



Dave Yost • Auditor of State

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY**

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**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2011**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Federal CFDA Number	Receipts	Disbursements
UNITED STATES DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Education:</i>			
Child Nutrition Cluster:			
Non-Cash Assistance (Food Distribution):			
National School Lunch Program	10.555	\$1,522,884	\$1,405,306
School Breakfast Program	10.553	283,621	261,724
Non-Cash Assistance Subtotal		<u>1,806,505</u>	<u>1,667,030</u>
Cash Assistance:			
National School Lunch Program	10.555	11,868,223	11,868,223
School Breakfast Program	10.553	4,083,466	4,083,466
Cash Assistance Subtotal		<u>15,951,689</u>	<u>15,951,689</u>
Total Child Nutrition Cluster		<u>17,758,194</u>	<u>17,618,719</u>
Fresh Fruit and Vegetable Program	10.582	282,950	282,950
Total U.S. Department of Agriculture		<u>18,041,144</u>	<u>17,901,669</u>
U.S. DEPARTMENT OF DEFENSE			
<i>Direct Assistance:</i>			
Junior ROTC	12.000	9,586	30,164
Total U.S. Department of Defense		<u>9,586</u>	<u>30,164</u>
U.S. DEPARTMENT OF LABOR			
<i>Passed Through Cuyahoga County:</i>			
WIA Youth Activities	17.259	281,197	291,358
Total U.S. Department of Labor		<u>281,197</u>	<u>291,358</u>
NATIONAL SCIENCE FOUNDATION			
<i>Direct Assistance</i>			
Education and Human Resources	47.076	232,052	317,080
Total National Science Foundation		<u>232,052</u>	<u>317,080</u>
U. S. DEPARTMENT OF EDUCATION			
<i>Direct Assistance:</i>			
Federal Pell Grant Program	84.063	0	15,393
Fund for the Improvement of Education	84.215	568,195	566,824
Foreign Language Assistance	84.293	33,737	31,081
Total U. S. Department of Education Direct Assistance		<u>601,932</u>	<u>613,298</u>
<i>Passed Through Ohio Department of Education:</i>			
Adult Education - Basic Grants to States	84.002	8,490	147,018
Title I, Part A Cluster:			
Title I Grants to Local Educational Agencies	84.010	63,200,332	61,173,179
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	33,896,553	33,009,425
Total Title I, Part A Cluster		<u>97,096,885</u>	<u>94,182,604</u>
Special Education Cluster:			
Special Education Grants to States	84.027	15,208,191	15,787,590
Special Education Preschool Grants	84.173	295,333	293,823
ARRA - Special Education Grants to States, Recovery Act	84.391	9,730,516	11,016,509
ARRA - Special Education - Preschool Grants, Recovery Act	84.392	344,875	341,481
Total Special Education Cluster		<u>25,578,915</u>	<u>27,439,403</u>
Career and Technical Education - Basic Grants to States	84.048	2,306,322	2,313,421
Safe and Drug-Free Schools and Communities - State Grants	84.186	1,453	31,846

See the accompanying notes to this schedule

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2011**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Federal CFDA Number	Receipts	Disbursements
U. S. DEPARTMENT OF EDUCATION (Continued) <i>Passed Through Ohio Department of Education: (Continued)</i>			
Education for Homeless Children and Youth Cluster:			
Education for Homeless Children and Youth	84.196	385,797	382,756
ARRA - Education for Homeless Children and Youth, Recovery Act	84.387	87,759	75,965
Total Education for Homeless Children and Youth Cluster		<u>473,556</u>	<u>458,721</u>
Twenty-First Century Community Learning Centers	84.287	105,545	119,705
Education Technology State Grants	84.318	608,888	839,245
English Language Acquisition Grants	84.365	409,614	448,852
Improving Teacher Quality State Grants	84.367	8,827,629	8,915,411
Teacher Incentive Fund Cluster:			
Teacher Incentive Fund	84.374	94,841	22,530
ARRA - Teacher Incentive Fund, Recovery Act	84.385	882,400	972,904
		<u>977,241</u>	<u>995,434</u>
School Improvement Grants Cluster			
School Improvement Grants	84.377	702,355	702,355
ARRA - School Improvement Grants, Recovery Act	84.388	6,307,903	5,150,443
Total School Improvement Grants Cluster		<u>7,010,258</u>	<u>5,852,798</u>
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	34,101,635	34,101,635
ARRA - State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grant	84.395	582,851	340,664
Total Pass Through Ohio Department of Education		<u>178,089,282</u>	<u>176,186,757</u>
Total U.S. Department of Education		<u>178,691,214</u>	<u>176,800,055</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES <i>Passed Through Ohio Department of Job and Family Services:</i>			
Refugee and Entrant Assistance State Administered Programs	93.566	32,970	179,053
Maternal and Child Health Federal Consolidated Programs	93.110	13,000	13,000
Total Passed Through Ohio Department of Job and Family Services		<u>45,970</u>	<u>192,053</u>
<i>Passed Through Cuyahoga County:</i>			
Temporary Assistance for Need Families - TANF FAST Program	93.558	296,757	344,386
Total Passed Through Cuyahoga County		<u>296,757</u>	<u>344,386</u>
ARRA - State Clean Diesel Grant Program, Recovery Act	66.040	146,413	146,413
Total U.S. Department of Health and Human Services		<u>489,140</u>	<u>682,852</u>
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE <i>Passed Through Ohio Department of Education</i>			
Learn and Serve America_School and Community Based Programs	94.004	291	385
Total Corporation For National And Community Service		<u>291</u>	<u>385</u>
Total Federal Assistance		<u>\$197,744,624</u>	<u>\$196,023,563</u>

See the accompanying notes to this schedule

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2011**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Receipts and Expenditures Schedule (the Schedule) reports the Cleveland Municipal School District's (the District) federal award programs' receipts and disbursements. The Schedule has been prepared on the cash basis of accounting.

NOTE B - CHILD NUTRITION CLUSTER

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

NOTE C – FOOD DONATION PROGRAM

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

NOTE D - MATCHING REQUIREMENTS

Certain Federal programs require the District to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

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Dave Yost • Auditor of State

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

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

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cleveland Municipal School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

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

We did note certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated January 20, 2012.

We intend this report solely for the information and use of management, the audit committee, the Board of Education, and federal awarding agencies and pass-through entities, and others within the District. We intend it for no one other than these specified parties.

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

Dave Yost
Auditor of State

December 30, 2011



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND ON THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE

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

To the Board of Education:

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 could directly and materially affect each of the District's major federal programs for the year ended June 30, 2011. The *summary of auditor's results* section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to opine on the Government's compliance based on our audit.

Our compliance audit followed auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with these requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with these requirements.

In our opinion, the Cleveland Municipal School District complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the 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 directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

Internal Control Over Compliance (Continued)

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Federal Awards Receipts and Expenditures Schedule

We have also audited and issued our unqualified opinion on the financial statements of governmental activities, each major fund and the aggregate remaining fund information of the Cleveland Municipal School District as of and for the year ended June 30, 2011, and have issued our report thereon dated December 30, 2011. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements taken as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to December 30, 2011. The accompanying federal awards receipts and expenditures schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of the audit committee, management, the Board of Education, others within the entity, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Dave Yost
Auditor of State

January 20, 2012

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
FOR THE YEAR ENDED JUNE 30, 2011**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510(a)?	No
(d)(1)(vii)	Major Programs (list):	<p>CFDA# 84.394 – ARRA State Fiscal Stabilization Fund – Education State Grant, Recovery Act</p> <p>Title I, Part A Cluster:</p> <p>CFDA# 84.010 – Title I Grants to Local Educational Agencies</p> <p>CFDA# 84.389 – ARRA Title I Grants to Local Educational Agencies, Recovery Act</p> <p>Special Education Cluster:</p> <p>CFDA# 84.027 – Special Education Grants to States</p> <p>CFDA# 84.391 – ARRA Special Education Grants to States, Recovery Act</p> <p>CFDA# 84.173 – Special Education Preschool Grants</p> <p>CFDA# 84.392 – ARRA Special Education Preschool Grants, Recovery Act</p>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
FOR THE YEAR ENDED JUNE 30, 2011**

1. SUMMARY OF AUDITOR'S RESULTS (CONTINUED)

(d)(1)(vii)	Major Programs (continued) (list):	School Improvement Grants Cluster: CFDA# 84.377 – School Improvement Grants CFDA# 84.388 – ARRA School Improvement Grants, Recovery Act Teacher Incentive Fund Cluster: CFDA# 84.374 – Teacher Incentive Fund CFDA# 84.385 – ARRA Teacher Incentive Fund, Recovery Act CFDA# 84.395 – ARRA State Fiscal Stabilization Fund – Race-To-The-Top Incentive Grant, Recovery Act
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 3,000,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Cleveland Municipal School District
Cuyahoga County
1389 East Sixth Street
Cleveland, Ohio 44114

To the Board of Education:

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedure enumerated below, which was agreed to by the Board, solely to assist the Board in evaluating whether the Cleveland Municipal School District (the District) has updated its anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of this procedure is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

We noted the Board amended its anti-harassment policy at its meeting on June, 28, 2011 to include violence within a dating relationship within its definition of harassment, intimidation or bullying.

Ohio Rev. Code Section 3313.666 required the Board to amend its definition by September 28, 2010.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Education and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

December 30, 2011

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Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2011
Cleveland, Ohio

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



Innovating
to Become
A Premier School District

Comprehensive Annual Financial Report

of the

Cleveland Municipal School District

For the

**FISCAL YEAR ENDED
JUNE 30, 2011**

Prepared by

Finance Department
Dennis Kubick, CPA
Interim Chief Financial Officer

1380 East Sixth Street * Cleveland, Ohio 44114

CLEVELAND MUNICIPAL SCHOOL DISTRICT

Board of Education



Denise W. Link
Board Chair



Louise P. Dempsey
Board Vice Chair



Patricia Crutchfield



Robert M. Heard, Sr.



Willetta A. Milam



Shaletha T. Mitchell



Iris M. Rodriguez



Dr. Lisa Thomas



Eric L. Wobser



Dr. Ronald M.
Berkman
Ex Officio Member



Dr. Jerry Sue
Thornton
Ex Officio Member



Eric S. Gordon
*Chief Executive
Officer*



Dennis Kubick
*Interim Chief
Financial Officer*



John W. Scanlan
*Chief Financial &
Administrative Officer*



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Introductory Section

Cleveland Municipal School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2011
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Eric Gordon
Chief Executive Officer

Board of Education
Denise W. Link
Chair

Louise P. Dempsey
Vice Chair

Patricia Crutchfield
Robert M. Heard, Sr.
Willetta A. Milam
Shaletha Mitchell
Iris M. Rodriguez
Dr. Lisa Thomas
Eric Wobser

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

1380 East Sixth Street, Cleveland, OH 44114 · 216.574.8246 · Fax 216.574.8317 · www.cmsdnet.net

December 30, 2011

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

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Cleveland Municipal School District (the "School District") for the fiscal year ended June 30, 2011. This CAFR includes an opinion from the State Auditor and conforms to generally accepted accounting principals as applicable to governmental activities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the School District. This report will provide the taxpayers of the School District with comprehensive financial data in a format which will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to taxpayers, financial rating services and other interested parties.

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

The School District

The Board of Education and Administration

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

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

The Chief Financial Officer/Treasurer is the chief fiscal officer of the Board and the School District. Under the current administrative structure, the Chief Financial Officer/Treasurer reports to the Chief Executive Officer. On September 7, 2010, Dennis Kubick was named the Interim Chief Financial Officer and has been in that role ever since. On November 15, 2011 the District formally announced the appointment of John W. Scanlan as the Chief Financial and Administrative Officer effective January 1, 2012.

The School District and its Facilities

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

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

In fiscal year 2011, the School District enrolled 43,363 students (compared to 46,697 the previous year) in 80 K-8 schools, and 19 senior high schools. In addition, classes were provided in four residential school programs. The School District also operated a variety of specialized educational facilities (consisting of gardens, athletic fields, a sheltered workshop and a greenhouse), eight administration facilities (including a central kitchen and two leased sites) and two transportation depots.

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

Charter/Community Schools

Beginning in fiscal year 1999, State of Ohio legislation allowed for the creation of charter/community schools. By law the School District receives State Foundation Aid for students attending charter/community schools that are residents of the School District on a per pupil basis. That aid, which includes an imputed local match, is paid out to the charter/community schools for their operations on a one-for-one basis. The number of students attending charter/community schools has grown in the past ten years to 14,323 for fiscal 2011, resulting in the payment from the School District of state aid of \$106.0 million. School District management expects this trend to continue at an increasing rate for the foreseeable future.

Employee Relations

As of June 30, 2011 the School District had 8,373 full and part-time employees (compared to 8,924 the previous year). In the fiscal year ended June 30, 2011, the School District paid \$407.9 million in salaries and wages and \$156.7 million for fringe benefits such as employer retirement contributions, health care, life insurance, and certain other benefits.

The School District's certificated administrators and supervisors (such as principals, assistant principals and many central office staff) are employed on an at-will basis. Teachers and educational specialists, including aides, are represented by the Cleveland Teachers Union ("CTU").

In July 2010, the District entered into a contract with CTU for a three-year period ending June 30, 2013. The contract includes a reopener on economic terms in the second and third years. On December 21, 2011, the Board of Education approved a tentative agreement with CTU.

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

- the International Brotherhood of Teamsters Local 407 (school bus drivers and bus attendants), with a three-year contract (with no reopeners) ending June 30, 2013;
- the City, County, and State Truck Drivers Union Local 244 (truck drivers), with a two-year agreement ending on June 30, 2013;
- the National Conference of Fireman and Oilers Local 860 (assistant custodians, laborers, and mechanics), with a contract (entered into with predecessor union local) ending June 30, 2013 – currently in negotiations over the terms of a new contract;
- the International Brotherhood of Teamsters Local 436 (security officers), with a contract (entered into with a predecessor union local) ending June 30, 2013 – currently in negotiations; and
- the Cleveland Building Trades Council (trades people) and the carpenters union, currently operating under expired contracts.

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

The Reporting Entity

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

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

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

Economic Condition and Outlook

The School District's primary sources of revenues are from the State of Ohio through the State Foundation program and through the levying of property taxes on real property located within the School District. These two sources combined represent approximately 97 percent of the School District's fiscal year 2011 budget basis General Fund operating revenues. The following discussion provides additional information pertaining to these revenue sources.

Taxes

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

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

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

Fiscal year 2012 property taxes are currently estimated by the Cuyahoga County Auditor's Office based on a collection rate of 80.9%, down from 84.0%. The forecast through 2016 assumes a collection rate of 80.9%. The Ohio Revised Code and Ohio Administrative Code mandate Cuyahoga County to conduct a re-appraisal every six years, an update every three years and annual valuation of improvements based upon building permits received from each city annually. The next update will be in 2012, with the next re-appraisal scheduled for the year 2015.

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

Public utilities include electric companies, gas companies, and local and long distance telecommunications companies. Historically, utility property taxes have been assessed at rates of 100% and 88% of true value, depending on the type of property. SB 3, the Electric Utility Deregulation bill, was passed in 1999. This act revised the tax assessment rates for most classes of public utility property. The tax assessment rate for all tangible personal property of an electric company, except transmission and distribution property, was reduced by 25%. By enacting a kilowatt-hour excise tax and requiring the funding of a replacement fund (to make up for losses in assessed value), the Legislature intends to hold school districts financially harmless due to electric deregulation. A similar hold harmless provision was built into SB 287, dealing with the re-evaluation of public utility property for natural gas utilities. HB 66, the 2006-2007 biennium budget bill enacted a number of changes to the public utility property tax. The assessment rate of all electric transmission and distribution of personal property was reduced from 88% to 85%. The assessment rate for all other electric personal property was reduced from 25% to 24%. A School Property Tax Replacement Fund was established

to reimburse school districts for the loss in taxable value resulting from deregulation of the electric and gas utility industries.

House Bill 66 phases out the tax on the tangible personal property of general businesses, telephone and telecommunications, and railroads. The tax on general business and railroad property were eliminated in 2009, and the tax on telephone and telecommunications property will be eliminated by 2011. The tax is phased out by reducing the assessment rate on the property each year. HB 66 makes provision to replace revenue lost due to the phase out of the tangible personal property tax. Businesses are now subject to a commercial activity tax (CAT) that will provide replacement income to school districts for the lost tangible property revenues. In the first five years of enactment (2006-2011), school districts are reimbursed for lost revenue based on 2004 valuations; in the following seven years, these reimbursements are slowly phased out.

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

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

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

School Foundation

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

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

State foundation projections for fiscal year 2010 and 2011 are based on House Bill 1 "Evidence Based Funding Model." The new "evidence-based" funding model (HB 1) replaced the old school funding calculation (HB 119) with a new method that calculates an "adequacy" amount for each school district.

Adequacy of the New Evidence Based Funding Model is made up of components and factors. The adequacy amount calculated by the new formula includes the following components:

- Instructional Service Support – provides funding for core teachers, specialist teachers, special education teachers, lead teachers, special education teacher's aides and supplemental teachers.
- Administrative Services – provides funding for superintendents and treasurers, principals, secretaries, and building managers.
- Operations and Maintenance Services – provides funding for operations and maintenance.
- Gifted Education and Enrichment – provides enrichment support funding.
- Technology Resources – provides funding for media services and technical equipment.

- Professional Development – provides funding for professional development.
- Additional Services Support – provides funding for family and community liaisons, school nurse wellness coordinators and district health professionals.
- Instructional Materials Factor – provides funding for instructional materials.

The adequacy amount for each component is based on a number of factors:

- Statewide Average Teacher Salary – Several of the components in the new funding model are calculated based on the statewide average teacher salary. HB 1 sets the teacher salary amount at \$56,902 for 2010 and \$57,812 for fiscal year 2011.
- Educational Challenge Factor – is an index applied to the statewide teacher salary amount to adjust funding levels to account for the student and community socioeconomic factors. The educational challenge factor is based on the following characteristics:
 - College attainment rate of the district’s population.
 - District’s wealth per pupil.
 - District’s concentration of poverty.
- Organizational Units – is used to index a school district formula Average Daily Membership (ADM) at certain grade levels. This factor recognizes that students have different needs at each developmental level (grade level).
- Local Share of the Adequacy Amount – budget bill includes the local share of the adequacy calculation. The calculated local share (“charge-off”) is reduced from the adequacy amount calculation. The “charge-off” under the previous funding formula (HB 119) is based on 23 mills times the district’s total taxable valuation (fiscal year 2009 “charge-off”). Under HB 1, the “charge-off” is reduced to 22 mills times taxable valuation for fiscal year 2010 and 2011.

For fiscal year 2011, transitional aid (guarantee) limits the decrease in state aid to 1% and to 2% in fiscal year 2012. No School District’s combined fiscal year 2011 adequacy amount will be more than .75% higher than fiscal year 2010 funding levels. No School District’s combined fiscal year 2012 adequacy amount will be more than .75% higher than fiscal year 2010 funding levels. State funding allocations for fiscal years 2012 and beyond are projected to decrease based on an estimated student enrollment decline.

Local Economy

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

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

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

- Euclid Corridor – More than \$3.3 billion worth of projects are in the works or were recently finished along five miles of Euclid Avenue. Major projects completed recently include: Cleveland Clinic Heart and Vascular Institute (\$506 million); Cleveland Clinic Urological and Kidney Institute (\$128 million); and Euclid Corridor (\$200 million).
- Medical Mart and Convention Center – Merchandise Mart Properties began construction in early 2011 of its Medical Mart and Convention Center at the site of the former convention center in downtown Cleveland, which is expected to be completed sometime in 2013. Once completed, the estimated \$425 million center is projected to generate significant economic activity in the City.
- Flats East Bank – Construction has begun on the \$270 million Cleveland Flats East Development Project. The project consists of an approximately 450,000 square foot, 18-story office tower, approximately 31,000 square feet of restaurant and retail space, a 150-room Starwood brand hotel called “Aloft” and an approximately 550-space parking garage. The housing portion of the development has been moved to a second phase of the project, in deference to current housing market issues. Two large corporate tenants have agreed to lease more than fifty percent of the office tower.
- Flats West Bank – On the West Bank of the Flats, renovation of the historic Powerhouse is underway. The new Greater Cleveland Aquarium is under construction and recently announced a Phase I opening date in January 2012. Phase I of the project will cost approximately \$33 million. Phase II of the development is expected to exceed \$40 million. The Aquarium, when completed, will feature 70,000 square feet of exhibits, including SeaTube®, and underwater walk-through experience.
- Cleveland State University (CSU) – In recent years, CSU has continued its commitment to investing in downtown Cleveland. In 2010, CSU completed construction of a new \$36 million College of Education and Human Services and \$50 million Student Center. CSU is now focused on additional student housing for over 1,500 students. It has prepared and released bids and is in the selection process for a developer. The new development at CSU has caused several investors to purchase and renovate buildings in the general area, now called “College Town.” The Colleegetown Lofts project includes a Barnes and Noble bookstore on two floors and apartments and condos above. Total project cost is \$0.9 million. Allegro Realty purchased a building on Euclid Avenue across from the University and moved its headquarters to the second floor and added three retail spaces to the floor.
- Ohio has become the 13th state to allow casinos, as voters approved gaming halls in Cleveland, Columbus, Cincinnati, and Toledo. The \$600 million Horseshoe Casino Cleveland is being developed in two phases by Rock Ohio Caesars LLC, a joint venture of Rock Gaming LLC and Caesars Entertainment Corporation and will carry the Caesars’ Horseshoe brand used in other cities. Phase I of the project commenced in 2010 and features renovation of the historic downtown Higbee building. The developer has reported that the Phase I development will cost approximately \$350 million, will open in early 2012, and will employ up to 1,600 upon completion. The developer has purchased the property for Phase II, adjacent to the Phase I site. Phase II is not expected to open until 2013 at the earliest.

Major Initiatives

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

In order to become a premier school district, the District has addressed “The Path to Premier” reform strategy which is comprised of five critical areas that form the cornerstone of the School District.

They are:

1. TurnAround Schools
2. Curriculum Improvement

3. Safety and Security
4. Technology
5. Constituent Engagement

In addition, a five-year Strategic Plan (2007-2012) designed to chart the course for all levels of the School District's academic and organizational effectiveness was initiated and completed. This plan was based on a conscious decision to involve all stakeholders in the development process. Thousands of students, parents, teachers, political figures, business representatives, community leaders and faith-based groups joined our steering committee and the administrative team in the planning process.

Moving forward in eliminating the achievement gap, the School District has set another high goal. The disparity between economically disadvantaged students, racial minorities, and ethnic minorities and students not belonging to those groups must be eliminated. Beginning with our early childhood students, the School District will provide a firm foundation for student success. The School District will assure class sizes are conducive to self expression and individualized learning. Finally, the School District will continue to identify academic disparity throughout the School District and will aggressively respond with the remedies that will close the gap.

TurnAround Schools

The TurnAround Schools initiative has been created to focus on ten of the School District's lowest performing schools. These are Pre-K through 8 schools that have not made adequate yearly progress for five, six or seven years.

Major strategies in the TurnAround Schools initiative plan include:

1. Track the schools progress very closely. Monitor proficiency, attendance and school climate.
2. Allocating the necessary resources available to make improvement. For example, a curriculum specialist, assistant principals, academic coaches, and parent support groups are engaged with every school.
3. Social workers and counselors will be assigned to the most challenging schools. These buildings we'll provide focused professional development for staff, enhanced communication with parents and increased extracurricular programming.

Innovation in Curriculum

The School District believes that the same old teaching methods and materials for the same old world simply does not cut it anymore. The Schools District continues to stretch the definition of what a public school education should include. For the last three years, the School District has plowed the ground and has sown the seeds of innovation and continuous improvement. Now the School District will water and nurture to harvest unblemished fruit for realignment, replications and expansion.

The following schools have been discussed by the CEO as part of the Curriculum Innovation and Choice reform strategy:

Single Gender Academies: During the 2007-08 academic year, four single-gender schools were established as a choice option for District and regional students. Each of the schools will require parent contracts and scheduled parent-teacher conferences. According to a survey conducted by the Cleveland Foundation, parents of students at these single gender schools report a 94% satisfaction rate with the schools.

The Ginn Academy: Named after noted Glenville High School football coach Ted Ginn, Sr., this school opened in fall of 2007 and is designed to create a productive, holistic learning environment for the School District's at-risk make students. Plans are to establish a residency-based school environment. Other elements

include coordinated services with city and regional social service agencies. In the school's first three years of operation, the Academy scored a rating of "Continuous Improvement" on its Ohio Department of Educational Local Report Card.

The Design Lab High School at Jane Adams: The Design Lab High School, supported by Cuyahoga College, gives students a strong foundation in creative thinking and technical skills that will enable them to solidify and grow Cleveland's position as one of the country's leading centers for industrial design.

The STEM (Science, Technology, Engineering and Mathematics) Academy: The MC2 STEM High School is designed to meet the regional need for advanced high school education in science, technology, engineering and math. The MC2 STEM High School is a unique opportunity school of choice that will accept 75 percent of its students from the School District and 25 percent from the region. The high school is the first incubator STEM school in the United States that is housed on a STEM industry corporate campus. This innovation institution embeds each grade level into a different STEM industry partner to provide students with a dynamic real-world learning environment with a foundation of rigorous STEM-based academic principles. The MC2 STEM High School is located at GE's Nela Park campus and opened to approximately eighty ninth graders in February 2009 who had previously been attending classes at Great Lakes Science Center while the MC2 STEM High School was constructed. This is the first high school in the nation to be housed on the campus of a Fortune 500 company.

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

The Bookshelf Project: A pilot program for 6th through 12th graders designed to replace outdated printed textbooks with updatable digital content from Houghton Mifflin Harcourt. Initially, a total of approximately 400 students in grades 6-8 at Mound School and students at Washington Park High School will be provided with Nook Color Tablets purchased at a discount from Barnes & Noble through a grant from Third Federal Foundation. The District has applied for a \$3 million Investing in Innovation Development Track grant from the United States Department of Education that, if awarded, will enable the District to purchase nearly 20,000 additional Nooks to provide to all 6th through 12th graders in the District.

Safety and Security

The School District will continue to focus on improving student and staff safety in schools and to foster a more respectful atmosphere in schools more conducive to teaching and learning. A "zero tolerance" policy has been announced for any behavior in schools that can detract from the focus on academics.

Safety leadership teams were created and placed in schools to permit students to have valuable input in efforts to increase student safety, create a more respectful environment for teaching and learning in schools, and to provide a mechanism for responding to student concerns.

As part of the five-year Strategic Plan, the Safety & Security Plan provides a framework for addressing safety and violence in our schools and communities and involves a collaborative effort with the major safety forces within the City. The Safety & Security goal is to maintain a safe and secure school environment that supports the societal rules of a peaceful community.

The major strategies in an effort to reach this goal include:

1. Conduct additional metal detection security sweeps annually, thereby providing proactive and preventative measures in support of becoming a premier school district.
2. Increase the number of security staff that will enhance the overall effectiveness of security operations.
3. Create a school Community Service Officers (CSO) job category to be assigned to the Elementary Schools to assure safe walking routes for the elementary students. As part of the department's community policing strategy, this position will address concerns of parents of small children walking to and from school.
4. Increase the number of truancy sweeps.
5. Provide two types of searches (modified and full metal) for monitoring building security.
6. Investigate the implementation of bike patrols that will rotate patrol routes around all elementary schools, neighborhoods and the business community.
7. Utilize state-of-the-art technology to enhance safety and security efforts.

Technology

During 2008-2009, the School District was proud to launch the new website (www.cmsdnet.net). Communication to our many stakeholders is key to our success, so the School District put a great deal of time and effort into the new site. The redesign was driven by recommendations from a cross section of the community.

The highlights of the website include:

- More interactive, overall site navigation has been designed with the user in mind.
- Accessible in both English and Spanish.
- Compliance with Section 508 of the Federal Rehabilitation Act, which requires equal access to information for disabled Americans.
- A new section called Support CMSD allows the public to support the School District either by volunteering or giving monetarily.
- An Alumni section for those looking to reconnect with their alma mater.
- Future plans include giving parents access to their child's homework assignments and grades so that they will find it much easier to make learning a central activity in the home.

Video On Demand is now available in all school buildings. With the rate at which the moving image is supplanting the written word as a pedagogical tool, this is an essential development.

Constituent Engagement

The Student/Parents Organization which has more than 350 members received training to increase their effectiveness as advocates and ambassadors. The School District intends for this organization to quickly grow in size and influence our students.

The "Mission Possible" initiative was created to blend a historic collaboration between teachers and the School District to share best practices, facilitate mentoring, and will lead to much improved outcomes in the classrooms.

CMSD Transformation Plan

The School District's Transformation Plan is a bold plan to transform the School District. It is a plan driven by research and best practices in student achievement and in school reform initiatives calling for fundamental, system-wide changes in our schools.

In his role as Chief Academic Officer, Mr. Gordon was a primary architect of the District's five-year Transformation plan, which plan was announced in January 2010 and is based on objective, data-based criteria and staff and community input, input from a Community Advisory Committee that included parents, educators, community leaders and public officials, and three external audits: an audit of the District's specialty programs by the Council of Great City Schools, an audit of the District's turnaround strategies by Education First, and an audit on the District's use of school facilities by the Boston Consulting Group. The Transformation Plan was approved by the Board of Education on March 9, 2010.

The Goals of the Transformation Plan are:

- Graduate all students ready to compete in the 21st century global economy
- Provide high quality schools that raise student achievement in every neighborhood so that all families have choices
- Hold everyone accountable for success, using performance data – teachers and principals, central office staff, parents and students and community
- Recruit, support and retain high-quality principals and teachers
- Expand what is working today for students, be bold in rethinking, and change what is not working
- Attract and retain students and families in the City
- Right-size the District by eliminating excess capacity, addressing overcrowding and ensuring effective use of resources

At its core, the Transformation Plan divides schools into four main categories of transformation:

Growth Schools: Are schools that are showing the strongest absolute academic performance or strong improvement trends. These schools will be provided the autonomy and support they need to continue to improve student outcomes, with a strong expectation for continued growth.

Refocus Schools: Are schools that, with increased support, can become Effective and Excellent-rated schools. These schools will be provided supports based on specific needs. Example supports may include new and invigorated academic programs and additional principal and teacher training. Some high schools in this category will, over time, open new academies in existing buildings to provide additional high quality academic options for students.

Repurpose Schools: Are schools where the most significant change will occur, with a goal to dramatically improve academic performance. Three options will be considered for these schools (and will be deployed either separately or in combination):

- Replace school leadership
- Require teachers to reapply to the school
- Consider conversion to charter school status

At the high school level, repurposed schools will transition from comprehensive high schools into two-to-four proven academy models over time. Repurposed high schools will also begin with a strong 9th grade support system for students.

Closed Schools: were the lowest-scoring schools, based on the District's four objective decision criteria: academics, building condition, facility demand and performance drivers. Students in these buildings were reassigned to neighboring schools. In this category, 11 K-8 schools and two high schools were identified as closed schools.

In addition, successful programs, in a few cases, were relocated to better utilize space and better serve students. Through these relocations, the District will close another two facilities, bringing the total number of building closures to 15.

The District's high school strategy in the Transformation Plan focuses on breaking down struggling comprehensive high schools into academies serving 400-600 students (80-90% occupancy system-wide) that will teach real-world coursework (hands-on project learning) and implement research-based models that are supported by proven networks and providers. The District developed options for students who have fallen behind, as well as those who need a greater challenge and, beginning in 2010 implemented a choice system, where students select the high school that best matched their needs. The District has also supported the transition to 9th grade with a clearly articulated (or research based) programs to prepare students for high school success.

The District's K-8 strategy in the Transformation Plan focused on building, maintaining and growing quality schools in all neighborhoods by focusing on teaching students core academic skills (e.g., core literacy and math skills), maintaining a select number of 'choice' programs throughout the District (e.g., single-gender academies, Montessori, arts infused schools, etc.) and programs that serve a specific need (e.g., dual-language) and seeking partnerships to help serve student needs (e.g., after school care as part of "wrap-around" services).

As part of the Transformation Plan, the District has actively engaged with successful charter schools both in the City and throughout the nation, including offering national charter organizations the opportunity to manage low performing schools in the District. During the 2010-2011 school year four charter schools were invited to be sponsored by the District. These charter schools have a rating of "Exceeds" to "Excellence" as part of the State report card rating. One of the charter schools is sharing space with a District public school building.

The Transformation Plan includes a plan to transform the central office by restructuring to align priorities, forming a transformation management office that reports to the CEO to oversee the entire transformation process, increasing transparency and cutting spending.

The Transformation Plan includes both savings (building closures) and additional costs (turning around low performing schools and investing in District reform efforts). The total cost for the first three years of the Transformation Plan is estimated to be \$70 million. The District has sought and will continue to seek local, state, and federal community support to help the transformation initiatives. If and to the extent that the District is unable to secure the external funding support the major initiatives, the District plans to continue to implement the plan at a slower, more measured pace of change.

By the 2014-15 school year, it is the District's goal, as a result of the implementation of the Transformation Plan, that the graduation rate will meet the State benchmark (currently 90%), the average ACT will be 19 or better, 100% of the schools in the District will be rated "Continuous Improvement" or better, 50% of the District's schools will be rated "Excellent" or "Effective" on the Ohio report card, and the enrollment trend will be stable with 80-90% capacity utilization.

Significant Accomplishments

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

- For the 2010-11 school year, the School District was rated as "Academic Watch" on the State's Report Card.

- A total of 69 schools made improvement on this year's State's Report Card from the previous year.
 - Whitney M. Young School earned an "Excellent with Distinction" rating on the state's report card for the second consecutive year.
 - Seven schools achieved an "Excellent" rating, including MC2 Stem High School, all three John Hay Schools, and William Cullen Bryant Elementary School.
 - Another fifteen schools were rated as "Effective"
 - The District earned a record high performance in 6th and 8th grade reading proficiency, in 6th and 10th grade math proficiency and in 8th grade science proficiency.
 - The District also achieved a record graduation rate of 62.8%, up 8.5% from the previous year.
 - Had gains in most tested areas, including 13 of the state's 16 reading and math measures from the previous year.
 - Also, the District attendance rate was 92.2%, which was an increase from the previous year.
- Community Engagement Initiatives:
 - OGT Door-To-Door Campaigns.
 - CMSD Parent University
 - STEAM Program (Science, Technology, Engineering, Arts, Math)
- During the 2008-2009 school year, the School District began offering the following opportunities for students in our district and region:
 - MC2 STEM High School offers the regional need for advance high school education in science, technology, engineering and math. The MC2 STEM High School is a unique opportunity school of choice that accepts 75 percent of its students from the School District and 25 percent from the region. This high school is the first incubator STEM school in Cleveland that provides innovative instruction for students with multiple educational centers that compliment their curriculum of a dynamic real-world learning environment with a foundation of rigorous STEM based academic principles. Freshman campus is located within the Cleveland Science Center in the heart of downtown Cleveland, while the sophomore experience is held on the fortune campus of General Electric Nela Park, and finally the junior and senior years take place on a college campus.
 - Design Lab Early College combines creating thinking, refined technical skills and artistic application of design. The students participate in the full evolution of projects from conception and design to fabrication and presentation. The School District is partnering with Cuyahoga Community College Metro Campus for this dynamic opportunity.

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

- In the fall of 2007 the School District opened four single gender schools for students in grade PreK-8. According to a survey conducted by the Cleveland Foundation, parents of students at these single gender schools report a 94 percent satisfaction rate with the schools. The Valley View Boys Leadership Academy received their first Excellent on their 2009-2010 state report card.
- This past year, Ginn Academy for Boys celebrated their first graduating class for the Academy. In addition, the Kenneth W. Clement Boy's Academy moved their school site location to the campus where Ginn Academy resides. This move provides a rich PreK-12 gender based environment not only focused on academic excellence but a school culture that teaches and builds character and excellence in young men.

- To enhance safety and security, independent audits are being conducted to assess the current level of support, services personnel and security equipment for the purpose of extracting strategic insights and making recommendations to improve School District safety and security. The School District has installed metal detectors and increased security guards to all buildings.
- The School District continued the 3Rs (Rights, Responsibilities, Realities) collaboration with the Cleveland Bar Association in which more than 700 lawyers, judges and other volunteers of the legal community have gone into 10th-grade classrooms in our high schools. Their mission is to improve understanding of the law and the Constitution; improve passage of the Ohio Graduation Test; and to provide practical career counseling to focus students on their potential beyond high school.
- Construction was completed at Adlai Stevenson, Anton Grdina, Charles Dickens, Euclid Park, George W. Carver, Mound, Thomas Jefferson, Willson. All of these schools opened in the 2010-2011 school year except for Anton Grdina and Mound, which will open in the 2011-2012 school year. Construction began and continued on Almira, Cleveland School of Arts, Louisa May Alcott, Miles, Orchard, Paul L. Dunbar, New West Side High School, John Marshall, and Max Hayes. Construction has yet to begin on Case, Glenville Area Elementary, and Buckeye-Woodland.
- A District-wide uniform policy was instituted for grades K-8 in 2008. In 2009, high school students were required to participate in the District-wide uniform policy. This has been a successful initiative for the District Community.

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

Long-Term Financial Planning

The Board of Education has assigned responsibility for annual and long-term financial planning to the Chief Financial Officer/Treasurer. The policies require that the first objective of financial management planning is to provide for the education of the School District's children. We are expected to use the best available techniques for budget development and management, as well as to engage in strategic, long-term financial planning which attempts to forecast the need for future educational and capital expenditures.

The School District has implemented a 14-year, ten segment Master Facility Plan, that will require approximately \$1.3 billion to repair, renovate and rebuild its school facilities. The revised Master Facility Plan called for the construction/replacement of 50 schools, renovation of 15 existing facilities and maintain and repair 6 existing facilities as resources allow. Segment one of the construction projects began in 2002. Through June 30, 2010, the School District has constructed 18 new schools and renovated 5 existing facilities.

Relevant Financial Policies

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

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

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

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

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

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

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

Internal Controls

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

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

Awards

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2010. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ASBO International Certificate of Excellence

The School District received the Association of School Business Officials (ASBO) International Certificate of Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2010. This award certifies that the report substantially conforms to the principles and standards of financial reporting as recommended and adopted by ASBO. The award is granted only after an intensive review of financial reports by an expert ASBO panel of review consisting of certified public accountants and practicing School business officials. Receiving the award is recognition that a School system has met the highest standards of excellence in School financial reporting.

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

Acknowledgments

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

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

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

Respectfully submitted,



Dennis Kubick, CPA
Interim Chief Financial Officer

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

Cleveland Municipal School District

Board Members

Appointed by Mayor of City of Cleveland

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

Cleveland Municipal School District

Senior Appointed Officials

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

(a) Appointed July 1, 2011

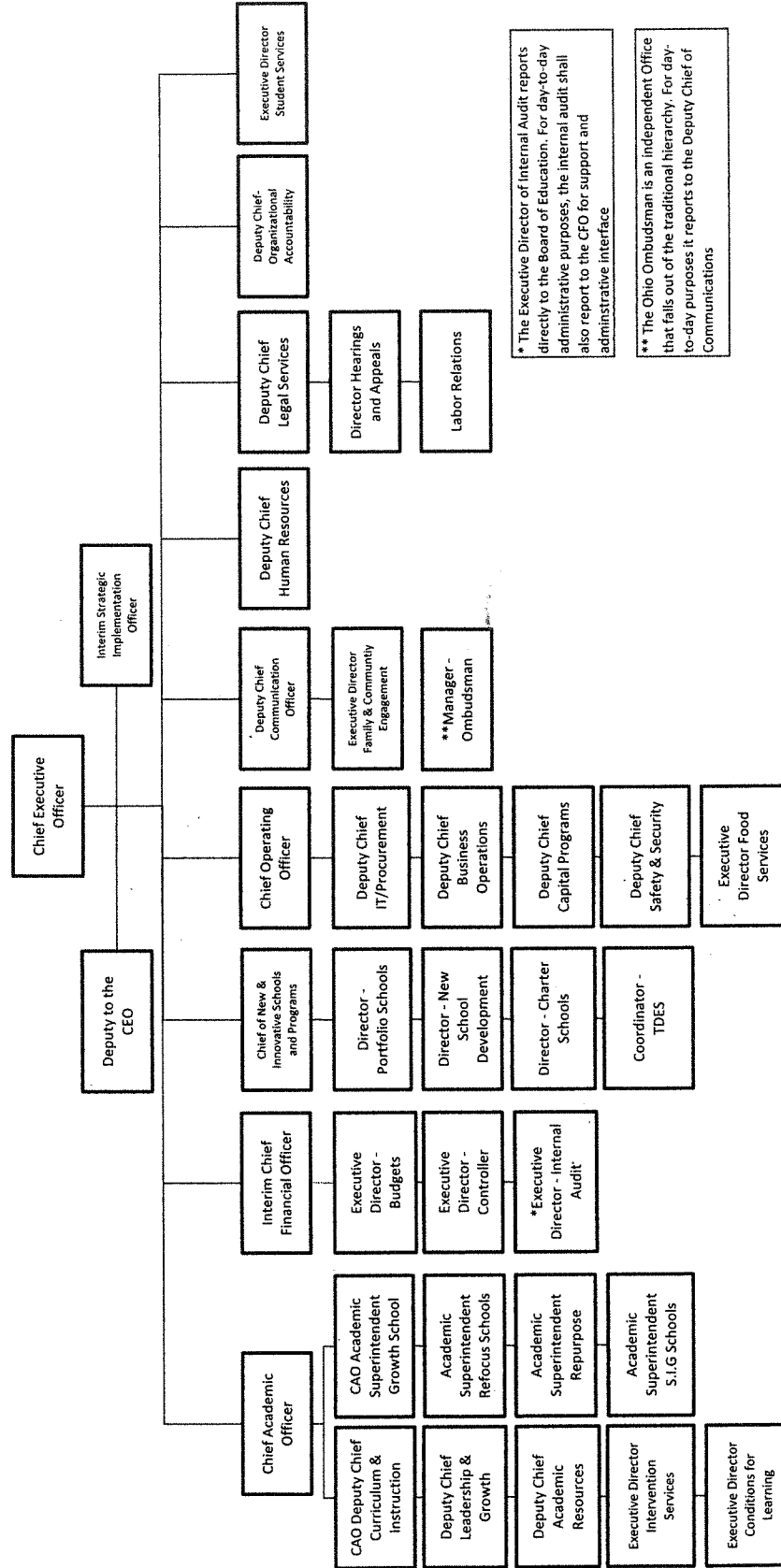
(b) Currently being performed by Karen Thompson & Rojeana Curtis

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

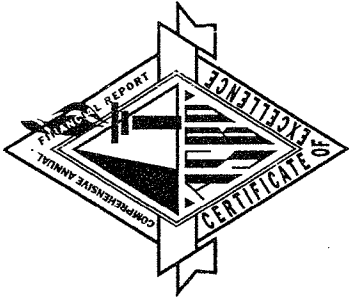
(d) Resigned November 1, 2011

(e) Resigned November 6, 2011

Cleveland Municipal School District Organizational Chart



ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL



This Certificate of Excellence in Financial Reporting

is presented to

Cleveland Municipal School District

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2010

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

Chuck Zimmerman

President

John D. Quasso

Executive Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Cleveland Municipal School
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

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.



Linda C. Danson

President

Jeffrey R. Enev

Executive Director

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Financial Section



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cleveland Municipal School District, Cuyahoga County, Ohio (the District), as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Cleveland Municipal School District, Cuyahoga County, Ohio, as of June 30, 2011, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2011, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Lausche Building / 615 Superior Ave., NW / Twelfth Floor / Cleveland, OH 44113-1801
Telephone: (216) 787-3665 (800) 626-2297 Fax: (216) 787-3361
www.auditor.state.oh.us

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

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



Dave Yost
Auditor of State

December 30, 2011

Cleveland Municipal School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited

The discussion and analysis of the School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2011 are as follows:

- ❑ Total current and other assets increased by \$62.9 million and capital assets increased by \$33.7 million, resulting in a net increase in total assets of \$96.6 million in Governmental Activities.
- ❑ Total short-term liabilities decreased \$11.2 million and total long-term liabilities increased \$26.8 million, resulting in a net increase in total liabilities of \$15.6 million in Governmental Activities.
- ❑ Total net assets increased \$81.0 million in Governmental Activities.
- ❑ General revenues accounted for \$672.3 million in revenue or 72.8% of all revenues for Governmental Activities. Program specific revenues in the form of charges for services, sales, grants or contributions accounted for \$251.7 million or 27.2% of total revenues of \$924.0 million.
- ❑ Total program expenses were \$843.0 million in Governmental Activities.
- ❑ Among major funds, the General Fund had \$635.7 million in revenues and other financing sources and \$598.0 million in expenditures and other financing uses. The General Fund's fund balance increased by \$37.7 million.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand The School District as an entire operating entity. The statements begin at a summary level and expand to detailed financial activities.

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the entire School District, presenting both an aggregate view of the School District's current finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements present how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other nonmajor funds presented in total in one column. The General Fund, the Debt Service Fund, the Classroom Facilities Fund, and the Title I Fund are the most significant governmental funds.

Reporting the School District on a Government-Wide Basis

Statement of Net Assets and the Statement of Activities

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

Cleveland Municipal School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited

question, "How did we do financially during 2011?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash was received or paid.

These two statements report the School District's net assets and changes in those net assets. This change in net assets is important because it tells the reader whether the financial position of the School District, as a whole, has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs, general inflation and other factors.

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 18. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for its financial transactions. However, these fund financial statements concentrate on the School District's most significant funds. The School District's major governmental funds are the General Fund, the Debt Service Fund, the Classroom Facilities Fund, and the Title I Fund.

Governmental Funds - Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps the reader determine the amount of financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

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

Cleveland Municipal School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited

The School District on a Government-Wide Basis

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

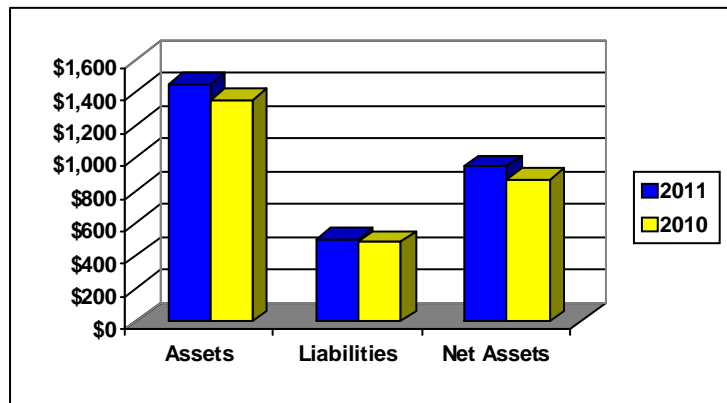
Table 1 provides a summary of the School District's net assets for 2011 compared to 2010:

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

	Governmental Activities		Change
	2011	2010	
Assets			
Current and Other Assets	\$ 738.3	\$ 675.4	\$ 62.9
Capital Assets	713.7	680.0	33.7
Total Assets	1,452.0	1,355.4	96.6
Liabilities			
Current Liabilities	236.9	248.1	(11.2)
Long-Term Liabilities	265.9	239.1	26.8
Total Liabilities	502.8	487.2	15.6
Net Assets			
Invested in Capital			
Assets Net of Related Debt	510.8	500.6	10.2
Restricted			
Restricted for Debt Service	48.2	47.5	0.7
Restricted for Capital Projects	260.6	257.9	2.7
Restricted for Educational Special Trust	19.4	15.3	4.1
Restricted for Classroom Facilities Maintenance	28.3	24.8	3.5
Restricted for Auxiliary Services	1.5	0.5	1.0
Restricted for Miscellaneous State Grants	0.5	0.5	0.0
Restricted for Food Service	1.0	(1.4)	2.4
Restricted for Miscellaneous Federal Grants	0.9	0.7	0.2
Restricted for Other Purposes	19.3	1.3	18.0
Unassigned	58.7	20.5	38.2
Total Net Assets	\$ 949.2	\$ 868.2	\$ 81.0

Cleveland Municipal School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited

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



Current and other assets increased by \$62.9 million and capital assets increased by \$33.7 million, resulting in an overall increase in total assets of \$96.6 million. The increase in current and other assets is mostly attributable to a net increase in Equity in Pooled Cash and Cash equivalents of \$21.3 million and a net increase in Investments of \$29.0 million. The primary reason for the significant growth in capital assets is the continuation of a massive new facility construction/renovation program. This is described further in the *Capital Assets* section following.

Current liabilities decreased by \$11.2 million and long-term liabilities increased by \$26.8 million, resulting in an overall increase in total liabilities of \$15.6 million. The decrease in current liabilities is due primarily to the decrease of accounts payable by \$5.1 million. The increase in long-term liabilities is due primarily to issuance of \$55 million of school facility bonds, which represents the last of the \$335 million of bonds that the District can issue for the new school facility program.

Total net assets increased by \$81.0 million. This is mainly the result of a \$37.7 million increase of the fund balance in the General Fund at the end of the fiscal year. At the end of the current year, the School District is able to report positive balances in all three categories of net assets.

Cleveland Municipal School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited

Table 2 shows the change in net assets for fiscal years 2011 and 2010.

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

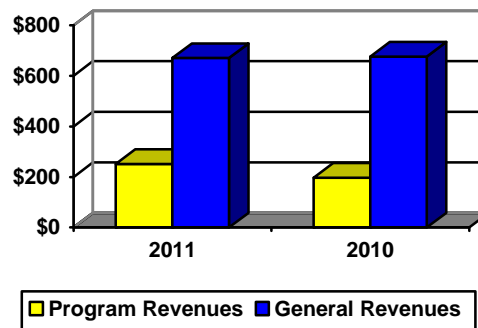
	Governmental Activities		Change
	2011	2010	
Revenues			
General Revenues:			
Property Taxes	\$ 189.6	\$ 190.9	\$ (1.3)
Miscellaneous	13.7	11.3	2.4
Investments Income	3.5	5.8	(2.3)
Grants and Entitlements	465.5	468.4	(2.9)
Program Revenues:			
Charges for Services	6.0	2.6	3.4
Operating Grants	243.7	191.7	52.0
Capital Grants	2.0	3.4	(1.4)
Total Revenues	<u>924.0</u>	<u>874.1</u>	<u>49.9</u>
Program Expenses			
Instruction	522.7	595.8	(73.1)
Support Services:			
Pupil and Instructional Staff	96.7	104.5	(7.8)
Board of Education, Administration, Fiscal and Business	60.6	61.1	(0.5)
Operation and Maintenance of Plant	63.2	61.7	1.5
Pupil Transportation	28.9	30.9	(2.0)
Central	12.4	14.6	(2.2)
Operation of Non-Instructional Services	42.2	41.5	0.7
Extracurricular Activities	6.4	6.5	(0.1)
Interest and Fiscal Charges	9.9	7.5	2.4
Total Expenses	<u>843.0</u>	<u>924.1</u>	<u>(81.1)</u>
Change in Net Assets	81.0	(50.0)	131.0
Net Assets Beginning of Year	<u>868.2</u>	<u>918.2</u>	<u>(50.0)</u>
Net Assets End of Year	<u>\$ 949.2</u>	<u>\$ 868.2</u>	<u>\$ 81.0</u>

Cleveland Municipal School District
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2011
 Unaudited

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

	2011	2010
General Revenues	\$ 672.3	\$ 676.4
Program Revenues	251.7	197.7
Total Revenues	\$ 924.0	\$ 874.1

Governmental Activities - Revenue



General Revenues

General revenues for the School District are comprised almost entirely of property tax collections and grants from various sources. Property taxes made up 28.2% and 28.2% and grants made up 69.2% and 69.3% of general revenues for governmental activities for the School District in fiscal years 2011 and 2010, respectively.

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

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

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

Program Revenues

Operating and capital grants comprise 97.6% of total program revenues of the School District. These grants, obtained mainly from the Federal Government, State of Ohio and the Ohio School Facilities Commission, support specific educational programs and objectives as defined by these agencies as well as the capital programs. The amount available to the School District may vary from year to year depending on amounts made available by these agencies and the needs of the School District.

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

	Total Cost of Services 2011	Net Cost of Services 2011	Total Cost of Services 2010	Net Cost of Services 2010
Instruction	\$ 522.7	\$ (372.1)	\$ 595.8	\$ (489.1)
Support Services:				
Pupil and Instructional Staff	96.7	(50.2)	104.5	(55.9)
Board of Education, Administration, Fiscal and Business	60.6	(52.5)	61.1	(55.4)
Operation and Maintenance of Plant	63.2	(62.0)	61.7	(59.0)
Pupil Transportation	28.9	(25.7)	30.9	(29.9)
Central	12.4	(12.0)	14.6	(14.0)
Operation of Non-Instructional Services	42.2	(1.2)	41.5	(9.9)
Extracurricular Activities	6.4	(5.7)	6.5	(5.7)
Interest and Fiscal Charges	9.9	(9.9)	7.5	(7.5)
Total Expenses	\$ 843.0	\$ (591.3)	\$ 924.1	\$ (726.4)

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

The largest Governmental Activities program expense remains instruction, comprising 62.0% of the total cost of services. When combined with pupil and instructional support these categories make up 73.5% of the total cost of services. This make-up is consistent with the general educational objectives of the School District. The dependence upon general revenues for governmental activities is apparent. 71.2% of instruction activities are mainly supported through taxes and general revenues. Similarly, for all governmental activities general revenue support is 70.1%. The community, as a whole, is by far the primary support for the School District students.

Cleveland Municipal School District
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The School District's Funds

Information about the School District's major funds starts on page 18. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$957.9 million and expenditures and other financing uses of \$919.9 million, resulting in a net increase in fund balances of \$38.0 million.

The General Fund is the chief operating fund of the School District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$7.4 million, while total fund balance increased to a \$16.7 million surplus.

The net changes in fund balances for the year were most significant in the General Fund, the Classroom Facilities Capital Projects Fund and Other Governmental Funds. The fund balance in the General Fund increased \$37.7 million. The increase in fund balance can be attributed to several items related to decreasing expenditures and increasing revenues. The increase in tuition and fees were due to the District improving the way it tracks students from other districts that attend our schools. Earnings on investments also decreased because of lower interest rates. Expenditures decreased 10.0% over the prior fiscal year. This decrease is mostly due to a decrease of \$56.5 million in salaries and benefits due to concessions made by all employees. The Classroom Facilities capital projects fund balance increased \$33.0 million. The increase was due to the issuance of \$55 million of school improvement bonds. Funding of this program is described in more detail in the *Capital Assets and Debt Administration* section. The Title I fund balance decreased by \$25.0 million. Although the Intergovernmental Receivable increased by \$26.0 million, Deferred Revenue also increased by \$49.5 million which caused the decreases in the fund balance. The School District continues to seek grant monies to provide services to our students; the \$6.9 million decrease in fund balance in Other Governmental Funds was mainly due to the expiration of the Adult Basic Education Grant.

General Fund Budgeting Highlights

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

For the General Fund total actual revenues and other financing sources were \$634.0 million, which was approximately the same as the final budget estimate.

The final expenditure and other financing uses budget was \$635.9 million. Total actual expenditures and other financing uses was \$620.5 million, or \$15.4 million below the final budget estimates. This was mainly due to a continuing effort by the School District's management to reduce its expenditures to lower future operating deficits and postpone the need to appeal to the voters for an additional operating levy.

The General Fund's ending unencumbered cash balance totaled \$26.5 million, which was \$13.0 million more than the final budgeted amount.

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Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2011 the School District had \$713.7 million invested in land and improvements, buildings and improvements, vehicles and equipment, and construction in progress. Table 4 shows fiscal year 2011 balances compared to 2010:

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

	Governmental Activities		Change
	2011	2010	
Land	\$ 34.2	\$ 34.2	\$ 0.0
Land Improvements	0.3	0.4	(0.1)
Buildings and Improvements	610.4	468.8	141.6
Vehicles and Equipment	4.9	5.9	(1.0)
Intangible Assets	4.7	5.2	(0.5)
Construction in Progress	59.2	165.5	(106.3)
Totals	\$ 713.7	\$ 680.0	\$ 33.7

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

In 2000, a Facilities Assessment Commission was established to review the condition of the School District's facilities. The Commission recommended that a complete renovation program of all School District facilities be undertaken and that a substantial contribution from the State of Ohio (through the Ohio School Facilities Commission) could be included in the proposed construction and renovation plan by participation in the Classroom Facilities Assistance Program (CFAP). Since then, the School District and the Ohio School Facilities Commission have created a Master Facilities Plan, which was revised in 2008, that addresses the needs of all buildings in the School District and the unique needs of the School District and its students. The Revised Master Facilities Plan has been approved by the School District's Board, the Ohio School Facilities Commission and the State Controlling Board. The cost for the entire program is an estimated \$1.3 billion, of which the School District's cost share under the CFAP will be 32% or approximately \$425 million with the remaining portion (approximately \$902 million) to be paid by the State. As the program continues, factors such as enrollment projections, construction costs, locally funded non-matchable project components and inflation will affect the total scope of the program and the funds required to complete it.

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

Cleveland Municipal School District
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 Unaudited

Debt Administration

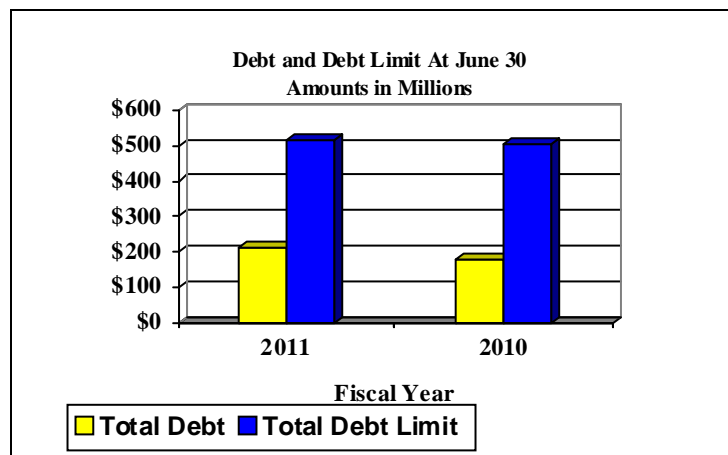
At June 30, 2011 the School District had \$209.8 million in bonds and notes outstanding, \$8.9 million due within one year. Table 5 summarizes bonds and notes outstanding.

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

	Governmental Activities 2011	Governmental Activities 2010
General Obligation Bonds and Notes:		
2001 H.B. 264 Energy Conservation Notes	\$ 5.4	\$ 6.2
2002 Library Refunding Bonds	2.9	6.7
2002 School Facilities Improvement Bonds	36.9	53.6
2004 School Facilities Improvement Bonds	88.3	91.6
2010 School Facilities Improvement Bonds	55.0	0.0
QZAB Bonds:		
2001 QZAB - Technology Academy	5.5	5.5
2001 QZAB - Arts Academy	5.8	5.8
2001 QZAB - Literacy Academy	10.0	10.0
Other Long-Term Obligations:		
Capital Lease Obligation	0.0	0.6
Total	<u>\$ 209.8</u>	<u>\$ 180.0</u>

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

	2011	2010
Total Debt	\$ 209.8	\$ 180.0
Total Debt Limit	\$ 513.0	\$ 501.4



Cleveland Municipal School District
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In order to undertake the initial stages of planning and to perform some required work on its facilities to make them “warm, safe and dry,” the School District utilized several borrowing/funding sources. One source totaling \$21.3 million, the Qualified Zone Academy Bonds (QZAB), was put in place just before the beginning of the 2002 fiscal year. These bonds are being used to support facility renovations at seven specific school sites. Another source, the \$11.5 million H.B. 264 Energy Conservation Notes was used to renovate the environmental controls at school facilities across the School District. In November 2001, the School District issued \$35 million School Facility Bond Anticipation Notes. These Notes represented the first installment of the \$335 million of facility construction/renovation borrowing approved by voters in May 2001.

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

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

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

At June 30, 2011, the School District's overall legal debt margin was \$356.8 million, with an unvoted debt margin of \$5.7 million. See Note 16 to the basic financial statements for additional information on all long-term obligations.

Current Issues

The School District is currently projecting a balanced budget through fiscal year 2012 while a deficit is forecasted for fiscal year 2013. The Board and management are currently working on a deficit reduction plan. In addition, there are other ongoing issues to be addressed over the next five years as described below.

State Fiscal Stabilization Fund – The State Fiscal Stabilization Fund (SFSF) program is a new one-time appropriation of \$53.6 billion under the American Recovery and Reinvestment Act (ARRA). Ohio has been allocated \$845 million from the ARRA for the SFSF program. Education SFSF for primary and secondary education will be distributed to the school districts as part of the foundation program. ARRA authorizes school districts to use SFSF for funds for any activity authorized under the following federal education acts: Elementary and Secondary Education Act, Individuals with Disabilities Act, Adult Education and Federal

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Literacy Act, and the Carl Perkins Career and Technical Education Act. ARRA gives school district's flexibility over the use of these funds. The State may not mandate how a school district will or will not use the funds. Federal SFSF is a one-time allocation that expired during fiscal year 2011.

State Foundation Payments – HB 1 replaced the prior funding formula (HB 119) with the Ohio Evidence Based Funding Model. Under the final version of the HB 1, calculations include funding for both Cleveland Municipal School District and Charter School students. HB 1 mandates that all school districts pay tuition for all students who reside in the School District and attend a charter school. Foundation payments under the Ohio Revised Code (HB 1) are calculated by the Ohio Department of Education (ODE). For fiscal year 2010 transitional aid limits the decrease in state aid to 2%. For fiscal year 2011 the decrease is limited to 2%. No district's combined fiscal year 2010 amounts will be more than .75% higher than fiscal year 2009 funding levels. No district's combined fiscal year 2011 amounts will be more than .75% higher than fiscal year 2010 funding levels. State funding allocations for fiscal year 2012 and beyond are projected to be based on Average Daily Membership.

Commercial Activity Tax – HB 66 makes provisions to replace revenue lost due to the phase out of the Tangible Personal Property Tax. Businesses are now subject to a Commercial Activity Tax (CAT) that will provide replacement income to school districts for lost tangible property revenues. In the first five years of enactment (2006-2011), school districts were reimbursed for lost revenue based on tax year 2004 valuations; in the following seven years, these reimbursements are slowly phased out.

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

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

Financial Forecast – The School District is required to adopt a five-year financial forecast of revenues and expenditures each year. A deficit is projected in fiscal years 2013 and beyond. The forecast includes several revenue and expense assumptions based upon recent legislation, historical trends, and future assumptions.

Although the most recent forecast anticipates continuing reductions in School District student enrollment and continued increasing enrollment to charter schools, it projects a positive cash balance through fiscal year 2012.

Contacting the School District's Financial Management

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

BASIC FINANCIAL STATEMENTS

Cleveland Municipal School District
Statement of Net Assets-Governmental Activities
June 30, 2011

	Total
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 175,518,467
Cash and Cash Equivalents with Fiscal Agents	2,407,943
Investments	85,455,495
Investments with Fiscal Agents	15,353,015
Receivables:	
Taxes	300,735,934
Accounts	1,728,149
Intergovernmental	151,793,943
Accrued Interest	755,092
Materials and Supplies Inventory	4,553,082
Nondepreciable Capital Assets	93,403,156
Depreciable Capital Assets, Net	620,289,356
Total Assets	1,451,993,632
Liabilities	
Accounts Payable	9,702,069
Accrued Wages and Benefits	40,851,702
Retainage Payable	2,589,828
Intergovernmental Payable	23,645,880
Unearned Revenue	155,582,329
Matured Compensated Absences Payable	15,552
Accrued Interest Payable	866,907
Claims Payable	3,607,702
Long-Term Obligations:	
Due Within One Year	16,567,030
Due in More Than One Year	249,344,648
Total Liabilities	502,773,647
Net Assets	
Invested in Capital Assets, Net of Related Debt	503,951,883
Restricted	
Restricted for Debt Service	48,223,777
Restricted for Capital Programs	260,606,827
Restricted for Educational Special Trust	19,354,487
Restricted for Classroom Facilities Maintenance	28,276,624
Restricted for Auxiliary Services	1,531,050
Restricted for Miscellaneous State Grants	529,348
Restricted for Food Services	977,610
Restricted for Miscellaneous Federal Grants	927,135
Restricted for Self Insurance	6,850,342
Restricted for Other Purposes	19,275,897
Unrestricted	58,715,005
Total Net Assets	\$ 949,219,985

See accompanying notes to the basic financial statements

Cleveland Municipal School District
Statement of Activities-Governmental Activities
For the Fiscal Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues			Total Net (Expense) Revenue and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	
Instruction:					
Regular	\$ 297,907,426	\$ 2,351,003	\$ 38,093,482	\$ 2,037,682	\$ (255,425,259)
Special	207,990,072	976,843	103,872,868	0	(103,140,361)
Vocational	10,336,437	62,210	1,446,826	0	(8,827,401)
Adult/Continuing	132,537	0	71,032	0	(61,505)
Other	6,384,172	36,692	1,663,788	0	(4,683,692)
Support Services:					
Pupils	37,463,820	316,993	6,100,952	0	(31,045,875)
Instructional Staff	59,204,651	154,682	39,853,992	0	(19,195,977)
Board of Education	250,996	1,788	1,240	0	(247,968)
Administration	43,536,920	417,562	4,190,878	0	(38,928,480)
Fiscal	15,131,810	258,747	3,198,202	0	(11,674,861)
Business	1,643,284	11,703	8,117	0	(1,623,464)
Operation and Maintenance of Plant	63,176,797	522,574	623,740	0	(62,030,483)
Pupil Transportation	28,923,689	175,290	3,096,448	0	(25,651,951)
Central	12,437,133	87,927	299,521	0	(12,049,685)
Operation of Non-Instructional Services	42,237,400	11,614	41,054,534	0	(1,171,252)
Extracurricular Activities	6,418,054	653,175	92,068	0	(5,672,811)
Interest and Fiscal Charges	9,869,253	0	0	0	(9,869,253)
Totals	\$ 843,044,451	\$ 6,038,803	\$ 243,667,688	\$ 2,037,682	(591,300,278)
General Revenues					
Property Taxes Levied For:					
					158,760,869
					28,724,375
					2,097,559
					3,535,089
					13,723,968
					465,448,410
					<u>672,290,270</u>
					80,989,992
					<u>868,229,993</u>
					<u>\$ 949,219,985</u>

See accompanying notes to the basic financial statements

Cleveland Municipal School District

*Balance Sheet
Governmental Funds
June 30, 2011*

	General	Debt Service	Classroom Facilities	Title I	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$ 34,955,505	\$ 20,100,135	\$ 57,870,946	\$ 9,550,290	\$ 42,583,547	\$ 165,060,423
Cash and Cash Equivalents with Fiscal Agents	0	0	2,325,034	0	82,909	2,407,943
Investments	0	0	69,630,615	0	15,824,880	85,455,495
Investments with Fiscal Agents	0	0	0	0	15,353,015	15,353,015
Receivables:						
Taxes	245,936,303	51,087,915	0	0	3,711,716	300,735,934
Accounts	948,823	0	0	0	779,326	1,728,149
Intergovernmental	2,704,348	0	115,205,307	28,696,124	5,188,164	151,793,943
Accrued Interest	100,241	0	370,908	0	283,943	755,092
Interfund	3,516,000	0	0	0	0	3,516,000
Materials and Supplies Inventory	3,691,170	0	0	0	861,912	4,553,082
Total Assets	291,852,390	71,188,050	245,402,810	38,246,414	84,669,412	731,359,076
Liabilities						
Accounts Payable	3,103,622	0	2,224,596	711,665	4,313,435	10,353,318
Accrued Wages and Benefits	28,073,773	0	0	7,720,649	4,406,031	40,200,453
Retainage Payable	0	0	2,506,919	0	82,909	2,589,828
Interfund Payable	0	0	0	0	3,516,000	3,516,000
Intergovernmental Payable	16,307,813	0	0	4,432,384	2,905,683	23,645,880
Deferred Revenue	227,665,070	46,642,024	115,205,307	60,830,174	13,762,997	464,105,572
Matured Compensated Absences Payable	15,552	0	0	0	0	15,552
Total Liabilities	275,165,830	46,642,024	119,936,822	73,694,872	28,987,055	544,426,603
Fund Balance:						
Nonspendable	3,691,170	0	0	0	861,912	4,553,082
Restricted	0	20,124,660	110,295,522	(40,136,485)	46,035,395	136,319,092
Committed	5,608,988	0	15,170,466	4,688,027	8,465,973	33,933,454
Assigned	0	4,421,366	0	0	319,077	4,740,443
Unassigned	7,386,402	0	0	0	0	7,386,402
Total Fund Balances	16,686,560	24,546,026	125,465,988	(35,448,458)	55,682,357	186,932,473
Total Liabilities and Fund Balances	\$ 291,852,390	\$ 71,188,050	\$ 245,402,810	\$ 38,246,414	\$ 84,669,412	\$ 731,359,076

See accompanying notes to the basic financial statements

Cleveland Municipal School District
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2011*

Total Governmental Funds Balances \$ 186,932,473

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

Capital assets used in governmental activities are not financial
 resources and therefore are not reported in the funds 713,692,512

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

Property Taxes	122,115,394	
Grants	186,407,849	
Total	308,523,243	308,523,243

An internal service fund is used by management to charge
 the costs of insurance to individual funds. The assets and
 liabilities of the internal service fund are included in
 governmental activities in the statement of net assets. 6,850,342

In the statement of activities, interest is accrued on outstanding
 bonds, whereas in governmental funds, an interest expenditure
 is reported when due. (866,907)

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

General Obligation Bonds	(181,613,648)	
QZAB Bonds	(21,250,000)	
Compensated Absences	(48,238,151)	
Worker's Compensation Claims	(7,932,898)	
Unamortized Premium on Bond	(6,876,981)	
Total	(265,911,678)	(265,911,678)

Net Assets of Governmental Activities \$ 949,219,985

See accompanying notes to the basic financial statements

Cleveland Municipal School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2011

	General	Debt Service	Classroom Facilities	Title I	Other Governmental Funds	Total Governmental Funds
Revenues:						
<i>Local Sources:</i>						
Taxes	\$ 155,776,481	\$ 27,993,843	\$ 0	\$ 0	\$ 2,044,839	\$ 185,815,163
Investment Income	916,871	(25,771)	1,472,953	0	1,171,036	3,535,089
Tuition and Fees	4,165,374	0	0	0	16,420	4,181,794
Extracurricular Activities	0	0	0	0	612,023	612,023
Contributions and Donations	12,059	0	0	0	8,095,295	8,107,354
Sale of Personal Property	1,615	0	0	0	151,000	152,615
Miscellaneous	11,499,536	0	0	0	3,316,803	14,816,339
<i>State Sources:</i>						
Unrestricted Grants-in-Aid	458,198,890	0	0	0	561,085	458,759,975
Restricted Grants-in-Aid	2,877,105	4,447,016	24,117,272	0	12,105,333	43,546,726
<i>Federal Sources:</i>						
Unrestricted Grants-in-Aid	2,251,018	0	0	0	0	2,251,018
Restricted Grants-in-Aid	0	0	0	68,135,370	98,454,853	166,590,223
Total Revenues	635,698,949	32,415,088	25,590,225	68,135,370	126,528,687	888,368,319
Expenditures:						
<i>Current:</i>						
<i>Instruction:</i>						
Regular	248,708,539	0	0	1,924,685	34,543,508	285,176,732
Special	119,851,450	0	0	64,859,648	22,999,459	207,710,557
Vocational	8,733,830	0	0	0	1,592,060	10,325,890
Adult/Continuing	(15,311)	0	0	0	132,700	117,389
Other	5,354,486	0	0	117,731	998,129	6,470,346
<i>Support Services:</i>						
Pupils	30,761,616	0	0	19,308	5,843,395	36,624,319
Instructional Staff	21,770,817	0	0	11,752,006	26,643,209	60,166,032
Board of Education	245,987	0	0	0	0	245,987
Administration	32,972,354	0	0	1,931,439	1,786,035	36,689,828
Fiscal	12,355,425	0	0	1,922,000	959,932	15,237,357
Business	1,637,398	0	0	0	0	1,637,398
Operation and Maintenance of Plant	61,289,547	0	0	245,797	25,215,276	86,750,620
Pupil Transportation	24,604,063	0	0	286,437	2,987,694	27,878,194
Central	12,419,665	0	0	0	108,290	12,527,955
Operation of Non-Instructional Services	1,630,752	0	0	10,122,789	6,764,400	18,517,941
Extracurricular Activities	5,745,944	0	0	0	639,667	6,385,611
Capital Outlay	102,937	0	39,927,809	0	16,821,888	56,852,634
<i>Debt Service:</i>						
Principal Retirement	1,422,030	23,445,000	0	0	0	24,867,030
Interest and Fiscal Charges	422,463	9,690,087	0	0	0	10,112,550
Bond Issuance Costs	0	36,949	0	0	0	36,949
Total Expenditures	590,013,992	33,172,036	39,927,809	93,181,840	148,035,642	904,331,319
Excess (Deficiency) of Revenue: Over (Under) Expenditures	45,684,957	(756,948)	(14,337,584)	(25,046,470)	(21,506,955)	(15,963,000)
Other Financing Sources (Uses):						
Proceeds from the Sale of Notes	0	0	55,000,000	0	0	55,000,000
Transfers In	0	0	0	0	14,573,314	14,573,314
Transfers Out	(7,944,394)	0	(7,628,920)	0	0	(15,573,314)
Total Other Financing Sources (Uses)	(7,944,394)	0	47,371,080	0	14,573,314	54,000,000
Net Change in Fund Balances	37,740,563	(756,948)	33,033,496	(25,046,470)	(6,933,641)	38,037,000
Fund Balances at Beginning of Year	(21,054,003)	25,302,974	92,432,492	(10,401,988)	62,615,998	148,895,473
Fund Balances at End of Year	\$ 16,686,560	\$ 24,546,026	\$ 125,465,988	\$ (35,448,458)	\$ 55,682,357	\$ 186,932,473

See accompanying notes to the basic financial statement.

Cleveland Municipal School District
*Reconciliation of the Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2011*

Net Change in Fund Balances - Total Governmental Funds \$ 38,037,000

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

Governmental funds report capital outlays as expenditures.

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

Capital Assets Additions	57,242,290	
Current Year Depreciation	(22,328,832)	
Total		34,913,458

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (1,253,427)

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

Property Taxes	3,767,640	
Ohio School Facilities Grant	(22,079,590)	
Other Grants	53,978,074	
Total		35,666,124

Proceeds from the sale of bonds in the statement of revenues, expenditures and changes in fund balances that are reported as other financing sources are not reported as revenues in the statement of activities. (55,000,000)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 24,867,030

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

Accrued Interest on Bonds	(123,092)	
Amortization of Bond Premiums	403,338	
Total		280,246

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

Compensated Absences	2,849,249	
Worker's Compensation Claims	87,622	
Total		2,936,871

The internal service funds used by management to charge the the costs of insurance to individual funds are not reported in the District-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. 542,690

Change in Net Assets of Governmental Activities \$ 80,989,992

See accompanying notes to the basic financial statements

Cleveland Municipal School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Local Sources:</i>				
Taxes	\$ 145,405,959	\$ 152,614,238	\$ 153,009,431	\$ 395,193
Investment Income	1,964,179	2,000,000	2,068,104	68,104
Tuition and Fees	3,569,905	3,290,558	3,758,790	468,232
Contributions and Donations	11,453	12,059	12,059	0
Miscellaneous	9,606,193	8,471,326	10,114,460	1,643,134
Sale of Personal Property	1,534	1,615	1,615	0
<i>State Sources:</i>				
Unrestricted Grants-in-Aid	435,173,719	466,257,074	458,198,890	(8,058,184)
Restricted Grants-in-Aid	2,732,526	585,000	2,877,105	2,292,105
<i>Federal Sources:</i>				
Unrestricted Grants-in-Aid	2,128,899	1,481,926	2,241,540	759,614
Total Revenues	600,594,367	634,713,796	632,281,994	(2,431,802)
Expenditures:				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	262,259,382	269,281,225	254,270,358	15,010,867
Special	125,930,166	121,830,507	121,830,507	0
Vocational	9,323,740	9,042,592	9,042,592	0
Other	5,704,075	5,641,289	5,641,289	0
<i>Support Services:</i>				
Pupils	32,117,628	31,231,785	31,231,785	0
Instructional Staff	22,767,805	22,204,603	22,204,603	0
Board of Education	252,161	249,976	249,976	0
Administration	34,653,464	33,899,394	33,899,394	0
Fiscal	13,541,156	13,548,936	13,548,936	0
Business	1,784,428	2,021,320	2,021,320	0
Operation and Maintenance of Plant	63,040,605	62,810,171	62,810,171	0
Pupil Transportatior	27,881,691	26,800,903	26,800,903	0
Central	13,345,209	16,022,792	16,022,792	0
Operation of Non-Instructional Service	1,421,247	1,433,004	1,433,004	0
Extracurricular Activities	5,961,101	6,132,445	6,132,445	0
Capital Outlay	105,846	102,343	102,343	0
<i>Debt Service:</i>				
Principal Retirement	854,834	1,422,030	1,422,030	0
Interest and Fiscal Charges	472,829	422,463	422,463	0
Total Expenditures	621,417,367	624,097,778	609,086,911	15,010,867
Deficiency of Revenues Under Expenditures	(20,823,000)	10,616,018	23,195,083	12,579,065
Other Financing Sources (Uses):				
Advances In	1,739,000	1,739,000	1,739,000	0
Advances Out	(3,946,210)	(3,946,210)	(3,516,000)	430,210
Transfers Out	(7,944,394)	(7,944,394)	(7,944,394)	0
Total Other Financing Sources (Uses)	(10,151,604)	(10,151,604)	(9,721,394)	430,210
Net Change in Fund Balances	(30,974,604)	464,414	13,473,689	13,009,275
Fund Balances at Beginning of Year	6,477,978	6,477,978	6,477,978	0
<i>Prior Year Encumbrances Appropriated</i>	6,540,089	6,540,089	6,540,089	0
Fund Balances at End of Year	\$ (17,956,537)	\$ 13,482,481	\$ 26,491,756	\$ 13,009,275

See accompanying notes to the basic financial statements

Cleveland Municipal School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Federal Sources:</i>				
Restricted Grants-in-Aid	116,000,000	91,700,000	91,631,244	(68,756)
Total Revenues	116,000,000	91,700,000	91,631,244	(68,756)
Expenditures:				
Current:				
<i>Instruction:</i>				
Regular	2,378,820	1,994,168	1,994,168	0
Special	78,975,658	66,337,710	66,205,408	132,302
Other	310,602	810,943	260,378	550,565
<i>Support Services:</i>				
Pupils	13,916	11,666	11,666	0
Instructional Staff	14,211,390	12,078,862	11,913,429	165,433
Administration	2,246,933	2,827,382	1,883,607	943,775
Fiscal	2,292,731	2,244,026	1,922,000	322,026
Operation and Maintenance of Plant	292,930	245,564	245,564	0
Pupil Transportation	332,921	392,152	279,088	113,064
Operation of Non-Instructional Services	11,944,098	11,936,010	10,012,755	1,923,255
Total Expenditures	113,000,000	98,878,483	94,728,063	4,150,420
Net Change in Fund Balances	3,000,000	(7,178,483)	(3,096,819)	4,081,664
Fund Balances at Beginning of Year	5,346,729	5,346,729	5,346,729	0
<i>Prior Year Encumbrances Appropriated</i>	1,900,530	1,900,530	1,900,530	0
Fund Balances at End of Year	\$ 10,247,259	\$ 68,776	\$ 4,150,440	\$ 4,081,664

See accompanying notes to the basic financial statements

Cleveland Municipal School District

Statement of Fund Net Assets

Proprietary Fund

June 30, 2011

	Governmental Activities - Internal Service Fund
<i>Assets:</i>	
<i>Current Assets:</i>	
Equity in Pooled Cash and Cash Equivalents	\$ 10,458,044
<i>Liabilities:</i>	
<i>Current Liabilities:</i>	
Claims Payable	<u>3,607,702</u>
<i>Net Assets:</i>	
Committed	<u><u>\$ 6,850,342</u></u>

See accompanying notes to the basic financial statements

Cleveland Municipal School District

*Statement of Revenues,
Expenses and Changes in Fund Net Assets
Proprietary Fund
For the Fiscal Year Ended June 30, 2011*

	Governmental Activities - Internal Service Fund
<i>Operating Revenues:</i>	
Charges for Services	\$ 56,116,667
<i>Operating Expenses:</i>	
Claims and Claim Adjustment Expenses	<u>56,573,977</u>
<i>Operating Loss</i>	(457,310)
<i>Nonoperating Revenues (Expenses):</i>	
Transfers In	<u>1,000,000</u>
<i>Change in Net Assets</i>	542,690
<i>Net Assets Beginning of Year</i>	<u>6,307,652</u>
<i>Net Assets End of Year</i>	<u><u>\$ 6,850,342</u></u>

See accompanying notes to the basic financial statements

Cleveland Municipal School District
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2011

	Governmental Activities - Internal Service Fund
<i>Increase In Cash and Cash Equivalents:</i>	
<i>Cash Flows from Operating Activities:</i>	
Cash Received from Interfund Services Provided	\$ 56,116,667
Cash Payments for Claims and Claim Adjustment Expenses	(55,891,257)
<i>Net Cash Provided by Operating Activities</i>	225,410
Cash and Cash Equivalents at Beginning of Year	9,232,634
<i>Cash and Cash Equivalents at End of Year</i>	\$ 9,458,044
 <i>Reconciliation of Income to Net Cash Provided by Operating Activities</i>	
<i>Operating Loss</i>	\$ (457,310)
<i>Adjustments to Reconcile Operating Income to Net</i>	
<i>Cash Provided by Operating Activities</i>	
Increase in Claims Payable	682,720
<i>Net Cash Provided by Operating Activities</i>	\$ 225,410
See accompanying notes to the basic financial statements	

Cleveland Municipal School District
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2011

Assets

Equity in Pooled Cash and Cash Equivalents

\$ 3,896,411

Liabilities

Due to Students

\$ 682,928

Payroll Withholdings

3,213,483

Total Liabilities

\$ 3,896,411

See accompanying notes to the basic financial statements

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 1 - Description of The School District and Reporting Entity

A. School District and Board of Education

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

B. Financial Reporting Entity

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

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

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

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

Note 2 - Summary of Significant Accounting Policies

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

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

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

A. Basis of Presentation

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

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

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

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

B. Fund Accounting

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

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

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

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

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

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

Title I Fund The Title I fund is used to account for Federal monies used to assist the School District in meeting the special needs of economically and educationally deprived children.

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

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

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

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

C. Measurement Focus

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

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

D. Basis of Accounting

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

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: advance on property taxes, investment income, the State's share of the classroom facility project, tuition, grants and student fees.

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

Property taxes for which there is an enforceable legal claim as of June 30, 2011, but which were levied to finance fiscal year 2011 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue. The remaining

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

state share of the classroom facility projects for segments 1-5 have also been recorded as deferred revenue.

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

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

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

E. Budgetary Data

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board at the fund level.

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

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

F. Cash and Cash Equivalents

To improve cash management, cash received by the School District is pooled. Monies for all funds, including the proprietary fund, are maintained in this pool. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" or "Investments" on the financial statements.

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

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

During fiscal year 2011, investments were limited to STAR Ohio, repurchase agreements, certificates of deposit, treasury notes and bills, federal agency securities and commercial paper.

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

The School District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2011. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2011.

Under existing Ohio statute, interest earnings are allocated to the general fund unless the Board of Education has, by resolution, specified funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2011 amounted to \$916,871 which includes \$479,655 assigned from other School District funds.

For presentation on the financial statements, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

G. Fund Balance

Fund Balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable: The nonspendable fund balance category included amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

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

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

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned: Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amount represents intended uses established by the Board of Education or a District official delegated that authority by the CEO.

Unassigned: Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for a specific purpose for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2011 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

I. Inventory

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

J. Capital Assets

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

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

All reported capital assets, except land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Intangible assets identified pursuant to GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, have

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

been classified separately from other assets capitalized by the School District. Depreciation is computed using the straight-line method over the following useful lives:

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

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

K. Interfund Balances

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

L. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

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

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

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

M. Bond Premium

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

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

N. Accrued Liabilities and Long-term Obligations

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

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

O. Net Assets

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

The government-wide statement of net assets reports \$379,702,755 of restricted net assets, none of which is restricted by enabling legislation.

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

P. Internal Activity

Transfers between governmental activities are eliminated on the government-wide financial statements. Internal events that are allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Interfund payments for services provided and used are not eliminated.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in the proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Q. Operating Revenue and Expenses

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

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

R. Contribution of Capital

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

S. Extraordinary and Special Items

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

T. Estimates

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

Note 3 – Change in Accounting Principles

For 2011, the School District has implemented Governmental Accounting Standards Board (GASB) GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.

GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement did not result in the reclassification of any funds or the restatement of the District’s financial statements.

Note 4 – Fund Deficits

The following funds had deficit fund balances as of June 30, 2011:

Special Revenue Funds

Miscellaneous State Grants	97,224
Adult Basic Education	31,951
Race to the Top	285,748
Title VI-B Special Education	5,117,836
Vocational Education	377,379
Fiscal Stabilization	2,245,643
Title I	35,448,458
Improving Teacher Quality Title II-A	1,025,127
Miscellaneous Federal Grants	801,850
Other Federal	4,052,512

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For the Fiscal Year Ended June 30, 2011

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

Note 5 – Fund Balances

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

Fund Balances	General	Debt Service	Classroom Facilities	Title I	Nonmajor Governmental Funds	Total
Nonspendable						
Inventory	3,691,170	0	0	0	861,912	4,553,082
Restricted for						
Debt Service Payments	0	20,124,660	0	0	0	20,124,660
Capital Improvements	0	0	110,295,522	0	42,066,067	152,361,589
Title I	0	0	0	(40,136,485)	0	(40,136,485)
Food Service Operations	0	0	0	0	284,869	284,869
Other Local Grants	0	0	0	0	273,423	273,423
Other State Grants	0	0	0	0	179,222	179,222
Other Purposes	0	0	0	0	3,231,814	3,231,814
Total Restricted	0	20,124,660	110,295,522	(40,136,485)	46,035,395	136,319,092
Committed to:						
Capital Improvements	0	0	15,170,466	0	3,763,833	18,934,299
Facility Maintenance	0	0	0	0	397,460	397,460
Title I	0	0	0	4,688,027	0	4,688,027
Food Service Operations	0	0	0	0	252,527	252,527
Non-Public Schools	0	0	0	0	1,632,804	1,632,804
Special Education	0	0	0	0	634,254	634,254
Vocational Education	0	0	0	0	174,412	174,412
Other Purposes	5,608,988	0	0	0	1,610,683	7,219,671
Total Committed	5,608,988	0	15,170,466	4,688,027	8,465,973	33,933,454
Assigned to:						
Other Purposes	0	4,421,366	0	0	319,077	4,740,443
Unassigned (Deficit)						
	7,386,402	0	0	0	0	7,386,402
Total Fund Balances	16,686,560	24,546,026	125,465,988	(35,448,458)	55,682,357	186,932,473

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 6 - Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
4. Investments are reported at cost (budget basis) rather than fair value (GAAP basis).

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

Net Change in Fund Balance	
GAAP Basis	\$ 37,740,563
Net Adjustment for Revenue Accruals	(3,629,972)
Advances In	1,739,000
Beginning Fair Value Adjustment for Investments	121,369
Ending Fair Value Adjustment for Investments	91,648
Net Adjustment for Expenditure Accruals	(10,790,818)
Advances Out	(3,516,000)
Adjustment for Encumbrances	(8,282,101)
Budget Basis	<u>\$ 13,473,689</u>

Note 7 - Deposits and Investments

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

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

Inactive deposits are public deposits that the Board has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by

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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

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

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short

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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

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

Deposits

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

At fiscal year end, the School District’s bank balance was \$145,472,791. Of the bank balance, \$1,500,847 was covered by federal depository insurance and \$143,971,944 was uninsured but collateralized with securities held by a pledging financial institution or by its trust department or agent although not in the School District’s name.

Investments

Investments are reported at fair value. As of June 30, 2011, the School District had the following investments:

	Maturity		Total
	Less Than One Year	More Than One Year But Less Than Five Years	
U.S. Agency Obligations	16,971,454	124,144,365	141,115,819
STAR Ohio	47,731	0	47,731
Total Portfolio	<u>\$ 17,019,185</u>	<u>\$ 124,144,365</u>	<u>\$ 141,163,550</u>

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

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal Home Loan Bank Bonds, Federal National Mortgage Association Bonds, Federal Home Loan Mortgage Corporation Bonds, Federal Farm Credit Bank and Federal Home Loan Mortgage Corporation Discounted Notes are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the School District's name. The School District has no investment policy dealing with investment custodial credit risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Credit Risk The School District's investments at June 30, 2011 in FHLMC, FNMA, FFCB and FHLB agency securities were rated AAA by Standard & Poor's. The investments in STAR Ohio were rated AAAM by Standard & Poor's. The School District has an investment policy to minimize credit risk by diversifying assets by issuer, ensuring that required minimum credit quality ratings exist and maintaining adequate collateralization of certificates of deposits.

Concentration of Credit Risk The School District places no limit on the amount it may invest in any one issuer. The following is the School District's allocation as of June 30, 2011:

Investment	Percentage of Investments
FNMA	50.64%
FHLB	22.86%
FHLMC	19.04%
FFCB	3.87%
FAMCA	3.55%
STAR Ohio	0.03%

Note 8 - Property Taxes

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

Property taxes include amounts levied against all real and public utility located in the School District. Real property tax revenue received in calendar 2011 represents collections of calendar year 2011 taxes. Real property taxes received in calendar year 2011 were levied after April 1, 2010, on the assessed value listed as of January 1, 2010, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2011 represents collections of calendar year 2010 taxes. Public utility real and tangible personal property taxes received in calendar year 2011 became a lien

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

December 31, 2009, were levied after April 1, 2010 and are collected in 2010 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Cuyahoga County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2011, are available to finance fiscal year 2011 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes which are measurable as of June 30, 2011 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations and are reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2011 was \$22,802,711, which is comprised of \$18,062,268 in the general fund, \$4,421,366 in the debt service fund and \$319,077 in the classroom facilities maintenance special revenue fund. The amount available as an advance at June 30, 2010, was \$19,923,504, which is comprised of \$15,781,618 in the general fund, \$3,863,098 in the debt service fund and \$278,788 in the classroom facilities maintenance special revenue fund.

The late tax settlement made by the County for fiscal year 2011 was \$208,965 in the general fund, \$24,525 in the debt service fund and \$2,010 in the classroom facilities maintenance special revenue fund.

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

The assessed values upon which the fiscal year 2011 taxes were collected are:

	2010 Second- Half Collections		2011 First- Half Collections	
	(in thousands of dollars)		(in thousands of dollars)	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$ 5,336,350	95.78%	\$ 5,455,841	95.72%
Public Utility Property	235,305	4.22	243,660	4.28
Tangible Personal Property	0	0.00	0	0.00
Total	\$ 5,571,655	100.00%	\$ 5,699,501	100.00%
Full voted tax rate per \$1,000 of assessed valuation		\$64.80		\$64.80

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 9 - Receivables

Receivables at June 30, 2011, consist of taxes, accounts (rent and student fees) and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables are expected to be collected within one year except delinquent property taxes and Ohio Schools Facilities Grant.

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	Amount
Ohio School Facilities Grant	\$ 115,205,307
Title I Grant and Subsidies	28,696,124
Food Service	2,944,942
City of Cleveland	1,155,092
School Employees Retirement System	1,083,721
Miscellaneous Federal Grants and Subsidies	1,001,778
Miscellaneous State Grants and Subsidies	421,817
Other Federal Grant and Subsidies	350,377
Title VI-B Grant and Subsidies	244,904
Cuyahoga County	229,658
United States Treasury	207,887
Other State Grant and Subsidies	173,706
Vocational Education Federal Grant and Subsidies	50,640
Other	27,990
Total Intergovernmental Receivables	<u>\$ 151,793,943</u>

Note 10 – Contingencies

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2011.

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.

Cleveland Municipal School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 11 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	Balance 6/30/10	Additions	Deletions	Balance 6/30/11
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 34,185,239	\$ 0	\$ 0	\$ 34,185,239
Construction in Progress	165,538,720	60,525,553	(166,846,356)	59,217,917
<i>Total Capital Assets, not being Depreciated</i>	<u>199,723,959</u>	<u>60,525,553</u>	<u>(166,846,356)</u>	<u>93,403,156</u>
<i>Capital Assets, being Depreciated</i>				
Land Improvements	1,767,777	0	(31,000)	1,736,777
Buildings and Improvemets	741,512,510	163,387,991	(6,116,578)	898,783,923
Vehicles and Equipment	24,353,544	126,316	0	24,479,860
Internal Generated Software	5,767,320	48,786	0	5,816,106
<i>Total Capital Assets, being Depreciated</i>	<u>773,401,151</u>	<u>163,563,093</u>	<u>(6,147,578)</u>	<u>930,816,666</u>
Less: Accumulated Depreciation:				
Land Improvements	(1,379,871)	(63,364)	31,000	(1,412,235)
Buildings and Improvements	(272,681,036)	(20,534,886)	4,863,151	(288,352,771)
Vehicles and Equipment	(18,465,085)	(1,141,653)	0	(19,606,738)
Internal Generated Software	(566,637)	(588,929)	0	(1,155,566)
<i>Total Accumulated Depreciation</i>	<u>(293,092,629)</u>	<u>(22,328,832) *</u>	<u>4,894,151</u>	<u>(310,527,310)</u>
<i>Total Capital Assets, being Depreciated, Net</i>	<u>480,308,522</u>	<u>141,234,261</u>	<u>(1,253,427)</u>	<u>620,289,356</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$ 680,032,481</u>	<u>\$ 201,759,814</u>	<u>\$ (168,099,783)</u>	<u>\$ 713,692,512</u>

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 19,637,808
Special	69,678
Vocational	7,010
Support Services:	
Administration	1,512,108
Pupil Transportation	1,054,453
Central	2,797
Operation of Non-Instructional Services	43,483
Capital Outlay	1,495
Total Depreciation Expense	<u><u>\$ 22,328,832</u></u>

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

Construction in progress is composed of the following at June 30, 2011:

	Project Authorization	Expended to June 30, 2011	Committed
Regular Instruction	\$ 349,485,379	\$ 59,217,917	\$ 290,267,462
Support Services - Administration	375,703	375,703	0
Total	\$ 349,861,082	\$ 59,593,620	\$ 290,267,462

Note 12 - Risk Management

A. Property and Liability

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

Coverage During Fiscal Year	Liability Limits	Deductible
Property (Physical Damage) Insurance	\$ 200,000,000	\$ 250,000
Boiler and Machinery	50,000,000	250,000
Commerical Crime Insurance	1,000,000	100,000
Inland Marine	5,000,000	250,000
Public Officials Bond (Treasurer Bond)	1,000,000	N/A
Builders's Risk	Varies by project	25,000
Student Athletic	25,000	N/A

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

Cleveland Municipal School District

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For the Fiscal Year Ended June 30, 2011

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

Because of the prohibitive cost of commercial insurance, the School District in 1987, established a self-insurance fund (an internal service fund) to account for and finance its uninsured risks of loss (insurance deductibles and/or self-insured retentions) and associated expenses attributing to liability and property damage claim settlements and judgments. Estimates of claims liabilities, based on historical cost information, for incurred claims (including incurred but not reported claims) as calculated by the School District's Risk Management Division for all outstanding unsettled claims total \$2,372,260 as of June 30, 2011, and are recorded in the Liability Self-Insurance internal service fund.

B. Employee Health Benefits

Effective July 1, 2011, the School District has elected to provide medical and prescription drug benefits through a self insured program utilizing providers Medical Mutual of Ohio and Aetna Insurance companies. The maintenance of these benefits is accounted for in the Employee Benefits Self-Insurance internal service fund. Specific stop loss threshold covered per person is \$350,000 a claim and there is an unlimited maximum, which is in compliance with the Federal Healthcare Reform. The liability for claims reported in the internal service fund for medical and prescription drug benefits at June 30, 2011 is \$1,235,442 and is based on the July 2011 actual billing.

C. Workers' Compensation

The School District participates in the Ohio Bureau of Workers' Compensation (BWC) Retrospective Rating Plan. Under the retrospective rating plan, the School District assumes a portion of the risk in return for a reduction in current premiums. Estimates of claims liabilities based on actuarial methods, for incurred claims as calculated by the BWC for the cumulative retrospective rating period January 1, 2000, through June 30, 2011, including the estimate for incurred but not reported (IBNR) claims totals \$7,932,898.

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

The claims liability reported at June 30, 2011 for liability and property damage claim settlements and judgments, medical and prescription drug benefits and workers' compensation is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in claims activity for fiscal years 2010 and 2011 are as follows:

	<u>Balance at</u> <u>Beginning of Year</u>	<u>Current Year</u> <u>Claims</u>	<u>Claim</u> <u>Payments</u>	<u>Balance at</u> <u>End of Year</u>
2010	\$ 9,477,880	63,646,582	62,178,961	\$ 10,945,501
2011	10,945,501	63,978,244	63,383,145	11,540,600

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 13 – Defined Benefit Pension Plans

A. School Employees Retirement System

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

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund and Health Care Fund) of the System. For fiscal year ending June 30, 2011, the allocation to pension and death benefits is 11.81 percent. The remaining 2.19 percent of the 14 percent employer contribution rate is allocated to the Health Care and Medicare B Funds. The School District's contributions to SERS for the fiscal years ended June 30, 2011, 2010 and 2009 were \$11,086,845, \$13,056,233, and \$9,318,314, respectively; 46.28 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

B. State Teachers Retirement System

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

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

Cleveland Municipal School District

Notes to the Basic Financial Statements
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of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

Funding Policy - For the fiscal year ended June 30, 2011, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2010, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to the STRS Ohio for the fiscal years ended June 30, 2011, 2010, and 2009 were \$40,820,492, \$43,998,101, and \$43,387,816, respectively; 84.30 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009. Contributions to the DC and Combined Plans for fiscal year 2011 were \$1,419,074 made by the School District and \$1,013,625 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the Teachers Retirement System of Ohio have an option to choose Social Security or the School Retirement System. As June 30, 2011, no members of the Board of Education have elected Social Security.

Note 14 - Postemployment Benefits

A. School Employees Retirement System

Plan Description - The School District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.OHSERS.org under Employers/Audit Resources.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue

Cleveland Municipal School District

Notes to the Basic Financial Statements
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Code Section 401h. For 2011, 1.43 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2011 this amount was \$1,843,755.

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

The School District's contributions for health care for the fiscal years ended June 30, 2011, 2010, and 2009 were \$1,342,438, \$469,943, and \$4,264,487 respectively; 46.28 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2011, this actuarially required allocation was 0.76 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2011, 2010 and 2009 were \$713,463, \$776,427, and \$768,838 respectively; 46.28 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

B. School Teachers Retirement System

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

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio Law, funding for post-employment health care may be deducted from employer contributions. For 2011, STRS Ohio allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2011, 2010, and 2009 were \$3,140,038, \$3,384,469, and \$3,337,524 respectively; 84.30 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

Note 15 – Other Employee Benefits

A. Compensated Absences

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

Cleveland Municipal School District

Notes to the Basic Financial Statements
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B. Insurance

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

Note 16 - Set-Asides

The School District is required by State statute to annually set aside, in the general fund, an amount based upon statutory formula for the 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 may still establish a budget reserve, if it so chooses; however, the requirement is no longer mandatory. The School District is also required to set aside money for any unspent portions of a bus purchase subsidy received annually from the State.

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

	Textbooks	Capital Improvements
Set-Aside Reserve Balance as of June 30, 2010	\$ (9,406,003)	\$ (24,133,679)
Current Year Set-Aside Requirement	6,512,295	6,512,295
Current Year Offsets:		
Tax Levy for Classroom Facilities and Maintenance	0	(2,004,265)
Qualifying Disbursements	(5,386,547)	0
Totals	<u>(8,280,255)</u>	<u>(19,625,649)</u>
Set-Aside Balances Carried Forward to Future Fiscal Years	<u>0</u>	<u>(19,625,649)</u>
Set-Aside Reserve Balance as of June 30, 2011	<u>\$ 0</u>	<u>\$ 0</u>

The School District had qualifying disbursements during the fiscal year that reduced the textbook set-aside amount below zero. Effective July 1, 2011, the textbook set aside is no longer required and has been removed from existing law. The negative balance is therefore not presented as being carried forward to future years. Capital expenditures from bond or note proceeds may be carried forward to offset future years' capital improvements and maintenance reserve set-aside requirements.

Cleveland Municipal School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 17 – Long-Term Obligations

Changes in long-term obligations of the School District during fiscal year 2011, were as follows:

	Balance Outstanding 06/30/10	Additions	Deletions	Balance Outstanding 06/30/11	Amounts Due in One Year
Governmental Activities:					
General Obligation Bonds and Notes:					
2001 H.B. 264 Energy					
Conservation Notes	\$ 6,215,191	\$ 0	\$ 826,543	\$ 5,388,648	\$ 870,082
2002 Library Refunding Bonds	6,715,000	0	3,820,000	2,895,000	2,895,000
2002 School Facilities					
Improvement Bonds	48,760,000	0	16,415,000	32,345,000	1,830,000
Unamortized Premium	4,888,686	0	280,690	4,607,996	0
2004 School Facilities					
Improvement Bonds	89,195,000	0	3,210,000	85,985,000	3,345,000
Unamortized Premium	2,391,633	0	122,648	2,268,985	0
2010 School Facilities					
Improvement Bonds	0	55,000,000	0	55,000,000	0
Total General Obligation Bonds and Notes	158,165,510	55,000,000	24,674,881	188,490,629	8,940,082
QZAB Bonds:					
2001 QZAB - Technology Academy	5,500,000	0	0	5,500,000	0
2001 QZAB - Arts Academy	5,750,000	0	0	5,750,000	0
2001 QZAB - Literacy Academy	10,000,000	0	0	10,000,000	0
Total QZAB Bonds	21,250,000	0	0	21,250,000	0
Other Long-Term Obligations:					
Compensated Absences	51,087,401	3,031,778	5,881,027	48,238,152	3,626,374
Workers' Compensation Claims	8,020,519	7,404,266	7,491,888	7,932,897	4,000,574
Capital Lease Obligation	595,487	0	595,487	0	0
Total Other Long-Term Obligations	59,703,407	10,436,044	13,968,402	56,171,049	7,626,948
Total Governmental Activities	\$ 239,118,917	\$ 65,436,044	\$ 38,643,283	\$ 265,911,678	\$ 16,567,030

On December 21, 2010, the School District utilized cash on hand to defease \$14,675,000 principal amount of outstanding 2002 School Facilities Improvement Bonds. The School District placed \$15,848,185 from the debt service fund in an escrow account which will be used to pay principal and interest on the defeased bonds. As a result, the bonds are considered defeased and the liability for those bonds will be removed from long-term debt. The defeasance will result in a reduction in future debt service of \$25,172,925. The School District will save \$10,497,925 in interest, which has a present value of about \$4,079,265.

On September 29, 2010, the School District issued \$55,000,000 of School Improvement Bonds, bearing interest at the rate of 5.20% per annum. The series 2010 bond issue is the third long term financing bond issue related to the School District's participation in the Ohio School Facilities Assistance Program.

On July 8, 2004, the School District issued \$125,000,000 of School Facility Improvement Bonds, bearing interest at the rate of 2.00% - 5.25% per annum. The premium received on this bond issue was \$3,066,194

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of which \$2,163,792 was transferred to the Debt Service Fund. The series 2004 bond issue is the second long-term financing drawdown of the \$335 million approved by voters on May 8, 2001 (Issue 14) related to the School District's 12-year, \$1.5 billion capital plan. This debt will be retired from the Debt Service Fund.

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

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

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

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

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

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

The School District is placing money from the General Fund for these Qualified Zone Academy Bonds into a separate escrow account held by a trustee, Huntington National Bank, in order to repay the

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

obligation at maturity and the activity of this separate escrow account is reflected in the Educational Special Trust Fund.

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

The School District's overall legal debt margin was \$356,830,225 with an unvoted debt margin of \$5,699,501 at June 30, 2011.

The School District is subject to federal arbitrage regulations. As of June 30, 2011 the District has not accrued any liability.

Principal and interest requirements to retire general obligation debt, QZAB bonds and H.B. 264 Energy Conservation Notes, outstanding at June 30, 2011, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	\$ 8,940,082	\$ 9,108,314	\$ 18,048,396
2013	6,305,914	8,758,699	15,064,613
2014	6,619,161	8,434,328	15,053,489
2015	28,209,949	8,090,896	36,300,845
2016	7,308,413	7,632,288	14,940,701
2017-2021	36,825,129	32,603,978	69,429,107
2022-2026	39,395,000	22,537,143	61,932,143
2027-2028	69,260,000	2,151,750	71,411,750
	<u>\$ 202,863,648</u>	<u>\$ 99,317,396</u>	<u>\$ 302,181,044</u>

In fiscal year 2002, the School District entered into an agreement to lease 102 buses. The cost was \$5,062,000 while the carrying value (cost less depreciation) is \$2,024,800. This agreement is, in substance, a lease purchase (capital lease) and is classified as a long-term lease obligation in the financial statements.

In fiscal year 2001, the School District entered into an agreement to lease 100 buses. The cost was \$5,369,629 while the carrying value (cost less depreciation) is \$1,789,876. This agreement is, in substance, a lease purchase (capital lease) and is classified as a long-term lease obligation in the financial statements.

In fiscal year 2003, the School District refinanced and consolidated the above two lease agreements to obtain more favorable financing terms. These leases were repaid from the General Fund. The final payment was made in fiscal year 2011.

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 18 – Interfund Transfers and Balances

A. Transfers

Transfers made during the year ended June 30, 2011 were as follows:

Transfers To	Transfers Out		Totals
	General	Classroom Facilities	
Major Governmental Funds:			
Permanent Improvement	\$ 0	\$ 7,628,920	\$ 7,628,920
Non-Major Governmental Funds:			
Educational Special Trust	944,394	0	944,394
Food Service	6,000,000	0	6,000,000
Self Insurance Fund	1,000,000	0	1,000,000
Totals	<u>\$ 7,944,394</u>	<u>\$ 7,628,920</u>	<u>\$ 15,573,314</u>

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

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

The purpose of the transfer from the general fund to the Self Insurance Fund was to fund the account for legal expenditures.

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

Cleveland Municipal School District

Notes to the Basic Financial Statements
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B. Interfund Balances

Interfund balances at June 30, 2011, consist of the following individual fund receivables and payables:

<u>Interfund Payable</u>	<u>Interfund Receivable</u>
	<u>General</u>
Non-Major Governmental Funds:	
Other Local	\$ 27,000
Other State	1,000
Food Service	1,151,000
Title VI-B Special Education	302,000
Vocational Education	436,000
Miscellaneous Federal Grants	62,000
Other Federal	1,537,000
	<u>1,537,000</u>
Totals	<u>\$ 3,516,000</u>

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

Note 19 - Related Organizations

A. Cleveland Public Library

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

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

B. City of Cleveland

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

Cleveland Municipal School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

comprehensive annual financial report can be obtained from the Finance Director of the City of Cleveland at 601 Lakeside Avenue, Cleveland, Ohio 44114.

Note 20 - Jointly Governed Organizations

A. Ohio Schools' Council Association

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

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

B. Bond Accountability Commission

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

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

Note 21 – Construction and Other Significant Commitments

Projects	Committed Amount	Amount Paid	Remaining on Commitment
Segment 1	\$ 223,975,810	\$ 218,621,459	\$ 5,354,351
Segment 2	105,553,352	100,486,843	5,066,509
Segment 3	133,691,654	131,628,532	2,063,122
Segment 4	136,749,655	126,852,494	9,897,161
Segment 5	201,317,868	7,845,293	193,472,575
Segment 6	52,431,221	0	52,431,221
Local Funding Initiatives	91,673,626	74,672,399	17,001,227
Total	<u>\$ 945,393,186</u>	<u>\$ 660,107,020</u>	<u>\$ 285,286,166</u>

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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

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

Note 22 – Subsequent Event

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

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

Nonmajor Special Revenue Funds

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

Local Funds:

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

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

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

State Funds:

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

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

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

Federal Funds:

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

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

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

(continued)

Fund Descriptions – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

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

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

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

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

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

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

Nonmajor Capital Projects Funds

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

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

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

Cleveland Municipal School District

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2011

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 38,108,341	\$ 4,475,206	\$ 42,583,547
Cash and Cash Equivalents With Fiscal Agents	0	82,909	82,909
Investments	0	15,824,880	15,824,880
Investments with Fiscal Agents	15,353,015	0	15,353,015
Receivables:			
Taxes	3,711,716	0	3,711,716
Accounts	779,326	0	779,326
Intergovernmental	5,188,164	0	5,188,164
Accrued Interest	207,856	76,087	283,943
Materials and Supplies Inventory	861,912	0	861,912
Total Assets	\$ 64,210,330	\$ 20,459,082	\$ 84,669,412
Liabilities			
Accounts Payable	\$ 3,958,681	\$ 354,754	\$ 4,313,435
Accrued Wages and Benefits	4,378,803	27,228	4,406,031
Retainage Payable	0	82,909	82,909
Interfund Payable	3,516,000	0	3,516,000
Intergovernmental Payable	2,890,052	15,631	2,905,683
Deferred Revenue	13,762,997	0	13,762,997
Total Liabilities	28,506,533	480,522	28,987,055
Fund Balance:			
Nonspendable	861,912	0	861,912
Restricted	29,820,668	16,214,727	46,035,395
Committed	4,702,140	3,763,833	8,465,973
Assigned	319,077	0	319,077
Total Fund Balances	35,703,797	19,978,560	55,682,357
Total Liabilities and Fund Balances	\$ 64,210,330	\$ 20,459,082	\$ 84,669,412

Cleveland Municipal School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2011

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
<i>Local Sources:</i>			
Taxes	\$ 2,044,839	\$ 0	\$ 2,044,839
Investment Income	844,494	326,542	1,171,036
Tuition and Fees	16,420	0	16,420
Extracurricular Activities	612,023	0	612,023
Contributions and Donations	8,095,295	0	8,095,295
Sale of Personal Property	0	151,000	151,000
Miscellaneous	2,465,080	851,723	3,316,803
<i>State Sources:</i>			
Unrestricted Grants-in-Aid	561,085	0	561,085
Restricted Grants-in-Aid	12,105,333	0	12,105,333
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	98,454,853	0	98,454,853
Total Revenues	<u>125,199,422</u>	<u>1,329,265</u>	<u>126,528,687</u>
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	34,543,508	0	34,543,508
Special	22,999,459	0	22,999,459
Vocational	1,592,060	0	1,592,060
Adult/Continuing	132,700	0	132,700
Other	998,129	0	998,129
<i>Support Services:</i>			
Pupils	5,843,395	0	5,843,395
Instructional Staff	26,643,209	0	26,643,209
Administration	1,786,035	0	1,786,035
Fiscal	959,932	0	959,932
Operation and Maintenance of Plant	24,840,474	374,802	25,215,276
Pupil Transportation	2,987,694	0	2,987,694
Central	108,290	0	108,290
Operation of Non-Instructional Services	6,764,400	0	6,764,400
Extracurricular Activities	639,667	0	639,667
Capital Outlay	24,000	16,797,888	16,821,888
Total Expenditures	<u>130,862,952</u>	<u>17,172,690</u>	<u>148,035,642</u>
Deficiency of Revenues Under Expenditures	(5,663,530)	(15,843,425)	(21,506,955)
Other Financing Sources:			
Transfers In	6,944,394	7,628,920	14,573,314
Net Change in Fund Balances	1,280,864	(8,214,505)	(6,933,641)
Fund Balances at Beginning of Year	34,422,933	28,193,065	62,615,998
Fund Balances at End of Year	<u>\$ 35,703,797</u>	<u>\$ 19,978,560</u>	<u>\$ 55,682,357</u>

Cleveland Municipal School District

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2011

	Educational Special Trust	Classroom Facilities Maintenance	Other Local
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 3,332,944	\$ 26,389,597	\$ 532,613
Investments with Fiscal Agents	15,353,015	0	0
Receivables:			
Taxes	0	3,711,716	0
Accounts	717,770	0	50,000
Intergovernmental	48,415	0	0
Accrued Interest	207,856	0	0
Materials and Supplies Inventory	0	0	0
Total Assets	\$ 19,660,000	\$ 30,101,313	\$ 582,613
Liabilities			
Accounts Payable	\$ 18,079	\$ 142,807	\$ 5,771
Accrued Wages and Benefits	101,588	0	109,034
Interfund Payable	0	0	27,000
Intergovernmental Payable	58,322	0	62,597
Deferred Revenue	0	3,390,629	0
Total Liabilities	177,989	3,533,436	204,402
Fund Balance:			
Nonspendable	0	0	0
Restricted	19,059,341	25,851,340	273,423
Committed	422,670	397,460	104,788
Assigned	0	319,077	0
Total Fund Balances (Deficit)	19,482,011	26,567,877	378,211
Total Liabilities and Fund Balances	\$ 19,660,000	\$ 30,101,313	\$ 582,613

Auxiliary Services (NPSS)	Miscellaneous State Grants	Other State	Food Service	Adult Basic Education
\$ 2,190,977	\$ 136,682	\$ 457,242	\$ 352,295	\$ 0
0	0	0	0	0
0	0	0	0	0
0	0	0	11,556	0
0	421,817	125,291	2,944,942	0
0	0	0	0	0
0	0	0	861,912	0
<u>\$ 2,190,977</u>	<u>\$ 558,499</u>	<u>\$ 582,533</u>	<u>\$ 4,170,705</u>	<u>\$ 0</u>
\$ 435,154	\$ 2,070	\$ 0	\$ 645,522	\$ 0
115,542	17,273	23,064	617,778	0
0	0	1,000	1,151,000	0
66,331	9,808	13,240	357,097	0
0	626,572	207,519	0	31,951
<u>617,027</u>	<u>655,723</u>	<u>244,823</u>	<u>2,771,397</u>	<u>31,951</u>
0	0	0	861,912	0
(58,854)	(113,719)	179,222	284,869	(31,951)
1,632,804	16,495	158,488	252,527	0
0	0	0	0	0
<u>1,573,950</u>	<u>(97,224)</u>	<u>337,710</u>	<u>1,399,308</u>	<u>(31,951)</u>
<u>\$ 2,190,977</u>	<u>\$ 558,499</u>	<u>\$ 582,533</u>	<u>\$ 4,170,705</u>	<u>\$ 0</u>

(continued)

Cleveland Municipal School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2011

	Race To The Top	Title VI-B Special Education	Vocational Education
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 242,187	\$ 634,538	\$ 520,926
Investments with Fiscal Agents	0	0	0
Receivables:			
Taxes	0	0	0
Accounts	0	0	0
Intergovernmental	0	244,904	50,640
Accrued Interest	0	0	0
Materials and Supplies Inventory	0	0	0
Total Assets	\$ 242,187	\$ 879,442	\$ 571,566
Liabilities			
Accounts Payable	\$ 38,680	\$ 138,950	\$ 346,065
Accrued Wages and Benefits	156,959	905,084	52,730
Interfund Payable	0	302,000	436,000
Intergovernmental Payable	90,109	519,604	30,271
Deferred Revenue	242,187	4,131,640	83,879
Total Liabilities	527,935	5,997,278	948,945
Fund Balance:			
Nonspendable	0	0	0
Restricted	(309,823)	(5,752,090)	(551,791)
Committed	24,075	634,254	174,412
Assigned	0	0	0
Total Fund Balances (Deficit)	(285,748)	(5,117,836)	(377,379)
Total Liabilities and Fund Balances	\$ 242,187	\$ 879,442	\$ 571,566

Fiscal Stabilization	Improving Teacher Quality Title II-A	Miscellaneous Federal Grants	Other Federal	Total Nonmajor Special Revenue Funds
\$ 0	\$ 625,982	\$ 62,487	\$ 2,629,871	\$ 38,108,341
0	0	0	0	15,353,015
0	0	0	0	3,711,716
0	0	0	0	779,326
0	0	1,001,778	350,377	5,188,164
0	0	0	0	207,856
0	0	0	0	861,912
<u>\$ 0</u>	<u>\$ 625,982</u>	<u>\$ 1,064,265</u>	<u>\$ 2,980,248</u>	<u>\$ 64,210,330</u>
\$ 0	\$ 651,249	\$ 30,000	\$ 1,504,334	3,958,681
1,426,625	0	15,777	837,349	4,378,803
0	0	62,000	1,537,000	3,516,000
819,018	373,879	9,057	480,719	2,890,052
0	625,981	1,749,281	2,673,358	13,762,997
<u>2,245,643</u>	<u>1,651,109</u>	<u>1,866,115</u>	<u>7,032,760</u>	<u>28,506,533</u>
0	0	0	0	861,912
(2,245,643)	(1,025,127)	(834,118)	(4,904,411)	29,820,668
0	0	32,268	851,899	4,702,140
0	0	0	0	319,077
<u>(2,245,643)</u>	<u>(1,025,127)</u>	<u>(801,850)</u>	<u>(4,052,512)</u>	<u>35,703,797</u>
<u>\$ 0</u>	<u>\$ 625,982</u>	<u>\$ 1,064,265</u>	<u>\$ 2,980,248</u>	<u>\$ 64,210,330</u>

Cleveland Municipal School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2011

	Educational Special Trust	Classroom Facilities Maintenance	Other Local
Revenues:			
<i>Local Sources:</i>			
Taxes	\$ 0	\$ 2,044,839	\$ 0
Tuition and Fees	0	0	0
Investment Income	816,295	25,817	0
Extracurricular Activities	0	0	612,023
Contributions and Donations	8,095,295	0	0
Miscellaneous	0	0	1,244,986
<i>State Sources:</i>			
Unrestricted Grants-in-Aid	0	561,085	0
Restricted Grants-in-Aid	0	1,930,207	0
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	0	0	0
Total Revenues	<u>8,911,590</u>	<u>4,561,948</u>	<u>1,857,009</u>
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	(126,511)	0	615,310
Special	1,009,639	0	122,094
Vocational	16,341	0	0
Adult/Continuing	0	0	0
Other	842,816	0	0
<i>Support Services:</i>			
Pupils	103,974	0	97,667
Instructional Staff	3,536,029	0	0
Administration	306,113	0	142,573
Fiscal	0	0	165,851
Operation and Maintenance of Plant	(27)	1,112,666	84,964
Pupil Transportation	2,025	0	0
Central	0	0	0
Operation of Non-Instructional Services	19,071	0	0
Extracurricular Activities	16,261	0	623,406
Capital Outlay	0	24,000	0
Total Expenditures	<u>5,725,731</u>	<u>1,136,666</u>	<u>1,851,865</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,185,859	3,425,282	5,144
Other Financing Sources:			
Transfers In	944,394	0	0
Total Other Financing Sources (Uses)	<u>944,394</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	4,130,253	3,425,282	5,144
Fund Balances (Deficit) at Beginning of Year	<u>15,351,758</u>	<u>23,142,595</u>	<u>373,067</u>
Fund Balances (Deficit) at End of Year	<u>\$ 19,482,011</u>	<u>\$ 26,567,877</u>	<u>\$ 378,211</u>

<u>Auxiliary Services (NPSS)</u>	<u>Miscellaneous State Grants</u>	<u>Other State</u>	<u>Food Service</u>	<u>Adult Basic Education</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	16,420	0	0
2,319	0	0	63	0
0	0	0	0	0
0	0	0	0	0
265,116	0	0	954,978	0
0	0	0	0	0
6,624,360	2,453,653	611,992	485,121	0
0	0	0	18,593,946	144,849
<u>6,891,795</u>	<u>2,453,653</u>	<u>628,412</u>	<u>20,034,108</u>	<u>144,849</u>
0	0	145,617	0	0
0	0	0	0	0
0	0	0	0	0
0	0	20,452	0	42,974
0	0	0	0	0
0	4,135	199,359	0	0
297,208	1,328,958	355,247	0	0
0	0	68,988	0	0
0	0	0	0	4,956
793	0	0	23,632,847	0
0	4,191	0	0	0
0	0	108,290	0	0
5,579,989	1,538	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>5,877,990</u>	<u>1,338,822</u>	<u>897,953</u>	<u>23,632,847</u>	<u>47,930</u>
1,013,805	1,114,831	(269,541)	(3,598,739)	96,919
0	0	0	6,000,000	0
0	0	0	6,000,000	0
1,013,805	1,114,831	(269,541)	2,401,261	96,919
560,145	(1,212,055)	607,251	(1,001,953)	(128,870)
<u>\$ 1,573,950</u>	<u>\$ (97,224)</u>	<u>\$ 337,710</u>	<u>\$ 1,399,308</u>	<u>\$ (31,951)</u>

(continued)

Cleveland Municipal School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds (continued)

For the Fiscal Year Ended June 30, 2011

	Race To The Top	Title VI-B Special Education	Vocational Education
Revenues:			
<i>Local Sources:</i>			
Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Contributions and Donations	0	0	0
Miscellaneous	0	0	0
<i>State Sources:</i>			
Unrestricted Grants-in-Aid	0	0	0
Restricted Grants-in-Aid	0	0	0
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	340,664	19,632,551	2,300,072
Total Revenues	340,664	19,632,551	2,300,072
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	0	0	0
Special	302,040	11,395,016	0
Vocational	0	0	1,575,719
Adult/Continuing	38,624	0	15,197
Other	0	0	0
<i>Support Services:</i>			
Pupils	0	3,182,423	0
Instructional Staff	278,054	6,633,770	960,676
Administration	7,694	1,140,155	57,159
Fiscal	0	365,264	0
Operation and Maintenance of Plant	0	0	0
Pupil Transportation	0	2,716,904	0
Central	0	0	0
Operation of Non-Instructional Services	0	1,109,173	0
Extracurricular Activities	0	0	0
Capital Outlay	0	0	0
Total Expenditures	626,412	26,542,705	2,608,751
Excess (Deficiency) of Revenues Over (Under) Expenditures	(285,748)	(6,910,154)	(308,679)
Other Financing Sources:			
Transfers In	0	0	0
Total Other Financing Sources (Uses)	0	0	0
Net Change in Fund Balances	(285,748)	(6,910,154)	(308,679)
Fund Balances (Deficit) at Beginning of Year	0	1,792,318	(68,700)
Fund Balances (Deficit) at End of Year	\$ (285,748)	\$ (5,117,836)	\$ (377,379)

<u>Fiscal Stabilization</u>	<u>Improving Teacher Quality Title II-A</u>	<u>Miscellaneous Federal Grants</u>	<u>Other Federal</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,044,839
0	0	0	0	16,420
0	0	0	0	844,494
0	0	0	0	612,023
0	0	0	0	8,095,295
0	0	0	0	2,465,080
0	0	0	0	561,085
0	0	0	0	12,105,333
<u>34,101,635</u>	<u>8,551,893</u>	<u>2,340,027</u>	<u>12,449,216</u>	<u>98,454,853</u>
<u>34,101,635</u>	<u>8,551,893</u>	<u>2,340,027</u>	<u>12,449,216</u>	<u>125,199,422</u>
33,241,384	0	125,296	542,412	34,543,508
0	8,532,860	0	1,637,810	22,999,459
0	0	0	0	1,592,060
0	0	11,887	3,566	132,700
0	0	155,313	0	998,129
0	0	16,987	2,238,850	5,843,395
0	30	1,816,363	11,436,874	26,643,209
0	66,600	12,055	(15,302)	1,786,035
0	241,268	15,671	166,922	959,932
0	0	9,231	0	24,840,474
0	0	253,160	11,414	2,987,694
0	0	0	0	108,290
0	0	7,652	46,977	6,764,400
0	0	0	0	639,667
0	0	0	0	24,000
<u>33,241,384</u>	<u>8,840,758</u>	<u>2,423,615</u>	<u>16,069,523</u>	<u>130,862,952</u>
860,251	(288,865)	(83,588)	(3,620,307)	(5,663,530)
0	0	0	0	6,944,394
0	0	0	0	6,944,394
860,251	(288,865)	(83,588)	(3,620,307)	1,280,864
<u>(3,105,894)</u>	<u>(736,262)</u>	<u>(718,262)</u>	<u>(432,205)</u>	<u>34,422,933</u>
<u>\$ (2,245,643)</u>	<u>\$ (1,025,127)</u>	<u>\$ (801,850)</u>	<u>\$ (4,052,512)</u>	<u>\$ 35,703,797</u>

Cleveland Municipal School District

Combining Balance Sheet

Nonmajor Capital Projects Funds

June 30, 2011

	Permanent Improvement	Building Renovation	Total Nonmajor Capital Projects Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 3,084,140	\$ 1,391,066	\$ 4,475,206
Cash and Cash Equivalents With Fiscal Agents	82,909	0	82,909
Investments	15,824,880	0	15,824,880
Investments with Fiscal Agents	0	0	0
Receivables:			
Accrued Interest	76,087	0	76,087
Total Assets	\$ 19,068,016	\$ 1,391,066	\$ 20,459,082
Liabilities			
Accounts Payable	\$ 354,754	\$ 0	\$ 354,754
Accrued Wages and Benefits	27,228	0	27,228
Retainage Payable	82,909	0	82,909
Intergovernmental Payable	15,631	0	15,631
Total Liabilities	480,522	0	480,522
Fund Balance:			
Nonspendable	0	0	0
Restricted	14,823,661	1,391,066	16,214,727
Committed	3,763,833	0	3,763,833
Assigned	0	0	0
Unassigned	0	0	0
Total Fund Balances	18,587,494	1,391,066	19,978,560
Total Liabilities and Fund Balances	\$ 19,068,016	\$ 1,391,066	\$ 20,459,082

Cleveland Municipal School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2011

	Permanent Improvement	Building Renovation	Total Nonmajor Capital Projects Funds
Revenues:			
<i>Local Sources:</i>			
Investment Income	\$ 326,542	\$ 0	\$ 326,542
Sale of Personal Property	151,000	0	151,000
Miscellaneous	851,723	0	851,723
Total Revenues	<u>1,329,265</u>	<u>0</u>	<u>1,329,265</u>
Expenditures:			
<i>Current:</i>			
<i>Support Services:</i>			
Operation and Maintenance of Plant	374,802	0	374,802
Capital Outlay	16,797,888	0	16,797,888
Total Expenditures	<u>17,172,690</u>	<u>0</u>	<u>17,172,690</u>
Deficiency of Revenues Under Expenditures	(15,843,425)	0	(15,843,425)
Other Financing Uses:			
Operating Transfers In	<u>7,628,920</u>	<u>0</u>	<u>7,628,920</u>
Net Change in Fund Balances	(8,214,505)	0	(8,214,505)
Fund Balances at Beginning of Year	<u>26,801,999</u>	<u>1,391,066</u>	<u>28,193,065</u>
Fund Balances at End of Year	<u>\$ 18,587,494</u>	<u>\$ 1,391,066</u>	<u>\$ 19,978,560</u>

Fund Descriptions – Internal Service Funds

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

Internal Service Funds

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

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

Cleveland Municipal School District

Combining Statement of Fund Net Assets

Internal Service Funds

June 30, 2011

	Liability Self-Insurance	Employee Benefits Self-Insurance	Totals
Assets			
<i>Current Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$ 2,523,691	\$ 7,934,353	\$ 10,458,044
Liabilities			
<i>Current Liabilities:</i>			
Claims Payable	<u>2,372,260</u>	<u>1,235,442</u>	<u>3,607,702</u>
Net Assets			
Committed	<u>\$ 151,431</u>	<u>\$ 6,698,911</u>	<u>\$ 6,850,342</u>

Cleveland Municipal School District
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year Ended June 30, 2011

	Liability Self-Insurance	Employee Benefits Self-Insurance	Totals
<i>Operating Revenues:</i>			
Charges for Services	\$ 238,665	\$ 55,878,002	\$ 56,116,667
<i>Operating Expenses:</i>			
Claims and Claim Adjustment Expenses	683,385	55,890,592	56,573,977
<i>Operating Income (Loss)</i>	(444,720)	(12,590)	(457,310)
Operating Transfers In	1,000,000	0	1,000,000
<i>Total Other Financing Sources (Uses)</i>	1,000,000	0	1,000,000
Change in Net Assets	555,280	(12,590)	542,690
Net Assets at Beginning of Year	(403,849)	6,711,501	6,307,652
<i>Net Assets at End of Year</i>	\$ 151,431	\$ 6,698,911	\$ 6,850,342

Cleveland Municipal School District
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2011

	Liability Self-Insurance	Employee Benefits Self-Insurance	Totals
<i>Increase (Decrease) In Cash and Cash Equivalents:</i>			
<i>Cash Flows from Operating Activities:</i>			
Cash Received from Interfund Services Provided	\$ 238,665	\$ 55,878,002	\$ 56,116,667
Cash Payments for Claims and Claim Adjustment Expenses	(412,380)	(55,478,877)	(55,891,257)
<i>Net Cash Provided (Used) by Operating Activities</i>	(173,715)	399,125	225,410
Cash and Cash Equivalents at Beginning of Year	1,697,406	7,535,228	9,232,634
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$ 1,523,691</u>	<u>\$ 7,934,353</u>	<u>\$ 9,458,044</u>
 <i>Reconciliation of Income to Net Cash Provided (Used) by Operating Activities</i>			
<i>Operating Income (Loss)</i>	\$ (444,720)	\$ (12,590)	\$ (457,310)
<i>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities</i>			
Increase (Decrease) in Claims Payable	271,005	411,715	682,720
<i>Net Cash Provided by Operating Activities</i>	<u>\$ (173,715)</u>	<u>\$ 399,125</u>	<u>\$ 225,410</u>

Fund Descriptions – Fiduciary Funds

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

Agency Funds

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

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

Cleveland Municipal School District
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended June 30, 2011

	Beginning Balance July 1, 2010	Additions	Deductions	Ending Balance June 30, 2011
District Agency Fund				
<i>Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$ 3,542,785	\$ 0	\$ 329,302	\$ 3,213,483
<i>Liabilities:</i>				
Payroll Withholdings	\$ 3,542,785	\$ 0	\$ 329,302	\$ 3,213,483
 Student Managed Activity				
<i>Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$ 613,237	\$ 955,047	\$ 885,356	\$ 682,928
<i>Liabilities:</i>				
Due to Students	\$ 613,237	\$ 955,047	\$ 885,356	\$ 682,928
 All Agency Funds				
<i>Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$ 4,156,022	\$ 955,047	\$ 1,214,658	\$ 3,896,411
<i>Liabilities:</i>				
Due To Students	\$ 613,237	\$ 955,047	\$ 885,356	\$ 682,928
Payroll Withholdings	3,542,785	0	329,302	3,213,483
Total Liabilities	\$ 4,156,022	\$ 955,047	\$ 1,214,658	\$ 3,896,411

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

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Debt Service Fund
For the Fiscal Year Ended June 30, 2011

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Local Sources:</i>			
Taxes	\$ 28,659,822	\$ 27,432,086	\$ (1,227,736)
Investment Income	32,000	32,000	0
<i>State Sources:</i>			
Unrestricted Grants-in-Aid	4,260,779	4,447,016	186,237
Total Revenues	32,952,601	31,911,102	(1,041,499)
Expenditures:			
Debt Service:			
Principal Retirement	23,473,270	23,445,000	28,270
Interest and Fiscal Charges	9,690,087	9,690,087	0
Bond Issuance Costs	36,949	36,949	0
Total Expenditures	33,200,306	33,172,036	28,270
Net Change in Fund Balances	(247,705)	(1,260,934)	(1,013,229)
Fund Balances at Beginning of Year	21,361,069	21,361,069	0
Fund Balances at End of Year	\$ 21,113,364	\$ 20,100,135	\$ (1,013,229)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Classroom Facilities Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Local Sources:</i>			
Investment Income	\$ 2,645,352	\$ 2,645,352	\$ 0
<i>State Sources:</i>			
Restricted Grants-in-Aid	158,154,648	24,117,272	(134,037,376)
Total Revenues	<u>160,800,000</u>	<u>26,762,624</u>	<u>(134,037,376)</u>
Expenditures:			
Capital Outlay	307,599,848	62,619,471	244,980,377
Total Expenditures	<u>307,599,848</u>	<u>62,619,471</u>	<u>244,980,377</u>
Deficiency of Revenues Under Expenditures	(146,799,848)	(35,856,847)	110,943,001
Other Financing Sources:			
Issuance from Sale of Notes	55,000,000	55,000,000	0
Operating Transfers Out	(7,628,920)	(7,628,920)	0
Total Other Financing Sources (Uses)	<u>47,371,080</u>	<u>47,371,080</u>	<u>0</u>
Net Change in Fund Balances	(99,428,768)	11,514,233	110,943,001
Fund Balances at Beginning of Year	44,882,100	44,882,100	0
<i>Prior Year Encumbrances Appropriated</i>	<u>55,950,343</u>	<u>55,950,343</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 1,403,675</u>	<u>\$ 112,346,676</u>	<u>\$ 110,943,001</u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Educational Special Trust Fund
For the Fiscal Year Ended June 30, 2011

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Local Sources:</i>			
Investment Income	\$ 651,516	\$ 651,409	\$ (107)
Contributions and Donations	7,604,090	7,611,958	7,868
Total Revenues	<u>8,255,606</u>	<u>8,263,367</u>	<u>7,761</u>
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	250,139	16,632	233,507
Special	1,683,246	1,380,166	303,080
Vocational	16,751	16,361	390
Other	1,000,000	770,479	229,521
<i>Support Services:</i>			
Pupils	149,744	111,602	38,142
Instructional Staff	5,652,195	4,650,676	1,001,519
Board of Education	8,049	0	8,049
Administration	607,972	378,293	229,679
Operation and Maintenance of Plant	2,388	71	2,317
Pupil Transportation	205,329	4,742	200,587
Central	57,845	5,251	52,594
Operation of Non-Instructional Services	25,394	19,789	5,605
Extracurricular Activities	53,958	17,112	36,846
Total Expenditures	<u>9,713,010</u>	<u>7,371,174</u>	<u>2,341,836</u>
Excess of Revenues Over (Under) Expenditures	(1,457,404)	892,193	2,349,597
Other Financing Sources:			
Transfers In	944,394	944,394	0
Net Change in Fund Balances	(513,010)	1,836,587	2,349,597
Fund Balances at Beginning of Year	15,598,812	15,598,812	0
<i>Prior Year Encumbrances Appropriated</i>	<u>714,031</u>	<u>714,031</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 15,799,833</u>	<u>\$ 18,149,430</u>	<u>\$ 2,349,597</u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Classroom Facilities Maintenance Fund
For the Fiscal Year Ended June 30, 2011

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Local Sources:</i>			
Taxes	\$ 2,000,531	\$ 2,004,264	\$ 3,733
Investment Income	26,000	25,817	(183)
<i>State Sources:</i>			
Unrestricted Grants-in-Aid	219,390	561,085	341,695
Restricted Grants-in-Aid	2,275,500	1,930,207	(345,293)
Total Revenues	<u>4,521,421</u>	<u>4,521,373</u>	<u>(48)</u>
Expenditures:			
<i>Support Services:</i>			
Operation and Maintenance of Plant	1,966,277	1,413,186	553,091
Capital Outlay	560,991	121,741	439,250
Total Expenditures	<u>2,527,268</u>	<u>1,534,927</u>	<u>992,341</u>
Net Change in Fund Balances	1,994,153	2,986,446	992,293
Fund Balances at Beginning of Year	22,560,629	22,560,629	0
<i>Prior Year Encumbrances Appropriated</i>	<u>302,568</u>	<u>302,568</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 24,857,350</u>	<u>\$ 25,849,643</u>	<u>\$ 992,293</u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Other Local Funds
For the Fiscal Year Ended June 30, 2011

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Local Sources:</i>			
Extracurricular Activities	\$ 615,000	\$ 612,023	\$ (2,977)
Miscellaneous	1,283,000	1,274,561	(8,439)
Total Revenues	<u>1,898,000</u>	<u>1,886,584</u>	<u>(11,416)</u>
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	621,685	621,685	0
Special	104,925	104,925	0
<i>Support Services:</i>			
Pupils	96,489	96,489	0
Administration	155,803	155,803	0
Fiscal	163,570	163,570	0
Operation and Maintenance of Plant	77,383	77,383	0
Extracurricular Activities	1,134,861	735,902	398,959
Total Expenditures	<u>2,354,716</u>	<u>1,955,757</u>	<u>398,959</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(456,716)</u>	<u>(69,173)</u>	<u>387,543</u>
Other Financing Sources (Uses):			
Advances In	27,000	27,000	0
Advances Out	(82,000)	(82,000)	0
Total Other Financing Sources (Uses)	<u>(55,000)</u>	<u>(55,000)</u>	<u>0</u>
Net Change in Fund Balances	(511,716)	(124,173)	387,543
Fund Balances at Beginning of Year	426,081	426,081	0
<i>Prior Year Encumbrances Appropriated</i>	<u>120,145</u>	<u>120,145</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 34,510</u>	<u>\$ 422,053</u>	<u>\$ 387,543</u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Auxiliary Services (NPSS) Fund
For the Fiscal Year Ended June 30, 2011

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Local Sources:</i>			
Investment Income	\$ 2,400	\$ 2,319	\$ (81)
Miscellaneous	266,000	265,116	(884)
<i>State Sources:</i>			
Restricted Grants-in-Aid	7,131,600	6,624,360	(507,240)
Total Revenues	<u>7,400,000</u>	<u>6,891,795</u>	<u>(508,205)</u>
Expenditures:			
<i>Current:</i>			
<i>Support Services:</i>			
Instructional Staff	330,979	305,973	25,006
Operation and Maintenance of Plant	61,042	793	60,249
Operation of Non-Instructional Services	7,605,710	7,335,102	270,608
Total Expenditures	<u>7,997,731</u>	<u>7,641,868</u>	<u>355,863</u>
Net Change in Fund Balances	(597,731)	(750,073)	(152,342)
Fund Balances at Beginning of Year	185,405	185,405	0
<i>Prior Year Encumbrances Appropriated</i>	<u>683,683</u>	<u>683,683</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 271,357</u>	<u>\$ 119,015</u>	<u>\$ (152,342)</u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous State Grants Fund
For the Fiscal Year Ended June 30, 2011

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>State Sources:</i>			
Restricted Grants-in-Aid	\$ 2,425,000	\$ 2,424,680	\$ (320)
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Adult/Continuing	3,582	3,559	23
Other	589	0	589
<i>Support Services:</i>			
Pupils	4,200	4,135	65
Instructional Staff	1,385,189	1,385,094	95
Operation and Maintenance of Plant	273	0	273
Pupil Transportation	12,157	5,793	6,364
Operation of Non-Instructional Services	2,706	1,538	1,168
Total Expenditures	1,408,696	1,400,119	8,577
Deficiency of Revenues Under Expenditures	1,016,304	1,024,561	8,257
Other Financing Sources:			
Advances Out	(938,000)	(938,000)	0
Net Change in Fund Balances	78,304	86,561	8,257
Fund Balances at Beginning of Year	998	998	0
<i>Prior Year Encumbrances Appropriated</i>	30,558	30,558	0
Fund Balances at End of Year	\$ 109,860	\$ 118,117	\$ 8,257

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Other State Funds
For the Fiscal Year Ended June 30, 2011

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Local Sources:</i>			
Tuition and Fees	\$ 17,000	\$ 16,420	\$ (580)
<i>State Sources:</i>			
Restricted Grants-in-Aid	648,500	646,842	(1,658)
Total Revenues	<u>665,500</u>	<u>663,262</u>	<u>(2,238)</u>
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	167,979	146,043	21,936
Adult/Continuing	0	20,452	(20,452)
<i>Support Services:</i>			
Pupils	235,449	201,457	33,992
Instructional Staff	355,256	355,247	9
Administration	73,206	69,343	3,863
Operation and Maintenance of Plant	25,721	0	25,721
Pupil Transportation	3,350	0	3,350
Central	461,272	314,938	146,334
Total Expenditures	<u>1,322,233</u>	<u>1,107,480</u>	<u>214,753</u>
Deficiency of Revenues Under Expenditures	(656,733)	(444,218)	212,515
Other Financing Uses:			
Advances In	1,000	1,000	0
Net Change in Fund Balances	(656,733)	(444,218)	212,515
Fund Balances at Beginning of Year	692,955	692,955	0
<i>Prior Year Encumbrances Appropriated</i>	<u>50,017</u>	<u>50,017</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 86,239</u>	<u>\$ 298,754</u>	<u>\$ 212,515</u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2011

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Local Sources:</i>			
Investment Income	\$ 100	\$ 63	\$ (37)
Miscellaneous	1,000,000	944,629	(55,371)
<i>State Sources:</i>			
Restricted Grants-in-Aid	100,000	485,121	385,121
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	16,748,900	16,234,638	(514,262)
Total Revenues	<u>17,849,000</u>	<u>17,664,451</u>	<u>(184,549)</u>
Expenditures:			
<i>Current:</i>			
Operation of Non-Instructional Services	<u>25,364,759</u>	<u>25,364,759</u>	<u>0</u>
Deficiency of Revenues Under Expenditures	(7,515,759)	(7,700,308)	(184,549)
Other Financing Sources:			
Advances In	1,151,000	1,151,000	0
Transfers In	<u>6,000,000</u>	<u>6,000,000</u>	<u>0</u>
Net Change in Fund Balances	(364,759)	(549,308)	(184,549)
Fund Balance at Beginning of Year	5,483	5,483	0
<i>Prior Year Encumbrances Appropriated</i>	<u>543,882</u>	<u>543,882</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 184,606</u>	<u>\$ 57</u>	<u>\$ (184,549)</u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Adult Basic Education Fund
For the Fiscal Year Ended June 30, 2011

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$ 8,490	\$ 8,490	\$ 0
Expenditures:			
<i>Current:</i>			
<i> Instruction:</i>			
Adult/Continuing	61,623	61,623	0
<i> Support Services:</i>			
Fiscal	4,956	4,956	0
Total Expenditures	66,579	66,579	0
Excess of Revenues Over Expenditures	(58,089)	(58,089)	0
Net Change in Fund Balances	(58,089)	(58,089)	0
Fund Balances at Beginning of Year	57,219	57,219	0
<i>Prior Year Encumbrances Appropriated</i>	870	870	0
Fund Balances at End of Year	\$ 0	\$ 0	\$ 0

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Race to the Top Fund
For the Fiscal Year Ended June 30, 2011

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$ 583,000	\$ 582,851	\$ (149)
Expenditures:			
Current:			
<i>Instruction:</i>			
Special	483,851	364,787	119,064
Adult/Continuing	99,000	38,632	60,368
Total Expenditures	<u>582,851</u>	<u>403,419</u>	<u>179,432</u>
Excess of Revenues Over Expenditures	149	179,432	179,283
Net Change in Fund Balances	149	179,432	179,283
Fund Balances at Beginning of Year	0	0	0
<i>Prior Year Encumbrances Appropriated</i>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 149</u>	<u>\$ 179,432</u>	<u>\$ 179,283</u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B Special Education Fund
For the Fiscal Year Ended June 30, 2011

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$ 25,398,000	\$ 24,938,707	\$ (459,293)
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Special	11,661,862	11,517,058	144,804
<i>Support Services:</i>			
Pupils	3,357,589	3,236,004	121,585
Instructional Staff	7,544,922	7,361,859	183,063
Administration	1,139,831	1,139,831	0
Fiscal	365,264	365,264	0
Pupil Transportation	2,716,904	2,716,904	0
Operation of Non-Instructional Services	1,105,365	1,101,433	3,932
Total Expenditures	27,891,737	27,438,353	453,384
Excess of Revenues Over (Under) Expenditures	(2,493,737)	(2,499,646)	(5,909)
Other Financing Sources (Uses):			
Advances In	302,000	302,000	0
Total Other Financing Sources (Uses)	302,000	302,000	0
Net Change in Fund Balances	(2,191,737)	(2,197,646)	(5,909)
Fund Balances at Beginning of Year	1,738,486	1,738,486	0
<i>Prior Year Encumbrances Appropriated</i>	459,444	459,444	0
Fund Balances at End of Year	\$ 6,193	\$ 284	\$ (5,909)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Vocational Education Fund
For the Fiscal Year Ended June 30, 2011

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$ 2,364,000	\$ 2,306,322	\$ (57,678)
Expenditures:			
Current:			
<i>Instruction:</i>			
Vocational	1,727,101	1,727,101	0
Adult/Continuing	15,201	15,197	4
<i>Support Services:</i>			
Pupils	14,027	0	14,027
Instructional Staff	1,021,243	1,021,243	0
Administration	106,077	70,357	35,720
Central	4,198	0	4,198
Total Expenditures	2,887,847	2,833,898	53,949
Deficiency of Revenues Under Expenditures	(523,847)	(527,576)	(3,729)
Other Financing Sources:			
Advances In	436,000	436,000	0
Advances Out	(57,000)	(57,000)	0
Total Other Financing Sources (Uses)	379,000	379,000	0
Net Change in Fund Balances	(144,847)	(148,576)	(3,729)
Fund Balances at Beginning of Year	14,911	14,911	0
<i>Prior Year Encumbrances Appropriated</i>	134,114	134,114	0
Fund Balances at End of Year	\$ 4,178	\$ 449	\$ (3,729)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Fiscal Stabilization Fund
For the Fiscal Year Ended June 30, 2011

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$ 34,101,635	\$ 34,101,635	\$ 0
Expenditures:			
Current:			
<i>Instruction:</i>			
Regular	34,101,635	34,101,635	0
Net Change in Fund Balances	0	0	0
Fund Balances at Beginning of Year	0	0	0
Fund Balances at End of Year	\$ 0	\$ 0	\$ 0

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Improving Teacher Quality Title II-A Fund
For the Fiscal Year Ended June 30, 2011

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$ 8,828,000	\$ 8,827,629	\$ (371)
Expenditures:			
<i>Current:</i>			
<i>Instruction:</i>			
Special	8,673,835	8,607,276	66,559
<i>Support Services:</i>			
Instructional Staff	471,359	30	471,329
Administration	75,384	66,837	8,547
Fiscal	289,613	241,268	48,345
Operation of Non-Instructional Services	31,201	0	31,201
Total Expenditures	9,541,392	8,915,411	625,981
Net Change in Fund Balances	(713,392)	(87,782)	625,610
Fund Balances at Beginning of Year	711,642	711,642	0
<i>Prior Year Encumbrances Appropriated</i>	2,122	2,122	0
Fund Balances at End of Year	\$ 372	\$ 625,982	\$ 625,610

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous Federal Grants Fund
For the Fiscal Year Ended June 30, 2011

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$ 2,398,000	\$ 2,348,268	\$ (49,732)
Expenditures:			
Current:			
<i>Instruction:</i>			
Regular	4,547	0	4,547
Special	257,258	250,116	7,142
Vocational	5,472	0	5,472
Adult/Continuing	15,393	15,393	0
Other	165,830	165,830	0
<i>Support Services:</i>			
Pupils	18,255	18,255	0
Instructional Staff	1,860,141	1,860,141	0
Administration	12,055	12,055	0
Fiscal	15,671	15,671	0
Operation and Maintenance of Plant	9,231	9,231	0
Pupil Transportation	273,030	253,160	19,870
Central	7,752	0	7,752
Operation of Non-Instructional Services	9,000	7,732	1,268
Total Expenditures	2,653,635	2,607,584	46,051
Excess of Revenues Over Expenditures	(255,635)	(259,316)	(3,681)
Other Financing Uses:			
Advances In	62,000	62,000	0
Net Change in Fund Balances	(193,635)	(197,316)	(3,681)
Fund Balances at Beginning of Year	157,724	157,724	0
<i>Prior Year Encumbrances Appropriated</i>	39,811	39,811	0
Fund Balances at End of Year	\$ 3,900	\$ 219	\$ (3,681)

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Other Federal Funds
For the Fiscal Year Ended June 30, 2011

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$ 14,981,500	\$ 14,923,783	\$ (57,717)
Expenditures:			
Current:			
<i>Instruction:</i>			
Regular	550,812	542,534	8,278
Special	1,647,165	1,637,946	9,219
Adult/Continuing	12,451	3,566	8,885
<i>Support Services:</i>			
Pupils	2,106,792	2,084,249	22,543
Instructional Staff	11,431,742	11,426,055	5,687
Administration	1,019	1,016	3
Fiscal	186,616	166,922	19,694
Pupil Transportation	11,814	11,414	400
Operation of Non-Instructional Services	66,820	51,410	15,410
Total Expenditures	16,015,231	15,925,112	90,119
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,033,731)	(1,001,329)	32,402
Other Financing Sources:			
Advances In	1,537,000	1,537,000	0
Advances Out	(661,000)	(661,000)	0
Total Other Financing Sources (Uses)	876,000	876,000	0
Net Change in Fund Balances	(157,731)	(125,329)	32,402
Fund Balances at Beginning of Year	394,118	394,118	0
<i>Prior Year Encumbrances Appropriated</i>	19,705	19,705	0
Fund Balances at End of Year	\$ 256,092	\$ 288,494	\$ 32,402

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2011

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
<i>Local Sources:</i>			
Investment Income	\$ 700,000	\$ 701,535	\$ 1,535
Sale of Personal Property	151,000	151,000	0
Miscellaneous	1,249,000	851,723	(397,277)
Total Revenues	<u>2,100,000</u>	<u>1,704,258</u>	<u>(395,742)</u>
Expenditures:			
<i>Current:</i>			
<i>Support Services:</i>			
Operation and Maintenance of Plant	376,427	376,427	0
Capital Outlay	34,255,887	21,286,206	12,969,681
Total Expenditures	<u>34,632,314</u>	<u>21,662,633</u>	<u>12,969,681</u>
Deficiency of Revenues Under Expenditures	<u>(32,532,314)</u>	<u>(19,958,375)</u>	<u>12,573,939</u>
Other Financing Sources:			
Operating Transfers In	<u>7,700,000</u>	<u>7,628,920</u>	<u>(71,080)</u>
Net Change in Fund Balances	(24,832,314)	(12,329,455)	12,502,859
Fund Balances at Beginning of Year	22,241,668	22,241,668	0
<i>Prior Year Encumbrances Appropriated</i>	<u>5,054,052</u>	<u>5,054,052</u>	<u>0</u>
Fund Balances at End of Year	<u>\$ 2,463,406</u>	<u>\$ 14,966,265</u>	<u>\$ 12,502,859</u>

Cleveland Municipal School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Building Renovation Fund
For the Fiscal Year Ended June 30, 2011

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:	\$ 0	\$ 0	\$ 0
Expenditures:			
Current:			
Operation and Maintenance of Plant	1,391,066	1,391,066	0
Total Expenditures	1,391,066	1,391,066	0
Deficiency of Revenues Under Expenditures	(1,391,066)	0	1,391,066
Other Financing Uses:			
Transfers Out	0	0	0
Net Change in Fund Balances	(1,391,066)	0	1,391,066
Fund Balances at Beginning of Year	1,391,066	1,391,066	0
Fund Balances at End of Year	\$ 0	\$ 1,391,066	\$ 1,391,066

Cleveland Municipal School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Liability Self-Insurance Fund
For the Fiscal Year Ended June 30, 2011

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:	\$ 1,238,665	\$ 1,238,665	\$ 0
Expenses:			
Claims	974,590	120,665	853,925
Net Change in Fund Equity	264,075	1,118,000	853,925
Fund Equity at Beginning of Year	1,222,816	1,307,907	85,091
Fund Equity at End of Year	\$ 1,486,891	\$ 2,425,907	\$ 939,016

Cleveland Municipal School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Employee Benefits Self-Insurance Fund
For the Fiscal Year Ended June 30, 2011

	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 55,900,000	\$ 55,878,002	\$ (21,998)
Expenses:			
Claims	56,094,610	55,563,298	531,312
Net Change in Fund Equity	(194,610)	314,704	509,314
Fund Equity at Beginning of Year	7,440,618	7,535,228	94,610
Fund Equity at End of Year	\$ 7,246,008	\$ 7,849,932	\$ 603,924

Statistical Section

STATISTICAL SECTION

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

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

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

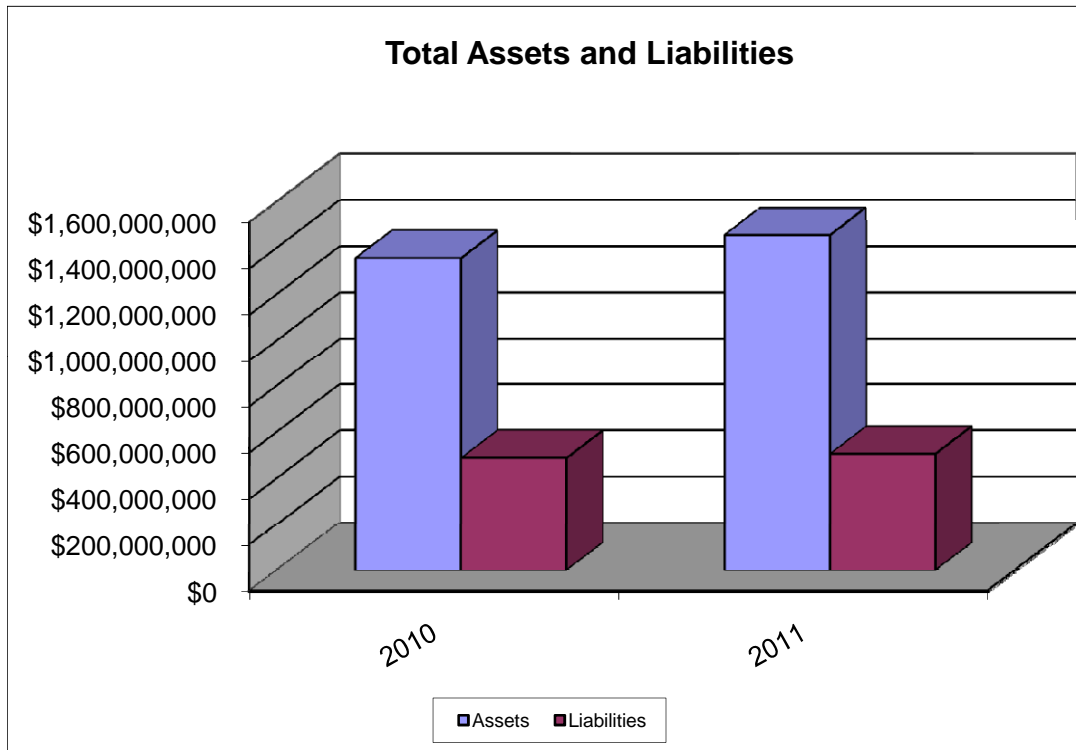
Cleveland Municipal School District

Net Assets by Component

Last Two Fiscal Years

(accrual basis of accounting)

	2010	2011
Fund Balances		
Invested in Capital Assets, Net of Related Debt	\$ 500,616,971	\$ 510,802,225
Restricted		
Restricted Debt Service	47,506,378	48,223,777
Restricted Capital Projects	257,882,844	260,606,827
Restricted Special Revenue	41,703,464	70,872,151
Unrestricted	20,520,336	58,715,005
Total Net Assets	\$ 868,229,993	\$ 949,219,985



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

	2002	2003	2004	2005
Expenses				
Governmental Activities:				
Instruction:				
Regular	\$ 285,812,361	\$ 292,996,927	\$ 290,987,320	\$ 249,352,851
Special	134,372,522	133,693,977	143,004,004	152,153,082
Vocational	17,515,053	17,726,322	15,994,184	12,683,615
Adult/Continuing	5,687,512	5,836,915	5,094,891	3,490,435
Other	3,015,312	649,876	198,400	150
<i>Support Services:</i>				
Pupils	45,797,274	43,833,809	45,012,097	33,877,518
Instructional Staff	64,764,521	63,960,109	56,236,589	54,824,175
Board of Education	288,859	304,039	259,950	223,199
Administration	52,787,800	55,540,796	45,084,175	43,927,480
Fiscal	1,606,735	12,688,426	10,893,531	12,234,280
Business	1,146,699	1,275,129	1,091,725	1,284,442
Operation and Maintenance of Plant	61,649,791	67,222,113	62,223,013	56,317,807
Pupil Transportation	40,111,930	39,750,255	38,379,675	28,867,256
Central	18,755,847	20,175,678	16,698,556	14,936,994
Operation of Non-Instructional Services	43,155,357	43,804,093	43,837,168	44,009,082
Extracurricular Activities	7,955,139	7,611,100	7,051,078	5,968,627
Interest and Fiscal Charges	12,759,118	16,890,272	9,830,504	13,588,410
Total Primary Government Expenses	797,181,830	823,959,836	791,876,860	727,739,403
Program Revenues				
Governmental Activities:				
Charges for Services and Sales				
Instruction:				
Regular	0	0	0	0
Special	373,020	125,619	0	192,893
Vocational	0	0	0	0
Adult/Continuing	431,355	403,424	994,043	83,071
Other	0	0	0	0
Support Services:				
Pupils	0	0	0	0
Instructional Staff	0	0	0	0
Board of Education	0	0	0	0
Administration	0	0	0	0
Fiscal	0	0	0	0
Business	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instruction Services	0	0	0	0
Extracurricular Activities	0	0	0	0

	2006	2007	2008	2009	2010	2011
\$	316,945,841	\$ 306,641,274	\$ 327,247,872	\$ 328,162,328	\$ 380,866,357	\$ 297,907,426
	143,913,038	160,305,162	168,823,350	180,413,911	189,643,261	207,990,072
	11,907,870	12,723,093	13,985,560	11,895,564	11,923,801	10,336,437
	2,300,131	2,967,373	2,833,813	2,856,799	3,668,819	132,537
	12,759,762	12,263,429	19,765,060	19,497,068	9,655,896	6,384,172
	35,380,163	37,100,301	32,218,673	27,746,864	39,107,286	37,463,820
	51,072,946	48,124,670	48,850,968	57,621,095	65,429,955	59,204,651
	267,321	248,637	258,840	284,153	234,344	250,996
	41,342,791	43,218,261	46,168,403	44,605,981	48,600,081	43,536,920
	9,946,686	9,617,654	11,408,394	12,212,820	10,120,397	15,131,810
	942,371	1,065,128	1,873,943	2,645,732	2,223,407	1,643,284
	58,569,487	64,844,985	109,195,119	74,505,273	61,657,748	63,176,797
	28,965,329	27,944,135	27,527,934	31,991,149	30,858,435	28,923,689
	15,969,839	15,923,177	15,035,691	19,272,538	14,648,056	12,437,133
	42,532,273	38,956,223	42,585,167	42,225,005	41,452,383	42,237,400
	5,814,665	6,466,969	6,783,614	6,910,474	6,492,522	6,418,054
	11,647,137	10,180,816	9,219,611	8,078,738	7,478,002	9,869,253
	790,277,650	798,591,287	883,782,012	870,925,492	924,060,750	843,044,451

0	196,057	660,425	616,265	805,242	2,351,003
148,405	717,094	238,482	229,296	364,149	976,843
0	0	27,430	19,401	29,849	62,210
38,252	59,177	890	707	5,916	0
0	0	168	4,804	18,813	36,692
0	0	53,857	63,040	95,886	316,993
0	0	50,724	45,270	67,537	154,682
0	0	579	536	654	1,788
0	0	95,123	113,343	105,953	417,562
0	0	23,294	40,664	26,169	258,747
0	0	4,354	5,007	6,204	11,703
0	0	104,131	96,210	167,875	522,574
0	0	58,433	56,888	74,134	175,290
0	0	34,018	34,908	39,399	87,927
0	0	7,798	5,512	7,879	11,614
0	0	821,166	800,606	788,285	653,175

(continued)

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

	2002	2003	2004	2005
Operating Grants, Contributions and Interest				
Instruction:				
Regular	\$ 68,668,108	\$ 74,627,861	\$ 67,676,019	\$ 71,510,982
Special	38,557,973	47,152,401	47,957,446	49,947,447
Vocational	1,349,010	1,450,034	1,227,846	968,521
Adult/Continuing	2,705,669	2,168,935	1,544,153	2,215,834
Other	0	0	0	0
Support Services:				
Pupils	3,512,611	5,820,419	6,427,226	5,702,967
Instructional Staff	32,620,693	28,182,013	30,020,207	32,431,931
Board of Education	0	0	8,822	11,126
Administration	5,175,114	4,624,996	5,091,991	5,347,769
Fiscal	1,061,140	1,941,436	1,415,851	1,402,369
Business	1,001	0	0	0
Operation and Maintenance of Plant	1,967,922	937,093	619,443	672,986
Pupil Transportation	153,300	258,201	822,477	635,920
Central	2,824,409	1,121,823	1,292,861	1,220,287
Operation of Non-Instruction Services	38,025,456	40,202,642	41,527,739	37,057,500
Extracurricular Activities	591,345	426,863	1,048,436	849,552
Capital Grants and Contributions				
Instruction:				
Regular	1,451,091	0	119,629,061	109,387,736
Support Services:				
Instructional Staff	1,164,709	65,000	1,604,924	14,867
Operation and Maintenance of Plant	817,250	5,044,270	0	38,370
Central	0	0	0	133
<i>Total Program Revenues</i>	<u>201,451,176</u>	<u>214,553,030</u>	<u>328,908,545</u>	<u>319,692,261</u>
Net Expense	<u>\$ (595,730,654)</u>	<u>\$ (609,406,806)</u>	<u>\$ (462,968,315)</u>	<u>\$ (408,047,142)</u>
General Revenues and Other				
Changes in Net Assets				
Governmental Activities:				
Property Taxes Levied For:				
General Purposes	\$ 236,216,278	\$ 186,612,352	\$ 219,596,436	\$ 193,293,701
Debt Service	33,619,705	27,133,112	40,006,114	29,573,166
Capital Outlay	2,561,580	2,125,297	2,980,196	2,309,596
Investment Income	7,844,704	4,688,605	2,945,010	7,362,433
Miscellaneous	2,443,123	4,324,953	2,840,826	2,410,759
Grants and Entitlements not Restricted to				
Specific Programs	325,704,649	360,708,728	346,770,558	330,273,507
Total Primary Government	<u>608,390,039</u>	<u>585,593,047</u>	<u>615,139,140</u>	<u>565,223,162</u>
Change in Net Assets				
Total Primary Government	<u>\$ 12,659,385</u>	<u>\$ (23,813,759)</u>	<u>\$ 152,170,825</u>	<u>\$ 157,176,020</u>

	2006	2007	2008	2009	2010	2011
\$	33,931,074	\$ 34,039,005	\$ 35,546,322	\$ 37,192,665	\$ 32,685,231	\$ 38,093,482
	63,057,863	62,362,875	66,638,056	62,689,317	63,043,009	103,872,868
	741,042	1,694,687	2,533,848	1,637,911	1,326,967	1,446,826
	2,451,716	2,444,889	2,617,719	2,462,002	1,904,193	71,032
	11,151,414	11,461,176	19,133,256	18,403,044	3,127,296	1,663,788
	7,803,544	10,539,199	9,175,181	5,916,754	5,548,551	6,100,952
	40,672,337	27,327,018	30,313,516	35,440,720	42,964,473	39,853,992
	7,701	12,989	14,767	2,849	1,387	1,240
	4,916,688	7,231,878	4,546,107	4,575,772	4,916,794	4,190,878
	1,068,558	1,314,680	1,348,188	925,564	705,052	3,198,202
	0	0	17,476	18,548	13,164	8,117
	2,547,221	7,251,442	12,818,564	14,781,452	2,447,744	623,740
	1,294,475	1,190,477	1,601,296	1,093,004	894,026	3,096,448
	895,218	578,561	683,303	641,824	568,623	299,521
	39,136,205	34,663,348	32,764,919	33,961,591	31,495,919	41,054,534
	895,653	878,738	70,647	61,459	44,017	92,068
	119,828,477	89,064,023	2,395,614	150,881,349	3,376,765	2,037,682
	0	0	0	0	0	0
	682,985	0	0	0	0	0
	0	0	0	0	0	0
	<u>331,268,828</u>	<u>293,027,313</u>	<u>224,399,651</u>	<u>372,818,282</u>	<u>197,667,155</u>	<u>251,744,173</u>
\$	<u>(459,008,822)</u>	<u>(505,563,974)</u>	<u>(659,382,361)</u>	<u>(498,107,210)</u>	<u>(726,393,595)</u>	<u>(591,300,278)</u>
\$	197,583,328	\$ 198,996,360	\$ 185,684,541	\$ 155,294,660	\$ 156,893,542	\$ 158,760,869
	31,620,440	35,760,058	33,647,336	10,941,106	16,654,007	28,724,375
	2,459,275	2,477,222	2,347,262	22,122,341	17,391,407	2,097,559
	16,205,770	18,843,152	18,682,784	9,507,759	5,756,808	3,535,089
	9,715,420	1,665,345	7,100,867	10,669,482	11,268,565	13,723,968
	<u>384,582,569</u>	<u>399,493,775</u>	<u>410,667,785</u>	<u>419,460,527</u>	<u>468,463,425</u>	<u>465,448,410</u>
	<u>642,166,802</u>	<u>657,235,912</u>	<u>658,130,575</u>	<u>627,995,875</u>	<u>676,427,754</u>	<u>672,290,270</u>
\$	<u>183,157,980</u>	<u>151,671,938</u>	<u>(1,251,786)</u>	<u>129,888,665</u>	<u>(49,965,841)</u>	<u>80,989,992</u>

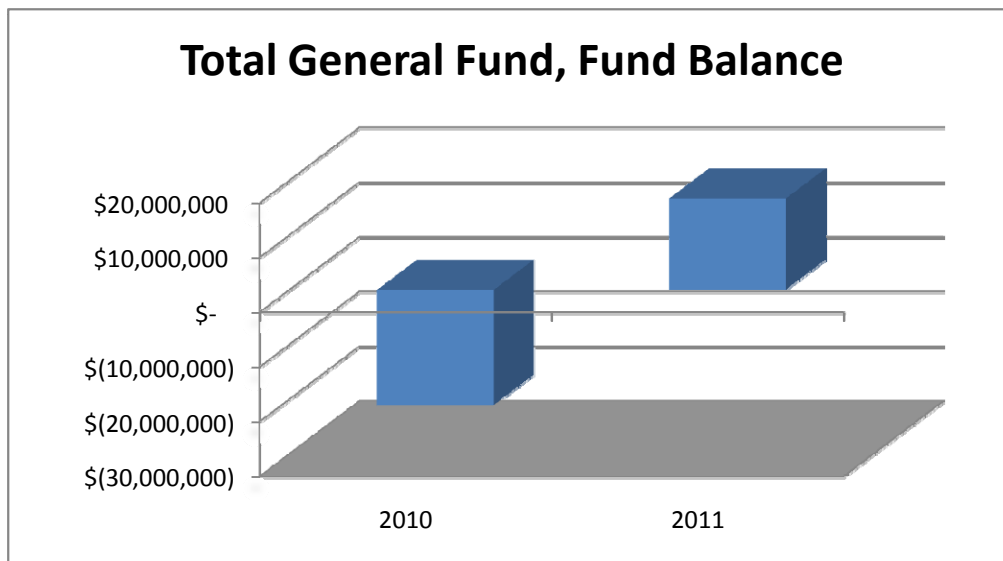
Cleveland Municipal School District

Fund Balances, Governmental Funds

Last Two Fiscal Years

(modified accrual basis of accounting)

	2010	2011
General Fund		
Nonspendable	\$ 1,920,719	\$ 3,691,170
Restricted	(40,964,314)	0
Committed	2,207,974	5,608,988
Unassigned	15,781,618	7,386,402
Total General Fund	(21,054,003)	16,686,560
All Other Government Funds		
Nonspendable	798,579	861,912
Restricted		
Debt Service	21,439,876	20,124,660
Capital Programs	66,946,176	126,510,249
Special Revenue	19,495,855	(15,924,805)
Committed	57,405,892	33,933,454
Assigned	3,863,098	4,740,443
Total all Other Governmental Funds	169,949,476	170,245,913
Total Governmental Funds	\$ 148,895,473	\$ 186,932,473



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Cleveland Municipal School District

Governmental Funds Revenues

Last Ten Fiscal Years

(modified accrual basis of accounting)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General Revenues				
Local Sources:				
Taxes	\$ 259,607,843	\$ 213,602,787	\$ 246,794,199	\$ 224,900,023
Investment Income	7,844,704	4,688,605	2,945,010	7,362,433
Tuition and Fees	928,493	654,602	1,079,586	346,739
Extracurricular Activities	474,299	570,391	1,044,014	823,214
Contributions and Donations (1)	0	0	0	0
Sale of Personal Property	0	0	0	0
Miscellaneous	13,059,119	13,255,835	9,521,102	10,368,681
Total Local Sources	<u>281,914,458</u>	<u>232,772,220</u>	<u>261,383,911</u>	<u>243,801,090</u>
State Sources:				
Unrestricted Grants-in-Aid	320,497,947	302,965,559	335,747,598	322,634,276
Restricted Grants-in-Aid	88,546,257	129,821,083	109,333,452	143,316,706
Total State Sources	<u>409,044,204</u>	<u>432,786,642</u>	<u>445,081,050</u>	<u>465,950,982</u>
Federal Sources:				
Unrestricted Grants-in-Aid	5,206,702	19,787,241	11,022,960	7,639,231
Restricted Grants-in-Aid	95,141,262	114,895,243	118,784,282	118,920,360
Total Federal Sources	<u>100,347,964</u>	<u>134,682,484</u>	<u>129,807,242</u>	<u>126,559,591</u>
Total Revenues	<u>\$ 791,306,626</u>	<u>\$ 800,241,346</u>	<u>\$ 836,272,203</u>	<u>\$ 836,311,663</u>

Notes:

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

2006	2007	2008	2009	2010	2011
\$ 225,725,605	\$ 229,456,774	\$ 216,291,084	\$ 198,637,233	\$ 175,412,408	\$ 185,815,163
16,205,770	18,843,152	18,682,784	9,507,759	5,756,808	3,535,089
195,468	983,938	1,373,458	1,341,693	1,831,628	4,181,794
888,418	862,421	807,414	790,764	772,316	612,023
0	0	9,533,478	7,984,141	6,253,700	8,107,354
0	0	0	0	0	152,615
18,124,497	7,042,147	7,100,867	10,669,482	11,268,565	14,816,339
<u>261,139,758</u>	<u>257,188,432</u>	<u>253,789,085</u>	<u>228,931,072</u>	<u>201,295,425</u>	<u>217,220,377</u>
384,220,944	399,263,033	406,097,141	415,513,502	466,379,953	458,759,975
130,630,795	118,053,159	135,715,773	135,128,629	54,495,286	39,162,866
<u>514,851,739</u>	<u>517,316,192</u>	<u>541,812,914</u>	<u>550,642,131</u>	<u>520,875,239</u>	<u>497,922,841</u>
361,625	230,742	4,570,644	3,947,025	2,083,472	2,251,018
125,743,351	130,689,825	127,244,206	131,068,187	160,859,694	170,974,083
<u>126,104,976</u>	<u>130,920,567</u>	<u>131,814,850</u>	<u>135,015,212</u>	<u>162,943,166</u>	<u>173,225,101</u>
<u>\$ 902,096,473</u>	<u>\$ 905,425,191</u>	<u>\$ 927,416,849</u>	<u>\$ 914,588,415</u>	<u>\$ 885,113,830</u>	<u>\$ 888,368,319</u>

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Expenditures				
Current:				
Instruction:				
Regular	\$ 267,806,654	\$ 279,487,310	\$ 282,588,920	\$ 247,538,531
Special	134,340,753	133,544,331	142,508,629	152,415,325
Vocational	17,511,631	17,687,269	15,999,270	12,841,844
Adult/Continuing	5,674,172	5,829,809	5,102,664	3,519,447
Other	3,015,312	649,876	198,400	150
Support Services:				
Pupils	32,530,531	42,077,898	41,479,432	36,034,088
Instructional Staff	64,694,935	64,123,973	56,192,266	54,943,213
Board of Education	277,862	289,091	252,707	209,576
Administration	49,145,584	53,270,115	44,542,970	39,700,442
Fiscal	9,476,226	12,700,693	10,896,259	12,265,464
Business	1,141,199	1,243,797	1,082,675	1,289,034
Operations and Maintenance of Plant	84,859,246	76,805,490	70,515,379	60,192,807
Pupil Transportation	43,060,114	38,221,943	37,217,500	28,199,461
Central	18,403,231	20,047,777	16,639,171	15,118,320
Operation of Non-Instructional Services	43,042,767	42,915,460	44,336,368	44,051,523
Extracurricular Activities	7,892,613	7,593,763	7,034,194	6,061,353
Capital Outlay	4,031,805	21,213,426	54,594,406	81,404,824
Debt Service				
Principal Retirement	11,611,671	3,399,908	29,429,962	28,978,523
Interest and Fiscal Charges	10,556,296	18,159,177	10,298,959	13,648,029
Bond Issuance Costs	0	0	0	0
Total Expenditures	<u>\$ 809,072,602</u>	<u>\$ 839,261,106</u>	<u>\$ 870,910,131</u>	<u>\$ 838,411,954</u>
 Debt Service as a Percentage of Noncapital Expenditures	 2.8%	 2.6%	 4.9%	 5.6%

2006	2007	2008	2009	2010	2011
\$ 311,511,315	\$ 301,277,356	\$ 318,032,298	\$ 317,468,088	\$ 320,913,453	\$ 285,176,732
143,898,323	160,202,855	170,005,047	180,320,570	189,382,175	207,710,557
11,934,317	12,718,124	14,091,870	11,903,774	11,906,845	10,325,890
2,321,948	2,968,255	2,851,351	2,856,799	3,665,685	117,389
12,496,611	12,218,420	19,859,383	19,463,893	9,233,999	6,470,346
35,284,327	35,214,671	34,551,766	36,579,743	38,434,140	36,624,319
51,117,118	48,104,139	49,169,705	57,763,047	65,575,019	60,166,032
280,079	248,240	256,012	278,777	237,500	245,987
39,129,081	39,609,348	46,455,469	43,240,868	43,344,082	36,689,828
9,925,994	9,616,962	11,404,888	12,207,258	10,093,012	15,237,357
983,446	1,051,879	1,877,131	2,657,905	2,230,778	1,637,398
56,628,484	59,316,050	60,307,795	64,415,385	61,633,008	86,750,620
27,392,258	26,776,217	26,423,864	30,463,468	27,703,192	27,878,194
15,972,950	16,172,708	15,138,926	18,952,494	14,731,249	12,527,955
40,693,064	39,601,592	42,631,226	41,995,798	41,262,127	18,517,941
5,823,466	6,442,131	6,798,182	6,902,348	6,493,928	6,385,611
92,090,262	80,193,958	73,333,174	98,020,101	95,529,232	56,852,634
22,755,277	9,100,896	24,665,132	9,845,919	10,193,245	24,867,030
11,686,956	10,866,721	9,633,715	8,819,056	8,122,103	10,112,550
0	0	0	0	0	36,949
<u>\$ 891,925,276</u>	<u>\$ 871,700,522</u>	<u>\$ 927,486,934</u>	<u>\$ 964,155,291</u>	<u>\$ 960,684,772</u>	<u>\$ 904,331,319</u>

4.3%

2.5%

4.0%

2.2%

2.1%

4.1%

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

	2002	2003	2004	2005
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (17,765,976)	\$ (39,019,760)	\$ (34,637,928)	\$ (2,100,291)
Other Financing Sources (Uses)				
Issuance from the Sale of Bonds	46,785,495	40,000,000	0	125,000,000
Proceeds from the Sale of Notes	0	0	0	0
Premium from Sale of Bonds	0	0	0	3,066,194
Other Financing Sources-Capital Leases	5,062,000	0	0	0
Capital Lease Refinancing	0	8,404,000	0	0
Refunding Bonds Issued	0	91,937,253	0	0
Payment of Capital Lease Refinancing	0	(8,404,000)	0	0
Payment of Refunded Bond Escrow Agent	0	(125,182,448)	0	0
Transfers In	4,767,831	4,094,394	966,211	3,108,186
Transfers Out	(4,767,831)	(4,094,394)	(966,211)	(3,108,186)
Total Other Financing Sources (Uses)	<u>51,847,495</u>	<u>6,754,805</u>	<u>0</u>	<u>128,066,194</u>
Net Change in Fund Balances	<u>\$ 34,081,519</u>	<u>\$ (32,264,955)</u>	<u>\$ (34,637,928)</u>	<u>\$ 125,965,903</u>

2006	2007	2008	2009	2010	2011
\$ 10,171,197	\$ 33,724,669	\$ (70,085)	\$ (49,566,876)	\$ (75,570,942)	\$ (15,963,000)
0	0	0	0	0	55,000,000
0	15,000,000	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
6,944,394	39,180,591	29,532,247	3,770,394	11,072,036	14,573,314
(6,944,394)	(39,180,591)	(29,532,247)	(3,770,394)	(11,072,036)	(15,573,314)
0	15,000,000	0	0	0	54,000,000
<u>\$ 10,171,197</u>	<u>\$ 48,724,669</u>	<u>\$ (70,085)</u>	<u>\$ (49,566,876)</u>	<u>\$ (75,570,942)</u>	<u>\$ 38,037,000</u>

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

Fiscal Year	Real Property		Public Utility	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2002	\$ 4,689,984	\$ 13,399,954	\$ 370,677	\$ 421,224
2003	4,609,619	13,170,340	357,125	405,824
2004	4,903,040	14,008,686	357,470	406,216
2005	5,007,377	14,306,791	352,432	400,491
2006	4,970,503	14,201,437	316,245	359,369
2007	5,629,680	16,084,800	318,454	361,879
2008	5,526,506	15,790,017	212,297	241,246
2009	5,544,198	15,840,565	222,204	252,505
2010	5,336,350	15,246,715	235,305	267,392
2011	5,455,841	15,588,117	243,660	276,886

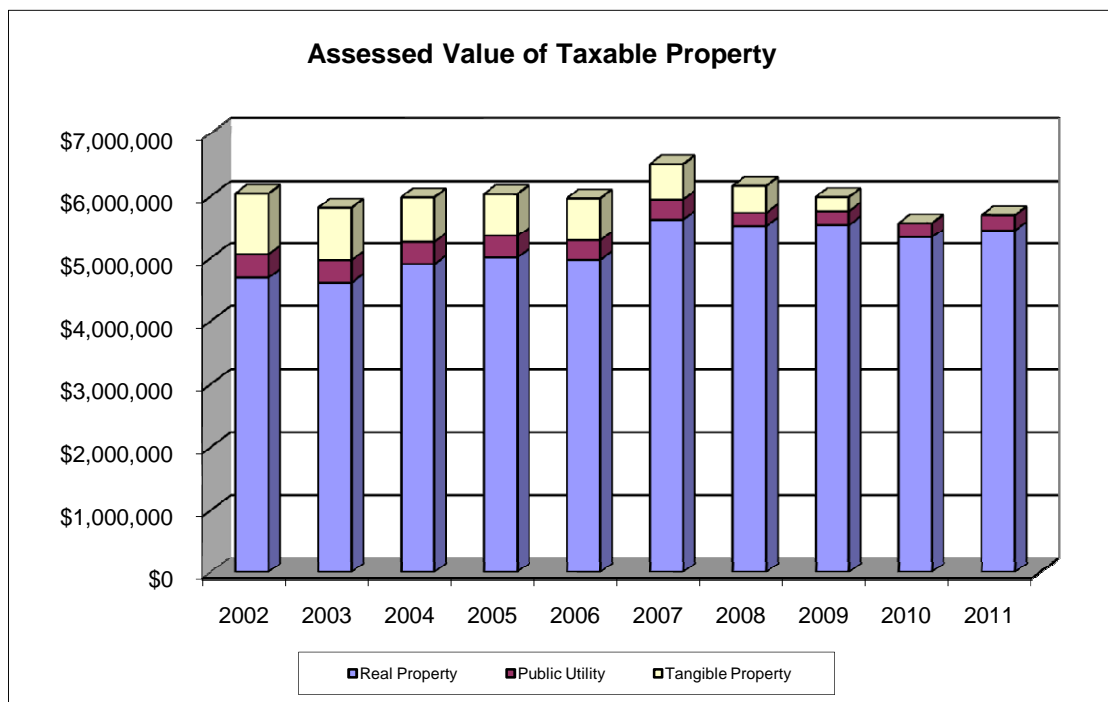
Source: Office of the County Auditor, Cuyahoga County, Ohio

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

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

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

Tangible Property		Total		Ratio	Total Direct Rate (4)
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$ 980,692	\$ 3,922,768	\$ 6,041,353	\$ 17,743,946	34%	64.80
852,234	3,705,365	5,818,978	17,281,529	34	64.80
723,018	3,143,557	5,983,528	17,558,458	34	64.80
674,031	2,930,570	6,033,840	17,637,853	34	64.80
679,540	3,624,213	5,966,288	18,185,019	33	64.80
556,633	4,453,064	6,504,767	20,899,743	31	64.80
424,871	3,398,968	6,163,674	19,430,231	32	64.80
221,153	3,538,448	5,987,555	19,631,518	30	64.80
0	0	5,571,655	15,514,107	36	64.80
0	0	5,699,501	15,865,003	36	64.80



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

Collection Year	City of Cleveland	Cuyahoga County	Cleveland Public Library	Cleveland Municipal School District		
				General Fund	Building Maintenance	Bond Retirement
2002	12.70	16.20	4.00	58.20	0.50	6.10
2003	12.70	16.20	4.00	58.20	0.50	6.10
2004	12.70	18.00	6.80	58.20	0.50	6.10
2005	12.70	18.30	6.80	58.20	0.50	6.10
2006	12.70	18.30	6.80	58.20	0.50	6.10
2007	12.70	18.20	6.80	58.20	0.50	6.10
2008	12.70	18.20	6.80	58.20	0.50	6.10
2009	12.70	18.10	6.80	58.20	0.50	6.10
2010	12.70	18.10	6.80	58.20	0.50	6.10
2011	12.70	18.40	6.80	58.20	0.50	6.10

Source: Cuyahoga County Auditor

Notes:

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

Total (1)	Village of Bratenahl (2)	Village of Newburgh Heights (2)	Village of Linndale (2)	City of Garfield Heights (2)
97.70	20.30	12.80	2.80	19.60
97.70	20.50	12.80	2.80	20.10
102.30	14.00	12.80	2.80	20.10
102.60	14.00	18.50	2.80	21.10
102.60	14.10	18.50	2.80	21.90
102.50	14.00	19.50	2.80	21.90
102.50	14.00	19.50	2.80	21.90
102.40	15.50	19.50	2.80	23.30
102.40	15.50	19.50	2.80	28.70
102.70	16.00	23.10	2.80	24.70

Cleveland Municipal School District

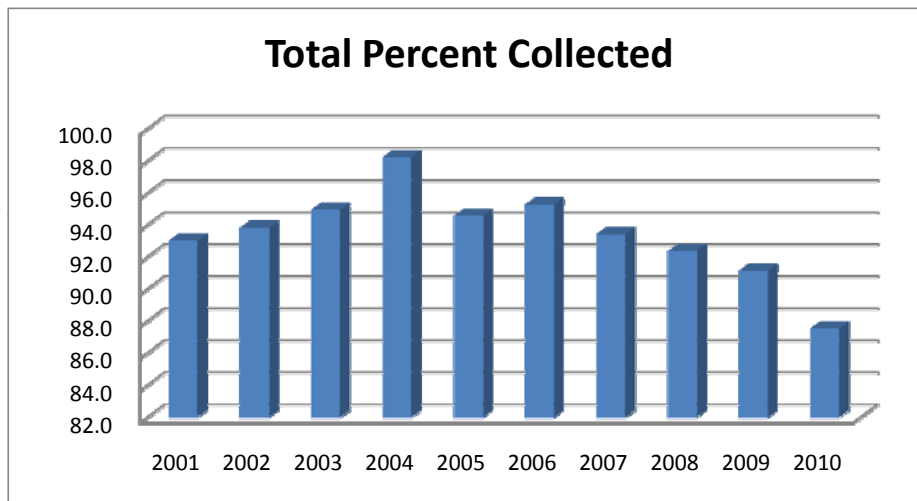
Principal Property Tax Payers
2010 and 2001 (1)

Taxpayer	2010			2001		
	Approximate Assessed Valuation	Rank	Percent of Total District Assessed Valuation	Approximate Assessed Valuation	Rank	Percent of Total District Assessed Valuation
Cleveland Clinic Foundation	\$ 241,151,560	1	4.23%			
Key Center Properties LLC	83,619,320	2	1.47%			
City of Cleveland, Ohio	76,531,460	3	1.34%			
Cleveland Financial Associates	46,967,070	4	0.82%			
Board of County Commissioners	39,698,830	5	0.70%			
City of Cleveland Executive	36,508,320	6	0.64%			
National City Bank	36,391,080	7	0.64%			
Hub North Point Properties	33,309,480	8	0.58%			
ISG Cleveland Inc.	26,892,690	9	0.47%			
Optima One Cleveland	25,857,270	10	0.45%			
City of Cleveland, Ohio				\$ 98,621,290	1	1.62%
ZML-Cleve Public Sq LLC				56,305,130	2	0.92%
PMW LTD Partnership				36,610,000	3	0.60%
Cleveland Clinic Foundation				33,157,070	4	0.54%
BRE, City Center LLC				33,051,760	5	0.54%
LTV Steel Company, Incorporated				32,987,400	6	0.54%
GSA				31,034,190	7	0.51%
600 Superior Place Partnership				25,970,770	8	0.43%
CG Erieview				25,202,210	9	0.41%
Bishop James Hickey				22,353,030	10	0.37%
Total Ten Largest	<u>646,927,080</u>		<u>11.33%</u>	<u>395,292,850</u>		<u>6.47%</u>
Total District Assessed Valuation	<u>\$ 5,699,501,000</u>			<u>\$ 6,099,470,000</u>		

Source: City of Cleveland CAFR - 2008/1999 Tax Collection Year.
(1) 2010 Tax Collection Year Information Not Available.

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

Collection Year (2)	Current Tax Levy Billed (1)	Current Collected	Percent Collected (1)	Collected Delinquencies	Total Collected	Total Collected As Percent Of Current Tax Levy
2001	\$ 253,539	\$ 221,059	87.2	\$ 14,721	\$ 235,780	93.0
2002	270,791	233,553	86.2	20,463	254,016	93.8
2003	263,003	232,417	88.4	17,296	249,713	94.9
2004	259,350	231,188	89.1	23,533	254,721	98.2
2005	261,734	230,272	88.0	17,260	247,532	94.6
2006	251,189	221,282	88.1	18,022	239,304	95.3
2007	245,044	212,722	86.8	16,160	228,882	93.4
2008	228,622	192,688	84.3	18,439	211,127	92.3
2009	218,073	183,273	84.0	15,452	198,725	91.1
2010	224,782	181,857	80.9	14,888	196,745	87.5



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

Notes:

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (2) Represents collection year. 2010 information cannot be presented because all collections have not been made by June 30.

Cleveland Municipal School District

Ratio of Bonded Debt to Personal Income and Debt per Capita

Last Ten Fiscal Years

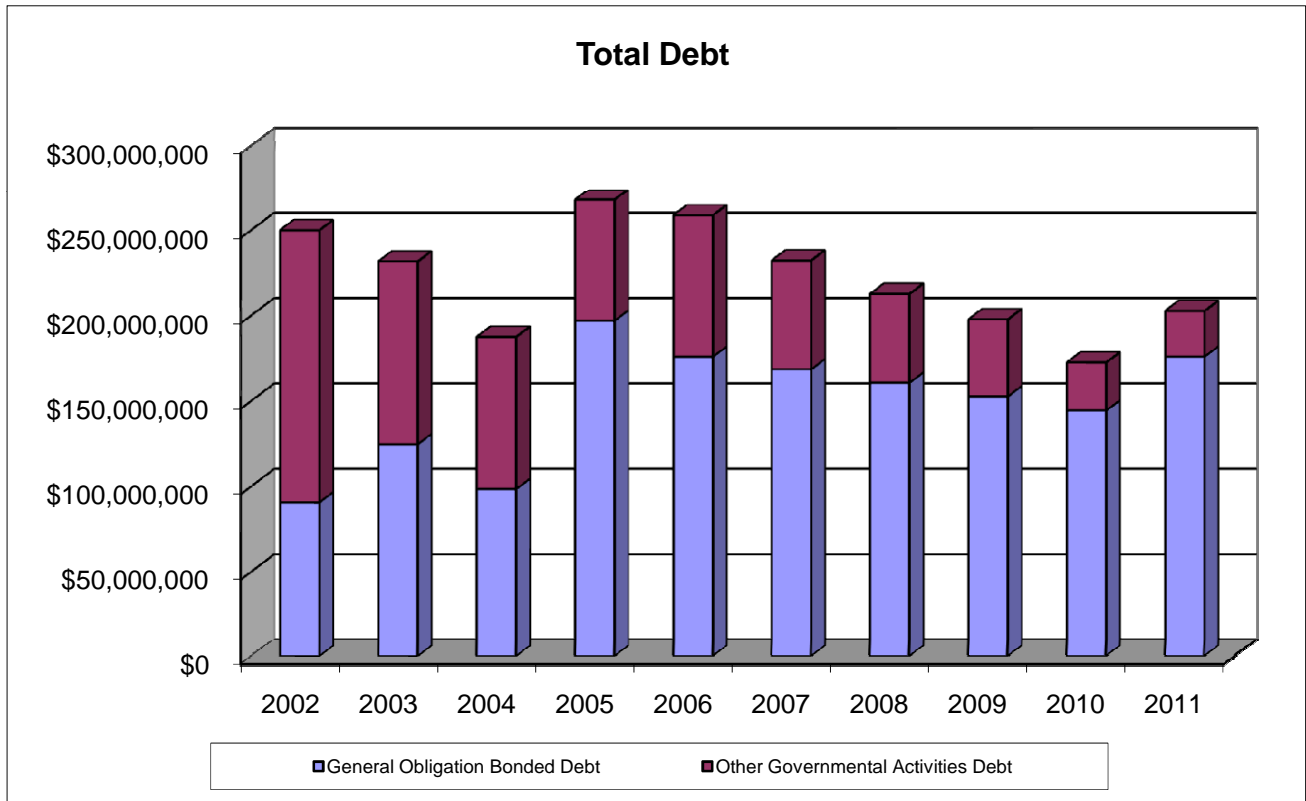
Fiscal Year	Estimated Population (1)	Estimated Actual Values	General Obligation Bonded Debt		
			General Obligation Bonded Debt	Ratio of General Obligation Bonded Debt to Estimated Actual Value	General Obligation Bonded Debt per Capita
2002	478,403	\$ 17,743,946,000	\$ 90,908,480	0.51	190
2003	478,403	17,281,529,000	124,915,000	0.72	261
2004	478,403	17,558,459,000	98,695,000	0.56	206
2005	478,403	17,637,852,000	197,200,000	1.12	412
2006	444,313	18,185,019,000	176,130,000	0.97	396
2007	444,313	20,899,743,000	168,765,000	0.81	380
2008	438,042	19,430,231,000	160,890,000	0.83	367
2009	433,748	19,631,518,000	152,915,000	0.78	353
2010	431,369	15,514,107,000	144,670,000	0.93	335
2011	431,369	15,865,004,000	176,225,000	1.11	409

Sources:

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

Other Governmental Activities Debt

Qualified Zone Academy Bonds	Notes	Energy Conservation Improvement Bonds	Capital Lease Obligation	Total Debt	Percentage of Personal Income (2)	Per Capita
\$ 21,250,000	\$ 125,049,498	\$ 4,065,000	\$ 8,847,622	\$ 250,120,600	3.66	\$ 523
21,250,000	75,383,124	2,520,000	7,796,508	231,864,632	3.39	485
21,250,000	60,012,875	865,000	6,886,795	187,709,670	2.75	392
21,250,000	43,736,113	0	5,940,034	268,126,147	3.92	560
21,250,000	56,571,154	0	4,954,716	258,905,870	4.08	583
21,250,000	38,490,704	0	3,929,270	232,434,974	3.66	523
21,250,000	27,767,780	0	2,862,062	212,769,842	3.40	486
21,250,000	22,007,532	0	1,751,391	197,923,923	3.19	456
21,250,000	6,215,191	0	595,487	172,730,678	2.80	400
21,250,000	5,388,648	0	0	202,863,648	3.58	470



Cleveland Municipal School District

Legal Debt Margin Information

Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2011

Assessed Value	\$5,699,501,000
Debt Limit (9% of assessed value)	512,955,090
Debt Applicable to Limit	<u>156,124,865</u>
Legal Debt Margin	<u><u>\$ 356,830,225</u></u>

	2002	2003	2004	2005
Debt Limit	\$ 543,721,770	\$ 523,708,020	\$ 538,517,520	\$ 543,045,600
Total Net Debt Applicable to Limit	<u>94,124,366</u>	<u>97,918,533</u>	<u>62,033,529</u>	<u>157,165,358</u>
Legal Debt Margin	<u><u>\$ 449,597,404</u></u>	<u><u>\$ 425,789,487</u></u>	<u><u>\$ 476,483,991</u></u>	<u><u>\$ 385,880,242</u></u>
 Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	 17.31%	 18.70%	 11.52%	 28.94%

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

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

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 536,965,920	\$ 585,429,030	\$ 554,730,660	\$ 538,879,947	\$ 501,448,950	\$ 512,955,090
<u>141,812,427</u>	<u>149,897,800</u>	<u>135,715,009</u>	<u>127,899,099</u>	<u>119,367,026</u>	<u>156,124,865</u>
<u>\$ 395,153,493</u>	<u>\$ 435,531,230</u>	<u>\$ 419,015,651</u>	<u>\$ 410,980,848</u>	<u>\$ 382,081,924</u>	<u>\$ 356,830,225</u>
26.41%	25.60%	24.47%	23.73%	23.80%	30.44%

Cleveland Municipal School District
Direct and Overlapping Debt Governmental Activities Debt
As of June 30, 2011

Name of Governmental Unit	Gross Debt Outstanding	Debt Service Fund (Cash Balance)	Net Outstanding Debt	Percentage Applicable to Cleveland Municipal School District (1)	Amount Applicable to Cleveland Municipal School District
Direct Debt:					
Cleveland Municipal School District (2)	\$ 187,664,706	\$ 21,428,764	\$ 166,235,942	100.00%	\$ 166,235,942
Overlapping Debt:					
City of Cleveland (3)	382,460,000	9,442,174	373,017,826	98.01	365,594,771
Cuyahoga County (3)	319,446,948	14,084,016	305,362,932	19.10	58,324,320
Village of Bratenahl (3)	1,325,500	139,285	1,186,215	100.00	1,186,215
City of Garfield Heights (3)	33,424,000	249,298	33,174,702	6.24	2,070,101
Greater Cleveland Regional Transit Authority (3)	152,760,000	1,825,000	150,935,000	19.10	28,828,585
Total Overlapping Debt	<u>889,416,448</u>	<u>25,739,773</u>	<u>863,676,675</u>		<u>456,003,993</u>
Total	<u>\$1,077,081,154</u>	<u>\$ 47,168,537</u>	<u>\$1,029,912,617</u>		<u>\$ 622,239,935</u>

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

Notes:

- (1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision.
- (2) The gross debt outstanding does not include H.B. 264 Energy Conservation Note of \$5,388,648 and QZAB debt of \$21,250,000.
- (3) City of Cleveland, Cuyahoga County, Village of Bratenahl, City of Garfield Heights and the Greater Cleveland Regional Transit Authority operate on a calendar year.

Cleveland Municipal School District

Demographic and Economic Statistics

Last Ten Fiscal Years

Year	City Population	Personal Income (thousands of dollars)	Per Capita Personal Income	State Unemployment Rate
2002	478,403	\$ 6,836,857,273	\$ 14,291	5.7
2003	478,403	6,836,857,273	14,291	6.3
2004	478,403	6,836,857,273	14,291	5.8
2005	478,403	6,836,857,273	14,291	6.2
2006	444,313	6,349,677,083	14,291	5.1
2007	444,313	6,349,677,083	14,291	6.1
2008	438,042	6,260,058,222	14,291	6.4
2009	433,748	6,198,692,668	14,291	10.5
2010	431,369	6,164,694,379	14,291	10.5
2011	396,815	5,670,883,165	14,291	9.3

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

Cleveland Municipal School District

Principal Employers
Current Year and Nine Years Ago

Employer	2011			2002		
	Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Cleveland Clinic Health System	34,000	1	3.22%			
U.S. Office of Personnel Management	14,843	2	1.49			
University Hospitals	13,224	3	1.33			
Progressive Corp.	8,900	4	0.89			
Cuyahoga County	8,036	5	0.81			
United States Postal Service	7,641	6	0.77			
City of Cleveland	7,580	7	0.76			
Cleveland Municipal School District	7,385	8	0.74			
Key Corp	5,553	9	0.56			
MetroHealth Systems	5,408	10	0.54			
General Motors	4,500	11	0.45			
Cleveland Clinic Health System				20,891	1	1.77%
University Hospitals				15,312	2	1.39
Ford Motor Company				7,935	3	0.72
Key Corp				7,700	4	0.70
National City Corporation				5,513	5	0.50
Progressive Corp				5,481	6	0.48
MetroHealth Systems				4,832	7	0.44
Case Western Reserve				4,808	8	0.44
Ameritech				4,343	9	0.40
Continental Airlines				4,214	10	0.38
Giant Eagle Incorporated				3,291	11	0.30
	<u>117,070</u>		<u>11.77%</u>	<u>84,320</u>		<u>7.68%</u>
Total Nonfarm Employment			995,200			1,097,900

Source: Crain's Cleveland Business, 2010 Top Business Lists and 2000 Top Business Lists
"Largest Northeast Ohio Employers" "Largest Cuyahoga County Employers".
U.S. Department of Labor

Note:

Total Employment includes Cleveland, Elyria and Mentor

* 2010 Employment figures include all of Northeast Ohio, including the following counties: Cuyahoga, Geauga, Lake, Lorain
Mahoning, Medina, Portage, Stark, and Summit.

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Percentage Change 2001-2010
Educational Staff											
Regular Education	3,205	3,326	3,181	2,548	2,058	1,943	2,020	1,956	1,945	3,317	3.49 %
Special Education	839	894	956	903	1,335	1,383	1,250	1,244	1,212	0	-100.00
Vocational Education	163	139	133	106	87	83	86	80	76	83	-49.08
Educational Services	480	486	472	382	386	371	389	378	384	217	-54.79
Full Time (permanent) Substitute	4	207	115	92	30	3	2	2	2	0	0.00
Other Professional - Educational	188	162	127	91	74	19	14	13	10	46	-75.53
Total Educational	4,879	5,214	4,984	4,122	3,970	3,802	3,761	3,673	3,629	3,663	-24.92
Student Services											
Curriculum Specialist	13	9	4	1	1	8	28	27	64	65	400.00
Paraprofessional	0	0	0	0	0	0	0	0	0	0	#DIV/0!
Counseling	96	104	100	71	67	73	71	72	70	72	-25.00
Librarian/Media	95	112	106	89	84	91	95	96	92	69	-27.37
Remedial Specialist	576	341	371	187	139	46	44	33	34	55	-90.45
Psychologist	74	78	76	70	70	62	61	61	71	69	-6.76
Registered Nurse	61	58	54	54	55	57	66	65	63	60	-1.64
Social Work	31	30	26	11	1	0	12	13	14	7	-77.42
Physical Therapist	10	10	9	9	9	10	9	9	9	9	-10.00
Speech/Language Therapist	80	84	78	77	76	73	72	75	74	74	-7.50
Occupational Therapist	20	22	23	27	22	26	24	25	25	26	30.00
Other Professional Services	61	64	62	52	67	58	70	71	69	96	57.38
Total Student Services	1,117	912	909	648	591	504	552	547	585	602	-46.11
Support Staff											
Bookkeeping	14	14	14	12	8	5	4	4	3	34	142.86
Clerical Assignment	383	385	358	281	257	260	259	259	246	275	-28.20
Teaching Aide	824	825	736	633	624	633	717	734	800	517	-37.26
Other Office/Clerical	81	79	71	49	30	37	25	44	21	109	34.57
Attendance Officer	22	22	22	21	22	21	19	19	19	19	-13.64
Maintenance	107	110	96	71	66	92	69	33	30	35	-67.29
Custodial	429	436	415	373	332	333	327	329	320	305	-28.90
Food Service Attendant	0	5	4	4	4	5	5	5	5	4	#DIV/0!
Guard/Watchman	232	225	220	164	196	203	213	324	319	305	31.47
Mechanic	39	38	38	27	26	26	26	59	57	50	28.21
Vehicle Operating/Dispatch	53	51	50	50	49	49	47	45	41	46	-13.21
Computer Operating/Programmin	33	32	31	21	13	10	7	7	6	17	-48.48
Total Support	2,217	2,222	2,055	1,706	1,627	1,674	1,718	1,862	1,867	1,716	-22.60
Administrative Staff											
Administrative Assistant	24	26	16	7	9	11	10	11	11	6	-75.00
Deputy/Associate Superintendent	16	19	22	18	19	32	38	35	35	21	31.25
Director	0	0	0	0	0	0	0	0	0	6	#DIV/0!
Principal	124	120	122	135	129	135	130	129	123	121	-2.42
Assistant Principal	137	140	91	56	60	66	70	79	72	74	-45.99
Supervisor/Manager	147	159	167	151	133	118	124	132	125	51	-65.31
Coordinator	22	25	24	27	23	22	23	29	29	28	27.27
Education Administrative Speciali	0	0	0	0	0	0	0	10	9	9	0.00
Other Official/Administrator	162	192	178	156	155	142	139	136	140	48	-70.37
Total administrative	632	681	620	550	528	526	534	561	544	364	-42.41
Total	8,845	9,029	8,568	7,026	6,716	6,506	6,565	6,643	6,625	6,345	-28.26 %

Source: District records

Cleveland Municipal School District

Operating Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures (1)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Expenses</u>
2002	71,672	\$ 782,872,830	\$ 10,923	19.99	\$ 784,422,712
2003	69,534	796,488,595	11,455	4.87	807,069,564
2004	67,015	776,586,804	11,588	1.17	782,046,356
2005	62,542	714,380,578	11,422	(1.43)	714,150,993
2006	57,698	765,392,781	13,265	16.14	778,630,513
2007	52,769	771,538,947	14,621	10.22	786,833,933
2008	50,078	819,854,913	16,372	11.97	874,562,401
2009	47,120	847,470,215	17,985	9.86	862,846,754
2010	46,697	846,840,192	18,135	0.83	916,582,748
2011	43,202	812,462,156	18,806	3.70	833,175,198

Source: Ohio Department of Education

Notes:

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

	Cost Per Pupil	Percentage Change (2)	Teaching Staff	Pupil- Teacher Ratio	Percentage of Students Receiving Free and Reduced - Paid Meals (3)
\$	10,945	N/A	6,478	11.1	85.70
	11,607	6.05%	6,551	10.6	85.73
	11,670	0.54	4,978	13.5	85.75
	11,419	(2.15)	3,557	17.6	85.43
	13,495	18.18	3,436	16.8	84.83
	14,911	10.49	3,502	15.1	84.83
	17,464	17.12	3,515	14.2	70.34
	18,312	4.85	3,583	13.2	77.85
	19,628	7.19	3,554	13.1	77.88
	19,286	-1.75	3,187	13.6	82.01

Cleveland Municipal School District

Teacher Base Salaries
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>	<u>Statewide Average Salary</u>
2002	\$ 31,640	\$ 67,110 *	\$ 43,755
2003	32,684	69,325	45,645
2004	33,240	70,504	47,659
2005	35,264	74,798	49,438
2006	34,237	72,619	50,772
2007	35,264	74,798	53,536
2008	36,322	77,042	53,410
2009	37,412	79,353	54,656
2010	38,534	81,734	55,958
2011	36,836	76,736	56,715

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

* Note: Includes additional increase mid-year.

Cleveland Municipal School District

School Building Information

Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
K-8 Schools:										
A.B. Hart (1932)										
Square feet	115,452	115,452	115,452	115,452	115,452	115,452	115,452	115,452	115,452	115,452
Capacity	975	975	975	975	975	975	975	975	975	975
Enrollment	749	821	801	867	524	433	338	399	308	0
Adlai Stevenson (1967)										
Square feet	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000
Capacity	525	525	525	525	525	525	525	525	525	525
Enrollment	321	285	279	238	319	326	290	368	258	417
Alexander G. Bell (1971)										
Square feet	70,829	70,829	70,829	70,829	70,829	70,829	70,829	70,829	70,829	70,829
Capacity	825	825	825	825	825	825	825	825	825	825
Enrollment	481	447	417	387	452	397	384	382	394	0
Alexander Hamilton (1) (1928)										
Square feet	89,195	89,195	89,195	89,195	89,195	89,195	89,195	89,195	89,195	89,195
Capacity	575	575	575	575	575	575	575	575	575	575
Enrollment	860	745	706	648	0	0	0	0	0	0
Alfred A. Benesch-George Washing Carver Swing Space (1) (1977)										
Square feet	42,133	42,133	42,133	42,133	42,133	42,133	42,133	42,133	42,133	42,133
Capacity	575	575	575	575	575	575	575	575	575	575
Enrollment	501	479	449	368	0	0	0	400	433	323
Almira (1916)										
Square feet	68,933	68,933	68,933	68,933	68,933	68,933	68,933	68,933	68,933	68,933
Capacity	650	650	650	650	650	650	650	650	650	650
Enrollment	687	650	634	625	553	521	466	474	374	386
Andrew J. Rickoff (2) (1920)										
Square feet	56,348	56,348	56,348	56,348	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	445	426	360	252	N/A	N/A	N/A	N/A	N/A	N/A
Andrew J. Rickoff (2005)										
Square feet	N/A	N/A	N/A	N/A	91,785	91,785	91,785	91,785	91,785	91,785
Capacity	N/A	N/A	N/A	N/A	725	725	725	725	725	725
Enrollment	N/A	N/A	N/A	N/A	509	570	570	544	513	487
Anton Grdina (1959)										
Square feet	75,600	75,600	75,600	75,600	75,600	75,600	75,600	75,600	75,600	67,719
Capacity	700	700	700	700	700	700	700	700	700	700
Enrollment	544	513	498	589	624	576	522	475	419	330
Artemus Ward (1949)										
Square feet	35,826	35,826	35,826	35,826	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	450	450	450	450	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	403	379	362	373	N/A	N/A	N/A	N/A	N/A	N/A

Cleveland Municipal School District

School Building Information

Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
K-8 Schools (Continued):										
Artemus Ward (2009)										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	64,298	64,298	63,282
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	450	450	450
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	420	475	458
Audubon (1922)										
Square feet	146,209	146,209	146,209	146,209	146,209	146,209	146,209	146,209	146,209	146,209
Capacity	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350
Enrollment	686	586	480	428	686	571	491	435	355	355
Benjamin Franklin (1923)										
Square feet	83,260	83,260	83,260	83,260	83,260	83,260	83,260	83,260	83,260	83,719
Capacity	800	800	800	800	800	800	800	800	800	800
Enrollment	716	699	615	686	784	738	669	656	640	648
Bolton (1971)										
Square feet	53,700	53,700	53,700	53,700	53,700	53,700	53,700	53,700	53,700	44,110
Capacity	650	650	650	650	650	650	650	650	650	650
Enrollment	405	410	424	415	385	293	343	289	300	388
Brooklawn (1957)										
Square feet	28,545	28,545	28,545	28,545	28,545	28,545	28,545	28,545	28,545	28,545
Capacity	425	425	425	425	425	425	425	425	425	425
Enrollment	362	337	325	328	319	312	304	270	253	0
Buckeye-Woodland (1975)										
Square feet	44,800	44,800	44,800	44,800	44,800	44,800	44,800	44,800	44,800	52,493
Capacity	625	625	625	625	625	625	625	625	625	625
Enrollment	436	401	411	429	360	304	260	262	253	319
Buhrer (1969)										
Square feet	42,086	42,086	42,086	42,086	42,086	42,086	42,086	42,086	42,086	42,086
Capacity	600	600	600	600	600	600	600	600	600	600
Enrollment	507	537	501	475	446	0	0	0	0	0
Buhrer (2009)										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	52,850	52,850
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	350	350
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	333	320
Campus International School										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	114
Captain Arthur Roth (1965)										
Square feet	70,016	70,016	70,016	70,016	70,016	70,016	70,016	70,016	70,016	66,397
Capacity	975	975	975	975	975	975	975	975	975	975
Enrollment	639	531	419	345	412	370	315	280	259	287

Cleveland Municipal School District

School Building Information

Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
K-8 Schools (Continued):										
Carl & Louis Stokes Central Academy										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	120,451
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	775
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	544
Case (1975)										
Square feet	69,559	69,559	69,559	69,559	69,559	69,559	69,559	69,559	69,559	57,688
Capacity	800	800	800	800	800	800	800	800	800	800
Enrollment	524	500	404	579	553	481	413	353	412	412
Charles Dickens										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	50,989
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	450
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	425
Charles H. Lake (1961)										
Square feet	55,823	55,823	55,823	55,823	55,823	55,823	N/A	N/A	N/A	N/A
Capacity	675	675	675	675	675	675	N/A	N/A	N/A	N/A
Enrollment	457	399	377	315	324	289	N/A	N/A	N/A	N/A
Charles A. Mooney										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	152,607
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,400
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	742
Charles Orr - Early Childhood Development Center (1955)										
Square feet	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000
Capacity	425	425	425	425	425	425	425	425	425	425
Enrollment	103	146	0	0	0	0	146	99	143	0
Charles W. Elliot (1954)										
Square feet	104,360	104,360	104,360	104,360	104,360	104,360	104,360	104,360	104,360	90,497
Capacity	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050
Enrollment	850	827	767	648	417	342	299	316	311	447
Clara Westropp Fundamental Education Center (1967)										
Square feet	116,246	116,246	116,246	116,246	116,246	116,246	116,246	116,246	116,246	106,582
Capacity	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	765	717	728	671	712	627	640	580	547	515
Clark (1973)										
Square feet	59,064	59,064	59,064	59,064	59,064	59,064	59,064	59,064	59,064	56,178
Capacity	525	525	525	525	525	525	525	525	525	525
Enrollment	610	599	635	655	605	577	579	557	584	553
Corlett (I) (1915)										
Square feet	61,800	61,800	61,800	61,800	61,800	61,800	61,800	61,800	61,800	61,800
Capacity	575	575	575	575	575	575	575	575	575	575
Enrollment	510	435	362	387	0	0	0	0	0	0

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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
K-8 Schools (Continued):										
Cranwood-Miles Swing Space (1) (1957)										
Square feet	50,249	50,249	50,249	50,249	50,249	50,249	50,249	50,249	50,249	50,249
Capacity	675	675	675	675	675	675	675	675	675	675
Enrollment	463	387	294	290	0	0	0	0	300	365
Daniel E. Morgan (1959)										
Square feet	51,272	51,272	51,272	51,272	51,272	N/A	N/A	N/A	N/A	N/A
Capacity	825	825	825	825	825	N/A	N/A	N/A	N/A	N/A
Enrollment	524	497	455	438	423	N/A	N/A	N/A	N/A	N/A
Daniel E. Morgan (2007)										
Square feet	N/A	N/A	N/A	N/A	N/A	66,409	66,409	66,409	66,409	66,409
Capacity	N/A	N/A	N/A	N/A	N/A	480	480	480	480	480
Enrollment	N/A	N/A	N/A	N/A	N/A	430	448	406	355	325
Denison (1972)										
Square feet	42,714	42,714	42,714	42,714	42,714	42,714	42,714	42,714	42,714	52,351
Capacity	825	825	825	825	825	825	825	825	825	825
Enrollment	688	692	736	726	706	698	713	709	708	597
Dike Montessori (1971)										
Square feet	53,300	53,300	53,300	53,300	53,300	53,300	53,300	53,300	53,300	53,300
Capacity	700	700	700	700	700	700	700	700	700	700
Enrollment	322	317	313	298	392	390	362	371	380	0
Douglas MacArthur (1) (1967)										
Square feet	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000
Capacity	400	400	400	400	400	400	400	400	400	400
Enrollment	0	0	0	0	0	0	76	136	173	207
East Clark (2) (1894)										
Square feet	56,755	56,755	56,755	56,755	56,755	56,755	N/A	N/A	N/A	N/A
Capacity	575	575	575	575	575	575	N/A	N/A	N/A	N/A
Enrollment	535	510	480	419	463	387	N/A	N/A	N/A	N/A
East Clark (2009)										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	63,281	63,281
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	450	450
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	452	389
Emile B. deSauze (1966)										
Square feet	51,457	51,457	51,457	51,457	51,457	51,457	51,457	51,457	51,457	48,860
Capacity	575	575	575	575	575	575	575	575	575	575
Enrollment	449	416	395	339	407	360	344	304	284	258
Empire Computech (1915)										
Square feet	75,003	75,003	75,003	75,003	75,003	75,003	75,003	75,003	75,003	75,003
Capacity	900	900	900	900	900	900	900	900	900	900
Enrollment	529	588	592	567	423	361	330	279	236	0

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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
K-8 Schools (Continued):										
Euclid Park (1922)										
Square feet	43,182	43,182	43,182	43,182	43,182	43,182	N/A	N/A	N/A	N/A
Capacity	500	500	500	500	500	500	N/A	N/A	N/A	N/A
Enrollment	546	438	415	289	358	291	N/A	N/A	N/A	N/A
Euclid Park (2010)										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	53,767
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	351
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	321
F. D. Roosevelt (1976)										
Square feet	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000
Capacity	1,275	1,275	1,275	1,275	1,275	1,275	1,275	1,275	1,275	1,275
Enrollment	569	631	781	656	0	0	297	520	463	592
Forest Hill Parkway (1967)										
Square feet	51,278	51,278	51,278	51,278	51,278	51,278	51,278	51,278	51,278	51,278
Capacity	450	450	450	450	450	450	450	450	450	450
Enrollment	376	374	388	389	407	380	390	365	276	0
Fullerton (1974)										
Square feet	36,468	36,468	36,468	36,468	36,468	36,468	36,468	36,468	36,468	36,468
Capacity	500	500	500	500	500	500	500	500	500	500
Enrollment	483	483	459	352	458	401	395	379	372	407
Garfield (2) (1922)										
Square feet	31,763	31,763	31,763	31,763	31,763	31,763	31,763	31,763	31,763	31,763
Capacity	425	425	425	425	425	425	425	425	425	425
Enrollment	237	229	238	189	0	0	0	0	0	0
Garfield (2009)										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	60,777	60,777
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	426	426
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	375	425
Garrett Morgan Cleveland School of Science (1940)										
Square feet	101,900	101,900	101,900	101,900	101,900	101,900	101,900	101,900	101,900	76,835
Capacity	675	675	675	675	675	675	675	675	675	675
Enrollment	458	422	437	388	333	264	227	208	247	240
George Washington Carver (1954)										
Square feet	53,800	53,800	53,800	53,800	53,800	53,800	53,800	N/A	N/A	N/A
Capacity	475	475	475	475	475	475	475	N/A	N/A	N/A
Enrollment	326	373	407	429	516	463	404	N/A	N/A	N/A
Giddings (1970)										
Square feet	53,533	53,533	53,533	53,533	53,533	53,533	53,533	53,533	53,533	49,607
Capacity	550	550	550	550	550	550	550	550	550	550
Enrollment	357	347	360	436	389	302	288	275	275	263

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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
K-8 Schools (Continued):										
Gracemount (1947)										
Square feet	49,922	49,922	49,922	49,922	49,922	49,922	49,922	49,922	49,922	49,922
Capacity	475	475	475	475	475	475	475	475	475	475
Enrollment	558	579	564	629	561	487	432	493	493	0
Hannah Gibbons (1960)										
Square feet	21,831	21,831	21,831	21,831	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	225	225	225	225	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	187	193	173	223	N/A	N/A	N/A	N/A	N/A	N/A
Hannah Gibbons (2006)										
Square feet	N/A	N/A	N/A	N/A	N/A	52,953	52,953	52,953	52,953	52,953
Capacity	N/A	N/A	N/A	N/A	N/A	351	351	351	351	351
Enrollment	N/A	N/A	N/A	N/A	N/A	267	246	237	228	226
Harvey Rice (2) (1903)										
Square feet	82,414	82,414	82,414	82,414	82,414	82,414	82,414	82,414	N/A	N/A
Capacity	975	975	975	975	975	975	975	975	N/A	N/A
Enrollment	646	543	511	402	352	317	267	233	N/A	N/A
Harvey Rice (2009)										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	63,280	63,280
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	450	450
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	362	422
H. Barbara Booker (1972)										
Square feet	53,296	53,296	53,296	53,296	53,296	53,296	53,296	53,296	53,296	53,296
Capacity	875	875	875	875	875	875	875	875	875	875
Enrollment	374	346	323	261	564	497	508	403	416	430
Harry E. Davis (1962) Cleveland School of Arts Swing Space										
Square feet	115,064	115,064	115,064	115,064	115,064	115,064	115,064	115,064	115,064	115,064
Capacity	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Enrollment	584	562	465	320	0	0	0	0	595	595
Henry W. Longfellow (1924)										
Square feet	50,616	50,616	50,616	50,616	50,616	50,616	50,616	50,616	50,616	50,616
Capacity	337	337	337	337	337	337	337	337	337	337
Enrollment	444	414	353	289	362	302	321	238	252	0
Iowa Maple (1951)										
Square feet	57,842	57,842	57,842	57,842	57,842	57,842	57,842	57,842	57,842	57,842
Capacity	650	650	650	650	650	650	650	650	650	650
Enrollment	576	489	423	360	555	427	368	306	318	336
John D. Rockefeller (1961)										
Square feet	54,400	54,400	54,400	54,400	54,400	54,400	54,400	54,400	54,400	54,400
Capacity	700	700	700	700	700	700	700	700	700	700
Enrollment	521	481	502	570	434	321	242	236	216	0

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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
K-8 Schools (Continued):										
John W. Raper (1962)										
Square feet	64,556	64,556	64,556	64,556	64,556	64,556	64,556	64,556	64,556	64,556
Capacity	800	800	800	800	800	800	800	800	800	800
Enrollment	465	425	374	361	433	431	444	383	356	0
Joseph F. Landis (1963)										
Square feet	49,170	49,170	49,170	49,170	49,170	49,170	49,170	49,170	49,170	49,170
Capacity	725	725	725	725	725	725	725	725	725	725
Enrollment	527	463	441	368	431	379	399	341	360	0
Joseph M. Gallagher (1976)										
Square feet	126,816	126,816	126,816	126,816	126,816	126,816	126,816	126,816	126,816	127,266
Capacity	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Enrollment	861	838	787	889	865	762	791	771	737	654
Kenneth W. Clement (1) (1976)										
Square feet	31,400	31,400	31,400	31,400	31,400	31,400	31,400	31,400	31,400	31,400
Capacity	550	550	550	550	550	550	550	550	550	550
Enrollment	297	335	279	207	0	0	100	129	166	168
Kentucky-Paul L. Dunbar Swing Space (1940)										
Square feet	42,870	42,870	42,870	42,870	42,870	42,870	42,870	42,870	42,870	35,010
Capacity	575	575	575	575	575	575	575	575	575	575
Enrollment	397	376	338	370	106	422	438	437	316	192
Louis Agassiz (1929)										
Square feet	43,074	43,074	43,074	43,074	43,074	43,074	43,074	43,074	43,074	40,185
Capacity	525	525	525	525	525	525	525	525	525	525
Enrollment	382	355	301	371	375	313	322	338	351	344
Louis Pasteur (1959)										
Square feet	57,835	57,835	57,835	57,835	57,835	57,835	57,835	57,835	57,835	57,835
Capacity	700	700	700	700	700	700	700	700	700	700
Enrollment	402	366	337	308	478	375	245	0	0	0
Louisa May Alcott (1926)										
Square feet	31,240	31,240	31,240	31,240	31,240	31,240	31,240	31,240	31,240	26,277
Capacity	300	300	300	300	300	300	300	300	300	300
Enrollment	246	203	200	214	208	230	212	235	226	233
Luiz Munoz Marin (1976)										
Square feet	157,009	157,009	157,009	157,009	157,009	157,009	157,009	157,009	157,009	119,639
Capacity	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075
Enrollment	810	839	808	730	727	822	872	774	773	796
Margaret Spellacy - Ginn Academy (1969)										
Square feet	116,246	116,246	116,246	116,246	116,246	116,246	116,246	116,246	116,246	106,582
Capacity	900	900	900	900	900	900	900	900	900	900
Enrollment	827	700	278	298	0	0	541	477	272	251

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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
K-8 Schools (Continued):										
Marion C. Seltzer (1972)										
Square feet	46,835	46,835	46,835	46,835	46,835	46,835	46,835	46,835	46,835	46,835
Capacity	675	675	675	675	675	675	675	675	675	675
Enrollment	507	700	630	651	659	609	614	574	585	535
Marion Sterling (1973)										
Square feet	51,896	51,896	51,896	51,896	51,896	51,896	51,896	51,896	51,896	51,896
Capacity	700	700	700	700	700	700	700	700	700	700
Enrollment	728	511	513	450	507	471	498	483	469	503
Mary B. Martin (2) (1963)										
Square feet	57,737	57,737	57,737	57,737	57,737	N/A	N/A	N/A	N/A	N/A
Capacity	825	825	825	825	825	N/A	N/A	N/A	N/A	N/A
Enrollment	352	325	347	297	0	N/A	N/A	N/A	N/A	N/A
Mary B. Martin (2006)										
Square feet	N/A	N/A	N/A	N/A	N/A	70,048	70,048	70,048	70,048	70,048
Capacity	N/A	N/A	N/A	N/A	N/A	490	490	490	490	490
Enrollment	N/A	N/A	N/A	N/A	N/A	390	340	398	343	321
Mary M. Bethune (2) (1964)										
Square feet	48,613	48,613	48,613	48,613	48,613	N/A	N/A	N/A	N/A	N/A
Capacity	450	450	450	450	450	N/A	N/A	N/A	N/A	N/A
Enrollment	395	316	303	328	480	N/A	N/A	N/A	N/A	N/A
Mary M. Bethune (2006)										
Square feet	N/A	N/A	N/A	N/A	N/A	68,498	68,498	68,498	68,498	68,731
Capacity	N/A	N/A	N/A	N/A	N/A	500	500	500	500	500
Enrollment	N/A	N/A	N/A	N/A	N/A	417	352	344	349	363
McKinley (1922)										
Square feet	46,724	46,724	46,724	46,724	46,724	46,724	46,724	46,724	46,724	46,724
Capacity	375	375	375	375	375	375	375	375	375	375
Enrollment	495	499	466	440	404	375	343	308	288	304
Memorial (2005)										
Square feet	N/A	N/A	N/A	N/A	83,584	83,584	83,584	83,584	83,584	82,160
Capacity	N/A	N/A	N/A	N/A	625	625	625	625	625	625
Enrollment	N/A	N/A	N/A	N/A	501	522	454	475	480	481
Michael R. White (1921)										
Square feet	64,598	64,598	64,598	64,598	64,598	64,598	64,598	64,598	64,598	64,598
Capacity	825	825	825	825	825	825	825	825	825	825
Enrollment	447	396	359	300	432	368	378	341	323	447
Miles (1912)										
Square feet	88,876	88,876	88,876	88,876	88,876	88,876	88,876	88,876	88,876	88,876
Capacity	950	950	950	950	950	950	950	950	950	950
Enrollment	534	456	393	483	556	426	394	314	0	0

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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
K-8 Schools (Continued):										
Miles Park (2) (1971)										
Square feet	43,027	43,027	43,027	43,027	43,027	N/A	N/A	N/A	N/A	N/A
Capacity	500	500	500	500	500	N/A	N/A	N/A	N/A	N/A
Enrollment	514	490	492	421	513	N/A	N/A	N/A	N/A	N/A
Miles Park (2007)										
Square feet	N/A	N/A	N/A	N/A	N/A	92,027	92,027	92,027	92,027	92,029
Capacity	N/A	N/A	N/A	N/A	N/A	650	650	650	650	650
Enrollment	N/A	N/A	N/A	N/A	N/A	461	538	430	497	556
Moses Cleaveland (1925)										
Square feet	79,671	79,671	79,671	79,671	79,671	79,671	79,671	79,671	79,671	79,671
Capacity	925	925	925	925	925	925	925	925	925	925
Enrollment	357	313	305	244	0	0	0	0	0	0
Mound (1904)										
Square feet	38,355	38,355	38,355	38,355	38,355	38,355	38,355	38,355	38,355	36,642
Capacity	500	500	500	500	500	500	500	500	500	500
Enrollment	417	415	400	369	416	348	287	241	234	253
Mount Auburn (1) (1922)										
Square feet	44,320	44,320	44,320	44,320	44,320	44,320	44,320	44,320	44,320	44,320
Capacity	575	575	575	575	575	575	575	575	575	575
Enrollment	410	288	266	264	0	0	0	0	0	0
Nathan Hale (1929)										
Square feet	106,855	106,855	106,855	106,855	106,855	106,855	106,855	106,855	106,855	106,855
Capacity	725	725	725	725	725	725	725	725	725	725
Enrollment	924	818	762	651	522	442	349	311	298	0
Nathan Hale (2011)										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	56,348
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	400
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	409
Nathaniel Hawthorne (1917)										
Square feet	48,375	48,375	48,375	48,375	48,375	48,375	48,375	48,375	48,375	46,502
Capacity	650	650	650	650	650	650	650	650	650	650
Enrollment	0	0	0	0	0	0	345	0	0	356
Newton D. Baker (1954)										
Square feet	91,706	91,706	91,706	91,706	91,706	91,706	91,706	91,706	91,706	94,379
Capacity	550	550	550	550	550	550	550	550	550	550
Enrollment	531	517	541	498	505	662	671	567	441	463
Oliver Hazard Perry (1927)										
Square feet	55,570	55,570	55,570	55,570	55,570	55,570	55,570	55,570	55,570	50,989
Capacity	575	575	575	575	575	575	575	575	575	575
Enrollment	650	632	647	644	564	444	385	409	406	388

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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
K-8 Schools (Continued):										
Orchard (1901)										
Square feet	66,678	66,678	66,678	66,678	66,678	66,678	66,678	66,678	66,678	66,678
Capacity	800	800	800	800	800	800	800	800	800	800
Enrollment	470	483	490	460	378	534	576	0	0	0
Patrick Henry (1922)										
Square feet	130,443	130,443	130,443	130,443	130,443	130,443	130,443	130,443	N/A	N/A
Capacity	975	975	975	975	975	975	975	975	N/A	N/A
Enrollment	827	819	787	738	739	491	410	305	N/A	N/A
Patrick Henry (2009)										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	63,281	63,287
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	450	450
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	309	331
Paul Lawrence Dunbar (1965)										
Square feet	48,372	48,372	48,372	48,372	48,372	48,372	48,372	48,372	48,372	48,372
Capacity	475	475	475	475	475	475	475	475	475	475
Enrollment	361	357	309	301	255	330	360	228	316	0
Paul Revere (1925)										
Square feet	82,840	82,840	82,840	82,840	82,840	82,840	82,840	82,840	82,840	80,996
Capacity	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125
Enrollment	682	733	713	668	502	584	483	370	370	441
Riverside (1935)										
Square feet	38,836	38,836	38,836	38,836	38,836	N/A	N/A	N/A	N/A	N/A
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	372	382	392	424	447	N/A	N/A	N/A	N/A	N/A
Riverside (2005)										
Square feet	N/A	N/A	N/A	N/A	N/A	61,820	61,820	61,820	61,820	61,820
Capacity	N/A	N/A	N/A	N/A	N/A	450	450	450	450	450
Enrollment	N/A	N/A	N/A	N/A	N/A	477	516	545	521	537
Robert Fulton (1929)										
Square feet	74,121	74,121	74,121	74,121	74,121	74,121	74,121	74,121	74,121	74,121
Capacity	675	675	675	675	675	675	675	675	675	675
Enrollment	513	587	485	500	429	498	386	282	292	292
Robert H. Jamison (1966)										
Square feet	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	N/A	N/A
Capacity	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	N/A	N/A
Enrollment	657	710	766	635	698	604	563	503	N/A	N/A
Robert H. Jamison (2009)										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	64,298	65,000
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	450	450
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	444	397

Cleveland Municipal School District

School Building Information

Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
K-8 Schools (Continued):										
Robinson G. Jones (2) (1951)										
Square feet	38,311	38,311	38,311	38,311	38,311	N/A	N/A	N/A	N/A	N/A
Capacity	550	550	550	550	550	N/A	N/A	N/A	N/A	N/A
Enrollment	374	416	429	438	352	N/A	N/A	N/A	N/A	N/A
Robinson G. Jones (2009)										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	64,281	64,281	63,281
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	450	450	450
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	361	369	361
Scranton (1973)										
Square feet	52,575	52,575	52,575	52,575	52,575	52,575	52,575	52,575	52,575	51,447
Capacity	625	625	625	625	625	625	625	625	625	625
Enrollment	551	517	516	386	610	538	452	430	465	433
Stephen E. Howe (1) (1964)										
Square feet	48,613	48,613	48,613	48,613	48,613	48,613	48,613	48,613	48,613	48,613
Capacity	625	625	625	625	625	625	625	625	625	625
Enrollment	571	474	443	358	0	0	351	0	0	0
Sunbeam (1923)										
Square feet	78,518	78,518	78,518	78,518	78,518	78,518	78,518	78,518	78,518	70,397
Capacity	425	425	425	425	425	425	425	425	425	425
Enrollment	221	231	216	224	272	214	224	170	207	236
Thomas Jefferson (1925)										
Square feet	133,609	133,609	133,609	133,609	133,609	133,609	133,609	133,609	133,609	133,609
Capacity	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Enrollment	913	792	880	845	692	0	0	0	0	0
Thomas Jefferson (2011)										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	101,591
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	785
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	188
Tremont (1917)										
Square feet	119,508	119,508	119,508	119,508	119,508	119,508	119,508	119,508	119,508	100,396
Capacity	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	694	652	638	465	472	427	402	377	463	452
Union (1969)										
Square feet	49,426	49,426	49,426	49,426	49,426	49,426	49,426	49,426	49,426	49,426
Capacity	550	550	550	550	550	550	550	550	550	550
Enrollment	467	391	384	349	373	327	248	251	220	239
Valley View (1) (1951)										
Square feet	25,882	25,882	25,882	25,882	25,882	25,882	25,882	25,882	25,882	25,882
Capacity	350	350	350	350	350	350	350	350	350	350
Enrollment	193	166	133	128	0	0	74	106	133	169

Cleveland Municipal School District

School Building Information

Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
K-8 Schools (Continued):										
Wade Park (1975)										
Square feet	68,600	68,600	68,600	68,600	68,600	68,600	68,600	68,600	N/A	N/A
Capacity	725	725	725	725	725	725	725	725	N/A	N/A
Enrollment	571	538	480	365	540	307	222	177	N/A	N/A
Wade Park (2009)										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	68,600	68,600
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	501	501
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	355	372
Walton (1971)										
Square feet	52,786	52,786	52,786	52,786	52,786	52,786	52,786	52,786	52,786	46,493
Capacity	700	700	700	700	700	700	700	700	700	700
Enrollment	673	686	611	721	686	697	583	553	577	576
Warner (2007)										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	75,799	75,799	75,799	75,799
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	570	570	570	570
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	110	163	242	276
Washington Park										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	27,331
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	475
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	140
Watterson-Lake (1906)										
Square feet	65,241	65,241	65,241	65,241	65,241	65,241	65,241	65,241	65,241	69,814
Capacity	600	600	600	600	600	600	600	600	600	600
Enrollment	602	595	577	524	471	494	524	533	500	393
Waverly (1976)										
Square feet	72,603	72,603	72,603	72,603	72,603	72,603	72,603	72,603	72,603	55,666
Capacity	575	575	575	575	575	575	575	575	575	575
Enrollment	628	585	513	419	360	450	458	460	430	383
William Cullen Bryant (1930)										
Square feet	42,187	42,187	42,187	42,187	42,187	42,187	42,187	42,187	42,187	42,187
Capacity	550	550	550	550	550	550	550	550	550	550
Enrollment	424	395	387	358	470	473	495	427	423	345
William R. Harper (1927)										
Square feet	50,989	50,989	50,989	50,989	50,989	50,989	50,989	50,989	50,989	50,989
Capacity	575	575	575	575	575	575	575	575	575	575
Enrollment	535	403	396	295	0	0	0	0	0	0
Willow (1964)										
Square feet	53,914	53,914	53,914	53,914	53,914	53,914	53,914	53,914	53,914	39,867
Capacity	425	425	425	425	425	425	425	425	425	425
Enrollment	272	255	268	274	293	273	240	218	216	234

Cleveland Municipal School District

School Building Information

Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
K-8 Schools (Continued):										
Woodland Hills (1971)										
Square feet	49,443	49,443	49,443	49,443	49,443	49,443	49,443	49,443	49,443	49,443
Capacity	600	600	600	600	600	600	600	600	600	600
Enrollment	514	450	411	410	510	393	376	353	300	345
Whitney Young (1950)										
Square feet	121,609	121,609	121,609	121,609	121,609	121,609	121,609	121,609	121,609	100,321
Capacity	725	725	725	725	725	725	725	725	725	725
Enrollment	441	341	319	395	375	434	415	380	339	401
Wilbur Wright (1929)										
Square feet	105,192	105,192	105,192	105,192	105,192	105,192	105,192	105,192	105,192	106,863
Capacity	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	1,092	1,099	1,073	831	624	558	588	572	596	539
Willson (1) (1903)										
Square feet	91,290	91,290	91,290	91,290	91,290	91,290	91,290	91,290	91,290	91,290
Capacity	700	700	700	700	700	700	700	700	700	700
Enrollment	537	568	601	463	N/A	N/A	N/A	N/A	N/A	N/A
Willson (2010)										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	76,217
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	574
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	385
Carl F. Shuler (1958)										
Square feet	100,500	100,500	100,500	100,500	100,500	100,500	100,500	100,500	100,500	100,500
Capacity	875	875	875	875	875	875	875	875	875	875
Enrollment	693	718	733	671	450	387	351	363	475	360
Cleveland Learning Center - Halle-Orchard Swing Space (1) (1904)										
Square feet	41,085	41,085	41,085	41,085	41,085	41,085	41,085	41,085	41,085	49,337
Capacity	500	500	500	500	500	500	500	500	500	500
Enrollment	45	48	172	135	420	359	404	464	344	356
Cleveland Learning Center - Jessie Owens (1914)										
Square feet	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000
Capacity	525	525	525	525	525	525	525	525	525	525
Enrollment	125	117	116	108	0	0	0	0	0	0
Cleveland School of the Arts (1910)										
Square feet	90,400	90,400	90,400	90,400	90,400	90,400	90,400	90,400	90,400	90,400
Capacity	850	850	850	850	850	850	850	850	850	850
Enrollment	622	655	655	602	601	602	558	558	0	1,114
Collinwood CompuTech (1924)										
Square feet	345,203	345,203	345,203	345,203	345,203	345,203	345,203	345,203	345,203	297,759
Capacity	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700
Enrollment	1,221	1,350	1,812	1,488	1,121	968	962	898	793	712

Cleveland Municipal School District

School Building Information

Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Senior High Schools										
East High (1975)										
Square feet	165,711	165,711	165,711	165,711	165,711	165,711	165,711	165,711	165,711	165,711
Capacity	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875
Enrollment	781	1,114	1,113	1,091	1,008	860	715	701	717	0
East Technical (1972)										
Square feet	318,600	318,600	318,600	318,600	318,600	318,600	318,600	318,600	318,600	320,370
Capacity	1,775	1,775	1,775	1,775	1,775	1,775	1,775	1,775	1,775	1,775
Enrollment	883	1,080	1,191	1,101	1,020	907	783	785	746	1,171
Glenville (1966)										
Square feet	248,000	248,000	248,000	248,000	248,000	248,000	248,000	248,000	248,000	207,000
Capacity	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350
Enrollment	1,345	1,474	1,595	1,698	1,604	1,538	1,340	1,167	963	985
Health Careers Center (1980)										
Square feet	86,950	86,950	86,950	86,950	86,950	86,950	86,950	86,950	86,950	67,000
Capacity	425	425	425	425	425	425	425	425	425	425
Enrollment	380	369	401	368	365	0	143	196	254	277
James F. Rhodes (1932)										
Square feet	164,931	164,931	164,931	164,931	164,931	164,931	164,931	164,931	164,931	164,931
Capacity	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225
Enrollment	1,284	1,483	1,637	1,683	1,553	1,575	1,409	1,360	1,230	1,171
Jane Addams Business Careers (1968)										
Square feet	214,752	214,752	214,752	214,752	214,752	214,752	214,752	214,752	214,752	157,428
Capacity	975	975	975	975	975	975	975	975	975	975
Enrollment	574	578	595	589	557	472	479	474	518	595
John Adams High (2007)										
Square feet	N/A	N/A	N/A	N/A	N/A	224,000	224,000	224,000	224,000	222,945
Capacity	N/A	N/A	N/A	N/A	N/A	1,335	1,335	1,335	1,335	1,335
Enrollment	0	0	0	0	0	1,067	1,169	1,140	1,162	1,121
John F. Kennedy (1965)										
Square feet	264,661	264,661	264,661	264,661	264,661	264,661	264,661	264,661	264,661	252,023
Capacity	2,075	2,075	2,075	2,075	2,075	2,075	2,075	2,075	2,075	2,075
Enrollment	1,875	1,999	1,875	1,823	1,758	1,077	940	978	839	975
John Hay (2006)										
Square feet	N/A	N/A	N/A	N/A	N/A	210,353	210,353	210,353	210,353	210,353
Capacity	N/A	N/A	N/A	N/A	N/A	1,232	1,232	1,232	1,232	1,232
Enrollment	N/A	N/A	N/A	N/A	N/A	476	576	673	857	855
John Marshall (1932)										
Square feet	256,924	256,924	256,924	256,924	256,924	256,924	256,924	256,924	256,924	256,924
Capacity	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250
Enrollment	1,892	1,943	1,969	1,905	1,788	1,715	1,643	1,668	1,519	1,213

Cleveland Municipal School District

School Building Information

Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Senior High Schools (Continued)										
Lincoln-West (1970)										
Square feet	304,645	304,645	304,645	304,645	304,645	304,645	304,645	304,645	304,645	337,548
Capacity	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875
Enrollment	1,409	1,424	1,485	1,552	1,490	1,496	1,369	1,386	1,357	1,301
Margaret A. Ireland Complex (1962)										
Square feet	58,000	58,000	58,000	58,000	58,000	58,000	58,000	58,000	58,000	58,000
Capacity	525	525	525	525	525	525	525	525	525	525
Enrollment	504	503	0	0	0	0	172	156	0	122
Martin L. King Jr. (1972)										
Square feet	173,359	173,359	173,359	173,359	173,359	173,359	173,359	173,359	173,359	179,544
Capacity	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175
Enrollment	259	324	894	795	765	677	550	502	233	273
Max S. Hayes Vocational (1957)										
Square feet	246,282	246,282	246,282	246,282	246,282	246,282	246,282	246,282	246,282	224,329
Capacity	2,150	2,150	2,150	2,150	2,150	2,150	2,150	2,150	2,150	2,150
Enrollment	539	599	562	558	509	416	468	498	506	510
MC2 Stem Academy @ Nela Park										
Square feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	20,000	20,000	20,000
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	150	150	150
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	67	152	214
South (includes Washington Park) (1968)										
Square feet	292,518	292,518	292,518	292,518	292,518	292,518	292,518	292,518	292,518	292,518
Capacity	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Enrollment	1,336	1,475	1,572	1,429	1,258	1,043	941	880	896	0
SuccessTech Academy										
Square feet	N/A	136,817	136,817	136,817	136,817	136,817	136,817	136,817	136,817	136,817
Capacity	N/A	400	400	400	400	400	400	400	400	400
Enrollment	0	77	165	198	253	243	238	243	241	227

Cleveland Municipal School District

School Building Information

Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Administrative										
Buildings	5	8	8	8	8	8	8	8	8	8
Square Feet	536,726	556,286	556,286	556,286	556,286	556,286	556,286	556,286	556,286	556,286
Transportation										
Garages (3)	3	3	3	3	3	3	3	3	3	3
Buses	605	436	341	327	311	311	305	305	305	305
Athletics										
Football Fields	4	4	4	4	4	4	4	4	4	4
Soccer Fields	3	3	3	3	3	3	4	4	4	4
Running Tracks	4	4	4	4	4	4	2	2	2	2
Baseball/Softball	0	0	0	0	0	0	0	0	0	0
Swimming Pools	7	6	6	7	7	7	5	5	5	5
Playgrounds	50	50	50	50	50	50	50	50	50	50

Source: District Records
Ohio Department of Education

Notes:

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



1380 East Sixth Street
Cleveland, Ohio
216-574-8000
www.cmsdnet.net

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

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Dave Yost • Auditor of State

CLEVELAND MUNICIPAL SCHOOL DISTRICT

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 9, 2012**