

**CLEVELAND MUNICIPAL SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2000**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**CLEVELAND MUNICIPAL SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**TABLE OF CONTENTS**

<b><u>TITLE</u></b>	<b><u>PAGE</u></b>
Schedule of Federal Awards Expenditures	1
Notes to Schedule of Federal Awards Expenditures	6
Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	7
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance With OMB Circular A-133	9
Schedule of Findings <i>OMB Circular A-133 § .505</i>	11
Schedule of Prior Audit Findings <i>OMB Circular A-133 § .315(b)</i>	14
Corrective Action Plan	15

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**CLEVELAND MUNICIPAL SCHOOL DISTRICT  
CUYAHOGA COUNTY**

SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2000

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disburse- ments	Non-Cash Disburse- ments
<b>UNITED STATES DEPARTMENT OF AGRICULTURE</b>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program	NA	10.550	\$0	\$1,504,035	\$0	\$1,504,035
School Breakfast Program	04278603PU0099	10.553	960,365	0	960,365	0
School Breakfast Program	04278603PU0000		4,982,521	0	4,133,486	0
Subtotal CFDA 10.553			5,942,886	0	5,093,851	0
National School Lunch Program	04378603PU0099	10.555	2,680,569	0	2,680,569	0
National School Lunch Program	04378603PU0000		13,939,036	0	14,750,610	0
Subtotal CFDA 10.555			16,619,605	0	17,431,179	0
Total Department of Agriculture - Nutrition Cluster			22,562,491	1,504,035	22,525,030	1,504,035
<b>U.S. DEPARTMENT OF DEFENSE</b>						
<i>Direct Assistance:</i>						
Junior ROTC	NA-96	12.000	27,875	0	23,283	0
Total U.S. Department of Defense			27,875	0	23,283	0
<b>U.S. DEPARTMENT OF LABOR</b>						
<i>Passed Through Ohio Department of Education:</i>						
School to Work	VESTW98-043786	17.249	0	0	8,782	0
<i>Passed Through the City of Cleveland:</i>						
Job Training Partnership Act	SYETP & CY 96	17.250	0	0	444	0
	SYETP & CY 97		0	0	438	0
	SYETP & CY 98		1,867,504	0	1,949,757	0
	SYETP & CY 99		124,965	0	66,080	0
	SYETP & CY 00		364,233	0	223,020	0
Subtotal CFDA 17.250			2,356,702	0	2,239,739	0
Total U.S. Department of Labor			2,356,702	0	2,248,521	0
<b>NATIONAL SCIENCE FOUNDATION</b>						
<i>Direct Assistance</i>						
Cleveland Urban System Initiative	NA - 96	47.076	0	0	83,551	0
	NA - 98		0	0	6,104	0
	NA - 99		1,231,486	0	1,395,136	0
	NA - 00		7,500	0	489,524	0
Total National Science Foundation			1,238,986	0	1,974,315	0
<b>U.S. DEPARTMENT OF EDUCATION</b>						
<i>Passed Through Ohio Department of Education:</i>						
Adult Basic and Literacy Education	043786 AB-S1 98	84.002	0	0	57,923	0
	043786 AB-S1 99		0	0	(71,459)	0
	043786 AB-S1 00		461,820	0	2,017,321	0
Subtotal CFDA 84.002			461,820	0	2,003,785	0
Title 1 -ESEA	043786 C1-S1 95	84.010	0	0	2,565	0
	043786 C1-S1 97		0	0	3,636	0

**CLEVELAND MUNICIPAL SCHOOL DISTRICT  
CUYAHOGA COUNTY**

SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2000

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disburse- ments	Non-Cash Disburse- ments
	043786 C1-S1 98		0	0	285,231	0
	043786 C1-S1 99		12,552,027	0	2,270,425	0
	043786 C1-S1 00		6,801,560	0	28,155,709	0
Subtotal CFDA 84.010			19,353,587	0	30,717,566	0
Special Education Cluster:						
Handicapped - Preschool Grant	043786 PG-S1 98P	84.173	0	0	(27,659)	0
	043786 PG-S1 99P		0	0	57,894	0
	043786 PG-S1 00P		31,917	0	221,936	0
Subtotal CFDA 84.173			31,917	0	252,171	0
Handicapped - State Grant	043786 6B-SF 97	84.027	0	0	774	0
	043786 6B-SF 98		0	0	102,287	0
	043786 6B-SF 99		0	0	1,448,177	0
	043786 6B-SF 00		1,748,964	0	3,870,618	0
<i>Passed Through Cuyahoga County:</i>						
Handicapped - State Grant	NA-99	84.027	(1,050)	0	29,213	0
	NA-00		150,530	0	88,444	0
Subtotal CFDA 84.027			1,898,444	0	5,539,513	0
Total Special Education Cluster			1,930,361	0	5,791,684	0
<i>Passed Through Ohio Department of Education:</i>						
Vocational Education - Basic Grant -VI-B	043786 20-C1 98	84.048	0	0	19,380	0
	043786 20-C1 99		195,575	0	862,765	0
	043786 20-C2 99		22,906	0	34,604	0
	043786 20-C1 00		2,489,794	0	1,312,692	0
	043786 20-C2 00		173,263	0	194,809	0
Opportunities - Single Parents/Displaced	043786 20-A4 98		0	0	389	0
	043786 20-A4 99		14,957	0	418	0
	043786 20-A4 00		0	0	17,802	0
Sex Equity	043786 20-A5 99		19,555	0	116,444	0
Subtotal CFDA 84.048			2,916,050	0	2,559,303	0
<i>Direct Assistance:</i>						
Pell Grants	NA - 98	84.063	0	0	1,208	0
	NA - 99		11,238	0	7,913	0
	NA - 00		148,155	0	33,218	0
Subtotal CFDA 84.063			159,393	0	42,339	0
<i>Passed Through Cuyahoga County:</i>						
Refugee Dollars and English as a Second Language	NA - 98	84.146	150,378	0	0	0
	NA - 99		95,630	0	277,856	0
	NA - 00		37,077	0	12,960	0
Subtotal CFDA 84.146			283,085	0	290,816	0
<i>Passed Through Ohio Department of Education:</i>						
Emergency Immigrant Assistance	043786 EL-S1 99	84.162	0	0	32,642	0
	043786 EL-S1 00		61,456	0	22,071	0
Subtotal CFDA 84.162			61,456	0	54,713	0

**CLEVELAND MUNICIPAL SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2000**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disburse- ments	Non-Cash Disburse- ments
<i>Direct Assistance:</i>						
Mgt Prg in Sup Deseg	NA - 96	84.165	0	0	(3,117)	0
	NA - 98		0	0	31	0
Subtotal CFDA 84.165			0	0	(3,086)	0
<i>Passed Through Ohio Department of Education:</i>						
Safe Schools/Healthy Start	043786 S184L 00	84.184	276,860	0	392,086	0
Drug Free Schools and Communities	043786 DR-S1 96	84.186	0	0	25,493	0
	043786 DR-S1 97		0	0	31,005	0
	043786 DR-S1 98		234,708	0	99,821	0
	043786 DR-S1 99		325,482	0	109,628	0
	043786 DR-S1 00		241,255	0	524,464	0
Subtotal CFDA 84.186			801,445	0	790,411	0
Title VII - Bilingual Education Tech. Assistance	043786 T7-51 98	84.194	0	0	602	0
	043786 T7-51 99		902	0	7,619	0
	043786 T7-51 00		9,485	0	1,585	0
Subtotal CFDA 84.194			10,387	0	9,806	0
Homeless Care Education	043786 HC-S1 99	84.196	46,945	0	54,109	0
	043786 HC-S1 00		57,502	0	226,453	0
Subtotal CFDA 84.196			104,447	0	280,562	0
Javits Gifted Project	043786 JG-S1 98	84.206	(234)	0	0	0
	043786 JG-S1 00		6,500	0	2,566	0
Subtotal CFDA 84.206			6,266	0	2,566	0
Even Start	043786 EV-S1 99	84.213	69,707	0	57,831	0
	043786 EV-S2 00		46,450	0	68,746	0
Subtotal CFDA 84.213			116,157	0	126,577	0
Character Education	043786 PIS1 97	84.215	0	0	1,560	0
	043786 PIS1 99		0	0	5,360	0
	043786 PIS1 00		10,938	0	9,960	0
Subtotal CFDA 84.215			10,938	0	16,880	0
Capital Expenses - Title 1	043786 CX-S1 98	84.216	0	0	176,905	0
	043786 CX-S1 99		476,810	0	1,523	0
Subtotal CFDA 84.216			476,810	0	178,428	0
Goals 2000	043786 G2S3 98	84.276	21,861	0	24,282	0
	043786 G2SP 98		0	0	99,678	0
	043786 G2S1 99		252,630	0	360,900	0
	043786 G2S4 99		0	0	2,192	0
	043786 G2ST 99		25,000	0	5,106	0
	043786 G2S1 00		86,625	0	215,573	0
	043786 G2S8 00		65,997	0	22,797	0
	043786 G2SP 00		0	0	1,339	0
Subtotal CFDA 84.276			452,113	0	731,867	0

**CLEVELAND MUNICIPAL SCHOOL DISTRICT  
CUYAHOGA COUNTY**

SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2000

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disburse- ments	Non-Cash Disburse- ments
Eisenhower Professional Development	043786 MS-S1 98	84.281	0	0	7,617	0
	043786 MS-S4 98P		(20)	0	0	0
	043786 MS-S1 98C		58,240	0	162,016	0
	043786 MS-S1 99		0	0	148,128	0
	043786 MS-S1 00		65,537	0	49,840	0
Subtotal CFDA 84.281			123,757	0	367,601	0
21st Century Community Learning Ctr Program	043786 R287B 00	84.287	291,749	0	291,773	0
Innovative Education Program Strategy - Title VI	043786 C2-S1 98	84.298	0	0	8,847	0
	043786 C2-S1 99		722,820	0	177,599	0
	043786 C2-S1 00		695,699	0	894,854	0
Subtotal CFDA 84.298			1,418,519	0	1,081,300	0
<i>Passed Through Cuyahoga Community College:</i> Technology Challenge		84.303	154,750	0	99,361	0
<i>Passed Through Ohio SchoolNet Office:</i> Technical Literacy Challenge Fund	043786 TF-S1 97	84.318	0	0	86,126	0
	043786 TF-S2 97		0	0	33,289	0
	043786 TF-S2 98		(9,926)	0	56,076	0
	043786 TF-13 98		0	0	34,961	0
	043786 TF-S2 99		(2,511)	0	70,004	0
	043786 TF-23 99		(2,205)	0	102,016	0
	043786 TF-31 99		(216)	0	294,409	0
	043786 TF-14 00		37,500	0	31,157	0
	043786 TF-24 00		75,000	0	0	0
	043786 TF-25 00		50,000	0	0	0
	043786 TF-32 00		200,000	0	0	0
	043786 TF-33 00		125,000	0	0	0
	043786 TF-34 00		62,500	0	0	0
Subtotal CFDA 84.318			535,142	0	708,038	0
<i>Passed Through Ohio Department of Education:</i> Reform Demonstration	043786 RFS1 99	84.332	122,000	0	305,607	0
	043786 RFS1 00		129,000	0	0	0
Subtotal CFDA 84.332			251,000	0	305,607	0
Reading Excellence	043786 RN-S1 00	84.338	163,901	0	0	0
	043786 RN-S2 00		35,739	0	0	0
Subtotal CFDA 84.338			199,640	0	0	0
Title VI-R Reducing Class Size Reduction	043786 CR-S1 00	84.340	1,494,372	0	270,569	0
<i>Direct Assistance:</i> Job Search/Super WEP	NA-00	84.000	14,095	0	108,524	0
Total U.S. Department of Education			31,904,199	0	47,219,076	0
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>						
<i>Passed Through Cuyahoga County:</i>						
Job Opportunity and Basic Skills Training	NA-98	93.021	193,200	0	34,374	0



**CLEVELAND MUNICIPAL SCHOOL DISTRICT  
CUYAHOGA COUNTY**

SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2000

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disburse- ments	Non-Cash Disburse- ments
<i>Passed Through Ohio Department of Education:</i> Refugee Impact Subsidy	043786 RI-S1 00	93.576	58,926	0	224	0
<i>Passed Through Cuyahoga County:</i> Dependent Care Plan	043786 DC-S1 98	93.673	255,403	0	534,410	0
<i>Passed Through Jobs and Family Services:</i> Medicaid Assistance Program	NA-00	93.778	3,921,172	0	3,921,172	0
<i>Passed Through City of Cleveland</i> Healthy Family Healthy Start	NA-98	93.926	0	0	(1,201)	0
	NA-99		573,285	0	498,590	0
	NA-00		0	0	70,945	0
Subtotal CFDA 93.926			573,285	0	568,334	0
Total U.S. Department of Health and Human Services			5,001,986	0	5,058,514	0
Total Federal Assistance			<u>\$63,092,239</u>	<u>\$1,504,035</u>	<u>\$79,048,739</u>	<u>\$1,504,035</u>

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

**CLEVELAND MUNICIPAL SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - FOOD DISTRIBUTION**

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2000, the District had no significant food commodities in inventory.

**NOTE C - NEGATIVE AMOUNTS**

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

**NOTE D - MATCHING REQUIREMENTS**

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

NA - Not available

CFDA - Catalog of Federal Domestic Assistance



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

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

We have audited the financial statements of the Cleveland Municipal School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2000, and have issued our report thereon dated December 15, 2000 in which we noted the District restated the beginning fixed asset balances and the fund balances in the General and School Facility Grant funds. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the management of the District in a separate letter dated December 15, 2000.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings as item 2000-10818-01.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the District in a separate letter dated December 15, 2000.

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

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

**Jim Petro**  
Auditor of State

December 15, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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

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

**Compliance**

We have audited the compliance of the Cleveland Municipal School District, Cuyahoga County, Ohio, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2000. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2000. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that is required to be reported in accordance with OMB Circular A-133 and is described in the accompanying schedule of findings as item 2000-10818-02. We also noted certain instances of noncompliance that do not require inclusion in this report that we have reported to the management of the District in a separate letter dated December 15, 2000.

**Internal Control Over Compliance**

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over federal compliance that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 15, 2000.

#### **Schedule of Federal Awards Expenditures**

We have audited the general-purpose financial statements of the Cleveland Municipal School District as of and for the year ended June 30, 2000, and have issued our report thereon dated December 15, 2000 in which we noted the District restated the beginning fixed asset balances and the fund balances in the General and School Facility Grant funds. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

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



**Jim Petro**  
Auditor of State

December 15, 2000

**CLEVELAND MUNICIPAL SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
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<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iii)</b>	<b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510?</b>	Yes
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	<i>Special Education Cluster: Sp. Ed. Grants to States, CFDA #84.027; and Sp. Education Preschool Grant, CFDA #84.173; Child Nutrition Cluster: Gov't. Donated Foods Program, CFDA # 10.550; School Breakfast Program, CFDA #10.553, and Nat'l. School Lunch Program, CFDA #10.555; Title I, CFDA #84.010; Vocational Education, CFDA # 84.048; and Medicaid Assistance Prgrm, CFDA #93.778</i>
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 2,416,583 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	No

**CLEVELAND MUNICIPAL SCHOOL DISTRICT  
CUYAHOGA COUNTY**

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

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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<b>Finding Number</b>	2000-10818-01
-----------------------	---------------

**\*STUDENT ACTIVITIES - REPORTABLE CONDITION**

The following weaknesses were noted during our testing of student activities due to the lack of enforcement or existence of a current/updated policies and procedures manual for student activities:

- 1) The Student Activity Manual adopted by the Board of Education requires that a Monthly Financial Report (CT-4A) and a Project Potential Form (AF2) be filed by each school. During our testing, we noted that approximately 35% of the Monthly Financial Reports (CT-4A) and 83% of the Project Potential Forms (AF2) were not on file for the month ending June 30, 2000.
- 2) Student activity funds are not accounted for within an agency fund as prescribed by the Uniform School Accounting System.
- 3) A liability has not been accrued nor can the District adequately assess the amounts due to students for student managed activities.
- 4) Large discrepancies exist amongst the receipts collected at similar size schools of the same grade level throughout the District. The following is a sample of high schools and the student activity collections for the fiscal year ending June 30, 2000: (a) Glenville High School--\$195,423; (b) John Marshall High School--\$86,646; and, (c) Lincoln-West High School--\$141,122.
- 5) Lack of enforcement of the Board policies and procedures in the Student Activity Manual by school principals and District management.

Lack of compliance with Board policies and procedures established in the Student Activity Manual has resulted in missing files and inadequate accounting for these funds. Mismanagement of such funds over several previous years has only postponed and delayed resolution of the problem.

Although the student activity advisors receive training, there are only two persons at the Board of Education to process the documents submitted by the individual schools, to reconcile the accounts, and to train the advisors for the District's more than 120 schools. During the audit period, the District engaged and committed additional staff to these tasks as well as to review and modify student activity procedures.

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



**CLEVELAND MUNICIPAL SCHOOL DISTRICT  
CUYAHOGA COUNTY**

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

<b>3. FINDINGS FOR FEDERAL AWARDS</b>
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**\*TITLE VI-B - NONCOMPLIANCE**

<b>Finding Number</b>	2000-10818-02
<b>CFDA Title and Number</b>	Special Education Cluster: Special Education Grants to States, CFDA #84.027; Special Education Preschool Grants, CFDA #84.173
<b>Federal Award Number / Year</b>	043786-6B-SF-00 / 2000
<b>Federal Agency</b>	U.S. Department of Education
<b>Pass-Through Agency</b>	Ohio Department of Education

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

During our testing of student files, we noted approximately 11% of the students did not have a current IEP and approximately 3% did not contain any IEP.

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

**CLEVELAND MUNICIPAL SCHOOL DISTRICT  
CUYAHOGA COUNTY**

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

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No <u>Longer Valid</u> ; <b><u>Explain:</u></b>
1999-10818-01	Use of Direct Pay Purchasing System	Yes	No longer valid.
1999-10818-02	Budgetary Management and Review	Yes	No longer valid.
1999-10818-03	Student Activities	No	Partially Corrected :The District has reviewed and modified student activity policies and procedures as well as reconciled student activity accounts.
1999-10818-04	Title VI-B IEP Noncompliance	No	Partially Corrected: The District is still in the process of completing a review and update of all Individual Education Plans. Improvement was noted from the previous year.

**CLEVELAND MUNICIPAL SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**CORRECTIVE ACTION PLAN**

<b>Finding Number</b>	<b>Planned Corrective Action</b>	<b>Anticipated Completion Date</b>	<b>Responsible Contact Person</b>
2000-10818-01	<p>During the two months subsequent to fiscal year-end, the Student Activity Manual was substantially revised by the Student Activity Division of the Finance Department. Key manual forms were converted into electronic forms to facilitate more accurate and timely completion by the schools. In addition, one-on-one training was provided in September to all schools to ensure that the new policies and procedures were communicated clearly. As of the end of November, every schools' records have been reconciled to the District's general ledger and will be monitored monthly by the Student Activity Division to ensure continuing compliance. Cash balances held in the schools' petty cash bank accounts will be monitored daily.</p> <p>The District is currently reviewing the types of student activities to determine which portion of the special revenue funds should be reclassified to an agency fund. The District anticipates completing this process by June 30, 2001.</p>	June 30, 2001	Julie Evanoff, Controller
2000-10818-02	<p>The District recognizes the need to maintain the proper filing, control and management of student IEP forms. During fiscal 2000, a substantial number of IEP's were completed to bring student files up to date. The filing system was substantially overhauled and a staff of three filing clerks were added to ensure records could be located for more timely review and update on a continuing basis.</p> <p>It should be noted that the cycle of IEP update timing was changed for one classification of disability from fall to spring. This resulted in certain IEP's being updated on a 15-18 month cycle rather than on an annual cycle during this year of change. Approximately half of the non-current IEP audit exceptions related to this change in timing. The District does not anticipate this to recur in future years.</p>	June 30, 2001	Robert Hacking, Director of Psychological Services and Special Education



# **Comprehensive Annual Financial Report**

Of the

**Cleveland Municipal School District**

For the

**FISCAL YEAR ENDED  
JUNE 30, 2000**

Prepared by

**Finance Department**  
Erbert C. Johnson  
Chief Financial Officer/Treasurer

1380 East Sixth Street \* Cleveland, Ohio 44114

# Cleveland Board of Education



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Margaret M. Hopkins, *Vice Chair*



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Sandra Morgan



Dr. Jerry Sue Thornton  
*ex officio*



Dr. Claire Van Ummersen  
*ex officio*



Barbara Byrd-Bennett  
*Chief Executive Officer*



Erbert C. Johnson  
*CFO/Treasurer*

# **INTRODUCTORY SECTION**

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# Cleveland Municipal School District

## TABLE OF CONTENTS

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### I. INTRODUCTORY SECTION

Table of Contents .....	T1
Letter of Transmittal .....	T3
Board Members .....	T17
Senior Appointed Officials .....	T18
Organizational Chart .....	T19
GFOA Certificate of Achievement .....	T20
ASBO Certificate of Excellence .....	T21

### II. FINANCIAL SECTION

Independent Accountants Report .....	1
--------------------------------------	---

#### **General Purpose Financial Statements (Combined Statements-Overview)**

Combined Balance Sheet - All Fund Types and Account Groups .....	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds .....	8
Combined Statement of Revenues, Expenditures and Changes in Fund Balances-Budget (Non-GAAP Basis) and Actual - All Governmental Fund Types and Expendable Trust Funds .....	10
Combined Statement of Revenues, Expenses and Changes in Retained Earnings - All Proprietary Fund Types .....	14
Combined Statement of Cash Flows - All Proprietary Fund Types .....	15
Notes to the General Purpose Financial Statements .....	17

#### **Combining, Individual Fund and Account Group Statements and Schedules**

##### **Governmental Funds:**

##### Special Revenue Funds:

Description of Funds .....	48
Combining Balance Sheet .....	50
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	54
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget (Non-GAAP Basis) and Actual .....	58

##### Capital Projects Funds:

Description of Funds .....	77
Combining Balance Sheet .....	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	80
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget (Non-GAAP Basis) and Actual .....	82

**Proprietary Funds:**

Enterprise Funds:

Description of Funds.....	89
Combining Balance Sheet.....	90
Combining Statement of Revenues, Expenses and Changes in Retained Earnings.....	92
Combining Statement of Cash Flows .....	94

**Fiduciary Funds:**

Expendable Trusts and Agency Funds:

Description of Funds.....	99
Combining Balance Sheet-All Trust and Agency Funds.....	100
Combining Statement of Revenues, Expenditures and Changes in Fund Balances-All Expendable Trust Funds.....	102
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget (Non-GAAP Basis) and Actual - All Expendable Trust Funds.....	103
Combining Statement of Changes in Assets and Liabilities- All Agency Funds.....	106

**General Fixed Assets Account Group:**

Description of Funds.....	107
Comparative Schedule of General Fixed Assets by Source .....	108
Schedule of General Fixed Assets by Function/Activity.....	109
Schedule of Changes in General Fixed Assets by Source .....	110
Schedule of Changes in General Fixed Assets by Function/Activity.....	111

**III. STATISTICAL SECTION**

Summary of Revenues by Source - All Governmental Fund Types .....	S1
Summary of Expenditures by Function - All Governmental Fund Types .....	S3
Property Tax Levies and Collections .....	S5
Assessed and Estimated Actual Value of Taxable Property.....	S6
Ad Valorem Property Tax Rates - All Direct and Overlapping Governments .....	S7
Ratio of Net General Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita.....	S8
Computation of Direct and Overlapping Debt.....	S9
Computation of Legal Debt Margin.....	S10
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total Governmental Fund Type Expenditures .....	S11
Schedule of Insurance in Force.....	S12
Attendance Data.....	S13
Expenditures Per Pupil – All Governmental Fund Types.....	S14
School Lunch Program.....	S16
School Breakfast Program.....	S17
Economic and Demographic Information .....	S18
Largest Employers .....	S19
Major Taxpayers .....	S20
Property Value, Bank Deposits and Construction .....	S21
Miscellaneous Statistical Data .....	S22

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**Barbara Byrd-Bennett**  
**Chief Executive Officer**

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

**Erbert Johnson**  
**Chief Financial Officer**

**Lisa Marie Ruda**  
**Chief of Staff**

**William W. Wendling**  
**Chief Communications Officer**

December 15, 2000

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

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Cleveland Municipal School District (the "School District") for the fiscal year ended June 30, 2000. This CAFR includes an opinion from the State Auditor and conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the School District. This report will provide the taxpayers of the Cleveland Municipal School District with comprehensive financial data in a format which will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to taxpayers, financial rating services and other interested parties.

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

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

## **The School District**

### *The Board of Education and Administration*

The Board of Education of the Cleveland Municipal School District (the "Board") is a political and corporate body charged with the responsibility of managing and controlling the affairs of the School District, and is, together with the School District, governed by the general laws of the State of Ohio (the "Ohio Revised Code"). The Board is comprised of nine members who were appointed by the Mayor of the City of Cleveland on September 9, 1998 and whose terms run until June 30, 2003.

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

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

The Treasurer is the chief fiscal officer of the Board and the School District. Following the March 3<sup>rd</sup> Order, a new administrative structure was implemented in which the Treasurer reports to the Superintendent. Mr. Bryan Christman, Controller for the School District, was appointed in July 1996 to the position of Interim Chief Financial Officer/Treasurer. In December 1996, Mr Christman's appointment was made permanent. On September 9, 1998, Mr. Christman was appointed Chief Financial Officer of the District when the new authority of the Chief Executive Officer as granted under House Bill No. 269 became effective. In October 1999, a new Chief Financial Officer/Treasurer, Mr. Erbert Johnson, was appointed by the Chief Executive Officer.

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

### ***The School District and its Facilities***

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

In fiscal year 2000, the School District enrolled 76,323 students (compared to 76,170 the previous year) in 82 elementary schools, 26 middle schools, and 17 senior high schools, including 28 magnet schools, which provide special curricula or vocational education and skills programs. In addition classes are provided in five residential school programs.

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

### ***Employee Relations***

As of June 30, 2000 the School District had 12,244 full and part-time employees (compared to 11,086 the previous year). In the fiscal year ended June 30, 2000, the School District paid \$406.7 million in salaries and wages and \$94.2 million for fringe benefits such as employer retirement contributions, health care, life insurance, and certain other benefits.

The School District's certificated administrators and supervisors (such as principals, assistant principals and many central office staff) are represented by the Cleveland Council of Administrators and Supervisors ("CCAS"), while teachers and educational specialists, including aides, are represented by the Cleveland Teachers Union ("CTU").

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

Labor contracts with all of the above unions expired subsequent to fiscal year-end on August 31, 2000. Prior to their expiration, all labor contracts were renewed until August 31, 2003. In the opinion of the School District, labor relations with all of its employees are good.

## **The Reporting Entity**

The Cleveland Municipal School District has reviewed its reporting entity definition in order to insure conformance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity." In evaluating how to define the School District for financial reporting purposes, management has considered all agencies, departments and organizations making up the Cleveland Municipal School District (the primary government) and its potential component units.

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

A complete discussion of the School District's reporting entity is provided in Note 1 to the general purpose financial statements.

## **Economic Condition and Outlook**

The School District's primary sources of revenues are from the State of Ohio through the State Foundation program and through the levying of property taxes on real and personal property located within the School District. These two sources combined represent approximately 86 percent of the School District's fiscal year 2000 budget basis general fund operating revenues. The following discussion provides additional information pertaining to these revenue sources.

### ***Taxes***

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the School District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at varying percentages of true value and on real property at 35 percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25 percent of true value.

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

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

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

The General Assembly has periodically exercised its power to revise the laws applicable to the determination

of assessed valuation of taxable property and the amount of receipts to be produced by ad valorem taxes levied on that property, and may continue to make similar revisions.

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

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

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

### ***School Foundation***

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

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

Fiscal Year	Foundation Revenue		General Fund Revenues (a)		Foundation Revenues as Percent of General Fund Revenues
1991	\$166,110		\$372,331		44.61%
1992	163,287	(b)	364,461	(b)	44.80
1993	168,132	(b)	373,939	(b)	44.96
1994	169,731	(b)	370,582	(b)	45.80
1995	182,199	(b)	405,375	(b)	44.95
1996	200,895	(b) (c)	428,320	(b)	46.90
1997	207,088	(b) (c)	450,462	(b)	45.97
1998	232,467	(b) (c)	534,235	(b)	43.51
1999	291,947	(b) (c)	579,218	(b)	50.40
2000	317,550	(b) (c)	591,003	(b)	53.73

- (a) These amounts represent budget basis and excludes the proceeds of cash flow borrowing.
- (b) Included for comparison purposes are budget basis amounts of \$13,526,000 in fiscal year 1992, \$18,837,000 in fiscal year 1993, \$23,393,000 in fiscal year 1994, \$28,939,000 in fiscal year 1995, \$38,006,000 in fiscal year 1996, \$37,191,000 in fiscal year 1997, \$36,840,000 in fiscal year 1998, \$27,392,000 in fiscal year 1999, and \$38,962,000 in fiscal year 2000 of Disadvantaged Pupil Impact Aid classified as a special revenue fund effective in fiscal 1992.
- (c) Prior to fiscal year 1996, Disadvantaged Pupil Program Fund monies were not included.

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

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in that system.

Declared unconstitutional was the State's "school foundation program" which provides significant amounts of monetary support to the School District. Since the Supreme Court ruling, numerous pieces of legislation have been passed by the Ohio General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient," clause of the Ohio Constitution. The State appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Ohio Supreme Court rendered an opinion on this issue. The Court concluded, "...the mandate of the [Ohio] Constitution has not been fulfilled." The Court's majority recognized efforts by the Ohio General Assembly taken in response to the Court's March 24, 1997, decision, however, it found seven "...major areas warrant further attention, study, and development by the General Assembly...", including the State's reliance on local property tax funding, the state's basic aid formula, the school foundation program, as discussed above, the mechanism for, and adequacy of, funding for school facilities, and the existence of the State's School Solvency Assistance Fund, which the Court found took the place of the unconstitutional emergency school loan assistance program. The Court decided to maintain jurisdiction over these issues and continued the case at least until June 15, 2001. This issue is further discussed in Note 17 to the general purpose financial statements.

### ***Local Economy***

The City of Cleveland, located on the southern shores of Lake Erie, is the central city within the largest metropolitan area in the State of Ohio. It is home to an estimated 500,000 residents. Founded in 1796, Cleveland quickly established economic strengths in heavy industry, including 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. Though manufacturing continues to play a key role in Cleveland's local economy, the emergence of newer non-smokestack related industries, mainly in services and trade, is expected to be more prominent in the next several decades.

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

Cleveland's major employers include internationally recognized health care institutions, a major automotive manufacturer, municipal and federal government agencies, and banking and insurance firms. Therefore the City of Cleveland is no longer based solely upon the success or failure of its large manufacturing firms. The overall unemployment rate within the PMSA has held steady at approximately 4.5% for the past two years, which approximates the national averages.

Major construction projects either completed or in process continue to contribute to the renaissance of the City's downtown area. In addition Cleveland has experienced a resurgence of its neighborhoods, as evidenced by a strong demand for new housing and substantial increases in appraised housing values. Economic growth is expected to continue in the greater Cleveland area.



## **Major Initiative - Educating Cleveland's Children**

### *Our Vision*

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

### *Our Strategic Focus Over the Next Five Years*

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

1. High Standard/Rigorous Curriculum-Insist upon high standards and a strong curriculum that will prepare our students for life, work, higher education, and citizenship. We will begin to accomplish this by:
  - Establishing/implementing content and performance standards.
  - Instituting a comprehensive literacy program.
  - Improving early childhood preparation.
  - Developing and implementing an instructional technology plan.
  - Strengthening multilingual/multicultural programs and policies.
  - Restructuring and improving special education.
  - Infusing arts into the curriculum.
2. Effective and Committed Workforce-Instill among our workforce - particularly teachers and principals - a commitment to excellence, individual student achievement, continuous professional development, and a willingness to be held accountable. We will begin to accomplish this by:
  - Designing and implementing a coordinated professional development plan.
  - Improving teacher quality.
  - Improving principal leadership.
  - Improving customer service and support to and at schools.
3. Quality Schools-Guarantee that every school offers every student a safe, supportive, resource-rich learning environment that complements the child's learning abilities. We will begin to accomplish this by:
  - Increasing school capacity to provide quality instruction.
  - Adopting policies to support quality schools.
  - Ensuring safe, secure and orderly schools.
  - Providing schools with support and materials on a timely basis.
  - Improving facilities.
  - Redesigning, restructuring and creating new schools.
4. Sound Financial, Management, and Accountability Systems-Maximize the District's financial resources through performance-based management planning, implementation, and accountability systems. We will begin to accomplish this by:
  - Redesigning/restructuring central office to support schools.
  - Establishing measurable goals and benchmarks across the organization linked to an accountability framework.
  - Integrating data-driven decision making.
  - Using resources effectively.
  - Meeting federal and state requirements.

- Regularly monitoring and reporting progress.
  - Improving management/labor relations.
5. Parent and Community Support-Engage parents and the broad community in meaningful support and reinforcement for academic achievement at the individual student and school building levels. We will begin to accomplish this by:
- Strengthening organized parent engagement.
  - Expanding parents education - focus on academics.
  - Improving communications with parents and the community.
  - Increasing collaboration with business, universities and community organizations.
6. Student Needs-Deliver the types of services and educational opportunities that will meet both the academic and non-academic needs of students and their families. We will begin to accomplish this by:
- Targeting underachieving students.
  - Better preparing students for career and post secondary education.
  - Addressing non-academic needs of students and families.
  - Promoting extracurricular activities.

### ***Significant Accomplishments***

The District has made great strides during the last year and a half. Some of the key accomplishments include:

- In the area of standards and curriculum, we have completed an initial draft of the English Language Arts standards, and we are in the final stages of developing the math, science and art standards.
- We have adopted the highest minimum grade-point average requirements in the State of Ohio for students who participate in athletics and other extracurricular activities. In addition we have committed the resources – tutors, study tables and more - necessary to help these students achieve these requirements.
- We have articulated and adopted a literacy policy that establishes a common language with definition of terms, specific objectives and strategies for the teaching of reading and writing.
- Our summer school program was the largest in the State of Ohio, with well over 14,000 students enrolled – more than 40% of them high school students. At the end of the six-week program, 234 students had satisfied the requirements to graduate.
- We are using our new data systems to compare the performance of all students who attended summer school against those who did not.
- Our fourth graders had the largest percentage gains in the State of Ohio’s proficiency tests among Ohio’s largest districts.
- We established a literacy institute for teachers to train a core of practicing educators to be skilled in the implementation of the literacy policy.
- We developed an extensive catalog of professional development opportunities for teachers, assistant principals and principals.
- We installed new leadership at 44 school buildings and established six regional superintendents to promote accountability at the individual building level.
- We have stabilized the school leadership by granting multi-year contracts to 62 principals and renewing/granting annual contracts of all the other principals.
- We have reorganized the central office staff to function more effectively and efficiently.
- To provide a proper learning and teaching environment and to help ensure the safety of everyone in our school buildings, we adopted a Policy of Student Discipline. It maintains zero tolerance against behaviors that threaten the educational process or another person.
- We have worked to improve the learning environment by completing a \$14 million project to connect all of our schools to the Internet (with appropriate filtering software).

- We have increased the amount of money received through grants by almost 25% over the previous year.
- We are expanding the emphasis on arts education.
- We spent almost \$12 million for new textbooks.
- We repainted 31 schools and landscaped 49 of our properties.
- We have worked to shore up the District's financial position and have received a release from fiscal emergency status instituted by the State of Ohio in 1995. We have also adopted a five-year financial plan that will maintain this financial stability.
- We have made great strides in involving parents, guardians and others into the daily operations of our schools, particularly in the area of tutoring.
- We have increased the frequency of communications with parents through letters, phone calls and student-focused publications. We have also had tremendous turnout at our Parent Information Roundup, Parent Fact Fairs and other events.
- With the support of local foundations, we have introduced a half-hour monthly cable television program to showcase the positive work that's going on in our schools.
- In concert with the local social service network in the community, we are steadily improving the range of services available to our students and their families.
- Through our aggressive application, management and follow-up efforts, we became the first school district in Ohio to gain approval to participate in the Universal Feeding Program. This federally subsidized program provides breakfast and lunch to all students at no charge to them or their families.
- We have dramatically expanded our nursing coverage at our schools. The District now has more than 50 full-time nurses, up from 36 just a year ago. Therefore, on average, our schools are staffed with nurses nearly two full days per week.

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.

### ***What Progress to Look For***

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

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

## **Financial Information**

### ***Internal Accounting and Budgetary Control***

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

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

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

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

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

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

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

Each administrator and school principal is furnished monthly reports showing the status of the budget accounts for which they are responsible. In addition, an on-line inquiry system is available at each cost center site. As an additional safeguard, all employees are covered by a blanket bond, and certain individuals in policy-making roles are covered by a separate, higher limit bond.

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

### ***General Governmental Functions***

The following schedule presents a summary of governmental funds' revenues (GAAP Basis) for the fiscal years ended June 30, 1999 and 2000, and the amount and percentage of increases and decreases in relation to the prior year's revenues (in thousands):

	1999 Amount	2000 Amount	Percent of Total	Change	Percent Change
<b>Revenues:</b>					
<i>Local Sources:</i>					
Taxes	\$233,514	\$217,138	32.84%	\$(16,376)	(7.01%)
Interest	13,767	16,861	2.55	3,094	22.47
Tuition and Fees	1,728	1,023	0.15	(705)	(40.80)
Extracurricular Activities	1,293	1,521	0.23	228	17.63
Rentals	104	101	0.02	(3)	(2.88)
Miscellaneous	2,536	1,827	0.28	(709)	(27.96)
<i>State Sources:</i>					
Unrestricted Grants-in-Aid	284,614	296,362	44.82	11,748	4.13
Restricted Grants-in-Aid	46,269	50,262	7.60	3,993	8.63
Desegregation					
Reimbursement	38,200	20,000	3.02	(18,200)	(47.64)
<i>Federal Sources:</i>					
Unrestricted Grants-in-Aid	3,958	4,109	0.62	151	3.82
Restricted Grants-in-Aid	54,889	52,037	7.87	(2,852)	(5.20)
<b>Total Revenues</b>	<b>\$680,872</b>	<b>\$661,241</b>	<b>100.00%</b>	<b>(\$19,631)</b>	<b>(2.88%)</b>

The decrease in taxes is mainly due to the timing of the tax receipts from the County Auditor between fiscal years.

The increase in unrestricted grants-in-aid from State sources resulted primarily from increased state foundation monies. State foundation monies have been increased to offset some of the impact of the reduction in the desegregation monies. The desegregation order under which the District has operated since 1973 expired on June 30, 2000 and the \$20 million received for fiscal 2000 represents the last state payment to be received.

The following schedule presents a summary of governmental funds type expenditures (GAAP Basis) for the fiscal years ended June 30, 1999 and 2000, and the amount and percentage of increases and decreases in relation to the prior year's expenditures (in thousands).

	1999 Amount	2000 Amount	Percent of Total	Change	Percent Change
<b>Expenditures:</b>					
<i>Current:</i>					
Instruction	\$351,350	\$366,777	56.77%	\$15,427	4.39%
Support Services	217,593	224,921	34.81	7,328	3.37
<i>Operation of Non-</i>					
Instructional Activities	13,955	14,416	2.23	461	3.30
Extracurricular Activities	5,934	7,618	1.18	1,684	28.38
Capital Outlay	18,073	10,831	1.68	(7,242)	(40.07)
<i>Debt Service:</i>					
Principal Retirement	8,975	9,543	1.48	568	6.33
Interest and Fiscal Charges	12,991	11,962	1.85	(1,029)	(7.92)
<b>Total Expenditures</b>	<b>\$628,871</b>	<b>\$646,068</b>	<b>100.00%</b>	<b>\$17,197</b>	<b>2.73%</b>

The increase in instruction and support services resulted primarily from levy related expenditures for several items, including additional teachers and administrative support personnel for special needs students and new

literacy programs, new basal adoptions of textbooks, and a substantial expansion of the summer school literacy program. In addition, professional development programs were expanded to support the District's literacy programs.

Capital outlay expenditures declined primarily due to a slow-down in school roofing repairs and replacements. These repairs are mainly funded by tax levy and Ohio School Facilities Commission matching funds. The matching fund program had neared completion in fiscal 2000 but was subsequently expanded by the State in fiscal 2001.

#### ***Financial Highlights - Enterprise Funds***

Food service, consumer services rotary, and child care center are classified as enterprise operations since they resemble those activities found in private industry; management periodically desires to determine the amount of profit/loss resulting from these operations that are significantly financed from user fees. In total, the enterprise funds had a net loss of \$2,111,496 for the fiscal year ended June 30, 2000, although none of the funds had deficit retained earnings. The net loss, which occurred during the fiscal year in the food service fund, is being funded through reductions in the accumulated retained earnings within that fund.

#### ***Financial Highlights - Internal Service Fund***

The District maintains only one internal service fund which records the financial activity related to its self-insurance program. This fund primarily accounts for the revenues and expenses related to the provision of general liability and property damage claim settlements and judgments. The internal service fund had a net income of \$459,943 in fiscal 2000 due mainly to lower than expected claim activity. Management is analyzing claim history to determine the appropriate interfund charges for future years.

#### ***Financial Highlights - Fiduciary Funds***

The trust funds carried on the financial records of the School District are the Educational Special Trust and the Administrative Special Trust expendable trust funds that have assets totaling \$3,659,093. In addition the District maintains an agency fund to account for its payroll withholdings. The agency fund had total assets of \$3,004,829.

#### **Debt Administration**

At June 30, 2000, general obligation bonds outstanding totaled \$112,614,539. During fiscal year 2000, \$9,475,000 of general obligation bonds were retired. As of June 30, 2000, the overall debt margin was \$406,769,510 and the unvoted debt margin was \$5,540,032. All existing bond obligations are general obligation debt backed by the full faith and credit of the School District and will be retired fully by fiscal year 2012. At June 30, 2000, the School District had revenue anticipation notes outstanding of \$104,335,000.

#### **Cash Management**

The School District pursues an aggressive cash management program by expediting the receipt of revenues and prudently investing and depositing available cash in obligations collateralized by instruments issued by the United States Government or the State of Ohio or insured by the Federal Deposit Insurance Corporation. The total amount of interest earned was approximately \$16,861,000 for the year ended June 30, 2000, of which approximately \$15,007,000 was credited directly to the general fund. The program is beneficial because of access to daily balances which enables the School District to maintain minimum balance accounts and invest to the maximum extent.

Protection of the School District's deposits is provided by the federal deposit insurance corporation as well as by qualified securities pledged by the institution holding the assets. By law, financial institutions may establish

a collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least 105 percent of public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

### **Risk Management**

The School District established a self insurance internal service fund to account for and finance its uninsured risks of loss and associated expenses attributable to general liability and property damage claim settlements and judgments. Umbrella insurance policies have been purchased to cap certain risks assumed. See Note 9 for a complete description of the District's risk retention.

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

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

### **Pension Plans**

All School District employees are covered by the state-wide School Employees Retirement System of Ohio (SERS) or the State Teachers Retirement System (STRS).

The School District's employer contributions to both systems are based on a percentage of employees' salaries. State law requires the School District to pay the employer share as determined by each retirement system. See notes 10 and 11 to the general purpose financial statements for complete details.

### **General Fixed Assets**

The general fixed assets of the Cleveland Municipal School District are used to carry on the main education and support function of the system and are not financial resources available for expenditure. The total general fixed assets at June 30, 2000, was \$369,073,384. This represents a substantial reduction in the value recorded in fiscal 1999 due to a change in District capitalization policy. The threshold for capitalization has been raised from \$2,000 to \$5,000, resulting in the reduction of the beginning of the year fixed asset balance by approximately \$86.9 million. Such assets continue to be accounted for at historical cost. Depreciation is not recognized on general fixed assets.

### **Independent Audit**

State statutes require the School District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Independent auditor Jim Petro, Auditor of State, was selected to render an opinion on the School District's financial statements as of and for the year ended June 30, 2000. The opinion appears at the beginning of the financial section of this report.

### **Awards**

#### ***GFOA Certificate of Achievement***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Cleveland Municipal School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 1999. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

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

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

#### ***ASBO International Certificate of Excellence***

The School District received the **Association of School Business Officials (ASBO) International Certificate of Excellence in Financial Reporting** for its **Comprehensive Annual Financial Report** for the fiscal year ended June 30, 1999. This award certifies that the report substantially conforms to the principles and standards of financial reporting as recommended and adopted by ASBO. The award is granted only after an intensive review of financial reports by an expert ASBO Panel of review consisting of certified public accountants and practicing School business officials. Receiving the award is recognition that a School system has met the highest standards of excellence in School financial reporting.

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

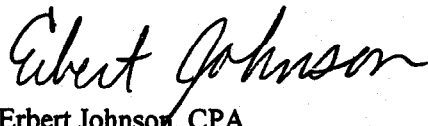
#### **Acknowledgments**

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

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

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

Respectfully submitted,



Erbert Johnson, CPA  
Chief Financial Officer/Treasurer



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

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

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

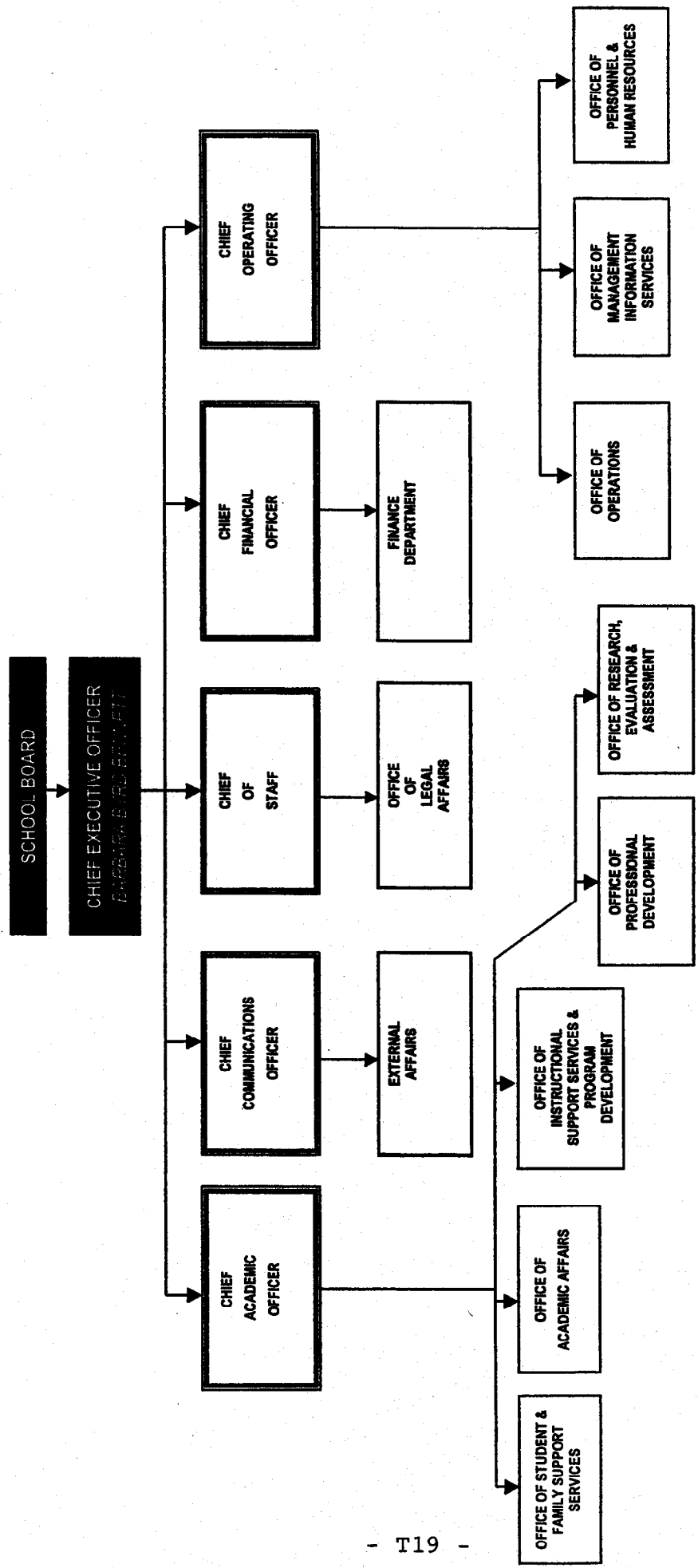
# Cleveland Municipal School District

## Senior Appointed Officials

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Barbara Byrd-Bennett	Chief Executive Officer
Dr. Myrna Elliott-Lewis	Chief Academic Officer
Erbert Johnson, CPA	Chief Financial Officer/Treasurer
Lisa Marie Ruda	Chief of Staff
William W. Wendling	Chief Communications Officer
Michael A. Eugene	Executive Director of Operations
Julie Evanoff	Controller
Carol Hauser	Executive Director of Personnel and Human Resources
Mark Hogan	Interim Executive Director of Management Information Services
Leaura N. Materassi	Executive Director of Instructional Support Services and Program Development
Thandiwe M. C. Peebles	Executive Director of Academic Affairs
Peter A. Robertson	Executive Director of Research, Evaluation and Assessment
Allan Seifullah	Executive Director of External Affairs
Sherry Ulery	Executive Director of Professional Development
James B. Wingo	Executive Director of Student and Family Support Services

# Cleveland Municipal School District ORGANIZATION CHART



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Cleveland Municipal School  
District, Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 1999

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.



*Anne Spray Kinsey*

President

*Jeffrey L. Esler*

Executive Director

**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, 1999

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

*Sam Deering*  
President

*Don A. Morgan*  
Executive Director

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**FINANCIAL SECTION**

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STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

Lausche Bldg  
615 W Superior Ave  
Floor 12  
Cleveland OH 44113 - 1801  
Telephone 216-787-3665  
800-626-2297  
Facsimile 216-787-3361  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

## INDEPENDENT ACCOUNTANT'S REPORT

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

We have audited the accompanying general-purpose financial statements of the Cleveland Municipal School District, Cuyahoga County, Ohio (the District) as of and for the year ended June 30, 2000, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Cleveland Municipal School District, Cuyahoga County, Ohio, as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

As described in Notes 2 and 23 to the accompanying general-purpose financial statements, the District restated the beginning fixed asset balance and the fund balances in the General and School Facility Grant Funds.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2000 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

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

**Jim Petro**  
Auditor of State

December 15, 2000

**General Purpose Financial Statements**

**Cleveland Municipal School District**  
**Combined Balance Sheet**  
All Fund Types and Account Groups  
June 30, 2000  
(With Comparative Totals for June 30, 1999)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Assets and Other Debits:</b>				
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 188,644,725	\$ 11,879,769	\$ 19,786,089	\$ 15,641,668
Cash and Cash Equivalents				
With Fiscal Agents	0	0	676	0
Restricted Assets - Equity in Pooled Cash and Cash Equivalents	9,072,481	0	0	0
Investments with Fiscal Agents	0	0	3,071,287	0
Receivables:				
Taxes	305,869,881	0	19,334,088	0
Accounts	18,093	0	0	0
Intergovernmental	1,285,147	25,496,956	0	0
Interfund	20,076,725	0	0	0
Materials and Supplies Inventory	925,735	0	0	0
Fixed Assets (Net. where applicable, of Accumulated Depreciation)	0	0	0	0
<b>Other Debits:</b>				
Amount Available in Debt Service				
Fund for Retirement of General Obligation Bonds	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
<b>Total Assets and Other Debits</b>	<b>\$ 525,892,787</b>	<b>\$ 37,376,725</b>	<b>\$ 42,192,140</b>	<b>\$ 15,641,668</b>

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	2000	1999
\$ 5,708,366	\$ 3,122,367	\$ 5,878,895	\$ 0	\$ 0	\$ 250,661,879	\$ 271,649,581
0	0	0	0	0	676	1,473
0	0	0	0	0	9,072,481	4,264,000
0	0	0	0	0	3,071,287	894,673
0	0	0	0	0	325,203,969	323,645,386
0	0	28,625	0	0	46,718	320,404
24,152	0	445,639	0	0	27,251,894	12,943,797
0	0	310,763	0	0	20,387,488	4,388,000
1,017,395	0	0	0	0	1,943,130	1,158,669
466,755	0	0	369,073,384	0	369,540,139	359,494,778
0	0	0	0	20,781,131	20,781,131	26,406,796
0	0	0	0	159,591,030	159,591,030	152,007,569
<u>\$ 7,216,668</u>	<u>\$ 3,122,367</u>	<u>\$ 6,663,922</u>	<u>\$ 369,073,384</u>	<u>\$ 180,372,161</u>	<u>\$ 1,187,551,822</u>	<u>\$ 1,157,175,126</u>

(continued)

**Cleveland Municipal School District**  
**Combined Balance Sheet**  
All Fund Types and Account Groups (continued)  
June 30, 2000  
(With Comparative Totals for June 30, 1999)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<i>Liabilities, Fund Equity and Other Credits:</i>				
<i>Liabilities:</i>				
Accounts Payable	\$ 6,194,399	\$ 1,291,200	\$ 0	\$ 703,742
Accrued Wages and Benefits	79,116,231	7,160,365	0	186,560
Interfund Payable	310,763	16,919,725	3,150,000	0
Intergovernmental Payable	3,262,578	3,128	0	0
Deferred Revenue	291,646,054	9,654,681	18,261,009	0
Undistributed Monies	0	0	0	0
Payroll Withholdings	0	0	0	0
Accrued Interest Payable	468,877	0	0	0
Notes Payable	104,335,000	0	0	0
Claims Payable	4,206,104	0	0	0
EPA Loans Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
<b>Total Liabilities</b>	<b>489,540,006</b>	<b>35,029,099</b>	<b>21,411,009</b>	<b>890,302</b>
<i>Fund Equity and Other Credits:</i>				
Investment in General Fixed Assets	0	0	0	0
Retained Earnings:				
Unreserved	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	29,036,379	6,928,787	0	6,243,073
Reserved for Inventory	925,735	0	0	0
Reserved for Property Taxes	11,450,195	0	933,917	0
Reserved for Budget Stabilization	7,400,000	0	0	0
Reserved for Bus Purchases	1,672,481	0	0	0
Unreserved:				
Designations	4,989,202	0	0	0
Undesignated (Deficit)	(19,121,211)	(4,581,161)	19,847,214	8,508,293
<b>Total Fund Equity and Other Credits</b>	<b>36,352,781</b>	<b>2,347,626</b>	<b>20,781,131</b>	<b>14,751,366</b>
<b>Total Liabilities, Fund Equity and Other Credits</b>	<b>\$ 525,892,787</b>	<b>\$ 37,376,725</b>	<b>\$ 42,192,140</b>	<b>\$ 15,641,668</b>

See accompanying notes to the general purpose financial statements

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	2000	1999
\$ 373,464	\$ 0	\$ 270,438	\$ 0	\$ 0	\$ 8,833,243	\$ 17,940,710
1,202,353	0	115,358	0	48,896,695	136,677,562	113,503,646
0	0	7,000	0	0	20,387,488	4,388,000
0	0	2,710	0	0	3,268,416	1,358,800
689,061	0	3,284,314	0	0	323,535,119	307,556,450
0	0	0	0	0	0	20,000,000
0	0	3,004,829	0	0	3,004,829	5,688,938
0	0	0	0	0	468,877	519,440
0	0	0	0	0	104,335,000	116,470,000
0	684,108	0	0	18,390,000	23,280,212	20,960,271
0	0	0	0	470,927	470,927	539,141
0	0	0	0	112,614,539	112,614,539	120,790,387
<u>2,264,878</u>	<u>684,108</u>	<u>6,684,649</u>	<u>0</u>	<u>180,372,161</u>	<u>736,876,212</u>	<u>729,715,783</u>
0	0	0	369,073,384	0	369,073,384	358,970,621
4,951,790	2,438,259	0	0	0	7,390,049	9,066,602
0	0	722,304	0	0	42,930,543	41,515,821
0	0	0	0	0	925,735	707,867
0	0	0	0	0	12,384,112	22,038,894
0	0	0	0	0	7,400,000	3,347,000
0	0	0	0	0	1,672,481	917,000
0	0	0	0	0	4,989,202	15,977,400
0	0	(743,031)	0	0	3,910,104	(25,081,862)
<u>4,951,790</u>	<u>2,438,259</u>	<u>(20,727)</u>	<u>369,073,384</u>	<u>0</u>	<u>450,675,610</u>	<u>427,459,343</u>
<u>\$ 7,216,668</u>	<u>\$ 3,122,367</u>	<u>\$ 6,663,922</u>	<u>\$ 369,073,384</u>	<u>\$ 180,372,161</u>	<u>\$ 1,187,551,822</u>	<u>\$ 1,157,175,126</u>

(concluded)

**Cleveland Municipal School District**  
**Combined Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**All Governmental Fund Types and Expendable Trust Funds**  
**For the Fiscal Year Ended June 30, 2000**  
**(With Comparative Totals for the Fiscal Year Ended June 30, 1999)**

	Governmental Fund Types		
	General	Special Revenue	Debt Service
<b>Revenues:</b>			
<b>Local Sources:</b>			
Taxes	\$ 204,257,979	\$ 0	\$ 12,879,697
Interest	15,007,203	226,872	1,626,418
Tuition and Fees	1,010,381	12,837	0
Extracurricular Activities	0	1,521,492	0
Rentals	100,771	0	0
Miscellaneous	1,649,573	48,347	0
<b>State Sources:</b>			
Unrestricted Grants-in-Aid	296,361,566	0	0
Restricted Grants-in-Aid	0	49,339,618	0
Desegregation Reimbursement	20,000,000	0	0
<b>Federal Sources:</b>			
Unrestricted Grants-in-Aid	4,109,302	0	0
Restricted Grants-in-Aid	0	52,036,799	0
<b>Total Revenues</b>	<b>542,496,775</b>	<b>103,185,965</b>	<b>14,506,115</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	213,872,537	39,246,889	0
Special	67,301,424	21,980,694	0
Vocational	16,839,348	1,354,024	0
Adult/Continuing	2,524,769	2,323,709	0
Other	1,334,029	0	0
<b>Support Services:</b>			
Pupils	22,904,506	2,516,071	0
Instructional Staff	18,047,651	16,284,069	0
Board of Education	187,039	0	0
Administration	41,330,410	3,231,797	0
Fiscal	3,172,077	284,779	152,963
Business	428,456	39,064	0
Operation and Maintenance of Plant	57,826,455	1,607,986	0
Pupil Transportation	32,527,894	140,690	0
Central	23,183,704	1,054,927	0
Operation of Non-Instructional Services	3,416,738	10,999,092	0
Extracurricular Activities	6,504,670	1,112,891	0
Capital Outlay	984,584	172,924	0
<b>Debt Service:</b>			
Principal Retirement	1,348,215	0	8,195,000
Interest and Fiscal Charges	6,694,990	0	5,267,196
<b>Total Expenditures</b>	<b>520,429,496</b>	<b>102,349,606</b>	<b>13,615,159</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>22,067,279</b>	<b>836,359</b>	<b>890,956</b>
<b>Other Financing Sources (Uses):</b>			
Operating Transfers In	6,516,621	33,739	0
Operating Transfers Out	(4,931,504)	0	(6,516,621)
<b>Total Other Financing Sources (Uses)</b>	<b>1,585,117</b>	<b>33,739</b>	<b>(6,516,621)</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>23,652,396</b>	<b>870,098</b>	<b>(5,625,665)</b>
<b>Fund Balances at Beginning of Year</b>	<b>12,700,385</b>	<b>1,477,528</b>	<b>26,406,796</b>
<b>Fund Balances (Deficit) at End of Year</b>	<b>\$ 36,352,781</b>	<b>\$ 2,347,626</b>	<b>\$ 20,781,131</b>

See accompanying notes to the general purpose financial statements



Capital Projects	Fiduciary Fund Type	Totals (Memorandum Only)	
	Expendable Trust	2000	1999
\$ 0	\$ 0	\$ 217,137,676	\$ 233,513,561
507	0	16,861,000	13,775,529
0	4,625	1,027,843	1,777,057
0	4,192	1,525,684	1,294,850
0	0	100,771	104,352
129,066	3,138,337	4,965,323	4,300,849
0	0	296,361,566	284,614,426
922,156	0	50,261,774	46,268,975
0	0	20,000,000	38,200,000
0	0	4,109,302	3,957,556
0	0	52,036,799	54,888,588
<u>1,051,729</u>	<u>3,147,154</u>	<u>664,387,738</u>	<u>682,695,743</u>
0	0	253,119,426	233,987,148
0	0	89,282,118	94,776,091
0	0	18,193,372	16,942,842
0	0	4,848,478	3,788,063
0	0	1,334,029	1,855,733
0	862,920	26,283,497	25,270,869
0	2,390,726	36,722,446	31,959,675
0	0	187,039	108,155
0	27,510	44,589,717	37,421,678
0	0	3,609,819	8,709,423
0	0	467,520	2,663,827
0	111,695	59,546,136	57,187,203
0	13,342	32,681,926	33,292,101
0	122,885	24,361,516	22,442,682
0	220	14,416,050	13,954,888
0	0	7,617,561	5,934,577
9,674,122	0	10,831,630	18,072,627
0	0	9,543,215	8,974,999
0	0	11,962,186	12,990,716
<u>9,674,122</u>	<u>3,529,298</u>	<u>649,597,681</u>	<u>630,333,297</u>
<u>(8,622,393)</u>	<u>(382,144)</u>	<u>14,790,057</u>	<u>52,362,446</u>
4,897,765	0	11,448,125	2,415,527
0	0	(11,448,125)	(3,027,060)
<u>4,897,765</u>	<u>0</u>	<u>0</u>	<u>(611,533)</u>
(3,724,628)	(382,144)	14,790,057	51,750,913
18,475,994	361,417	59,422,120	7,671,207
<u>\$ 14,751,366</u>	<u>\$ (20,727)</u>	<u>\$ 74,212,177</u>	<u>\$ 59,422,120</u>

**Cleveland Municipal School District**  
**Combined Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - (Non-GAAP Basis) Budget and Actual**  
**All Governmental Fund Types and Expendable Trust Funds**  
**For the Fiscal Year Ended June 30, 2000**

	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
<b>Local Sources:</b>			
Taxes	\$ 211,780,048	\$ 211,780,048	\$ 0
Interest	13,354,812	15,003,148	1,448,336
Tuition and Fees	995,164	995,164	0
Extracurricular Activities	0	0	0
Rentals	100,771	100,771	0
Miscellaneous	1,574,633	1,574,633	0
<b>State Sources:</b>			
Unrestricted Grants-in-Aid	283,368,704	298,487,209	15,118,505
Restricted Grants-in-Aid	0	0	0
Desegregation Reimbursement	20,000,000	20,000,000	0
<b>Federal Sources:</b>			
Unrestricted Grants-in-Aid	4,100,365	4,100,365	0
Restricted Grants-in-Aid	0	0	0
<b>Total Revenues</b>	<b>535,474,497</b>	<b>552,041,338</b>	<b>16,566,841</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	233,942,311	222,100,194	11,842,117
Special	67,295,326	66,645,654	649,672
Vocational	17,842,676	17,127,051	715,625
Adult/Continuing	2,503,762	2,466,206	37,556
Other	2,145,686	2,143,784	1,902
<b>Support Services:</b>			
Pupils	23,494,255	22,794,337	699,918
Instructional Staff	22,483,673	20,445,115	2,038,558
Board of Education	243,487	215,492	27,995
Administration	41,652,729	40,284,126	1,368,603
Fiscal	8,065,846	7,470,563	595,283
Business	1,461,377	1,213,156	248,221
Operation and Maintenance of Plant	60,762,104	58,663,792	2,098,312
Pupil Transportation	36,004,894	33,170,802	2,834,092
Central	31,967,319	28,463,568	3,503,751
<b>Operation of Non-Instructional Services</b>			
Food Service Operations	106,551	82,931	23,620
Community Services	4,694,692	4,579,541	115,151
<b>Extracurricular Activities</b>			
Academic and Subject Oriented	6,288,890	4,912,981	1,375,909
Occupational Oriented Activities	461,231	450,120	11,111
Sports Oriented Activities	1,982,767	1,923,014	59,753
<b>Capital Outlay</b>			
Site Improvement Services	61,793	4,641	57,152
Architecture and Engineering Services	1,025,950	1,025,950	0
Building Improvement Services	3,809,819	3,808,615	1,204
Other Facilities Acquisition and Construction Services	702,870	638,762	64,108
<b>Debt Service:</b>			
Principal Retirement	13,483,215	13,483,215	0
Interest and Fiscal Charges	6,750,000	6,745,553	4,447
<b>Total Expenditures</b>	<b>589,233,223</b>	<b>560,859,163</b>	<b>28,374,060</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(53,758,726)</b>	<b>(8,817,825)</b>	<b>44,940,901</b>
<b>Other Financing Sources (Uses):</b>			
Advances In	0	1,238,000	1,238,000
Advances Out	(1,500,000)	(16,926,725)	(15,426,725)
Operating Transfers In	6,516,621	6,516,621	0
Operating Transfers Out	(4,698,725)	(4,931,504)	(232,779)
<b>Total Other Financing Sources (Uses)</b>	<b>317,896</b>	<b>(14,103,608)</b>	<b>(14,421,504)</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>(53,440,830)</b>	<b>(22,921,433)</b>	<b>30,519,397</b>
Fund Balances at Beginning of Year	135,963,182	135,963,182	0
Prior Year Encumbrances Appropriated	47,883,930	47,883,930	0
<b>Fund Balances at End of Year</b>	<b>\$ 130,406,282</b>	<b>\$ 160,925,679</b>	<b>\$ 30,519,397</b>

Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 0	\$ 0	\$ 0	\$ 14,405,633	\$ 13,722,590	\$ (683,043)
226,872	226,872	0	0	1,548,165	1,548,165
12,837	12,837	0	0	0	0
1,045,000	1,521,492	476,492	0	0	0
0	0	0	0	0	0
50,387	52,887	2,500	0	0	0
46,000	27,818	(18,182)	0	0	0
57,289,596	50,138,035	(7,151,561)	0	0	0
0	0	0	0	0	0
573,285	573,285	0	0	0	0
91,797,648	35,783,628	(56,014,020)	0	0	0
<u>151,041,625</u>	<u>88,336,854</u>	<u>(62,704,771)</u>	<u>14,405,633</u>	<u>15,270,755</u>	<u>865,122</u>
39,477,200	39,273,104	204,096	0	0	0
35,356,912	24,035,212	11,321,700	0	0	0
2,522,810	2,519,577	3,233	0	0	0
3,874,404	2,303,714	1,570,690	0	0	0
0	0	0	0	0	0
5,318,018	2,985,579	2,332,439	0	0	0
29,555,049	17,502,249	12,052,800	0	0	0
0	0	0	0	0	0
5,270,763	3,539,891	1,730,872	0	0	0
1,640,182	289,689	1,350,493	152,963	152,963	0
315,464	43,623	271,841	0	0	0
5,084,243	2,784,508	2,299,735	0	0	0
476,058	156,832	319,226	0	0	0
2,815,009	1,828,865	986,144	0	0	0
0	0	0	0	0	0
15,464,808	12,730,964	2,733,844	0	0	0
1,378,108	1,017,193	360,915	0	0	0
0	0	0	0	0	0
267,000	194,484	72,516	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
261,424	257,804	3,620	0	0	0
0	0	0	0	0	0
0	0	0	8,296,841	8,195,000	101,841
0	0	0	5,267,196	5,267,196	0
<u>149,077,452</u>	<u>111,463,288</u>	<u>37,614,164</u>	<u>13,717,000</u>	<u>13,615,159</u>	<u>101,841</u>
<u>1,964,173</u>	<u>(23,126,434)</u>	<u>(25,090,607)</u>	<u>688,633</u>	<u>1,655,596</u>	<u>966,963</u>
0	16,919,725	16,919,725	0	0	0
0	(1,231,000)	(1,231,000)	0	0	0
0	33,739	33,739	0	0	0
0	0	0	(6,516,621)	(6,516,621)	0
<u>0</u>	<u>15,722,464</u>	<u>15,722,464</u>	<u>(6,516,621)</u>	<u>(6,516,621)</u>	<u>0</u>
1,964,173	(7,403,970)	(9,368,143)	(5,827,988)	(4,861,025)	966,963
3,516,077	3,516,077	0	27,750,038	27,750,038	0
7,811,733	7,811,733	0	0	0	0
<u>\$ 13,291,983</u>	<u>\$ 3,923,840</u>	<u>\$ (9,368,143)</u>	<u>\$ 21,922,050</u>	<u>\$ 22,889,013</u>	<u>\$ 966,963</u>

(continued)

**Cleveland Municipal School District**  
 Combined Statement of Revenues, Expenditures and  
 Changes in Fund Balances - (Non-GAAP Basis) Budget and Actual  
 All Governmental Fund Types and Expendable Trust Funds (continued)  
 For the Fiscal Year Ended June 30, 2000

	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
<i>Local Sources:</i>			
Taxes	\$ 0	\$ 0	\$ 0
Interest	0	507	507
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Rentals	0	0	0
Miscellaneous	1,520,000	129,066	(1,390,934)
<i>State Sources:</i>			
Unrestricted Grants-in-Aid	0	0	0
Restricted Grants-in-Aid	14,500,000	922,156	(13,577,844)
Desegregation Reimbursement	0	0	0
<i>Federal Sources:</i>			
Unrestricted Grants-in-Aid	0	0	0
Restricted Grants-in-Aid	0	0	0
<b>Total Revenues</b>	<b>16,020,000</b>	<b>1,051,729</b>	<b>(14,968,271)</b>
<b>Expenditures:</b>			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	1,609,862	1,495,254	114,608
Special	0	0	0
Vocational	0	0	0
Adult/Continuing	0	0	0
Other	0	0	0
<i>Support Services:</i>			
Pupils	0	0	0
Instructional Staff	6,694,271	4,483,040	2,211,231
Board of Education	0	0	0
Administration	0	0	0
Fiscal	0	0	0
Business	0	0	0
Operation and Maintenance of Plant	15,598,330	6,498,410	9,099,920
Pupil Transportation	0	0	0
Central	636,945	626,145	10,800
<i>Operation of Non-Instructional Services</i>			
Food Service Operations	0	0	0
Community Services	0	0	0
<i>Extracurricular Activities</i>			
Academic and Subject Oriented	0	0	0
Occupational Oriented Activities	0	0	0
Sports Oriented Activities	0	0	0
<i>Capital Outlay</i>			
Site Improvement Services	125,101	125,101	0
Architecture and Engineering Services	26,529	24,679	1,850
Building Improvement Services	2,894,865	2,879,078	15,787
Other Facilities Acquisition and Construction Services	11	11	0
<i>Debt Service:</i>			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<b>Total Expenditures</b>	<b>27,585,914</b>	<b>16,131,718</b>	<b>11,454,196</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(11,565,914)</b>	<b>(15,079,989)</b>	<b>(3,514,075)</b>
<i>Other Financing Sources (Uses):</i>			
Advances In	0	0	0
Advances Out	0	0	0
Operating Transfers In	4,198,725	4,897,765	699,040
Operating Transfers Out	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>4,198,725</b>	<b>4,897,765</b>	<b>699,040</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>(7,367,189)</b>	<b>(10,182,224)</b>	<b>(2,815,035)</b>
Fund Balances at Beginning of Year	9,238,968	9,238,968	0
Prior Year Encumbrances Appropriated	9,638,107	9,638,107	0
<b>Fund Balances at End of Year</b>	<b>\$ 11,509,886</b>	<b>\$ 8,694,851</b>	<b>\$ (2,815,035)</b>

See accompanying notes to the general purpose financial statements

Expendable Trust Funds			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 0	\$ 0	\$ 0	\$ 226,185,681	\$ 225,502,638	\$ (683,043)
0	0	0	13,781,684	16,778,692	2,997,008
0	0	0	1,008,001	1,008,001	0
4,192	4,192	0	1,049,192	1,525,684	476,492
0	0	0	100,771	100,771	0
6,565,808	4,900,401	(1,665,407)	9,710,828	6,656,987	(3,053,841)
0	0	0	283,414,704	298,515,027	15,100,323
0	0	0	71,789,596	51,060,191	(20,729,405)
0	0	0	20,000,000	20,000,000	0
0	0	0	4,673,650	4,673,650	0
0	0	0	91,797,648	35,783,628	(56,014,020)
6,570,000	4,904,593	(1,665,407)	723,511,755	661,605,269	(61,906,486)
20,500	0	20,500	275,049,873	262,868,552	12,181,321
0	0	0	102,652,238	90,680,866	11,971,372
75,530	0	75,530	20,441,016	19,646,628	794,388
0	0	0	6,378,166	4,769,920	1,608,246
0	0	0	2,145,686	2,143,784	1,902
1,624,825	943,442	681,383	30,437,098	26,723,358	3,713,740
4,849,469	2,971,111	1,878,358	63,582,462	45,401,515	18,180,947
0	0	0	243,487	215,492	27,995
121,743	52,259	69,484	47,045,235	43,876,276	3,168,959
2,108	0	2,108	9,861,099	7,913,215	1,947,884
4,989	0	4,989	1,781,830	1,256,779	525,051
289,863	149,991	139,872	81,734,540	68,096,701	13,637,839
41,183	14,528	26,655	36,522,135	33,342,162	3,179,973
908,687	190,868	717,819	36,327,960	31,109,446	5,218,514
0	0	0	106,551	82,931	23,620
0	0	0	20,159,500	17,310,505	2,848,995
9,142	220	8,922	7,676,140	5,930,394	1,745,746
0	0	0	461,231	450,120	11,111
3,000	0	3,000	2,252,767	2,117,498	135,269
0	0	0	186,894	129,742	57,152
0	0	0	1,052,479	1,050,629	1,850
0	0	0	6,966,108	6,945,497	20,611
0	0	0	702,881	638,773	64,108
0	0	0	21,780,056	21,678,215	101,841
0	0	0	12,017,196	12,012,749	4,447
7,951,039	4,322,419	3,628,620	787,564,628	706,391,747	81,172,881
(1,381,039)	582,174	1,963,213	(64,052,873)	(44,786,478)	19,266,395
0	0	0	0	18,157,725	18,157,725
0	0	0	(1,500,000)	(18,157,725)	(16,657,725)
0	0	0	10,715,346	11,448,125	732,779
0	0	0	(11,215,346)	(11,448,125)	(232,779)
0	0	0	(2,000,000)	0	2,000,000
(1,381,039)	582,174	1,963,213	(66,052,873)	(44,786,478)	21,266,395
1,463,223	1,463,223	0	177,931,488	177,931,488	0
149,173	149,173	0	65,482,943	65,482,943	0
\$ 231,357	\$ 2,194,570	\$ 1,963,213	\$ 177,361,558	\$ 198,627,953	\$ 21,266,395

(concluded)

**Cleveland Municipal School District**

Combined Statement of Revenues,  
Expenses and Changes in Retained Earnings  
All Proprietary Fund Types

For the Fiscal Year Ended June 30, 2000

(With Comparative Totals for the Fiscal Year Ended June 30, 1999)

	Proprietary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service	2000	1999
<b>Operating Revenues:</b>				
Sales	\$ 2,108,407	\$ 0	\$ 2,108,407	\$ 2,550,867
Charges for Services	6,920	1,000,000	1,006,920	1,017,480
Other	670,415	0	670,415	460,367
<b>Total Operating Revenues</b>	<b>2,785,742</b>	<b>1,000,000</b>	<b>3,785,742</b>	<b>4,028,714</b>
<b>Operating Expenses:</b>				
Salaries	7,923,629	0	7,923,629	7,894,463
Fringe Benefits	3,874,017	0	3,874,017	3,887,666
Purchased Services	1,164,086	0	1,164,086	963,570
Materials and Supplies	12,374,428	0	12,374,428	12,094,482
Depreciation	57,402	0	57,402	130,352
Claims	0	565,057	565,057	354,821
Capital Outlay	242,957	0	242,957	0
Other	120,717	0	120,717	159,640
<b>Total Operating Expenses</b>	<b>25,757,236</b>	<b>565,057</b>	<b>26,322,293</b>	<b>25,484,994</b>
<b>Operating Income (Loss)</b>	<b>(22,971,494)</b>	<b>434,943</b>	<b>(22,536,551)</b>	<b>(21,456,280)</b>
<b>Non-Operating Revenues (Expenses):</b>				
Donated Commodities	1,001,200	0	1,001,200	1,080,194
Operating Grants	19,858,798	0	19,858,798	21,246,613
<b>Total Non-Operating Revenues</b>	<b>20,859,998</b>	<b>0</b>	<b>20,859,998</b>	<b>22,326,807</b>
<b>Income (Loss) Before Operating Transfers</b>	<b>(2,111,496)</b>	<b>434,943</b>	<b>(1,676,553)</b>	<b>870,527</b>
Operating Transfers In	0	0	0	611,533
<b>Net Income (Loss)</b>	<b>(2,111,496)</b>	<b>434,943</b>	<b>(1,676,553)</b>	<b>1,482,060</b>
Retained Earnings at Beginning of Year	7,063,286	2,003,316	9,066,602	7,584,542
<b>Retained Earnings at End of Year</b>	<b>\$ 4,951,790</b>	<b>\$ 2,438,259</b>	<b>\$ 7,390,049</b>	<b>\$ 9,066,602</b>

See accompanying notes to the general purpose financial statements

**Cleveland Municipal School District**  
**Combined Statement of Cash Flows**  
**All Proprietary Fund Types**  
**For the Fiscal Year Ended June 30, 2000**  
(With Comparative Totals for the Fiscal Year Ended June 30, 1999)

	Proprietary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service	2000	1999
	<i>Increase (Decrease) In Cash and Cash Equivalents:</i>			
<i>Cash Flows from Operating Activities:</i>				
Cash Received from Customers	\$ 2,144,140	\$ 0	\$ 2,144,140	\$ 2,522,400
Cash Received from Quasi-External Transactions with Other Funds	6,920	1,000,000	1,006,920	1,017,480
Cash Received from Other Operating Sources	631,369	0	631,369	494,108
Cash Payments to Suppliers for Goods and Services	(13,046,794)	0	(13,046,794)	(12,078,520)
Cash Payments to Employees for Services	(7,835,104)	0	(7,835,104)	(8,023,388)
Cash Payments for Employee Benefits	(3,858,522)	0	(3,858,522)	(3,872,005)
Cash Payments for Claims	0	(468,625)	(468,625)	(326,503)
Cash Payments for Other Operating Activities	(120,717)	0	(120,717)	(159,640)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>(22,078,708)</b>	<b>531,375</b>	<b>(21,547,333)</b>	<b>(20,426,068)</b>
<i>Cash Flows from Noncapital Financing Activities:</i>				
Operating Grants Received	22,562,490	0	22,562,490	21,590,776
Advance In	0	0	0	0
Advance Out	0	0	0	(480,000)
Transfer In	0	0	0	611,533
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>22,562,490</b>	<b>0</b>	<b>22,562,490</b>	<b>21,722,309</b>
<i>Cash Flows Used for Capital and Related Financing Activities:</i>				
Payments for Capital Acquisitions	0	0	0	(198,588)
<b>Net Cash Used for Capital and Related Financing Activities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(198,588)</b>
Net Increase in Cash and Cash Equivalents	483,782	531,375	1,015,157	1,097,653
Cash and Cash Equivalents at Beginning of Year	5,224,584	2,590,992	7,815,576	6,717,923
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 5,708,366</b>	<b>\$ 3,122,367</b>	<b>\$ 8,830,733</b>	<b>\$ 7,815,576</b>

(continued)

**Cleveland Municipal School District**  
 Combined Statement of Cash Flows  
 All Proprietary Fund Types (continued)  
 For the Fiscal Year Ended June 30, 2000  
 (With Comparative Totals for the Fiscal Year Ended June 30, 1999)

	Proprietary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service	2000	1999
<i>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</i>				
<i>Operating Income (Loss)</i>	\$ (22,971,494)	\$ 434,943	\$ (22,536,551)	\$ (21,456,280)
Depreciation	57,402	0	57,402	130,352
Donated Commodities Used During Year	1,001,200	0	1,001,200	1,080,194
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	36,792	0	36,792	(18,967)
(Increase) Decrease in Intergovernmental Receivable	(3,800)	0	(3,800)	24,241
(Increase) Decrease in Materials and Supplies Inventory	(566,593)	0	(566,593)	328,724
Increase (Decrease) in Accounts Payable	(52,984)	(2,311)	(55,295)	(183,455)
Increase (Decrease) in Accrued Wages and Benefits	69,462	0	69,462	(119,776)
Increase (Decrease) in Intergovernmental Payable	0	0	0	14,307
Increase/(Decrease) in Deferred Revenue	351,307	0	351,307	(251,415)
Increase (Decrease) in Claims Payable	0	98,743	98,743	26,007
<i>Total Adjustments</i>	<u>892,786</u>	<u>96,432</u>	<u>989,218</u>	<u>1,030,212</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$ (22,078,708)</u>	<u>\$ 531,375</u>	<u>\$ (21,547,333)</u>	<u>\$ (20,426,068)</u>

See accompanying notes to the general purpose financial statements

(concluded)



**Cleveland Municipal School District**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

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**Note 1 - Description of The School District And Reporting Entity**

The Board of Education of the Cleveland Municipal School District (the "Board") is a political and corporate body charged with the responsibility of managing and controlling the affairs of the School District, and is, together with the School District, governed by the general laws of the State of Ohio (the "Ohio Revised Code"). The Board is comprised of nine members who were appointed by the Mayor of the City of Cleveland on September 9, 1998 and whose terms run until June 30, 2003.

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

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

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

**Cleveland Municipal School District**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

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***A. Desegregation Court Case***

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

In May 1994, the Court issued a Consent Decree implementing a Settlement Agreement (the Agreement) approved by all parties to the case. The Agreement, which is designed to bring Reed v. Rhodes to an orderly and just resolution, calls for a seven-year phaseout period which began July 1, 1993, after which the defendants shall be released from all further obligations thereunder. An integral part of the Agreement is the School District's implementation of Vision 21, a seven-year educational improvement and desegregation plan to improve the educational achievement of children in the School District. The provisions of the Agreement will be funded jointly by the State and the School District. The State will provide \$295 million over the seven-year period, while the School District will match \$275 million of the State's payments. For the fiscal year ended June 30, 2000, the School District has received \$20 million of the State's desegregation payments. Through June 30, 2000, the School District has received \$295 million of the \$295 million, including all \$20 million not requiring a match.

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

***B. State Assumption of Control***

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

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

**Cleveland Municipal School District**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

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

***C. Change in Governance Structure***

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

***D. Fiscal Emergency/Watch***

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

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

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

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

**Cleveland Municipal School District**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

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Section 3316.03, Revised Code, requires the Cleveland Municipal School District to remain in a state of fiscal watch for the duration of the repayment period of any restructured loan issued while in a state of fiscal emergency. The debt, authorized under Section 3316.06, Revised Code, will mature on June 1, 2007. At the time of termination of the Commission, an effective financial accounting and reporting system had not been implemented. Section 3316.16(E) Revised Code, requires the Auditor of State to monitor the progress of implementation and exercise authority under this section and Chapter 117, Revised Code, to secure full implementation within two years.

***E. Financial Reporting Entity***

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

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

**Note 2 - Summary of Significant Accounting Policies**

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

**Cleveland Municipal School District**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

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***A. Basis Of Presentation - Fund Accounting***

The School District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

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

*Governmental Fund Types:*

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

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

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

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

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

*Proprietary Fund Types:*

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

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

**Cleveland Municipal School District**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

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

Internal Service Fund - This fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis.

*Fiduciary Fund Types:*

Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include expendable trust and agency funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

*Account Groups:*

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

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

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

***B. Measurement Focus and Basis of Accounting***

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

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

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

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

**Cleveland Municipal School District**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

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

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

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

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund types. Revenues are recognized when they are earned and become measurable, and expenses are recognized when they are incurred, if measurable. The fair value of donated commodities used during the year is reported on the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

***C. Budgetary Data***

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

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

*Tax Budget*

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

**Cleveland Municipal School District**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

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*Estimated Resources*

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

*Appropriations*

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

*Encumbrances*

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

*Lapsing of Appropriations*

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



**Cleveland Municipal School District**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

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***D. Cash and Investments***

To improve cash management, all cash received by the School District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the balance sheet.

The School District utilizes a fiscal agent to hold monies set aside for debt service payments. Monies are placed with a fiscal agent to ensure adequate payment of debt when it comes due. The balances in these accounts are presented on the balance sheet as "cash and cash equivalents with fiscal agents" and "investments with fiscal agents".

During fiscal year 2000, investments were limited to STAR Ohio, repurchase agreements, treasury notes, federal agency securities, commercial paper, and Armada Government Money Market.

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

The School District has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during fiscal year 2000. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on June 30, 2000.

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

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

***E. Restricted Assets***

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve and a bus purchase reserve. These reserves are required by State statute. The budget stabilization reserve can be used only after receiving approval from the State Superintendent of Public Instruction. The bus purchase reserve can only be spent for qualifying bus purchase expenditures. The bus purchase reserve was established in fiscal year 1999 from property tax receipts set aside for bus purchases. A fund balance reserve for both types of restricted assets has also been established. See Note 19 for further discussion.

***F. Materials and Supplies Inventory***

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is

**Cleveland Municipal School District**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

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recorded as an expenditure in the governmental fund types when purchased. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available expendable resources even though it is a component of net current assets. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale and are expensed when used.

***G. Fixed Assets and Depreciation***

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. In fiscal year 2000, the School District changed its capitalization threshold from two thousand dollars to five thousand dollars, which reduced fixed assets by \$86.9 million. The School District does not have any infrastructure.

Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of general fixed assets is also not capitalized.

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

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

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

***H. Intergovernmental Revenues***

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

**Cleveland Municipal School District**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

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***I. Interfund Assets and Liabilities***

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

***J. Compensated Absences***

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

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

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

***K. Accrued Liabilities and Long-Term Obligations***

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

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

***L. Contributed Capital***

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

**Cleveland Municipal School District**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

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***M. Interfund Transactions***

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

***N. Fund Balance Reserves and Designations***

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

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

***O. Estimates***

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

***P. Totals - Memorandum Only Columns***

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

***Q. Comparative Data***

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the School District's financial position and operations. Certain restatements and reclassifications have been made to the 1999 comparative data to conform with current year presentation. However, comparative data have not been presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual, as their inclusion would make the statements unduly complex.

**Cleveland Municipal School District**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

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**Note 3 - Fund Deficits and Legal Compliance**

**A. Fund Deficits**

The Administrative Special Trust expendable trust fund had a recurring deficit of \$20,727 at June 30, 2000. The School District is analyzing these funds to determine the appropriate action to alleviate the deficit.

**B. Accountability**

The following accounts had expenditures plus encumbrances in excess of appropriations contrary to Ohio Revised Code Section 5705.41.

Fund/Function	Appropriation	Expenditure	Excess
<b>General Fund</b>			
Operating Transfers Out	\$ 4,698,725	\$ 4,931,504	\$ 232,779

**Note 4 - Budgetary Basis of Accounting**

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures for all funds (budget) rather than as a reservation of fund balance for governmental fund types (GAAP).
4. Principal payments on short-term note obligations are reported on the operating statement (budget) rather than on the balance sheet (GAAP).

**Cleveland Municipal School District**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

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

Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses Governmental Fund Types and Expendable Trust Funds					
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>
GAAP Basis	\$ 23,652,396	\$ 870,098	(\$5,625,665)	(\$ 3,724,628)	\$ (382,144)
Net Adjustment for Revenue Accruals	9,544,563	(14,849,111)	764,640	0	1,757,439
Advance In	1,238,000	16,919,725	0	0	0
Advance Out	(16,926,725)	(1,231,000)	0	0	0
Principal Retirement	(12,135,000)	0	0	0	0
Net Adjustment for Expenditure Accruals	8,496,856	(1,157,750)	0	489,219	197,137
Encumbrances	<u>(36,791,523)</u>	<u>(7,955,932)</u>	<u>0</u>	<u>(6,946,815)</u>	<u>(990,258)</u>
Budget Basis	<u>(\$22,921,433)</u>	<u>(\$7,403,970)</u>	<u>(\$4,861,025)</u>	<u>(\$10,182,224)</u>	<u>\$ 582,174</u>

**Note 5 - Deposits and Investments**

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

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

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

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

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

**Cleveland Municipal School District**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

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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 obligation's of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

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

**Cleveland Municipal School District**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

**A. Deposits**

At fiscal year end, the carrying amount of the School District's deposits was (\$8,817,095) and the bank balance was \$686,386. Of the bank balance, \$201,100 was covered by federal depository insurance and \$485,286 uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, non-compliance by the financial institution with federal requirements would potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

**B. Investments**

The School District's investments are required to be categorized to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the School District's name. The School District's investment in STAR Ohio, an investment pool operated by the Ohio State Treasurer, is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

	Category 3	Carrying Value	Fair Value
Repurchase Agreements	\$ 674,000	\$ 674,000	\$ 674,000
Money Market Mutual Funds	15,257,514	15,257,514	15,257,514
Corporate Notes and Bonds	2,588,708	2,588,708	2,588,708
U.S. Agency Obligations	482,579	482,579	482,579
Investment in STAR Ohio		252,620,617	252,620,617
Total		\$ 271,623,418	\$ 271,623,418

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



**Cleveland Municipal School District**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

	Cash and Cash Equivalents	Investments
GASB Statement No. 9	\$ 259,735,036	\$ 3,071,287
Investments which are part of a cash management pool:		
STAR Ohio	(252,620,617)	252,620,617
Repurchase Agreement	(674,000)	674,000
Money Market Mutual Funds	(15,257,514)	15,257,514
GASB Statement 3	\$ (8,817,095)	\$ 271,623,418

**Note 6 - Property Taxes**

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

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

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30 and are intended to finance the fiscal year in which they are paid. This year the June 2000 tangible personal property tax settlement was not received until July of 2000.

The School District receives property taxes through the Cuyahoga County Auditor. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2000 are available to finance fiscal year 2000 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

**Cleveland Municipal School District**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

Accrued property taxes receivable represent delinquent taxes outstanding, the late settlement of personal property taxes and real property, tangible personal property, and public utility taxes which became measurable as of June 30, 2000. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2000, was \$11,450,195 in the general fund and \$933,917 in the debt service fund.

The assessed values upon which the fiscal year 2000 taxes were collected are (in thousands):

	1999 Second- Half Collections		2000 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential And Other Real Estate	\$4,116,029	74.68%	\$4,139,968	74.73%
Public Utility Personal	479,223	8.70	444,748	8.03
Tangible Personal Property	915,905	16.62	955,316	17.24
	\$5,511,157	100.00%	\$5,540,032	100.00%
Tax rate per \$1,000 of Assessed valuation	<u>\$61.00</u>		<u>\$60.80</u>	

**Note 7 - Receivables**

Receivables at June 30, 2000, consisted of taxes, accounts (rent and student fees) and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. A summary of the principal items of intergovernmental receivables follows:

Intergovernmental Receivables	Amounts
General Fund	
City of Cleveland	\$ 1,085,632
Miscellaneous	28,741
Various School Districts	170,774
Total General Fund	1,285,147
Special Revenue Funds:	
Other State	139,089
Adult Basic Education	1,987,171
JTPA/OWA Youth	316,644
Title VI-B	3,746,329
Scientific Personnel Improvement	1,203,064

**Cleveland Municipal School District**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

Title I	\$16,408,535
Title VI	600,940
Drug Free Schools	442,266
Miscellaneous Federal Grants	648,564
Other Federal	4,354
Total Special Revenue Funds	<u>25,496,956</u>
Enterprise Funds:	
Consumer Services Rotary	7,160
Child Care Center	16,992
Total Enterprise Funds	<u>24,152</u>
Expendable Trust Fund:	
Educational Special Trust	<u>445,639</u>
Total Intergovernmental Receivables	<u><u>\$27,251,894</u></u>

**Note 8 - Fixed Assets**

A summary of the enterprise fund fixed assets at June 30, 2000, follows:

	Totals
Land and Improvements	\$ 286,348
Buildings and Improvements	932,894
Furniture and Equipment	3,705,741
Less Accumulated Depreciation	<u>(4,458,228)</u>
Net Fixed Assets	<u><u>\$ 466,755</u></u>

A summary of the changes in general fixed assets during fiscal year 2000 follows:

	Balance June 30, 1999	Additions	Deletions	Balance June 30, 2000
Land and Improvements	\$ 29,650,047	\$ 129,756	\$ 0	\$ 29,779,803
Buildings and Improvements	302,677,162	5,004,247	0	307,681,409
Furniture and Equipment	<u>26,643,412</u>	<u>5,013,915</u>	<u>45,155</u>	<u>31,612,172</u>
Total	<u><u>\$ 358,970,621</u></u>	<u><u>\$10,147,918</u></u>	<u><u>\$45,155</u></u>	<u><u>\$369,073,384</u></u>

The School District raised its capitalization threshold from \$2,000 to \$5,000. This resulted in a \$86.9 million reduction in the June 30, 1999 balance above.

**Cleveland Municipal School District**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

**Note 9 - Risk Management**

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

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

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

Because of the prohibitive cost of commercial insurance, the School District in 1987, established a self insurance fund (an internal service fund) to account for and finance its uninsured risks of loss and associated expenses attributing to general liability and property damage claim settlements and judgments. Estimates of claims liabilities, based on historical cost information, for incurred claims (including incurred but not reported claims) as calculated by the School District's third party administrator for all outstanding unsettled claims total \$684,108 as of June 30, 2000, and are recorded in the self insurance internal service fund.

The School District participates in the Ohio Bureau of Workers' Compensation (the Bureau) Retrospective Rating Plan. Under the retrospective rating plan, the School District assumes a portion of the risk in return for a reduction in current premiums. Current limits for claims incurred in calendar year 2000 are no limit per claim and \$10,488,862 in the aggregate. Estimates of claims liabilities based on actuarial methods, for incurred claims as calculated by the Bureau for the cumulative retrospective rating period January 1, 1991, through June 30, 2000, total \$10,491,000 and are recorded, in addition to an estimate for incurred but not reported (IBNR) claims totaling \$7,899,000, in the general long-term obligations account group. Additionally, claims in process amounting to \$4,206,104 are recorded as claims payable in the general fund.

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

The claims liability of \$23,280,212 reported in the general and internal service funds and general long-term obligations account group at June 30, 2000, is based on the requirements of GASB No. 10 which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in claims activity for the past two fiscal years are as follows:

**Cleveland Municipal School District**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
1999	\$18,849,358	\$7,065,315	\$4,954,402	\$20,960,271
2000	20,960,271	4,754,162	2,434,221	23,280,212

**Note 10 - Defined Benefit Pension Plans**

***A. School Employees Retirement System***

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

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2000, 5.5 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 1999, 7.7 percent was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The School District's contributions to SERS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$14,019,207, \$14,021,384 and \$14,166,745, respectively. 72.64% has been contributed for fiscal year 2000 and 100% for fiscal years 1999 and 1998. \$3,835,806 representing the unpaid contribution for fiscal year 2000 is recorded as a liability within the respective funds and the general long-term obligations account group.

***B. State Teachers Retirement System***

The School District participates in the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

For fiscal year ended June 30, 2000, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 6.0 percent was the portion used to fund pension obligations. For fiscal year 1999, the portion used to fund pension obligations was 10.5 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$47,211,703, \$43,916,607, and \$53,759,438, respectively. 93.11% has been contributed

**Cleveland Municipal School District**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

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for fiscal year 2000 and 100% for fiscal years 1999 and 1998. \$3,251,321 representing the unpaid contribution for fiscal year 2000 is recorded as a liability within the respective funds.

***C. Social Security System***

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

**Note 11 - Post Employment Benefits**

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

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2000, the STRS Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$24,436,416 during fiscal 2000.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$2,783 million at June 30, 1999 (the latest information available). For the year ended June 30, 1999, net health care costs paid by STRS were \$249,929,000 and STRS had 95,796 eligible benefit recipients.

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2000, employer contributions to fund health care benefits were 8.5 percent of covered payroll, an increase of 2.2 percent over the prior fiscal year. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2000, the minimum pay has been established at \$12,400.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 1999 (the latest information available) were \$126,380,984 and the target level was \$189.6 million. At June 30, 1999, SERS had net assets

**Cleveland Municipal School District**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

available for payment of health care benefits of \$188.0 million. SERS has approximately 51,000 participants currently receiving health care benefits. For the School District, the amount to fund health care benefits, including the surcharge, equaled \$8,941,766 during the 2000 fiscal year.

**Note 12 - Employee Benefits**

**A. Compensated Absences**

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn five to thirty days of vacation per year, depending upon length of service and hours worked. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time. School District employees earn sick leave which, if not taken, accumulates until retirement. Upon retirement, the Cleveland Teachers' Union (CTU) contract provides for payments of accumulated sick leave up to 40 percent or \$40,000 (whichever is lower) for fiscal years 1997 through 2000. Remaining employees receive payment for up to 30 percent (varying by bargaining group) of accumulated sick leave up to varying maximums of as much as \$30,000.

**B. Insurance**

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

**Note 13 - Long Term Obligations**

Changes in long-term obligations of the School District during fiscal year 2000 were as follows:

	Principal Outstanding 6/30/99	Additions	Retirements	Principal Outstanding 6/30/00
<b>General Long-Term Obligations</b>				
<i>General Obligation Bonds:</i>				
1992 Library Improvement Bonds	\$ 72,400,000	\$ 0	\$ 3,735,000	\$ 68,665,000
1992 School Improvement Refunding Bonds	18,300,000	0	4,460,000	13,840,000
1992 School Improvement Capital Appreciation Bonds	21,930,387	1,299,152	0	23,229,539
1994 6.53% Energy Conservation Improvement Bonds	8,160,000	0	1,280,000	6,880,000
<i>Total General Obligation Bonds</i>	<u>120,790,387</u>	<u>1,299,152</u>	<u>9,475,000</u>	<u>112,614,539</u>
<i>Compensated Absences</i>	35,437,807	7,645,975	0	43,083,782
<i>Workers' Compensation Claims</i>	16,511,000	3,846,907	1,967,907	18,390,000
<i>Pension Obligation</i>	5,136,030	5,812,913	5,136,030	5,812,913
<i>EPA Loans</i>	539,141	0	68,214	470,927
<b>Total General Long-Term Obligations</b>	<u><u>\$178,414,365</u></u>	<u><u>\$18,604,947</u></u>	<u><u>\$16,647,151</u></u>	<u><u>\$180,372,161</u></u>

**Cleveland Municipal School District**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

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

School Improvement Refunding Bonds - On August 12, 1992, the School District issued \$80,554,320 in voted general obligation bonds for the purpose of advance refunding the outstanding balance of the school improvement bonds of \$70,290,000. The school improvement refunding issuance consists of \$65,895,000 of current interest serial bonds which have yield rates ranging from 2.55 to 5.40 percent, and \$14,659,320 of capital appreciation (zero coupon) serial bonds which have yield rates ranging from 5.70 to 6.15 percent. The refunding bonds replaced bonds, which had interest rates ranging from 5.125 to 9.0 percent. The bond was issued for an eighteen-year period with final maturity at December 1, 2002 for the current interest bonds and December 1, 2008 for the capital appreciation bonds. Because of the deep discount associated with the issuance of capital appreciation bonds (otherwise known as zero-coupon bonds), the School District records the annual accretion of discount interest in the general long-term obligations account group. The bonds will be retired from the debt service fund. As of June 30, 2000, the remaining \$9,150,000 of the refunded school improvement bonds are considered defeased by assets of \$6,399,530 (market value of \$9,622,945) held in the irrevocable trust.

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

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

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

The School District's overall legal debt margin was \$406,769,510 with an unvoted debt margin of \$5,540,032 at June 30, 2000.

Principal and interest requirements to retire general obligation debt, including EPA loans, outstanding at June 30, 2000, are as follows:



**Cleveland Municipal School District**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

Fiscal Year Ended June 30	Principal	Interest	Total
2001	\$10,033,214	\$5,265,295	\$ 15,298,509
2002	10,578,214	4,710,985	15,289,199
2003	11,006,761	4,077,461	15,084,222
2004	11,018,599	4,219,675	15,238,274
2005	10,234,632	4,077,769	14,312,401
Thereafter	60,214,046	17,216,895	77,430,941
<b>Total</b>	<b>\$113,085,466</b>	<b>\$39,568,080</b>	<b>\$ 152,653,546</b>

**Note 14 - Notes Payable**

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

	Balance 6/30/99	Issued	Retired	Balance 6/30/00
<b>General Fund:</b>				
1997 4.60%-5.75%				
Revenue Anticipation Notes	\$116,470,000	\$ 0	(\$12,135,000)	\$104,335,000

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

Principal and interest requirements to retire notes outstanding at June 30, 2000 are as follows:

Fiscal Year Ended June 30	Principal	Interest	Total
2001	\$ 12,740,000	\$ 5,626,525	\$ 18,366,525
2002	13,380,000	4,989,525	18,369,525
2003	14,050,000	4,320,525	18,370,525
2004	14,725,000	3,646,125	18,371,125
2005	15,605,000	2,762,625	18,367,625
Thereafter	33,835,000	2,903,125	36,738,125
	<b>\$104,335,000</b>	<b>\$24,248,450</b>	<b>\$128,583,450</b>

**Cleveland Municipal School District**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

**Note 15 - Related Organization**

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

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

City of Cleveland - In November 1998, the Mayor of the City of Cleveland was given appointment authority for the Cleveland Municipal School District. As approved by the State legislature, the Ohio Revised Code provided for the Mayor to appoint a Chief Executive Officer who was to be approved by the Board of Education. Mrs. Barbara Byrd-Bennett was appointed to the position of Chief Executive Officer by the Mayor on November 16, 1998 and was approved by the Board of Education. The Board of Education is comprised of nine members who were appointed by the Mayor from a pool of candidates presented to the Mayor by an independent nominating panel. The City of Cleveland accountability for the School District does not extend beyond appointment authority and therefore the School District is considered to be a related organization rather than a component unit of the City of Cleveland. A copy of the City of Cleveland's comprehensive annual financial report can be obtained from the Finance Director of the City of Cleveland at 601 Lakeside Avenue, Cleveland, Ohio 44114.

**Note 16 - Interfund Transactions**

As of June 30, 2000, receivable and payables that resulted from various interfund transactions were as follows:

Fund	Receivable	Payable
General	\$20,076,725	\$ 310,763
Special Revenue Funds:		
Other State	0	114,000
Adult Basic Education	0	1,571,500
JTPA/OWA Youth	0	275,000
Title VI-B	0	2,785,000
Scientific Personnel Improvement	0	1,180,000
Title I	0	10,677,000
Drug Free Schools	0	317,000
Other Federal	0	225
Total Special Revenue Funds	0	16,919,725
Debt Service	0	3,150,000

**Cleveland Municipal School District**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

Fiduciary Fund:		
Administrative Special Trust	\$ 0	\$ 7,000
Agency	310,763	0
Total Fiduciary Fund	<u>310,763</u>	<u>7,000</u>
 Total All Funds	 <u>\$20,387,488</u>	 <u>\$20,387,488</u>

**Note 17 - State School Funding Decision**

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in that system. Declared unconstitutional was the State's "school foundation program" which provides significant amounts of monetary support to the School District. During the fiscal year ended June 30, 2000, the School District received \$278,588,000 of school foundation support for its general fund, and \$317,550,000 in total (all funds) support.

In addition, the Court declared the spending reserve borrowing program and the emergency school loan assistance program unconstitutional. The spending reserve program allowed the School District to borrow against amounts anticipated to be collected from tangible personal property taxes after the School District's June 30 fiscal year end. During the fiscal year ended June 30, 2000, the School District did not borrow under this program. Historically, the School District had relied on this borrowing to meet their cash flow needs at the end of each fiscal year. State statute has been amended to gradually decrease the annual amount that may be borrowed under this program. The need for continued borrowing will depend on the level of funding adopted by the State legislature in response to the Supreme Court decision.

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

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the Ohio General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient," clause of the Ohio Constitution. The State appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Ohio Supreme Court rendered an opinion on this issue. The Court concluded, "...the mandate of the [Ohio] Constitution has not been fulfilled." The Court's majority recognized efforts by the Ohio General Assembly taken in response to the Court's March 24, 1997, decision, however, it found seven "...major areas warrant further attention, study, and development by the General Assembly...", including the State's reliance on local property tax funding, the state's basic aid formula, the school foundation program, as discussed above, the mechanism for, and adequacy of, funding for school facilities, and the existence of the State's School Solvency Assistance Fund, which the Court found took the place of the unconstitutional emergency school loan assistance program.

**Cleveland Municipal School District**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

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The Court decided to maintain jurisdiction over these issues and continued the case at least until June 15, 2001.

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

**Note 18 - Contingencies**

***A. Grants***

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions 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, 2000.

***B. Litigation***

The School District is party to various legal proceedings. The School District is of the opinion that ultimate disposition of all such claims will not have a material effect, if any, on the financial condition of the School District.

**Note 19 - Set Asides**

The School District is required by State statute to annually set aside in the general fund an amount based upon statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by fiscal year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years. The School District is also required to set aside money for budget stabilization and 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, capital acquisitions, budget stabilization, and bus purchases. Disclosure of this information is required by State statute.

**Cleveland Municipal School District**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

	Textbooks	Capital Improvements	Budget Reserve	Total
Set-aside balance carried forward at July 1, 1999	\$ 0	\$ 0	\$ 3,347,000	
Current year set-aside requirement	11,977,103	11,977,103	4,053,000	
Qualifying expenditures	(\$22,585,179)	(14,075,160)	0	
Total	<u>(\$10,608,076)</u>	<u>(\$2,098,057)</u>	<u>\$ 7,400,000</u>	
Cash balance carried forward to fiscal year 2000-2001				\$7,400,000
Amount restricted for bus purchases				1,672,481
Total restricted assets				<u>\$9,072,481</u>

Although the School District had qualifying disbursements during the year that reduced the set-aside amounts to below zero for both textbooks and capital improvements, the extra amount for capital improvements may not be used to reduce the set-aside requirements of future years. However, the extra amount for textbooks may be used to reduce future set-aside requirements.

**Note 20 - Segment Information for Enterprise Funds**

The School District maintains three Enterprise funds to account for the operations of food service, consumer services and child care center. The table below reflects in a summarized format the more significant financial data relating to the Enterprise Funds of the Cleveland Municipal School District as of and for the fiscal year ended June 30, 2000.

	Food Service	Consumer Services Rotary	Child Care Center	Totals
Operating Revenues	\$ 2,257,262	\$ 303,390	\$ 225,090	\$ 2,785,742
Depreciation Expense	57,402	0	0	57,402
Operating Income (Loss)	(23,214,812)	21,845	221,473	(22,971,494)
Federal Donated Commodities	1,001,200	0	0	1,001,200
Operating Grants	19,858,798	0	0	19,858,798
Net Income (Loss)	(2,354,814)	21,845	221,473	(2,111,496)
Fixed Asset Additions	0	0	0	0
Net Working Capital	4,620,773	195,661	194,162	5,010,596
Total Assets	6,820,807	201,574	194,287	7,216,668
Total Long-Term Liabilities	525,043	384	134	525,561
Total Equity	4,562,485	195,277	194,028	4,951,790

**Cleveland Municipal School District**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2000

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**Note 21 - Contractual Commitments**

As of June 30, 2000, the Cleveland Municipal School District had contractual commitments outstanding for roof repair in the amount of \$4.3 million.

**Note 22 - Jointly Governed Organizations**

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

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

**Note 23 – Restatement of Prior Year's Fund Balance**

Certain revenues and expenditures were reclassified from the General Fund to the School Facility Grant Fund. The fund balance at the beginning of the year has been increased in the General Fund by \$10,254,624 and reduced in the School Facility Grant Fund by \$10,254,624.

**Note 24 – Subsequent Events**

The District's workforce consists primarily of employees represented by labor unions. Contracts with all of these labor unions expired subsequent to fiscal year-end on August 31, 2000. Prior to their expiration, all of these contracts were renewed until August 31, 2003.

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# CLEVELAND MUNICIPAL SCHOOL DISTRICT

## SPECIAL REVENUE FUNDS

### COMBINING FINANCIAL STATEMENTS

**SPECIAL REVENUE FUNDS ARE ESTABLISHED TO ACCOUNT FOR REVENUES FROM SPECIFIC SOURCES WHICH LEGALLY, OR OTHERWISE, ARE RESTRICTED TO EXPENDITURES FOR SPECIFIC PURPOSES**

#### **LOCAL FUNDS**

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

**Other Local Funds** - This fund accounts for all activity in other local funds including Public School Support, Library Automated Systems and School Improvement Models.

#### **STATE FUNDS**

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

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

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

**Other State Funds** - This fund accounts for all activity in other state funds including Disadvantaged Pupil Program, Consumer Education, Career Development, Post-Secondary Vocational Education, Teacher Development, Early Childhood Education, Career Enhancement, Adolescent Pregnancy Prevention, Gifted Learners, Management Information Systems, School Building Incentive Grant, Public School Preschool, Entry Year Programs, Public/Private Match Grant, Data Support Communications, School Net Professional Development, Textbook Subsidy, Ohio Reads and Alternate Schools.

#### **FEDERAL FUNDS**

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



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

**Title VI-B Fund** - This fund accounts for federal monies used to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least restricted 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.

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

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

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

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

**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 NDEA Title III, Bilingual Education, Transition for Refugee, Emergency Immigrant Assistance and Early Childhood Educational Development.

## Cleveland Municipal School District

Combining Balance Sheet

All Special Revenue Funds

June 30, 2000

(With Comparative Totals for June 30, 1999)

	Student Activities	Other Local	Auxiliary Services	DPIA
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 754,946	\$ 1,657,337	\$ 2,991,654	\$ 0
Receivables:				
Intergovernmental	0	0	0	0
<b>Total Assets</b>	<b>\$ 754,946</b>	<b>\$ 1,657,337</b>	<b>\$ 2,991,654</b>	<b>\$ 0</b>
 <b>Liabilities:</b>				
Accounts Payable	\$ 44,410	\$ 18,347	\$ 314,921	\$ 0
Accrued Wages and Benefits	0	1,540	431,439	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	368	0	0	0
Deferred Revenue	0	0	2,245,294	0
<b>Total Liabilities</b>	44,778	19,887	2,991,654	0
 <b>Fund Equity:</b>				
Fund Balance:				
Reserved for Encumbrances	16,522	48,939	803,764	0
Unreserved, Undesignated (Deficit)	693,646	1,588,511	(803,764)	0
<b>Total Fund Equity</b>	710,168	1,637,450	0	0
<b>Total Liabilities and Fund Equity</b>	<b>\$ 754,946</b>	<b>\$ 1,657,337</b>	<b>\$ 2,991,654</b>	<b>\$ 0</b>

Miscellaneous State Grants	Other State	Adult Basic Education	JTPA/ OWA Youth	Title VI-B	Vocational Education
\$ 1,144,809	\$ 2,750,075	\$ 887	\$ 1,764	\$ 33,588	\$ 808,295
0	139,089	1,987,171	316,644	3,746,329	0
<u>\$ 1,144,809</u>	<u>\$ 2,889,164</u>	<u>\$ 1,988,058</u>	<u>\$ 318,408</u>	<u>\$ 3,779,917</u>	<u>\$ 808,295</u>
\$ 121,340	\$ 8,948	\$ 20,507	\$ 13,722	\$ 45,877	\$ 36,159
98,664	101,689	395,632	29,686	949,040	226,154
0	114,000	1,571,500	275,000	2,785,000	0
0	0	419	0	0	0
924,805	2,664,519	0	0	0	545,982
<u>1,144,809</u>	<u>2,889,156</u>	<u>1,988,058</u>	<u>318,408</u>	<u>3,779,917</u>	<u>808,295</u>
365,546	140,931	89,313	440,880	278,860	1,572,923
<u>(365,546)</u>	<u>(140,923)</u>	<u>(89,313)</u>	<u>(440,880)</u>	<u>(278,860)</u>	<u>(1,572,923)</u>
0	8	0	0	0	0
<u>\$ 1,144,809</u>	<u>\$ 2,889,164</u>	<u>\$ 1,988,058</u>	<u>\$ 318,408</u>	<u>\$ 3,779,917</u>	<u>\$ 808,295</u>

(continued)

**Cleveland Municipal School District**

Combining Balance Sheet

All Special Revenue Funds (continued)

June 30, 2000

(With Comparative Totals for June 30, 1999)

	Scientific Personnel Improvement	Title I	Title VI
<b>Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 811	\$ 1,234	\$ 253,852
Receivables:			
Intergovernmental	1,203,064	16,408,535	600,940
<b>Total Assets</b>	<b>\$ 1,203,875</b>	<b>\$ 16,409,769</b>	<b>\$ 854,792</b>
<b>Liabilities:</b>			
Accounts Payable	\$ 55	\$ 208,427	\$ 96,736
Accrued Wages and Benefits	23,820	4,131,432	102,954
Interfund Payable	1,180,000	10,677,000	0
Intergovernmental Payable	0	2,341	0
Deferred Revenue	0	1,390,569	655,102
<b>Total Liabilities</b>	<b>1,203,875</b>	<b>16,409,769</b>	<b>854,792</b>
<b>Fund Equity:</b>			
Fund Balance:			
Reserved for Encumbrances	87,470	1,656,449	256,193
Unreserved, Undesignated (Deficit)	(87,470)	(1,656,449)	(256,193)
<b>Total Fund Equity</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 1,203,875</b>	<b>\$ 16,409,769</b>	<b>\$ 854,792</b>

Drug Free Schools	Miscellaneous Federal Grants	Other Federal	TOTALS	
			2000	1999
\$ 1,152	\$ 1,402,854	\$ 76,511	\$ 11,879,769	\$ 11,327,811
442,266	648,564	4,354	25,496,956	7,938,553
<u>\$ 443,418</u>	<u>\$ 2,051,418</u>	<u>\$ 80,865</u>	<u>\$ 37,376,725</u>	<u>\$ 19,266,364</u>
\$ 2,430	\$ 357,742	\$ 1,579	\$ 1,291,200	\$ 2,441,164
123,988	524,815	19,512	7,160,365	7,171,152
317,000	0	225	16,919,725	1,231,000
0	0	0	3,128	0
0	1,168,861	59,549	9,654,681	6,945,520
443,418	2,051,418	80,865	35,029,099	17,788,836
81,184	973,307	116,506	6,928,787	7,766,514
(81,184)	(973,307)	(116,506)	(4,581,161)	(6,288,986)
0	0	0	2,347,626	1,477,528
<u>\$ 443,418</u>	<u>\$ 2,051,418</u>	<u>\$ 80,865</u>	<u>\$ 37,376,725</u>	<u>\$ 19,266,364</u>

**Cleveland Municipal School District**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
All Special Revenue Funds  
For the Fiscal Year Ended June 30, 2000  
(With Comparative Totals for the Fiscal Year Ended June 30, 1999)

	Student Activities	Other Local	Auxiliary Services	DPIA
<b>Revenues:</b>				
<i>Local Sources:</i>				
Interest	\$ 0	\$ 0	\$ 226,872	\$ 0
Tuition and Fees	0	0	0	0
Extracurricular Activities	825,329	696,163	0	0
Miscellaneous	0	0	0	0
<i>State Sources:</i>				
Restricted Grants-in-Aid	0	672,431	6,771,511	39,175,178
<i>Federal Sources:</i>				
Restricted Grants-in-Aid	0	0	0	0
<b>Total Revenues</b>	<b>825,329</b>	<b>1,368,594</b>	<b>6,998,383</b>	<b>39,175,178</b>
<b>Expenditures:</b>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	0	0	0	38,961,625
Special	0	0	0	0
Vocational	0	0	0	0
Adult/Continuing	0	0	0	0
Other	0	0	0	0
<i>Support Services:</i>				
Pupils	0	0	0	213,553
Instructional Staff	0	181,738	0	0
Administration	0	2	0	0
Fiscal	0	0	0	0
Business	0	0	0	0
Operation and Maintenance of Plant	0	29,094	56,075	0
Pupil Transportation	0	100	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	0	6,942,308	0
Extracurricular Activities	676,294	436,597	0	0
Capital Outlay	0	0	0	0
<b>Total Expenditures</b>	<b>676,294</b>	<b>647,531</b>	<b>6,998,383</b>	<b>39,175,178</b>
Excess of Revenues Over (Under) Expenditures	149,035	721,063	0	0
<b>Other Financing Sources :</b>				
Operating Transfers In	0	0	0	0
<b>Total Other Financing Sources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	149,035	721,063	0	0
Fund Balances at Beginning of Year	561,133	916,387	0	0
<b>Fund Balances at End of Year</b>	<b>\$ 710,168</b>	<b>\$ 1,637,450</b>	<b>\$ 0</b>	<b>\$ 0</b>

Miscellaneous State Grants	Other State	Adult Basic Education	JTPA/ OWA Youth	Title VI-B	Vocational Education
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	12,837	0	0	0	0
0	0	0	0	0	0
0	47,960	0	0	0	0
1,476,655	1,194,642	49,201	0	0	0
0	0	2,455,851	2,013,222	5,834,903	2,549,147
<u>1,476,655</u>	<u>1,255,439</u>	<u>2,505,052</u>	<u>2,013,222</u>	<u>5,834,903</u>	<u>2,549,147</u>
19,310	246,451	0	500	0	0
0	8	151,732	0	1,633,303	0
135,851	0	0	0	0	1,031,735
0	0	1,921,417	0	0	27,866
0	0	0	0	0	0
276,039	166,360	107,548	58,417	389,397	470,345
970,626	688,105	170,668	0	2,767,316	252,647
0	9,750	109,031	1,902,930	464,611	0
0	206	40,749	977	67,981	10,676
0	28,256	0	0	0	0
69,998	4,494	293	8,443	18,638	431,943
3,228	1,294	1,600	41,100	1,431	300
1,603	144,254	2,014	855	0	323,635
0	0	0	0	492,226	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>1,476,655</u>	<u>1,289,178</u>	<u>2,505,052</u>	<u>2,013,222</u>	<u>5,834,903</u>	<u>2,549,147</u>
0	(33,739)	0	0	0	0
0	33,739	0	0	0	0
0	33,739	0	0	0	0
0	0	0	0	0	0
0	8	0	0	0	0
<u>\$ 0</u>	<u>\$ 8</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

(continued)

**Cleveland Municipal School District**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
All Special Revenue Funds (continued)  
For the Fiscal Year Ended June 30, 2000  
(With Comparative Totals for the Fiscal Year Ended June 30, 1999)

	Scientific Personnel Improvement	Title I	Title VI
<b>Revenues:</b>			
<i>Local Sources:</i>			
Interest	\$ 0	\$ 0	\$ 0
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Miscellaneous	0	0	0
<i>State Sources:</i>			
Restricted Grants-in-Aid	0	0	0
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	1,559,440	30,296,630	1,097,704
<b>Total Revenues</b>	<u>1,559,440</u>	<u>30,296,630</u>	<u>1,097,704</u>
<b>Expenditures:</b>			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	0	0	0
Special	0	19,685,465	158,933
Vocational	0	0	0
Adult/Continuing	0	0	0
Other	0	0	0
<i>Support Services:</i>			
Pupils	0	0	0
Instructional Staff	1,325,042	5,199,886	610,979
Administration	0	745,473	0
Fiscal	15,779	102,863	6,242
Business	3,034	0	0
Operation and Maintenance of Plant	0	534,892	212,563
Pupil Transportation	0	60,191	0
Central	215,585	322,247	23,807
Operation of Non-Instructional Services	0	3,472,689	85,180
Extracurricular Activities	0	0	0
Capital Outlay	0	172,924	0
<b>Total Expenditures</b>	<u>1,559,440</u>	<u>30,296,630</u>	<u>1,097,704</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<b>Other Financing Sources:</b>			
Operating Transfers In	0	0	0
<b>Total Other Financing Sources</b>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances at End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>



Drug Free Schools	Miscellaneous Federal Grants	Other Federal	TOTALS	
			2000	1999
\$ 0	\$ 0	\$ 0	\$ 226,872	\$ 212,149
0	0	0	12,837	369,678
0	0	0	1,521,492	1,293,306
0	0	387	48,347	645,930
0	0	0	49,339,618	37,719,501
758,792	4,740,240	730,870	52,036,799	54,888,588
758,792	4,740,240	731,257	103,185,965	95,129,152
0	19,003	0	39,246,889	29,347,350
0	316,177	35,076	21,980,694	28,335,683
0	186,438	0	1,354,024	701,362
0	94,290	280,136	2,323,709	1,281,022
0	0	0	0	27,779
0	804,693	29,719	2,516,071	3,199,035
730,326	3,028,399	358,337	16,284,069	14,481,634
0	0	0	3,231,797	4,196,131
15,330	15,374	8,602	284,779	223,145
0	4,447	3,327	39,064	29,297
0	237,782	3,771	1,607,986	2,765,541
11,623	7,961	11,862	140,690	245,484
1,513	18,987	427	1,054,927	1,460,379
0	6,689	0	10,999,092	9,907,221
0	0	0	1,112,891	1,269,418
0	0	0	172,924	0
758,792	4,740,240	731,257	102,349,606	97,470,481
0	0	0	836,359	(2,341,329)
0	0	0	33,739	45,539
0	0	0	33,739	45,539
0	0	0	870,098	(2,295,790)
0	0	0	1,477,528	3,773,318
\$ 0	\$ 0	\$ 0	\$ 2,347,626	\$ 1,477,528

(concluded)

**Cleveland Municipal School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - (Non-GAAP Basis) Budget And Actual  
Student Activities Fund  
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
<i>Local Sources:</i>			
Extracurricular Activities	\$ 600,000	\$ 825,329	\$ 225,329
<b>Total Revenues</b>	<u>600,000</u>	<u>825,329</u>	<u>225,329</u>
<b>Expenditures:</b>			
Current:			
<i>Support Services:</i>			
Operation and Maintenance of Plant	5,000	0	5,000
<i>Extracurricular Activities:</i>			
Academic and Subject Oriented	659,723	549,515	110,208
Sports Oriented Activities	267,000	194,484	72,516
<b>Total Expenditures</b>	<u>931,723</u>	<u>743,999</u>	<u>187,724</u>
Excess of Revenues Over (Under) Expenditures	(331,723)	81,330	413,053
Fund Balance at Beginning of Year	600,798	600,798	0
Prior Year Encumbrances Appropriated	<u>31,856</u>	<u>31,856</u>	<u>0</u>
<b>Fund Balance at End of Year</b>	<u>\$ 300,931</u>	<u>\$ 713,984</u>	<u>\$ 413,053</u>

**Cleveland Municipal School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - (Non-GAAP Basis) Budget And Actual  
Other Local Funds  
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
<i>Local Sources:</i>			
Extracurricular Activities	\$ 445,000	\$ 696,163	\$ 251,163
<i>State Sources:</i>			
Unrestricted Grants-in-Aid	1,000	0	(1,000)
Restricted Grants-in-Aid	1,200,000	300,000	(900,000)
<b>Total Revenues</b>	<u>1,646,000</u>	<u>996,163</u>	<u>(649,837)</u>
<b>Expenditures:</b>			
Current:			
<i>Support Services:</i>			
Instructional Staff	1,356,994	226,420	1,130,574
Fiscal	4,365	0	4,365
Business	1,611	0	1,611
Operation and Maintenance of Plant	126,140	33,626	92,514
Pupil Transportation	1,082	0	1,082
Central	34,276	2,100	32,176
<i>Extracurricular Activities:</i>			
Academic and Subject Oriented	718,385	467,678	250,707
<b>Total Expenditures</b>	<u>2,242,853</u>	<u>729,824</u>	<u>1,513,029</u>
Excess of Revenues Over (Under) Expenditures	<u>(596,853)</u>	<u>266,339</u>	<u>863,192</u>
Fund Balances at Beginning of Year	1,292,985	1,292,985	0
Prior Year Encumbrances Appropriated	<u>46,898</u>	<u>46,898</u>	<u>0</u>
<b>Fund Balances at End of Year</b>	<u>\$ 743,030</u>	<u>\$ 1,606,222</u>	<u>\$ 863,192</u>

**Cleveland Municipal School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - (Non-GAAP Basis) Budget And Actual  
Auxiliary Services Fund  
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
<i>Local Sources:</i>			
Interest	\$ 226,872	\$ 226,872	\$ 0
<i>State Sources:</i>			
Restricted Grants-in-Aid	9,373,128	6,535,246	(2,837,882)
<b>Total Revenues</b>	<u>9,600,000</u>	<u>6,762,118</u>	<u>(2,837,882)</u>
<b>Expenditures:</b>			
Current:			
<i>Support Services:</i>			
Operation and Maintenance of Plant	76,600	74,700	1,900
<i>Operation of Non-Instructional Services:</i>			
Community Services	10,924,569	8,528,875	2,395,694
<b>Total Expenditures</b>	<u>11,001,169</u>	<u>8,603,575</u>	<u>2,397,594</u>
Excess of Revenues Over (Under) Expenditures	(1,401,169)	(1,841,457)	(440,288)
Fund Balance at Beginning of Year	1,448,170	1,448,170	0
Prior Year Encumbrances Appropriated	2,295,918	2,295,918	0
<b>Fund Balance at End of Year</b>	<u>\$ 2,342,919</u>	<u>\$ 1,902,631</u>	<u>\$ (440,288)</u>

**Cleveland Municipal School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - (Non-GAAP Basis) Budget And Actual  
DPIA Fund  
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
<i>State Sources:</i>			
Restricted Grants-in-Aid	\$ 39,061,625	\$ 38,961,625	\$ (100,000)
<b>Total Revenues</b>	<u>39,061,625</u>	<u>38,961,625</u>	<u>(100,000)</u>
<b>Expenditures:</b>			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	38,961,625	38,961,625	0
<i>Support Services:</i>			
Pupils	217,384	217,384	0
Business	1,101	1,101	0
<b>Total Expenditures</b>	<u>39,180,110</u>	<u>39,180,110</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	(118,485)	(218,485)	(100,000)
Fund Balance at Beginning of Year	146,079	146,079	0
Prior Year Encumbrances Appropriated	<u>72,406</u>	<u>72,406</u>	<u>0</u>
<b>Fund Balance at End of Year</b>	<u>\$ 100,000</u>	<u>\$ 0</u>	<u>\$ (100,000)</u>

**Cleveland Municipal School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - (Non-GAAP Basis) Budget And Actual  
Miscellaneous State Grants Fund  
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
<i>State Sources:</i>			
Restricted Grants-in-Aid	\$ 3,273,860	\$ 1,909,809	\$ (1,364,051)
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	226,140	226,140	0
<b>Total Revenues</b>	<u>3,500,000</u>	<u>2,135,949</u>	<u>(1,364,051)</u>
<b>Expenditures:</b>			
Current:			
<i>Instruction:</i>			
Regular	44,886	18,621	26,265
Special	288	0	288
Vocational	196,343	195,956	387
Adult	7,037	0	7,037
<i>Support Services:</i>			
Pupils	461,870	313,088	148,782
Instructional Staff	2,182,850	1,217,111	965,739
Fiscal	22,696	0	22,696
Business	384	0	384
Operation and Maintenance of Plant	301,285	169,167	132,118
Pupil Transportation	8,345	4,830	3,515
Central	18,873	18,872	1
<i>Operation of Non-Instructional Services:</i>			
Community Services	8	0	8
<b>Total Expenditures</b>	<u>3,244,865</u>	<u>1,937,645</u>	<u>1,307,220</u>
Excess of Revenues Over (Under) Expenditures	255,135	198,304	(56,831)
Fund Balance at Beginning of Year	42,792	42,792	0
Prior Year Encumbrances Appropriated	438,099	438,099	0
<b>Fund Balance at End of Year</b>	<u>\$ 736,026</u>	<u>\$ 679,195</u>	<u>\$ (56,831)</u>

**Cleveland Municipal School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - (Non-GAAP Basis) Budget And Actual  
Other State Funds  
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
<i>Local Sources:</i>			
Tuition and Fees	\$ 12,837	\$ 12,837	\$ 0
Miscellaneous	50,000	52,500	2,500
<i>State Sources:</i>			
Unrestricted Grants-in-Aid	45,000	27,818	(17,182)
Restricted Grants-in-Aid	3,844,163	1,969,535	(1,874,628)
<b>Total Revenues</b>	<u>3,952,000</u>	<u>2,062,690</u>	<u>(1,889,310)</u>
<b>Expenditures:</b>			
Current:			
<i>Instruction:</i>			
Regular	348,133	241,117	107,016
Special	7,221	8	7,213
Vocational	196	0	196
<i>Support Services:</i>			
Pupils	1,719,518	188,537	1,530,981
Instructional Staff	1,663,529	827,362	836,167
Administration	321,078	12,750	308,328
Fiscal	80,900	206	80,694
Business	31,514	28,256	3,258
Operation and Maintenance of Plant	14,232	4,637	9,595
Pupil Transportation	24,513	2,036	22,477
Central	584,430	201,163	383,267
<b>Total Expenditures</b>	<u>4,795,264</u>	<u>1,506,072</u>	<u>3,289,192</u>
Excess of Revenues Over (Under) Expenditures	<u>(843,264)</u>	<u>556,618</u>	<u>1,399,882</u>
<b>Other Financing Sources (Uses):</b>			
Advances In	0	114,000	114,000
Advances Out	0	(121,000)	(121,000)
Operating Transfers In	0	33,739	33,739
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>26,739</u>	<u>26,739</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(843,264)	583,357	1,426,621
Fund Balance at Beginning of Year	1,836,893	1,836,893	0
Prior Year Encumbrances Appropriated	<u>180,136</u>	<u>180,136</u>	<u>0</u>
<b>Fund Balances at End of Year</b>	<u>\$ 1,173,765</u>	<u>\$ 2,600,386</u>	<u>\$ 1,426,621</u>

**Cleveland Municipal School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - (Non-GAAP Basis) Budget And Actual  
Adult Basic Education Fund  
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
<i>State Sources:</i>			
Restricted Grants-in-Aid	\$ 461,820	\$ 461,820	\$ 0
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	4,538,180	468,680	(4,069,500)
<b>Total Revenues</b>	<u>5,000,000</u>	<u>930,500</u>	<u>(4,069,500)</u>
<b>Expenditures:</b>			
Current:			
<i>Instruction:</i>			
Special	189,831	170,558	19,273
Adult	3,344,429	1,918,338	1,426,091
<i>Support Services:</i>			
Pupils	104,002	102,565	1,437
Instructional Staff	550,780	200,648	350,132
Administration	312,800	125,114	187,686
Fiscal	252,749	40,749	212,000
Business	696	0	696
Operation and Maintenance of Plant	20,264	2,702	17,562
Pupil Transportation	15,479	1,700	13,779
Central	3,153	2,014	1,139
<b>Total Expenditures</b>	<u>4,794,183</u>	<u>2,564,388</u>	<u>2,229,795</u>
Excess of Revenues Over (Under) Expenditures	<u>205,817</u>	<u>(1,633,888)</u>	<u>(1,839,705)</u>
<b>Other Financing Sources (Uses):</b>			
Advances In	0	1,571,500	1,571,500
Advances Out	0	(43,000)	(43,000)
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>1,528,500</u>	<u>1,528,500</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	205,817	(105,388)	(311,205)
Fund Balance (Deficit) at Beginning of Year	(11,650)	(11,650)	0
Prior Year Encumbrances Appropriated	<u>12,934</u>	<u>12,934</u>	<u>0</u>
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ 207,101</u>	<u>\$ (104,104)</u>	<u>\$ (311,205)</u>



**Cleveland Municipal School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - (Non-GAAP Basis) Budget And Actual  
JTPA/OWA Youth Fund  
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$ 3,400,000	\$ 1,992,236	\$ (1,407,764)
<b>Total Revenues</b>	<u>3,400,000</u>	<u>1,992,236</u>	<u>(1,407,764)</u>
<b>Expenditures:</b>			
Current:			
<i>Instruction:</i>			
Regular	60,000	32,400	27,600
<i>Support Services:</i>			
Pupils	369,656	73,266	296,390
Instructional Staff	1,063	230	833
Administration	2,173,715	2,147,390	26,325
Fiscal	25,637	4,486	21,151
Operation and Maintenance of Plant	38,588	8,443	30,145
Pupil Transportation	41,625	41,538	87
Central	208,388	206,816	1,572
<b>Total Expenditures</b>	<u>2,918,672</u>	<u>2,514,569</u>	<u>404,103</u>
Excess of Revenues Over (Under) Expenditures	<u>481,328</u>	<u>(522,333)</u>	<u>(1,003,661)</u>
<b>Other Financing Sources (Uses):</b>			
Advances In	0	275,000	275,000
Advances Out	0	(202,000)	(202,000)
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>73,000</u>	<u>73,000</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	481,328	(449,333)	(930,661)
Fund Balance (Deficit) at Beginning of Year	(380,052)	(380,052)	0
Prior Year Encumbrances Appropriated	<u>381,268</u>	<u>381,268</u>	<u>0</u>
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ 482,544</u>	<u>\$ (448,117)</u>	<u>\$ (930,661)</u>

**Cleveland Municipal School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - (Non-GAAP Basis) Budget And Actual  
Title VI-B Fund  
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$ 7,100,000	\$ 1,930,361	\$ (5,169,639)
<b>Total Revenues</b>	<u>7,100,000</u>	<u>1,930,361</u>	<u>(5,169,639)</u>
<b>Expenditures:</b>			
<i>Current:</i>			
<i>Instruction:</i>			
Special	2,060,003	1,849,465	210,538
<i>Support Services:</i>			
Pupils	807,004	613,633	193,371
Instructional Staff	2,992,054	2,492,509	499,545
Administration	794,046	483,358	310,688
Fiscal	243,094	69,272	173,822
Business	30,515	0	30,515
Operation and Maintenance of Plant	125,148	73,745	51,403
Pupil Transportation	9,960	2,806	7,154
Central	62,005	1,025	60,980
<i>Operation of Non-Instructional Services:</i>			
Community Services	689,927	493,216	196,711
<b>Total Expenditures</b>	<u>7,813,756</u>	<u>6,079,029</u>	<u>1,734,727</u>
Excess of Revenues Over (Under) Expenditures	(713,756)	(4,148,668)	(3,434,912)
<b>Other Financing Sources (Uses):</b>			
Advances In	0	2,785,000	2,785,000
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>2,785,000</u>	<u>2,785,000</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(713,756)	(1,363,668)	(649,912)
Fund Balance at Beginning of Year	836,385	836,385	0
Prior Year Encumbrances Appropriated	<u>273,526</u>	<u>273,526</u>	<u>0</u>
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ 396,155</u>	<u>\$ (253,757)</u>	<u>\$ (649,912)</u>

**Cleveland Municipal School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - (Non-GAAP Basis) Budget And Actual  
Vocational Education Fund  
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$ 5,200,000	\$ 2,993,049	\$ (2,206,951)
<b>Total Revenues</b>	<u>5,200,000</u>	<u>2,993,049</u>	<u>(2,206,951)</u>
<b>Expenditures:</b>			
Current:			
<i>Instruction:</i>			
Vocational	2,062,271	2,062,271	0
Adult	27,973	27,973	0
<i>Support Services:</i>			
Pupils	754,395	620,393	134,002
Instructional Staff	442,290	361,775	80,515
Administration	72,865	0	72,865
Fiscal	10,676	10,676	0
Business	140	0	140
Operation and Maintenance of Plant	539,126	476,889	62,237
Pupil Transportation	50,856	550	50,306
Central	672,119	606,149	65,970
<b>Total Expenditures</b>	<u>4,632,711</u>	<u>4,166,676</u>	<u>466,035</u>
Excess of Revenues Over (Under) Expenditures	<u>567,289</u>	<u>(1,173,627)</u>	<u>(1,740,916)</u>
Fund Balance (Deficit) at Beginning of Year	(327,402)	(327,402)	0
Prior Year Encumbrances Appropriated	<u>701,952</u>	<u>701,952</u>	<u>0</u>
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ 941,839</u>	<u>\$ (799,077)</u>	<u>\$ (1,740,916)</u>

**Cleveland Municipal School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - (Non-GAAP Basis) Budget And Actual  
Scientific Personnel Improvement Fund  
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$ 4,200,000	\$ 1,238,986	\$ (2,961,014)
<b>Total Revenues</b>	<u>4,200,000</u>	<u>1,238,986</u>	<u>(2,961,014)</u>
<b>Expenditures:</b>			
Current:			
<i>Support Services:</i>			
Instructional Staff	2,841,916	1,734,601	1,107,315
Fiscal	477,134	15,779	461,355
Business	31,224	6,267	24,957
Operation and Maintenance of Plant	3,339	0	3,339
Central	420,004	305,193	114,811
<b>Total Expenditures</b>	<u>3,773,617</u>	<u>2,061,840</u>	<u>1,711,777</u>
Excess of Revenues Over (Under) Expenditures	426,383	(822,854)	(1,249,237)
<b>Other Financing Sources (Uses):</b>			
Advances In	0	1,180,000	1,180,000
Advances Out	0	(450,000)	(450,000)
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>730,000</u>	<u>730,000</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	426,383	(92,854)	(519,237)
Fund Balance (Deficit) at Beginning of Year	(271,920)	(271,920)	0
Prior Year Encumbrances Appropriated	<u>278,060</u>	<u>278,060</u>	<u>0</u>
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ 432,523</u>	<u>\$ (86,714)</u>	<u>\$ (519,237)</u>

**Cleveland Municipal School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - (Non-GAAP Basis) Budget And Actual  
Title I Fund  
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$ 46,000,000	\$ 19,830,118	\$ (26,169,882)
<b>Total Revenues</b>	<u>46,000,000</u>	<u>19,830,118</u>	<u>(26,169,882)</u>
<b>Expenditures:</b>			
Current:			
<i>Instruction:</i>			
Special	27,830,345	21,491,319	6,339,026
<i>Support Services:</i>			
Instructional Staff	7,072,114	5,268,291	1,803,823
Administration	1,475,858	771,279	704,579
Fiscal	231,859	102,863	128,996
Operation and Maintenance of Plant	2,499,820	817,483	1,682,337
Pupil Transportation	244,964	64,735	180,229
Central	624,391	398,240	226,151
<i>Operation of Non-Instructional Services:</i>			
Community Services	3,594,437	3,582,021	12,416
Capital Outlay:			
Building Improvement Services	261,424	257,804	3,620
<b>Total Expenditures</b>	<u>43,835,212</u>	<u>32,754,035</u>	<u>11,081,177</u>
Excess of Revenues Under Expenditures	2,164,788	(12,923,917)	(15,088,705)
<b>Other Financing Sources (Uses):</b>			
Advances In	0	10,677,000	10,677,000
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>10,677,000</u>	<u>10,677,000</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	2,164,788	(2,246,917)	(4,411,705)
Fund Balance (Deficit) at Beginning of Year	(1,773,902)	(1,773,902)	0
Prior Year Encumbrances Appropriated	2,164,011	2,164,011	0
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ 2,554,897</u>	<u>\$ (1,856,808)</u>	<u>\$ (4,411,705)</u>

**Cleveland Municipal School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - (Non-GAAP Basis) Budget And Actual  
Title VI Fund  
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$ 2,500,000	\$ 1,418,519	\$ (1,081,481)
<b>Total Revenues</b>	<u>2,500,000</u>	<u>1,418,519</u>	<u>(1,081,481)</u>
<b>Expenditures:</b>			
Current:			
<i>Instruction:</i>			
Special	401,404	192,485	208,919
<i>Support Services:</i>			
Instructional Staff	942,320	723,245	219,075
Administration	2,835	0	2,835
Fiscal	8,712	6,242	2,470
Operation and Maintenance of Plant	423,894	327,884	96,010
Pupil Transportation	1,050	550	500
Central	66,382	60,257	6,125
<i>Operation of Non-Instructional Services:</i>			
Community Services	233,920	118,941	114,979
<b>Total Expenditures</b>	<u>2,080,517</u>	<u>1,429,604</u>	<u>650,913</u>
Excess of Revenues			
Under Expenditures	419,483	(11,085)	(430,568)
<b>Other Financing Sources (Uses):</b>			
Advances Out	0	(85,000)	(85,000)
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>(85,000)</u>	<u>(85,000)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	419,483	(96,085)	(515,568)
Fund Balance (Deficit) at Beginning of Year	(321,353)	(321,353)	0
Prior Year Encumbrances Appropriated	322,986	322,986	0
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ 421,116</u>	<u>\$ (94,452)</u>	<u>\$ (515,568)</u>

**Cleveland Municipal School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - (Non-GAAP Basis) Budget And Actual  
Drug Free Schools Fund  
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	\$ 1,400,000	\$ 801,445	\$ (598,555)
<b>Total Revenues</b>	<u>1,400,000</u>	<u>801,445</u>	<u>(598,555)</u>
<b>Expenditures:</b>			
Current:			
<i>Support Services:</i>			
Instructional Staff	1,132,621	837,384	295,237
Fiscal	51,303	16,333	34,970
Business	1,773	0	1,773
Pupil Transportation	16,550	16,550	0
Central	3,489	1,513	1,976
<b>Total Expenditures</b>	<u>1,205,736</u>	<u>871,780</u>	<u>333,956</u>
Excess of Revenues Under Expenditures	<u>194,264</u>	<u>(70,335)</u>	<u>(264,599)</u>
<b>Other Financing Sources (Uses):</b>			
Advances In	0	317,000	317,000
Advances Out	0	(330,000)	(330,000)
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>(13,000)</u>	<u>(13,000)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	194,264	(83,335)	(277,599)
Fund Balance (Deficit) at Beginning of Year	(37,820)	(37,820)	0
Prior Year Encumbrances Appropriated	<u>40,938</u>	<u>40,938</u>	<u>0</u>
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ 197,382</u>	<u>\$ (80,217)</u>	<u>\$ (277,599)</u>

**Cleveland Municipal School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - (Non-GAAP Basis) Budget And Actual  
Miscellaneous Federal Grants Fund  
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
<i>Federal Sources:</i>			
Unrestricted Grants-in-Aid	\$ 573,285	\$ 573,285	\$ 0
Restricted Grants-in-Aid	15,426,715	4,406,426	(11,020,289)
<b>Total Revenues</b>	<b>16,000,000</b>	<b>4,979,711</b>	<b>(11,020,289)</b>
<b>Expenditures:</b>			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	61,556	19,341	42,215
Special	4,779,825	268,181	4,511,644
Vocational	264,000	261,350	2,650
Adult	129,324	75,841	53,483
<i>Support Services:</i>			
Pupils	853,012	835,623	17,389
Instructional Staff	7,227,016	3,164,051	4,062,965
Administration	117,566	0	117,566
Fiscal	214,325	14,481	199,844
Business	7,974	4,672	3,302
Operation and Maintenance of Plant	880,108	791,461	88,647
Pupil Transportation	49,772	9,675	40,097
Central	112,947	25,096	87,851
<i>Operation of Non-Instructional Services:</i>			
Community Services	18,458	7,911	10,547
<b>Total Expenditures</b>	<b>14,715,883</b>	<b>5,477,683</b>	<b>9,238,200</b>
Excess of Revenues Over (Under) Expenditures	1,284,117	(497,972)	(1,782,089)
Fund Balance at Beginning of Year	184,733	184,733	0
Prior Year Encumbrances Appropriated	499,321	499,321	0
<b>Fund Balance at End of Year</b>	<b>\$ 1,968,171</b>	<b>\$ 186,082</b>	<b>\$ (1,782,089)</b>



**Cleveland Municipal School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - (Non-GAAP Basis) Budget And Actual  
Other Federal Funds  
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
<i>Local Sources:</i>			
Miscellaneous	\$ 387	\$ 387	\$ 0
<i>State Sources:</i>			
Restricted Grants-in-Aid	75,000	0	(75,000)
<i>Federal Sources:</i>			
Restricted Grants-in-Aid	1,806,613	477,668	(1,328,945)
<b>Total Revenues</b>	<u>1,882,000</u>	<u>478,055</u>	<u>(1,403,945)</u>
<b>Expenditures:</b>			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	1,000	0	1,000
Special	87,995	63,196	24,799
Adult/Continuing	365,641	281,562	84,079
<i>Support Services:</i>			
Pupils	31,177	21,090	10,087
Instructional Staff	1,149,502	448,622	700,880
Fiscal	16,732	8,602	8,130
Business	208,532	3,327	205,205
Operation and Maintenance of Plant	30,699	3,771	26,928
Pupil Transportation	11,862	11,862	0
Central	4,552	427	4,125
<i>Operation of Non-Instructional Services:</i>			
Community Services	3,489	0	3,489
<b>Total Expenditures</b>	<u>1,911,181</u>	<u>842,459</u>	<u>1,068,722</u>
Excess of Revenues Over (Under) Expenditures	<u>(29,181)</u>	<u>(364,404)</u>	<u>(335,223)</u>
<b>Other Financing Sources (Uses):</b>			
Advances In	0	225	225
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>225</u>	<u>225</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(29,181)	(364,179)	(334,998)
Fund Balance at Beginning of Year	251,341	251,341	0
Prior Year Encumbrances Appropriated	<u>71,424</u>	<u>71,424</u>	<u>0</u>
<b>Fund Balances (Deficit) at End of Year</b>	<u>\$ 293,584</u>	<u>\$ (41,414)</u>	<u>\$ (334,998)</u>

**Cleveland Municipal School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - (Non-GAAP Basis) Budget And Actual  
All Special Revenue Funds  
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
<i>Local Sources:</i>			
Interest	\$ 226,872	\$ 226,872	\$ 0
Tuition and Fees	12,837	12,837	0
Extracurricular Activities	1,045,000	1,521,492	476,492
Miscellaneous	50,387	52,887	2,500
<i>State Sources:</i>			
Unrestricted Grants-in-Aid	46,000	27,818	(18,182)
Restricted Grants-in-Aid	57,289,596	50,138,035	(7,151,561)
<i>Federal Sources:</i>			
Unrestricted Grants-in-Aid	573,285	573,285	0
Restricted Grants-in-Aid	91,797,648	35,783,628	(56,014,020)
<b>Total Revenues</b>	<b>151,041,625</b>	<b>88,336,854</b>	<b>(62,704,771)</b>
<b>Expenditures:</b>			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	39,477,200	39,273,104	204,096
Special	35,356,912	24,035,212	11,321,700
Vocational	2,522,810	2,519,577	3,233
Adult/Continuing	3,874,404	2,303,714	1,570,690
<i>Support Services:</i>			
Pupils	5,318,018	2,985,579	2,332,439
Instructional Staff	29,555,049	17,502,249	12,052,800
Administration	5,270,763	3,539,891	1,730,872
Fiscal	1,640,182	289,689	1,350,493
Business	315,464	43,623	271,841
Operation and Maintenance of Plant	5,084,243	2,784,508	2,299,735
Pupil Transportation	476,058	156,832	319,226
Central	2,815,009	1,828,865	986,144
<i>Operation of Non-Instructional Services:</i>			
Community Services	15,464,808	12,730,964	2,733,844
<i>Extracurricular Activities:</i>			
Academic and Subject Oriented	1,378,108	1,017,193	360,915
Sports Oriented Activities	267,000	194,484	72,516
<i>Capital Outlay:</i>			
Building Improvement Services	261,424	257,804	3,620
<b>Total Expenditures</b>	<b>149,077,452</b>	<b>111,463,288</b>	<b>37,614,164</b>

continued

**Cleveland Municipal School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - (Non-GAAP Basis) Budget And Actual  
All Special Revenue Funds (Continued)  
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Excess of Revenues Over (Under) Expenditures	\$ 1,964,173	\$ (23,126,434)	\$ (25,090,607)
<b><i>Other Financing Sources (Uses):</i></b>			
Advances In	0	16,919,725	16,919,725
Advances Out	0	(1,231,000)	(1,231,000)
Operating Transfers In	0	33,739	33,739
<b><i>Total Other Financing Sources (Uses)</i></b>	<u>0</u>	<u>15,722,464</u>	<u>15,722,464</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,964,173	(7,403,970)	(9,368,143)
Fund Balances at Beginning of Year	3,516,077	3,516,077	0
Prior Year Encumbrances Appropriated	<u>7,811,733</u>	<u>7,811,733</u>	<u>0</u>
<b><i>Fund Balances at End of Year</i></b>	<u>\$ 13,291,983</u>	<u>\$ 3,923,840</u>	<u>\$ (9,368,143)</u>

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# **CLEVELAND MUNICIPAL SCHOOL DISTRICT**

## **CAPITAL PROJECTS FUNDS**

### **COMBINING FINANCIAL STATEMENTS**

#### **CAPITAL PROJECTS FUNDS ACCOUNT FOR THE ACQUISITION, CONSTRUCTION OR IMPROVEMENT OF CAPITAL FACILITIES OTHER THAN THOSE FINANCED BY PROPRIETARY AND TRUST FUNDS**

##### **Permanent Improvement Fund**

This fund accounts for transactions related to acquiring, constructing or improving capital facilities.

##### **Energy Conservation Assistance Fund**

This fund accounts for grant monies received to implement energy conservation measures.

##### **School Net Plus Fund**

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

##### **School Facility Grant Fund**

This fund accounts for State monies received for school facility improvements.

##### **Ohio School Net Telecommunications Fund**

This fund accounts for State monies to be used for telecommunication equipment.

**Cleveland Municipal School District**

Combining Balance Sheet

All Capital Projects Funds

June 30, 2000

(With Comparative Totals for June 30, 1999)

	<u>Permanent Improvement</u>	<u>Energy Conservation Assistance</u>	<u>School Net Plus</u>
<b>Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 6,846,533	\$ 48,358	\$ 3,119,263
<b>Total Assets</b>	<u>\$ 6,846,533</u>	<u>\$ 48,358</u>	<u>\$ 3,119,263</u>
<b>Liabilities:</b>			
Accounts Payable	\$ 0	\$ 0	\$ 41,018
Accrued Wages and Benefits	0	0	186,560
<b>Total Liabilities</b>	<u>0</u>	<u>0</u>	<u>227,578</u>
<b>Fund Equity:</b>			
Fund Balance:			
Reserved for Encumbrances	491,824	0	1,452,252
Unreserved, Undesignated (Deficit)	6,354,709	48,358	1,439,433
<b>Total Fund Equity</b>	<u>6,846,533</u>	<u>48,358</u>	<u>2,891,685</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$ 6,846,533</u>	<u>\$ 48,358</u>	<u>\$ 3,119,263</u>

School Facility Grant	Ohio School Net Telecommunications	TOTALS	
		2000	1999
\$ 5,364,766	\$ 262,748	\$ 15,641,668	\$ 18,877,078
<u>\$ 5,364,766</u>	<u>\$ 262,748</u>	<u>\$ 15,641,668</u>	<u>\$ 18,877,078</u>
\$ 662,724	\$ 0	\$ 703,742	\$ 205,333
0	0	186,560	195,751
<u>662,724</u>	<u>0</u>	<u>890,302</u>	<u>401,084</u>
3,536,001	762,996	6,243,073	9,638,108
1,166,041	(500,248)	8,508,293	8,837,886
<u>4,702,042</u>	<u>262,748</u>	<u>14,751,366</u>	<u>18,475,994</u>
\$ 5,364,766	\$ 262,748	\$ 15,641,668	\$ 18,877,078
<u>\$ 5,364,766</u>	<u>\$ 262,748</u>	<u>\$ 15,641,668</u>	<u>\$ 18,877,078</u>

**Cleveland Municipal School District**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
All Capital Projects Funds  
For the Fiscal Year Ended June 30, 2000  
(With Comparative Totals for the Fiscal Year Ended June 30, 1999)

	Permanent Improvement	Energy Conservation Assistance	School Net Plus
<b>Revenues:</b>			
<i>Local Sources:</i>			
Interest	\$ 0	\$ 0	\$ 0
Miscellaneous	123,066	0	0
<i>State Sources:</i>			
Restricted Grants-in-Aid	0	0	922,156
<b>Total Revenues</b>	<u>123,066</u>	<u>0</u>	<u>922,156</u>
<b>Expenditures:</b>			
Current:			
Support Services:			
Instructional Staff	0	0	0
Operation and Maintenance of Plant	0	0	0
Capital Outlay	0	0	4,536,535
<b>Total Expenditures</b>	<u>0</u>	<u>0</u>	<u>4,536,535</u>
Excess of Revenues Over (Under) Expenditures	<u>123,066</u>	<u>0</u>	<u>(3,614,379)</u>
<b>Other Financing Sources (Uses):</b>			
Operating Transfers In	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	123,066	0	(3,614,379)
Fund Balances at Beginning of Year	<u>6,723,467</u>	<u>48,358</u>	<u>6,506,064</u>
<b>Fund Balances at End of Year</b>	<u>\$ 6,846,533</u>	<u>\$ 48,358</u>	<u>\$ 2,891,685</u>



School Facility Grant	Ohio School Net Telecommunications	TOTALS	
		2000	1999
\$ 507	\$ 0	\$ 507	\$ 724,168
0	6,000	129,066	972,730
0	0	922,156	8,430,757
<u>507</u>	<u>6,000</u>	<u>1,051,729</u>	<u>10,127,655</u>
0	0	0	24,040
0	0	0	225,048
5,002,611	134,976	9,674,122	18,072,627
<u>5,002,611</u>	<u>134,976</u>	<u>9,674,122</u>	<u>18,321,715</u>
<u>(5,002,104)</u>	<u>(128,976)</u>	<u>(8,622,393)</u>	<u>(8,194,060)</u>
4,897,765	0	4,397,765	2,369,988
<u>4,897,765</u>	<u>0</u>	<u>4,397,765</u>	<u>2,369,988</u>
(104,339)	(128,976)	(3,724,628)	(5,824,072)
4,806,381	391,724	18,475,994	24,300,066
<u>\$ 4,702,042</u>	<u>\$ 262,748</u>	<u>\$ 14,751,366</u>	<u>\$ 18,475,994</u>

**Cleveland Municipal School District**  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - (Non-GAAP Basis) Budget And Actual  
 Permanent Improvement Fund  
 For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
<i>Local Sources:</i>			
Miscellaneous	\$ 120,000	\$ 123,066	\$ 3,066
<b>Total Revenues</b>	<u>120,000</u>	<u>123,066</u>	<u>3,066</u>
<b>Expenditures:</b>			
<i>Current:</i>			
<i>Support Services:</i>			
Operation and Maintenance of Plants	254	0	254
<i>Capital Outlay:</i>			
Site Improvement Services	125,101	125,101	0
Architecture and Engineering Services	26,529	24,679	1,850
Building Improvement Services	416,927	401,140	15,787
Other Facilities Acquisition and Construction	11	11	0
<b>Total Expenditures</b>	<u>568,822</u>	<u>550,931</u>	<u>17,891</u>
Excess of Revenues Over (Under) Expenditures	(448,822)	(427,865)	20,957
Fund Balance at Beginning of Year	6,072,467	6,072,467	0
Prior Year Encumbrances Appropriated	<u>710,108</u>	<u>710,108</u>	<u>0</u>
<b>Fund Balance at End of Year</b>	<u>\$ 6,333,753</u>	<u>\$ 6,354,710</u>	<u>\$ 20,957</u>

**Cleveland Municipal School District**  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - (Non-GAAP Basis) Budget And Actual  
 Energy Conservation Assistance Fund  
 For the Fiscal Year Ended June 30, 2000

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

**Cleveland Municipal School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - (Non-GAAP Basis) Budget And Actual  
School Net Plus Fund  
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
<i>State Sources:</i>			
Restricted Grants-in-Aid	\$ 5,500,000	\$ 922,156	\$ (4,577,844)
<b>Total Revenues</b>	<u>5,500,000</u>	<u>922,156</u>	<u>(4,577,844)</u>
<b>Expenditures:</b>			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	1,609,862	1,495,254	114,608
<i>Support Services:</i>			
Instructional Staff	5,243,515	3,717,954	1,525,561
Operation and Maintenance of Plants	210,441	204,695	5,746
Central	636,945	626,145	10,800
<b>Total Expenditures</b>	<u>7,700,763</u>	<u>6,044,048</u>	<u>1,656,715</u>
Excess of Revenues Over (Under) Expenditures	(2,200,763)	(5,121,892)	(2,921,129)
Fund Balance at Beginning of Year	4,545,121	4,545,121	0
Prior Year Encumbrances Appropriated	<u>2,202,762</u>	<u>2,202,762</u>	<u>0</u>
<b>Fund Balance at End of Year</b>	<u>\$ 4,547,120</u>	<u>\$ 1,625,991</u>	<u>\$ (2,921,129)</u>

**Cleveland Municipal School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - (Non-GAAP Basis) Budget And Actual  
School Facility Grant Fund  
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
<i>Local Sources:</i>			
Interest	\$ 0	\$ 507	\$ 507
<i>State Sources:</i>			
Restricted Grants-in-Aid	9,000,000	0	(9,000,000)
<b>Total Revenues</b>	<u>9,000,000</u>	<u>507</u>	<u>(8,999,493)</u>
<b>Expenditures:</b>			
Current:			
<i>Support Services:</i>			
Operation and Maintenance of Plant	15,161,287	6,160,449	9,000,838
Capital Outlay:			
Building Improvement Services	2,477,938	2,477,938	0
<b>Total Expenditures</b>	<u>17,639,225</u>	<u>8,638,387</u>	<u>9,000,838</u>
Excess of Revenues Over (Under) Expenditures	(8,639,225)	(8,637,880)	1,345
<b>Other Financing Sources (Uses):</b>			
Operating Transfers In	4,198,725	4,897,765	699,040
<b>Total Other Financing Sources (Uses)</b>	<u>4,198,725</u>	<u>4,897,765</u>	<u>699,040</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(4,440,500)	(3,740,115)	700,385
Fund Balance (Deficit) at Beginning of Year	(1,796,527)	(1,796,527)	0
Prior Year Encumbrances Appropriated	6,702,683	6,702,683	0
<b>Fund Balance at End of Year</b>	<u>\$ 465,656</u>	<u>\$ 1,166,041</u>	<u>\$ 700,385</u>

**Cleveland Municipal School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - (Non-GAAP Basis) Budget And Actual  
Ohio School Net Telecommunications Fund  
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
<i>Local Sources:</i>			
Miscellaneous	\$ 1,400,000	\$ 6,000	\$ (1,394,000)
<b>Total Revenues</b>	<u>1,400,000</u>	<u>6,000</u>	<u>(1,394,000)</u>
<b>Expenditures:</b>			
Current:			
<i>Support Services:</i>			
Instructional Staff	1,450,756	765,086	685,670
Operation and Maintenance of Plant	226,348	133,266	93,082
<b>Total Expenditures</b>	<u>1,677,104</u>	<u>898,352</u>	<u>778,752</u>
Excess of Revenues Over (Under) Expenditures	(277,104)	(892,352)	(615,248)
Fund Balance at Beginning of Year	369,549	369,549	0
Prior Year Encumbrances Appropriated	<u>22,554</u>	<u>22,554</u>	<u>0</u>
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ 114,999</u>	<u>\$ (500,249)</u>	<u>\$ (615,248)</u>

**Cleveland Municipal School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balances - (Non-GAAP Basis) Budget And Actual  
All Capital Projects Funds  
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
<i>Local Sources:</i>			
Interest	\$ 0	\$ 507	\$ 507
Miscellaneous	1,520,000	129,066	(1,390,934)
<i>State Sources:</i>			
Restricted Grants-in-Aid	14,500,000	922,156	(13,577,844)
<b>Total Revenues</b>	<u>16,020,000</u>	<u>1,051,729</u>	<u>(14,968,271)</u>
<b>Expenditures:</b>			
Current:			
<i>Instruction:</i>			
Regular	1,609,862	1,495,254	114,608
Instructional Staff	6,694,271	4,483,040	2,211,231
Operation and Maintenance of Plants	15,598,330	6,498,410	9,099,920
Central	636,945	626,145	10,800
Capital Outlay:			
Site Improvement Services	125,101	125,101	0
Architecture and Engineering Services	26,529	24,679	1,850
Building Improvement Services	2,894,865	2,879,078	15,787
Other Facilities Acquisition and Construction	11	11	0
<b>Total Expenditures</b>	<u>27,585,914</u>	<u>16,131,718</u>	<u>11,454,196</u>
Excess of Revenues Over (Under) Expenditures	(11,565,914)	(15,079,989)	(3,514,075)
<b>Other Financing Sources (Uses):</b>			
Operating Transfers In	4,198,725	4,897,765	699,040
<b>Total Other Financing Sources (Uses)</b>	<u>4,198,725</u>	<u>4,897,765</u>	<u>699,040</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(7,367,189)	(10,182,224)	(2,815,035)
Fund Balances at Beginning of Year	9,238,968	9,238,968	0
Prior Year Encumbrances Appropriated	9,638,107	9,638,107	0
<b>Fund Balances at End of Year</b>	<u>\$ 11,509,886</u>	<u>\$ 8,694,851</u>	<u>\$ (2,815,035)</u>

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# **CLEVELAND MUNICIPAL SCHOOL DISTRICT**

## **ENTERPRISE FUNDS**

### **COMBINING FINANCIAL STATEMENTS**

**THE ENTERPRISE FUNDS ARE ESTABLISHED TO ACCOUNT FOR THE ACQUISITION AND OPERATION OF GOVERNMENTAL FACILITIES AND SERVICES THAT ARE ENTIRELY OR PREDOMINANTLY SELF-SUPPORTING FROM USER CHARGES.**

#### **Food Service Fund**

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

#### **Consumer Services Rotary Fund**

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

#### **Child Care Center Fund**

This fund accounts for income and expenses made in connection with providing child care to parents enrolled in a vocational program.

**Cleveland Municipal School District**  
Combining Balance Sheet  
All Enterprise Funds  
June 30, 2000  
(With Comparative Totals for June 30, 1999)

	Food Service	Consumer Services Rotary	Child Care Center
<b>Assets:</b>			
<b>Current Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 5,336,657	\$ 194,414	\$ 177,295
Receivables:			
Accounts	0	0	0
Intergovernmental	0	7,160	16,992
Materials and Supplies Inventory	1,017,395	0	0
<b>Total Current Assets</b>	<u>6,354,052</u>	<u>201,574</u>	<u>194,287</u>
<b>Non-Current Assets:</b>			
Fixed Assets (Net of Accumulated Depreciation)	466,755	0	0
<b>Total Assets</b>	<u>\$ 6,820,807</u>	<u>\$ 201,574</u>	<u>\$ 194,287</u>
<b>Liabilities:</b>			
<b>Current Liabilities:</b>			
Accounts Payable	\$ 368,062	\$ 5,277	\$ 125
Accrued Wages and Benefits	676,156	636	0
Interfund Payable	0	0	0
Intergovernmental Payable	0	0	0
Deferred Revenue	689,061	0	0
<b>Total Current Liabilities</b>	<u>1,733,279</u>	<u>5,913</u>	<u>125</u>
<b>Long-Term Liabilities:</b>			
Accrued Wages and Benefits	525,043	384	134
<b>Total Liabilities</b>	<u>2,258,322</u>	<u>6,297</u>	<u>259</u>
<b>Fund Equity:</b>			
Retained Earnings:			
Unreserved	4,562,485	195,277	194,028
<b>Total Liabilities and Fund Equity</b>	<u>\$ 6,820,807</u>	<u>\$ 201,574</u>	<u>\$ 194,287</u>

TOTALS	
2000	1999
\$ 5,708,366	\$ 5,224,584
0	36,792
24,152	2,724,044
<u>1,017,395</u>	<u>450,802</u>
6,749,913	8,436,222
466,755	524,157
<u>\$ 7,216,668</u>	<u>\$ 8,960,379</u>
\$ 373,464	\$ 426,448
676,792	680,881
0	0
0	0
<u>689,061</u>	<u>337,754</u>
1,739,317	1,445,083
525,561	452,010
<u>2,264,878</u>	<u>1,897,093</u>
4,951,790	7,063,286
<u>\$ 7,216,668</u>	<u>\$ 8,960,379</u>

## Cleveland Municipal School District

Combining Statement of Revenues,  
Expenses and Changes in Retained Earnings  
All Enterprise Funds

For the Fiscal Year Ended June 30, 2000

(With Comparative Totals for the Fiscal Year Ended June 30, 1999)

	Food Service	Consumer Services Rotary	Child Care Center
<b><i>Operating Revenues:</i></b>			
Sales	\$ 2,108,407	\$ 0	\$ 0
Charges for Services	418	6,502	0
Interest	140,943	0	0
Contribution and Donations	0	0	171,793
Other	7,494	296,888	53,297
<b><i>Total Operating Revenues</i></b>	<b>2,257,262</b>	<b>303,390</b>	<b>225,090</b>
<b><i>Operating Expenses:</i></b>			
Salaries	7,801,696	121,933	0
Fringe Benefits	3,844,480	29,537	0
Purchased Services	1,047,758	116,328	0
Materials and Supplies	12,357,064	13,747	3,617
Depreciation	57,402	0	0
Capital Outlay	242,957	0	0
Other	120,717	0	0
<b><i>Total Operating Expenses</i></b>	<b>25,472,074</b>	<b>281,545</b>	<b>3,617</b>
<b><i>Operating Income (Loss)</i></b>	<b>(23,214,812)</b>	<b>21,845</b>	<b>221,473</b>
<b><i>Non-Operating Revenues:</i></b>			
Donated Commodities	1,001,200	0	0
Operating Grants	19,858,798	0	0
<b><i>Total Non-Operating Revenues</i></b>	<b>20,859,998</b>	<b>0</b>	<b>0</b>
<b><i>Income (Loss) Before Operating Transfers</i></b>	<b>(2,354,814)</b>	<b>21,845</b>	<b>221,473</b>
<b><i>Operating Transfers In</i></b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><i>Net Income (Loss)</i></b>	<b>(2,354,814)</b>	<b>21,845</b>	<b>221,473</b>
Retained Earnings (Deficit) at Beginning of Year	6,917,299	173,432	(27,445)
<b><i>Retained Earnings at End of Year</i></b>	<b>\$ 4,562,485</b>	<b>\$ 195,277</b>	<b>\$ 194,028</b>

TOTALS	
2000	1999
\$ 2,108,407	\$ 2,550,867
6,920	17,480
140,943	0
171,793	0
357,679	460,367
<u>2,785,742</u>	<u>3,028,714</u>
7,923,629	7,894,463
3,874,017	3,887,666
1,164,086	963,570
12,374,428	12,094,482
57,402	130,352
242,957	0
120,717	159,640
<u>25,757,236</u>	<u>25,130,173</u>
<u>(22,971,494)</u>	<u>(22,101,459)</u>
1,001,200	1,080,194
<u>19,858,798</u>	<u>21,246,613</u>
<u>20,859,998</u>	<u>22,326,807</u>
(2,111,496)	225,348
<u>0</u>	<u>611,533</u>
(2,111,496)	836,881
<u>7,063,286</u>	<u>6,226,405</u>
<u>\$ 4,951,790</u>	<u>\$ 7,063,286</u>

**Cleveland Municipal School District**  
Combining Statement of Cash Flows  
All Enterprise Funds  
For the Fiscal Year Ended June 30, 2000  
(With Comparative Totals for the Fiscal Year Ended June 30, 1999)

	Food Service	Consumer Services Rotary	Child Care Center
<i>Increase (Decrease) In Cash and Cash Equivalents:</i>			
<i>Cash Flows from Operating Activities:</i>			
Cash Received from Customers	\$ 2,144,140	\$ 0	\$ 0
Cash Received from Quasi-External Transaction with Other Funds	418	6,502	0
Cash Received from Other Operating Sources	148,437	302,018	180,914
Cash Payments to Suppliers for Goods and Services	(12,916,069)	(127,108)	(3,617)
Cash Payments to Employees for Services	(7,712,381)	(122,723)	0
Cash Payments for Employee Benefits	(3,828,809)	(29,713)	0
Cash Payments for Other Operating Activities	(120,717)	0	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(22,284,981)</u>	<u>28,976</u>	<u>177,297</u>
<i>Cash Flows from Noncapital Financing Activities:</i>			
Operating Grants Received	22,562,490	0	0
Advances Out	0	0	0
Transfer In	0	0	0
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>22,562,490</u>	<u>0</u>	<u>0</u>
<i>Cash Flows Used for Capital and Related Financing Activities:</i>			
Payments for Capital Acquisitions	0	0	0
Net Increase in Cash and Cash Equivalents	277,509	28,976	177,297
Cash and Cash Equivalents at Beginning of Year	5,059,148	165,438	(2)
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$ 5,336,657</u>	<u>\$ 194,414</u>	<u>\$ 177,295</u>

TOTALS	
2000	1999
\$ 2,144,140	\$ 2,522,400
6,920	17,480
631,369	494,108
(13,046,794)	(12,078,520)
(7,835,104)	(8,023,388)
(3,858,522)	(3,872,005)
(120,717)	(159,640)
<u>(22,078,708)</u>	<u>(21,099,565)</u>
22,562,490	21,590,776
0	(480,000)
0	611,533
<u>22,562,490</u>	<u>21,722,309</u>
0	(198,588)
483,782	424,156
<u>5,224,584</u>	<u>4,800,428</u>
<u>\$ 5,708,366</u>	<u>\$ 5,224,584</u>

(continued)

**Cleveland Municipal School District**  
Combining Statement of Cash Flows  
All Enterprise Funds (continued)  
For the Fiscal Year Ended June 30, 2000  
(With Comparative Totals for the Fiscal Year Ended June 30, 1999)

	Food Service	Consumer Services Rotary	Child Care Center
<i>Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities:</i>			
<i>Operating Income (Loss)</i>	\$ (23,214,812)	\$ 21,845	\$ 221,473
Depreciation	57,402	0	0
Donated Commodities Used During Year	1,001,200	0	0
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	35,733	1,059	0
(Increase) Decrease in Intergovernmental Receivable	0	4,071	(7,871)
(Increase) Decrease in Materials and Supplies Inventory	(566,593)	0	0
Increase (Decrease) in Accounts Payable	(54,204)	2,967	(1,747)
Increase (Decrease) in Accrued Wages and Benefits	104,986	(966)	(34,558)
Increase (Decrease) in Intergovernmental Payable	0	0	0
Increase/(Decrease) in Deferred Revenue	351,307	0	0
<i>Total Adjustments</i>	<u>929,831</u>	<u>7,131</u>	<u>(44,176)</u>
<i>Net Cash Provided by (Used For) Operating Activities</i>	<u>\$ (22,284,981)</u>	<u>\$ 28,976</u>	<u>\$ 177,297</u>



TOTALS	
2000	1999
\$ (22,971,494)	\$ (22,101,459)
57,402	130,352
1,001,200	1,080,194
36,792	(18,967)
(3,800)	24,241
(566,593)	328,724
(52,984)	(185,766)
69,462	(119,776)
0	14,307
351,307	(251,415)
892,786	1,001,894
\$ (22,078,708)	\$ (21,099,565)

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# **CLEVELAND MUNICIPAL SCHOOL DISTRICT**

## **FIDUCIARY FUNDS**

### **COMBINING FINANCIAL STATEMENTS**

**FIDUCIARY FUNDS ARE USED FOR ASSETS HELD BY THE SCHOOL DISTRICT IN A TRUSTEE CAPACITY OR AS AN AGENT FOR INDIVIDUALS, PRIVATE ORGANIZATIONS, OTHER GOVERNMENTAL UNITS, AND OTHER FUNDS. THESE INCLUDE EXPENDABLE TRUST AND AGENCY FUNDS.**

#### **EXPENDABLE TRUST FUNDS**

##### **Educational Special Trust Fund**

This fund accounts for monies held in a trustee capacity for purposes directly related to the educational process.

##### **Administrative Special Trust Fund**

This fund accounts for monies held in a trustee capacity for administrative purposes.

#### **AGENCY FUNDS**

##### **District Agency Fund**

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

##### **Remedial Order Agency Fund**

This fund accounts for desegregation monies unavailable for expenditure by the School District.

**Cleveland Municipal School District**

Combining Balance Sheet  
All Trust and Agency Funds

June 30, 2000

(With Comparative Totals for June 30, 1999)

	Expendable Trust Funds		
	Educational Special Trust	Administrative Special Trust	Agency Funds
<b>Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 3,184,829	\$ 0	\$ 2,694,066
Receivables:			
Accounts	28,625	0	0
Intergovernmental	445,639	0	0
Interfund	0	0	310,763
<b>Total Assets</b>	<b>\$ 3,659,093</b>	<b>\$ 0</b>	<b>\$ 3,004,829</b>
<b>Liabilities:</b>			
Accounts Payable	\$ 270,438	\$ 0	\$ 0
Accrued Wages and Benefits	103,651	11,707	0
Interfund Payable	0	7,000	0
Intergovernmental Payable	2,710	0	0
Deferred Revenue	3,282,294	2,020	0
Undistributed Monies	0	0	0
Payroll Withholdings	0	0	3,004,829
<b>Total Liabilities</b>	<b>3,659,093</b>	<b>20,727</b>	<b>3,004,829</b>
<b>Fund Equity:</b>			
Fund Balance:			
Reserved for Encumbrances	722,304	0	0
Unreserved, Undesignated (Deficit)	(722,304)	(20,727)	0
<b>Total Fund Equity (Deficit)</b>	<b>0</b>	<b>(20,727)</b>	<b>0</b>
<b>Total Liabilities, Fund Equity and Other Credits</b>	<b>\$ 3,659,093</b>	<b>\$ 0</b>	<b>\$ 3,004,829</b>

TOTALS	
2000	1999
\$ 5,878,895	\$ 27,301,323
28,625	268,715
445,639	0
310,763	0
<u>\$ 6,663,922</u>	<u>\$ 27,570,038</u>
\$ 270,438	\$ 135,476
115,358	57,912
7,000	7,000
2,710	0
3,284,314	1,319,295
0	20,000,000
3,004,829	5,688,938
<u>6,684,649</u>	<u>27,208,621</u>
722,304	149,017
<u>(743,031)</u>	<u>212,400</u>
<u>(20,727)</u>	<u>361,417</u>
<u>\$ 6,663,922</u>	<u>\$ 27,570,038</u>

**Cleveland Municipal School District**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
All Expendable Trust Funds  
For the Fiscal Year Ended June 30, 2000  
(With Comparative Totals for the Fiscal Year Ended June 30, 1999)

	Educational Special Trust	Administrative Special Trust	TOTALS	
			2000	1999
<b>Revenues:</b>				
<i>Local Sources:</i>				
Interest	\$ 0	\$ 0	\$ 0	\$ 8,434
Tuition and Fees	4,625	0	4,625	49,027
Extracurricular Activities	4,192	0	4,192	1,544
Miscellaneous	3,138,337	0	3,138,337	1,764,746
<b>Total Revenues</b>	<b>3,147,154</b>	<b>0</b>	<b>3,147,154</b>	<b>1,823,751</b>
<b>Expenditures:</b>				
<i>Current:</i>				
<i>Support Services:</i>				
Pupils	862,920	0	862,920	491,464
Instructional Staff	2,390,726	0	2,390,726	545,230
Administration	27,510	0	27,510	291,380
Operation and Maintenance of Plant	111,695	0	111,695	100,504
Pupil Transportation	13,342	0	13,342	15,101
Central	122,885	0	122,885	18,655
Extracurricular Activities	220	0	220	0
<b>Total Expenditures</b>	<b>3,529,298</b>	<b>0</b>	<b>3,529,298</b>	<b>1,462,334</b>
<i>Excess of Revenues Over (Under) Expenditures</i>	(382,144)	0	(382,144)	361,417
Fund Balances (Deficit) at Beginning of Year	382,144	(20,727)	361,417	0
<b>Fund Balances (Deficit) at End of Year</b>	<b>\$ 0</b>	<b>\$ (20,727)</b>	<b>\$ (20,727)</b>	<b>\$ 361,417</b>

**Cleveland Municipal School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - (Non-GAAP Basis) Budget And Actual  
Educational Special Trust Fund  
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
<i>Local Sources:</i>			
Extracurricular Activities	\$ 4,192	\$ 4,192	\$ 0
Miscellaneous	6,495,808	4,900,401	(1,595,407)
<b>Total Revenues</b>	<u>6,500,000</u>	<u>4,904,593</u>	<u>(1,595,407)</u>
<b>Expenditures:</b>			
Current:			
<i>Instruction:</i>			
Regular	20,500	0	20,500
Vocational	75,530	0	75,530
<i>Support Services:</i>			
Pupils	1,624,825	943,442	681,383
Instructional Staff	4,849,469	2,971,111	1,878,358
Administration	121,261	51,777	69,484
Fiscal	2,108	0	2,108
Business	4,989	0	4,989
Operation and Maintenance of Plant	289,863	149,991	139,872
Pupil Transportation	41,183	14,528	26,655
Central	908,687	190,868	717,819
<i>Extracurricular Activities:</i>			
Academic and Subject Oriented	9,142	220	8,922
Sports Oriented Activities	3,000	0	3,000
<b>Total Expenditures</b>	<u>7,950,557</u>	<u>4,321,937</u>	<u>3,628,620</u>
Excess of Revenues Over (Under) Expenditures	(1,450,557)	582,656	2,033,213
Fund Balance at Beginning of Year	1,462,741	1,462,741	0
Prior Year Encumbrances Appropriated	<u>149,173</u>	<u>149,173</u>	<u>0</u>
<b>Fund Balance at End of Year</b>	<u>\$ 161,357</u>	<u>\$ 2,194,570</u>	<u>\$ 2,033,213</u>

**Cleveland Municipal School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - (Non-GAAP Basis) Budget And Actual  
Administrative Special Trust Fund  
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
<i>Local Sources:</i>			
Miscellaneous	\$ 70,000	\$ 0	\$ (70,000)
<b>Total Revenues</b>	<u>70,000</u>	<u>0</u>	<u>(70,000)</u>
<b>Expenditures:</b>			
Current:			
<i>Support Services:</i>			
Administration	482	482	0
<b>Total Expenditures</b>	<u>482</u>	<u>482</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	69,518	(482)	(70,000)
Fund Balance at Beginning of Year	<u>482</u>	<u>482</u>	<u>0</u>
<b>Fund Balance at End of Year</b>	<u>\$ 70,000</u>	<u>\$ 0</u>	<u>\$ (70,000)</u>



**Cleveland Municipal School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - (Non-GAAP Basis) Budget And Actual  
All Expendable Trust Funds  
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
<i>Local Sources:</i>			
Extracurricular Activities	\$ 4,192	\$ 4,192	\$ 0
Miscellaneous	6,565,808	4,900,401	(1,665,407)
<b>Total Revenues</b>	<u>6,570,000</u>	<u>4,904,593</u>	<u>(1,665,407)</u>
<b>Expenditures:</b>			
Current:			
<i>Instruction:</i>			
Regular	20,500	0	20,500
Vocational	75,530	0	75,530
<i>Support Services:</i>			
Pupils	1,624,825	943,442	681,383
Instructional Staff	4,849,469	2,971,111	1,878,358
Administration	121,743	52,259	69,484
Fiscal	2,108	0	2,108
Business	4,989	0	4,989
Operation and Maintenance of Plant	289,863	149,991	139,872
Pupil Transportation	41,183	14,528	26,655
Central	908,687	190,868	717,819
<i>Extracurricular Activities:</i>			
Academic and Subject Oriented	9,142	220	8,922
Sports Oriented Activities	3,000	0	3,000
<b>Total Expenditures</b>	<u>7,951,039</u>	<u>4,322,419</u>	<u>3,628,620</u>
Excess of Revenues Over (Under) Expenditures	(1,381,039)	582,174	1,963,213
Fund Balances at Beginning of Year	1,463,223	1,463,223	0
Prior Year Encumbrances Appropriated	<u>149,173</u>	<u>149,173</u>	<u>0</u>
<b>Fund Balances at End of Year</b>	<u>\$ 231,357</u>	<u>\$ 2,194,570</u>	<u>\$ 1,963,213</u>

**Cleveland Municipal School District**  
Combining Statement of Changes in Assets and Liabilities  
All Agency Funds  
For the Fiscal Year Ended June 30, 2000

	Beginning Balance July 1, 1999	Additions	Deductions	Ending Balance June 30, 2000
<b>District Agency Fund</b>				
<i>Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$ 5,688,938	\$ 0	\$ 2,994,872	\$ 2,694,066
Interfund Receivable	0	310,763	0	310,763
<b>Total Assets</b>	<b>\$ 5,688,938</b>	<b>\$ 310,763</b>	<b>\$ 2,994,872</b>	<b>\$ 3,004,829</b>
<i>Liabilities:</i>				
Payroll Withholdings	\$ 5,688,938	\$ 310,763	\$ 2,994,872	\$ 3,004,829
<b>Total Liabilities</b>	<b>\$ 5,688,938</b>	<b>\$ 310,763</b>	<b>\$ 2,994,872</b>	<b>\$ 3,004,829</b>
<b>Remedial Order Agency Fund</b>				
<i>Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$ 20,000,000	\$ 0	\$ 20,000,000	\$ 0
<i>Liabilities:</i>				
Undistributed Monies	\$ 20,000,000	\$ 0	\$ 20,000,000	\$ 0
<b>All Agency Funds</b>				
<i>Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$ 25,688,938	\$ 0	\$ 22,994,872	\$ 2,694,066
Interfund Receivable	0	310,763	0	310,763
<b>Total Assets</b>	<b>\$ 25,688,938</b>	<b>\$ 310,763</b>	<b>\$ 22,994,872</b>	<b>\$ 3,004,829</b>
<i>Liabilities:</i>				
Undistributed Monies	\$ 20,000,000	\$ 0	\$ 20,000,000	\$ 0
Payroll Withholdings	5,688,938	310,763	2,994,872	3,004,829
<b>Total Liabilities</b>	<b>\$ 25,688,938</b>	<b>\$ 310,763</b>	<b>\$ 22,994,872</b>	<b>\$ 3,004,829</b>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT**

**GENERAL FIXED ASSETS**

**ACCOUNT GROUP**

**THE GENERAL FIXED ASSET ACCOUNT GROUP IS USED TO  
ACCOUNT FOR ALL LAND AND IMPROVEMENTS, BUILDINGS AND  
BUILDING IMPROVEMENTS AND FURNITURE AND EQUIPMENT  
NOT USED IN THE OPERATIONS OF THE PROPRIETARY FUNDS.**

**Cleveland Municipal School District**  
 Comparative Schedule of General Fixed Assets  
 By Source  
 June 30, 2000 and 1999

	2000	1999
<b><i>General Fixed Assets</i></b>		
Land and Improvements	\$ 29,779,803	\$ 29,650,047
Buildings and Building Improvements	307,681,409	302,677,162
Vehicles and Equipment	31,612,172	26,643,412
<b><i>Total General Fixed Assets</i></b>	<b><u>\$ 369,073,384</u></b>	<b><u>\$ 358,970,621</u></b>
<b><i>Investments in General Fixed Assets From:</i></b>		
General Fund	\$ 53,668,853	\$ 47,837,978
Special Revenue Funds	25,455,401	25,091,927
Capital Projects Fund	105,247,308	101,338,894
Expendable Trust Funds	61,931	61,931
Other	362,562	362,562
Donations	560,289	560,289
Acquisitions prior to July 1, 1986	183,717,040	183,717,040
<b><i>Total Investment in General Fixed Assets</i></b>	<b><u>\$ 369,073,384</u></b>	<b><u>\$ 358,970,621</u></b>

**Cleveland City School District**  
Schedule of General Fixed Assets  
By Function/Activity  
June 30, 2000

Function/Activity	Total	Land and Improvements	Buildings and Building Improvements	Vehicles and Equipment
Senior High Schools	\$ 56,943,104	\$ 5,141,023	\$ 51,728,264	\$ 73,817
Intermediate Schools	49,600,987	3,760,694	45,733,564	106,729
Elementary Schools	98,927,982	10,007,607	88,646,152	274,223
Magnet Schools	101,234,114	8,170,843	92,750,953	312,318
Administration and Services	49,398,000	2,361,182	16,259,849	30,776,969
Closed Facilities and Sites	12,969,197	338,454	12,562,627	68,116
<b>Total General Fixed Assets</b>	<b>\$ 369,073,384</b>	<b>\$ 29,779,803</b>	<b>\$ 307,681,409</b>	<b>\$ 31,612,172</b>

**Cleveland City School District**  
 Schedule of Changes in General Fixed Assets  
 By Source  
 For the Fiscal Year Ended June 30, 2000

	Land and Improvements	Building and Building Improvements	Vehicles and Equipment	Totals
<b><i>Balance at July 1, 1999</i></b>	\$ 29,650,047	\$ 302,677,162	\$ 26,643,412	\$ 358,970,621
<i>Additions:</i>				
Expenditures from General Fund	129,756	963,737	4,782,537	5,876,030
Expenditures from Special Revenue Funds	0	306,695	56,779	363,474
Expenditures from Capital Projects Funds	0	3,733,815	174,599	3,908,414
<b><i>Total Additions</i></b>	129,756	5,004,247	5,013,915	10,147,918
<i>Disposals</i>	0	0	45,155	45,155
<b><i>Balance at June 30, 2000</i></b>	<u>\$ 29,779,803</u>	<u>\$ 307,681,409</u>	<u>\$ 31,612,172</u>	<u>\$ 369,073,384</u>

**Cleveland City School District**  
Schedule of Changes in General Fixed Assets by Function/Activity  
For the Fiscal Year Ended June 30, 2000

Function/Activity	General Fixed Assets at July 1, 1999	Additions	Disposals	General Fixed Assets at June 30, 2000
Senior High Schools	\$ 56,441,122	\$ 501,982	\$ 0	\$ 56,943,104
Intermediate Schools	48,300,469	1,333,912	33,394	49,600,987
Elementary Schools	97,260,413	1,673,430	5,861	98,927,982
Magnet Schools	100,665,695	574,319	5,900	101,234,114
Administration and Services	43,611,187	5,786,813	0	49,398,000
Closed Facilities and Sites	12,691,735	277,462	0	12,969,197
<b><i>Total General Fixed Assets</i></b>	<b><u>\$ 358,970,621</u></b>	<b><u>\$ 10,147,918</u></b>	<b><u>\$ 45,155</u></b>	<b><u>\$ 369,073,384</u></b>

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**CLEVELAND MUNICIPAL SCHOOL DISTRICT**  
**STATISTICAL SECTION**

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

	1991	1992	1993 (3)	1994 (3)	1995
<i>Revenue from Local Sources:</i>					
Taxes	\$ 162,121,498	\$ 163,959,356	\$ 165,730,532	\$ 162,239,984	\$ 154,824,367
Interest	7,734,269	6,122,899	4,275,830	3,181,851	4,755,345
Tuition and Fees	1,222,229	1,604,497	1,304,675	812,926	739,728
Extracurricular Activities	0	0	0	0	1,337,511
Rentals	0	0	0	0	222,615
Miscellaneous	4,480,030	4,084,084	7,067,817	3,781,862	3,089,107
<b>Total Local Sources</b>	<b>175,558,026</b>	<b>175,770,836</b>	<b>178,378,854</b>	<b>170,016,623</b>	<b>164,968,673</b>
<i>Revenue from State Sources:</i>					
Unrestricted Grants-in-Aid (1) (2)	213,625,186	197,080,523	192,073,892	200,534,826	229,120,768
Restricted Grants-in-Aid (2)	18,129,246	29,137,655	29,311,147	33,220,258	44,858,211
<b>Total State Sources</b>	<b>231,754,432</b>	<b>226,218,178</b>	<b>221,385,039</b>	<b>233,755,084</b>	<b>273,978,979</b>
<i>Revenue from Federal Sources:</i>					
Unrestricted Grants-in-Aid	338,905	154,980	58,960	326,800	1,019,721
Restricted Grants-in-Aid	37,917,881	41,343,216	47,475,773	41,099,254	44,033,519
<b>Total Federal Sources</b>	<b>38,256,786</b>	<b>41,498,196</b>	<b>47,534,733</b>	<b>41,426,054</b>	<b>45,053,240</b>
<b>Total Revenues</b>	<b>\$ 445,569,244</b>	<b>\$ 443,487,210</b>	<b>\$ 447,298,626</b>	<b>\$ 445,197,761</b>	<b>\$ 484,000,892</b>

(continued)

## Cleveland Municipal School District

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

	1996	1997	1998	1999	2000
<i>Revenue from Local Sources:</i>					
Taxes	\$ 155,490,489	\$ 187,021,369	\$ 223,362,432	\$ 233,513,561	\$ 217,137,676
Interest	5,844,675	6,685,375	11,544,482	13,767,095	16,861,000
Tuition and Fees	658,500	781,852	1,391,599	1,728,030	1,023,218
Extracurricular Activities	1,318,246	1,251,565	1,274,051	1,293,306	1,521,492
Rentals	158,452	162,355	125,406	104,352	100,771
Miscellaneous	3,878,521	3,268,605	4,706,558	2,536,103	1,826,986
<b>Total Local Sources</b>	<b>167,348,883</b>	<b>199,171,121</b>	<b>242,404,528</b>	<b>252,942,447</b>	<b>238,471,143</b>
<i>Revenue from State Sources:</i>					
Unrestricted Grants-in-Aid (1) (2)	239,618,796	232,505,491	270,945,514	322,814,426	316,361,566
Restricted Grants-in-Aid (2)	56,875,712	49,757,129	73,130,537	46,268,975	50,261,774
<b>Total State Sources</b>	<b>296,494,508</b>	<b>282,262,620</b>	<b>344,076,051</b>	<b>369,083,401</b>	<b>366,623,340</b>
<i>Revenue from Federal Sources:</i>					
Unrestricted Grants-in-Aid	2,348,543	2,001,397	5,505,195	3,957,556	4,109,302
Restricted Grants-in-Aid	39,208,676	60,140,167	58,371,212	54,888,588	52,036,799
<b>Total Federal Sources</b>	<b>41,557,219</b>	<b>62,141,564</b>	<b>63,876,407</b>	<b>58,846,144</b>	<b>56,146,101</b>
<b>Total Revenues</b>	<b>\$ 505,400,610</b>	<b>\$ 543,575,305</b>	<b>\$ 650,356,986</b>	<b>\$ 680,871,992</b>	<b>\$ 661,240,584</b>

**Notes:**

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

Source: School District Financial Records

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

	1991	1992	1993 (2)	1994 (2)	1995
<i>Instruction:</i>					
Regular (1)	\$ 170,511,272	\$ 167,012,342	\$ 179,292,055	\$ 188,482,121	\$ 177,385,226
Special	50,534,394	54,595,507	61,938,968	62,569,665	76,385,384
Vocational	16,689,160	15,873,339	17,621,200	17,654,319	17,973,567
Adult/Continuing (1)	2,540,543	3,267,699	3,425,846	3,665,102	3,587,840
Other (1)	4,732,578	7,082,585	8,656,029	8,289,808	2,704,509
<b>Total Instruction</b>	<b>245,007,947</b>	<b>247,831,472</b>	<b>270,934,098</b>	<b>280,661,015</b>	<b>278,036,526</b>
<i>Support Services:</i>					
Pupils	17,274,355	19,603,217	19,527,953	21,518,810	21,247,422
Instructional Staff	27,818,584	25,353,622	25,450,058	22,059,691	23,630,141
Board of Education	100,758	45,073	110,479	140,888	124,123
Administration (1)	36,431,872	40,775,112	38,063,189	32,860,741	33,327,350
Fiscal	5,927,843	6,928,401	7,142,465	7,264,042	6,395,376
Business (2)	2,344,976	1,821,249	1,582,865	908,690	1,293,156
Operations and Maintenance of Plant (1) (2)	55,389,288	50,370,291	46,803,828	45,010,849	46,578,974
Pupil Transportation	27,917,194	26,340,687	26,619,325	28,033,575	26,155,973
Central	20,157,180	15,914,910	14,448,142	14,779,892	12,951,371
<b>Total Support Services</b>	<b>193,362,050</b>	<b>187,152,562</b>	<b>179,748,304</b>	<b>172,577,178</b>	<b>171,703,886</b>
<i>Total Operation of Non-Instructional Services</i>	9,228,542	8,787,525	2,723,416	2,866,440	7,248,078
<i>Total Extracurricular Activities</i>	3,284,906	3,261,469	3,373,818	3,266,901	2,976,629
<i>Total Capital Outlay</i>	19,346,016	12,913,063	6,536,843	1,683,777	7,996,372
<i>Total Intergovernmental</i>	0	0	0	0	0
<i>Total Debt Service</i>	16,602,804	21,611,077	33,366,248	32,660,566	25,510,002
<b>Total Expenditures</b>	<b>\$ 486,832,265</b>	<b>\$ 481,557,168</b>	<b>\$ 496,682,727</b>	<b>\$ 493,715,877</b>	<b>\$ 493,471,493</b>

(continued)

## Cleveland Municipal School District

### Summary of Expenditures by Function - All Governmental Fund Types (continued) Last Ten Fiscal Years

	1996	1997	1998	1999	2000
<i>Instruction:</i>					
Regular (1)	\$ 210,104,970	\$ 179,097,325	\$ 203,261,984	\$ 233,987,148	\$ 253,119,426
Special	72,817,142	87,746,044	87,261,071	94,776,091	89,282,118
Vocational	17,412,555	16,366,961	17,023,889	16,942,842	18,193,372
Adult/Continuing (1)	3,570,206	3,683,513	3,913,542	3,788,063	4,848,478
Other (1)	1,726,811	2,999,947	2,950,684	1,855,733	1,334,029
<i>Total Instruction</i>	<u>305,631,684</u>	<u>289,893,790</u>	<u>314,411,170</u>	<u>351,349,877</u>	<u>366,777,423</u>
<i>Support Services:</i>					
Pupils	16,087,440	17,691,394	21,921,900	24,779,405	25,420,577
Instructional Staff	22,733,960	24,023,707	30,181,237	31,414,445	34,331,720
Board of Education	73,636	55,704	47,747	108,155	187,039
Administration (1)	32,017,140	33,631,621	36,596,789	37,130,298	44,562,207
Fiscal	9,059,791	7,257,818	7,951,092	8,709,423	3,609,819
Business (2)	4,422,478	1,850,968	932,006	2,663,827	467,520
Operations and Maintenance of Plant (1) (2)	46,484,000	47,602,874	50,974,217	57,138,998	59,434,441
Pupil Transportation	24,815,117	26,027,138	25,620,574	33,277,000	32,668,584
Central	10,073,814	12,392,000	14,503,295	22,424,027	24,238,631
<i>Total Support Services</i>	<u>165,767,376</u>	<u>170,533,224</u>	<u>188,728,857</u>	<u>217,645,578</u>	<u>224,920,538</u>
<i>Total Operation of Non-Instructional Services</i>	8,651,473	9,985,024	12,709,080	13,954,888	14,415,830
<i>Total Extracurricular Activities</i>	2,747,296	4,161,582	5,046,897	5,934,577	7,617,561
<i>Total Capital Outlay</i>	7,390,638	9,359,126	22,923,467	18,020,328	10,831,630
<i>Total Intergovernmental</i>	0	19,472	10,355	0	0
<i>Total Debt Service</i>	27,859,189	26,256,765	27,952,642	21,965,715	21,505,401
<i>Total Expenditures</i>	<u>\$ 518,047,656</u>	<u>\$ 510,208,983</u>	<u>\$ 571,782,468</u>	<u>\$ 628,870,963</u>	<u>\$ 646,068,383</u>

**Notes:**

(1) Beginning in fiscal 1992, amounts reflect the state-mandated reclassification of Disadvantaged Pupil Impact Aid from an unrestricted grant-in-aid in the General Fund to a restricted grant-in-aid in the Special Revenue Funds.

(2) In accordance with a state-mandated directive, the Auxiliary Services Fund which had been classified as a Special Revenue Fund, was reclassified to an Agency Fund effective for fiscal years ending June 30, 1993 and 1994.

Source: School District Financial Records

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

Collection Year (2)	Current		Current Collected	Percent Collected (1)	Collected Delinquencies		Total Collected	Total Collected As Percent Of Current Tax Levy		Outstanding Delinquent Taxes By Year (3)	Outstanding Delinquent Taxes As Percent Of Billed
	Tax Levy Billed (1)				Collected	Delinquencies		As Percent Of Current Tax Levy			
1990	173,028		166,047	96.0	7,800		173,847	100.5		32,104	18.6
1991	173,636		166,592	95.9	8,230		174,822	100.7		30,789	17.7
1992	184,743		171,477	92.8	8,601		180,078	97.5		31,069	16.8
1993	184,708		178,116	96.4	5,424		183,540	99.4		36,184	19.6
1994	175,683		162,317	92.4	6,906		169,223	96.3		31,531	17.9
1995	174,235		161,649	92.8	6,215		167,864	96.3		30,303	17.4
1996	175,681		162,639	92.6	7,542		170,181	96.9		34,241	19.5
1997	245,517		226,095	92.1	13,014		239,109	97.4		43,604	17.8
1998	249,886		230,033	92.1	15,110		245,143	98.1		53,535	21.4
1999	254,305		233,041	91.6	14,443		247,484	97.3		51,804	20.4

Notes:

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (2) Represents collection year. 2000 information cannot be presented because all collections have not been made by June 30.
- (3) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.

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

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

Collection Year	Real Property (1)		Public Utility Property (2)		Tangible Personal Property (3)		Total		Ratio
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1991	3,022,942	8,636,977	498,544	566,527	959,875	3,555,093	4,481,361	12,758,597	35
1992	3,594,404	10,269,726	520,684	591,686	906,687	3,487,258	5,021,775	14,348,670	35
1993	3,530,674	10,087,640	521,153	592,219	869,212	3,476,848	4,921,039	14,156,707	35
1994	3,549,374	10,141,069	519,027	589,803	863,198	3,452,792	4,931,599	14,183,664	35
1995	3,690,111	10,543,174	520,157	591,088	812,996	3,251,984	5,023,264	14,386,246	35
1996	3,727,115	10,648,900	485,803	552,049	823,490	3,293,960	5,036,408	14,494,909	35
1997	3,794,182	10,840,520	478,775	544,063	860,068	3,440,272	5,133,025	14,824,855	35
1998	4,044,292	11,555,120	476,178	541,111	887,928	3,551,712	5,408,398	15,647,943	35
1999	4,116,029	11,760,083	479,223	544,572	915,905	3,663,620	5,511,157	15,968,275	35
2000	4,139,968	11,828,480	444,748	505,395	955,316	3,821,264	5,540,032	16,155,139	35

Notes:

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

Source: Cuyahoga County Auditor



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

Collection Year	City of Cleveland	Cuyahoga County	Cleveland Public Library	Cleveland Municipal School District			Total (1)	Village of Bratenahl (2)	Village of Newburgh Heights (2)	Village of Linndale (2)	City of Garfield Heights (2)
				General Fund	Bond Retirement	Bond					
1991	12.40	16.80	3.00	44.70	4.20	81.10	18.00	12.80	2.80	17.10	
1992	12.30	16.80	3.00	44.70	5.00	81.80	17.70	12.80	2.80	17.10	
1993	12.30	16.80	1.00	44.70	3.70	78.50	20.60	12.80	2.80	17.60	
1994	12.70	16.80	3.00	44.70	3.40	80.60	20.50	12.80	2.80	18.00	
1995	12.70	16.60	3.00	44.70	3.40	80.40	26.40	12.80	2.80	18.40	
1996	12.70	16.60	3.00	44.70	3.40	80.40	26.40	12.80	2.80	18.70	
1997	12.70	16.60	3.00	58.20	2.80	93.30	25.10	12.80	2.80	18.90	
1998	12.70	16.60	3.00	58.20	2.80	93.30	25.10	12.80	2.80	18.90	
1999	12.70	15.30	4.00	58.20	2.80	93.00	25.10	12.80	2.80	19.10	
2000	12.70	15.30	4.00	58.20	2.60	92.80	25.10	12.80	2.80	19.00	

**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 Cleveland Municipal School District (CMSD) and are subject to the CMSD tax.

Source: Cuyahoga County Auditor

## Cleveland Municipal School District

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

Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Less Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1991	505,616	4,481,361	77,930	6,576	71,354	1.59	141
1992	505,616	5,021,775	79,800	5,668	74,132	1.48	147
1993	505,616	4,921,039	170,429	14,864	155,565	3.16	308
1994	505,616	4,931,599	163,032	17,943	145,089	2.94	287
1995	505,616	5,023,264	163,301	20,373	142,928	2.85	283
1996	505,616	5,036,408	151,428	19,751	131,677	2.61	260
1997	505,616	5,133,025	140,826	20,992	119,834	2.33	237
1998	505,616	5,408,398	128,539	23,156	105,383	1.95	208
1999	505,616	5,511,157	120,790	26,406	94,384	1.71	187
2000	501,662	5,540,032	112,615	20,781	91,834	1.66	183

Notes:

(1) Sources - U.S. Bureau of the Census (1991 through 2000).

(2) Source - Cuyahoga County Auditor.

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

**Cleveland Municipal School District**  
 Computation of Direct and Overlapping Debt  
 June 30, 2000

Name of Governmental Unit	Gross Debt Outstanding	Debt Service Fund (Cash Balance)	Net Outstanding Debt	Percentage Applicable to Cleveland Municipal School District (1)	Amount Applicable to Cleveland Municipal School District
Cleveland Municipal School District (2)	\$ 216,949,539	\$ 22,858,052	\$ 194,091,487	100.00%	\$ 194,091,487
City of Cleveland	311,515,000	4,041,432	307,473,568	98.69	303,445,664
Cuyahoga County	142,499,636	1,049,914	141,449,722	21.69	30,680,445
Village of Bratenahl	1,235,000	127,575	1,107,425	100.00	1,107,425
Village of Newburgh Heights	20,861	0	20,861	100.00	20,861
City of Garfield Heights	24,599,000	197,427	24,401,573	5.70	1,390,890
Greater Cleveland Regional Transit Authority	101,865,000	831,531	101,033,469	21.69	21,914,159
<b>Total</b>	<b>\$ 798,684,036</b>	<b>\$ 29,105,931</b>	<b>\$ 769,578,105</b>		<b>\$ 552,650,931</b>

Notes:

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

(2) The gross debt outstanding does not include EPA loans of \$470,927.

Source: Cuyahoga County Auditor

# Cleveland Municipal School District

## Computation of Legal Debt Margin

June 30, 2000

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Assessed Value	\$ 5,540,032,426
Debt Limit - 9% of Assessed Value (1)	\$ 498,602,918
Amount of Debt Applicable to Debt Limit:	
General Obligation Bond	112,614,539
Revenue Anticipation Notes	104,335,000
Amount Available in Debt Service Fund	(20,781,131)
Total	196,168,408
Exemptions:	
Revenue Anticipation Notes	104,335,000
Amount of Debt Subject to the Limit	91,833,408
Total Debt Margin	\$ 406,769,510
Debt Margin - .10% of Assessed Value (1)	\$ 5,540,032
Amount of Debt Applicable to Debt Limit	
Gross indebtedness authorized by the Board	0
Amount of Debt Subject to the Limit	0
Unvoted Debt Margin	\$ 5,540,032
Additional Limit for Unvoted Energy Conservation Bonds:	
Debt Limited - 1% of Assessed Valuation	\$ 55,400,324
Energy Conservation Bonds	6,880,000
Additional Unvoted Debt Margin	\$ 48,520,324

Source: Cuyahoga County Auditor and School District Financial Records

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

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

Year	Debt Service Expenditures (1)			Total	Total Governmental Fund Type Expenditures (2)	Ratio of Debt Service to Governmental Fund Type Expenditures (Percentages)
	Principal	Interest and Fiscal Charges				
1991	7,570	4,673		12,243	486,832	2.5
1992	7,640	5,733		13,373	481,557	2.8
1993 (3)	10,300	6,441		16,741	496,683	3.4
1994	9,185	7,586		16,771	493,716	3.4
1995	10,645	14,561		25,206	493,471	5.1
1996	12,905	8,446		21,351	518,048	4.1
1997	11,695	7,589		19,284	510,209	3.8
1998	13,445	7,044		20,489	571,782	3.6
1999	8,975	6,738		15,713	628,871	2.5
2000	9,475	5,779		15,254	646,068	2.4

Notes:

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

Source: School Financial Records

## Cleveland Municipal School District

Schedule of Insurance in Force

June 30, 2000

Company	Policy Period		Details of Coverage	Liability Limits	Deductible	Annual Premium
	From	To				
Hartford Steam and Boiler	07/01/2000	06/30/2001	Boiler Inspection	N/A	N/A	\$17,340
National Union Fire Insurance Company	07/01/2000	06/30/2001	School Leaders Errors and Omissions	\$1,000,000	\$250,000	55,159
American International Group	07/01/2000	06/30/2001	Attorneys Professional Liability	1,000,000	25,000	7,610
Travelers Property and Casualty Insurance Company	07/01/2000	06/30/2001	Physical Damage - Mobile Classrooms	5,000,000	1,000	15,000
Westfield Insurance Company	07/01/2000	06/30/2001	Treasurer's and Employees' Blanket Fidelity Bond	1,000,000	10,000	2,000 4,245
American Empire Surplus Line	07/01/2000	06/30/2001	Nurses' Professional Liability	2,000,000	500	19,024
Coregis Insurance Group	07/01/2000	06/30/2001	General Liability, Automobile Liability and Physical Damage	5,000,000	1,000,000 (1)	216,000

N/A - Not Applicable

(1) Self Insured Retention

Source: School District Records

## Cleveland Municipal School District

### Attendance Data Last Ten Fiscal Years

Year	Number of Graduates	Average Daily Membership	Average Daily Attendance	Average Daily Attendance As Percent of Average Daily Membership	Percent Change Average Daily Attendance From Prior Year Increase (Decrease)
1991	2,616	70,019	58,629	83.73	0.21
1992	2,521	71,839	60,345	84.00	2.93
1993	2,478	72,556	60,671	83.62	0.54
1994	1,947	72,728	60,968	83.83	0.49
1995	1,853	69,211	60,740	87.76	(0.37)
1996	1,967	71,054	60,294	84.86	(0.73)
1997	2,059	71,344	62,093	87.03	2.98
1998	1,738	73,312	64,869	88.48	4.47
1999	2,070	76,170	66,191	86.90	2.04
2000	2,067	76,323	63,500	83.20	(4.07)

Source: Office of Research, Evaluation and Assessment

**Cleveland Municipal School District**  
Expenditures Per Pupil - All Governmental Fund Types  
Fiscal Years 1991 - 2000

	1991	1992	1993	1994	1995
<i>Average Daily Membership</i>	<u>70,019</u>	<u>71,839</u>	<u>72,556</u>	<u>72,728</u>	<u>69,211</u>
<i>Instruction:</i>					
Regular	\$2,435	\$2,325	\$2,471	\$2,592	\$2,563
Special	722	760	854	860	1,103
Vocational	238	221	243	243	260
Adult/Continuing	36	45	47	50	52
Other	68	99	119	114	39
<i>Total Instruction</i>	<u>3,499</u>	<u>3,450</u>	<u>3,734</u>	<u>3,859</u>	<u>4,017</u>
<i>Support Services:</i>					
Pupils	247	273	269	296	307
Instructional Staff	397	353	351	303	341
Board of Education	1	1	1	2	2
Administration	520	568	525	452	482
Fiscal	85	96	98	100	92
Business	33	25	22	13	19
Operations and Maintenance of Plant	791	701	645	619	672
Pupil Transportation	399	367	367	385	378
Central	288	221	199	203	187
<i>Total Support Services</i>	<u>2,761</u>	<u>2,605</u>	<u>2,477</u>	<u>2,373</u>	<u>2,480</u>
<i>Total Operation of Non-Instructional Services</i>	132	122	38	40	105
<i>Total Extracurricular Activities</i>	47	45	47	45	43
<i>Total Capital Outlay</i>	276	180	90	23	116
<i>Total Debt Service</i>	<u>237</u>	<u>301</u>	<u>460</u>	<u>449</u>	<u>369</u>
<i>Total Expenditures</i>	<u>\$6,952</u>	<u>\$6,703</u>	<u>\$6,846</u>	<u>\$6,789</u>	<u>\$7,130</u>

(continued)



**Cleveland Municipal School District**  
 Expenditures Per Pupil - All Governmental Fund Types (continued)  
 Fiscal Years 1991 - 2000

	1996	1997	1998	1999	2000
<i>Average Daily Membership</i>	71,054	71,344	73,312	76,170	76,323
<i>Instruction:</i>					
Regular	\$2,957	\$2,510	\$2,773	\$3,072	\$3,316
Special	1,025	1,230	1,190	1,244	1,170
Vocational	244	229	232	223	238
Adult/Continuing	50	52	54	50	64
Other	24	42	40	24	17
<i>Total Instruction</i>	4,300	4,063	4,289	4,613	4,805
<i>Support Services:</i>					
Pupils	226	248	299	325	333
Instructional Staff	321	337	412	412	450
Board of Education	1	1	1	1	2
Administration	451	471	499	487	584
Fiscal	128	102	108	114	47
Business	62	26	13	35	6
Operations and Maintenance of Plant	654	667	695	751	779
Pupil Transportation	349	365	349	437	428
Central	142	174	198	295	318
<i>Total Support Services</i>	2,334	2,391	2,574	2,857	2,947
<i>Total Operation of Non-Instructional Services</i>	122	140	173	183	189
<i>Total Extracurricular Activities</i>	39	58	69	78	100
<i>Total Capital Outlay</i>	104	131	313	237	142
<i>Total Debt Service</i>	392	368	381	288	282
<i>Total Expenditures</i>	\$7,291	\$7,151	\$7,799	\$8,256	\$8,465

Source: School District Financial Records

# Cleveland Municipal School District

## School Lunch Program Last Ten Fiscal Years

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
<b>AVERAGE DAILY MEMBERSHIP</b>										
Sec. Paid lunch - price per meal	70,019	71,839	72,556	72,728	69,211	71,054	71,344	73,312	76,170	76,323
Reduced lunch - price per meal	\$ 1.20	\$ 1.20	\$ 1.20	\$ 1.20	\$ 1.20	\$ 1.20	\$ 1.20	\$ 1.20	\$ 1.20	\$ 1.20
Adult lunch - price per meal	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Elem. Paid lunch - price per meal	ALC	ALC	ALC	ALC	ALC	ALC	ALC	ALC	ALC	ALC
Reduced lunch - price per meal	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
Adult lunch - price per meal	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Number of serving days	180	181	180	177	180	178	176	179	174	177
Sec. Free lunches served	1,704,514	1,663,787	1,686,656	1,782,487	1,837,648	1,889,670	1,930,506	1,976,202	1,838,637	1,886,314
Elem. Free lunches served	5,360,410	5,542,880	5,546,650	5,390,798	5,398,496	4,882,461	4,792,532	5,444,987	5,339,982	5,101,947
Sec. Daily average free lunches	9,469	9,192	9,370	10,071	10,209	10,616	10,969	11,040	10,567	10,567
Elem. Daily average free lunches	29,780	30,624	30,815	30,456	29,992	27,430	27,230	30,419	30,690	28,825
Sec. Reduced lunches served	76,128	69,114	58,406	64,713	65,929	62,223	58,703	72,363	65,241	122,810
Elem. Paid lunches served	220,846	198,377	188,485	188,185	218,984	224,190	220,189	213,205	203,727	365,133
Reduced lunches served	292,630	252,355	232,805	217,046	221,506	200,440	200,628	252,438	278,389	386,256
Elem. Paid lunches served	289,010	257,882	228,309	214,770	223,402	209,863	210,251	250,624	260,973	734,311
Sec. Daily average reduced lunches	423	382	324	366	366	350	334	404	375	694
Elem. Daily average paid lunches	1,227	1,096	1,047	1,063	1,217	1,259	1,251	1,191	1,171	2,063
Daily average reduced lunches	1,626	1,394	1,293	12,226	1,231	1,126	1,140	1,410	1,600	2,182
Elem. Daily average paid lunches	1,606	1,425	1,268	1,213	1,241	1,179	1,195	1,400	1,500	4,149
Sec. Total lunches served	2,001,488	1,931,278	1,933,547	2,035,385	2,122,561	2,176,083	2,209,398	2,261,770	2,107,605	2,374,257
Elem. Total lunches served	5,942,050	6,053,117	6,007,764	5,822,614	5,843,404	5,292,764	5,203,411	5,948,049	5,879,344	6,222,514
Sec. Daily average lunches served	11,119	10,670	10,741	11,500	11,792	12,225	12,554	12,635	12,113	13,324
Elem. Daily average lunches served	33,012	33,443	33,376	32,895	32,464	29,735	29,565	33,229	33,790	35,156
Sec. Number of schools serving	42	40	40	39	39	37	37	37	37	37
Elem. Number of schools serving	87	88	88	89	89	79	79	80	80	80

Notes:

Sec. - Secondary School

Elem. - Elementary School

ALC - Priced a la carte

Source: School District Food Service Division

# Cleveland Municipal School District

## School Breakfast Program

### Last Ten Fiscal Years

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
<b>AVERAGE DAILY MEMBERSHIP</b>	70,019	71,839	72,556	72,728	69,211	71,054	71,344	73,312	76,170	76,323
Sec. Paid breakfast - price per meal	\$ 0.55	\$ 0.55	\$ 0.55	\$ 0.55	\$ 0.55	\$ 0.55	\$ 0.55	\$ 0.55	\$ 0.55	\$ 0.55
Reduced breakfast - price per meal	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Elem. Adult breakfast - price per meal	ALC	ALC	ALC	ALC	ALC	ALC	ALC	ALC	ALC	ALC
Sec. Paid breakfast - price per meal	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55
Reduced breakfast - price per meal	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Elem. Adult breakfast - price per meal	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Number of serving days	180	181	180	177	180	178	176	179	174	177
Sec. Free breakfasts served	322,933	301,455	316,480	327,639	332,827	357,928	398,055	428,494	433,229	444,460
Elem. Free breakfasts served	3,670,832	3,763,846	3,819,771	3,816,495	3,810,372	3,496,747	3,439,729	3,873,415	3,845,137	3,877,467
Sec. Daily average free breakfasts	1,794	1,665	1,758	1,851	1,849	2,011	2,262	2,394	2,490	2,511
Elem. Daily average free breakfasts	20,394	20,795	21,221	21,562	21,169	19,645	19,544	21,639	22,098	21,907
Sec. Reduced breakfasts served	7,942	6,730	6,588	7,415	6,438	7,809	6,520	5,462	6,324	25,158
Elem. Paid breakfasts served	25,276	25,955	24,764	24,565	23,915	28,516	27,647	27,204	29,117	64,124
Sec. Reduced breakfasts served	121,313	106,914	95,895	93,779	99,644	152,238	149,910	168,518	166,918	188,426
Elem. Paid breakfasts served	87,521	81,555	74,075	76,079	82,500	263,640	259,486	292,429	289,955	288,015
Sec. Daily average reduced breakfasts	44	37	37	42	36	44	37	31	36	142
Elem. Daily average paid breakfasts	140	143	138	139	133	160	157	152	167	362
Sec. Daily average reduced breakfasts	674	591	533	530	554	855	852	941	959	1,065
Elem. Daily average paid breakfasts	486	451	412	430	458	1,481	1,474	1,634	1,666	1,627
Sec. Total breakfasts served	356,151	334,140	347,832	359,619	363,180	394,253	432,222	461,160	468,670	533,742
Elem. Total breakfasts served	3,879,666	3,952,315	3,989,741	3,986,353	3,992,516	3,912,625	3,849,125	4,334,362	4,302,010	4,353,908
Sec. Daily average breakfasts served	1,978	1,845	1,933	2,032	2,018	2,215	2,456	2,577	2,693	3,015
Elem. Daily average breakfasts served	21,554	21,837	22,166	22,522	22,181	21,981	21,870	24,214	24,723	24,599
Sec. Number of schools serving	41	40	40	39	39	37	37	37	37	37
Elem. Number of schools serving	87	88	88	89	89	79	79	80	80	80

Notes:

Sec. - Secondary School

Elem. - Elementary School

ALC - Priced a la carte

Source: School District Food Service Division

**Cleveland Municipal School District**  
Economic and Demographic Information

**Population**

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

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

Source: U.S. Bureau of the Census.

**Employment**

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

Year	Civilian Labor Force Cleveland PMSA	Unemployed Cleveland PMSA	Unemployment Rate		
			Cleveland PMSA	State	U.S.
1990	1,034,100	57,700	5.3%	6.4%	6.7%
1991	1,019,400	68,600	6.3	6.5	6.9
1992	1,011,100	82,900	7.6	6.0	7.1
1993	1,008,500	75,100	6.9	6.0	7.1
1994	1,023,900	64,200	5.9	5.4	6.2
1995	1,037,000	55,400	5.1	4.8	5.6
1996	1,046,500	57,100	5.2	5.0	5.5
1997	1,062,300	53,600	4.8	4.3	5.2
1998	1,059,900	48,400	4.4	4.3	4.5
1999	1,069,800	50,300	4.5	4.3	4.2

Source: Ohio Bureau of Employment Services, Labor Market Review  
2000 Not Available

Notes:

The Primary Metropolitan Statistical Area includes the counties of Cuyahoga, Geauga, Lake, Medina, Lorain and Ashtabula.

## Cleveland Municipal School District

### Largest Employers

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

Employer	Number of Employees	Nature of Business or Enterprise
Cleveland Clinic Health System	19,625	Health Care (Hospital and Outpatient Clinic)
University Hospitals Health System	12,944	Health Care
Key Corporation	7,475	Financial Services
Ford Motor Company	6,600	Automotive
Progressive Corporation	5,416	Insurance Provider
LTV Corporation	5,185	Steel Producer
MetroHealth System	5,122	Health Care
National City Corporation	4,982	Financial Services
Case Western Reserve University	4,587	Higher Education
Ameritech	4,401	Communications
Riser Foods Company	3,780	Retail and Wholesale Food Distribution
Continental Airlines	3,286	Air Transportation
General Motors Corporation	3,182	Automotive
Lincoln Electric Company	2,654	Manufacturer
Caritas Healthcare Partnership	2,571	Health Care
Rockwell Automation	2,427	Industrial Automation
American Greetings Corporation	2,286	Manufacturer - Consumer Goods
United Parcel Service	2,176	Package Delivery
Nestle USA Food Group	2,000	Maker/Marketer of Food Products
Sherwin Williams Company	1,993	Manufacturer

Source: Crain's Cleveland Business, 2000 Book of Lists  
 "Largest Cuyahoga County Employers."

**Cleveland Municipal School District**  
Major Taxpayers

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

Name	Nature of Business	Approximate Assessed Valuation	Percent of Total District Assessed Valuation
Cleveland Electric Illuminating Co.	Electric Utility	\$ 269,000,000	4.86%
Ameritech	Phone Utility	130,000,000	2.35%
The LTV Corporation	Steel Manufacturing	103,000,000	1.86%
City of Cleveland	Government	81,000,000	1.46%
ZML - Cleveland Public Square LLC	Real Estate	56,306,250	1.02%
Lakeside Associates	Real Estate	33,350,000	0.60%
BRE/City Center LLC	Real Estate	31,819,000	0.57%
600 Superior Place Partnership	Real Estate	24,850,000	0.45%
Federal Reserve Bank of Cleveland	Government	23,721,670	0.43%
Erievue Joint Venture	Real Estate	22,925,000	0.41%
<b>Total Ten Largest</b>		<b>\$ 775,971,920</b>	<b>14.01%</b>
<b>Total District Assessed Valuation</b>		<b>\$ 5,540,032,426</b>	

Source: Cuyahoga County Auditor - 1999 Tax Collection Year.  
2000 Tax Collection Year Information Not Available

N/A - Not applicable



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**CLEVELAND MUNICIPAL SCHOOL DISTRICT**

**CUYAHOGA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
FEBRUARY 20, 2001**