	0	0	0	0
3,175	7,421	3,092	76,270	707,908	0
10,031	38,438	0	286	21,533	10,696
1,100	167,837	366	33,922	397,602	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>1,915,447</u>	<u>2,761,052</u>	<u>602,499</u>	<u>5,073,136</u>	<u>2,916,420</u>	<u>86,043</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(13,450)</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13,450</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13,450</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

(continued)

Cleveland Municipal School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 1999
(With Comparative Totals for the Fiscal Year Ended June 30, 1998)

	Scientific Personnel Improvement	Title I	Title VI	Emergency Immigrant Assistance
Revenues:				
<i>Local Sources:</i>				
Interest	\$0	\$0	\$0	\$0
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	0
Miscellaneous	0	0	0	11,300
<i>State Sources:</i>				
Restricted Grants-in-Aid	0	0	0	18,876
<i>Federal Sources:</i>				
Restricted Grants-in-Aid	3,300,457	34,964,305	1,274,884	24,380
Total Revenues	3,300,457	34,964,305	1,274,884	54,556
Expenditures:				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	0	0	0	0
Special	0	26,165,402	23,655	36,115
Vocational	0	0	0	0
Adult/Continuing	0	0	0	0
Other	0	0	0	0
<i>Support Services:</i>				
Pupils	0	0	0	16,840
Instructional Staff	3,061,252	3,669,818	1,017,578	0
Administration	0	1,089,583	0	0
Fiscal	0	143,640	4,616	0
Business	9,779	1,369	0	0
Operation and Maintenance of Plant	0	1,022,920	36,064	1,601
Pupil Transportation	415	137,157	1,100	0
Central	229,011	134,709	130,018	0
Operation of Non-Instructional Services	0	2,599,986	0	0
Extracurricular Activities	0	0	61,853	0
Intergovernmental	0	0	0	0
Total Expenditures	3,300,457	34,964,584	1,274,884	54,556
Excess of Revenues Over (Under) Expenditures	0	(279)	0	0
<i>Other Financing Sources :</i>				
Operating Transfers In	0	279	0	0
Total Other Financing Sources	0	279	0	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	0	0	0	0
Fund Balances at Beginning of Year	0	0	0	0
Fund Balances at End of Year	\$0	\$0	\$0	\$0

Drug Free Schools	Early Childhood Educational Development	Miscellaneous Federal Grants	TOTALS	
			1999	1998
\$0	\$0	\$0	\$212,149	\$246,255
0	0	45,500	369,678	8,969
0	0	0	1,293,306	1,274,051
0	0	464,342	645,930	80,770
1,003,551	0	189,617	37,719,501	46,910,000
0	2,179	2,085,361	54,888,588	58,371,212
1,003,551	2,179	2,784,820	95,129,152	106,891,257
13	0	7,027	29,347,350	25,150,164
0	0	0	28,335,683	36,661,385
0	0	0	701,362	721,497
0	0	0	1,281,022	2,533,584
0	0	0	27,779	0
0	0	823,269	3,199,035	3,816,527
987,809	2,179	1,260,282	14,481,634	14,148,260
0	0	0	4,196,131	3,988,933
0	0	2,491	223,145	373,740
0	0	1,203	29,297	28,953
3,530	0	682,141	2,765,541	8,662,070
12,199	0	2,207	245,484	400,670
0	0	6,200	1,460,379	1,904,353
0	0	0	9,907,221	7,969,868
0	0	0	1,269,418	679,175
0	0	0	0	10,355
1,003,551	2,179	2,784,820	97,470,481	107,049,534
0	0	0	(2,341,329)	(158,277)
0	0	0	45,539	113,315
0	0	0	45,539	113,315
0	0	0	(2,295,790)	(44,962)
0	0	0	3,773,318	3,818,280
\$0	\$0	\$0	\$1,477,528	\$3,773,318

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
<i>Local Sources:</i>			
Tuition and Fees	\$0	\$80,000	\$80,000
Extracurricular Activities	<u>500,000</u>	<u>520,940</u>	<u>20,940</u>
Total Revenues	<u>500,000</u>	<u>600,940</u>	<u>100,940</u>
Expenditures:			
Current:			
<i>Support Services:</i>			
Administration:			
Purchased Services	1,050	0	1,050
Materials and Supplies	<u>2,413</u>	<u>0</u>	<u>2,413</u>
Total Administration	<u>3,463</u>	<u>0</u>	<u>3,463</u>
Operation and Maintenance of Plant:			
Capital Outlay - New	<u>52,239</u>	<u>17,567</u>	<u>34,672</u>
Total Operation and Maintenance of Plant	<u>52,239</u>	<u>17,567</u>	<u>34,672</u>
Total Support Services	<u>\$55,702</u>	<u>\$17,567</u>	<u>\$38,135</u> (continued)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Public School Support Fund (continued)
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Extracurricular Activities:</i>			
Academic and Subject Oriented Activities:			
Purchased Services	\$477,214	\$188,919	\$288,295
Materials and Supplies	<u>802,424</u>	<u>302,447</u>	<u>499,977</u>
<i>Total Extracurricular Activities</i>	<u>1,279,638</u>	<u>491,366</u>	<u>788,272</u>
<i>Total Expenditures</i>	<u>1,335,340</u>	<u>508,933</u>	<u>826,407</u>
Excess of Revenues Over (Under) Expenditures	(835,340)	92,007	927,347
Fund Balance at Beginning of Year	831,877	831,877	0
Prior Year Encumbrances Appropriated	<u>3,463</u>	<u>3,463</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$927,347</u>	<u>\$927,347</u>

Cleveland Municipal School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - (Non-GAAP Basis) Budget And Actual
 Library Automated Systems Fund
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
<i>State Sources:</i>			
Restricted Grants-in-Aid	\$0	\$0	\$0
Expenditures:			
<i>Current:</i>			
<i>Support Services:</i>			
Instructional Staff:			
Purchased Services	1,156	0	1,156
Total Instructional Staff	1,156	0	1,156
<i>Total Support Services</i>	1,156	0	1,156
Total Expenditures	1,156	0	1,156
Excess of Revenues Over (Under) Expenditures	(1,156)	0	1,156
Fund Balance at Beginning of Year	1,156	1,156	0
Fund Balance at End of Year	\$0	\$1,156	\$1,156

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
School Improvement Models Fund
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
<i>State Sources:</i>			
Restricted Grants-in-Aid	\$450,000	\$253,324	(\$196,676)
Total Revenues	<u>450,000</u>	<u>253,324</u>	<u>(196,676)</u>
Expenditures:			
Current:			
<i>Support Services:</i>			
<i>Instructional Staff:</i>			
Salaries and Wages	244,046	88,287	155,759
Fringe Benefits	47,565	15,619	31,946
Purchased Services	290,143	99,374	190,769
Materials and Supplies	235,949	90,302	145,647
Other	11,508	7,456	4,052
Total Instructional Staff	<u>829,211</u>	<u>301,038</u>	<u>528,173</u>
<i>Operation and Maintenance of Plant:</i>			
Purchased Services	564	408	156
Capital Outlay - New	37,488	13,802	23,686
Total Operation and Maintenance of Plant	<u>\$38,052</u>	<u>\$14,210</u>	<u>\$23,842</u>

(continued)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
School Improvement Models Fund (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Central:			
Purchased Services	\$16,813	\$7,670	\$9,143
<i>Total Support Services</i>	<u>884,076</u>	<u>322,918</u>	<u>561,158</u>
<i>Total Expenditures</i>	<u>884,076</u>	<u>322,918</u>	<u>561,158</u>
Excess of Revenues Over (Under) Expenditures	(434,076)	(69,594)	364,482
Fund Balance at Beginning of Year	412,054	412,054	0
Prior Year Encumbrances Appropriated	<u>22,022</u>	<u>22,022</u>	0
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$364,482</u>	<u>\$364,482</u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Student Activities Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
<i>Local Sources:</i>			
Extracurricular Activities	\$765,000	\$772,366	\$7,366
Total Revenues	765,000	772,366	7,366
Expenditures:			
<i>Current:</i>			
<i>Extracurricular Activities:</i>			
Academic and Subject Oriented Activities:			
Purchased Services	0	3,107	(3,107)
Materials and Supplies	0	4,319	(4,319)
Capital Outlay - New	0	27,163	(27,163)
Other	2,865	474,973	(472,108)
Total Academic and Subject Oriented Activities	2,865	509,562	(506,697)
Sports Oriented Activities:			
Fringe Benefits	281	89	192
Purchased Services	453,359	176,249	277,110
Materials and Supplies	25,060	15,363	9,697
Capital Outlay - New	73,456	0	73,456
Other	739,673	0	739,673
Total Sports Oriented Activities	1,291,829	191,701	1,100,128
Total Extracurricular Activities	1,294,694	701,263	593,431
Total Expenditures	1,294,694	701,263	593,431
Excess of Revenues Over (Under) Expenditures	(529,694)	71,103	600,797
Fund Balance at Beginning of Year	526,830	526,830	0
Prior Year Encumbrances Appropriated	2,865	2,865	0
Fund Balance at End of Year	\$1	\$600,798	\$600,797

Cleveland Municipal School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - (Non-GAAP Basis) Budget And Actual
 Disadvantaged Pupil Program Fund
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
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>Current:</i>			
<i>Support Services:</i>			
Instructional Staff:			
Materials and Supplies	23,035	37	22,998
Total Expenditures	<u>23,035</u>	<u>37</u>	<u>22,998</u>
Excess of Revenues Under Expenditures	(23,035)	(37)	22,998
Fund Balance at Beginning of Year	22,998	22,998	0
Prior Year Encumbrances Appropriated	<u>37</u>	<u>37</u>	<u>0</u>
Fund Balance at End of Year	<u>\$0</u>	<u>\$22,998</u>	<u>\$22,998</u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
<i>Local Sources:</i>			
Interest	\$232,002	\$212,149	(\$19,853)
<i>State Sources:</i>			
Restricted Grants-in-Aid	7,767,998	7,103,265	(664,733)
Total Revenues	8,000,000	7,315,414	(684,586)
Expenditures:			
<i>Current:</i>			
<i>Support Services:</i>			
Operation and Maintenance of Plant:			
Capital Outlay - New	11,917	81,002	(69,085)
Total Support Services	11,917	81,002	(69,085)
<i>Operation of Non-Instructional Services:</i>			
<i>Community Services:</i>			
Salaries and Wages	3,218,362	2,360,219	858,143
Fringe Benefits	898,966	688,511	210,455
Purchased Services	1,949,885	4,286,955	(2,337,070)
Materials and Supplies	5,081,329	1,808,605	3,272,724
Capital Outlay - New	3,215	2,200	1,015
Other	514,628	318,054	196,574
Total Community Services	11,666,385	9,464,544	2,201,841
Total Operation of Non-Instructional Services	11,666,385	9,464,544	2,201,841
Total Expenditures	11,678,302	9,545,546	2,132,756
Excess of Revenues Under Expenditures	(3,678,302)	(2,230,132)	1,448,170
Fund Balance at Beginning of Year	2,255,006	2,255,006	0
Prior Year Encumbrances Appropriated	1,423,296	1,423,296	0
Fund Balance at End of Year	\$0	\$1,448,170	\$1,448,170

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Consumer Education Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
<i>State Sources:</i>			
Restricted Grants-in-Aid	\$15,000	\$12,000	(\$3,000)
Total Revenues	15,000	12,000	(3,000)
Expenditures:			
<i>Current:</i>			
<i>Support Services:</i>			
<i>Instructional Staff:</i>			
Salaries and Wages	4,753	6,144	(1,391)
Fringe Benefits	54	1,069	(1,015)
Purchased Services	1,297	3,226	(1,929)
Materials and Supplies	17,589	12,058	5,531
Total Instructional Staff	23,693	22,497	1,196
Total Support Services	23,693	22,497	1,196
Total Expenditures	23,693	22,497	1,196
Excess of Revenues Under Expenditures	(8,693)	(10,497)	(1,804)
Fund Balance at Beginning of Year	3,248	3,248	0
Prior Year Encumbrances Appropriated	5,445	5,445	0
Fund Balance at End of Year	\$0	(\$1,804)	(\$1,804)

Cleveland Municipal School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - (Non-GAAP Basis) Budget And Actual
 Career Development Fund
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
<i>State Sources:</i>			
Restricted Grants-in-Aid	\$250,000	\$210,231	(\$39,769)
Total Revenues	250,000	210,231	(39,769)
Expenditures:			
<i>Current:</i>			
<i>Support Services:</i>			
Pupils:			
Salaries and Wages	139,143	163,484	(24,341)
Fringe Benefits	36,330	41,738	(5,408)
Purchased Services	1,149	1,450	(301)
Materials and Supplies	2,314	2,121	193
Total Pupils	178,936	208,793	(29,857)
Instructional Staff:			
Salaries and Wages	25,231	27,380	(2,149)
Fringe Benefits	6,964	7,557	(593)
Purchased Services	2,087	2,105	(18)
Materials and Supplies	2,891	2,195	696
Total Instructional Staff	37,173	39,237	(2,064)
Fiscal:			
Purchased Services	39,659	17,000	22,659
Total Fiscal	39,659	17,000	22,659
Business:			
Purchased Services	2,062	1,890	172
Total Business	2,062	1,890	172
Total Support Services	257,830	266,920	(9,090)
Total Expenditures	\$257,830	\$266,920	(\$9,090)

(continued)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Career Development Fund (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Excess of Revenues Under Expenditures	(\$7,830)	(\$56,689)	(\$48,859)
<i>Other Financing Sources:</i>			
Operating Transfers In	0	31,810	31,810
<i>Total Other Financing Sources</i>	0	31,810	31,810
Excess of Revenues and Other Financing Sources Under Expenditures	(7,830)	(24,879)	(17,049)
Fund Balance at Beginning of Year	(14,863)	(14,863)	0
Prior Year Encumbrances Appropriated	22,693	22,693	0
<i>Fund Balance (Deficit) at End of Year</i>	\$0	(\$17,049)	(\$17,049)

Cleveland Municipal School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - (Non-GAAP Basis) Budget And Actual
 Post-Secondary Vocational Education Fund
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
<i>State Sources:</i>			
Restricted Grants-in-Aid	\$20,000	\$20,000	\$0
Total Revenues	20,000	20,000	0
Expenditures:			
<i>Current:</i>			
<i>Support Services:</i>			
Instructional Staff:			
Purchased Services	25,057	14,556	10,501
Materials and Supplies	395	5,611	(5,216)
Other	0	3,880	(3,880)
Total Instructional Staff	25,452	24,047	1,405
Business:			
Purchased Services	5,008	9,429	(4,421)
Total Support Services	30,460	33,476	(3,016)
Total Expenditures	30,460	33,476	(3,016)
Excess of Revenues Under Expenditures	(10,460)	(13,476)	(3,016)
<i>Other Financing Sources:</i>			
Advances In	0	3,000	3,000
Total Other Financing Sources	0	3,000	3,000
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(10,460)	(10,476)	(16)
Fund Balance at Beginning of Year	10,460	10,460	0
Fund Balance at End of Year	\$0	(\$16)	(\$16)

Cleveland Municipal School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - (Non-GAAP Basis) Budget And Actual
 Teacher Development Fund
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
<i>State Sources:</i>			
Restricted Grants-in-Aid	\$440,000	\$429,294	(\$10,706)
Total Revenues	440,000	429,294	(10,706)
Expenditures:			
<i>Current:</i>			
<i>Support Services:</i>			
<i>Instructional Staff:</i>			
Salaries and Wages	211,647	86,380	125,267
Fringe Benefits	37,219	15,286	21,933
Purchased Services	81,034	50,946	30,088
Materials and Supplies	26,042	10,988	15,054
Other	0	60,734	(60,734)
Total Instructional Staff	355,942	224,334	131,608
<i>Fiscal:</i>			
Purchased Services	2,025	0	2,025
Total Fiscal	2,025	0	2,025
<i>Business:</i>			
Purchased Services	0	717	(717)
Total Business	0	717	(717)
<i>Operation and Maintenance of Plant:</i>			
Fringe Benefits	98	0	98
Purchased Services	0	35	(35)
Capital Outlay - New	20,403	52,059	(31,656)
Capital Outlay - Replacement	79,333	0	79,333
Total Operation and Maintenance of Plant	99,834	52,094	47,740
<i>Central:</i>			
Purchased Services	224,665	74,728	149,937
Total Central	224,665	74,728	149,937
Total Support Services	\$682,466	\$351,873	\$330,593 (continued)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Teacher Development Fund (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<i>Total Expenditures</i>	\$682,466	\$351,873	\$330,593
Excess of Revenues Over (Under) Expenditures	(\$242,466)	\$77,421	\$319,887
Fund Balance at Beginning of Year	171,344	171,344	0
Prior Year Encumbrances Appropriated	71,122	71,122	0
<i>Fund Balance at End of Year</i>	\$0	\$319,887	\$319,887

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Early Childhood Education Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
<i>State Sources:</i>			
Restricted Grants-in-Aid	\$82,000	\$87,500	\$5,500
Total Revenues	82,000	87,500	5,500
Expenditures:			
<i>Current:</i>			
<i>Support Services:</i>			
<i>Instructional Staff:</i>			
Salaries and Wages	100,969	104,948	(3,979)
Fringe Benefits	28,927	30,072	(1,145)
Purchased Services	321	278	43
Materials and Supplies	33	29	4
Total Instructional Staff	130,250	135,327	(5,077)
Total Expenditures	130,250	135,327	(5,077)
Excess of Revenues Under Expenditures	(48,250)	(47,827)	423
Other Financing Sources (Uses):			
Advances In	48,000	118,000	70,000
Advances Out	0	(70,000)	(70,000)
Total Other Financing Sources (Uses)	48,000	48,000	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(250)	173	423
Fund Balance at Beginning of Year	250	250	0
Fund Balance at End of Year	\$0	\$423	\$423

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Career Enhancement Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
<i>State Sources:</i>			
Restricted Grants-in-Aid	\$0	\$200,000	\$200,000
Total Revenues	0	200,000	200,000
Expenditures:			
Current:			
<i>Support Services:</i>			
Instructional Staff:			
Salaries and Wages	179,087	160,226	18,861
Fringe Benefits	32,305	29,459	2,846
Purchased Services	361,281	154,568	206,713
Materials and Supplies	1,882	11,757	(9,875)
Total Instructional Staff	574,555	356,010	218,545
Fiscal:			
Purchased Services	15,974	9,000	6,974
Business:			
Purchased Services	248	140	108
Operation and Maintenance of Plant:			
Purchased Services	490	258	232
Central:			
Purchased Services	1,908	23,075	(21,167)
Total Support Services	593,175	388,483	204,692
Total Expenditures	\$593,175	\$388,483	\$204,692 (continued)

Cleveland Municipal School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - (Non-GAAP Basis) Budget And Actual
 Career Enhancement Fund (continued)
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Excess of Revenues Over (Under) Expenditures	(\$593,175)	(\$188,483)	\$404,692
Fund Balance at Beginning of Year	380,032	380,032	0
Prior Year Encumbrances Appropriated	213,143	213,143	0
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$404,692</u>	<u>\$404,692</u>

Cleveland Municipal School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - (Non-GAAP Basis) Budget And Actual
 Adolescent Pregnancy Prevention Fund
 For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
<i>State Sources:</i>			
Restricted Grants-in-Aid	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures:			
Current:			
<i>Support Services:</i>			
Pupils:			
Purchased Services	<u>14,097</u>	<u>0</u>	<u>14,097</u>
Total Expenditures	<u>14,097</u>	<u>0</u>	<u>14,097</u>
Excess of Revenues Under Expenditures	(14,097)	0	14,097
Fund Balance at Beginning of Year	<u>14,097</u>	<u>14,097</u>	<u>0</u>
Fund Balance at End of Year	<u>\$0</u>	<u>\$14,097</u>	<u>\$14,097</u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Management Information Systems Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
<i>State Sources:</i>			
Restricted Grants-in-Aid	\$320,000	\$314,534	(\$5,466)
Total Revenues	320,000	314,534	(5,466)
Expenditures:			
<i>Current:</i>			
<i>Support Services:</i>			
<i>Central:</i>			
Salaries and Wages	180,829	120,117	60,712
Fringe Benefits	51,029	33,914	17,115
Purchased Services	276,094	164,079	112,015
Total Central	507,952	318,110	189,842
Total Support Services	507,952	318,110	189,842
Total Expenditures	507,952	318,110	189,842
Excess of Revenues Under Expenditures	(187,952)	(3,576)	184,376
Fund Balance at Beginning of Year	186,364	186,364	0
Prior Year Encumbrances Appropriated	1,588	1,588	0
Fund Balance at End of Year	\$0	\$184,376	\$184,376

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
School Building Incentive Grant Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
<i>State Sources:</i>			
Restricted Grants-in-Aid	\$0	\$0	\$0
Expenditures:			
Current:			
<i>Support Services:</i>			
Instructional Staff:			
Purchased Services	3,269	0	3,269
Total Expenditures	3,269	0	3,269
Excess of Revenues Under Expenditures	(3,269)	0	3,269
Fund Balance at Beginning of Year	3,269	3,269	0
Fund Balance at End of Year	\$0	\$3,269	\$3,269

Cleveland Municipal School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - (Non-GAAP Basis) Budget And Actual
 Public School Preschool Fund
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<i>Revenues:</i>			
<i>Local Sources:</i>			
Tuition and Fees	\$18,038	\$18,038	\$0
<i>State Sources:</i>			
Restricted Grants-in-Aid	231,962	205,968	(25,994)
Total Revenues	250,000	224,006	(25,994)
<i>Expenditures:</i>			
Current:			
<i>Instruction:</i>			
Regular:			
Salaries and Wages	218,389	155,643	62,746
Fringe Benefits	61,709	44,045	17,664
Materials and Supplies	2,006	8,389	(6,383)
Total Regular	282,104	208,077	74,027
Total Instruction	282,104	208,077	74,027
<i>Support Services:</i>			
Pupil Transportation:			
Purchased Services	1,013	1,077	(64)
Total Pupil Transportation	1,013	1,077	(64)
Central:			
Purchased Services	293	178	115
Total Central	293	178	115
Total Support Services	1,306	1,255	51
Total Expenditures	\$283,410	\$209,332	\$74,078

(continued)

Cleveland Municipal School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - (Non-GAAP Basis) Budget And Actual
 Public School Preschool Fund (continued)
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Excess of Revenues Over (Under)Expenditures	(\$33,410)	\$14,674	\$48,084
Fund Balance at Beginning of Year	33,410	33,410	0
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$48,084</u>	<u>\$48,084</u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Entry Year Programs Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
<i>State Sources:</i>			
Restricted Grants-in-Aid	\$0	\$0	\$0
Expenditures:			
<i>Current:</i>			
<i>Support Services:</i>			
<i>Instructional Staff:</i>			
Salaries and Wages	74,913	53,330	21,583
Fringe Benefits	13,658	9,703	3,955
Purchased Services	1,039	762	277
Materials and Supplies	1,615	818	797
Total Instructional Staff	91,225	64,613	26,612
<i>Central:</i>			
Purchased Services	2,000	1,000	1,000
Total Central	2,000	1,000	1,000
Total Support Services	93,225	65,613	27,612
Total Expenditures	93,225	65,613	27,612
Excess of Revenues Under Expenditures	(93,225)	(65,613)	27,612
Fund Balance at Beginning of Year	92,225	92,225	0
Prior Year Encumbrances Appropriated	1,000	1,000	0
Fund Balance at End of Year	\$0	\$27,612	\$27,612

Cleveland Municipal School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - (Non-GAAP Basis) Budget And Actual
 Public/Private Match Grant Fund
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
<i>State Sources:</i>			
Restricted Grants-in-Aid	\$0	\$0	\$0
Expenditures:			
<i>Current:</i>			
<i>Support Services:</i>			
Instructional Staff:			
Purchased Services	1,622	0	1,622
Total Expenditures	1,622	0	1,622
Excess of Revenues Over Expenditures	(1,622)	0	1,622
Fund Balance at Beginning of Year	1,622	1,622	0
Fund Balance at End of Year	\$0	\$1,622	\$1,622

Cleveland Municipal School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - (Non-GAAP Basis) Budget And Actual
 DPIA Fund
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
<i>State Sources:</i>			
Restricted Grants-in-Aid	\$32,000,000	\$27,392,375	(\$4,607,625)
Total Revenues	32,000,000	27,392,375	(4,607,625)
Expenditures:			
Current:			
<i>Instruction:</i>			
Regular:			
Salaries and Wages	14,778,440	14,778,440	0
Fringe Benefits	4,137,790	4,137,790	0
Materials and Supplies	5,159,298	8,157,054	(2,997,756)
Capital Outlay - New	0	38,514	(38,514)
Other	0	10,577	(10,577)
Total Regular	24,075,528	27,122,375	(3,046,847)
<i>Support Services:</i>			
Pupils:			
Salaries and Wages	25,446	25,446	0
Fringe Benefits	7,330	7,330	0
Purchased Services	267,935	267,935	0
Materials and Supplies	1,006	1,006	0
Total Pupils	301,717	301,717	0
Operation and Maintenance of Plant:			
Salaries and Wages	5,000,000	0	5,000,000
Fringe Benefits	1,300,000	0	1,300,000
Purchased Services	1,500,000	0	1,500,000
Capital Outlay - New	2,755	2,204	551
Total Operation and Maintenance of Plant	7,802,755	2,204	7,800,551
Total Support Services	8,104,472	303,921	7,800,551
Total Expenditures	\$32,180,000	\$27,426,296	\$4,753,704 (continued)

Cleveland Municipal School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - (Non-GAAP Basis) Budget And Actual
 DPIA Fund (continued)
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Excess of Revenues Under Expenditures	(\$180,000)	(\$33,921)	\$146,079
Fund Balance at Beginning of Year	180,000	180,000	0
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$146,079</u>	<u>\$146,079</u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Data Support Communications Fund
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
<i>State Sources:</i>			
Restricted Grants-in-Aid	<u>\$200,000</u>	<u>\$181,695</u>	<u>(\$18,305)</u>
Total Revenues	<u>200,000</u>	<u>181,695</u>	<u>(18,305)</u>
Expenditures:			
Current:			
<i>Support Services:</i>			
Central:			
Purchased Services	<u>627,000</u>	<u>0</u>	<u>627,000</u>
Total Central	<u>627,000</u>	<u>0</u>	<u>627,000</u>
Total Expenditures	<u>627,000</u>	<u>0</u>	<u>627,000</u>
Excess of Revenues Over Expenditures	(427,000)	181,695	608,695
Fund Balance at Beginning of Year	<u>427,000</u>	<u>427,000</u>	<u>0</u>
Fund Balance at End of Year	<u>\$0</u>	<u>\$608,695</u>	<u>\$608,695</u>

Cleveland Municipal School District
Schedule of Revenue, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
School Net Professional Development Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
<i>State Sources:</i>			
Restricted Grants-in-Aid	\$0	\$25,000	\$25,000
Expenditures:			
<i>Current:</i>			
<i>Support Services:</i>			
Instructional Staff:			
Salaries and Wages	145,000	0	145,000
Fringe Benefits	40,745	0	40,745
Materials and Supplies	9,255	0	9,255
Total Instructional Staff	195,000	0	195,000
<i>Total Support Services</i>	195,000	0	195,000
Total Expenditures	195,000	0	195,000
Excess of Revenues Over (Under) Expenditures	(195,000)	25,000	220,000
Fund Balance at Beginning of Year	195,000	195,000	0
Fund Balance at End of Year	\$0	\$220,000	\$220,000

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Textbook Subsidy Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
<i>State Sources:</i>			
Restricted Grants-in-Aid	\$1,026,444	\$1,026,444	\$0
Expenditures:			
Current:			
<i>Instruction:</i>			
Regular:			
Materials and Supplies	2,023,606	2,023,606	0
Total Expenditures	2,023,606	2,023,606	0
Excess of Revenues Under Expenditures	(997,162)	(997,162)	0
Fund Balance at Beginning of Year	997,162	997,162	0
Fund Balance at End of Year	\$0	\$0	\$0

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Miscellaneous State Grants Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
<i>State Sources:</i>			
Restricted Grants-in-Aid	\$1,400,000	\$797,299	(\$602,701)
Total Revenues	1,400,000	797,299	(602,701)
Expenditures:			
Current:			
<i>Instruction:</i>			
<i>Special:</i>			
Fringe Benefits	291	0	291
Purchased Services	0	1,344	(1,344)
Total Special	291	1,344	(1,053)
<i>Vocational:</i>			
Purchased Services	6,499	29,484	(22,985)
Materials and Supplies	65,059	89,695	(24,636)
Capital Outlay - New	0	83,584	(83,584)
Total Vocational	71,558	202,763	(131,205)
<i>Adult/Continuing:</i>			
Salaries and Wages	382	250	132
Fringe Benefits	111	72	39
Total Adult/Continuing	493	322	171
Total Instruction	72,342	204,429	(132,087)
<i>Support Services:</i>			
<i>Pupils:</i>			
Salaries and Wages	514,124	188,750	325,374
Fringe Benefits	110,392	48,664	61,728
Purchased Services	211,443	126,362	85,081
Materials and Supplies	111,213	71,204	40,009
Total Pupils	\$947,172	\$434,980	\$512,192

(continued)

Cleveland Municipal School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - (Non-GAAP Basis) Budget And Actual
 Miscellaneous State Grants Fund (continued)
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Instructional Staff:			
Salaries and Wages	\$194,819	\$116,662	\$78,157
Fringe Benefits	52,335	34,016	18,319
Purchased Services	194,453	169,721	24,732
Materials and Supplies	12,528	18,954	(6,426)
Capital Outlay - New	0	766	(766)
Other	956	1,481	(525)
Total Instructional Staff	455,091	341,600	113,491
Operation and Maintenance of Plant:			
Purchased Services	637	416	221
Capital Outlay - New	330,655	194,654	136,001
Total Operation and Maintenance of Plant	331,292	195,070	136,222
Pupil Transportation:			
Purchased Services	22,114	9,233	12,881
Central:			
Purchased Services	32,928	19,751	13,177
Total Support Services	1,788,597	1,000,634	787,963
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	0	11,690	(11,690)
Fringe Benefits	0	3,285	(3,285)
Purchased Services	0	410	(410)
Materials and Supplies	15,208	10,207	5,001
Total Community Services	15,208	25,592	(10,384)
Total Operation of Non-Instructional Services	15,208	25,592	(10,384)
Total Expenditures	\$1,876,147	\$1,230,655	\$645,492 (continued)

Cleveland Municipal School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - (Non-GAAP Basis) Budget And Actual
 Miscellaneous State Grants Fund (continued)
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Excess of Revenues Under Expenditures	(\$476,147)	(\$433,356)	\$42,791
Fund Balance at Beginning of Year	364,554	364,554	0
Prior Year Encumbrances Appropriated	111,594	111,594	0
Fund Balance at End of Year	\$1	\$42,792	\$42,791

Cleveland Municipal School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - (Non-GAAP Basis) Budget And Actual
 Adult Basic Education Fund
 For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
<i>State Sources:</i>			
Restricted Grants-in-Aid	\$448,170	\$448,170	\$0
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	<u>1,476,830</u>	<u>1,739,955</u>	<u>263,125</u>
Total Revenues	<u>1,925,000</u>	<u>2,188,125</u>	<u>263,125</u>
Expenditures:			
Current:			
<i>Instruction:</i>			
Special:			
Salaries and Wages	73,246	70,190	3,056
Fringe Benefits	12,793	12,276	517
Materials and Supplies	<u>3,259</u>	<u>1,497</u>	<u>1,762</u>
Total Special	<u>89,298</u>	<u>83,963</u>	<u>5,335</u>
Adult/Continuing:			
Salaries and Wages	947,435	763,363	184,072
Fringe Benefits	262,448	259,093	3,355
Purchased Services	42,529	39,215	3,314
Materials and Supplies	<u>22,214</u>	<u>11,900</u>	<u>10,314</u>
Total Adult/Continuing	<u>1,274,626</u>	<u>1,073,571</u>	<u>201,055</u>
Total Instruction	<u>\$1,363,924</u>	<u>\$1,157,534</u>	<u>\$206,390</u>

(continued)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Adult Basic Education Fund (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<i>Support Services:</i>			
Pupils:			
Salaries and Wages	\$92,304	\$88,748	\$3,556
Fringe Benefits	28,307	26,821	1,486
Materials and Supplies	120	484	(364)
Total Pupils	120,731	116,053	4,678
Instructional Staff:			
Salaries and Wages	293,895	288,968	4,927
Fringe Benefits	71,941	72,569	(628)
Purchased Services	1,627	458	1,169
Materials and Supplies	1,372	1,116	256
Total Instructional Staff	368,835	363,111	5,724
Administration:			
Salaries and Wages	64,722	62,979	1,743
Fringe Benefits	18,353	17,839	514
Purchased Services	347	282	65
Total Administration	83,422	81,100	2,322
Fiscal:			
Other	0	14,486	(14,486)
Operation and Maintenance of Plant:			
Purchased Services	2,361	1,920	441
Capital Outlay - New	209	570	(361)
Total Operation and Maintenance of Plant	2,570	2,490	80
Pupil Transportation:			
Purchased Services	13,810	10,631	3,179
Total Pupil Transportation	\$13,810	\$10,631	\$3,179

(continued)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Adult Basic Education Fund (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<i>Central:</i>			
Purchased Services	\$3,552	\$4,214	(\$662)
Total Central	3,552	4,214	(662)
<i>Total Support Services</i>	<i>592,920</i>	<i>592,085</i>	<i>835</i>
Total Expenditures	1,956,844	1,749,619	207,225
Excess of Revenues Over (Under) Expenditures	(31,844)	438,506	470,350
<i>Other Financing Sources (Uses):</i>			
Advances In	0	43,000	43,000
Advances Out	0	(525,000)	(525,000)
Total Other Financing Sources (Uses)	0	(482,000)	(482,000)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(31,844)	(43,494)	(11,650)
Fund Balance at Beginning of Year	19,739	19,739	0
Prior Year Encumbrances Appropriated	12,105	12,105	0
Fund Balance at End of Year	\$0	(\$11,650)	(\$11,650)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
JTPA/OWA Youth Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$3,700,000	\$2,962,519	(\$737,481)
Total Revenues	3,700,000	2,962,519	(737,481)
Expenditures:			
<i>Current:</i>			
<i>Support Services:</i>			
<i>Instructional Staff:</i>			
Materials and Supplies	1,790	860	930
Total Instructional Staff	1,790	860	930
<i>Administration:</i>			
Salaries and Wages	2,459,262	2,227,895	231,367
Fringe Benefits	187,552	170,219	17,333
Purchased Services	71,792	238,443	(166,651)
Materials and Supplies	13,490	12,861	629
Other	4,580	4,157	423
Total Administration	2,736,676	2,653,575	83,101
<i>Fiscal:</i>			
Purchased Services	6,772	3,386	3,386
Other	0	18,117	(18,117)
Total Fiscal	6,772	21,503	(14,731)
<i>Operation and Maintenance of Plant:</i>			
Salaries and Wages	464	539	(75)
Fringe Benefits	0	20	(20)
Purchased Services	6,427	6,722	(295)
Materials and Supplies	0	0	0
Capital Outlay - New	154	140	14
Total Operation and Maintenance of Plant	\$7,045	\$7,421	(\$376)

(continued)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
JTPA/OWA Youth Fund (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Pupil Transportation:			
Purchased Services	\$82,013	\$38,130	\$43,883
Total Pupil Transportation	82,013	38,130	43,883
Central:			
Salaries and Wages	1,443	1,309	134
Fringe Benefits	400	363	37
Purchased Services	864,270	426,819	437,451
Total Central	866,113	428,491	437,622
Total Support Services	3,700,409	3,149,980	550,429
Total Expenditures	3,700,409	3,149,980	550,429
Excess of Revenues Under Expenditures	(409)	(187,461)	(187,052)
Other Financing Sources (Uses):			
Advances In	0	202,000	202,000
Advances Out	0	(395,000)	(395,000)
Total Other Financing Sources (Uses)	0	(193,000)	(193,000)
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(409)	(380,461)	(380,052)
Fund Balance (Deficit) at Beginning of Year	(488,140)	(488,140)	0
Prior Year Encumbrances Appropriated	488,549	488,549	0
Fund Balance (Deficit) at End of Year	\$0	(\$380,052)	(\$380,052)

Cleveland Municipal School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - (Non-GAAP Basis) Budget And Actual
 NDEA Title III Fund
 For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$650,000	\$511,864	(\$138,136)
Total Revenues	<u>650,000</u>	<u>511,864</u>	<u>(138,136)</u>
Expenditures:			
Current:			
<i>Support Services:</i>			
Pupils:			
Salaries and Wages	2,532	1,500	1,032
Total Pupils	<u>2,532</u>	<u>1,500</u>	<u>1,032</u>
Instructional Staff:			
Salaries and Wages	236,920	158,417	78,503
Fringe Benefits	42,078	28,192	13,886
Purchased Services	49,582	53,573	(3,991)
Materials and Supplies	685,917	423,937	261,980
Total Instructional Staff	<u>1,014,497</u>	<u>664,119</u>	<u>350,378</u>
Operation and Maintenance of Plant:			
Salaries and Wages	3,004	2,632	372
Fringe Benefits	527	460	67
Total Operation and Maintenance of Plant	<u>3,531</u>	<u>3,092</u>	<u>439</u>
Central:			
Purchased Services	981	366	615
Total Central	<u>981</u>	<u>366</u>	<u>615</u>
Total Support Services	<u>1,021,541</u>	<u>669,077</u>	<u>352,464</u>
Total Expenditures	<u>\$1,021,541</u>	<u>\$669,077</u>	<u>\$352,464</u> (continued)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
NDEA Title III Fund (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Excess of Revenues Under Expenditures	(\$371,541)	(\$157,213)	\$214,328
Fund Balance at Beginning of Year	346,082	346,082	0
Prior Year Encumbrances Appropriated	25,459	25,459	0
<i>Fund Balance at End of Year</i>	\$0	\$214,328	\$214,328

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Title VI-B Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$5,900,000	\$6,280,034	\$380,034
Total Revenues	5,900,000	6,280,034	380,034
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
<i>Special:</i>			
Salaries and Wages	1,699,018	1,423,832	275,186
Fringe Benefits	479,873	402,227	77,646
Purchased Services	25,222	18,315	6,907
Materials and Supplies	254,738	190,606	64,132
Capital Outlay - New	11,611	0	11,611
Total Special	2,470,462	2,034,980	435,482
<i>Adult/Continuing:</i>			
Purchased Services	6,048	0	6,048
Total Adult/Continuing	6,048	0	6,048
<i>Other:</i>			
Capital Outlay - New	0	14,646	(14,646)
Total Other	0	14,646	(14,646)
Total Instruction	2,476,510	2,049,626	426,884
<i>Support Services:</i>			
<i>Pupils:</i>			
Salaries and Wages	687,755	599,377	88,378
Fringe Benefits	180,801	158,628	22,173
Purchased Services	2,061	2,303	(242)
Materials and Supplies	1,131	964	167
Total Pupils	871,748	761,272	110,476
<i>Instructional Staff:</i>			
Salaries and Wages	1,454,926	1,273,143	181,783
Fringe Benefits	393,759	346,655	47,104
Purchased Services	2,084	1,496	588
Materials and Supplies	27,893	16,658	11,235
Total Instructional Staff	\$1,878,662	\$1,637,952	\$240,710

(continued)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Title VI-B Fund (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Administration:			
Salaries and Wages	\$263,514	\$226,210	\$37,304
Fringe Benefits	74,778	64,259	10,519
Purchased Services	106,002	89,318	16,684
Total Administration	444,294	379,787	64,507
Fiscal:			
Other	0	30,645	(30,645)
Total Fiscal	0	30,645	(30,645)
Operation and Maintenance of Plant:			
Purchased Services	2,401	3,794	(1,393)
Capital Outlay - New	152,540	114,554	37,986
Capital Outlay - Replacement	217	158	59
Total Operation and Maintenance of Plant	155,158	118,506	36,652
Pupil Transportation:			
Purchased Services	382	296	86
Central:			
Purchased Services	73,837	48,156	25,681
Total Support Services	3,424,081	2,976,614	447,467
Total Expenditures	\$5,900,591	\$5,026,240	\$874,351 (continued)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Title VI-B Fund (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Excess of Revenues Over (Under) Expenditures	(\$591)	\$1,253,794	\$1,254,385
<i>Other Financing Uses:</i>			
Advances Out	0	(418,000)	(418,000)
Total Other Financing Uses	0	(418,000)	(418,000)
Excess of Revenues Over (Under) Expenditures and Other Financing Uses	(591)	835,794	836,385
Fund Balance at Beginning of Year	(191,062)	(191,062)	0
Prior Year Encumbrances Appropriated	191,653	191,653	0
Fund Balance (Deficit) at End of Year	\$0	\$836,385	\$836,385

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Vocational Education Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$3,500,000	\$2,876,930	(\$623,070)
Total Revenues	3,500,000	2,876,930	(623,070)
Expenditures:			
Current:			
<i>Instruction:</i>			
Vocational:			
Salaries and Wages	435,531	435,234	297
Fringe Benefits	125,960	126,308	(348)
Purchased Services	258	2,315	(2,057)
Materials and Supplies	19,720	41,302	(21,582)
Capital Outlay - New	0	15,000	(15,000)
Total Vocational	581,469	620,159	(38,690)
Adult/Continuing:			
Salaries and Wages	56,821	68,374	(11,553)
Fringe Benefits	15,860	14,059	1,801
Materials and Supplies	489	347	142
Total Adult/Continuing	73,170	82,780	(9,610)
Other:			
Other	0	13,133	(13,133)
Total Other	0	13,133	(13,133)
Total Instruction	\$654,639	\$716,072	(\$61,433)

(continued)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Vocational Education Fund (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<i>Support Services:</i>			
<i>Pupils:</i>			
Salaries and Wages	\$311,360	\$314,021	(\$2,661)
Fringe Benefits	71,901	67,821	4,080
Purchased Services	57,487	88,704	(31,217)
Materials and Supplies	85,919	78,805	7,114
Capital Outlay - New	102,147	170,740	(68,593)
Other	0	11,000	(11,000)
Total Pupils	628,814	731,091	(102,277)
<i>Instructional Staff:</i>			
Salaries and Wages	289,906	329,823	(39,917)
Fringe Benefits	68,839	80,479	(11,640)
Purchased Services	44,463	40,951	3,512
Materials and Supplies	85,676	79,081	6,595
Total Instructional Staff	488,884	530,334	(41,450)
<i>Administration:</i>			
Salaries and Wages	11,669	9,844	1,825
Fringe Benefits	3,267	2,756	511
Total Administration	14,936	12,600	2,336
<i>Operation and Maintenance of Plant:</i>			
Purchased Services	6,258	6,371	(113)
Capital Outlay - New	1,673,193	1,187,633	485,560
Total Operation and Maintenance of Plant	\$1,679,451	\$1,194,004	\$485,447
			(continued)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Vocational Education Fund (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Pupil Transportation:			
Purchased Services	\$21,142	\$21,583	(\$441)
Total Pupil Transportation	<u>21,142</u>	<u>21,583</u>	<u>(441)</u>
Central:			
Salaries and Wages	224,919	229,370	(4,451)
Fringe Benefits	62,524	63,764	(1,240)
Purchased Services	99,708	95,723	3,985
Materials and Supplies	7,121	7,367	(246)
Capital Outlay - New	0	0	0
Capital Outlay - Replacement	0	0	0
Other	12,711	10,723	1,988
Total Central	<u>406,983</u>	<u>406,947</u>	<u>36</u>
Total Support Services	<u>3,240,210</u>	<u>2,896,559</u>	<u>343,651</u>
Total Expenditures	<u>3,894,849</u>	<u>3,612,631</u>	<u>282,218</u>
Excess of Revenues Under Expenditures	<u>(394,849)</u>	<u>(735,701)</u>	<u>(340,852)</u>
Other Financing Sources:			
Operating Transfers In	<u>13,450</u>	<u>13,450</u>	<u>0</u>
Total Other Financing Sources	<u>13,450</u>	<u>13,450</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Under Expenditures	<u>(381,399)</u>	<u>(722,251)</u>	<u>(340,852)</u>
Fund Balance (Deficit) at Beginning of Year	<u>(482,730)</u>	<u>(482,730)</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>877,579</u>	<u>877,579</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$13,450</u>	<u>(\$327,402)</u>	<u>(\$340,852)</u>

Cleveland Municipal School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - (Non-GAAP Basis) Budget And Actual
 Bilingual Education Fund
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$100,000	\$165,658	\$65,658
Total Revenues	100,000	165,658	65,658
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Adult/Continuing:			
Salaries and Wages	658,590	57,581	601,009
Fringe Benefits	183,322	16,028	167,294
Purchased Services	0	13,991	(13,991)
Materials and Supplies	2,791	3,017	(226)
Total Adult/Continuing	844,703	90,617	754,086
Total Instruction	844,703	90,617	754,086
<i>Support Services:</i>			
Fiscal:			
Other	1,716	150	1,566
Total Fiscal	1,716	150	1,566
Pupil Transportation:			
Purchased Services	124,806	16,688	108,118
Total Pupil Transportation	124,806	16,688	108,118
Total Support Services	126,522	16,838	109,684
Total Expenditures	971,225	107,455	863,770
Excess of Revenues Over (Under) Expenditures	(871,225)	58,203	929,428
<i>Other Financing Uses:</i>			
Advances Out	0	(61,000)	(61,000)
Total Other Financing Uses	0	(61,000)	(61,000)
Excess of Revenues Over (Under) Expenditures and other Financing Uses	(871,225)	(2,797)	868,428
Fund Balance at Beginning of Year	(3,226)	(3,226)	0
Prior Year Encumbrances Appropriated	3,452	3,452	0
Fund Balance (Deficit) at End of Year	(\$870,999)	(\$2,571)	\$868,428

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Scientific Personnel Improvement Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<i>Revenues:</i>			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$3,831,942	\$2,797,760	(\$1,034,182)
Total Revenues	3,831,942	2,797,760	(1,034,182)
<i>Expenditures:</i>			
<i>Current:</i>			
<i>Support Services:</i>			
<i>Instructional Staff:</i>			
Salaries and Wages	2,477,879	2,415,350	62,529
Fringe Benefits	486,053	475,330	10,723
Purchased Services	3,877	5,681	(1,804)
Materials and Supplies	113,971	108,462	5,509
Total Instructional Staff	3,081,780	3,004,823	76,957
<i>Business:</i>			
Purchased Services	10,952	10,974	(22)
Total Business	10,952	10,974	(22)
<i>Pupil Transportation:</i>			
Purchased Services	475	415	60
Total Pupil Transportation	475	415	60
<i>Central:</i>			
Purchased Services	407,499	462,174	(54,675)
Total Central	407,499	462,174	(54,675)
Total Support Services	3,500,706	3,478,386	22,320
Total Expenditures	\$3,500,706	\$3,478,386	\$22,320 (continued)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Scientific Personnel Improvement Fund (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Excess of Revenues Over (Under) Expenditures	\$331,236	(\$680,626)	(\$1,011,862)
<i>Other Financing Sources Uses:</i>			
Advances In	450,000	450,000	0
Advances Out	(42,000)	(42,000)	0
<i>Total Other Financing Sources Uses</i>	<u>408,000</u>	<u>408,000</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures and other Financing Uses	739,236	(272,626)	(1,011,862)
Fund Balance (Deficit) at Beginning of Year	(121,676)	(121,676)	0
Prior Year Encumbrances Appropriated	<u>122,382</u>	<u>122,382</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$739,942</u>	<u>(\$271,920)</u>	<u>(\$1,011,862)</u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Title I Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<i>Revenues:</i>			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$40,000,000	\$37,042,982	(\$2,957,018)
Total Revenues	40,000,000	37,042,982	(2,957,018)
<i>Expenditures:</i>			
<i>Current:</i>			
<i>Instruction:</i>			
<i>Special:</i>			
Salaries and Wages	19,953,635	19,291,921	661,714
Fringe Benefits	5,606,972	5,426,692	180,280
Purchased Services	97,795	101,859	(4,064)
Materials and Supplies	2,288,441	2,647,863	(359,422)
Capital Outlay - New	23,741	21,683	2,058
Total Special	27,970,584	27,490,018	480,566
Total Instruction	27,970,584	27,490,018	480,566
<i>Support Services:</i>			
<i>Instructional Staff:</i>			
Salaries and Wages	3,914,063	3,818,368	95,695
Fringe Benefits	1,055,897	1,012,263	43,634
Purchased Services	120,007	117,781	2,226
Materials and Supplies	388,105	348,798	39,307
Capital Outlay - New	34	0	34
Total Instructional Staff	\$5,478,106	\$5,297,210	\$180,896

(continued)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Title I Fund (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Administration:			
Salaries and Wages	\$814,097	\$774,103	\$39,994
Fringe Benefits	215,436	205,156	10,280
Purchased Services	36,901	38,880	(1,979)
Materials and Supplies	14,065	21,111	(7,046)
Total Administration	1,080,499	1,039,250	41,249
Fiscal:			
Purchased Services	194	264	(70)
Other	0	143,376	(143,376)
Total Fiscal	194	143,640	(143,446)
Business:			
Purchased Services	2,120	1,761	359
Total Business	2,120	1,761	359
Operation and Maintenance of Plant:			
Purchased Services	29,179	9,478	19,701
Capital Outlay - New	2,325,851	1,526,602	799,249
Total Operation and Maintenance of Plant	\$2,355,030	\$1,536,080	\$818,950

(continued)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Title I Fund (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Pupil Transportation:			
Purchased Services	\$247,829	\$150,366	\$97,463
Materials and Supplies	11,730	7,150	4,580
Total Pupil Transportation	259,559	157,516	102,043
Central:			
Purchased Services	190,087	176,497	13,590
Materials and Supplies	22,713	11,787	10,926
Total Central	212,800	188,284	24,516
Total Support Services	9,388,308	8,363,741	1,024,567
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	1,800,152	1,860,195	(60,043)
Fringe Benefits	501,216	521,463	(20,247)
Purchased Services	11,915	157,201	(145,286)
Materials and Supplies	12,321	10,250	2,071
Capital Outlay - New	55,663	46,247	9,416
Total Community Services	2,381,267	2,595,356	(214,089)
Total Operation of Non-Instructional Services	2,381,267	2,595,356	(214,089)
Capital Outlay:			
Site Acquisition Services:			
Purchased Services	30,217	54,085	(23,868)
Capital Outlay - Replacement	230,000	207,339	22,661
Total Capital Outlay	260,217	261,424	(1,207)
Total Expenditures	\$40,000,376	\$38,710,539	\$1,289,837 (continued)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Title I Fund (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Excess of Revenues Under Expenditures	(\$376)	(\$1,667,557)	(\$1,667,181)
<i>Other Financing Sources (Uses):</i>			
Advances Out	0	(107,000)	(107,000)
Operating Transfers In	0	279	279
Total Other Financing Sources (Uses)	0	(106,721)	(106,721)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Expenditures Other Financing Uses	(376)	(1,774,278)	(1,773,902)
Fund Balance (Deficit) at Beginning of Year	(1,369,563)	(1,369,563)	0
Prior Year Encumbrances Appropriated	1,369,939	1,369,939	0
Fund Balance (Deficit) at End of Year	\$0	(\$1,773,902)	(\$1,773,902)

Cleveland Municipal School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - (Non-GAAP Basis) Budget And Actual
 Title VI Fund
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$2,076,966	\$840,461	(\$1,236,505)
Total Revenues	2,076,966	840,461	(1,236,505)
Expenditures:			
Current:			
<i>Instruction:</i>			
<i>Special:</i>			
Salaries and Wages	9,739	10,914	(1,175)
Fringe Benefits	2,715	3,050	(335)
Purchased Services	0	1,700	(1,700)
Materials and Supplies	1,500	3,517	(2,017)
Total Special	13,954	19,181	(5,227)
Total Instruction	13,954	19,181	(5,227)
<i>Support Services:</i>			
<i>Instructional Staff:</i>			
Salaries and Wages	588,043	582,469	5,574
Fringe Benefits	148,391	147,264	1,127
Purchased Services	199,330	123,780	75,550
Materials and Supplies	473,431	244,291	229,140
Capital Outlay - New	93,597	46,829	46,768
Total Instructional Staff	1,502,792	1,144,633	358,159
<i>Fiscal:</i>			
Other	0	4,616	(4,616)
Total Fiscal	\$0	\$4,616	(\$4,616)

(continued)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Title VI Fund (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operation and Maintenance of Plant:			
Purchased Services	\$172,267	\$0	\$172,267
Capital Outlay - New	159,359	210,817	(51,458)
Total Operation and Maintenance of Plant	<u>331,626</u>	<u>210,817</u>	<u>120,809</u>
Pupil Transportation:			
Purchased Services	2,581	2,266	315
Central:			
Purchased Services	241,147	195,266	45,881
Total Support Services	<u>2,078,146</u>	<u>1,557,598</u>	<u>520,548</u>
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	3,766	3,247	519
Materials and Supplies	102,968	70,255	32,713
Capital Outlay - New	30,610	25,977	4,633
Total Community Services	<u>137,344</u>	<u>99,479</u>	<u>37,865</u>
Total Expenditures	<u>2,229,444</u>	<u>1,676,258</u>	<u>553,186</u>
Excess of Revenues Under Expenditures	<u>(\$152,478)</u>	<u>(\$835,797)</u>	<u>(\$683,319)</u>

(continued)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Title VI Fund (continued)
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Other Financing Sources:</i>			
Advances In	<u>\$0</u>	<u>\$85,000</u>	<u>\$85,000</u>
<i>Total Other Financing Sources</i>	<u>0</u>	<u>85,000</u>	<u>85,000</u>
Excess of Revenues and Other Financing Sources Under Expenditures	(152,478)	(750,797)	(598,319)
Fund Balance (Deficit) at Beginning of Year	(77,678)	(77,678)	0
Prior Year Encumbrances Appropriated	<u>507,122</u>	<u>507,122</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$276,966</u>	<u>(\$321,353)</u>	<u>(\$598,319)</u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Emergency Immigrant Assistance Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
<i>Local Sources:</i>			
Miscellaneous	\$11,300	\$11,300	\$0
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	55,700	56,147	447
Total Revenues	67,000	67,447	447
Expenditures:			
Current:			
<i>Instruction:</i>			
Special:			
Purchased Services	14,642	23,454	(8,812)
Materials and Supplies	39,659	16,135	23,524
Total Special	54,301	39,589	14,712
Total Instruction	54,301	39,589	14,712
<i>Support Services:</i>			
Pupils:			
Salaries and Wages	26,201	13,154	13,047
Fringe Benefits	5,193	2,590	2,603
Materials and Supplies	6,953	1,096	5,857
Total Pupils	\$38,347	\$16,840	\$21,507

(continued)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Emergency Immigrant Assistance Fund (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operation and Maintenance of Plant:			
Capital Outlay - New	\$4,234	\$1,601	\$2,633
Total Operation and Maintenance of Plant	4,234	1,601	2,633
<i>Total Support Services</i>	42,581	18,441	24,140
<i>Total Expenditures</i>	96,882	58,030	38,852
Excess of Revenues Over (Under) Expenditures	(29,882)	9,417	39,299
Fund Balance at Beginning of Year	28,200	28,200	0
Prior Year Encumbrances Appropriated	1,682	1,682	0
<i>Fund Balance at End of Year</i>	\$0	\$39,299	\$39,299

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Drug Free Schools Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$950,000	\$627,413	(\$322,587)
Total Revenues	950,000	627,413	(322,587)
Expenditures:			
Current:			
<i>Instruction:</i>			
Regular:			
Purchased Services	306	249	57
Total Regular	306	249	57
<i>Support Services:</i>			
Instructional Staff:			
Salaries and Wages	640,251	653,278	(13,027)
Fringe Benefits	167,624	167,526	98
Purchased Services	118,610	101,732	16,878
Materials and Supplies	10,126	17,310	(7,184)
Total Instructional Staff	936,611	939,846	(3,235)
Operation and Maintenance of Plant:			
Salaries and Wages	4,052	3,297	755
Fringe Benefits	285	233	52
Purchased Services	0	0	0
Total Operation and Maintenance of Plant	\$4,337	\$3,530	\$807

(continued)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Drug Free Schools Fund (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Pupil Transportation:			
Purchased Services	\$8,958	\$8,821	\$137
Total Pupil Transportation	8,958	8,821	137
<i>Total Support Services</i>	949,906	952,197	(2,291)
Total Expenditures	950,212	952,446	(2,234)
Excess of Revenues Under Expenditures	(212)	(325,033)	(324,821)
<i>Other Financing Sources (Uses):</i>			
Advances In	330,000	330,000	0
Advances Out	(43,000)	(43,000)	0
<i>Total Other Financing Sources (Uses)</i>	287,000	287,000	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	286,788	(38,033)	(324,821)
Fund Balance (Deficit) at Beginning of Year	(19,035)	(19,035)	0
Prior Year Encumbrances Appropriated	19,248	19,248	0
Fund Balance (Deficit) at End of Year	\$287,001	(\$37,820)	(\$324,821)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Early Childhood Educational Development Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$20,000	\$0	(\$20,000)
Total Revenues	20,000	0	(20,000)
Expenditures:			
<i>Current:</i>			
<i>Support Services:</i>			
<i>Instructional Staff:</i>			
Materials and Supplies	23,501	3,216	20,285
Total Instructional Staff	23,501	3,216	20,285
Total Expenditures	23,501	3,216	20,285
Excess of Revenues Under Expenditures	(3,501)	(3,216)	285
Fund Balance at Beginning of Year	157	157	0
Prior Year Encumbrances Appropriated	3,344	3,344	0
Fund Balance at End of Year	\$0	\$285	\$285

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Miscellaneous Federal Grants Fund
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
<i>Federal Sources:</i>			
Unrestricted Grants-in-Aid	\$0	\$189,617	\$189,617
Restricted Grants-in-Aid	<u>3,000,000</u>	<u>3,358,694</u>	<u>358,694</u>
Total Revenues	<u>3,000,000</u>	<u>3,548,311</u>	<u>548,311</u>
Expenditures:			
Current:			
<i>Instruction:</i>			
Regular:			
Salaries and Wages	1,764	1,838	(74)
Fringe Benefits	322	335	(13)
Purchased Services	512	2,731	(2,219)
Materials and Supplies	1,308	4,518	(3,210)
Capital Outlay - New	0	39	(39)
Other	<u>0</u>	<u>189</u>	<u>(189)</u>
Total Regular	<u>3,906</u>	<u>9,650</u>	<u>(5,744)</u>
Vocational:			
Capital Outlay - New	<u>0</u>	<u>3,780</u>	<u>(3,780)</u>
Total Vocational	<u>0</u>	<u>3,780</u>	<u>(3,780)</u>
Total Instruction	<u>3,906</u>	<u>13,430</u>	<u>(9,524)</u>
<i>Support Services:</i>			
Pupils:			
Salaries and Wages	244,787	364,805	(120,018)
Fringe Benefits	69,136	87,859	(18,723)
Purchased Services	18,511	444,686	(426,175)
Materials and Supplies	58,818	63,131	(4,313)
Capital Outlay - New	<u>4,162</u>	<u>3,174</u>	<u>988</u>
Total Pupils	<u>\$395,414</u>	<u>\$963,655</u>	<u>(\$568,241)</u>

(continued)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Miscellaneous Federal Grants Fund (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Instructional Staff:			
Salaries and Wages	\$948,223	\$783,916	\$164,307
Fringe Benefits	255,920	212,757	43,163
Purchased Services	122,145	155,924	(33,779)
Materials and Supplies	226,487	151,827	74,660
Capital Outlay - New	280	280	0
Other	227	6,664	(6,437)
Total Instructional Staff	1,553,282	1,311,368	241,914
Fiscal:			
Other	0	3,691	(3,691)
Total Fiscal	0	3,691	(3,691)
Business:			
Purchased Services	1,498	1,203	295
Total Business	1,498	1,203	295
Operation and Maintenance of Plant:			
Capital Outlay - New	1,036,059	714,350	321,709
Total Operation and Maintenance of Plant	1,036,059	714,350	321,709
Pupil Transportation:			
Purchased Services	4,305	2,956	1,349
Total Pupil Transportation	4,305	2,956	1,349
Central:			
Fringe Benefits	3	2	1
Purchased Services	5,739	5,129	610
Total Central	5,742	5,131	611
Total Support Services	\$2,996,300	\$3,002,354	(\$6,054)

(continued)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Miscellaneous Federal Grants Fund (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Total Expenditures	\$3,000,206	\$3,015,784	(\$15,578)
Excess of Revenues Over (Under) Expenditures	(206)	532,527	532,733
Other Financing Uses:			
Advances Out	0	(348,000)	(348,000)
Total Other Financing Uses	0	(348,000)	(348,000)
Excess of Revenues Over (Under) Expenditure and Other Financing Uses	(206)	184,527	184,733
Fund Balance at (Deficit) Beginning of Year	(246,146)	(246,146)	0
Prior Year Encumbrances Appropriated	246,352	246,352	0
Fund Balance at End of Year	\$0	\$184,733	\$184,733

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
All Special Revenue Funds
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Local Sources:			
Interest	\$232,002	\$212,149	(\$19,853)
Tuition and Fees	18,038	98,038	80,000
Extracurricular Activities	1,265,000	1,293,306	28,306
Miscellaneous	11,300	11,300	0
State Sources:			
Restricted Grants-in-Aid	44,651,574	38,707,099	(5,944,475)
Federal Sources:			
Unrestricted Grants-in-Aid	0	189,617	189,617
Restricted Grants-in-Aid	65,261,438	59,260,417	(6,001,021)
Total Revenues	111,439,352	99,771,926	(11,667,426)
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	14,998,593	14,935,921	62,672
Fringe Benefits	4,199,821	4,182,170	17,651
Purchased Services	818	2,980	(2,162)
Materials and Supplies	7,186,218	10,193,567	(3,007,349)
Capital Outlay - New	0	38,553	(38,553)
Other	0	10,766	(10,766)
Total Regular	26,385,450	29,363,957	(2,978,507)
Special:			
Salaries and Wages	21,735,638	20,796,857	938,781
Fringe Benefits	6,102,644	5,844,245	258,399
Purchased Services	137,659	146,672	(9,013)
Materials and Supplies	2,587,597	2,859,618	(272,021)
Capital Outlay - New	35,352	21,683	13,669
Total Special	30,598,890	29,669,075	929,815
Vocational:			
Salaries and Wages	435,535	435,237	298
Fringe Benefits	125,956	126,305	(349)
Purchased Services	6,757	31,799	(25,042)
Materials and Supplies	84,779	130,997	(46,218)
Capital Outlay - New	0	102,364	(102,364)
Total Vocational	\$653,027	\$826,702	(\$173,675)

(continued)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
All Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Adult/Continuing:			
Salaries and Wages	\$1,663,228	\$889,568	\$773,660
Fringe Benefits	461,741	289,252	172,489
Purchased Services	48,577	53,206	(4,629)
Materials and Supplies	25,494	15,264	10,230
Total Adult/Continuing	2,199,040	1,247,290	951,750
Other:			
Other	0	27,779	(27,779)
Total Other	0	27,779	(27,779)
Total Instruction	59,836,407	61,134,803	(1,298,396)
Support Services:			
Pupils:			
Salaries and Wages	2,043,652	1,759,285	284,367
Fringe Benefits	509,390	441,451	67,939
Purchased Services	572,683	931,440	(358,757)
Materials and Supplies	267,474	218,811	48,663
Capital Outlay - New	106,309	173,914	(67,605)
Other	0	11,000	(11,000)
Total Pupils	3,499,508	3,535,901	(36,393)
Instructional Staff:			
Salaries and Wages	12,024,571	10,947,089	1,077,482
Fringe Benefits	2,950,274	2,685,816	264,458
Purchased Services	1,624,484	1,096,912	527,572
Materials and Supplies	2,369,483	1,548,305	821,178
Capital Outlay - New	93,911	47,875	46,036
Other	12,691	80,215	(67,524)
Total Instructional Staff	19,075,414	16,406,212	2,669,202
Administration:			
Salaries and Wages	3,613,264	3,301,031	312,233
Fringe Benefits	499,386	460,229	39,157
Purchased Services	216,092	366,923	(150,831)
Materials and Supplies	29,968	33,972	(4,004)
Other	4,580	4,157	423
Total Administration	\$4,363,290	\$4,166,312	\$196,978

(continued)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
All Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Fiscal:			
Purchased Services	\$64,624	\$29,650	\$34,974
Other	1,716	215,081	(213,365)
Total Fiscal	66,340	244,731	(178,391)
Business:			
Purchased Services	21,888	26,114	(4,226)
Total Business	21,888	26,114	(4,226)
Operation and Maintenance of Plant:			
Salaries and Wages	5,007,520	6,468	5,001,052
Fringe Benefits	1,300,910	713	1,300,197
Purchased Services	1,720,584	29,402	1,691,182
Capital Outlay - New	5,807,056	4,117,555	1,689,501
Capital Outlay - Replacement	79,550	158	79,392
Total Operation and Maintenance of Plant	13,915,620	4,154,296	9,761,324
Pupil Transportation:			
Purchased Services	529,428	262,462	266,966
Materials and Supplies	11,730	7,150	4,580
Total Pupil Transportation	541,158	269,612	271,546
Central:			
Salaries and Wages	407,191	350,796	56,395
Fringe Benefits	113,956	98,043	15,913
Purchased Services	3,068,321	1,704,825	1,363,696
Materials and Supplies	29,834	19,154	10,680
Other	12,711	10,723	1,988
Total Central	3,632,213	2,183,541	1,448,672
Total Support Services	\$45,115,431	\$30,986,719	\$14,128,712

(continued)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
All Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<i>Operation of Non-Instructional Services:</i>			
<i>Community Services:</i>			
Salaries and Wages	\$5,018,514	\$4,232,104	\$786,410
Fringe Benefits	1,400,182	1,213,259	186,923
Purchased Services	1,965,566	4,447,813	(2,482,247)
Materials and Supplies	5,211,826	1,899,317	3,312,509
Capital Outlay - New	89,488	74,424	15,064
Other	514,628	318,054	196,574
Total Community Services	14,200,204	12,184,971	2,015,233
Total Operation of Non-Instructional Services	14,200,204	12,184,971	2,015,233
<i>Extracurricular Activities:</i>			
<i>Academic and Subject Oriented Activities:</i>			
Purchased Services	477,214	192,026	285,188
Materials and Supplies	802,424	306,766	495,658
Capital Outlay - New	0	27,163	(27,163)
Other	2,865	474,973	(472,108)
Total Academic and Subject Oriented Activities	1,282,503	1,000,928	281,575
<i>Sports Oriented Activities:</i>			
Fringe Benefits	281	90	191
Purchased Services	453,359	176,249	277,110
Materials and Supplies	25,060	15,363	9,697
Capital Outlay - New	73,456	0	73,456
Other	739,673	0	739,673
Total Sports Oriented Activities	1,291,829	191,702	1,100,127
Total Extracurricular Activities	\$2,574,332	\$1,192,630	\$1,381,702 (continued)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
All Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Capital Outlay:			
Site Acquisition Services:			
Capital Outlay - New	\$30,217	\$54,085	(\$23,868)
Capital Outlay - Replacement	230,000	207,339	22,661
Total Site Acquisition Services	<u>260,217</u>	<u>261,424</u>	<u>(1,207)</u>
Total Capital Outlay	<u>260,217</u>	<u>261,424</u>	<u>(1,207)</u>
Total Expenditures	<u>121,986,591</u>	<u>105,760,547</u>	<u>16,226,044</u>
Excess of Revenues Under Expenditures	<u>(10,547,239)</u>	<u>(5,988,621)</u>	<u>4,558,618</u>
Other Financing Sources (Uses):			
Advances In	828,000	1,231,000	403,000
Advances Out	(192,000)	(2,009,000)	(1,817,000)
Operating Transfers In	13,450	45,539	32,089
Total Other Financing Sources Uses	<u>649,450</u>	<u>(732,461)</u>	<u>(1,381,911)</u>
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	<u>(9,897,789)</u>	<u>(6,721,082)</u>	<u>3,176,707</u>
Fund Balances at Beginning of Year	4,490,025	4,490,025	0
Prior Year Encumbrances Appropriated	<u>5,747,134</u>	<u>5,747,134</u>	<u>0</u>
Fund Balances (Deficit) at End of Year	<u>\$339,370</u>	<u>\$3,516,077</u>	<u>\$3,176,707</u>

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Debt Service Fund

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Cleveland Municipal School District

Comparative Balance Sheet

Debt Service Fund

June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Assets:		
Equity in Pooled Cash and Cash Equivalents	\$26,744,678	\$4,055,625
Cash and Cash Equivalents With Fiscal Agents	1,473	2,112
Investments with Fiscal Agents With Fiscal Agents	894,673 0	21,348,076 0
Receivables: Taxes Receivable	19,596,018	19,670,470
Total Assets	<u>\$47,236,842</u>	<u>\$45,076,283</u>
Liabilities:		
Interfund Payable	\$3,150,000	\$3,535,796
Deferred Revenue	17,680,046	18,384,459
Total Liabilities	<u>20,830,046</u>	<u>21,920,255</u>
Fund Equity:		
Fund Balance: Reserved for Property Taxes	1,779,966	1,123,073
Unreserved, Undesignated	24,626,830	22,032,955
Total Fund Equity	<u>26,406,796</u>	<u>23,156,028</u>
Total Liabilities and Fund Equity	<u>\$47,236,842</u>	<u>\$45,076,283</u>

Cleveland Municipal School District
 Comparative Statement of Revenues, Expenditures
 and Changes in Fund Balance
 Debt Service Fund
 For the Fiscal Years Ended June 30, 1999 and 1998

	1999	1998
<i>Revenues:</i>		
<i>Local Sources:</i>		
Taxes	\$15,374,315	\$13,184,543
Interest	1,547,999	1,220,340
<i>State Sources:</i>		
Restricted Grants-in-Aid	0	1,434,593
Total Revenues	16,922,314	15,839,476
<i>Expenditures:</i>		
Current:		
<i>Support Services:</i>		
Fiscal	235,480	232,842
Debt Service:		
Principal Retirement	7,775,000	7,420,000
Interest and Fiscal Charges	5,661,066	6,022,681
Total Expenditures	13,671,546	13,675,523
Excess of Revenues Over Expenditures	3,250,768	2,163,953
Fund Balance at Beginning of Year	23,156,028	20,992,075
Fund Balance at End of Year	\$26,406,796	\$23,156,028

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Debt Service Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
<i>Local Sources:</i>			
Taxes	\$14,564,801	\$14,744,354	\$179,553
Interest	0	1,552,814	1,552,814
Total Revenues	14,564,801	16,297,168	1,732,367
Expenditures:			
<i>Support Services:</i>			
Fiscal:			
Purchased Services	235,480	235,480	0
Total Fiscal	235,480	235,480	0
Debt Service:			
Principal Retirement	7,775,000	7,775,000	0
Interest and Fiscal Charges	5,661,066	5,661,066	0
Total Debt Service	13,436,066	13,436,066	0
Total Expenditures	13,671,546	13,671,546	0
Excess of Revenues Over Expenditures	893,255	2,625,622	1,732,367
<i>Other Financing Uses:</i>			
Advances Out	0	(385,796)	(385,796)
Excess of Revenues Over Expenditures and Other Financing Uses	893,255	2,239,826	1,346,571
Fund Balance at Beginning of Year	25,510,212	25,510,212	0
Fund Balance at End of Year	\$26,403,467	\$27,750,038	\$1,346,571

Capital Projects Funds

Capital Projects Funds account for the acquisition, construction or improvement of capital facilities other than those financed by proprietary and trust funds.

Permanent Improvement Fund - This fund accounts for transactions related to acquiring, constructing or improving capital facilities.

Energy Conservation Assistance Fund - This fund accounts for grant monies received to implement energy conservation measures.

School Net Plus Fund - This fund accounts for State monies to be used to provide wiring to all classrooms that supports the transmission of voice, video and data, and to provide a computer workstation and related technology for every classroom.

School Facility Grant Fund - This fund accounts for State monies received school facility improvements.

Ohio School Net Telecommunications Fund - This fund accounts for State monies to be used for telecommunication equipment.

Cleveland Municipal School District
Combining Balance Sheet
All Capital Projects Funds
June 30, 1999
(With Comparative Totals for June 30, 1998)

	<u>Permanent Improvement</u>	<u>Energy Conservation Assistance</u>	<u>School Net Plus</u>
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$6,782,576	\$48,358	\$6,747,884
Receivables:			
Intergovernmental	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$6,782,576</u>	<u>\$48,358</u>	<u>\$6,747,884</u>
Liabilities:			
Accounts Payable	\$59,109	\$0	\$46,069
Accrued Wages and Benefits	0	0	171,711
Intergovernmental Payable	<u>0</u>	<u>0</u>	<u>24,040</u>
Total Liabilities	<u>59,109</u>	<u>0</u>	<u>241,820</u>
Fund Equity:			
Fund Balance:			
Reserved for Encumbrances	710,109	0	2,202,762
Unreserved, Undesignated	<u>6,013,358</u>	<u>48,358</u>	<u>4,303,302</u>
Total Fund Equity	<u>6,723,467</u>	<u>48,358</u>	<u>6,506,064</u>
Total Liabilities and Fund Equity	<u>\$6,782,576</u>	<u>\$48,358</u>	<u>\$6,747,884</u>

School Facility Grant	Ohio School Net Telecommunications	TOTALS	
		1999	1998
\$15,160,780	\$392,104	\$29,131,702	\$24,591,379
<u>0</u>	<u>0</u>	<u>0</u>	<u>40,000</u>
<u>\$15,160,780</u>	<u>\$392,104</u>	<u>\$29,131,702</u>	<u>\$24,631,379</u>
\$99,775	\$380	\$205,333	\$268,428
0	0	171,711	55,162
<u>0</u>	<u>0</u>	<u>24,040</u>	<u>7,723</u>
<u>99,775</u>	<u>380</u>	<u>401,084</u>	<u>331,313</u>
6,702,683	22,554	9,638,108	3,442,745
<u>8,358,322</u>	<u>369,170</u>	<u>19,092,510</u>	<u>20,857,321</u>
<u>15,061,005</u>	<u>391,724</u>	<u>28,730,618</u>	<u>24,300,066</u>
<u>\$15,160,780</u>	<u>\$392,104</u>	<u>\$29,131,702</u>	<u>\$24,631,379</u>

Cleveland Municipal School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Capital Projects Funds
For the Fiscal Year Ended June 30, 1999
(With Comparative Totals for the Fiscal Year Ended June 30, 1998)

	Permanent Improvement	Energy Conservation Assistance	School Net Plus
Revenues:			
Local Sources:			
Interest	\$0	\$0	\$0
Miscellaneous	972,730	0	0
State Sources:			
Restricted Grants-in-Aid	0	0	7,823,720
Total Revenues	972,730	0	7,823,720
Expenditures:			
Operation and Maintenance of Plant	2,520	0	0
Support Services:			
Instructional Staff	0	0	24,040
Capital Outlay	829,217	0	4,317,101
Total Expenditures	831,737	0	4,341,141
Excess of Revenues Over (Under) Expenditures	140,993	0	3,482,579
Other Financing Sources (Uses):			
Operating Transfers In	0	0	0
Total Other Financing Sources (Uses)	0	0	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	140,993	0	3,482,579
Fund Balances at Beginning of Year	6,582,474	48,358	3,023,485
Fund Balances at End of Year	\$6,723,467	\$48,358	\$6,506,064

School Facility Grant	Ohio School Net Telecommunications	TOTALS	
		1999	1998
\$724,168	\$0	\$724,168	\$192,909
0	0	972,730	94,723
<u>307,037</u>	<u>300,000</u>	<u>8,430,757</u>	<u>24,785,944</u>
<u>1,031,205</u>	<u>300,000</u>	<u>10,127,655</u>	<u>25,073,576</u>
222,528	0	225,048	0
0	0	24,040	0
<u>99,775</u>	<u>201,922</u>	<u>5,448,015</u>	<u>18,882,699</u>
<u>322,303</u>	<u>201,922</u>	<u>5,697,103</u>	<u>18,882,699</u>
<u>708,902</u>	<u>98,078</u>	<u>4,430,552</u>	<u>6,190,877</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>5,885,737</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>5,885,737</u>
708,902	98,078	4,430,552	12,076,614
<u>14,352,103</u>	<u>293,646</u>	<u>24,300,066</u>	<u>12,223,452</u>
<u>\$15,061,005</u>	<u>\$391,724</u>	<u>\$28,730,618</u>	<u>\$24,300,066</u>

Cleveland Municipal School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance -(Non-GAAP Basis) Budget And Actual
 Permanent Improvement Fund
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
<i>Local Sources:</i>			
Miscellaneous	\$1,000,000	\$1,012,730	\$12,730
Total Revenues	1,000,000	1,012,730	12,730
Expenditures:			
Current:			
<i>Support Services:</i>			
Operation and Maintenance of Plant:			
Purchased Services	6,179	2,774	3,405
Capital Outlay:			
<i>Facilities Acquisition and Construction Services:</i>			
Site Improvement Services:			
Purchased Services	10,000	10,000	0
Capital Outlay - New	230,200	115,100	115,100
Total Site Improvement Services	240,200	125,100	115,100
Architecture and Engineering Services:			
Purchased Services	345,480	147,157	198,323
Building Improvement Services:			
Capital Outlay - New	\$2,547,500	\$1,325,191	\$1,222,309

(continued)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Permanent Improvement Fund (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Other Facilities Acquisition and Construction Services: Purchased Services	\$11	\$11	\$0
Total Capital Outlay	3,133,191	1,597,459	1,535,732
Total Expenditures	3,139,370	1,600,233	1,539,137
Excess of Revenues Under Expenditures	(2,139,370)	(587,503)	1,551,867
Fund Balance at Beginning of Year	5,302,408	5,302,408	0
Prior Year Encumbrances Appropriated	1,357,562	1,357,562	0
Fund Balance at End of Year	\$4,520,600	\$6,072,467	\$1,551,867

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
School Net Plus Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
<i>State Sources:</i>			
Restricted Grants-in-Aid	\$7,900,000	\$7,823,720	(\$76,280)
Total Revenues	7,900,000	7,823,720	(76,280)
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Purchased Services	659,436	0	659,436
Capital Outlay - New	6,030,062	3,476,993	2,553,069
Total Instruction	6,689,498	3,476,993	3,212,505
<i>Support Services:</i>			
<i>Instructional Staff:</i>			
Salaries and Wages	819,815	604,741	215,074
Fringe Benefits	224,538	164,356	60,182
Purchased Services	15,320	86,313	(70,993)
Materials and Supplies	2,040,983	1,037,068	1,003,915
Total Instructional Staff	3,100,656	1,892,478	1,208,178
<i>Operation and Maintenance of Plant:</i>			
Purchased Services	2,743	3,854	(1,111)
Capital Outlay - New	486,892	376,361	110,531
Total Operation and Maintenance of Plant	489,635	380,215	109,420
<i>Central:</i>			
Purchased Services	848,063	756,765	91,298
Total Support Services	4,438,354	3,029,458	1,408,896
Total Expenditures	\$11,127,852	\$6,506,451	\$4,621,401 (continued)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
School Net Plus Fund (continued)
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Excess of Revenues Over (Under) Expenditures	(\$3,227,852)	\$1,317,269	\$4,545,121
Fund Balance at Beginning of Year	1,019,354	1,019,354	0
Prior Year Encumbrances Appropriated	<u>2,208,498</u>	<u>2,208,498</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$4,545,121</u>	<u>\$4,545,121</u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Ohio School Net Telecommunications Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
<i>State Sources:</i>			
Restricted Grants-in-Aid	\$300,000	\$300,000	\$0
Total Revenues	300,000	300,000	0
Expenditures:			
<i>Current:</i>			
<i>Support Services:</i>			
<i>Instructional Staff:</i>			
Purchased Services	69,368	25,152	44,216
Materials and Supplies	4,184	1,517	2,667
Total Instructional Staff	73,552	26,669	46,883
<i>Operation and Maintenance of Plant:</i>			
Purchased Services	22,544	0	22,544
Capital Outlay - New	507,000	206,878	300,122
Total Operation and Maintenance of Plant	529,544	206,878	322,666
Total Expenditures	603,096	233,547	369,549
Excess of Revenues Over (Under) Expenditures	(303,096)	66,453	369,549
Fund Balance at Beginning of Year	303,096	303,096	0
Fund Balance at End of Year	\$0	\$369,549	\$369,549

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
School Facility Grant Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
<i>Local Sources:</i>			
Interest	\$0	\$724,168	\$724,168
<i>State Sources:</i>			
Restricted Grants-in-Aid	0	307,037	307,037
Total Revenues	0	1,031,205	1,031,205
Expenditures:			
Current:			
<i>Support Services:</i>			
Operation and Maintenance of Plant:			
Purchased Services	594,369	594,368	1
Capital Outlay - Replacement	13,757,734	6,330,843	7,426,891
Total Expenditures	14,352,103	6,925,211	7,426,892
Excess of Revenues Over (Under) Expenditures	(14,352,103)	(5,894,006)	8,458,097
Fund Balance at Beginning of Year	14,352,103	14,352,103	0
Fund Balance at End of Year	\$0	\$8,458,097	\$8,458,097

Cleveland Municipal School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - (Non-GAAP Basis) Budget And Actual
 Energy Conservation Assistance Fund
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$0	\$0	\$0
Expenditures:			
Current:			
<i>Instruction:</i>			
Regular:			
Materials and Supplies	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Under Expenditures	0	0	0
Fund Balance at Beginning of Year	48,358	48,358	0
Prior Year Encumbrances Appropriated	0	0	0
Fund Balance at End of Year	\$48,358	\$48,358	\$0

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balances - (Non-GAAP Basis) Budget And Actual
All Capital Projects Funds
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
<i>Local Sources:</i>			
Interest	\$0	\$724,168	\$724,168
Miscellaneous	1,000,000	1,012,730	12,730
<i>State Sources:</i>			
Restricted Grants-in-Aid	8,200,000	8,430,757	230,757
Total Revenues	9,200,000	10,167,655	967,655
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
<i>Regular:</i>			
Purchased Services	659,436	0	659,436
Capital Outlay - New	6,030,062	3,476,993	2,553,069
Total Regular	6,689,498	3,476,993	3,212,505
Total Instruction	6,689,498	3,476,993	3,212,505
<i>Support Services:</i>			
<i>Instructional Staff:</i>			
Salaries and Wages	819,815	604,741	215,074
Fringe Benefits	224,538	164,356	60,182
Purchased Services	84,688	111,465	(26,777)
Materials and Supplies	2,045,167	1,038,585	1,006,582
Total Instructional Staff	3,174,208	1,919,147	1,255,061
<i>Operation and Maintenance of Plant:</i>			
Purchased Services	625,835	600,996	24,839
Capital Outlay - New	993,892	583,239	410,653
Capital Outlay - Replacement	13,757,734	6,330,843	7,426,891
Total Operation and Maintenance of Plant	15,377,461	7,515,078	7,862,383
<i>Central:</i>			
Purchased Services	848,063	756,765	91,298
Total Support Services	\$19,399,732	\$10,190,990	\$9,208,742

(continued)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balances - (Non-GAAP Basis) Budget And Actual
All Capital Projects Funds (continued)
For the Fiscal Year Ended June 30, 1999

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Capital Outlay:			
Site Improvement Services:			
Purchased Services	\$10,000	\$10,000	\$0
Capital Outlay - New	<u>230,200</u>	<u>115,100</u>	<u>115,100</u>
Total Site Improvement Services	<u>240,200</u>	<u>125,100</u>	<u>115,100</u>
Architecture and Engineering Services:			
Purchased Services	345,480	147,157	198,323
Building Improvement Services:			
Capital Outlay - New	2,547,500	1,325,191	1,222,309
Other Facilities Acquisition and Construction Services:			
Purchased Services	<u>11</u>	<u>11</u>	<u>0</u>
Total Capital Outlay	<u>3,133,191</u>	<u>1,597,459</u>	<u>1,535,732</u>
Total Expenditures	<u>29,222,421</u>	<u>15,265,442</u>	<u>13,956,979</u>
Excess of Revenues Over (Under) Expenditures	(20,022,421)	(5,097,787)	14,924,634
Fund Balances at Beginning of Year	21,025,319	21,025,319	0
Prior Year Encumbrances Appropriated	<u>3,566,060</u>	<u>3,566,060</u>	<u>0</u>
Fund Balances at End of Year	<u>\$4,568,958</u>	<u>\$19,493,592</u>	<u>\$14,924,634</u>

Enterprise Funds

The Enterprise Funds are established to account for the acquisition and operation of governmental facilities and services that are entirely or predominantly self-supporting from user charges.

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the School District.

Consumer Services Rotary Fund - This fund accounts for receipts and purchases made in connection with the sale of consumer services provided by vocational students.

Child Care Center Fund - This fund accounts for income and expenses made in connection with providing child care services to parents enrolled in a vocational program.

Cleveland Municipal School District
Combining Balance Sheet
All Enterprise Funds
June 30, 1999
(With Comparative Totals for June 30, 1998)

	Food Service	Consumer Services Rotary	Child Care Center
Assets:			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$5,059,148	\$165,438	(\$2)
Receivables:			
Accounts	35,733	1,059	0
Intergovernmental	2,703,692	11,231	9,121
Materials and Supplies Inventory	450,802	0	0
Total Current Assets	8,249,375	177,728	9,119
Non-Current Assets:			
Fixed Assets (Net of Accumulated Depreciation)	524,157	0	0
Total Assets	\$8,773,532	\$177,728	\$9,119
Liabilities:			
Current Liabilities:			
Accounts Payable	\$422,266	\$2,310	\$1,872
Accrued Wages and Benefits	597,174	1,986	27,296
Interfund Payable	0	0	0
Intergovernmental Payable	54,425	0	0
Deferred Revenue	337,754	0	0
Total Current Liabilities	1,411,619	4,296	29,168
Long-Term Liabilities:			
Accrued Wages and Benefits	444,614	0	7,396
Total Liabilities	1,856,233	4,296	36,564
Fund Equity:			
Retained Earnings:			
Unreserved	6,917,299	173,432	(27,445)
Total Liabilities and Fund Equity	\$8,773,532	\$177,728	\$9,119

TOTALS	
1999	1998
\$5,224,584	\$4,800,428
36,792	17,825
2,724,044	3,092,448
<u>450,802</u>	<u>779,526</u>
8,436,222	8,690,227
<u>524,157</u>	<u>455,921</u>
<u>\$8,960,379</u>	<u>\$9,146,148</u>
\$426,448	\$612,214
626,456	624,242
0	480,000
54,425	40,118
<u>337,754</u>	<u>589,169</u>
1,445,083	2,345,743
<u>452,010</u>	<u>574,000</u>
<u>1,897,093</u>	<u>2,919,743</u>
<u>7,063,286</u>	<u>6,226,405</u>
<u>\$8,960,379</u>	<u>\$9,146,148</u>

Cleveland Municipal School District
Combining Statement of Revenues,
Expenses and Changes in Retained Earnings
All Enterprise Funds
For the Fiscal Year Ended June 30, 1999
(With Comparative Totals for the Fiscal Year Ended June 30, 1998)

	Food Service	Consumer Services Rotary	Child Care Center
<i>Operating Revenues:</i>			
Sales	\$2,549,808	\$1,059	\$0
Charges for Services	946	16,534	0
Interest	0	0	0
Contribution and Donations	0	0	0
Other	56,251	238,121	165,995
<i>Total Operating Revenues</i>	<u>2,607,005</u>	<u>255,714</u>	<u>165,995</u>
<i>Operating Expenses:</i>			
Salaries	7,490,212	161,564	242,687
Fringe Benefits	3,785,189	41,202	61,275
Purchased Services	944,446	19,124	0
Materials and Supplies	12,081,418	13,064	0
Depreciation	122,235	8,117	0
Other	159,640	0	0
<i>Total Operating Expenses</i>	<u>24,583,140</u>	<u>243,071</u>	<u>303,962</u>
<i>Operating (Loss) Income</i>	<u>(21,976,135)</u>	<u>12,643</u>	<u>(137,967)</u>
<i>Non-Operating Revenues:</i>			
Donated Commodities	1,080,194	0	0
Operating Grants	21,264,152	0	(17,539)
<i>Total Non-Operating Revenues</i>	<u>22,344,346</u>	<u>0</u>	<u>(17,539)</u>
<i>Income (Loss) Before Operating Transfers</i>	<u>368,211</u>	<u>12,643</u>	<u>(155,506)</u>
<i>Operating Transfers In</i>	<u>0</u>	<u>0</u>	<u>611,533</u>
<i>Net Income (Loss)</i>	<u>368,211</u>	<u>12,643</u>	<u>456,027</u>
Retained Earnings (Deficit) at Beginning of Year	6,549,088	160,789	(483,472)
<i>Retained Earnings (Deficit) at End of Year</i>	<u>\$6,917,299</u>	<u>\$173,432</u>	<u>(\$27,445)</u>

TOTALS	
1999	1998
\$2,550,867	\$2,556,152
17,480	0
0	0
0	0
460,367	542,363
<u>3,028,714</u>	<u>3,098,515</u>
7,894,463	7,393,411
3,887,666	3,555,827
963,570	1,195,320
12,094,482	12,453,491
130,352	80,950
159,640	160,733
<u>25,130,173</u>	<u>24,839,732</u>
<u>(22,101,459)</u>	<u>(21,741,217)</u>
1,080,194	1,431,149
<u>21,246,613</u>	<u>22,237,109</u>
<u>22,326,807</u>	<u>23,668,258</u>
225,348	1,927,041
<u>611,533</u>	<u>0</u>
836,881	1,927,041
<u>6,226,405</u>	<u>4,299,364</u>
<u>\$7,063,286</u>	<u>\$6,226,405</u>

Cleveland Municipal School District
Combining Statement of Cash Flows
All Enterprise Funds
For the Fiscal Year Ended June 30, 1999
(With Comparative Totals for the Fiscal Year Ended June 30, 1998)

	Food Service	Consumer Services Rotary	Child Care Center
<i>Increase (Decrease) In Cash and Cash Equivalents:</i>			
<i>Cash Flows from Operating Activities:</i>			
Cash Received from Customers	\$2,522,400	\$0	\$0
Cash Received from Quasi-External Transaction with Other Funds	946	16,534	0
Cash Received from Other Operating Sources	56,251	271,862	165,995
Cash Payments to Suppliers for Goods and Services	(12,039,850)	(44,245)	5,575
Cash Payments to Employees for Services	(7,614,650)	(165,468)	(243,270)
Cash Payments for Employee Benefits	(3,769,964)	(41,788)	(60,253)
Cash Payments for Other Operating Activities	(159,640)	0	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	(21,004,507)	36,895	(131,953)
<i>Cash Flows from Noncapital Financing Activities:</i>			
Operating Grants Received	21,590,776	0	0
Advances In	0	0	0
Advances Out	0	0	(480,000)
Transfer In	0	0	611,533
<i>Net Cash Provided by Noncapital Financing Activities</i>	21,590,776	0	131,533
<i>Cash Flows from Capital and Related Financing Activities:</i>			
Payments for Capital Acquisitions	(198,588)	0	0
Net Increase in Cash and Cash Equivalents	387,683	36,895	(422)
Cash and Cash Equivalents at Beginning of Year	4,671,465	128,543	420
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$5,059,148</u>	<u>\$165,438</u>	<u>(\$2)</u>

TOTALS	
1999	1998
\$2,522,400	\$2,555,220
17,480	0
494,108	570,397
(12,078,520)	(11,966,626)
(8,023,388)	(7,270,995)
(3,872,005)	(3,544,530)
(159,640)	(160,733)
<u>(21,099,565)</u>	<u>(19,817,267)</u>
21,590,776	21,400,980
0	480,000
(480,000)	(300,000)
611,533	0
<u>21,722,309</u>	<u>21,580,980</u>
<u>(198,588)</u>	<u>(169,807)</u>
424,156	1,593,906
<u>4,800,428</u>	<u>3,206,522</u>
<u>\$5,224,584</u>	<u>\$4,800,428</u>

(continued)

Cleveland Municipal School District
Combining Statement of Cash Flows
All Enterprise Funds (continued)
For the Fiscal Year Ended June 30, 1999
(With Comparative Totals for the Fiscal Year Ended June 30, 1998)

	<u>Food Service</u>	<u>Consumer Services Rotary</u>	<u>Child Care Center</u>
<i>Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities:</i>			
<i>Operating Income (Loss)</i>	(\$21,976,135)	\$12,643	(\$137,967)
Depreciation	122,235	8,117	0
Donated Commodities Used During Year	1,080,194	0	0
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(27,408)	8,441	0
(Increase) Decrease in Intergovernmental Receivable	0	24,241	0
(Increase) Decrease in Materials and Supplies Inventory	328,724	0	0
Increase (Decrease) in Accounts Payable	(171,489)	(12,057)	(2,220)
Increase (Decrease) in Accrued Wages and Benefits	(123,520)	(4,490)	8,234
Increase (Decrease) in Intergovernmental Payable	14,307	0	0
Increase/(Decrease) in Deferred Revenue	(251,415)	0	0
<i>Total Adjustments</i>	971,628	24,252	6,014
<i>Net Cash Provided by (Used For) Operating Activities</i>	(\$21,004,507)	\$36,895	(\$131,953)

TOTALS	
1999	1998
(<u>\$22,101,459</u>)	(<u>\$21,741,217</u>)
130,352	80,950
1,080,194	1,431,149
(18,967)	62,574
24,241	(35,472)
328,724	231,619
(185,766)	241,193
(119,776)	93,595
14,307	40,118
(<u>251,415</u>)	<u>221,776</u>
<u>1,001,894</u>	<u>2,367,502</u>
<u>(<u>\$21,099,565</u>)</u>	<u>(<u>\$19,373,715</u>)</u>

Internal Service Fund

The Internal Service Fund accounts 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.

Self-Insurance Fund - This fund accounts for the insurance premiums revenue received from other funds and settlement expenses for all uninsured claims against and insurance policy deductibles of the School District.

Cleveland Municipal School District

Comparative Balance Sheet

Internal Service Fund

June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Assets:		
Equity in Pooled Cash and Cash Equivalents	<u>\$2,590,992</u>	<u>\$1,917,495</u>
Total Assets	<u><u>\$2,590,992</u></u>	<u><u>\$1,917,495</u></u>
Liabilities:		
Accounts Payable	\$2,311	\$0
Claims Payable	<u>585,365</u>	<u>559,358</u>
Total Liabilities	<u>587,676</u>	<u>559,358</u>
Fund Equity:		
Retained Earnings: Unreserved	<u>2,003,316</u>	<u>1,358,137</u>
Total Liabilities and Fund Equity	<u><u>\$2,590,992</u></u>	<u><u>\$1,917,495</u></u>

Cleveland Municipal School District
Comparative Statement of Revenues, Expenses
and Changes in Retained Earnings
Internal Service Fund
For the Fiscal Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
<i>Operating Revenues:</i>		
Charges for Services	<u>\$1,000,000</u>	<u>\$1,000,000</u>
<i>Operating Expenses:</i>		
Claims	<u>354,821</u>	<u>773,747</u>
<i>Net Income</i>	645,179	226,253
Retained Earnings at Beginning of Year	<u>1,358,137</u>	<u>1,131,884</u>
<i>Retained Earnings at End of Year</i>	<u>\$2,003,316</u>	<u>\$1,358,137</u>

Cleveland Municipal School District
Comparative Statement of Cash Flows
Internal Service Fund
For the Fiscal Years Ended June 30, 1999 and 1998

	1999	1998
<i>Increase (Decrease) In Cash and Cash Equivalents:</i>		
<i>Cash Flows from Operating Activities:</i>		
Cash Received from Quasi-External Transactions with Other Funds	\$1,000,000	\$1,000,000
Cash Payments for Claims	(326,503)	(787,274)
<i>Net Cash Provided by Operating Activities</i>	673,497	212,726
Cash and Cash Equivalents at Beginning of Year	1,917,495	1,704,769
<i>Cash and Cash Equivalents at End of Year</i>	\$2,590,992	\$1,917,495
<i>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</i>		
<i>Operating Income</i>	\$645,179	\$226,253
<i>Changes in Liabilities:</i>		
Increase in Accounts Payable	2,311	0
Increase (Decrease) in Claims Payable	26,007	(13,527)
<i>Net Cash Provided by Operating Activities</i>	\$673,497	\$212,726

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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 governmental units and other funds. These include expendable trust and agency funds. The following are the School District's fiduciary fund types:

Expendable Trust Funds

Educational Special Trust Fund - This fund accounts for monies held in a trustee capacity for purposes directly related to the educational process.

Administrative Special Trust Fund - This fund accounts for monies held in a trustee capacity for administrative purposes.

Agency Funds

District Agency Fund - This fund accounts for those assets held by the School District as an agent for individuals, private organizations, other governmental units and/or other funds.

Remedial Order Agency Fund - This fund accounts for desegregation monies unavailable for expenditure by the School District.

Cleveland Municipal School District
Combining Balance Sheet
All Trust and Agency Funds
June 30, 1999
(With Comparative Totals for June 30, 1998)

	<u>Expendable Trust Funds</u>		
	<u>Educational Special Trust</u>	<u>Administrative Special Trust</u>	<u>Agency Funds</u>
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$1,611,903	\$482	\$25,688,938
Receivables:			
Taxes	0	0	0
Accounts	268,715	0	0
Intergovernmental Receivable	0	0	0
Total Assets	<u>\$1,880,618</u>	<u>\$482</u>	<u>\$25,688,938</u>
Liabilities:			
Accounts Payable	\$135,476	\$0	\$0
Accrued Wages and Benefits	43,703	14,209	0
Interfund Payable	0	7,000	0
Deferred Revenue	1,319,295	0	0
Undistributed Monies	0	0	20,000,000
Payroll Withholdings	0	0	5,688,938
Total Liabilities	<u>1,498,474</u>	<u>21,209</u>	<u>25,688,938</u>
Fund Equity:			
Fund Balance:			
Reserved for Encumbrances	149,017	0	0
Unreserved, Undesignated (Deficit)	233,127	(20,727)	0
Total Fund Equity (Deficit)	<u>382,144</u>	<u>(20,727)</u>	<u>0</u>
Total Liabilities, Fund Equity and Other Credits	<u>\$1,880,618</u>	<u>\$482</u>	<u>\$25,688,938</u>

TOTALS	
1999	1998
\$27,301,323	\$26,468,635
0	0
268,715	0
0	1,319
<u>\$27,570,038</u>	<u>\$26,469,954</u>
\$135,476	\$31,626
57,912	27,742
7,000	0
1,319,295	1,319,295
20,000,000	20,000,000
5,688,938	5,091,291
<u>27,208,621</u>	<u>26,469,954</u>
149,017	20,488
212,400	(20,488)
<u>361,417</u>	<u>0</u>
<u>\$27,570,038</u>	<u>\$26,469,954</u>

Cleveland Municipal School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Expendable Trust Funds
For the Fiscal Year Ended June 30, 1999
(With Comparative Totals for the Fiscal Year Ended June 30, 1998)

	Educational Special Trust	Administrative Special Trust	TOTALS	
			1999	1998
Revenues:				
<i>Local Sources:</i>				
Interest	\$8,434	\$0	\$8,434	\$21,727
Tuition and Fees	49,027	0	49,027	39,681
Extracurricular Activities	1,544	0	1,544	1,888
Miscellaneous	1,712,850	51,896	1,764,746	1,122,772
Total Revenues	1,771,855	51,896	1,823,751	1,186,068
Expenditures:				
<i>Current:</i>				
<i>Instruction:</i>				
Adult/Continuing	0	0	0	81
<i>Support Services:</i>				
Pupils	491,464	0	491,464	166,464
Instructional Staff	545,230	0	545,230	619,709
Administration	218,757	72,623	291,380	71,639
Operation and Maintenance of Plant	100,504	0	100,504	106,102
Pupil Transportation	15,101	0	15,101	38,681
Central	18,655	0	18,655	183,392
Total Expenditures	1,389,711	72,623	1,462,334	1,186,068
Excess of Revenues Over (Under) Expenditures	382,144	(20,727)	361,417	0
Fund Balances at Beginning of Year	0	0	0	0
Fund Balances (Deficit) at End of Year	\$382,144	(\$20,727)	\$361,417	\$0

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Educational Special Trust Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
<i>Local Sources:</i>			
Interest	\$0	\$8,434	\$8,434
Tuition and Fees	0	49,027	49,027
Extracurricular Activities	0	1,554	1,554
Miscellaneous	1,200,000	1,444,135	244,135
Total Revenues	1,200,000	1,503,150	303,150
Expenditures:			
<i>Current:</i>			
<i>Support Services:</i>			
<i>Pupils:</i>			
Salaries and Wages	596,958	263,856	333,102
Fringe Benefits	162,540	76,997	85,543
Purchased Services	87,575	54,732	32,843
Materials and Supplies	25,279	9,935	15,344
Capital Outlay - New	8,034	44,906	(36,872)
Other	16,635	8,034	8,601
Total Pupils	897,021	458,460	438,561
<i>Instructional Staff:</i>			
Salaries and Wages	392,995	206,220	186,775
Fringe Benefits	95,497	46,604	48,893
Purchased Services	289,960	160,818	129,142
Materials and Supplies	187,371	123,770	63,601
Capital Outlay - New	3,992	4,376	(384)
Other	63,610	32,287	31,323
Total Instructional Staff	1,033,425	574,075	459,350
<i>Administration:</i>			
Purchased Services	394,936	223,875	171,061
<i>Operation and Maintenance of Plant:</i>			
Salaries and Wages	14,523	449	14,074
Fringe Benefits	2,292	0	2,292
Capital Outlay - New	177,882	118,422	59,460
Total Operation and Maintenance of Plant	194,697	118,871	75,826
<i>Pupil Transportation:</i>			
Purchased Services	12,354	13,745	(1,391)
<i>Central:</i>			
Purchased Services	34,084	17,900	16,184
Total Support Services	2,566,517	1,406,926	1,159,591
Total Expenditures	2,566,517	1,406,926	1,159,591
Excess of Revenues Over (Under) Expenditures	(1,366,517)	96,224	1,462,741
Fund Balance at Beginning of Year	1,336,328	1,336,328	0
Prior Year Encumbrances Appropriated	30,189	30,189	0
Fund Balance at End of Year	\$0	\$1,462,741	\$1,462,741

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
Administrative Special Trust Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
<i>Local Sources:</i>			
Miscellaneous	\$80,000	\$53,215	(\$26,785)
Total Revenues	80,000	53,215	(26,785)
Expenditures:			
Current:			
<i>Support Services:</i>			
Administration:			
Salaries and Wages	71,181	55,298	15,883
Fringe Benefits	19,646	15,262	4,384
Total Administration	90,827	70,560	20,267
Total Support Services	90,827	70,560	20,267
Total Expenditures	90,827	70,560	20,267
Excess of Revenues Over (Under) Expenditures	(10,827)	(17,345)	(6,518)
Other Financing Sources:			
Advances In	0	7,000	7,000
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(10,827)	(10,345)	482
Fund Balance at Beginning of Year	10,827	10,827	0
Fund Balance at End of Year	\$0	\$482	\$482

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
All Expendable Trust Funds
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
<i>Local Sources:</i>			
Interest	\$0	\$8,434	\$8,434
Tuition and Fees	0	49,027	49,027
Extracurricular Activities	0	1,554	1,554
Miscellaneous	1,280,000	1,497,350	217,350
Total Revenues	1,280,000	1,556,365	276,365
Expenditures:			
Current:			
<i>Support Services:</i>			
<i>Pupils:</i>			
Salaries and Wages	596,958	263,856	333,102
Fringe Benefits	162,540	76,997	85,543
Purchased Services	87,575	54,732	32,843
Materials and Supplies	25,279	9,935	15,344
Capital Outlay - New	8,034	44,906	(36,872)
Other	16,635	8,034	8,601
Total Pupils	897,021	458,460	438,561
<i>Instructional Staff:</i>			
Salaries and Wages	392,995	206,220	186,775
Fringe Benefits	95,497	46,604	48,893
Purchased Services	289,960	160,818	129,142
Materials and Supplies	187,371	123,770	63,601
Capital Outlay - New	3,992	4,376	(384)
Other	63,610	32,287	31,323
Total Instructional Staff	\$1,033,425	\$574,075	\$459,350

(continued)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - (Non-GAAP Basis) Budget And Actual
All Expendable Trust Funds (continued)
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Administration:			
Salaries and Wages	\$71,181	\$55,298	\$15,883
Fringe Benefits	19,646	15,262	4,384
Purchased Services	394,936	223,875	171,061
Total Administration	485,763	294,435	191,328
Operation and Maintenance of Plant:			
Salaries and Wages	14,523	449	14,074
Fringe Benefits	2,292	0	2,292
Capital Outlay - New	177,882	118,422	59,460
Total Operation and Maintenance of Plant	194,697	118,871	75,826
Pupil Transportation:			
Purchased Services	12,354	13,745	(1,391)
Central:			
Purchased Services	34,084	17,900	16,184
Total Support Services	2,657,344	1,477,486	1,179,858
Total Expenditures	\$2,657,344	\$1,477,486	\$1,179,858 (continued)

Cleveland Municipal School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - (Non-GAAP Basis) Budget And Actual
 All Expendable Trust Funds (continued)
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Excess of Revenues Over (Under) Expenditures	(\$1,377,344)	\$78,879	\$1,456,223
<i>Other Financing Sources:</i>			
Advance In	0	7,000	7,000
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(1,377,344)	85,879	1,463,223
Fund Balances at Beginning of Year	1,347,155	1,347,155	0
Prior Year Encumbrances Appropriated	30,189	30,189	0
<i>Fund Balances at End of Year</i>	<u>\$0</u>	<u>\$1,463,223</u>	<u>\$1,463,223</u>

Cleveland Municipal School District
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended June 30, 1999

	Beginning Balance July 1, 1998	Additions	Deductions	Ending Balance June 30, 1999
District Agency Fund				
<i>Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$5,091,291	\$185,091,291	\$184,493,644	\$5,688,938
Total Assets	\$5,091,291	\$185,091,291	\$184,493,644	\$5,688,938
<i>Liabilities:</i>				
Payroll Withholdings	\$5,091,291	\$185,091,291	\$184,493,644	\$5,688,938
Total Liabilities	\$5,091,291	\$185,091,291	\$184,493,644	\$5,688,938
 Remedial Order Agency Fund				
<i>Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$20,000,000	\$0	\$0	\$20,000,000
<i>Liabilities:</i>				
Undistributed Monies	\$20,000,000	\$0	\$0	\$20,000,000
 All Agency Funds				
<i>Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$25,091,291	\$185,091,291	\$184,493,644	\$25,688,938
Total Assets	\$25,091,291	\$185,091,291	\$184,493,644	\$25,688,938
<i>Liabilities:</i>				
Undistributed Monies	\$20,000,000	\$0	\$0	\$20,000,000
Payroll Withholdings	5,091,291	185,091,291	184,493,644	5,688,938
Total Liabilities	\$25,091,291	\$185,091,291	\$184,493,644	\$25,688,938

General Fixed Assets Account Group

The general fixed assets account group is used to account for all land and improvements, buildings and building improvements and furniture and equipment not used in the operations of the proprietary funds.

Cleveland Municipal School District
Comparative Schedule of General Fixed Assets
By Source
June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
<i>General Fixed Assets</i>		
Land and Improvements	\$30,019,819	\$31,935,841
Buildings and Building Improvements	299,239,821	302,694,645
Furniture and Equipment	116,605,530	114,943,131
<i>Total General Fixed Assets</i>	<u>\$445,865,170</u>	<u>\$449,573,617</u>
<i>Investments in General Fixed Assets From:</i>		
General Fund	\$47,837,978	\$33,510,664
Special Revenue Funds	25,091,927	24,003,727
Capital Projects Fund	101,338,894	97,244,368
Expendable Trust Funds	61,931	57,046
Other	362,562	362,562
Donations	560,289	523,904
Acquisitions prior to July 1, 1986	270,611,589	293,871,346
<i>Total Investment in General Fixed Assets</i>	<u>\$445,865,170</u>	<u>\$449,573,617</u>

Cleveland Municipal School District
Schedule of General Fixed Assets
By Function/Activity
June 30, 1999

Function/Activity	Total	Land and Improvements	Buildings and Building Improvements	Furniture and Equipment
Senior High Schools	\$98,613,205	\$6,551,657	\$77,174,246	\$14,887,302
Intermediate Schools	74,820,103	5,712,717	62,333,773	6,773,613
Elementary Schools	123,333,783	11,694,626	98,503,534	13,135,623
Magnet Schools	50,620,494	1,673,735	40,552,171	8,394,588
Administration and Services	80,722,780	3,442,690	12,377,940	64,902,150
Closed Facilities and Sites	5,094,098	588,207	4,505,891	0
Other Instruction	5,713,409	356,187	3,792,266	1,564,956
Other (1)	6,947,298	0	0	6,947,298
Total General Fixed Assets	\$445,865,170	\$30,019,819	\$299,239,821	\$116,605,530

(1) Represents older fixed assets for which function/activity data is not practically obtainable.

Cleveland Municipal School District
Schedule of Changes in General Fixed Assets
By Source
For the Fiscal Year Ended June 30, 1999

	<u>Land and Improvements</u>	<u>Building and Building Improvements</u>	<u>Furniture and Equipment</u>	<u>Totals</u>
<i>Balance at July 1, 1998</i>	\$31,935,841	\$302,694,645	\$114,943,131	\$449,573,617
<i>Additions:</i>				
Expenditures from General Fund	0	10,321,494	4,005,820	14,327,314
Expenditures from Special Revenue Funds	0	4,000	1,084,200	1,088,200
Expenditures from Capital Projects Funds	0	892,592	3,201,934	4,094,526
Expenditures from Expendable Trust Funds	0	0	4,885	4,885
Expenditures from Agency Funds	0	0	0	0
Expenditures from Donations	0	0	36,385	36,385
<i>Total Additions</i>	0	11,218,086	8,333,224	19,551,310
<i>Disposals</i>	1,916,022	14,672,910	6,670,825	23,259,757
<i>Balance at June 30, 1999</i>	\$30,019,819	\$299,239,821	\$116,605,530	\$445,865,170

Cleveland Municipal School District
Schedule of Changes in General Fixed Assets by Function/Activity
For the Fiscal Year Ended June 30, 1999

Function/Activity	General Fixed Assets at July 1, 1998	Additions	Disposals	General Fixed Assets at June 30, 1999
Senior High Schools	\$96,704,117	\$1,959,363	\$50,275	\$98,613,205
Intermediate Schools	72,463,580	2,414,439	57,916	74,820,103
Elementary Schools	116,386,893	7,589,818	642,928	123,333,783
Magnet Schools	48,425,230	2,338,535	143,271	50,620,494
Administration and Services	76,293,960	5,193,639	764,819	80,722,780
Closed Facilities and Sites	21,687,276	0	16,593,178	5,094,098
Other Instruction	5,665,329	55,516	7,436	5,713,409
Other (1)	11,947,232	0	4,999,934	6,947,298
Total General Fixed Assets	\$449,573,617	\$19,551,310	\$23,259,757	\$445,865,170

(1) Represents older fixed assets for which function/activity data is not practically obtainable.

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STATISTICAL SECTION

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Cleveland Municipal School District
 Summary of Revenues by Source - All Governmental Fund Types
 Last Ten Fiscal Years

	1990	1991	1992	1993 (3)	1994 (3)
<i>Revenue from Local Sources:</i>					
Taxes	\$158,453,060	\$162,121,498	\$163,959,356	\$165,730,532	\$162,239,984
Interest	11,813,590	7,734,269	6,122,899	4,275,830	3,181,851
Tuition and Fees	713,801	1,222,229	1,604,497	1,304,675	812,926
Extracurricular Activities	0	0	0	0	0
Rentals	0	0	0	0	0
Miscellaneous	3,616,873	4,480,030	4,084,084	7,067,817	3,781,862
<i>Total Local Sources</i>	<u>174,597,324</u>	<u>175,558,026</u>	<u>175,770,836</u>	<u>178,378,854</u>	<u>170,016,623</u>
<i>Revenue from State Sources:</i>					
Unrestricted Grants-in-Aid (1) (2)	204,184,092	213,625,186	197,080,523	192,073,892	200,534,826
Restricted Grants-in-Aid (2)	18,697,955	18,129,246	29,137,655	29,311,147	33,220,258
<i>Total State Sources</i>	<u>222,882,047</u>	<u>231,754,432</u>	<u>226,218,178</u>	<u>221,385,039</u>	<u>233,755,084</u>
<i>Revenue from Federal Sources:</i>					
Unrestricted Grants-in-Aid	454,077	338,905	154,980	58,960	326,800
Restricted Grants-in-Aid	29,461,539	37,917,881	41,343,216	47,475,773	41,099,254
<i>Total Federal Sources</i>	<u>29,915,616</u>	<u>38,256,786</u>	<u>41,498,196</u>	<u>47,534,733</u>	<u>41,426,054</u>
<i>Total Revenues</i>	<u>\$427,394,987</u>	<u>\$445,569,244</u>	<u>\$443,487,210</u>	<u>\$447,298,626</u>	<u>\$445,197,761</u>

(continued)

Cleveland Municipal School District
Summary of Revenues by Source - All Governmental Fund Types (continued)
Last Ten Fiscal Years

	1995	1996	1997	1998	1999
<i>Revenue from Local Sources:</i>					
Taxes	\$154,824,367	\$155,490,489	\$187,021,369	\$223,362,432	\$233,513,561
Interest	4,755,345	5,844,675	6,685,375	11,544,482	13,767,095
Tuition and Fees	739,728	658,500	781,852	1,391,599	1,728,030
Extracurricular Activities	1,337,511	1,318,246	1,251,565	1,274,051	1,293,306
Rentals	222,615	158,452	162,355	125,406	104,352
Miscellaneous	3,089,107	3,878,521	3,268,605	4,706,558	2,536,103
Total Local Sources	164,968,673	167,348,883	199,171,121	242,404,528	252,942,447
<i>Revenue from State Sources:</i>					
Unrestricted Grants-in-Aid (1) (2)	229,120,768	239,618,796	232,505,491	270,945,514	322,814,426
Restricted Grants-in-Aid (2)	44,858,211	56,875,712	49,757,129	73,130,537	46,268,975
Total State Sources	273,978,979	296,494,508	282,262,620	344,076,051	369,083,401
<i>Revenue from Federal Sources:</i>					
Unrestricted Grants-in-Aid	1,019,721	2,348,543	2,001,397	5,505,195	3,957,556
Restricted Grants-in-Aid	44,033,519	39,208,676	60,140,167	58,371,212	54,888,588
Total Federal Sources	45,053,240	41,557,219	62,141,564	63,876,407	58,846,144
Total Revenues	\$484,000,892	\$505,400,610	\$543,575,305	\$650,356,986	\$680,871,992

Notes:

- (1) Includes desegregation reimbursement
- (2) Beginning in fiscal 1992, amounts reflect the state-mandated reclassification of Disadvantaged Pupil Impact Aid from an unrestricted grant-in-aid in the General Fund to a restricted grant-in-aid in the Special Revenue Funds.
- (3) In accordance with state-mandated directive, the Auxiliary Services Fund which had been classified as a Special Revenue Fund, was reclassified to an Agency Fund effective for fiscal years ending June 30, 1993 and 1994.

Source: School District Financial Records

Cleveland Municipal School District
Summary of Expenditures by Function - All Governmental Fund Types
Last Ten Fiscal Years

	1990	1991	1992	1993 (2)	1994 (2)
<i>Instruction:</i>					
Regular (1)	\$166,661,110	\$170,511,272	\$167,012,342	\$179,292,055	\$188,482,121
Special	43,353,060	50,534,394	54,595,507	61,938,968	62,569,665
Vocational	14,287,978	16,689,160	15,873,339	17,621,200	17,654,319
Adult/Continuing (1)	2,244,026	2,540,543	3,267,699	3,425,846	3,665,102
Other (1)	4,642,653	4,732,578	7,082,585	8,656,029	8,289,808
Total Instruction	231,188,827	245,007,947	247,831,472	270,934,098	280,661,015
<i>Support Services:</i>					
Pupils	17,126,105	17,274,355	19,603,217	19,527,953	21,518,810
Instructional Staff	25,684,744	27,818,584	25,353,622	25,450,058	22,059,691
Board of Education	368,627	100,758	45,073	110,479	140,888
Administration (1)	38,700,232	36,431,872	40,775,112	38,063,189	32,860,741
Fiscal	9,278,893	5,927,843	6,928,401	7,142,465	7,264,042
Business (2)	2,073,402	2,344,976	1,821,249	1,582,865	908,690
Operations and Maintenance of Plant (1) (2)	58,621,356	55,389,288	50,370,291	46,803,828	45,010,849
Pupil Transportation	25,988,930	27,917,194	26,340,687	26,619,325	28,033,575
Central	18,730,002	20,157,180	15,914,910	14,448,142	14,779,892
Total Support Services	196,572,291	193,362,050	187,152,562	179,748,304	172,577,178
Total Operation of Non-Instructional Service:	9,042,419	9,228,542	8,787,525	2,723,416	2,866,440
Total Extracurricular Activities	3,988,977	3,284,906	3,261,469	3,373,818	3,266,901
Total Capital Outlay	13,007,304	19,346,016	12,913,063	6,536,843	1,683,777
Total Intergovernmental	0	0	0	0	0
Total Debt Service	20,803,507	16,602,804	21,611,077	33,366,248	32,660,566
Total Expenditures	\$474,603,325	\$486,832,265	\$481,557,168	\$496,682,727	\$493,715,877

(continued)

Cleveland Municipal School District
 Summary of Expenditures by Function - All Governmental Fund Types (continued)
 Last Ten Fiscal Years

	1995	1996	1997	1998	1999
<i>Instruction:</i>					
Regular (1)	\$177,385,226	\$210,104,970	\$179,097,325	\$203,261,984	\$233,987,148
Special	76,385,384	72,817,142	87,746,044	87,261,071	94,776,091
Vocational	17,973,567	17,412,555	16,366,961	17,023,889	16,942,842
Adult/Continuing (1)	3,587,840	3,570,206	3,683,513	3,913,542	3,788,063
Other (1)	2,704,509	1,726,811	2,999,947	2,950,684	1,855,733
Total Instruction	278,036,526	305,631,684	289,893,790	314,411,170	351,349,877
<i>Support Services:</i>					
Pupils	21,247,422	16,087,440	17,691,394	21,921,900	24,779,405
Instructional Staff	23,630,141	22,733,960	24,023,707	30,181,237	31,414,445
Board of Education	124,123	73,636	55,704	47,747	108,155
Administration (1)	33,327,350	32,017,140	33,631,621	36,596,789	37,130,298
Fiscal	6,395,376	9,059,791	7,257,818	7,951,092	8,709,423
Business (2)	1,293,156	4,422,478	1,850,968	932,006	2,663,827
Operations and Maintenance of Plant (1) (2)	46,578,974	46,484,000	47,602,874	50,974,217	57,138,998
Pupil Transportation	26,155,973	24,815,117	26,027,138	25,620,574	33,277,000
Central	12,951,371	10,073,814	12,392,000	14,503,295	22,424,027
Total Support Services	171,703,886	165,767,376	170,533,224	188,728,857	217,645,578
<i>Total Operation of Non-Instructional Services</i>	<i>7,248,078</i>	<i>8,651,473</i>	<i>9,985,024</i>	<i>12,709,080</i>	<i>13,954,888</i>
<i>Total Extracurricular Activities</i>	<i>2,976,629</i>	<i>2,747,296</i>	<i>4,161,582</i>	<i>5,046,897</i>	<i>5,934,577</i>
<i>Total Capital Outlay</i>	<i>7,996,372</i>	<i>7,390,638</i>	<i>9,359,126</i>	<i>22,923,467</i>	<i>18,020,328</i>
<i>Total Intergovernmental</i>	<i>0</i>	<i>0</i>	<i>19,472</i>	<i>10,355</i>	<i>0</i>
<i>Total Debt Service</i>	<i>25,510,002</i>	<i>27,859,189</i>	<i>26,256,765</i>	<i>27,952,642</i>	<i>21,965,715</i>
Total Expenditures	\$493,471,493	\$518,047,656	\$510,208,983	\$571,782,468	\$628,870,963

Notes:
 (1) Beginning in fiscal 1992, amounts reflect the state-mandated reclassification of Disadvantaged Pupil Impact Aid from an unrestricted grant-in-aid in the General Fund to a restricted grant-in-aid in the Special Revenue Funds.
 (2) In accordance with a state-mandated directive, the Auxiliary Services Fund which had been classified as a Special Revenue Fund, was reclassified to an Agency Fund effective for fiscal years ending June 30, 1993 and 1994.

Source: School District Financial Records

Cleveland Municipal School District
 Property Tax Levies and Collections
 Ad Valorem Real and Tangible Personal Property Taxes
 Last Ten Collection Years
 (\$ in Thousands)

Collection Year (2)	Current		Percent Collected (1)	Delinquencies		Total Collected	Total Collected As Percent Of Current Tax Levy		Outstanding Delinquent Taxes By Year (3)	Outstanding Delinquent Taxes As Percent Of Billed
	Tax Levy Billed (1)	Current Collected		Collected	Delinquencies		As Percent Of Current Tax Levy	Outstanding Delinquent Taxes		
1989	\$167,573	\$160,642	95.9%	\$16,567	\$177,209	105.8%	\$31,745	18.9%		
1990	173,028	166,047	96.0	7,800	173,847	100.5	32,104	18.6		
1991	173,636	166,592	95.9	8,230	174,822	100.7	30,789	17.7		
1992	184,743	171,477	92.8	8,601	180,078	97.5	31,069	16.8		
1993	184,708	178,116	96.4	5,424	183,540	99.4	36,184	19.6		
1994	175,683	162,317	92.4	6,906	169,223	96.3	31,531	17.9		
1995	174,235	161,649	92.8	6,215	167,864	96.3	30,303	17.9		
1996	175,681	162,639	92.6	7,542	170,181	96.9	34,241	19.5		
1997	245,517	226,095	92.1	13,014	239,109	97.4	43,604	17.8		
1998	249,886	230,033	92.1	15,110	245,143	98.1	53,535	21.4		

Notes:

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (2) Represents collection year. 1999 information cannot be presented because all collections have not been made by June 30.
- (3) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.

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

Cleveland Municipal School District
Assessed and Estimated Actual Value of Taxable Property
Last Ten Collection Years
(\$ in Thousands)

Collection Year	Real Property (1)		Public Utility Property (2)		Tangible Personal Property (3)		Total		Ratio
	Assessed Value	Estimated	Assessed Value	Estimated	Assessed Value	Estimated	Assessed Value	Estimated	
		Actual Value		Actual Value		Actual Value		Actual Value	
1990	\$2,951,958	\$8,434,166	\$478,833	\$544,128	\$919,329	\$ 3,283,318	\$4,350,120	\$12,261,612	35%
1991	3,022,942	8,636,977	498,544	566,527	959,875	3,555,093	4,481,361	12,758,597	35
1992	3,594,404	10,269,726	520,684	591,686	906,687	3,487,258	5,021,775	14,348,670	35
1993	3,530,674	10,087,640	521,153	592,219	869,212	3,476,848	4,921,039	14,156,707	35
1994	3,549,374	10,141,069	519,027	589,803	863,198	3,452,792	4,931,599	14,183,664	35
1995	3,690,111	10,543,174	520,157	591,088	812,996	3,251,984	5,023,264	14,386,246	35
1996	3,727,115	10,648,900	485,803	552,049	823,490	3,293,960	5,036,408	14,494,909	35
1997	3,794,182	10,840,520	478,775	544,063	860,068	3,440,272	5,133,025	14,824,855	35
1998	4,044,292	11,555,120	476,178	541,111	887,928	3,551,712	5,408,398	15,647,943	35
1999	4,116,029	11,760,083	479,223	544,572	915,905	3,663,620	5,511,157	15,968,275	35

Notes:

- (1) The assessed value of real property is fixed at 35% of estimated actual value and is determined pursuant to the rules of the State Tax Commissioner.
- (2) Assumes public utilities are assessed at true value, which is 88% of estimated actual value.
- (3) In accordance with State law, the rate at which tangible personal property used in business is assessed for purposes of ad valorem property taxation decreased one percent each year from 35% in 1983 and prior years to 25% for the 1995 collection year and thereafter.

Source: Cuyahoga County Auditor

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

Collection Year	Cleveland Municipal		Cleveland		Cleveland Municipal School District			Village of		Village of		City of Garfield Heights (2)
	Cleveland	Cuyahoga County	Public Library	General Fund	Retirement	Total (1)	Bratenahl (2)	Newburgh Heights (2)	Limldate (2)	Garfield Heights (2)		
1990	\$12.40	\$16.80	\$3.00	\$44.70	\$3.30	\$80.20	\$18.00	\$12.80	\$2.80	\$17.10		
1991	12.40	16.80	3.00	44.70	4.20	81.10	18.00	12.80	2.80	17.10		
1992	12.30	16.80	3.00	44.70	5.00	81.80	17.70	12.80	2.80	17.10		
1993	12.30	16.80	1.00	44.70	3.70	78.50	20.60	12.80	2.80	17.60		
1994	12.70	16.80	3.00	44.70	3.40	80.60	20.50	12.80	2.80	18.00		
1995	12.70	16.60	3.00	44.70	3.40	80.40	26.40	12.80	2.80	18.40		
1996	12.70	16.60	3.00	44.70	3.40	80.40	26.40	12.80	2.80	18.70		
1997	12.70	16.60	3.00	58.20	2.80	93.30	25.10	12.80	2.80	18.90		
1998	12.70	16.60	3.00	58.20	2.80	93.30	25.10	12.80	2.80	18.90		
1999	12.70	16.60	3.00	58.20	2.80	93.30	25.10	12.80	2.80	18.90		

Notes:

(1) Amount represents the total for a City of Cleveland resident.

(2) Certain points of the Villages of Bratenahl, Newburgh Heights and Limldate and the City of Garfield Heights are within the Cleveland Municipal School District (CMSD) and are subject to the CMSD tax.

Source: Cuyahoga County Auditor

Cleveland Municipal School District
Ratio of Net General Obligation Bonded Debt to Assessed Value and
Net General Obligation Bonded Debt Per Capita
Last Ten Fiscal Years
(\$ in Thousands Except for Per Capita Amounts)

Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Less Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1990	503,266	\$4,350,120	\$65,500	\$4,361	\$61,139	1.41%	\$121
1991	505,616	4,481,361	77,930	6,576	71,354	1.59	141
1992	505,616	5,021,775	79,800	5,668	74,132	1.48	147
1993	505,616	4,921,039	170,429	14,864	155,565	3.16	308
1994	505,616	4,931,599	163,032	17,943	145,089	2.94	287
1995	505,616	5,023,264	163,301	20,373	142,928	2.85	283
1996	505,616	5,036,408	151,428	19,751	131,677	2.61	260
1997	505,616	5,133,025	140,826	20,992	119,834	2.33	237
1998	505,616	5,408,398	128,539	23,156	105,383	1.95	208
1999	505,616	5,511,157	120,790	26,406	94,384	1.71	187

Notes:

(1) Sources - Cleveland State University projections (1990) - City of Cleveland only.

U.S. Bureau of the Census (1991 through 1999).

(2) Source - Cuyahoga County Auditor.

(3) General obligation bonds and bond anticipation notes outstanding at June 30.

Cleveland Municipal School District
Computation of Direct and Overlapping Debt
June 30, 1999

Name of Governmental Unit	Gross Debt Outstanding	Debt Service Fund (Cash Balance)	Net Outstanding Debt	Percentage Applicable to Cleveland Municipal School District (1)	Amount Applicable to Cleveland Municipal School District
Cleveland Municipal School District (2)	\$237,260,387	\$27,640,824	\$209,619,563	100.00%	\$209,619,563
City of Cleveland	306,165,000	3,012,067	303,152,933	98.14	297,514,288
Cuyahoga County	154,064,636	1,658,942	152,405,694	21.74	33,132,998
Village of Bratenahl	595,000	82,323	512,677	100.00	512,677
Village of Newburgh Heights	60,000	0	60,000	100.00	60,000
Village of Linndale	0	0	0	100.00	0
City of Garfield Heights	21,696,000	98,395	21,597,605	0.40	86,390
Greater Cleveland Regional Transit Authority	102,945,000	758,631	102,186,369	21.74	22,215,317
Total					\$563,141,233

Notes:

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision.

(2) The gross debt outstanding does not include EPA loans of \$539,141.

Source: Cuyahoga County Auditor

Cleveland Municipal School District
 Computation of Legal Debt Margin
 June 30, 1999

Assessed Valuation	\$5,511,157,171
Debt Limit - 9% of Assessed Value (1)	\$496,004,145
Amount of Debt Applicable to Debt Limit:	
General Obligation Bond	120,790,387
Revenue Anticipation Notes	116,470,000
Amount Available in Debt Service Fund	(26,406,796)
Total	210,853,591
Exemptions:	
Revenue Anticipation Notes	116,470,000
Amount of Debt Subject to the Limit	94,383,591
Total Debt Margin	\$401,620,554
Debt Margin - .10% of Assessed Value (1)	\$5,511,157
Amount of Debt Applicable to Debt Limit	
Gross indebtedness authorized by the Board	0
Amount of Debt Subject to the Limit	0
Unvoted Debt Margin	\$5,511,157
Additional Limit for Unvoted Energy Conservation Bonds:	
Debt Limited - 1% of Assessed Valuation	\$55,111,570
Energy Conservation Bonds	8,160,000
Additional Unvoted Debt Margin	\$46,951,570

Source: Cuyahoga County Auditor and School District Financial Records

(1) Ohio Bond Law sets an overall limit of 9% for total debt and 1/10 of 1% for unvoted debt. All School District debt subject to the limitation is voted.

Cleveland Municipal School District
 Ratio of Annual Debt Service Expenditures For General Obligation
 Bonded Debt to Total Governmental Fund Type Expenditures
 Last Ten Fiscal Years
 (\$ in Thousands)

Year	Debt Service Expenditures (1)			Total Governmental Fund Type Expenditures (2)	Ratio of Debt Service to Governmental Fund Type Expenditures (Percentages)
	Principal	Interest and Fiscal Charges	Total		
1990	\$8,080	\$5,163	\$13,243	\$474,603	2.8%
1991	7,570	4,673	12,243	486,832	2.5
1992	7,640	5,733	13,373	481,557	2.8
1993 (3)	10,300	6,441	16,741	496,683	3.4
1994	9,185	7,586	16,771	493,716	3.4
1995	10,645	14,561	25,206	493,471	5.1
1996	12,905	8,446	21,351	518,048	4.1
1997	11,695	7,589	19,284	510,209	3.8
1998	13,445	7,044	20,489	571,782	3.6
1999	8,975	6,738	15,713	628,871	2.5

Notes:

- (1) Includes general obligation bonds only.
- (2) Includes all governmental fund types.
- (3) Does not include any payments related to the defeasance of \$70,290,000 of outstanding bonds on August 12, 1992.

Source: School Financial Records

Cleveland Municipal School District
 Schedule of Insurance in Force
 June 30, 1999

Company	Policy Period		Details of Coverage	Liability Limits	Deductible	Annual Premium
	From	To				
Hartford Steam & Boiler	07/01/1999	06/30/2000	Boiler Inspection	N/A	N/A	\$17,340
National Union Fire Insurance Co.	07/01/1999	06/30/2000	School Leaders Errors and Omissions	\$1,000,000	\$250,000	55,159
American International Group	07/01/1999	06/30/2000	Attorneys Professional Liability	1,000,000	25,000	7,610
Travelers Property and Casualty Insurance Company	07/01/1999	06/30/2000	Physical Damage - Mobile Classrooms	5,000,000	1,000	15,000
Westfield Insurance Company	07/01/1999	06/30/2000	Treasurer's and Employees' Blanket Fidelity Bond	1,000,000	10,000	2,000 4,245
American Empire Surplus Line	07/01/1999	06/30/2000	Nurses' Professional Liability	2,000,000	500	19,024
Coregis Insurance Group	07/01/1999	06/30/2000	General Liability, Automobile Liability and Physical Damage	5,000,000	1,000,000 (1)	216,000

N/A - Not Applicable
 (1) Self Insured Retention

Source: School District Records

Cleveland Municipal School District
 Attendance Data
 Last Ten Fiscal Years

Year	Number of Graduates	Average Daily Membership	Average Daily Attendance	Average Daily Attendance As Percent of Average Daily Membership	Percent Change Average Daily Attendance From Prior Year Increase (Decrease)
1990	2,849	70,760	58,505	82.68%	(0.85)
1991	2,616	70,019	58,629	83.73	0.21
1992	2,521	71,839	60,345	84.00	2.93
1993	2,478	72,556	60,671	83.62	0.54
1994	1,947	72,728	60,968	83.83	0.49
1995	1,853	69,211	60,740	87.76	(0.37)
1996	1,967	71,054	60,294	84.86	(0.73)
1997	2,059	71,344	62,093	87.03	2.98
1998	1,738	73,312	64,869	88.48	4.47
1999	2,070	76,170	66,191	86.90	2.04

Source: School District Research Department

Cleveland Municipal School District
Expenditures Per Pupil - All Governmental Fund Types
Fiscal Years 1990 - 1999

	1990	1991	1992	1993	1994
<i>Average Daily Membership</i>	<u>70,760</u>	<u>70,019</u>	<u>71,839</u>	<u>72,556</u>	<u>72,728</u>
<i>Instruction:</i>					
Regular	\$2,355	\$2,435	\$2,325	\$2,471	\$2,592
Special	613	722	760	854	860
Vocational	202	238	221	243	243
Adult/Continuing	32	36	45	47	50
Other	65	68	99	119	114
<i>Total Instruction</i>	<u>3,267</u>	<u>3,499</u>	<u>3,450</u>	<u>3,734</u>	<u>3,859</u>
<i>Support Services:</i>					
Pupils	242	247	273	269	296
Instructional Staff	363	397	353	351	303
Board of Education	5	1	1	1	2
Administration	547	520	568	525	452
Fiscal	131	85	96	98	100
Business	29	33	25	22	13
Operations and Maintenance of Plant	829	791	701	645	619
Pupil Transportation	367	399	367	367	385
Central	265	288	221	199	203
<i>Total Support Services</i>	2,778	2,761	2,605	2,477	2,373
<i>Total Operation of Non-Instructional Services</i>	128	132	122	38	40
<i>Total Extracurricular Activities</i>	56	47	45	47	45
<i>Total Capital Outlay</i>	184	276	180	90	23
<i>Total Debt Service</i>	294	237	301	460	449
<i>Total Expenditures</i>	<u>\$6,707</u>	<u>\$6,952</u>	<u>\$6,703</u>	<u>\$6,846</u>	<u>\$6,789</u>

(continued)

Cleveland Municipal School District
Expenditures Per Pupil - All Governmental Fund Types (continued)
Fiscal Years 1990 - 1999

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
<i>Average Daily Membership</i>	<u>69,211</u>	<u>71,054</u>	<u>71,344</u>	<u>73,312</u>	<u>76,170</u>
<i>Instruction:</i>					
Regular	\$2,563	\$2,957	\$2,510	\$2,773	\$3,072
Special	1,103	1,025	1,230	1,190	1,244
Vocational	260	244	229	232	223
Adult/Continuing	52	50	52	54	50
Other	39	24	42	40	24
<i>Total Instruction</i>	<u>4,017</u>	<u>4,300</u>	<u>4,063</u>	<u>4,289</u>	<u>4,613</u>
<i>Support Services:</i>					
Pupils	307	226	248	299	325
Instructional Staff	341	321	337	412	412
Board of Education	2	1	1	1	1
Administration	482	451	471	499	487
Fiscal	92	128	102	108	114
Business	19	62	26	13	35
Operations and Maintenance of Plant	672	654	667	695	751
Pupil Transportation	378	349	365	349	437
Central	187	142	174	198	295
<i>Total Support Services</i>	<u>2,480</u>	<u>2,334</u>	<u>2,391</u>	<u>2,574</u>	<u>2,857</u>
<i>Total Operation of Non-Instructional Services</i>	105	122	140	173	183
<i>Total Extracurricular Activities</i>	43	39	58	69	78
<i>Total Capital Outlay</i>	116	104	131	313	237
<i>Total Debt Service</i>	<u>369</u>	<u>392</u>	<u>368</u>	<u>381</u>	<u>288</u>
<i>Total Expenditures</i>	<u>\$7,130</u>	<u>\$7,291</u>	<u>\$7,151</u>	<u>\$7,799</u>	<u>\$8,256</u>

Source: School District Financial Records

Cleveland Municipal School District
School Lunch Program
Last Ten Fiscal Years

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
AVERAGE DAILY MEMBERSHIP	70,760	70,019	71,839	72,556	72,728	69,211	71,054	71,344	73,312	76,170
Sec. Paid lunch - price per meal	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20
Reduced lunch - price per meal	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Adult lunch - price per meal	ALC	ALC	ALC	ALC	ALC	ALC	ALC	ALC	ALC	ALC
Elem. Paid lunch - price per meal	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
Reduced lunch - price per meal	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Adult lunch - price per meal	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Number of serving days	180	180	181	180	177	180	178	176	179	174
Sec. Free lunches served	1,728,609	1,704,514	1,663,787	1,686,656	1,782,487	1,837,648	1,889,670	1,930,506	1,976,202	1,838,637
Elem. Free lunches served	5,336,291	5,360,410	5,542,880	5,546,630	5,390,798	5,398,496	4,882,461	4,792,532	5,444,987	5,339,962
Sec. Daily average free lunches	9,603	9,469	9,192	9,370	10,071	10,209	10,616	10,969	11,040	10,567
Elem. Daily average free lunches	29,646	29,780	30,624	30,815	30,456	29,992	27,430	27,230	30,419	30,690
Sec. Reduced lunches served	65,834	76,128	69,114	58,406	64,713	65,929	62,223	58,703	72,363	65,241
Paid lunches served	259,608	220,846	196,577	188,485	188,185	218,984	224,190	220,189	213,205	203,727
Elem. Reduced lunches served	250,536	292,630	252,355	232,805	217,046	221,506	200,440	200,628	252,438	278,389
Paid lunches served	263,568	289,010	257,882	228,309	214,770	223,402	209,863	210,251	250,624	260,973
Sec. Daily average reduced lunches	366	423	382	324	366	366	350	334	404	375
Daily average paid lunches	1,442	1,227	1,096	1,047	1,063	1,217	1,259	1,251	1,191	1,171
Elem. Daily average reduced lunches	1,392	1,626	1,394	1,293	1,226	1,231	1,126	1,140	1,410	1,600
Daily average paid lunches	1,464	1,606	1,425	1,268	1,213	1,241	1,179	1,195	1,400	1,500
Sec. Total lunches served	2,053,050	2,001,488	1,931,278	1,933,547	2,035,385	2,122,561	2,176,083	2,209,398	2,261,770	2,107,605
Elem. Total lunches served	5,850,395	5,942,050	6,053,117	6,007,764	5,822,614	5,843,404	5,292,764	5,203,411	5,948,049	5,879,344
Sec. Daily average lunches served	11,411	11,119	10,670	10,742	11,499	11,792	12,225	12,553	12,636	12,113
Elem. Daily average lunches served	32,502	33,011	33,443	33,376	32,896	32,463	29,735	29,565	33,229	33,789
Sec. Number of schools serving	43	42	40	40	39	39	37	37	37	37
Elem. Number of schools serving	87	87	88	88	89	89	79	79	80	80

Notes:

- Sec. - Secondary School
- Elem. - Elementary School
- ALC - Priced a la carte

Source: School District Food Service Division

Cleveland Municipal School District
 School Breakfast Program
 Last Ten Fiscal Years

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
AVERAGE DAILY MEMBERSHIP	70,760	70,019	71,839	72,556	72,728	69,211	71,054	71,344	73,312	76,170
Sec. Paid breakfast - price per meal	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55
Reduced breakfast - price per meal	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Adult breakfast - price per meal	ALC	ALC	ALC	ALC	ALC	ALC	ALC	ALC	ALC	ALC
Elem. Paid breakfast - price per meal	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55
Reduced breakfast - price per meal	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Adult breakfast - price per meal	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Number of serving days	180	180	181	180	177	180	178	176	179	174
Sec. Free breakfasts served	310,652	322,933	301,455	316,480	327,639	332,827	357,928	398,055	428,494	433,229
Elem. Free breakfasts served	3,577,422	3,670,832	3,763,846	3,819,771	3,816,495	3,810,372	3,496,747	3,439,729	3,873,415	3,845,137
Sec. Daily average free breakfasts	1,727	1,794	1,665	1,758	1,851	1,849	2,011	2,262	2,394	2,490
Elem. Daily average free breakfasts	19,875	20,394	20,795	21,221	21,562	21,169	19,645	19,544	21,639	22,098
Sec. Reduced breakfasts served	5,321	7,942	6,730	6,588	7,415	6,438	7,809	6,520	5,462	6,324
Paid breakfasts served	28,578	25,276	25,955	24,764	24,565	23,915	28,516	27,647	27,204	29,117
Elem. Reduced breakfasts served	88,491	121,313	106,914	95,895	93,779	99,644	152,238	149,910	168,518	166,918
Paid breakfasts served	65,058	87,521	81,555	74,075	76,079	82,500	263,640	259,486	292,429	289,955
Sec. Daily average reduced breakfasts	30	44	37	37	42	36	44	37	31	36
Daily average paid breakfasts	159	140	143	138	139	133	160	157	152	167
Elem. Daily average reduced breakfasts	492	674	591	533	530	554	855	852	941	999
Daily average paid breakfasts	361	486	451	412	430	458	1,481	1,474	1,634	1,666
Sec. Total breakfasts served	344,761	356,151	334,140	347,832	359,619	363,180	394,253	432,222	461,160	468,670
Elem. Total breakfasts served	3,730,971	3,879,666	3,952,315	3,989,741	3,986,353	3,992,516	3,712,625	3,849,125	4,334,060	4,302,010
Sec. Daily average breakfasts served	1,915	1,979	1,846	1,932	2,032	2,018	2,215	2,456	2,576	2,694
Elem. Daily average breakfasts served	20,728	21,554	21,836	22,165	22,522	22,181	20,857	21,870	24,213	24,724
Sec. Number of schools serving	43	41	40	40	39	39	37	37	37	37
Elem. Number of schools serving	87	87	88	88	89	89	79	79	80	80

Notes:
 Sec. - Secondary School
 Elem. - Elementary School
 ALC - Priced a la carte

Source: School District Food Service Division

Cleveland Municipal School District
Economic and Demographic Information

Population

The population of the City of Cleveland ("City"), Cleveland Primary Metropolitan Statistical Area ("PMSA"), and the State of Ohio ("State") for each decade from 1940 to 1990 is as follows:

Year	Population Cleveland		
	City	PMSA	State
1940	878,336	1,319,734	6,907,612
1950	914,808	1,532,574	7,946,627
1960	876,050	1,909,483	9,706,397
1970	750,903	2,063,729	10,652,017
1980	573,822	1,898,825	10,797,630
1990	505,616	1,831,122	10,847,115

Source: U.S. Bureau of the Census.

Employment

The following table shows the comparative civilian labor force and unemployment statistics for the Cleveland PMSA, including comparisons with unemployment rates for the State and the United States ("U.S. ").

Year	Civilian Labor Force Cleveland PMSA	Unemployed Cleveland PMSA	Unemployment Rate		
			Cleveland PMSA	State	U.S.
1989 (1)	953,500	46,000	4.8	5.5	5.3
1990 (2)	1,088,700	57,700	5.3	6.4	6.7
1991 (2)	1,084,600	67,300	6.2	6.5	6.9
1992 (2)	1,099,000	85,100	7.7	6.0	7.1
1993 (2)	1,092,600	68,900	6.3	6.0	7.1
1994 (2)	1,100,000	62,800	5.7	5.4	6.2
1995 (2)	1,100,000	50,700	4.6	4.8	5.6
1996 (2)	1,133,800	58,800	5.2	5.0	5.5
1997 (2)	1,139,900	48,800	4.3	4.3	5.2
1998 (2)	1,088,700	49,400	4.3	4.3	4.5

Source: Ohio Bureau of Employment Services, Labor Market Review
1999 Not Available

Notes:

- (1) In years prior to 1990, the Primary Metropolitan Statistical Area included the counties of Cuyahoga, Geauga, Lake and Medina.
- (2) In years after 1989, the Primary Metropolitan Statistical Area includes counties of Cuyahoga, Geauga, Lake, Medina, Lorain and Ashtabula.

Cleveland Municipal School District
Largest Employers

The largest non-government employees in Cuyahoga County are considered to be the following:

Employer	Number of Employees	Nature of Business or Enterprise
Cleveland Clinic Foundation	19,327	Health Care (Hospital and Outpatient Clinic)
University Hospitals Health System	9,687	Health Care (Hospital and Outpatient Clinic)
Key Corporation	6,980	Financial Services
Ford Motor Company	6,540	Automotive
LTV Steel Company	5,700	Steel Producer
Metro Health System	4,966	Health Care (Hospital and Outpatient Clinic)
Progressive Corporation	4,826	Insurance Provider
Case Western Reserve University	4,589	Higher Education
Ameritech Ohio	4,515	Communications
National City Corporation	4,340	Financial Services
First National Supermarkets	3,420	Grocery Retail Chain
General Motors Corporation	3,407	Automotive
General Electric Lighting	3,250	Lighting Products
Riser Foods, Inc.	3,011	Retail and Wholesale Food Distribution
Continental Airlines	2,717	Air Transportation
Caritas Healthcare Partnership	2,688	Health Care
Lincoln Electric Company	2,633	Manufacturer
Rockwell Automation/Allen Bradley & Reliance	2,427	Industrial Automation
American Greetings Corporation	2,403	Manufacturer - Consumer Goods
United Parcel Service	2,055	Package Delivery
First Energy	2,000	Utility - Electrical Services
Nestle Food Division	2,000	Maker/Marketer of Food Products

Source: Crain's Cleveland Business, December 28, 1998
"Largest Cuyahoga County Employers."

Cleveland Municipal School District
Major Taxpayers

The ten largest property tax payers with respect to property located in the District, based on approximate assessed valuation of property are the following:

Name	Nature of Business	Approximate Assessed Valuation	Percent of Total District Assessed Valuation
Centerior Energy Corporation	Electric Utility	\$279,000,000	5.16%
Ameritech	Phone Utility	173,000,000	3.14
LTV Steel Company, Incorporated	Steel Manufacturing	98,000,000	1.78
B.P. America	Commercial Real Estate	62,000,000	1.12
East Ohio Gas Company	Gas Utility	44,000,000	0.80
Lakeside Associates	Commercial Real Estate	33,000,000	0.60
Catholic Diocese	N/A	28,000,000	0.51
Euclid-Ninth Community Urban Redevelopment Company	Commercial Real Estate	27,000,000	0.49
600 Superior Place Partnership	Commercial Real Estate	25,000,000	0.45
Erievue Joint Venture	Commercial Real Estate	22,000,000	0.40
Total Ten Largest		<u>\$791,000,000</u>	<u>14.63%</u>
Total District Assessed Valuation		<u>\$5,511,157,171</u>	

Source: Cuyahoga County Auditor - 1998 Tax Collection Year
1999 Tax Collection Year Information Not Available

N/A - Not applicable

Cleveland Municipal School District
Property Values, Bank Deposits and Construction
Last Ten Years

<u>Year</u>	<u>Property Values</u>	<u>Commercial</u>	<u>Construction</u>	
	<u>Total Estimated</u> <u>Actual Value (1)</u> <u>(Amounts in 000's)</u>	<u>Bank Deposits</u> <u>at June 30 (2)</u> <u>(Amounts in 000's)</u>	<u>Permits</u> <u>Issued (3)</u>	<u>Estimated Cost</u> <u>of Construction (3)</u>
1989	11,835,375	18,387,466	5,208	607,025,089
1990	12,261,612	18,403,806	5,371	423,127,345
1991	12,758,597	18,905,799	5,376	331,999,109
1992	14,348,670	18,309,557	5,355	384,648,048
1993	14,156,707	20,111,659	5,955	366,274,457
1994	14,183,664	21,204,880	6,666	394,401,814
1995	14,386,246	22,458,574	6,850	332,995,299
1996	14,494,909	27,068,211	8,077	405,166,832
1997	14,824,855	53,941,971	9,728	523,655,516
1998	15,968,275	60,846,022	9,216	768,911,015

Notes:

(1) Source - Cuyahoga County Auditor. Value listed is for year of collection.

(2) Source - Federal Reserve Bank of Cleveland. Total demand, time and saving deposits in Cuyahoga County.

(3) Source - Division of Building and Housing, City of Cleveland. City of Cleveland only.

1999 Not Available

Cleveland Municipal School District

Miscellaneous Statistical Data

FORM OF GOVERNMENT - Municipal School District

GEOGRAPHIC AREA - 82 square miles

POPULATION - 505,616 (1990)

INSTRUCTION SITES:	<u>Constructed</u>	<u>Capacity/ Sq. Ft.</u>	<u>Acreage</u>
Magnet Schools:			
Benjamin Franklin	1923	83,260	10.40
Charles A. Mooney	1964	152,607	4.54
Cleveland School of the Arts	1910	81,430	2.36
Clara Westropp Fundamental Education Center	1967	106,582	11.46
Collinwood	*	*	*
Garrett Morgan Cleveland School of Science	1940	76,835	4.83
Dike Montessori	1971	47,472	1.95
Douglas MacArthur	1967	31,000	3.00
East Technical	1972	320,370	11.14
Emile B. deSauze	1966	48,860	3.72
Empire Computech	1915	75,003	3.30
Fundamental Education Center - Rockefeller	1961	51,683	2.89
H. Barbara Booker	1972	48,677	1.57
Health Careers Center	1980	67,000	1.75
Henry W. Longfellow	1924	50,616	4.58
Jane Adams Business Careers	1968	157,428	4.00
Joseph F. Landis	1963	57,889	2.91
Kenneth W. Clement	1976	25,386	2.23
Law and Public Service (M.L.K.)	1972	179,544	10.55
Lincoln	1976	119,639	5.49
Lincoln-West	1970	337,548	5.49
Margaret A. Ireland	1962	57,958	3.09
Max S. Hayes	1957	209,273	6.89
Newton D. Baker	1954	94,379	8.66
Orchard	1901	80,347	1.23
Robert H. Jamison	1966	140,000	2.60
Robinson G. Jones	1951	38,311	4.30
Thomas Jefferson	1925	133,609	3.02
		<u>2,872,706</u>	<u>127.95</u>
Other:			
Washington Park Horticulture	1969	27,331	56.00
		<u>27,331</u>	<u>56.00</u>

* Statistics included with Senior High School Category.

Cleveland Municipal School District
Miscellaneous Statistical Data (Continued)

	<u>Constructed</u>	<u>Capacity/ Sq. Ft.</u>	<u>Acreage</u>
Senior High Schools:			
Cleveland Learning Center - Halle	1904	49,337	2.29
Collinwood	1924	297,759	5.68
East	1975	272,153	13.37
Glenville	1966	248,023	5.07
James F. Rhodes	1932	164,931	10.09
John F. Kennedy	1965	252,023	12.65
John Hay	1929	186,352	8.60
John Marshall	1932	256,924	12.03
South	1968	251,384	7.71
		<u>1,978,886</u>	<u>77.49</u>
Middle Schools:			
A.B. Hart	1932	116,465	3.80
Alexander Hamilton	1928	88,719	2.06
Audubon	1922	136,025	3.12
Carl F. Shuler	1958	100,500	3.97
Central	1940	120,451	4.62
Charles W. Elliot	1954	90,497	3.58
Cleveland Learning Center - Halle	*	*	*
F. D. Roosevelt	1976	154,766	7.21
Harry E. Davis	1962	147,095	4.62
Joseph M. Gallagher	1976	118,425	12.90
Margaret Spellacy	1969	106,582	2.03
Martin Luther King, Jr.	*	*	*
Mary B. Martin	1963	57,737	1.89
Nathan Hale	1929	106,855	12.90
Patrick Henry	1922	130,443	4.32
Whitney Young	1950	106,863	23.58
Wilbur Wright	1929	106,368	3.65
Willson	1903	75,624	1.85
		<u>1,763,415</u>	<u>96.10</u>
Elementary Schools:			
Adlai Stevenson	1967	41,000	3.62
Alfred A. Benesch	1977	72,320	1.09
A. G. Bell	1971	68,840	1.42
Almira	1916	60,458	2.09
Andrew J. Rickoff	1920	56,348	4.94
Anton Grdina	1959	67,719	3.99
Artemus Ward	1949	35,826	4.15
Bolton	1971	44,110	2.17

* Statistics included with Senior High School Category.

(continued)

Cleveland Municipal School District
Miscellaneous Statistical Data (Continued)

	<u>Constructed</u>	<u>Capacity/ Sq. Ft.</u>	<u>Acreage</u>
<i>Elementary Schools (Continued):</i>			
Brooklawn	1957	28,545	4.36
Buckeye-Woodland	1975	52,493	1.60
Buhrer	1969	42,086	3.06
Captain Arthur Roth	1965	66,397	2.20
Case	1975	57,688	2.16
Charles Dickens	1927	50,989	2.56
Charles H. Lake	1961	55,823	3.66
Charles Orr	1955	30,283	1.39
Clark	1973	56,178	1.25
Corlett	1915	58,292	2.98
Cranwood	1957	44,574	4.12
Daniel E. Morgan	1959	51,272	2.37
Denison	1972	52,351	2.40
East Clark	1894	56,755	1.54
Euclid Park	1922	43,182	3.78
Forest Hill Parkway	1967	41,110	3.35
Fullerton	1974	36,468	2.63
Garfield	1922	31,763	8.16
George Washington Carver	1954	45,913	3.52
Giddings	1970	49,607	2.46
Gracemount	1947	48,515	3.03
Hanna Gibbons	1960	21,831	1.50
Harvey Rice	1903	82,414	5.87
Iowa Maple	1951	57,842	2.30
John W. Raper	1962	61,752	2.41
Kentucky	1940	35,010	1.36
Louis Agassiz	1929	40,185	3.05
Louis Pasteur	1959	51,286	3.49
Louisa May Alcott	1926	26,277	1.85
Marion C. Seltzer	1972	46,835	1.91
Marion Sterling	1973	51,896	3.99
Mary M. Bethune	1964	48,613	2.60
McKinley	1922	46,724	2.13
Miles	1912	79,630	3.33
Miles Park	1971	43,027	3.33
Miles Standish	1921	64,598	4.56
Moses Cleaveland	1925	64,687	3.86
Mound	1904	36,642	1.43
Mount Auburn	1922	42,600	1.64
Oliver Hazard Perry	1927	50,989	4.61
Paul Lawrence Dunbar	1965	45,745	2.90
Paul Revere	1925	80,996	4.92
Riverside	1935	38,836	2.45
Robert Fulton	1929	65,360	3.14
Scranton	1973	51,447	1.37
Stephen E. Howe	1964	48,613	2.14

Cleveland Municipal School District
Miscellaneous Statistical Data (Continued)

	<u>Constructed</u>	<u>Capacity/ Sq. Ft.</u>	<u>Acreage</u>
Elementary Schools (Continued):			
Sunbeam	1923	63,368	4.40
Tremont	1917	100,396	2.80
Union	1969	49,426	1.68
Valley View	1951	25,882	3.67
Wade Park	1975	63,706	3.70
Walton	1971	46,493	2.62
Watterson-Lake	1906	69,814	2.32
Waverly	1976	55,666	3.45
William Cullen Bryant	1930	42,187	4.28
William R. Harper	1927	50,989	4.92
Willow	1964	39,867	2.70
Woodland Hills	1971	49,443	1.29
		<u>3,387,977</u>	<u>196.02</u>
All Instruction Sites:			
Magnet Schools		2,872,706	127.95
Other		27,331	56.00
Senior High Schools		1,978,886	77.49
Middle Schools		1,763,415	96.10
Elementary Schools		<u>3,387,977</u>	<u>196.02</u>
Total instruction sites		<u>10,030,315</u>	<u>553.56</u>
ADMINISTRATIVE AND SERVICE SITES:			
Administrative:			
Administrative Building	1931	149,685	1.75
		<u>149,685</u>	<u>1.75</u>
Service:			
Central Kitchen	1967	35,180	1.62
Woodland Distribution Center	1968 (2)	199,014	3.06
Ridge (Hall) - Trades	1986 (1)	25,000	5.00
Transportation:			
Ridge Road	1986 (1)	29,480	5.89
Lake Center	1987	19,630	8.50
Cuyahoga Heights	1987	17,680	7.78
		<u>325,984</u>	<u>31.85</u>
Total administrative and service sites		<u>475,669</u>	<u>33.60</u>

Notes:

(1) Purchased during 1986.

(2) Gift.

(3) N/A - Not Available

Cleveland Municipal School District
Miscellaneous Statistical Data (Continued)

	<u>Constructed</u>	<u>Capacity/ Sq. Ft.</u>	<u>Acreage</u>
CLOSED OR LEASED TO OTHERS FACILITIES AND SITES:			
Facilities:			
Anthony Wayne	1914	39,000	1.60
East Madison	1889	61,675	2.05
Human Resource Development Center (Bratenahl H.S.)	1975	14,000	7.50
Lafayette Contemporary	1919	54,406	3.97
Lakeside Administrative Center	1975	127,847	1.16
Lincoln Annex	N/A (3)	12,450	1.64
Nathaniel Hawthorne	1917	46,502	2.50
Warner	1912	63,146	5.46
Facilities:			
Warehouse	1923	64,278	2.06
Woodhill-Quincy	1971 (2)	69,754	2.09
Total Closed or Leased to Others Facilities		<u>553,058</u>	<u>30.03</u>
Sites:			
A. Benesch - old site			1.43
C.W. Chestnut			3.64
East Tech - old site			4.64
Kennard			1.42
National Screw			15.28
Verda Brobst			<u>3.00</u>
Total Sites			<u>29.41</u>
GRAND TOTAL			
Facilities and/or Sites:			
Instruction		10,030,315	553.56
Administrative and Service		475,669	33.60
Closed Facilities		553,058	30.03
Closed Sites		N/A	<u>29.41</u>
Total		<u>11,059,042</u>	<u>646.60</u>

Source: School District Building Management and Operations Division



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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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 13, 2000**