

**CLEVELAND
MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**



**ANNUAL
COMPREHENSIVE FINANCIAL REPORT**

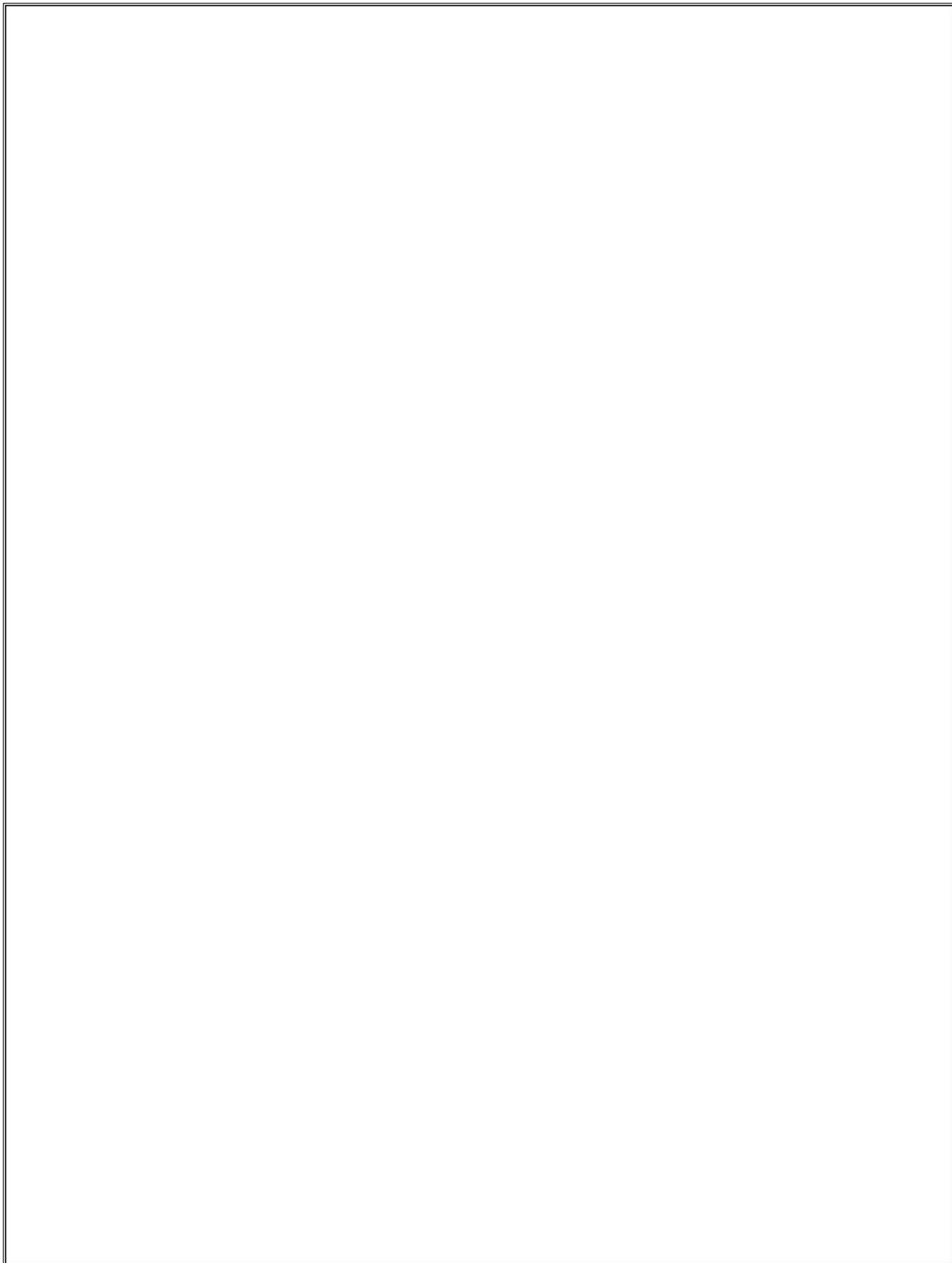
**FOR THE
FISCAL YEAR ENDED JUNE 30, 2023**

ANNUAL
COMPREHENSIVE FINANCIAL REPORT
OF THE
CLEVELAND
MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
FOR THE
FISCAL YEAR ENDED JUNE 30, 2023

PREPARED BY
FINANCE DEPARTMENT

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**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

ANNUAL COMPREHENSIVE FINANCIAL REPORT
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INTRODUCTORY SECTION



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Kevin Stockdale
Finance Department

January 9, 2024

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

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the Cleveland Municipal School District (the “School District”) for the fiscal year ended June 30, 2023. This ACFR includes an opinion from the State Auditor and conforms to generally accepted accounting principles as applicable to governmental activities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the School District. This report will provide the taxpayers of the School District with comprehensive financial data in a format which will enable them to gain an understanding of the School District’s financial affairs. Copies will be made available to taxpayers, financial rating services and other interested parties.

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

The School District

The Board of Education and Administration

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

Chief Executive Officer

Dr. Warren G. Morgan II

Board of Education

Sara Elaquad, J.D.

Board Chair

Leah D. Hudnall

Board Vice Chair

Robert W. Briggs, J.D.

Robert M. Heard Sr.

Diana Welch Howell

Midori Lebrón

Denise W. Link

Nigamanth Sridhar, Ph.D.

Ex Officio Members

Michael A. Baston, Ed.D., J.D.

Laura Bloomberg, Ph.D.

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

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

The Chief Executive Officer (CEO) of the School District is its most senior employee and has the responsibility for hiring, directing, and assigning teachers and other employees, assigning the pupils to the proper schools, grades, and performing such other duties as determined by the Board of Education. The CEO is appointed by the Board with the concurrence of the Mayor.

Between May 2011 and July 2023, Eric Gordon was the School District's CEO. He announced his intent to depart at the conclusion of the school year in September 2022. After a national search, which included thorough community feedback, Dr. Warren G. Morgan was appointed CEO in May 2023. Dr. Morgan was previously Chief Academic Officer of Indianapolis Public Schools, Executive Director of an education nonprofit in St. Louis, and a White House Fellow for Presidents Obama and Trump.

The Chief Financial Officer/Treasurer (CFO) is the most senior fiscal officer of the School District. Under the School District's structure, the CFO reports to the CEO. From June 2022 until December 2022, Nathan Mortimer served as interim CFO. Kevin Stockdale started as CFO in January 2023, following his service as CFO/Deputy Director of the Ohio Department of Rehabilitation and Correction and Budget Management Analyst at the Ohio Office of Budget and Management.

The School District and its Facilities

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

The School District provides approximately 400,000 Cleveland residents an efficient educational system for the children enrolled in the public schools, whereby each child has access to programs and services that are appropriate to his or her needs. In addition to regular educational programs, the School District offers comprehensive vocational education, special education and bilingual education programs. The School District's specialty schools provide advanced educational programs in fine arts, computer science, healthcare professions, law and municipal professions, business, and technical trades.

In fiscal year 2023, the School District was funded for 33,543 K-12 students according to the state foundation payment system (compared to 33,626 the previous year) in 66 K-8 schools, and 38 senior high schools. Actual enrollment for the fiscal year was 33,149. In addition, classes were provided in four residential school programs. The School District also operated a variety of specialized educational facilities (consisting of gardens, athletic fields, a sheltered workshop and a greenhouse), eight administration facilities (including a central kitchen and two leased sites) and two transportation depots. Recent trend data indicates that the School District has slowed the loss of students and district planning projects flat enrollment for 2024.

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

Charter/Community Schools

Beginning in fiscal year 1999, State of Ohio legislation allowed for the creation of charter/community schools. By law the School District receives State Foundation Aid for students attending charter/community schools that are residents of the School District on a per pupil basis. That aid, which includes an imputed local match, is paid out to the charter/community schools for their operations. The number of students attending charter/community schools was 14,404 for fiscal year 2023 (compared to 14,518 the previous year). These schools now receive direct payment of state aid.

Employee Relations

As of June 30, 2023, the School District had 5,838 full and part-time employees, excluding substitutes, (compared to 5,903 the previous year)-. The School District paid \$445.1 million in salaries and wages and \$189.9 million for fringe benefits such as employer retirement contributions, health care, life insurance, and certain other benefits.

The School District's administrators and supervisors (such as principals, assistant principals and some central office staff) are not members of a bargaining unit but are represented by the Cleveland Council Administrators and Supervisors. School-based Administrators are employed through board-approved contracts and are renewed at established intervals. Central office administrators and supervisors are employed through At-Will Contracts. Qualifying civil service positions are designated by the District and maintained in accordance with applicable Civil Service regulations. Teachers and educational specialists, including aides, are represented by the Cleveland Teachers Union ("CTU").

Collective bargaining agreements negotiated between the District and bargaining groups included wage increases and healthcare benefit provisions. While wage increases were distinctive between bargaining groups, the healthcare contributions and plan design were uniformly agreed upon, with exception of a lower contribution plan for SEIU 1199 members who earned less than \$27,040 annually. Beginning in January 2023, CMSD employees who participate in the wellness incentive program paid monthly healthcare premium costs of \$85 for individual and \$190 for family coverage (Medical Mutual and Anthem plans). Employees who did not participate in the wellness incentive paid up to 10% of the COBRA cost of the health insurance. Employees also have the option to participate in the UH Choice option with monthly contributions of \$35 for single coverage and \$100 for family coverage for those participating in the wellness incentive and \$50 for single coverage and \$120 for family coverage for those who do not participate in the wellness incentive.

In April 2021, the School District entered into a contract with CTU for a three-year period beginning July 1, 2021 and ending June 30, 2024. The contract provided for 3% wage increase effective July 1, 2021, a 3% wage increase effective July 1, 2022, and a 2% wage increase effective July 1, 2023.

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

- The International Brotherhood of Teamsters Local 407 (school bus drivers and bus attendants), have entered into a three-year contract with the School District for the period July 1, 2021 through June 30, 2024. Economically, this agreement provided a wage increase of 3% effective July 1, 2021, 3% effective July 1, 2022, and 2% effective July 1, 2023 and the addition of four (4) additional steps to the Bus Driver salary schedule for extended career progression (previous 4 step schedule, now 8).
- The City, County, and State Truck Drivers Union Local 244 (truck drivers), now represented by Teamsters Local 436, have entered into a three-year contract with the School District for the period July 1, 2021 through June 30, 2024 with wage increases of 3% effective July 1, 2021, 3% effective July 1, 2022, and 2% effective July 1, 2023.
- The National Conference of Fireman and Oilers Local 860 (assistant custodians, laborers, and mechanics), have entered into a three-year contract with the School District for the period July 1, 2021 through June 30, 2024 with wage increases of 3% effective July 1, 2021, 3% effective July 1, 2022, and 2% effective July 1, 2023.
- The International Brotherhood of Teamsters Local 436 no longer represents the School District's security officers, who are now represented by the Ohio Patrolmen's Benevolent Association (OPBA) and have entered into a three-year contract with the School District for the period July 1, 2021 through June 30, 2024. Previously paid within a set Minimum and Maximum range that was progressed through by annual increments of \$0.37 per hour, a formalized Step Schedule was established for 2021-2024 with 8 Steps, increasing the Maximum hourly earnings of employees and also providing higher annual progressions (e.g. \$0.48 per hour). In addition to the establishment of a step schedule, 10-month Security Officers were increased from a 192-day calendar to a minimum of 200-days per year.
- The Service Employees International Union Local 1199 (clerical, food service and cleaning staff), have entered into a three-year contract with the School District for the period July 1, 2021 through June 30, 2024 with wage increases applied to the maximum schedule of earnings of 3% effective July 1, 2021, 3% effective July 1, 2022, and 2% effective July 1, 2023. To establish a living wage minimum of \$15.00 per hour, the District and SEIU agreed to a transition that brought current employees under \$15.00 to that new minimum, or a 3% increase in 2021-22, whichever was greater (with the exception of Lunchroom Attendants and Preschool Monitors). Following this year of transition, employees are to receive a 3% increase effective July 1, 2022 and 2% increase effective July 1, 2023. Beginning in January 2022, union members who earn \$27,040 or less, on an annualized basis, will pay 65% of the monthly contribution paid by School District 1199 members, who earn more than \$27,040 on an annualized basis. For those employees whose annualized wages are \$27,040 or less, employee contribution shall be 6.5% of monthly healthcare premium costs capped at \$75 for individual and \$170 for family coverage.
- The Cleveland Building Trades Council (trades people) and the carpenters union, have entered in to an three-year contract with the School District for the period July 1, 2022 through June 30, 2024 with a wage increase of 3% effective July 1, 2021, 3% effective July 1, 2022, and 2% effective July 1, 2023.
- The National Conference of Fireman and Oilers Local 777 (custodians) have entered into a three-year contract with the School District for the period July 1, 2022 through June 30, 2024 with a wage increase of 3% effective July 1, 2021, 3% effective July 1, 2022, and 2% effective July 1, 2023.

The Reporting Entity

The School District has reviewed its reporting entity definition in order to ensure conformance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity," Statement No. 61, "The Financial Reporting Entity: Omnibus; an amendment of GASB Statements No. 14 and No. 34," and Statement No. 39, "Determining Whether Certain Organizations are Component Units." The basic financial statements include all organizations, activities and functions for which the School District is financially accountable.

Excluded from the reporting entity because they are fiscally independent of the School District are the City of Cleveland and the Cleveland Public Library. The City of Cleveland and the Cleveland Public Library are related organizations whose relationships to the School District are described in Note 18 and 19 to the basic financial statements. The School District also participates in the Ohio Schools Council, which is a jointly governed organization. In 2001, the School District created the Bond Accountability Commission ("BAC"), which is also a jointly governed organization. These relationships are described in Note 19 to the basic financial statements.

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

Economic Condition and Outlook

The School District's primary sources of revenues are from the State of Ohio through the State Foundation program and through the levying of property taxes on real property located within the School District. These two sources combined represent approximately 91 percent of the School District's fiscal year 2023 budget basis General Fund operating revenues. The following discussion provides additional information pertaining to these revenue sources.

Taxes

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

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

Fiscal year 2023 property taxes are currently estimated by the Cuyahoga County Fiscal Officer based on a current collection rate of 89.90%, which was the same with for the previous year. The forecast through 2028 assumes a current collection rate of 88.04%. The Ohio Revised Code and Ohio Administrative Code mandate Cuyahoga County to conduct a re-appraisal every six years, an update every three years and annual valuation of improvements based upon building permits received from each city annually. The most recent re-appraisal occurred in 2021 for collection in calendar year 2022.

State law grants tax relief to property owners (property tax rollbacks) in the form of a 10% reduction in real property tax bills. In addition, a 2.5% rollback is granted for owner occupied homesteads (total of 12.5%). The State reimburses the School District for the loss of real property taxes as a result of the rollback provisions. HB 66 eliminated the 10% rollback on commercial property; hence the School District will no longer receive a State reimbursement for those dollars, as it will receive those payments directly from commercial property owners. The new law states that the ten percent and two and one-half percent rollbacks will no longer apply to new levies that are enacted after August 31, 2013.

House Bill 66 phases out the tax on the tangible personal property of general businesses, telephone and telecommunications, and railroads. The tax on general business and railroad property was eliminated in 2009, and the tax on telephone and telecommunications property was eliminated in 2011. The tax is phased out by reducing the assessment rate on the property each year. HB 66 makes provision to replace revenue lost due to the phase out of the tangible personal property tax. Businesses are now subject to a commercial activity tax (CAT) that will provide some replacement income to school districts for the lost tangible property revenues.

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

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

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

Finally, Cleveland taxpayers approved a renewal of the School District's 15-mill levy and an increase of 5-mills in November 2020 with more than 60% approval. The School District will receive 18.5 mills and will distribute 1.5 mills to partner charter schools.

School Foundation

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

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

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

Foundation Funding Components that make up the foundation formula are:

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

In June 2021, the State approved a new foundation formula fundamentally changed certain components of the District State Aid. Notable changes were the elimination of “pass-through” expense deductions for community (charter) schools and scholarship payments. The new formula also changed the local share calculation and adjusted the base cost on a district-by-district basis based on the needs and demographics of the District.

There can be no assurance concerning future funding levels for or the details of State funding for school districts. As has been the case in the past, funding can also be subject to adjustment during a biennium. As indicated above, the General Assembly has the power to amend the system of State school funding. The School District cannot predict whether, when or in what form any future system of State school funding will be enacted into law.

Local Economy

The City of Cleveland is located on the southern shores of Lake Erie, and is the county seat of Cuyahoga County. The City is included in the Cleveland-Elyria-Mentor, OH Metropolitan Statistical Area (MSA), comprised of Cuyahoga, Lake, Lorain, Geauga, and Medina counties. This MSA is the 33th largest of 366 Metropolitan Areas in the United States, and the 3rd largest Metropolitan Area in the State of Ohio. Founded in 1796, Cleveland quickly established economic strengths in heavy industry, including oil, iron and steel, and combined with its favorable location on major shipping channels soon emerged as the dominant manufacturing and business center of Northeast Ohio. While the City’s economy has shifted more toward health care and financial services, its manufacturing base has assumed a smaller, yet still vital role. Competitive pressures in manufacturing have limited job creation, but the competitive position of Cleveland-based industrial companies has improved.

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

Not unlike other places, the School District is emerging from and learning to function in a COVID/Post COVID environment. Nonetheless, Cleveland was significantly impacted by the COVID Pandemic. As a result of the periodic quarantine measures instituted by local, state and federal governments there has been a significant increase in physical vacancy. Many small businesses were forced to close and even larger corporate entities instituted work at home mandates that have continued to curtail the vitality that was recognized to exist in Cleveland Central Business District (CCBD). Prior to January 2020, there was a recognized economic transition that took place throughout most of the CCBD. Patterns of redevelopment were displayed throughout the downtown area.

Downtown and Other Economic Development

- In the fall of 2014, ODOT commenced construction on its Opportunity Corridor Project, a three-mile, approximately \$331 million road project to improve the transportation system and support planned economic development within the City in the areas between I-490/I-77 and University Circle. The project was completed during calendar year 2021. The Opportunity Corridor encompasses nearly 1,000 acres on the City's southeast side and is anchored by University Circle and the Cleveland Clinic. In addition to transportation benefits, it is "the community". The Opportunity Corridor Project supports an economic development plan of the City and Greater Cleveland Partnership for the area through enhanced mobility, direct access to freeways and the University Circle area, new frontage for potential development, improved visibility and improved multi-modal access.
- Investment in the City's educational institutions continues. Cleveland State University opened Washkewicz Hall, its new \$60 million engineering building in December 2017. Cuyahoga Community College undertook a major construction and renovation project across all four of its campuses. This includes a \$10 million addition and renovation of its Advanced Technology and Training Center at the Metropolitan Campus downtown. This downtown project concluded in October 2019.
- Hemingway Development and University Hospitals purchased a ten-acre brownfield site that the City assembled and cleaned up. University Hospitals is developing another Health Technology Campus to be anchored by University Hospital's 40,000 square foot Rainbow Center for Women and Children, which opened in June 2018. Hemingway is now leasing Link 59, its 60,000 square foot speculative tech center. Dave's Supermarkets opened a flagship 60,000 square foot grocery store on an adjacent site in February 2019. This grocery amenity provides major retail to the Corridor, as well as the surrounding neighborhoods. A Hilton Tru hotel opened in the area in 2019.
- In 2014, MetroHealth Medical Center announced its campus transformation project. As part of the multi-year project, MetroHealth opened its \$86 million Critical Care Pavilion in 2016. A 1,500-space parking garage opened in November 2018, with demolition of the old garage completed over the winter. Construction of a new 11-story 270-room hospital was completed in 2022. The total cost for all phases of the campus transformation approximated \$1 billion.
- In 2019, Sherwin Williams Company announced plans to build a new 1 million square foot headquarters downtown and a second research and development facility in the suburbs, replacing its existing facility. The headquarters will keep over 3,100 employees in downtown and employment is expected to grow by 400 over the next decade. Construction is expected to be completed by 2024.

- The Ohio City neighborhood continues to grow and be a destination for residents and tourists. The neighborhood includes the City-owned West Side Market, the oldest continually operating market in the country, which recently celebrated its 100th anniversary. The West 25th Street Lofts Project created 83 loft style apartments and some rooftop penthouse units, as well as 9,100 square feet of commercial space. The last of the apartments were completed in December 2016. Total project exceeded \$60 million. The area has seen more than \$15 million in new investment to redevelop over 198,000 square feet of vacant or underutilized mixed-use space, including historic renovations and some new construction. The Snavely Group's \$60 million mixed use, mixed income development opened in 2018 and is currently leasing apartments.

The success of the Ohio City investments has led to development along the retail corridor on Lorain Avenue, with investors purchasing buildings from West 25th Street to West 50th street with a variety of retail and commercial projects that include microbreweries, a home brewing supplier, an organic grocery store, restaurants, and a shuffleboard club. Harbor Bay Investments, a Chicago-based developer, has demolished the outdated shopping center across from the West Side Market. A new building will be home to nearly 300 apartments, 40,000 square feet of retail space and also offer underground parking and a green space, with completion in 2022. Many of the buildings are renovating long vacant apartments over the first-floor retail space as the Ohio City housing market continues to draw new residents from all income levels looking to be in this walkable, transit-oriented community. MetroHealth recently opened a \$10 million 32,000-square foot facility providing outpatient and express care services to the area. MetroHealth also recently announced plans to construct a dental clinic on another site located in Ohio City.

- Current projects of note in downtown Cleveland. In early 2022, the City Club Apartments at 720 Euclid Avenue in downtown was under construction. The project comprises a 23-story apartment building with 304 units. The Erieview Tower Rehabilitation: Offices, Apartments, and W Hotel in 2022, with full project complete by 2024; hotel portion targeting a completion in 2023. A redevelopment of the existing 40-story office building. The building will include a 210-room W Hotel on the lower eight or nine floors. 227 apartments are planned for floors 17 through 28. The remaining floors in the building above and below the apartments will remain office space, and plans call for a new restaurant on the 38th floor. Also planned for renovation and expansion is the Rock & Roll Hall of Fame and Museum through adding 50,000 square feet of programming space and a new band shell overlooking Lake Erie.
- On the east bank of the Flats a relatively new mixed use development will be expanded through the development of Kenect Cleveland, comprising a 7-story building, 229 market-rate residential units, above three parking levels and 10,000 square feet of ground floor retail. While on the near west side (W. 25 & Detroit-Superior Bridge), the Bridgeworks development is planned which comprises a mixed-use project of 230,000 square feet, 18 stories, 130 hotel rooms, and 160-170 apartments. In the Scranton Peninsula immediately southwest of downtown, the Thunderbird project comprises a large 21-acre mixed-use development to include residential, office, retail, and light manufacturing. "The Avian at Thunderbird" was recently completed and involved the renovation of an old warehouse to modern offices. Plans were announced in early 2022 for development of 600 apartments on the southern section of the Peninsula.
- In University Circle, projects under construction include Circle Square at Stokes Blvd. and Chester Avenue which is a five-acre project comprising a 24+ story apartment building called "The Artisan." There are also plans for a second tower across Stokes Blvd from the first residential tower comprising 298 residential units and 160 hotel rooms, a 13-story, 170,900 square foot office tower at the northeast corner of Stokes Blvd and Euclid Ave., 66,805 square feet of retail as part of the three buildings above, parking garages with 1,525 spaces, and a new, two-story Cleveland Public Library MLK Branch as part of an 11-story apartment building with 207 units. Also under development at the southwest corner of East 105th Street and Cedar Avenue adjacent to the campus of Cleveland Clinic is a six-story, 190,000 square foot building with 196 apartment units, a 40,000 square foot Meijer grocery store, and a three-level 200-space parking garage.

Major Initiatives

The Cleveland Plan (H.B. 525)

In 2012, the Cleveland's Plan for Transforming Schools set out to ensure every child in Cleveland attends a high-quality school and every neighborhood has a multitude of great schools from which families can choose. Nearly a decade later, The Cleveland Plan has helped drive improvements in student achievement, increased financial support, and catalyzed policy change in support of these goals.

Today, Cleveland is well positioned to continue this upward trend, and the urgency to keep improving education for our city's children continues. Now is the time to revisit and refresh The Cleveland Plan to reflect a challenging present, a brighter future, and a continued commitment to change. It is also critical to name and consciously address the systemic inequities that negatively affect many children and families in our city. That is why this refreshed Cleveland Plan addresses our city's urgent educational needs with equity in mind. The box at right outlines a definition of educational equity that underpins this Plan. It is up to our entire community to hold ourselves and each other accountable to the spirit and the letter of our collective definition of educational equity.

With equity at the core, The Cleveland Plan is further guided by a North Star—a declaration of intent for the future:

- All Cleveland public education students will have a high-quality, equitable education in schools that inspire joy in learning.
- All Cleveland students will have access to individualized opportunities that prepare them to participate in society and forge a meaningful path for themselves when they graduate.
- Families will actively participate in continuously improving and evolving their schools to fit their community's needs.

The refresh of The Cleveland Plan was shepherded by the Cleveland Transformation Alliance (the Alliance), a public-private partnership conceived under HB 525, the 2012 state legislation implementing the original Cleveland Plan. The Alliance is guided by a Board of Directors made up of parents, educators, and business, philanthropic, and civic leaders from throughout Cleveland and across the state who contributed to the refresh of The Cleveland Plan. The Alliance also worked with community partners such as the Neighborhood Leadership Institute to get feedback from community members, families, and educators in public schools across the city. While the Alliance drove the refresh process, it is critical to emphasize that the Alliance is the convening stakeholder, not the authority, for The Cleveland Plan.

The Cleveland Plan has five major components:

- Grow the number of students attending high-quality public district and public charter schools in every neighborhood in Cleveland.
- Ensure all school leaders are empowered with the resources, supports, and authority necessary to equitably meet the needs of their school community.
- Invest and phase in innovative programs and equitable best practices across all public district and public charter schools to help all students thrive from birth through college and career.
- Through the Cleveland Transformation Alliance, ensure fidelity to and equitable community engagement with this plan for all public district and public charter schools in the city.
- Embed organizational and educational equity principles and activities that are replicable and measurable for all public district and public charter schools in the city

The Seven Components of the Portfolio Strategy as Envisioned in *The Cleveland Plan*:

The Portfolio strategy is a performance management model for districts that aim to create dramatic student achievement gains at scale. It centers on creating more high-quality schools regardless of provider, giving schools autonomy over staff and funding, and holding all schools accountable for performance. The Portfolio Strategy is built on 7 key components:

- Good options and choices for all families
- School Autonomy
- Pupil-Based Funding for all schools
- Talent seeking strategy
- Sources of support for schools
- Performance-based accountability for schools
- Extensive public engagement

Say Yes to Education

In January 2019, Cleveland officially became the fourth (and final) Say Yes to Education community-wide chapter in the nation. The goals of the Say Yes Cleveland program are to increase education levels of Cleveland residents; boost and retain population in the city of Cleveland; improve college access for middle- and low-income families in Cleveland; and spur economic growth and expansion in the region. A key differentiator of the Say Yes communitywide strategy– and a reason Cleveland pursued the opportunity – is that it’s not just a scholarship program. Its framework calls for all entities serving the community’s children to share their data to better address students’ individual needs and connect them to additional support services, academic and non-academic, from pre-K through postsecondary graduation.

Some of the highlights of the program are:

- Over the next 25 years, eligible students living in Cleveland and attending School District schools or partnering charter high school will have the opportunity to receive “last dollar” scholarships toward tuition for postsecondary education. The Say Yes scholarships will cover all remaining cost of tuition costs once federal and state aid is used. The scholarship program began with high school graduating class of 2019.
- Students can attend all state colleges and 116 private schools that have joined the Say Yes Compact. These include Ivy League universities and several Ohio schools, including Ashland, Baldwin-Wallace, Case-Western, Denison, Dayton, John Carroll, Kenyon, Notre Dame College, Oberlin, Ohio Northern, Ohio Wesleyan and Wooster.
- Aided by \$15 million in seed money from Say Yes to Education, the School District will accelerate the rollout of critical core services to all School District schools over the next four years, beginning with the 2019-2020 school year.
- Six local entities have agreed to work collaboratively with each other and with Say Yes to Education to provide support services to students: City of Cleveland, Cuyahoga County, the School District, Cleveland Council of Administrators and Supervisors, Cleveland Teachers Union, and Cleveland Public Library.

Long-Term Financial Planning

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

The School District prepares a Five Year Forecast along with assumptions prior to November 30th of each fiscal year and updates this forecast between April 1 and May 31st of each fiscal year.

Relevant Financial Policies

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

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

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

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

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

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

Protection of the School District's deposits is provided by the federal deposit insurance corporation and/or by qualified securities pledged by the institution holding the assets. By law, financial intuitions may establish a collateral pool to cover all public deposits. The market value of the pooled collateral must equal at least 105 percent of public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and other designated third-party trustees of the financial institutions. Also, the School District participates in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Internal Controls

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

As a recipient of federal, state, and county financial assistance, the School District is also responsible for maintaining a rigorous internal control structure that ensures full compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management, external auditors and the internal audit staff of the School District. The School District is required to undergo an annual audit in conformity with the provisions of the Uniform Guidance Title II Subtitle A Chapter 2 Part 200, Section 501. The information related to the Single Audit, including the schedule of federal awards expenditures, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations are included in a separate report.

Awards

ASBO Certificate of Excellence in Financial Reporting

The Association of School Business Officials International (ASBO) awards a Certificate of Excellence in Financial Reporting to school districts that publish Annual Comprehensive Financial Reports which substantially conform to the principles and standards of financial reporting as recommended and adopted by the Association of the School Business Officials. The award is granted only after an intensive review of the financial report by an all-expert panel of certified public accountants and practicing school business officials.

The School District received the Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2022. The School District believes that the Annual Comprehensive Financial Report for fiscal year June 30, 2023, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

Acknowledgments

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

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

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

Respectfully submitted,



Kevin Stockdale
Chief Financial Officer

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**BOARD MEMBERS
APPOINTED BY MAYOR OF CITY OF CLEVELAND**

<u>Name</u>	<u>Began Serving as a Board Member</u>	<u>Present Term Expires June 30</u>
Sara Elaquad, J.D., Board Chair	2019	2027
Leah D. Hudnall, Vice Chair	2022	2027
Denise Link	2007	2027
Robert M. Heard	2004	2025
Nigamanth Sridhar, Ph.D.	2021	2025
Robert Briggs	2023	2027
Diana Welch Howell	2023	2027
Anne E. Bingham *	2014	2025
Lisa Thomas, Ph.D.*	2011	2025
Michael A. Baston, Ed.D., J.D. ex-officio Laura Bloomberg, Ph.D. ex-officio		

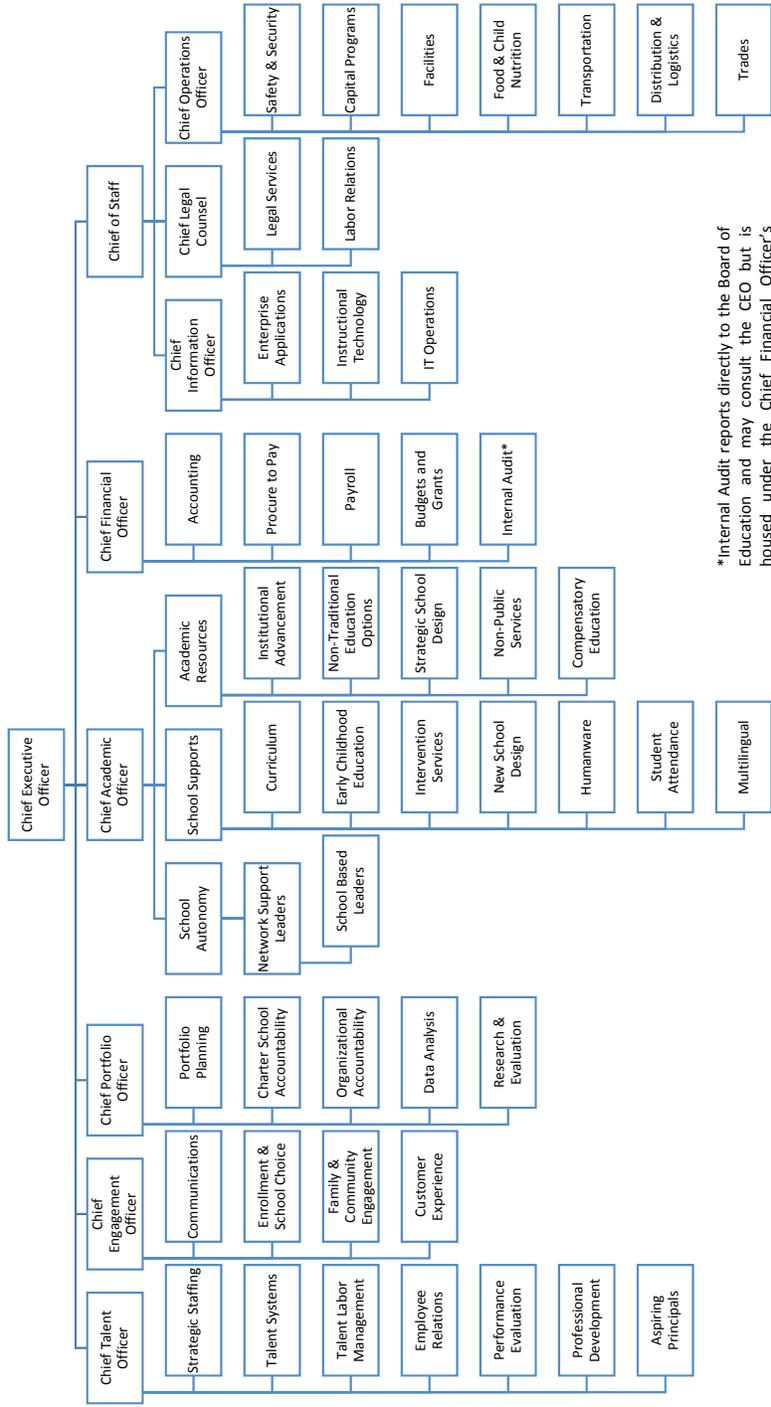
*Subsequent to June 30, 2023, these members resigned from the Board of Education.

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SENIOR APPOINTED OFFICIALS

Dr. Warren G. Morgan II	Chief Executive Officer
Kevin Stockdale	Chief Financial Officer
Curtis Timmons	Chief Information Officer
Marcy Shankman	Chief Organizational Learning Officer
Lisa Farmer-Cole	Chief, Schools
Trent Mosley	Senior Chief, Equity and Culture
Karen Thompson	Senior Chief, District Operations
Lamont Dodson	Chief, Safety and Security
Stephen Christian	Interim Chief Talent and Equity Officer
Gregory Winston	Deputy Chief, Safety and Security
Jessica Baldwin	Interim Deputy Chief, Student Services
Elizabeth Nelson	Interim Deputy Chief, Learning and Teaching
Jeffery Allen	Executive Director, Fine Arts
Joseph Costello	Executive Director, Information Technology Service Delivery and Management
Anthony Battaglia	Executive Director, Career and College Pathways
Shawn Braxton	Executive Director, Learning Technology and Training Services
Christopher Broughton	Executive Director, Data and Organizational Accountability
JacquINETTE Brown	Executive Director, Professional Development
Robert Gorman	Executive Director, Food and Child Nutrition Services
Maria Carlson	Executive Director, Academics
Aaron Creel	Executive Director, Facility Services
Nicholas Damico	Executive Director, School Performance
Hollie Dellisanti	Executive Director, Architectural Services
Mary Foraker	Executive Director, Financial Strategy Sourcing Support
Jose Gonzalez	Executive Director, Multilingual Multicultural Education
Heather Grant	Executive Director, Talent Development
Latisha Grimes	Executive Director, Testing, Assessments And Logistics
Mychael Henderson	Executive Director, Financial Operations
Tracy Hill	Executive Director, Family and Community Engagement
Jeanelle Greene	Executive Director, Information Technology Strategy Execution and Governance
Gerard Leslie	Executive Director, Alternative Programs
Carol Lockhart	Executive Director, Say Yes to Education
Rick McIntosh	Executive Director, School Choice and Student Enrollment
Aerionna Martin	Executive Director, New School Development
Laura Mulvaney	Executive Director, Strategic Staffing
Brian Paisley	Executive Director, Software and Data Solutions
Desiree Powell	Executive Director, Health, Physical Education, Interscholastic Athletics, and Student Activities
Matthew Rado	Executive Director of Charter Schools
Leo Serrano	Executive Director, Institutional Advancement
Melissa Skelly	Executive Director, Policy and Planning
Audrey Staton-Thompson	Executive Director, Contract Implementation
Eric Taylor	Executive Director, Transportation
Megan Traum	Executive Director, School Quality Review
Jason Tidmore	Executive Director, Social Emotional Learning
Charles Mayhew	Executive Director, Cyber Security and Information Technology Risk Management
Bernetta Wiggins	Executive Director, Integrated Health
James Wright	Interim Executive Director, Financial Controller
Kevin Burtzclaff	Board Attorney and Liaison
Erin Frew	Network Support Leader, High School Network 1
Andrew Koonce	Network Support Leader, K-8 Network 1
Lorenzo Russell	Network Support Leader, High School Network 2
Sonja Clark	Network Support Leader, K-8 Network 2
Allayna Ratliff	Network Support Leader, K-8 Network 3
Paul Hoover	Network Support Leader, K-8 Network 4

Cleveland Municipal School District Organizational Chart



*Internal Audit reports directly to the Board of Education and may consult the CEO but is housed under the Chief Financial Officer's Division for administrative purposes.



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Cleveland Metropolitan School District

for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2022.

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'John W. Hutchison'. The signature is written in a cursive style.

John W. Hutchison
President

A handwritten signature in black ink, reading 'Siobhán McMahon'. The signature is written in a cursive style.

Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director

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FINANCIAL SECTION



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OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cleveland Municipal School District, Cuyahoga County, Ohio (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Cleveland Municipal School District, Cuyahoga County, Ohio as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and Elementary and Secondary School Emergency Relief Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we will also issue our report dated January 9, 2024, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

January 9, 2024

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**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

The discussion and analysis of the Cleveland Municipal School District's (the "School District") financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2023 are as follows:

- ❑ Total current and other assets increased by \$150.8 million, net OPEB assets increased \$13.2 million and capital assets increased by \$7.3 million, resulting in a net increase in total assets of \$171.3 million in Governmental Activities.
- ❑ Total short-term liabilities increased by \$3.5 million and total long-term liabilities including pension and OPEB increased \$275.9 million, resulting in a net increase in total liabilities of \$279.4 million in Governmental Activities.
- ❑ Total net position increased \$160.4 million in Governmental Activities. General revenues accounted for \$717.8 million in revenue or 66.69% of all revenues for Governmental Activities. Program specific revenues in the form of charges for services, sales, grants or contributions accounted for \$358.6 million or 33.31% of total revenues of \$1,076.4 million.
- ❑ Total program expenses were \$916.0 million in Governmental Activities.
- ❑ Among major funds, the General Fund had \$687.1 million in revenues and other financing sources and \$639.5 million in expenditures. The General Fund's fund balance increased by \$47.5 million.
- ❑ The Elementary and Secondary School Emergency Relief (ESSER) Fund had \$139.9 million in revenues and \$149.5 in expenditures. The ESSER Fund's fund balance decreased by \$9.6 million.
- ❑ The Debt Service Fund had \$114.1 million in revenues and other financing sources and \$146.5 million in expenditures and other financing uses. The Debt Service Fund's fund balance decreased by \$2.4 million.
- ❑ The Classroom Facilities Fund had \$12.5 million in revenues and \$6.3 million in expenditures. The Classroom Facilities Fund's fund balance increased by \$6.2 million.

Using this Annual Comprehensive Financial Report (ACFR)

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

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

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

Reporting the School District on a Government-Wide Basis

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds utilized by the School District to provide programs and activities, the view of the School District as an entity looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2023?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash was received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 15. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for its financial transactions. However, these fund financial statements concentrate on the School District's most significant funds. The School District's major governmental funds are the General Fund, the Elementary and Secondary School Emergency Relief (ESSER) Fund, the Debt Service Fund, and the Classroom Facilities Fund.

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

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

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The School District on a Government-Wide Basis

The Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position at June 30, 2023 compared to June 30, 2022. Certain amounts at June 30, 2022 have been restated as described in Note 3.

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

	Governmental Activities		Change
	2023	Restated 2022	
Assets			
Current and Other Assets	\$ 875.8	\$ 725.0	\$ 150.8
Net OPEB Asset	60.0	46.8	13.2
Capital Assets	959.7	952.4	7.3
Total Assets	1,895.5	1,724.2	171.3
Deferred Outflows of Resources			
Pension, OPEB & Deferred Charges	189.8	173.4	16.4
Liabilities			
Current Liabilities	92.3	88.8	3.5
Long-Term Liabilities	315.9	314.8	1.1
Net Pension & OPEB Liability	729.9	455.1	274.8
Total Liabilities	1,138.1	858.7	279.4
Deferred Inflows of Resources			
Property Taxes and Other	280.9	262.0	18.9
Pension & OPEB	204.5	475.8	(271.3)
<i>Total Deferred Inflow & Resources</i>	<i>485.4</i>	<i>737.8</i>	<i>(252.4)</i>
Net Position			
Net Investment in Capital Assets	703.4	693.5	9.9
Restricted for Debt Service	72.6	75.4	(2.8)
Restricted for Capital Projects	151.3	81.7	69.6
Restricted for Food Services	6.8	4.6	2.2
Restricted for Miscellaneous State Grants	3.2	4.5	(1.3)
Restricted for Educational Special Trust	3.7	4.4	(0.7)
Restricted for Other Purposes	35.0	12.8	22.2
Unrestricted	(514.4)	(575.7)	61.3
Total Net Position	\$ 461.6	\$ 301.2	\$ 160.4

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The net pension liability (NPL) is one of the largest liabilities reported by the School District at June 30, 2023, and is reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*. In a prior period, the School District also adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension/OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB asset/liability to equal the School District's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of these assets/liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
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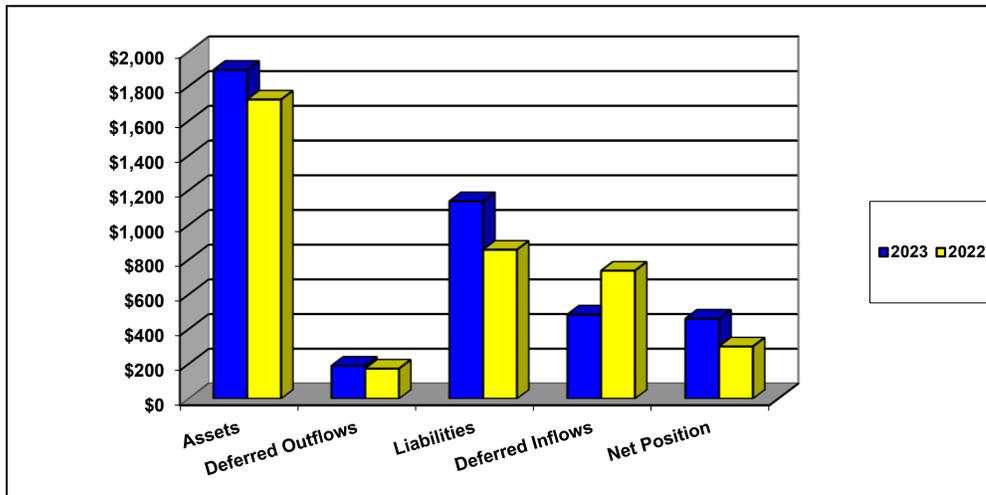
**MANAGEMENT’S DISCUSSION AND ANALYSIS
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The employee enters the employment exchange with the knowledge that the employer’s promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. For STRS, the plan’s fiduciary net OPEB position was sufficient to cover the plan’s total OPEB liability resulting in a net OPEB asset for fiscal year 2023 that is allocated to each school based on its proportionate share. The retirement system is responsible for the administration of the pension and OPEB plans.

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

In accordance with GASB 68 and GASB 75, the School District’s statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan’s change in net pension liability and net OPEB asset/liability, respectively, not accounted for as deferred inflows/outflows.

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



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Current and other assets increased by \$150.8 million and net OPEB asset and capital assets both increased by \$13.2 million and \$7.3 million, respectively, resulting in an overall increase in total assets of \$171.3 million. The increase in current and other assets is mostly attributable to an increase in cash and investments of \$75.7 million due to an increase in expenditures in the general fund, an increase in property taxes receivable of \$13.0 million due to an overall increase in property tax valuations and an increase of \$56.1 million in intergovernmental receivables related to various grant programs, specifically the Elementary and Secondary School Emergency Relief (ESSER) fund.

Current liabilities increased by \$3.5 million and long-term liabilities (including Pension and OPEB) increased by \$275.9 million, resulting in an overall increase in liabilities of \$279.4 million. The increase in current liabilities is due primarily to the increase in accrued wages and benefits payable and intergovernmental payable of \$3.5 million and \$2.3 million, respectively.

The net pension liability increased \$288.6 million or 72.22% and deferred inflows of resources related to pension decreased \$278 million or 74.48%. These changes were the result of changes at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS). Primarily, net investment income on investments at both pension systems were negative for the fiscal year 2022 measurement date that are used for the fiscal year 2023 reporting. This caused a large decrease in their respective fiduciary net positions which was a drastic change from the previous fiscal year's large positive investment returns.

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**CLEVELAND MUNICIPAL SCHOOL DISTRICT
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**MANAGEMENT'S DISCUSSION AND ANALYSIS
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Table 2 shows the change in net position for fiscal years 2023 and 2022.

Governmental Activities (\$ In Millions)			
	Governmental Activities		Change
	2023	2022	
Revenues			
General Revenues:			
Property Taxes	\$ 310.4	\$ 318.3	\$ (7.9)
Investment Income	11.8	0.7	11.1
Miscellaneous	42.6	14.6	28.0
Grants and Entitlements	352.9	290.5	62.4
Program Revenues:			
Charges for Services	6.3	5.2	1.1
Operating Grants	343.0	261.4	81.6
Capital Grants	9.4	1.9	7.5
Total Revenues	1,076.4	892.6	183.8
Program Expenses			
Instruction	536.5	442.7	93.8
Support Services:			
Pupil and Instructional Staff	70.2	63.1	7.1
Board of Education, Administration, Fiscal and Business	68.1	69.1	(1.0)
Operation and Maintenance	77.5	68.8	8.7
Pupil Transportation	38.9	27.8	11.1
Central	63.0	54.3	8.7
Operation of Non-Instructional Services	39.9	40.5	(0.6)
Extracurricular Activities	10.2	7.4	2.8
Interest and Fiscal Charges	11.7	12.5	(0.8)
Total Expenses	916.0	786.2	129.8
Change in Net Position	160.4	106.4	54.0
Net Position Beginning of Year	301.2	194.8	106.4
Net Position End of Year	\$ 461.6	\$ 301.2	\$ 160.4

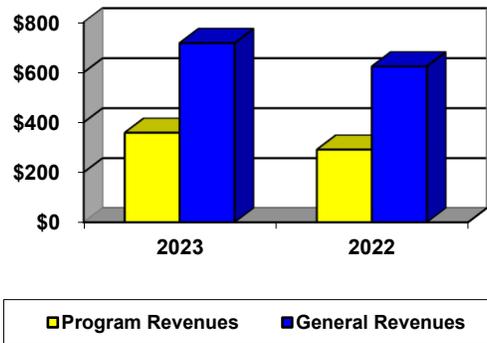
**CLEVELAND MUNICIPAL SCHOOL DISTRICT
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**MANAGEMENT’S DISCUSSION AND ANALYSIS
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(UNAUDITED)**

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

	2023	2022
General Revenues	\$ 717.8	\$ 624.1
Program Revenues	358.6	268.5
Total Revenues	\$ 1,076.4	\$ 892.6

Governmental Activities - Revenue



General Revenues

General revenues for the School District are comprised almost entirely of property tax collections and grants from various sources. Property taxes made up 43.24% and 51.00% and grants made up 49.16% and 46.54% of general revenues for governmental activities for the School District in fiscal years 2023 and 2022, respectively.

The unusual nature of property tax legislation in the State of Ohio creates the need to routinely seek voter approval for increases in operating funds to maintain a constant level of service. As a result of legislation enacted in 1976, the overall revenue generated by a voted millage does not increase as a result of inflation. As an example, a homeowner with a home valued at \$100,000 (assessed value of \$35,000) and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home was reappraised and increased to \$200,000 (assessed value of \$70,000) the effective tax rate would become .5 mill and the owner would still pay \$35.00. Because of this taxation methodology, real property tax assessments due to the School District have held steady for the past several years. Collection rates have held steady over the last four years with the School District collecting on average 90.52% on current collections.

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

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The voters of the City of Cleveland approved a new property tax levy in November 2012 (Issue 106), the first operating levy since 1996. This four year levy was approved to support The Cleveland Plan (H.B. 525) that was signed into law in July 2012. Fourteen mills will be allocated to the current expenses of the School District and one mill will be allocated to the current expenses of partnering community schools. The collection on that levy began in January 2013. This tax levy was renewed by the voters in November 2016.

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

In November 2020, the voters of the city of Cleveland approved a ten year 20 mill operating levy. With the passing of the ten-year levy, the School District is projecting a positive unencumbered cash balance through fiscal year 2024. In addition, there are other ongoing issues to be addressed over the next five years as described below.

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

Program Revenues

Operating and capital grants comprise 98.23% of total program revenues of the School District. These grants, obtained mainly from the Federal Government, State of Ohio and the Ohio School Facilities Commission, support specific educational programs and objectives as defined by these agencies as well as the capital programs. The amount available to the School District may vary from year to year depending on amounts made available by these agencies and the needs of the School District.

Expenses

Overall, expenses of the governmental activities increased \$129.8 million or 16.51%. This increase is primarily the result of an increase in pension expense. Pension expense increased approximately \$75.5 million. This increase was the result of an increase in expenses incurred at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS) due to a decrease in net investment income on investments compared to previous years.

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
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**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
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Table 3
Total and Net Cost of Program Services
Governmental Activities
(\$ In Millions)

	Total Cost of Services 2023	Net Cost of Services 2023	Total Cost of Services 2022	Net Cost of Services 2022
Instruction	536.5	\$ 383.7	442.7	\$ 316.1
Support Services:				
Pupil and Instructional Staff	70.2	22.9	63.1	20.0
Board of Education, Administration, Fiscal and Business	68.1	59.6	69.1	61.8
Operation and Maintenance	77.5	37.4	68.8	49.8
Pupil Transportation	38.9	18.2	27.8	25.0
Central	63.0	21.3	54.3	25.6
Operation of Non-Instructional Services	39.9	(1.8)	40.5	3.3
Extracurricular Activities	10.2	4.2	7.4	3.6
Interest and Fiscal Charges	11.7	11.7	12.5	12.5
Total Expenses	<u>\$ 916.0</u>	<u>\$ 557.2</u>	<u>\$ 786.2</u>	<u>\$ 517.7</u>

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

The largest Governmental Activities program expense remains instruction, comprising 58.58% of the total cost of services. Pupil and instructional support categories make up 7.66% of the total cost of services. This make-up is consistent with the general educational objectives of the School District.

The School District's Funds

The School District's major funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$1,140.1 million and expenditures and other financing uses of \$1,096.1 million, resulting in a net increase in fund balances of \$44.1 million.

The General Fund is the chief operating fund of the School District. At the end of the current fiscal year, unassigned fund balance of the general fund had a balance of \$76.2 million, while total fund balance increased to a \$157.7 million balance. The increase was caused by an increase in property taxes, due to a new tax levy and decreases in expenditures. The decreases in expenditures was the result of moving expenditures to the ESSER fund under the American Rescue Plan (ARP) Act.

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The fund balance in the ESSER Fund decreased \$9.6 million. This was the result of a decrease in money received under the CARES Act and the American Recovery Plan Act (ARPA).

The fund balance in the Debt Service Fund decreased \$2.4 million. The decrease in the Debt Service fund was due to revenues not exceeding the scheduled debt service payments on the School District's debt.

The fund balance in the Classroom Facilities Fund increased \$6.2 million. The increase in the Classroom Facilities fund was due to increased earnings on investments. The fund balance for Other Governmental Funds increased by \$2.4 million.

General Fund Budgeting Highlights

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

For the General Fund total actual revenues and other financing sources were \$700.2 million, which was \$21.4 million more than the final budget estimate. The School District received slightly more than what was expected in property tax and intergovernmental revenue during the fiscal year.

The final expenditures and other financing uses budget was \$730.8 million. Total actual expenditures and other financing uses was \$699.7 million, or \$31.2 million below the final budget estimates. The School District limited spending and was able to move expenditures to the ESSER Fund as allowable by the CARES Act.

The General Fund's ending unencumbered cash balance totaled \$92.6 million, which was \$52.6 million more than the final budgeted amount.

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Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2023, the School District had \$959.7 million invested in capital assets net of accumulated depreciation/amortization. The capital assets at June 30, 2022 have been restated as described in Note 3. Table 4 shows June 30, 2023 balances compared to June 30, 2022:

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

	Governmental Activities		Change
	2023	Restated 2022	
Land	\$ 31.6	\$ 31.6	\$ -
Construction in Progress	13.9	15.0	(1.1)
Land Improvements	0.1	0.1	0.0
Buildings and Improvements	869.6	887.5	(17.9)
Vehicles and Equipment	18.3	11.1	7.2
Intangible Software	0.3	0.3	0.0
Intangible Right to Use Assets	25.9	6.8	19.1
Totals	\$ 959.7	\$ 952.4	\$ 7.3

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

In 2000, a Facilities Assessment Commission was established to review the condition of the School District's facilities. The Commission recommended that a complete renovation program of all School District facilities be undertaken and that a substantial contribution from the State of Ohio (through the Ohio School Facilities Commission) could be included in the proposed construction and renovation plan by participation in the Classroom Facilities Assistance Program (CFAP). Since then, the School District and the Ohio School Facilities Commission have created a Master Facilities Plan, which was revised in 2008 and then again in 2014, that addresses the needs of all buildings in the School District and the unique needs of the School District and its students. The Revised Master Facilities Plan has been approved by the School District's Board, the Ohio School Facilities Commission and the State Controlling Board. The Revised Master Facilities Plan called for building an additional 22 schools and refurbishing 20 to 23 others. Projects were contingent on voters approving a November 2014 ballot issue that authorized \$200 million in bonds for the construction and a half-mill property tax for maintenance, which was passed. The State will add more than \$2 for every \$1 that the School District contributes to construction. Since 2000, the School District has built 45 schools and fully renovated seven others.

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Construction began in 2002 utilizing funding from several sources as described below under **Debt Administration**. Initial work focused mainly on making every facility warm, safe and dry. Concurrently, new facilities have been constructed and others significantly renovated and others inactivated for student use. See Note 10 to the basic financial statements for additional information on capital assets.

Debt Administration

At June 30, 2023, the School District had \$257.0 million in bonds and leases/SBITAs payable outstanding, \$17.2 million due within one year. The outstanding debt at June 30, 2022 has been restated as described in Note 3. Table 5 summarizes bonds and notes outstanding.

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

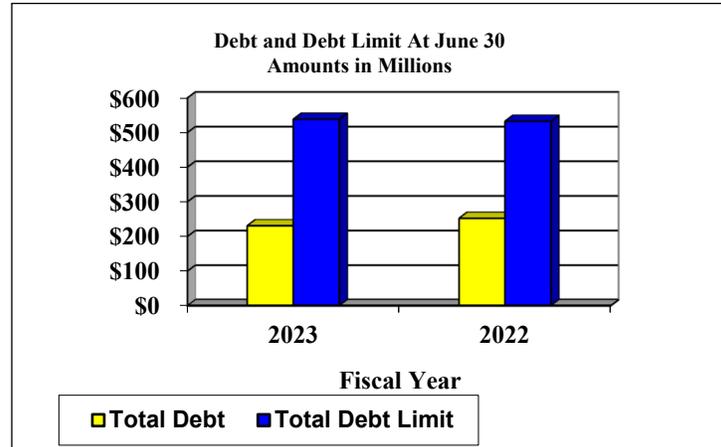
	Governmental Activities 2023	Restated Governmental Activities 2022
General Obligation Bonds and Notes:		
2010 School Facilities Improvement Bonds	\$ 55.0	\$ 55.0
2012 School Facilities Improvement Bonds	1.3	4.4
2013 School Facilities Improvement Bonds	0.0	23.3
2015 School Facilities Improvement Bonds	57.9	119.3
2015 Qualified School Construction Bonds	49.2	49.2
2023 Refunding Bonds	44.8	0.0
2022B Refunding Bonds	22.7	0.0
Other Long-Term Obligations:		
Lease Payable	21.4	1.2
SBITA payable	4.8	5.6
Total	\$ 257.1	\$ 258.0

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

	2023	2022
Total Debt	\$ 230.9	\$ 252.4
Total Debt Limit	\$ 538.5	\$ 532.6

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

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

In June 2015 the School District issued bonds for the purpose of constructing, renovating, remodeling, enlarging, furnishing, equipping and otherwise improving School District buildings and facilities and acquiring, clearing, equipping and otherwise improving School District building and facility sites in the principal amount of \$200 million to be repaid annually over 35 years, and levy a property tax outside the ten-mill limitation, estimated by the county fiscal officer to average over the bond repayment period 2 mills for each one dollar of tax valuation, which amounts to 20 cents for each one hundred dollars of tax valuation, to pay the annual debt charges on the bonds, and to pay debt charges on any notes issued in anticipation of those bonds.

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

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
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FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

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

At June 30, 2023, the School District’s overall legal debt margin was \$307.6 million, with an unvoted debt margin of \$6.0 million. See Note 16 to the basic financial statements for additional information on all long-term obligations.

Current Issues

State Foundation Payments – The State of Ohio approved the 2024-2025 biennium budget was passed in July, 2023. The budget continues phase-in of the Fair School Funding Plan and updates base costs, increasing resources to schools. This has removed the district from payment guarantees; instead, being paid based on enrollment. Future implementation of the Fair School Funding Plan is unknown.

Homestead Exemption – Ohio law provides significant property tax reductions for senior citizens. The Homestead Exemption allows senior citizen homeowners and permanently/totally disabled homeowners, regardless of income, to withhold a portion of the market value of their owner-occupied home from property taxes. The amount subject to withholding is \$25,000, to be annually adjusted for inflation. In 2015, individuals who turned 65 in 2014 or who become disabled after January 1, 2013, were required to have Ohio Qualifying income (\$31,000 or less) in order to receive Homestead Exemption based upon age or disability.

Financial Forecast – The School District is required to adopt twice-annually a five-year financial forecast of revenues and expenditures each year. The November, 2023 forecast projects a surplus in fiscal year 2024 followed by deficits beginning in fiscal year 2025. Without some combination of reduced costs and/or additional revenue, the five-year financial forecast projects negative cash balances beginning in fiscal year 2025. The forecast includes several revenue and expenditure assumptions based upon recent legislation, historical trends, and future assumptions.

Contacting the School District’s Financial Management

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

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents	\$ 357,840,526
Cash and cash equivalents with fiscal agent	56,827
Cash and investments in segregated accounts	16,258,892
Receivables:	
Property taxes	391,198,255
Accounts	7,549,154
Accrued interest	705,146
Intergovernmental	99,056,638
Leases	64,972
Prepayments	655,498
Materials and supplies inventory	1,362,006
Inventory held for resale	984,454
Net OPEB asset	60,034,915
Capital assets:	
Nondepreciable capital assets	45,522,528
Depreciable capital assets, net	914,161,788
Capital assets, net	959,684,316
Total assets	1,895,451,599
Deferred outflows of resources:	
Unamortized deferred charges on debt refunding	1,851,589
Pension	170,835,164
OPEB	17,116,214
Total deferred outflows of resources	189,802,967
Liabilities:	
Accounts payable	12,882,224
Contracts payable	1,085,778
Retainage payable	56,827
Accrued wages and benefits payable	40,980,349
Compensated absences payable	2,174,322
Intergovernmental payable	18,864,169
Accrued interest payable	1,195,891
Unearned revenue	2,691,547
Claims payable	12,400,000
Long-term liabilities:	
Due within one year	27,429,359
Due in more than one year:	
Net pension liability	688,170,738
Net OPEB liability	41,771,571
Other amounts due in more than one year	288,442,763
Total liabilities	1,138,145,538
Deferred inflows of resources:	
Property taxes levied for the next fiscal year	280,887,107
Leases	66,381
Pension	95,250,357
OPEB	109,274,358
Total deferred inflows of resources	485,478,203
Net position:	
Net investment in capital assets	703,356,380
Restricted for:	
Debt service	72,615,318
Capital projects	151,314,735
OPEB	13,883,678
Classroom facilities maintenance	7,752,058
Food service operations	6,764,159
State funded programs	3,083,539
Federally funded programs	8,499,258
Extracurricular activities	762,333
Partnering community schools	3,192,823
Educational special trust	3,755,164
Other purposes	1,022,330
Unrestricted (deficit)	(514,370,950)
Total net position	\$ 461,630,825

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction:					
Regular	\$ 343,116,811	\$ 2,655,501	\$ 20,644,970	\$ -	\$ (319,816,340)
Special	154,714,738	2,219,420	91,588,573	-	(60,906,745)
Vocational	5,066,828	-	3,045,063	-	(2,021,765)
Other	33,565,260	155	32,604,071	-	(961,034)
Support services:					
Pupil	47,117,898	1,798	29,607,097	-	(17,509,003)
Instructional staff	23,085,075	-	17,706,540	-	(5,378,535)
Board of education	295,485	-	-	-	(295,485)
Administration	49,003,740	2,266	3,260,736	-	(45,740,738)
Fiscal	17,713,803	-	5,077,409	-	(12,636,394)
Business	1,096,877	-	106,266	-	(990,611)
Operations and maintenance	77,535,532	305,875	30,632,969	9,158,871	(37,437,817)
Pupil transportation	38,863,697	222,773	20,197,702	213,483	(18,229,739)
Central	62,971,177	-	41,709,603	-	(21,261,574)
Operation of non-instructional services:					
Food service operations	24,943,047	98,791	27,354,947	-	2,510,691
Other non-instructional services	14,985,921	77	14,283,495	-	(702,349)
Extracurricular activities	10,194,745	801,041	5,193,627	-	(4,200,077)
Interest and fiscal charges	11,671,821	-	-	-	(11,671,821)
Totals	\$ 915,942,455	\$ 6,307,697	\$ 343,013,068	\$ 9,372,354	(557,249,336)
General revenues:					
Property taxes levied for:					
General purposes					273,143,661
General purposes - partnering schools					6,652,578
Debt service					26,808,004
Capital outlay					1,658,720
Classroom facilities maintenance					2,095,856
Grants and entitlements not restricted to specific programs					282,204,359
Grants and entitlements restricted for OFCC					70,702,580
Investment earnings					11,849,368
Miscellaneous					42,563,754
Total general revenues					717,678,880
Change in net position					160,429,544
Net position at beginning of year					301,201,281
Net position at end of year					\$ 461,630,825

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General	Elementary and Secondary School Emergency Relief	Debt Service	Classroom Facilities	Nonmajor Governmental Funds	Total Governmental Funds
Assets:						
Equity in pooled cash and cash equivalents	\$ 94,542,887	\$ 45,705,177	\$ 63,470,716	\$ 49,456,822	\$ 74,112,139	\$ 327,287,741
Cash and cash equivalents with fiscal agent	-	13,432	-	-	43,395	56,827
Cash and investments in segregated accounts	16,258,892	-	-	-	-	16,258,892
Receivables:						
Property taxes	342,454,164	-	34,287,643	-	14,456,448	391,198,255
Accounts	6,545,853	-	-	-	1,003,301	7,549,154
Accrued interest	705,146	-	-	-	-	705,146
Interfund loans	69,779,839	-	-	-	-	69,779,839
Intergovernmental	1,535,931	20,012,576	-	72,093,694	5,414,437	99,056,638
Leases	64,972	-	-	-	-	64,972
Prepayments	501,376	9,726	-	-	144,396	655,498
Materials and supplies inventory	961,175	-	-	-	400,831	1,362,006
Inventory held for resale	-	-	-	-	984,454	984,454
Due from other funds	821,715	-	-	-	-	821,715
Total assets	<u>\$ 534,171,950</u>	<u>\$ 65,740,911</u>	<u>\$ 97,758,359</u>	<u>\$ 121,550,516</u>	<u>\$ 96,559,401</u>	<u>\$ 915,781,137</u>
Liabilities:						
Accounts payable	\$ 6,370,048	\$ 5,053,309	\$ -	\$ -	\$ 1,458,867	\$ 12,882,224
Contracts payable	-	-	-	729,832	355,946	1,085,778
Retainage payable	-	13,432	-	-	43,395	56,827
Accrued wages and benefits payable	33,478,508	3,077,452	-	-	4,424,389	40,980,349
Compensated absences payable	2,174,322	-	-	-	-	2,174,322
Intergovernmental payable	15,756,584	1,170,031	-	-	1,937,554	18,864,169
Interfund loans payable	-	56,416,961	-	-	13,362,878	69,779,839
Due to other funds	-	-	-	-	821,715	821,715
Unearned revenue	-	-	-	-	2,691,547	2,691,547
Total liabilities	<u>57,779,462</u>	<u>65,731,185</u>	<u>-</u>	<u>729,832</u>	<u>25,096,291</u>	<u>149,336,770</u>
Deferred inflows of resources:						
Property taxes levied for the next fiscal year	247,077,333	-	24,276,866	-	9,532,908	280,887,107
Delinquent property tax revenue not available	70,948,378	-	7,103,586	-	2,995,033	81,046,997
Intergovernmental revenue not available	-	9,646,324	-	70,702,580	2,362,808	82,711,712
Accrued interest not available	591,237	-	-	-	-	591,237
Leases	66,381	-	-	-	-	66,381
Total deferred inflows of resources	<u>318,683,329</u>	<u>9,646,324</u>	<u>31,380,452</u>	<u>70,702,580</u>	<u>14,890,749</u>	<u>445,303,434</u>
Fund balances:						
Nonspendable:						
Materials and supplies inventory	961,175	-	-	-	400,831	1,362,006
Prepays	501,376	9,726	-	-	144,396	655,498
Restricted:						
Debt service	-	-	66,377,907	-	-	66,377,907
Capital projects	-	-	-	50,118,104	28,762,720	78,880,824
Classroom facilities maintenance	-	-	-	-	7,183,743	7,183,743
Food service operations	-	-	-	-	6,579,423	6,579,423
Non-public schools	-	-	-	-	1,397,778	1,397,778
State funded programs	-	-	-	-	1,712,523	1,712,523
Federally funded programs	-	-	-	-	8,541,940	8,541,940
Extracurricular activities	-	-	-	-	762,333	762,333
Partnering community schools	-	-	-	-	1,377,505	1,377,505
Educational special trust	-	-	-	-	3,777,875	3,777,875
Other purposes	-	-	-	-	1,022,330	1,022,330
Committed:						
Cleveland Foundation - Get More Opportunities	19,899,541	-	-	-	-	19,899,541
Assigned:						
Student instruction	2,431,214	-	-	-	-	2,431,214
Student and staff support	11,600,311	-	-	-	-	11,600,311
Extracurricular activities	228,545	-	-	-	-	228,545
Subsequent year's appropriations	45,853,355	-	-	-	-	45,853,355
Operation of non-instructional services	4,493	-	-	-	-	4,493
Unassigned (deficit)	76,229,149	(9,646,324)	-	-	(5,091,036)	61,491,789
Total fund balances	<u>157,709,159</u>	<u>(9,636,598)</u>	<u>66,377,907</u>	<u>50,118,104</u>	<u>56,572,361</u>	<u>321,140,933</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 534,171,950</u>	<u>\$ 65,740,911</u>	<u>\$ 97,758,359</u>	<u>\$ 121,550,516</u>	<u>\$ 96,559,401</u>	<u>\$ 915,781,137</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2023

Total governmental fund balances		\$ 321,140,933
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		959,684,316
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	\$ 81,046,997	
Accrued interest receivable	591,237	
Intergovernmental receivable	82,711,712	
Total		164,349,946
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities on the statement of net position.		18,152,785
Unamortized amounts on refundings are not recognized in the funds.		1,851,589
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(1,195,891)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows - pension	170,835,164	
Deferred inflows - pension	(95,250,357)	
Net pension liability	(688,170,738)	
Deferred outflows - OPEB	17,116,214	
Deferred inflows - OPEB	(109,274,358)	
Net OPEB asset	60,034,915	
Net OPEB liability	(41,771,571)	
Total		(686,480,731)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(230,910,000)	
Leases payable	(21,367,499)	
SBITA payable	(4,759,421)	
Compensated absences	(54,028,662)	
Worker's compensation claims	(4,806,540)	
Total		(315,872,122)
Net position of governmental activities		\$ 461,630,825

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>General</u>	<u>Elementary and Secondary School Emergency Relief</u>	<u>Debt Service</u>	<u>Classroom Facilities</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Property taxes	\$ 278,119,328	\$ -	\$ 27,344,084	\$ -	\$ 11,521,612	\$ 316,985,024
Intergovernmental	329,393,619	139,894,267	2,403,641	11,547,748	134,708,308	617,947,583
Investment earnings	7,849,032	-	1,166,742	898,449	1,347,335	11,261,558
Tuition and fees	4,471,298	-	-	-	784	4,472,082
Extracurricular	-	-	-	-	845,562	845,562
Rental income	305,875	-	-	-	-	305,875
Charges for services	586,171	-	-	-	98,791	684,962
Contributions and donations	20,006,972	-	-	-	5,564,674	25,571,646
Miscellaneous	23,693,638	-	-	-	2,193,000	25,886,638
Total revenues	<u>664,425,933</u>	<u>139,894,267</u>	<u>30,914,467</u>	<u>12,446,197</u>	<u>156,280,066</u>	<u>1,003,960,930</u>
Expenditures:						
Current:						
Instruction:						
Regular	303,096,344	18,991,312	-	-	1,958,487	324,046,143
Special	119,180,275	-	-	-	43,017,852	162,198,127
Vocational	2,715,232	1,258,430	-	-	1,345,507	5,319,169
Other	403,939	29,416,606	-	-	3,745,516	33,566,061
Support services:						
Pupil	28,101,241	16,563,298	-	-	5,456,561	50,121,100
Instructional staff	5,836,722	6,242,357	-	-	11,669,455	23,748,534
Board of education	313,898	-	-	-	-	313,898
Administration	49,395,010	1,304,222	-	-	1,987,603	52,686,835
Fiscal	3,707,951	3,181,571	723,452	-	10,417,276	18,030,250
Business	748,269	-	-	-	106,266	854,535
Operations and maintenance	44,832,354	27,731,018	-	-	5,665,544	78,228,916
Pupil transportation	30,249,794	12,291,984	-	-	4,445,097	46,986,875
Central	21,335,273	27,483,211	-	-	13,067,745	61,886,229
Operation of non-instructional services:						
Food service operations	-	3,507	-	-	25,378,696	25,382,203
Other non-instructional services	3,377	1,403,271	-	-	13,629,535	15,036,183
Extracurricular activities	2,355,807	3,660,078	-	-	4,276,780	10,292,665
Facilities acquisition and construction	-	-	-	6,276,576	7,494,750	13,771,326
Capital outlay	22,771,956	-	-	-	330,648	23,102,604
Debt service:						
Principal retirement	3,483,914	-	52,720,000	-	169,448	56,373,362
Interest and fiscal charges	1,005,001	-	10,012,520	-	-	11,017,521
Bond issuance costs	-	-	301,500	-	-	301,500
Payment to refunding bond escrow agent	-	-	14,504,370	-	-	14,504,370
Total expenditures	<u>639,536,357</u>	<u>149,530,865</u>	<u>78,261,842</u>	<u>6,276,576</u>	<u>154,162,766</u>	<u>1,027,768,406</u>
Excess (deficiency) of revenues over (under) expenditures	<u>24,889,576</u>	<u>(9,636,598)</u>	<u>(47,347,375)</u>	<u>6,169,621</u>	<u>2,117,300</u>	<u>(23,807,476)</u>
Other financing sources (uses):						
Sale of bonds	-	-	113,205,000	-	-	113,205,000
Lease transaction	21,046,956	-	-	-	-	21,046,956
Payment to refunding bond escrow agent	-	-	(68,283,150)	-	-	(68,283,150)
SBITA transaction	1,587,683	-	-	-	330,648	1,918,331
Total other financing sources (uses)	<u>22,634,639</u>	<u>-</u>	<u>44,921,850</u>	<u>-</u>	<u>330,648</u>	<u>67,887,137</u>
Net change in fund balances	47,524,215	(9,636,598)	(2,425,525)	6,169,621	2,447,948	44,079,661
Fund balances at beginning of year	<u>110,184,944</u>	<u>-</u>	<u>68,803,432</u>	<u>43,948,483</u>	<u>54,124,413</u>	<u>277,061,272</u>
Fund balances (deficit) at end of year	<u>\$ 157,709,159</u>	<u>\$ (9,636,598)</u>	<u>\$ 66,377,907</u>	<u>\$ 50,118,104</u>	<u>\$ 56,572,361</u>	<u>\$ 321,140,933</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Net change in fund balances - total governmental funds	\$	44,079,661
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.		
Capital asset additions	\$ 45,535,375	
Current year depreciation/amortization	<u>(38,259,461)</u>	
Total		7,275,914
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	(6,626,205)	
Earnings on investments	591,237	
Intergovernmental	<u>78,446,037</u>	
Total		72,411,069
Repayment of bond, lease and SBITA principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
		56,373,362
Issuance of bonds, leases and SBITA are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net position.		
		(136,170,287)
Payment to refunded bond escrow agent for the retirement of bonds is an other financing use in the governmental funds but the payment reduces long-term liabilities on the statement of net position. Deferred charges related to bond refundings are amortized over the life of the issuance in the statement of activities. The following refunding transactions occurred during the year:		
Bonds refunded	80,750,000	
Deferred charges on refundings	<u>2,037,520</u>	
Total		82,787,520
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
The following items resulted in additional interest being reported in the statement of activities:		
Change in accrued interest payable	(166,869)	
Amortization of deferred charges	<u>(185,931)</u>	
Total		(352,800)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension		61,572,929
OPEB		541,427
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.		
Pension		(53,325,103)
OPEB		15,388,611
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated absences	(2,029,499)	
Worker's compensation claims	<u>33,657</u>	
Total		(1,995,842)
Internal service funds used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		
		<u>11,843,083</u>
Change in net position of governmental activities	\$	<u>160,429,544</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property taxes	\$ 254,555,696	\$ 269,649,160	\$ 277,725,697	\$ 8,076,537
Intergovernmental	301,133,278	318,988,486	330,917,815	11,929,329
Investment earnings	7,002,583	7,417,790	7,639,968	222,178
Tuition and fees	3,949,582	4,183,766	4,309,078	125,312
Rental income	702,659	744,322	766,616	22,294
Charges for services	449,564	476,220	490,484	14,264
Contributions and donations	18,337,837	19,425,150	20,006,972	581,822
Miscellaneous	14,838,783	15,718,625	16,189,429	470,804
Total revenues	<u>600,969,982</u>	<u>636,603,519</u>	<u>658,046,059</u>	<u>21,442,540</u>
Expenditures:				
Current:				
Instruction:				
Regular	227,485,619	260,834,778	244,351,121	16,483,657
Special	133,749,936	153,357,541	142,214,948	11,142,593
Vocational	3,290,378	3,772,744	3,510,873	261,871
Other	391,792	449,228	467,295	(18,067)
Support services:				
Pupil	34,745,798	39,839,497	37,120,332	2,719,165
Instructional staff	7,012,619	8,040,662	7,813,019	227,643
Board of education	323,708	371,163	352,733	18,430
Administration	56,594,472	64,891,165	60,923,124	3,968,041
Fiscal	3,964,974	4,546,236	4,711,861	(165,625)
Business	1,086,876	1,246,211	1,617,257	(371,046)
Operations and maintenance	49,106,601	56,305,580	57,899,745	(1,594,165)
Pupil transportation	31,268,351	35,852,260	34,697,573	1,154,687
Central	24,223,839	27,775,030	30,480,059	(2,705,029)
Operation of non-instructional services				
Other non-instructional services	952,104	1,091,682	1,017,010	74,672
Extracurricular activities	2,325,976	2,666,962	2,705,813	(38,851)
Total expenditures	<u>576,523,043</u>	<u>661,040,739</u>	<u>629,882,763</u>	<u>31,157,976</u>
Excess (deficiency) of revenues over (under) expenditures	<u>24,446,939</u>	<u>(24,437,220)</u>	<u>28,163,296</u>	<u>52,600,516</u>
Other financing sources (uses):				
Refund of prior year's expenditures	18,582	19,683	20,273	590
Advances in	42,091,909	42,091,909	42,091,909	-
Advances (out)	(69,779,839)	(69,779,839)	(69,779,839)	-
Sale of capital assets	34,495	36,541	37,635	1,094
Total other financing sources (uses)	<u>(27,634,853)</u>	<u>(27,631,706)</u>	<u>(27,630,022)</u>	<u>1,684</u>
Net change in fund balance	(3,187,914)	(52,068,926)	533,274	52,602,200
Fund balance at beginning of year	74,860,725	74,860,725	74,860,725	-
Prior year encumbrances appropriated	17,251,299	17,251,299	17,251,299	-
Fund balance at end of year	<u>\$ 88,924,110</u>	<u>\$ 40,043,098</u>	<u>\$ 92,645,298</u>	<u>\$ 52,602,200</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 224,100,451	\$ 165,944,183	\$ 165,944,184	\$ 1
Total revenue	<u>224,100,451</u>	<u>165,944,183</u>	<u>165,944,184</u>	<u>1</u>
Expenditures:				
Current:				
Instruction:				
Regular	20,318,162	20,953,779	20,001,411	952,368
Vocational	1,391,755	1,435,293	1,370,058	65,235
Other	36,247,577	37,381,518	35,682,494	1,699,024
Support services:				
Pupil	17,706,608	18,260,527	17,430,570	829,957
Instructional staff	12,633,672	13,028,894	12,436,719	592,175
Administration	1,548,321	1,596,757	1,524,183	72,574
Fiscal	3,231,956	3,333,062	3,181,571	151,491
Operations and maintenance	41,635,552	42,938,046	40,986,473	1,951,573
Pupil transportation	12,647,904	13,043,571	12,450,729	592,842
Central	36,436,301	37,576,146	35,868,276	1,707,870
Operation of non-instructional services				
Food service operations	348,947	359,863	343,507	16,356
Other non-instructional services	1,821,111	1,878,082	1,792,721	85,361
Extracurricular activities	4,586,092	4,729,560	4,514,597	214,963
Total expenditures	<u>190,553,958</u>	<u>196,515,098</u>	<u>187,583,309</u>	<u>8,931,789</u>
Excess (deficiency) of revenues over (under) expenditures	<u>33,546,493</u>	<u>(30,570,915)</u>	<u>(21,639,125)</u>	<u>8,931,790</u>
Other financing sources (uses):				
Advances in	56,416,961	56,416,961	56,416,961	-
Advances (out)	(30,517,412)	(30,517,412)	(30,517,412)	-
Total other financing sources (uses)	<u>25,899,549</u>	<u>25,899,549</u>	<u>25,899,549</u>	<u>-</u>
Net change in fund balance	59,446,042	(4,671,366)	4,260,424	8,931,790
Fund balance (deficit) at beginning of year	(41,400,003)	(41,400,003)	(41,400,003)	-
Prior year encumbrances appropriated	46,071,369	46,071,369	46,071,369	-
Fund balance at end of year	<u>\$ 64,117,408</u>	<u>\$ -</u>	<u>\$ 8,931,790</u>	<u>\$ 8,931,790</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2023

	Governmental Activities - Internal Service Funds
Assets:	
Current assets:	
Equity in pooled cash and cash equivalents	<u>\$ 30,552,785</u>
Liabilities:	
Current liabilities:	
Claims payable	<u>12,400,000</u>
Net position:	
Unrestricted	<u><u>\$ 18,152,785</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Governmental Activities - Internal Service Funds
Operating revenues:	
Other	\$ 138,737,309
Total operating revenues	<u>138,737,309</u>
Operating expenses:	
Claims and claim adjustment expenses	126,894,226
Total operating expenses	<u>126,894,226</u>
Change in net position	11,843,083
Net position at beginning of year	<u>6,309,702</u>
Net position at end of year	<u>\$ 18,152,785</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Governmental Activities - Internal Service Funds
Cash flows from operating activities:	
Cash received from charges for services	\$ 138,737,309
Cash payments for claims and claim adjustment expenses	<u>(129,822,226)</u>
Net cash provided by operating activities	<u>8,915,083</u>
Net change in cash and cash equivalents	8,915,083
Cash and cash equivalents at beginning of year	<u>21,637,702</u>
Cash and cash equivalents at end of year	<u><u>\$ 30,552,785</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 11,843,083
Changes in assets and liabilities:	
Claims payable	<u>(2,928,000)</u>
Net cash provided by operating activities	<u><u>\$ 8,915,083</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Note 1 - Description of the School District and Reporting Entity

A. School District and Board of Education

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

B. Financial Reporting Entity

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

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

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

The Cleveland Public Library and the City of Cleveland have been defined as related organizations and the Ohio Schools Council and the Bond Accountability Commission as jointly governed organizations. These organizations are discussed further in Note 18 and Note 19 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

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

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Note 2 - Summary of Significant Accounting Policies - (Continued)

The most significant of the School District's accounting policies are described below.

A. Basis of Presentation

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

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

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

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

B. Fund Accounting

The School District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the School District are grouped into the categories of governmental, proprietary, and fiduciary. The School District does not have any fiduciary funds.

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

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Note 2 - Summary of Significant Accounting Policies - (Continued)

The following are the School District's major governmental funds:

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

Elementary and Secondary School Emergency Relief (ESSER) Fund The ESSER fund accounts for Federal monies used to assist schools and districts as a result of the coronavirus (COVID-19) pandemic. Funds can support any allowable activity under existing federal funds (Title I, Individuals with Disabilities Act (IDEA), Perkins, etc.), expenses directly related to the pandemic, as well as "other activities that are necessary to maintain the operation of continuity of services.

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

Classroom Facilities Fund The classroom facilities fund accounts for monies received and expended in connection with contracts entered into by the School District and the Ohio Facilities Construction Commission (OFCC) for the building and equipping of classroom facilities.

Other governmental funds of the School District are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets and (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

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

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

C. Measurement Focus

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

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Note 2 - Summary of Significant Accounting Policies - (Continued)

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

D. Basis of Accounting

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

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Note 2 - Summary of Significant Accounting Policies - (Continued)

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 12 and 13 for deferred outflows of resources related to net pension liability and net OPEB liability/asset, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance fiscal year 2024 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. Unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The deferred inflow of resources for leases is related to the lease receivable and is being amortized to lease revenue in a systematic and rational manner over the term of the lease.

See Notes 12 and 13 for deferred inflows of resources related to net pension liability and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

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

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

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Note 2 - Summary of Significant Accounting Policies - (Continued)

E. Budgetary Data

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

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

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

F. Cash and Investments

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

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

Investments were limited to commercial paper, Farm Federal Credit Bank (FFCB) securities, Federal Home Loan Bank (FHLB) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, negotiable certificates of deposits, U.S. Treasury notes, investments in the State Treasury Asset Reserve of Ohio (STAR Ohio) and a U.S. Government money market account. Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposit and repurchase agreements are reported at cost.

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.

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Note 2 - Summary of Significant Accounting Policies - (Continued)

The School District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

There were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours notice in advance of all deposits and withdrawals exceeding \$100 million is encouraged. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statute, interest earnings are allocated to the general fund unless the Board of Education has, by resolution, specified funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2023 amounted to \$7,849,032 which includes \$4,748,318 assigned from other School District funds.

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

G. Fund Balance

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

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

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

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Note 2 - Summary of Significant Accounting Policies - (Continued)

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

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

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

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

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2023 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

I. Inventory

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

J. Capital Assets

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

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note 2 - Summary of Significant Accounting Policies - (Continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of \$50,000. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of capital assets is also not capitalized.

All reported capital assets, except land and construction in progress, are depreciated/amortized. Improvements are depreciated over the remaining useful lives of the related capital assets. Intangible assets identified pursuant to GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, have been classified separately from other assets capitalized by the School District.

Depreciation/amortization is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives
Land Improvements	25 years
Buildings and Improvements	25 - 50 years
Vehicles and Equipment	7 - 15 years
Internal Generated Software	5-10 years
Intangible Right To Use Assets	5 years

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

The School District is reporting intangible right to use assets related to lease buildings, lease equipment and Subscription Based Information Technology Arrangements (SBITAs). The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease/subscription term or the useful life of the underlying asset.

K. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivable/payable". On the fund financial statements, other receivables related to interfund activity from negative cash balances are classified as "due from other funds" and "due to other funds". These amounts are eliminated in the governmental activities column of the statement of net position.

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Note 2 - Summary of Significant Accounting Policies - (Continued)

L. Pensions and Other Postemployment Benefits (OPEB)

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

M. Compensated Absences

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

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 a five year history of the School District's actual payments.

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

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

N. Bond Issuance Costs and Unamortized Deferred Loss on Debt Refunding

On government-wide and fund financial statements, bond issuance costs are expensed in the year they occur.

For bond refundings resulting in the defeasance of debt reported in the government-wide financial statements, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter and is presented as a deferred outflow of resources (loss) or deferred inflow of resources (gain) on the statement of net position.

O. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on proprietary fund financial statements.

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Note 2 - Summary of Significant Accounting Policies - (Continued)

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources and are reported as obligations of the funds. However, claims and judgments and compensated absences, contractually required pension obligations, and capital lease obligations that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

P. Net Position

Net Position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position for other purposes included resources restricted for non-public schools and community involvement.

The government-wide statement of net position reports \$272,645,395 of restricted net position, none of which is restricted by enabling legislation.

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

Q. Internal Activity

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

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

R. Operating Revenue and Expenses

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

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Note 2 - Summary of Significant Accounting Policies - (Continued)

S. Contribution of Capital

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

T. Extraordinary and Special Items

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

U. Estimates

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

V. Fair Value

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Note 3 - Accountability and Compliance

A. Change in Accounting Principles

For fiscal year 2023, the School District has implemented GASB Statement No. 91, "Conduit Debt Obligations", GASB Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements", GASB Statement No. 96, "Subscription Based Information Technology Arrangements", certain questions and answers of GASB Implementation Guide 2021-1 and certain paragraphs of GASB Statement No. 99, "Omnibus 2022".

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the School District.

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Note 3 - Accountability and Compliance - (Continued)

GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the School District.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

These changes were incorporated in the School District's fiscal year 2023 financial statements. The School District recognized \$5,648,361 in governmental activities in subscriptions payable at July 1, 2022; however, this entire amount was offset by the intangible asset, right to use subscription assets.

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on the financial statements of the School District.

GASB Statement No. 99 to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the School District.

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Note 3 - Accountability and Compliance - (Continued)

B. Deficit Fund Balances

Fund balances at June 30, 2023 included the following individual fund deficits:

<u>Major fund</u>	<u>Deficit</u>
ESSER	\$ 9,636,598
 <u>Nonmajor funds</u>	
Other grants	727,356
Public school preschool	79,610
GEER	151,100
Title VI-B	1,439,636
Vocational education	77,237
School improvement stimulus A	852,263
Title II-A	683,615
School improvement stimulus G	909,515
Refugee children impact act	170,704

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

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 basis), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual presented for the general fund and major special revenue funds are 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 and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
2. Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
3. In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
4. Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis); and,
5. Investments are reported at cost (budget basis) rather than fair value (GAAP basis).

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note 4 - Budgetary Basis of Accounting - (Continued)

The following table summarizes the adjustments necessary to reconcile the budgetary basis to the GAAP basis statement for the general fund and the ESSER fund.

	Net Change in Fund Balance	
	<u>General</u>	<u>ESSER</u>
Budget Basis	\$ 533,274	\$ 4,260,424
Net Adjustment for Revenue Accruals	6,371,192	(26,049,917)
Net Adjustment for Expenditure Accruals	(29,734,761)	1,265,625
Net Adjustment for Other Financing Sources and Uses	50,264,661	(25,899,549)
Funds Budgeted Elsewhere	3,218,176	-
Adjustment for Encumbrances	16,871,673	36,786,819
GAAP Basis	<u>\$ 47,524,215</u>	<u>\$ (9,636,598)</u>

Certain funds that are legally budgeted as separate funds are considered part of the general fund on a GAAP basis. This includes the payroll clearing fund.

Note 5 - Deposits and Investments

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

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

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

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

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Note 5 - Deposits and Investments - (Continued)

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. 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;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Note 5 - Deposits and Investments - (Continued)

Investments in stripped principal or interest obligations reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

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

Cash and Investments in Segregated Accounts

At June 30, 2023, the School District had \$16,258,892 in cash and investments in segregated accounts held by the Cleveland Foundation for the Get More Opportunities program. The amount is comprised of a U.S. Government money market account and U.S. Treasury notes. These amounts are included in investments below.

Deposits with Financial Institutions

At June 30, 2023, the carrying amount of all School District deposits was \$26,439,681. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures," the School District's bank balance was \$29,431,035 at fiscal year-end. Of the bank balance, \$925,930 was covered by federal depository insurance, \$16,998,063 was part of the OPCS and \$11,507,042 was uninsured but collateralized with securities held by a pledging financial institution or by its trust department or agent although not in the School District's name.

Custodial credit risk is the risk that, in the event of a bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The School District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio Law requires that deposits either be insured or protected by (1) eligible securities pledged to the School District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2023, the School District's financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS. Although the statutory requirements for deposit of money had been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note 5 - Deposits and Investments - (Continued)

Investments

Investments are reported at fair value. The School District's investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs).

As of June 30, 2023, the School District had the following investments:

Measurement/Investment type	Measurement Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
<i>Fair value:</i>						
Commercial paper	\$ 42,106,962	\$ 31,528,297	\$ 10,578,665	\$ -	\$ -	\$ -
FFCB	49,741,816	-	-	984,159	1,995,284	46,762,373
FHLB	20,256,125	-	1,994,363	5,508,109	5,464,818	7,288,835
FHLMC	2,964,441	-	-	-	995,278	1,969,163
Negotiable CDs	8,957,680	-	-	735,970	3,187,749	5,033,961
US Treasury note	32,204,876	4,935,112	4,894,228	3,166,006	6,523,066	12,686,464
US Governmental Money Market	4,723,190	4,723,190	-	-	-	-
<i>Amortized cost:</i>						
STAR Ohio	186,761,474	186,761,474	-	-	-	-
Total	\$ 347,716,564	\$ 227,948,073	\$ 17,467,256	\$ 10,394,244	\$ 18,166,195	\$ 73,740,796

The weighted average maturity of investments is 0.50 years

The District's investments in U.S. government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The District's investments in federal agency securities (FFCB, FHLB, FHLMC), Commercial paper, Negotiable CDs, and U.S. Treasury notes are valued using quoted market prices that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

Interest Rate Risk Ohio Revised Code and School District investment policy limits security purchases to those that mature within five years of the settlement date. School District investment policy also limits commercial paper purchases to issues from companies incorporated in the United States which have assets in excess of \$500 million and whose issues are rated in the highest classification by at least two standard rating services. The commercial paper must mature within 180 days of settlement date and the total holding of commercial paper may not exceed 40 percent of the portfolio, under Ohio Revised Code and School District investment policy. Money market mutual funds must be rated in the highest classification by at least one standard rating service and invest exclusively in eligible securities listed above, under School District investment policy.

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note 5 - Deposits and Investments - (Continued)

Credit Risk The School District's investments in commercial paper were rated P-1 and A-1 by Moody's Investor Services and Standard & Poor's, respectively. The School District's investments in federal agency securities and U.S. Treasury notes were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio and the U.S. Government money market an AAAm money market rating. Ohio Law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The District's investment policy does not specifically address credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

Concentration of Credit Risk The School District places no limit on the amount it may invest in any one issuer. The following is the School District's allocation as of June 30, 2023:

<u>Measurement/Investment type</u>	<u>Measurement Value</u>	<u>% of Total</u>
Fair value:		
Commercial paper	\$ 42,106,962	12.11
FFCB	49,741,816	14.31
FHLB	20,256,125	5.83
FHLMC	2,964,441	0.85
Negotiable CDs	8,957,680	2.58
US Treasury note	32,204,876	9.26
US Governmental Money Market	4,723,190	1.36
Amortized cost:		
STAR Ohio	<u>186,761,474</u>	<u>53.70</u>
Total	<u>\$ 347,716,564</u>	<u>100.00</u>

Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2023:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 26,439,681
Investments	<u>347,716,564</u>
Total	<u>\$ 374,156,245</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	<u>\$ 374,156,245</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Note 6 - Property Taxes

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

Property taxes include amounts levied against all real and public utility located in the School District. Real property tax revenue received in calendar 2023 represents collections of calendar year 2022 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed value listed as of January 1, 2022, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2023 represents collections of calendar year 2022 taxes. Public utility real and tangible personal property taxes received in calendar year 2023 became a lien December 31, 2022, were levied after April 1, 2023 and are collected in 2022 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Cuyahoga County. The County Fiscal Officer periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2023, are available to finance fiscal year 2023 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

The amount available as an advance at June 30, 2023 was \$29,264,151, which is comprised of \$24,428,453 in the general fund, \$2,907,191 in the debt service fund, \$275,501 in the permanent improvement fund, \$1,377,505 in the partnering community school fund, and \$275,501 in the classroom facilities maintenance special revenue fund. The amount available as an advance at June 30, 2022 was \$28,647,139, which is comprised of \$23,913,400 in the general fund, \$2,845,895 in the debt service fund, \$269,692 in the permanent improvement fund, \$1,348,460 in the partnering community school fund, and \$269,692 in the classroom facilities maintenance special revenue fund.

Accrued property taxes receivable includes real property and public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2023 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations and are reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property taxes.

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

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note 6 - Property Taxes - (Continued)

The assessed values (in thousands) upon which the fiscal year 2023 taxes were collected are:

	2022 Second Half		2023 First Half	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$ 5,395,065	91.16%	\$ 5,427,325	90.71%
Public Utility Property	523,080	8.84	555,606	9.29
Total	<u>\$ 5,918,145</u>	<u>100.00%</u>	<u>\$ 5,982,931</u>	<u>100.00%</u>

Full voted tax rate per \$1,000 of assessed valuation	\$	84.10	\$	84.10
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Note 7 – Tax Abatements

School District property taxes were reduced under Enterprise Zone agreements entered into by an overlapping government – the City of Cleveland. As a result of the agreements, the School District had \$28,169,784 in taxes abated for the tax year 2022/collection year 2023.

Note 8 - Receivables

A. Other Receivables

Receivables at June 30, 2023 consist of taxes, accounts (rent and student fees), accrued interest, interfund loans, intergovernmental grants and leases. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables are expected to be collected within one year except delinquent property taxes.

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**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note 8 - Receivables - (Continued)

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	Amount
Ohio Department of Education	\$ 211,889
School Employees Retirement System	1,324,042
Ohio School Facilities Grant	72,093,694
School Improvement Stimulus A	415,348
Miscellaneous local governments	8,000
Title III	138,161
ESSER	20,012,576
Governor's Emergency Education Relief (GEER)	902,634
Title IV-A	71,816
Nutrition Education and Training Program	48,828
Refugee Children School Impact Act	8,066
Vocational Education Grant and Subsidies	214,883
IDEA, Part B	2,800,277
IDEA Preschool Grant	19,399
Improving Teacher Quality	683,615
Miscellaneous Federal Grants and Subsidies	103,410
	\$ 99,056,638

B. Leases Receivable

The School District is reporting leases receivable of \$64,972 in the general fund. For fiscal year 2023, the School District recognized lease revenue of \$31,863, which is reported in rental income, and interest revenue of \$3,324.

The School District has entered into a lease agreement for building space rental at varying years and terms as follows:

<u>Lease</u>	<u>Lease Commencement Date</u>	<u>Years</u>	<u>Lease End Date</u>	<u>Payment Method</u>
Kentucky Building	2015	10	2025	Yearly

Lease payments will be paid into the general fund. The following is a schedule of future lease payments under the lease agreements:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 31,676	\$ 3,324	\$ 35,000
2025	33,296	1,704	35,000
Total	\$ 64,972	\$ 5,028	\$ 70,000

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Note 9 – Contingencies

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements which are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2023.

B. School Foundation

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the School District, which can extend past the fiscal year-end. The FTE adjustments have been finalized and have no material impact on the School District.

C. 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.

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**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Note 10 - Capital Assets

Due to the implementation of GASB Statement No. 96 (see Note 3.A for detail), the School District has reported capital assets for the right to use SBITA assets which are reflected in the schedule below. Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	Restated Balance 6/30/22	Additions	Deletions	Balance 6/30/23
Governmental Activities				
<i>Capital Assets, not being depreciated/amortized:</i>				
Land	\$ 31,597,774	\$ -	\$ -	\$ 31,597,774
Construction in Progress	15,018,318	13,540,902	(14,634,466)	13,924,754
<i>Total Capital Assets, not being Depreciated/Amortized</i>	<u>46,616,092</u>	<u>13,540,902</u>	<u>(14,634,466)</u>	<u>45,522,528</u>
<i>Capital Assets, being Depreciated/Amortized</i>				
Land Improvements	1,523,444	-	-	1,523,444
Buildings and Improvements	1,388,608,850	15,091,327	-	1,403,700,177
Vehicles and Equipment	32,746,784	8,435,008	-	41,181,792
Internal Generated Software	5,878,735	-	-	5,878,735
Right to use assets:				
Equipment	1,407,724	-	-	1,407,724
Buildings	-	21,184,273	-	21,184,273
SBITAs	5,648,361	1,918,331	-	7,566,692
<i>Total Capital Assets, being Depreciated/Amortized</i>	<u>1,435,813,898</u>	<u>46,628,939</u>	<u>-</u>	<u>1,482,442,837</u>
Less: Accumulated Depreciation/Amortization:				
Land Improvements	(1,430,302)	(9,122)	-	(1,439,424)
Buildings and Improvements	(501,089,098)	(32,991,812)	-	(534,080,910)
Vehicles and Equipment	(21,653,439)	(1,269,004)	-	(22,922,443)
Internal Generated Software	(5,584,801)	-	-	(5,584,801)
Right to use assets:				
Equipment	(263,948)	(263,948)	-	(527,896)
Buildings	-	(1,324,017)	-	(1,324,017)
SBITAs	-	(2,401,558)	-	(2,401,558)
<i>Total Accumulated Depreciation/Amortization</i>	<u>(530,021,588)</u>	<u>(38,259,461) *</u>	<u>-</u>	<u>(568,281,049)</u>
<i>Total Capital Assets, being Depreciated/Amortized, Net</i>	<u>905,792,310</u>	<u>8,369,478</u>	<u>-</u>	<u>914,161,788</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$ 952,408,402</u>	<u>\$ 21,910,380</u>	<u>\$ (14,634,466)</u>	<u>\$ 959,684,316</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Note 10 - Capital Assets - (Continued)

* Depreciation/Amortization expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 33,109,878
Special	57,362
Support Services:	
Pupil	165,324
Administration	110,740
Business	263,948
Operation and Maintenance	1,388,701
Pupil Transportation	1,194,926
Central	1,932,503
Food service operations	36,079
Total Depreciation/Amortization Expense	<u><u>\$ 38,259,461</u></u>

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**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note 11 - Risk Management

A. Property and Liability

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

Coverage During Fiscal Year	Aggregate Liability Limits	Self- Insured Retention
Coverage A - School Liability	\$ 12,000,000	\$ 500,000
General Liability		
Automobile Liability		
Law Enforcement Liability		
Nurse' Professional Liability		
Ohio Stop Gap Liability		
Coverage B - Educators Liability	\$ 12,000,000	\$ 500,000
School Leaders Errors & Omissions (includes lawyer professional liability)		
Employment Practices Liability		
Sexual Harassment		
Sexual Misconduct/Abuse		
Employee Benefits Liability		
Property (Physical Damage) Insurance	300,000,000	500,000
Boiler and Machinery	150,000,000	250,000
Commercial Crime Insurance	2,000,000	100,000
Terrorism	50,000,000	25,000
Active Shooter	5,000,000	10,000
Cyber Risk	5,000,000	100,000
Student Accident	25,000	N/A
Medical Malpractice	3,000,000	10,000

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

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note 11 - Risk Management - (Continued)

Because of the prohibitive cost of commercial insurance, the School District in 1987, established a self-insurance fund (an internal service fund) to account for and finance its uninsured risks of loss (insurance deductibles and/or self-insured retentions) and associated expenses attributing to liability and property damage claim settlements and judgments. Estimates of claims liabilities, based on historical cost information, for incurred claims (including incurred but not reported claims) as calculated by the School District's Risk Management Division for all outstanding unsettled claims total \$535,000 as of June 30, 2023, and are recorded in the Liability Self-Insurance internal service fund.

B. Employee Health Benefits

The School District has elected to provide medical and prescription drug benefits through a self insured program utilizing providers Medical Mutual of Ohio, Anthem Blue Cross Blue Shield Insurance, and University Hospitals (UH Choice) companies. The maintenance of these benefits is accounted for in the Employee Benefits Self-Insurance internal service fund. Specific stop loss threshold covered per person is \$400,000 a claim and there is an unlimited maximum, which is in compliance with the Federal Healthcare Reform. The District's third-party administrator is Contigo.

C. Workers' Compensation

The School District participates in the Ohio Bureau of Workers' Compensation (BWC) Retrospective Rating Plan. Under the retrospective rating plan, the School District assumes a portion of the risk in return for a reduction in current premiums. Estimates of claims liabilities based on actuarial methods, for incurred claims as calculated by the BWC for the cumulative retrospective rating period January 1, 2013, through June 30, 2023, including the estimate for incurred but not reported (IBNR) claims totals \$4,806,540.

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

The claims liability reported at June 30, 2023 for liability and property damage claim settlements and judgments, medical and prescription drug benefits and workers' compensation is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in claims activity for fiscal years 2022 and 2023 are as follows:

	Beginning of Year	Claims	Payments	End of Year
2022	\$ 17,631,890	\$ 126,671,162	\$ 128,975,052	\$ 15,328,000
2023	15,328,000	126,894,226	129,822,226	12,400,000

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Note 12 - Defined Benefit Pension Plans

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability/Net OPEB Liability/Asset

The net pension liability and the net OPEB liability/asset reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

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

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients.

The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note 12 - Defined Benefit Pension Plans - (Continued)

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

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0%. In 2022, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2023.

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Note 12 - Defined Benefit Pension Plans - (Continued)

Funding Policy - Plan members are required to contribute 10.00% of their annual covered salary and the School District is required to contribute 14.00% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10.00% for plan members and 14.00% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2023, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2023, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School District's contractually required contribution to SERS was \$17,616,995 for fiscal year 2023. Of this amount, \$1,360,041 is reported as intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans: a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined (CO) Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.20% of final average salary for the five highest years of earnings multiplied by all years of service. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023 when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit regardless of age.

The DC Plan allows members to place all of their member contributions and 9.53% of the 14% employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS Ohio. The remaining 4.47% of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Note 12 - Defined Benefit Pension Plans - (Continued)

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12% of the 14% member rate goes to the DC Plan and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 and after termination of employment.

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

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

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2023 employer and employee contribution rate of 14% was equal to the statutory maximum rates. For fiscal year 2023, the full employer contribution was allocated to pension.

The School District's contractually required contribution to STRS was \$43,955,934 for fiscal year 2023. Of this amount, \$4,319,111 is reported as intergovernmental payable.

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

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities.

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note 12 - Defined Benefit Pension Plans - (Continued)

Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	3.136060500%	2.220247332%	
Proportion of the net pension liability current measurement date	<u>3.193967000%</u>	<u>2.318548080%</u>	
Change in proportionate share	<u>0.057906500%</u>	<u>0.098300748%</u>	
Proportionate share of the net pension liability	\$ 172,754,578	\$ 515,416,160	\$ 688,170,738
Pension expense	\$ 153,302	\$ 53,171,801	\$ 53,325,103

At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 6,996,701	\$ 6,597,988	\$ 13,594,689
Net difference between projected and actual earnings on pension plan investments	-	17,935,356	17,935,356
Changes of assumptions	1,704,599	61,679,827	63,384,426
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	2,190,964	12,156,800	14,347,764
Contributions subsequent to the measurement date	<u>17,616,995</u>	<u>43,955,934</u>	<u>61,572,929</u>
Total deferred outflows of resources	<u>\$ 28,509,259</u>	<u>\$ 142,325,905</u>	<u>\$ 170,835,164</u>
	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 1,134,092	\$ 1,971,630	\$ 3,105,722
Net difference between projected and actual earnings on pension plan investments	6,028,350	-	6,028,350
Changes of assumptions	-	46,427,181	46,427,181
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>3,947,519</u>	<u>35,741,585</u>	<u>39,689,104</u>
Total deferred inflows of resources	<u>\$ 11,109,961</u>	<u>\$ 84,140,396</u>	<u>\$ 95,250,357</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note 12 - Defined Benefit Pension Plans - (Continued)

\$61,572,929 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	\$ (2,120,997)	\$ (9,099,248)	\$ (11,220,245)
2025	496,793	(12,456,254)	(11,959,461)
2026	(8,611,620)	(16,486,493)	(25,098,113)
2027	10,018,127	52,271,570	62,289,697
Total	\$ (217,697)	\$ 14,229,575	\$ 14,011,878

Actuarial Assumptions - SERS

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

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

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

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note 12 - Defined Benefit Pension Plans - (Continued)

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2022, are presented below:

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	2.40%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%
COLA or ad hoc COLA:	
Current measurement date	2.00%
Prior measurement date	2.00%
Investment rate of return:	
Current measurement date	7.00% net of system expenses
Prior measurement date	7.00% net of system expenses
Discount rate:	
Current measurement date	7.00%
Prior measurement date	7.00%
Actuarial cost method	Entry age normal (level percent of payroll)

In 2022, mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

In the prior measurement date, mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

The most recent experience study was completed for the five-year period ended June 30, 2020.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note 12 - Defined Benefit Pension Plans - (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.45) %
US Equity	24.75	5.37
Non-US Equity Developed	13.50	6.22
Non-US Equity Emerging	6.75	8.22
Fixed Income/Global Bonds	19.00	1.20
Private Equity	11.00	10.05
Real Estate/Real Assets	16.00	4.87
Multi-Asset Strategy	4.00	3.39
Private Debt/Private Credit	3.00	5.38
Total	<u>100.00 %</u>	

Discount Rate - The total pension liability was calculated using the discount rate of 7.00%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00%). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.00%, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%), or one percentage point higher (8.00%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
School District's proportionate share of the net pension liability	\$ 254,286,496	\$ 172,754,578	\$ 104,065,049

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note 12 - Defined Benefit Pension Plans - (Continued)

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022, actuarial valuation are presented below:

	June 30, 2022	June 30, 2021
Inflation	2.50%	2.50%
Projected salary increases	Varies by service from 2.50% to 8.50%	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.00%
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%

For the June 30, 2022 actuarial valuation, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For the prior measurement date, post-retirement mortality rates are based on the RP-2014 Annuitant Mortality Tables with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Tables, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Tables with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note 12 - Defined Benefit Pension Plans - (Continued)

STRS Ohio’s investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation*</u>	<u>Long-Term Expected Real Rate of Return **</u>
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	<u>100.00 %</u>	

* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.

**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and is net of investment expenses. Over a 30-year period, STRS Ohio’s investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described previously. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS Ohio’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2022.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table represents the net pension liability as of June 30, 2022, calculated using the current period discount rate assumption of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
School District's proportionate share of the net pension liability	\$ 778,606,180	\$ 515,416,160	\$ 292,838,886

Changes Between Measurement Date and Reporting Date - STRS approved a one-time 1.00% cost-of-living adjustment to eligible benefit recipients effective July 1, 2023. It is unknown what effect this change will have on the net pension liability.

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Note 13 - Defined Benefit OPEB Plans

Net OPEB Liability/Asset

See Note 12 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2023, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the School District's surcharge obligation was \$541,427.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$541,427 for fiscal year 2023. Of this amount, \$541,427 is reported as intergovernmental payable.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note 13 - Defined Benefit OPEB Plans - (Continued)

Plan Description - State Teachers Retirement System (STRS)

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

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2023, STRS did not allocate any employer contributions to post-employment health care.

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability/asset was measured as of June 30, 2022, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability/asset was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

Following is information related to the proportionate share and OPEB expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	2.934345500%	2.220247332%	
Proportion of the net OPEB liability/asset current measurement date	<u>2.975161000%</u>	<u>2.318548080%</u>	
Change in proportionate share	<u>0.040815500%</u>	<u>0.098300748%</u>	
Proportionate share of the net OPEB liability	\$ 41,771,571	\$ -	\$ 41,771,571
Proportionate share of the net OPEB asset	\$ -	\$ (60,034,915)	\$(60,034,915)
OPEB expense	\$ (5,160,675)	\$ (10,227,936)	\$(15,388,611)

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note 13 - Defined Benefit OPEB Plans - (Continued)

At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	\$ 351,150	\$ 870,330	\$ 1,221,480
Net difference between projected and actual earnings on OPEB plan investments	217,103	1,045,060	1,262,163
Changes of assumptions	6,644,304	2,557,267	9,201,571
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	3,616,095	1,273,478	4,889,573
Contributions subsequent to the measurement date	541,427	-	541,427
Total deferred outflows of resources	<u>\$ 11,370,079</u>	<u>\$ 5,746,135</u>	<u>\$ 17,116,214</u>
	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	\$ 26,720,161	\$ 9,016,158	\$ 35,736,319
Changes of assumptions	17,147,531	42,570,621	59,718,152
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	13,509,294	310,593	13,819,887
Total deferred inflows of resources	<u>\$ 57,376,986</u>	<u>\$ 51,897,372</u>	<u>\$ 109,274,358</u>

\$541,427 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	\$(10,708,382)	\$(13,178,795)	\$(23,887,177)
2025	(10,109,339)	(13,077,789)	(23,187,128)
2026	(9,507,444)	(6,487,976)	(15,995,420)
2027	(6,977,763)	(2,747,205)	(9,724,968)
2028	(4,083,765)	(3,531,347)	(7,615,112)
Thereafter	(5,161,641)	(7,128,125)	(12,289,766)
Total	<u>\$(46,548,334)</u>	<u>\$(46,151,237)</u>	<u>\$(92,699,571)</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note 13 - Defined Benefit OPEB Plans - (Continued)

Actuarial Assumptions - SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note 13 - Defined Benefit OPEB Plans - (Continued)

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2022 are presented below:

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	2.40%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%
Investment rate of return:	
Current measurement date	7.00% net of investment expense, including inflation
Prior measurement date	7.00% net of investment expense, including inflation
Municipal bond index rate:	
Current measurement date	3.69%
Prior measurement date	1.92%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Current measurement date	4.08%
Prior measurement date	2.27%
Medical trend assumption:	
Current measurement date	7.00 to 4.40%
Prior measurement date	
Medicare	5.125 to 4.400%
Pre-Medicare	6.750 to 4.400%

In 2022, mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

In the prior measurement date, mortality rates were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note 13 - Defined Benefit OPEB Plans - (Continued)

The most recent experience study was completed for the five-year period ended June 30, 2020.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial 5-year experience study. The most recent study covers fiscal years 2016 through 2020, and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.45) %
US Equity	24.75	5.37
Non-US Equity Developed	13.50	6.22
Non-US Equity Emerging	6.75	8.22
Fixed Income/Global Bonds	19.00	1.20
Private Equity	11.00	10.05
Real Estate/Real Assets	16.00	4.87
Multi-Asset Strategy	4.00	3.39
Private Debt/Private Credit	3.00	5.38
Total	<u>100.00 %</u>	

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2022, was 4.08%. The discount rate used to measure total OPEB liability prior to June 30, 2022, was 2.27%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50% of projected covered payroll each year, which includes a 1.50% payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2022 and the June 30, 2021 total OPEB liability. The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate is 3.69% at June 30, 2022 and 1.92% at June 30, 2021.

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note 13 - Defined Benefit OPEB Plans - (Continued)

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability, what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.08%) and higher (5.08%) than the current discount rate (4.08%). Also shown is what the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate (7.00% decreasing to 4.40%).

	1% Decrease	Current Discount Rate	1% Increase
School District's proportionate share of the net OPEB liability	\$ 51,880,921	\$ 41,771,571	\$ 33,610,579

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB liability	\$ 32,213,377	\$ 41,771,571	\$ 54,256,119

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022 actuarial valuation, compared with June 30, 2021 actuarial valuation, are presented below:

	June 30, 2022		June 30, 2021	
Inflation	2.50%		2.50%	
Projected salary increases	Varies by service from 2.50% to 8.50%		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.00%, net of investment expenses, including inflation		7.00%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discount rate of return	7.00%		7.00%	
Blended discount rate of return	N/A		N/A	
Health care cost trends	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	7.50%	3.94%	5.00%	4.00%
Medicare	-68.78%	3.94%	-16.18%	4.00%
Prescription Drug				
Pre-Medicare	9.00%	3.94%	6.50%	4.00%
Medicare	-5.47%	3.94%	29.98%	4.00%

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note 13 - Defined Benefit OPEB Plans - (Continued)

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

For the June 30, 2022 actuarial valuation, for healthy retirees the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For the prior measurement date, for healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Tables with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Tables with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

Assumption Changes Since the Prior Measurement Date - The discount rate remained unchanged at 7.00% for the June 30, 2022 valuation.

Benefit Term Changes Since the Prior Measurement Date - Salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age based to service based.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return **
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	100.00 %	

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
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Note 13 - Defined Benefit OPEB Plans - (Continued)

* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.

**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and is net of investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate - The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed STRS Ohio continues to allocate no employer contributions to the health care fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on health care fund investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2022.

Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB asset as of June 30, 2022, calculated using the current period discount rate assumption of 7.00%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease	Current Discount Rate	1% Increase
School District's proportionate share of the net OPEB asset	\$ 55,500,708	\$ 60,034,915	\$ 63,918,870
	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	\$ 62,270,822	\$ 60,034,915	\$ 57,212,655

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note 14 – Other Employee Benefits

A. Compensated Absences

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

B. Insurance

The School District provides life insurance to most employees through Consumer Life Insurance in the amount of \$10,000 for each individual contributor employees and \$50,000 for supervisors/managers. The School District also provides medical and prescription drug benefits through CVS/Caremark, dental benefits through MetLife Dental and vision through United Healthcare to all eligible employees.

Note 15 - Set-Asides

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

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

	Capital Improvements
Set-Aside Reserve Balance as of June 30, 2022	\$ -
Current Year Set-Aside Requirement	7,337,642
Current Year Offsets:	
Tax Levy for Permanent Improvement and Classroom Facilities and Maintenance	(4,758,530)
Prior Year Offset from Bond Proceeds	(2,579,112)
Totals	\$ -
Set-Aside Balances Carried Forward to Future Fiscal Years	-
Set-Aside Reserve Balance as of June 30, 2023	-

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Note 15 - Set-Asides - (Continued)

During fiscal year 2015, the School District issued a total of \$200,000,000 in capital related school improvement bonds. These proceeds may be used to reduce capital acquisition below zero for future years. The amount presented for Prior Year Offset from Bond Proceeds is limited to an amount needed to reduce the reserve for capital improvement to \$0. The District is responsible for tracking the amount of the bond proceeds that may be used as an offset in future periods, which was \$193,967,634 at June 30, 2023.

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**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Note 16 – Long-Term Obligations

Due to the implementation of GASB Statement No. 96 (see Note 3.A for detail), the District has reported obligations for SBITA payable which are reflected in the schedule below. Changes in long-term obligations of the School District during fiscal year 2023 were as follows:

	Restated Balance Outstanding 06/30/22	Additions	Deletions	Balance Outstanding 06/30/23	Amounts Due in One Year
Governmental Activities:					
General Obligation Bonds:					
2010 School Facilities					
Improvement Bonds	\$ 55,000,000	\$ -	\$ -	\$ 55,000,000	\$ -
2012 School Facilities					
Improvement Refunding Bonds	4,425,000	-	3,180,000	1,245,000	1,245,000
2013 School Facilities					
Improvement Refunding Bonds	23,260,000	-	23,260,000	-	-
2015 School Facilities					
Improvement Bonds	119,290,000	-	61,345,000	57,945,000	3,930,000
2015 Qualified School					
Construction Bonds	49,200,000	-	-	49,200,000	-
2022A					
Refunding Bonds	-	45,280,000	45,280,000	-	-
2022B					
Refunding Bonds	-	23,120,000	405,000	22,715,000	2,490,000
2023					
Refunding Bonds	-	44,805,000	-	44,805,000	6,325,000
Total General Obligation Bonds	251,175,000	113,205,000	133,470,000	230,910,000	13,990,000
Net Pension Liability					
STRS	283,878,577	231,537,583	-	515,416,160	-
SERS	115,711,538	57,043,040	-	172,754,578	-
Total Net Pension Liability	399,590,115	288,580,623	-	688,170,738	-
Other Post-Employment Benefits (OPEB)					
SERS	55,534,894	-	13,763,323	41,771,571	-
Total OPEB	55,534,894	-	13,763,323	41,771,571	-
Other Long-Term Obligations:					
Compensated Absences	51,999,163	17,155,775	15,126,276	54,028,662	9,017,591
Workers' Compensation Claims	4,840,197	1,207,704	1,241,361	4,806,540	1,241,361
Direct Borrowing -					
Leases Payable	1,166,634	21,046,956	846,091	21,367,499	1,014,763
SBITA Payable	5,648,361	1,918,331	2,807,271	4,759,421	2,165,644
Total Other Long Term Obligations	63,654,355	41,328,766	20,020,999	84,962,122	13,439,359
Total Governmental Activities	\$ 769,954,364	\$ 443,114,389	\$ 167,254,322	\$ 1,045,814,431	\$ 27,429,359

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Note 16 – Long-Term Obligations - (Continued)

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

On September 29, 2010, the School District issued \$55,000,000 of School Improvement Bonds, bearing interest at the rate of 5.20% per annum. The series 2010 bond issue is the third long term financing bond issue related to the School District's participation in the Ohio School Facilities Assistance Program. The District made mandatory sinking fund payments to an escrow fund, which is part of the School District's Bond Retirement Fund, held by The Bank of New York Mellon Trust Company, N.A., as escrow agent, in the amount of \$3,016,357 on December 1st of each year starting in 2010, reducing the outstanding principal amount of this series of bonds by that aggregate amount pursuant to Sections 133.01 and 133.04 of the Revised Code.

On January 11, 2012, the School District issued \$20,855,000 of School Improvement Refunding Bonds, Series 2012, at a true interest cost of approximately 3%. Proceeds of this bond issue (including a portion of the original issue premium), together with \$8,000,000 of cash on hand in the School District's debt service fund, for a total of \$29,998,078, was deposited in an escrow fund which will be used to pay principal of and interest on \$28,600,000 in aggregate principal amount of certain of the School District's Various Purpose Improvement and Refunding Bonds, Series 2002, through December 1, 2012, the date of optional early redemption of those Series 2002 Bonds. As a result, those Series 2002 Bonds were defeased and considered no longer outstanding for purposes of the District's direct debt limitations. During fiscal year 2023, \$1,000,000 was refunded by the Series 2022B Refunding Bonds.

On January 29, 2013, the School District issued \$45,600,000 of School Improvement Refunding Bonds, Series 2013, at a true interest cost of approximately 3%. Proceeds of this bond issue (including a portion of the original issue premium), together with \$12,000,000 of cash on hand in the School District's debt service fund, for a total of \$63,366,472.36, was deposited in an escrow fund that is being used ultimately to pay principal and interest on \$59,020,000 in aggregate principal amount of certain of the School District's School Improvement Bonds, Series 2004, through June 1, 2014, the date of optional early redemption of those Series 2004 Bonds. As a result, those Series 2004 Bonds were defeased and considered no longer outstanding for purposes of the District's direct debt limitations. During fiscal year 2023, \$22,120,000 was refunded by the Series 2022B Refunding Bonds.

On June 10, 2015, the School District issued \$200,000,000 of General Obligation School Improvement Bonds consisting of \$150,800,000 of Tax Exempt School Improvement Bonds, Series 2015A and \$49,200,000 of Federally Taxable Qualified School Construction Bonds, Series 2015B bearing interest at the rate of 2.00% - 5.02% per annum. The premium received on this bond issue was \$9,277,561 and after deducting the bond issuance costs, \$8,500,106 was transferred to the Debt Service Fund. Issue 4, which was approved by voters on November 4, 2014, will allow for construction of 20-22 new schools and the refurbishing of 20-23 schools. This debt will be retired from the Debt Service Fund. During fiscal year 2023, \$57,630,000 was refunded by the Series 2022A and 2023 Refunding Bonds.

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Note 16 – Long-Term Obligations - (Continued)

On September 29, 2022, the School District issued general obligation bonds (Series 2022A Refunding Bonds) to advance refund \$57,630,000 of the Series 2015 Bonds. The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. During fiscal year 2023, these bonds were subsequently refunded by the Series 2023 Refunding Bonds. At June 30, 2023, there were no further obligations outstanding.

On June 1, 2023, the School District issued general obligation bonds (Series 2023 Refunding Bonds) to current refund \$44,805,000 of the Series 2022A Refunding Bonds. The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the initially refunded bonds from the Series 2015 issuance outstanding at June 30, 2023 was \$57,630,000.

The refunding issue is comprised of current interest bonds, par value \$44,805,000, that carry an interest rate ranging from 3.670% to 4.64%. Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2033.

The net carrying amount of the old debt exceeded the reacquisition price by \$1,545,125. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This advance refunding was undertaken to reduce the combined total debt service payments by \$25,161,912 and resulted in an economic gain of \$3,712,161.

On September 20, 2022, the School District issued general obligation bonds (Series 2022B Refunding Bonds) to advance refund \$1,000,000 of the Series 2012 Bonds and \$22,120,000 of the Series 2013 Bonds. The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded bonds outstanding at June 30, 2023 was \$23,120,000.

The refunding issue is comprised of current interest bonds, par value \$23,120,000, that carry an interest rate of 3.57%. Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2027.

The net carrying amount of the old debt exceeded the reacquisition price by \$492,395. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This advance refunding was undertaken to reduce the combined total debt service payments by \$1,729,971 and resulted in an economic gain of \$882,406.

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

The School District's overall legal debt margin was \$307,553,811 with an unvoted debt margin of \$5,982,931 at June 30, 2023.

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note 16 – Long-Term Obligations - (Continued)

The School District is subject to federal arbitrage regulations. As of June 30, 2023 the School District has not accrued any liability.

Principal and interest requirements to retire general obligation debt outstanding at June 30, 2023, are as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 13,990,000	\$ 10,113,552	\$ 24,103,552
2025	14,420,000	9,570,407	23,990,407
2026	5,660,000	9,206,777	14,866,777
2027	60,385,000	7,579,520	67,964,520
2028	6,865,000	5,930,009	12,795,009
2029 - 2033	24,830,000	26,124,938	50,954,938
2034 - 2038	4,695,000	23,954,824	28,649,824
2039 - 2043	61,080,000	16,523,657	77,603,657
2044 - 2048	26,610,000	5,725,069	32,335,069
2049 - 2050	12,375,000	531,355	12,906,355
Total	\$ 230,910,000	\$ 115,260,108	\$ 346,170,108

Leases Payable - The School District has entered into lease agreements for the use of right to use equipment. Due to the implementation of GASB Statement No. 87, the School District will report an intangible capital asset and corresponding liability for the future scheduled payments under the leases. The lease payments will be paid from the general fund.

The School District has entered into lease agreements for copier equipment at varying years and terms as follows:

<u>Lease</u>	<u>Lease Commencement Date</u>	<u>Years</u>	<u>Lease End Date</u>	<u>Payment Method</u>
Copiers	2020	6	2026	Monthly
Building	2022	16	2038	Monthly

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note 16 – Long-Term Obligations - (Continued)

The following is a schedule of future lease payments under the lease agreements:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 1,014,763	\$ 1,045,473	\$ 2,060,236
2025	1,097,401	992,764	2,090,165
2026	1,180,759	936,003	2,116,762
2027	1,065,630	877,911	1,943,541
2028	1,044,253	826,785	1,871,038
2029 - 2033	6,543,342	3,235,439	9,778,781
2034 - 2038	9,241,279	1,283,114	10,524,393
2039	180,072	750	180,822
Total	\$ 21,367,499	\$ 9,198,239	\$ 30,565,738

SBITA Payable - The District has entered into agreements for the right to use subscription to software. Due to the implementation of GASB Statement No. 96, the District will report an intangible capital asset and corresponding liability for the future scheduled payments under the subscriptions. The subscription payments will be paid from the general fund and the miscellaneous federal grants fund (a nonmajor governmental fund)

The District has entered into agreements or subscriptions at varying years and terms as follows:

<i>SBITA</i>	Commencement Date	Years	End Date	Payment Method
Workday	2021	4	2025	Annual
Rolta Advizex Barcuda	2021	4	2025	Annual
QuaverEd	2023	5	2027	Annual
Kognito Sole Source	2023	2	2024	Annual
Flex Curriculum	2023	5	2027	Annual

The following is a schedule of future payments under the agreements:

Fiscal Year	Principal	Interest	Total
2024	\$ 2,165,644	\$ 243,501	\$ 2,409,145
2025	2,106,995	132,702	2,239,697
2026	237,320	24,905	262,225
2027	249,462	12,763	262,225
Total	\$ 4,759,421	\$ 413,871	\$ 5,173,292

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note 17 – Interfund Balances

1. Interfund balances at June 30, 2023, consist of the following individual fund interfund loans receivables and payables:

Interfund Loans Payable	Interfund Loans Receivable
	General
Major Governmental Fund:	
ESSER	\$ 56,416,961
Non-Major Governmental Funds:	
Other Local	727,356
Public School Preschool	137,715
Governor's Emergency School Emergency	1,103,013
IDEA, Part B	3,942,283
Vocational Education	490,027
School Improvement Stimulus A	1,441,821
Title I School Improvement Stimulus G	682,849
Title III	126,135
Refugee Children	364,207
Title IV-A	3,058,256
Miscellaneous Federal Grants	1,245,138
Nutrition Education and Training Program	44,078
Totals	\$ 69,779,839

The interfund loans receivable and payable are due to the timing of the receipt of grant monies by the nonmajor funds. The School District expects to receive the grant monies and repay the advance within the next fiscal year. Interfund loans receivable/payable are eliminated on the government-wide statements.

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note 17 – Interfund Balances – (Continued)

2. Due to/from other funds consisted of the following at June 30, 2023, as reported on the fund statements:

Interfund Loans Payable	Due From Other Funds
Non-Major Governmental Funds:	General
School Improvement Stimulus G	\$ 226,666
Improving Teacher Quality	595,049
Total	\$ 821,715

The primary purpose of the amount due to the general fund from the nonmajor governmental fund was to eliminate negative cash balances. The amount will be repaid once cash is received.

Amounts due to/from between governmental funds are eliminated on the government-wide statements.

Note 18 - Related Organizations

A. Cleveland Public Library

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

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

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Note 18 - Related Organizations – (Continued)

B. City of Cleveland

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

Note 19 - Jointly Governed Organizations

A. Ohio Schools' Council Association

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

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

B. Bond Accountability Commission

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

As a commission created by the Board, the BAC is a "public body" subject to the Ohio Sunshine Law as set forth in Section 121.22 of the Ohio Revised Code, and shall conduct its business in accordance with the provisions of the Sunshine Law, including, but not limited to, establishing a reasonable method of notifying the public of the time, place and purpose of its meetings, and preparing, filing and maintaining minutes of its meetings. Other than the Board directing the Chief Executive Officer to secure initial external funding in the amount of \$200,000, the Board does not assume any ongoing financial interest or responsibility for the BAC and, as a result, is considered a jointly governed organization. During fiscal year 2023, the School District did not make any payments to the BAC. Annual reports can be obtained by contacting Laura Chalker, Administrator Bond Accountability Commission c/o Cuyahoga Community College, 2900 Community College Avenue MBA, Room 221, Cleveland, Ohio 44115.

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note 20 – Construction and Other Significant Commitments

Projects	Committed Amount	Amount Paid	Remaining on Commitment
Segment 1	\$ 218,634,102	\$ 218,634,102	\$ -
Segment 2	99,998,886	99,998,886	-
Segment 3	132,209,511	132,209,511	-
Segment 4	135,924,569	135,924,569	-
Segment 5	194,273,777	194,273,777	-
Segment 6	32,942,565	32,942,565	-
Segment 7	204,115,531	204,115,531	-
Segment 8	117,197,890	5,787,191	111,410,699
Local Funding Initiatives	239,896,300	239,896,300	-
Total	\$ 1,375,193,131	\$ 1,263,782,432	\$ 111,410,699

Segment 1 consisted of the warm, safe, dry and security updates to all buildings in addition to the construction of five buildings and renovation of three buildings. Segment 2, 3, 4, 5, 6 and 7 consisted of the construction of forty-three buildings, the renovation of five buildings and the demolishing of twenty-four buildings. Local Funding Initiatives consisted of various projects throughout the School District.

Note 21 – Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control.

At fiscal year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the fiscal year were as follows:

Governmental:	
General Fund	\$ 14,264,563
ESSER Fund	35,865,267
Classroom Facilities Fund	9,212,358
Other Governmental Funds	13,565,705
Total Governmental	\$ 72,907,893

Note 22 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During fiscal year 2023, the School District received COVID-19 funding. The School District will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Note 23 - Subsequent Events

During the fall 2022, CEO Eric Gordon informed the Board, Mayor, and broader community of his intention to depart the School District at the conclusion of the school year. On May 23, 2023, the Board with concurrence of the Mayor, appointed Dr. Warren G. Morgan as the School District's CEO. On July 24, 2023, Dr. Morgan began employment with the District.

On November 29, 2023, the District was determined to be in a "precautionary" financial state by the Ohio Department of Education & Workforce due to estimated deficits budgeted on its five-year forecast. The District is required to submit a written plan by no later than January 31, 2024 to outline actions it plans to take to reduce these deficits.

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REQUIRED SUPPLEMENTARY INFORMATION

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

	LAST TEN FISCAL YEARS			
	2023	2022	2021	2020
School District's proportion of the net pension liability	3.19396700%	3.13606050%	3.41159960%	3.64428330%
School District's proportionate share of the net pension liability	\$ 172,754,578	\$ 115,711,538	\$ 225,650,386	\$ 218,043,860
School District's covered payroll	\$ 120,026,407	\$ 106,266,979	\$ 119,997,656	\$ 122,404,852
School District's proportionate share of the net pension liability as a percentage of its covered payroll	143.93%	108.89%	188.05%	178.13%
Plan fiduciary net position as a percentage of the total pension liability	75.82%	82.86%	68.55%	70.85%

Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
3.20954640%	3.39209950%	3.28691765%	3.19451700%	3.02406900%	3.02406900%
\$ 183,816,667	\$ 202,670,452	\$ 240,517,797	\$ 182,282,237	\$ 153,046,411	\$ 179,831,678
\$ 100,300,222	\$ 121,042,457	\$ 96,357,436	\$ 94,913,384	\$ 87,603,918	\$ 82,710,748
183.27%	167.44%	249.61%	192.05%	174.70%	217.42%
71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

	LAST TEN FISCAL YEARS			
	2023	2022	2021	2020
School District's proportion of the net pension liability	2.318548080%	2.220247332%	2.36080036%	2.54829514%
School District's proportionate share of the net pension liability	\$ 515,416,160	\$ 283,878,577	\$ 571,229,685	\$ 563,540,156
School District's covered payroll	\$ 292,743,421	\$ 278,566,714	\$ 270,656,157	\$ 293,811,314
School District's proportionate share of the net pension liability as a percentage of its covered payroll	176.06%	101.91%	211.05%	191.80%
Plan fiduciary net position as a percentage of the total pension liability	78.88%	87.78%	75.48%	77.40%

Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
2.52819162%	2.43498990%	2.42079156%	2.49956532%	2.57306004%	2.57306004%
\$ 555,892,572	\$ 578,437,070	\$ 810,311,904	\$ 690,806,743	\$ 625,857,249	\$ 745,517,166
\$ 294,089,321	\$ 259,652,429	\$ 253,700,519	\$ 264,163,707	\$ 264,526,215	\$ 257,756,744
189.02%	222.77%	319.40%	261.51%	236.60%	289.23%
77.31%	75.30%	66.80%	72.10%	74.70%	69.30%

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF SCHOOL DISTRICT PENSION CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

	LAST TEN FISCAL YEARS			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 17,616,995	\$ 16,803,697	\$ 14,877,377	\$ 16,799,671
Contributions in relation to the contractually required contribution	<u>(17,616,995)</u>	<u>(16,803,697)</u>	<u>(14,877,377)</u>	<u>(16,799,671)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	\$ 125,835,679	\$ 120,026,407	\$ 106,266,979	\$ 119,997,650
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 16,524,655	\$ 13,540,530	\$ 16,945,944	\$ 7,475,192	\$ 12,509,584	\$ 12,141,903
<u>(16,524,655)</u>	<u>(13,540,530)</u>	<u>(16,945,944)</u>	<u>(7,475,192)</u>	<u>(12,509,584)</u>	<u>(12,141,903)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 122,404,852	\$ 100,300,222	\$ 121,042,457	\$ 53,394,229	\$ 94,913,384	\$ 87,603,918
13.50%	13.50%	14.00%	14.00%	13.18%	13.86%

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF SCHOOL DISTRICT PENSION CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

	LAST TEN FISCAL YEARS			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 43,955,934	\$ 40,984,079	\$ 38,999,340	\$ 37,891,862
Contributions in relation to the contractually required contribution	<u>(43,955,934)</u>	<u>(40,984,079)</u>	<u>(38,999,340)</u>	<u>(37,891,862)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	\$ 313,970,957	\$ 292,743,421	\$ 278,566,714	\$ 270,656,157
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 41,133,584	\$ 41,172,505	\$ 36,351,340	\$ 35,518,073	\$ 36,982,919	\$ 34,388,408
<u>(41,133,584)</u>	<u>(41,172,505)</u>	<u>(36,351,340)</u>	<u>(35,518,073)</u>	<u>(36,982,919)</u>	<u>(34,388,408)</u>
<u>\$ -</u>					
\$ 293,811,314	\$ 294,089,321	\$ 259,652,429	\$ 253,700,521	\$ 264,163,707	\$ 264,526,215
14.00%	14.00%	14.00%	14.00%	14.00%	13.00%

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST SEVEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
School District's proportion of the net OPEB liability	2.97516100%	2.93434550%	3.21433870%	3.42819010%
School District's proportionate share of the net OPEB liability	\$ 41,771,571	\$ 55,534,894	\$ 69,858,100	\$ 86,211,771
School District's covered payroll	\$ 120,026,407	\$ 106,266,979	\$ 119,997,650	\$ 122,404,852
School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	34.80%	52.26%	58.22%	70.43%
Plan fiduciary net position as a percentage of the total OPEB liability	30.34%	24.08%	18.17%	15.57%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>
3.05970770%	3.23236710%	3.16413311%
\$ 84,884,557	\$ 86,748,240	\$ 90,189,498
\$ 100,300,222	\$ 121,042,457	\$ 53,394,229
84.63%	71.67%	168.91%
13.57%	12.46%	11.49%

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/ASSET
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST SEVEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
School District's proportion of the net OPEB liability/asset	2.318548080%	2.220247332%	2.36080036%	2.54829514%
School District's proportionate share of the net OPEB liability/(asset)	\$ (60,034,915)	\$ (46,812,100)	\$ (41,491,050)	\$ (42,205,883)
School District's covered payroll	\$ 292,743,421	\$ 278,566,714	\$ 270,656,157	\$ 293,811,314
School District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	20.51%	16.80%	15.33%	14.36%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	230.73%	174.73%	182.10%	174.70%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>
2.52819162%	2.43498990%	2.42079156%
\$ (40,625,461)	\$ 95,004,321	\$ 129,464,562
\$ 294,089,321	\$ 259,652,429	\$ 253,700,519
13.81%	36.59%	51.03%
176.00%	47.10%	37.30%

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF SCHOOL DISTRICT OPEB CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

	LAST TEN FISCAL YEARS			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 541,427	\$ 456,117	\$ 502,924	\$ 523,658
Contributions in relation to the contractually required contribution	<u>(541,427)</u>	<u>(456,117)</u>	<u>(502,924)</u>	<u>(523,658)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	\$ 125,835,679	\$ 120,026,407	\$ 106,266,979	\$ 119,997,650
Contributions as a percentage of covered payroll	0.43%	0.38%	0.47%	0.44%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 1,268,133	\$ 1,282,343	\$ 791,147	\$ 888,656	\$ 778,290	\$ 142,159
<u>(1,268,133)</u>	<u>(1,282,343)</u>	<u>(791,147)</u>	<u>(888,656)</u>	<u>(778,290)</u>	<u>(142,159)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 122,404,852	\$ 100,300,222	\$ 121,042,457	\$ 53,394,229	\$ 94,913,384	\$ 87,603,918
1.04%	1.28%	0.65%	1.66%	0.82%	0.16%

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF SCHOOL DISTRICT OPEB CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

	LAST TEN FISCAL YEARS			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	\$ 313,970,957	\$ 292,743,421	\$ 278,566,714	\$ 270,656,157
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,645,262
-	-	-	-	-	(2,645,262)
<u>\$ -</u>					
\$ 293,811,314	\$ 294,089,321	\$ 259,652,429	\$ 253,700,521	\$ 264,163,707	\$ 264,526,215
0.00%	0.00%	0.00%	0.00%	0.00%	1.00%

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for fiscal year 2014.
- There were no changes in benefit terms from the amounts reported for fiscal year 2015.
- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.
- For fiscal year 2019, with the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2021.
- For fiscal year 2022, SERS changed from a Cost of Living Adjustment (COLA) of 2.5% to 2.0%.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2023.

(Continued)

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

PENSION (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for fiscal year 2014.
- There were no changes in benefit terms from the amounts reported for fiscal year 2015.
- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2019.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2021.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2022.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation, (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00% and (b) the discount rate of return was reduced from 7.45% to 7.00%.
- For fiscal year 2023, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the projected salary increases went from 12.50% at age 20 to 2.50% at age 65 to varies by service from 2.50% to 8.50%

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- There were no changes in benefit terms from the amounts reported for fiscal year 2018.
- There were no changes in benefit terms from the amounts reported for fiscal year 2019.
- There were no changes in benefit terms from the amounts reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts reported for fiscal year 2021.
- There were no changes in benefit terms from the amounts reported for fiscal year 2022.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.

(Continued)

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO (CONTINUED)

Changes in assumptions:

- For fiscal year 2017, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.
- For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375%-4.75% to a range of 5.25%-4.75% and Pre-Medicare were changed from a range of 7.25%-4.75% to a range of 7.00%-4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%.
- For fiscal year 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.22% to 2.63% and (b) the municipal bond index rate decreased from 3.13% to 2.45%, and (c) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.22% to 2.63%.
- For fiscal year 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.
- For fiscal year 2023, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 1.92% to 3.69%, (b) single equivalent interest rate when from 2.27% to 4.08% and (c) medical trend assumptions went from 5.125% to 4.40% Medicare and 6.75% to 4.40% Pre-Medicare to 7.00% to 4.40%.

(Continued)

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts previously reported for fiscal year 2017.
- For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.
- For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.
- For fiscal year 2020, STRS increased the subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.
- For fiscal year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.
- For fiscal year 2022, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in health care cost trend rates from 6.00%-11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.
- For fiscal year 2020, health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.

(Continued)

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO (CONTINUED)

Changes in assumptions (continued):

- For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For fiscal year 2022, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.
- For fiscal year 2023, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) projected salary increase went from 12.50% at age 20 to 2.50% at age 65 to varies by services from 2.50% to 8.50% and (b) health care cost trend rates were changed to the following: Pre-Medicare from 5.00% initial - 4.00% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from -16.18% initial - 4.00% ultimate to -68.78% initial - 3.94% ultimate; prescription drug Pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate; Medicare from 29.98% initial - 4.00% ultimate to -5.47% initial - 3.94% ultimate.

COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

Major Funds

General

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

Elementary and Secondary School Emergency Relief (ESSER) Fund

This fund accounts for Federal monies used to assist schools and districts as a result of the coronavirus (COVID-19) pandemic. Funds can support any allowable activity under existing federal funds (Title I, Individuals with Disabilities Act (IDEA), Perkins, etc.), expenses directly related to the pandemic, as well as "other activities that are necessary to maintain the operation of continuity of services.

Debt Service

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

Classroom Facilities

The school facilities capital projects fund accounts for monies received and expended in connection with contracts entered into by the School District and the Ohio Department of Education for the building and equipping of classroom facilities.

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property taxes	\$ 27,279,002	\$ 27,282,788	\$ 3,786
Investment earnings	1,166,580	1,166,742	162
Intergovernmental	2,403,307	2,403,641	334
Total revenues	<u>30,848,889</u>	<u>30,853,171</u>	<u>4,282</u>
Expenditures:			
Current:			
Support services:			
Fiscal	356,318	723,452	(367,134)
Debt service:			
Principal	25,965,870	52,720,000	(26,754,130)
Interest and fiscal charges	4,931,407	10,012,520	(5,081,113)
Bond issuance costs	148,496	301,500	(153,004)
Payment to refunded bond escrow agent	7,143,752	14,504,370	(7,360,618)
Total expenditures	<u>38,545,843</u>	<u>78,261,842</u>	<u>(39,715,999)</u>
Excess of expenditures over revenues	<u>(7,696,954)</u>	<u>(47,408,671)</u>	<u>(39,711,717)</u>
Other financing sources (uses):			
Issuance of refunding bonds	68,400,000	113,205,000	44,805,000
Payment to refunded bond escrow agent	<u>(68,283,150)</u>	<u>(68,283,150)</u>	-
Total other financing sources (uses)	<u>116,850</u>	<u>44,921,850</u>	<u>44,805,000</u>
Net change in fund balance	(7,580,104)	(2,486,821)	5,093,283
Fund balance at beginning of year	<u>65,957,537</u>	<u>65,957,537</u>	-
Fund balance at end of year	<u>\$ 58,377,433</u>	<u>\$ 63,470,716</u>	<u>\$ 5,093,283</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CLASSROOM FACILITIES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment earnings	\$ 880,472	\$ 898,449	\$ 17,977
Intergovernmental	9,953,408	10,156,634	203,226
Total revenues	<u>10,833,880</u>	<u>11,055,083</u>	<u>221,203</u>
Expenditures:			
Current:			
Facilities acquisition and construction	15,296,503	15,006,783	289,720
Total expenditures	<u>15,296,503</u>	<u>15,006,783</u>	<u>289,720</u>
Net change in fund balance	(4,462,623)	(3,951,700)	510,923
Fund balance at beginning of year	39,348,167	39,348,167	-
Prior year encumbrances appropriated	4,847,997	4,847,997	-
Fund balance at end of year	<u>\$ 39,733,541</u>	<u>\$ 40,244,464</u>	<u>\$ 510,923</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund - Permanent Improvement	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents	\$ 45,238,120	\$ 28,874,019	\$ 74,112,139
Cash and cash equivalents with fiscal agent	-	43,395	43,395
Receivables:			
Property taxes	11,505,339	2,951,109	14,456,448
Accounts	1,003,301	-	1,003,301
Intergovernmental	5,414,437	-	5,414,437
Prepayments	144,396	-	144,396
Materials and supplies inventory	400,831	-	400,831
Inventory held for resale	984,454	-	984,454
Total assets	\$ 64,690,878	\$ 31,868,523	\$ 96,559,401
Liabilities:			
Accounts payable	\$ 1,458,867	\$ -	\$ 1,458,867
Contracts payable	-	355,946	355,946
Retainage payable	-	43,395	43,395
Accrued wages and benefits payable	4,404,693	19,696	4,424,389
Intergovernmental payable	1,926,396	11,158	1,937,554
Interfund loans payable	13,362,878	-	13,362,878
Due to other funds	821,715	-	821,715
Unearned revenue	2,691,547	-	2,691,547
Total liabilities	24,666,096	430,195	25,096,291
Deferred inflows of resources:			
Property taxes levied for the next year	7,468,700	2,064,208	9,532,908
Delinquent property tax revenue not available	2,383,633	611,400	2,995,033
Intergovernmental revenue not available	2,362,808	-	2,362,808
Total deferred inflows of resources	12,215,141	2,675,608	14,890,749
Fund balances:			
Nonspendable:			
Materials and supplies inventory	400,831	-	400,831
Prepayments	144,396	-	144,396
Restricted:			
Capital projects	-	28,762,720	28,762,720
Classroom facilities maintenance	7,183,743	-	7,183,743
Food service operations	6,579,423	-	6,579,423
Non-public schools	1,397,778	-	1,397,778
State funded programs	1,712,523	-	1,712,523
Federally funded programs	8,541,940	-	8,541,940
Extracurricular programs	762,333	-	762,333
Partnering community schools	1,377,505	-	1,377,505
Educational special trust	3,777,875	-	3,777,875
Other purposes	1,022,330	-	1,022,330
Unassigned (deficit)	(5,091,036)	-	(5,091,036)
Total fund balances	27,809,641	28,762,720	56,572,361
Total liabilities, deferred inflows, and fund balances	\$ 64,690,878	\$ 31,868,523	\$ 96,559,401

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund - Permanent Improvement	Total Nonmajor Governmental Funds
Revenues:			
Property taxes	\$ 9,175,304	\$ 2,346,308	\$ 11,521,612
Intergovernmental	134,657,044	51,264	134,708,308
Investment earnings	3,427	1,343,908	1,347,335
Tuition and fees	784	-	784
Extracurricular	845,562	-	845,562
Charges for services	98,791	-	98,791
Contributions and donations	5,564,674	-	5,564,674
Miscellaneous	2,193,000	-	2,193,000
Total revenues	152,538,586	3,741,480	156,280,066
Expenditures:			
Current:			
Instruction:			
Regular	1,958,487	-	1,958,487
Special	43,017,852	-	43,017,852
Vocational	1,345,507	-	1,345,507
Other	3,745,516	-	3,745,516
Support services:			
Pupil	5,456,561	-	5,456,561
Instructional staff	11,669,455	-	11,669,455
Administration	1,987,603	-	1,987,603
Fiscal	10,232,518	184,758	10,417,276
Business	106,266	-	106,266
Operations and maintenance	5,386,522	279,022	5,665,544
Pupil transportation	4,445,097	-	4,445,097
Central	13,067,745	-	13,067,745
Operation of non-instructional services:			
Food service operations	25,378,696	-	25,378,696
Other non-instructional services	13,629,535	-	13,629,535
Extracurricular activities	4,276,780	-	4,276,780
Facilities acquisition and construction	-	7,494,750	7,494,750
Capital outlay	330,648	-	330,648
Debt service:			
Principal retirement	169,448	-	169,448
Total expenditures	146,204,236	7,958,530	154,162,766
Excess (deficiency) of revenues over (under) expenditures	6,334,350	(4,217,050)	2,117,300
Other financing sources:			
SBITA transaction	330,648	-	330,648
Total other financing sources	330,648	-	330,648
Net change in fund balances	6,664,998	(4,217,050)	2,447,948
Fund balances at beginning of year	21,144,643	32,979,770	54,124,413
Fund balances at end of year	\$ 27,809,641	\$ 28,762,720	\$ 56,572,361

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

Nonmajor Special Revenue Funds

The special revenue funds are established to account for proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. The term proceeds of specific sources establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. A description of the School District's special revenue funds follows:

Food Service

This fund is used to record financial transactions related to food service operations.

Educational Special Trust

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

Public School Support

This fund accounts for specific local revenue sources, other than taxes or expendable trusts (i.e. profits from vending machines, sales of pictures, etc.) that are restricted to expenditures for specific purposes.

Other Grants

This fund accounts for the proceeds of specific revenue sources, except for State and Federal grants, that are legally restricted to expenditures for specific purposes.

Classroom Facilities Maintenance

This fund is used to account for the proceeds of a levy for the maintenance of facilities.

Partnering Community School

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

Student Managed Activities

This fund accounts for those student activity programs that have student participation in the activity and have student management of the programs.

District Managed Student Activities

This fund accounts for those student activity programs that have student participation in the activity, but do not have student management of the programs.

Auxiliary Services

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

Public School Preschool

This fund accounts for assisting school districts in paying the cost of preschool programs for three and four year olds.

Data Communications

This fund accounts for money appropriated for Ohio Educational Computer Network Connections.

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

Nonmajor Special Revenue Funds (Continued)

Vocational Education Enhancement

This fund accounts for vocational education enhancements that (1) expend the number of students enrolled in tech prep programs (2) enable students to develop career plans, to identify initial educational and career goals, and to develop a career passport which provides a clear understanding of the student's knowledge, skills, and credentials to present to future employers, universities, and other training institutes and (3) replace or update equipment essential for the instruction of students in job skills taught as part of a vocational program or programs approved for such instruction by the State Board of Education.

Alternative Schools

This fund accounts for alternative educational programs for existing and new at-risk and delinquent youth.

Student Wellness and Success

This fund accounts for State funds to help districts and schools support their students' academic achievement through mental health counseling, wrap-around services, mentoring and after-school programs.

Miscellaneous State Grants

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

Governor's Emergency Education Relief (GEER)

This fund accounts for federal monies used to assist schools and districts as a result of the coronavirus (COVID-19) pandemic. Funds can support any allowable activity under existing federal funds, expenses directly related to the pandemic, as well as "other activities that are necessary to maintain the operation of continuity of services."

School Maintenance and Assistance

This fund is used for maintenance and operational funds to school districts significantly affected (1) by a loss of revenue from taxable real property acquired by the federal government, (2) by provision of public education to children who live on federal property or (3) by a sudden and substantial increase in school attendance as a result of federal activities.

Title VI-B

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

Vocational Education

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.

School Improvement Stimulus A

This fund is used to help schools improve the teaching and learning of children failing, or most at risk of failing to meet challenging State academic achievement standards.

School Improvement Stimulus G

This fund is used to raise the achievement of students in the lowest-performing schools.

Nutrition Education and Training Program

This fund accounts for grant money received from the federal government that is restricted to the use of various programs for the food service department of the School District.

Title III

This fund is used to develop and carry out elementary and secondary school programs, including activities at the pre-school level, to meet the educational needs of children of limited English proficiency.

Refugee Children Impact Act

This fund is used to provide educational services to meet educational needs of refugee children who are enrolled in public and non-profit private elementary and secondary schools.

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

Nonmajor Special Revenue Funds (Continued)

Title I

This fund accounts for federal funds expended for services provided to meet special educational needs of educationally deprived children.

Title IV-A

This fund is to account for Federal money restricted for providing students with a well-rounded education, supporting safe and healthy students and supporting the effective use of technology.

IDEA Preschool Grant for the Handicapped

This fund accounts for Preschool Grant Program, Section 619 of Public Law 99-457, addresses the improvement and expansion of services for handicapped children ages three through five.

Title II-A

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

Miscellaneous Federal Grants

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.

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

	<u>Food Service</u>	<u>Educational Special Trust</u>	<u>Public School Support</u>	<u>Other Grants</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 6,304,843	\$ 3,019,813	\$ 1,023,284	\$ -
Receivables:				
Property taxes	-	-	-	-
Accounts	-	994,855	-	-
Intergovernmental	-	-	-	-
Prepayments	-	-	-	-
Materials and supplies inventory	400,831	-	-	-
Inventory held for resale	984,454	-	-	-
Total assets	<u>\$ 7,690,128</u>	<u>\$ 4,014,668</u>	<u>\$ 1,023,284</u>	<u>\$ -</u>
Liabilities:				
Accounts payable	\$ 3,443	\$ 135,975	\$ 954	\$ -
Accrued wages and benefits payable	394,711	75,956	-	-
Intergovernmental payable	311,720	24,862	-	-
Interfund loans payable	-	-	-	727,356
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>709,874</u>	<u>236,793</u>	<u>954</u>	<u>727,356</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	-	-	-	-
Delinquent property tax revenue not available	-	-	-	-
Intergovernmental revenue not available	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable:				
Materials and supplies inventory	400,831	-	-	-
Prepayments	-	-	-	-
Restricted:				
Classroom facilities maintenance	-	-	-	-
Food service operations	6,579,423	-	-	-
Non-public schools	-	-	-	-
Extracurricular	-	-	-	-
State funded programs	-	-	-	-
Federally funded programs	-	-	-	-
Partnering community schools	-	-	-	-
Educational special trust	-	3,777,875	-	-
Other purposes	-	-	1,022,330	-
Unassigned (deficit)	-	-	-	(727,356)
Total fund balances (deficit)	<u>6,980,254</u>	<u>3,777,875</u>	<u>1,022,330</u>	<u>(727,356)</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 7,690,128</u>	<u>\$ 4,014,668</u>	<u>\$ 1,023,284</u>	<u>\$ -</u>

<u>Classroom Facilities Maintenance</u>	<u>Partnering Community Schools</u>	<u>Student Managed Activities</u>	<u>District Managed Student Activities</u>	<u>Auxiliary Services</u>	<u>Public Preschool Grant</u>
\$ 7,147,804	\$ -	\$ 589,358	\$ 177,312	\$ 1,869,079	\$ 58,143
2,743,149	8,762,190	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 9,890,953</u>	<u>\$ 8,762,190</u>	<u>\$ 589,358</u>	<u>\$ 177,312</u>	<u>\$ 1,869,079</u>	<u>\$ 58,143</u>
\$ 239,562	\$ -	\$ 4,337	\$ -	\$ 230,413	\$ 38
-	-	-	-	160,625	-
-	-	-	-	80,263	-
-	-	-	-	-	137,715
-	-	-	-	-	-
-	-	-	-	-	-
<u>239,562</u>	<u>-</u>	<u>4,337</u>	<u>-</u>	<u>471,301</u>	<u>137,753</u>
1,899,333	5,569,367	-	-	-	-
568,315	1,815,318	-	-	-	-
-	-	-	-	-	-
<u>2,467,648</u>	<u>7,384,685</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
7,183,743	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,397,778	-
-	-	585,021	177,312	-	-
-	-	-	-	-	-
-	1,377,505	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(79,610)
<u>7,183,743</u>	<u>1,377,505</u>	<u>585,021</u>	<u>177,312</u>	<u>1,397,778</u>	<u>(79,610)</u>
<u>\$ 9,890,953</u>	<u>\$ 8,762,190</u>	<u>\$ 589,358</u>	<u>\$ 177,312</u>	<u>\$ 1,869,079</u>	<u>\$ 58,143</u>

(Continued)

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2023

	<u>Data Communication</u>	<u>Vocational Education Enhancement</u>	<u>Miscellaneous State Grants</u>	<u>Governor's Emergency Education Relief (GEER)</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 76,500	\$ 2,876	\$ 1,621,834	\$ 351,479
Receivables:				
Property taxes	-	-	-	-
Accounts	-	-	8,000	-
Intergovernmental	-	-	8,000	902,634
Prepayments	-	-	-	-
Materials and supplies inventory	-	-	-	-
Inventory held for resale	-	-	-	-
Total assets	<u>\$ 76,500</u>	<u>\$ 2,876</u>	<u>\$ 1,637,834</u>	<u>\$ 1,254,113</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 151,100
Accrued wages and benefits payable	-	-	3,104	-
Intergovernmental payable	-	-	1,583	-
Interfund loans payable	-	-	-	1,103,013
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>4,687</u>	<u>1,254,113</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	-	-	-	-
Delinquent property tax revenue not available	-	-	-	-
Intergovernmental revenue not available	-	-	-	151,100
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>151,100</u>
Fund balances:				
Nonspendable:				
Materials and supplies inventory	-	-	-	-
Prepayments	-	-	-	-
Restricted:				
Classroom facilities maintenance	-	-	-	-
Food service operations	-	-	-	-
Non-public schools	-	-	-	-
Extracurricular	-	-	-	-
State funded programs	76,500	2,876	1,633,147	-
Federally funded programs	-	-	-	-
Partnering community schools	-	-	-	-
Educational special trust	-	-	-	-
Other purposes	-	-	-	-
Unassigned (deficit)	-	-	-	(151,100)
Total fund balances (deficit)	<u>76,500</u>	<u>2,876</u>	<u>1,633,147</u>	<u>(151,100)</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 76,500</u>	<u>\$ 2,876</u>	<u>\$ 1,637,834</u>	<u>\$ (151,100)</u>

School Maintenance and Assistance	Title VI-B	Vocational Education	School Improvement Stimulus A	School Improvement Stimulus G	Nutrition Education and Training Program
\$ 204,683	\$ 3,267,978	\$ 301,024	\$ 203,358	\$ -	\$ 2,099
-	-	-	-	-	-
-	-	-	-	-	-
-	2,800,277	214,883	415,348	-	48,828
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 204,683</u>	<u>\$ 6,068,255</u>	<u>\$ 515,907</u>	<u>\$ 618,706</u>	<u>\$ -</u>	<u>\$ 50,927</u>
\$ -	\$ 261,831	\$ 994	\$ -	\$ -	\$ -
-	1,324,665	16,099	13,166	-	-
-	539,476	8,787	4,762	-	-
-	3,942,283	490,027	1,441,821	682,849	44,078
-	-	-	-	226,666	-
-	-	-	-	-	-
<u>-</u>	<u>6,068,255</u>	<u>515,907</u>	<u>1,459,749</u>	<u>909,515</u>	<u>44,078</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	1,439,636	77,237	11,220	-	-
<u>-</u>	<u>1,439,636</u>	<u>77,237</u>	<u>11,220</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
204,683	-	-	-	-	6,849
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(1,439,636)	(77,237)	(852,263)	(909,515)	-
<u>204,683</u>	<u>(1,439,636)</u>	<u>(77,237)</u>	<u>(852,263)</u>	<u>(909,515)</u>	<u>6,849</u>
<u>\$ 204,683</u>	<u>\$ 6,068,255</u>	<u>\$ 515,907</u>	<u>\$ 618,706</u>	<u>\$ -</u>	<u>\$ 50,927</u>

(Continued)

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2023

	<u>Title III</u>	<u>Refugee Children School Impact Act</u>	<u>Title I</u>	<u>Title IV-A</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 7,326	\$ 215,811	\$ 6,133,463	\$ 2,988,690
Receivables:				
Property taxes	-	-	-	-
Accounts	-	-	-	-
Intergovernmental	138,161	8,066	-	71,816
Prepayments	-	-	144,396	-
Materials and supplies inventory	-	-	-	-
Inventory held for resale	-	-	-	-
Total assets	<u>\$ 145,487</u>	<u>\$ 223,877</u>	<u>\$ 6,277,859</u>	<u>\$ 3,060,506</u>
Liabilities:				
Accounts payable	\$ 81	\$ 25,428	\$ 190,165	\$ 2,250
Accrued wages and benefits payable	13,293	3,522	2,327,112	-
Intergovernmental payable	5,978	1,424	924,639	-
Interfund loans payable	126,135	364,207	-	3,058,256
Due to other funds	-	-	-	-
Unearned revenue	-	-	2,691,547	-
Total liabilities	<u>145,487</u>	<u>394,581</u>	<u>6,133,463</u>	<u>3,060,506</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	-	-	-	-
Delinquent property tax revenue not available	-	-	-	-
Intergovernmental revenue not available	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable:				
Materials and supplies inventory	-	-	-	-
Prepayments	-	-	144,396	-
Restricted:				
Classroom facilities maintenance	-	-	-	-
Food service operations	-	-	-	-
Non-public schools	-	-	-	-
Extracurricular	-	-	-	-
State funded programs	-	-	-	-
Federally funded programs	-	-	-	-
Partnering community schools	-	-	-	-
Educational special trust	-	-	-	-
Other purposes	-	-	-	-
Unassigned (deficit)	-	(170,704)	-	-
Total fund balances (deficit)	<u>-</u>	<u>(170,704)</u>	<u>144,396</u>	<u>-</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 145,487</u>	<u>\$ 223,877</u>	<u>\$ 6,277,859</u>	<u>\$ 3,060,506</u>

IDEA Preschool Grant for the Handicapped	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ 686	\$ -	\$ 9,670,677	\$ 45,238,120
-	-	-	11,505,339
-	-	446	1,003,301
19,399	683,615	103,410	5,414,437
-	-	-	144,396
-	-	-	400,831
-	-	-	984,454
<u>\$ 20,085</u>	<u>\$ 683,615</u>	<u>\$ 9,774,533</u>	<u>\$ 64,690,878</u>
\$ 494	\$ 26,734	\$ 185,068	\$ 1,458,867
14,101	48,325	10,014	4,404,693
5,490	13,507	3,905	1,926,396
-	-	1,245,138	13,362,878
-	595,049	-	821,715
-	-	-	2,691,547
<u>20,085</u>	<u>683,615</u>	<u>1,444,125</u>	<u>24,666,096</u>
-	-	-	7,468,700
-	-	-	2,383,633
-	683,615	-	2,362,808
-	683,615	-	12,215,141
-	-	-	400,831
-	-	-	144,396
-	-	-	7,183,743
-	-	-	6,579,423
-	-	-	1,397,778
-	-	-	762,333
-	-	-	1,712,523
-	-	8,330,408	8,541,940
-	-	-	1,377,505
-	-	-	3,777,875
-	-	-	1,022,330
-	(683,615)	-	(5,091,036)
<u>-</u>	<u>(683,615)</u>	<u>8,330,408</u>	<u>27,809,641</u>
<u>\$ 20,085</u>	<u>\$ 683,615</u>	<u>\$ 9,774,533</u>	<u>\$ 64,690,878</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Food Service</u>	<u>Educational Special Trust</u>	<u>Public School Support</u>	<u>Other Grants</u>
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	27,299,185	-	-	-
Investment earnings	3,427	-	-	-
Tuition and fees	-	784	-	-
Extracurricular	-	-	211,078	-
Charges for services	98,791	-	-	-
Contributions and donations	-	5,564,674	-	-
Miscellaneous	-	250,000	-	-
Total revenues	<u>27,401,403</u>	<u>5,815,458</u>	<u>211,078</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	73,332	4,630	-
Special	-	138,624	-	-
Vocational	-	2,373	-	-
Other	-	504,686	82	-
Support services:				
Pupil	-	517,547	-	-
Instructional staff	-	2,193,256	-	-
Administration	-	320,808	937	-
Fiscal	-	-	-	-
Business	-	-	-	-
Operations and maintenance	-	127,979	-	-
Pupil transportation	-	312,102	8,232	-
Central	-	663,655	-	-
Operation of non-instructional services:				
Food service operations	25,336,717	-	-	-
Other non-instructional services	-	57,966	-	-
Extracurricular activities	-	1,497,389	166,512	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Total expenditures	<u>25,336,717</u>	<u>6,409,717</u>	<u>180,393</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,064,686</u>	<u>(594,259)</u>	<u>30,685</u>	<u>-</u>
Other financing sources:				
SBITA transaction	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	2,064,686	(594,259)	30,685	-
Fund balances (deficit) at beginning of year	<u>4,915,568</u>	<u>4,372,134</u>	<u>991,645</u>	<u>(727,356)</u>
Fund balances (deficit) at end of year	<u>\$ 6,980,254</u>	<u>\$ 3,777,875</u>	<u>\$ 1,022,330</u>	<u>\$ (727,356)</u>

<u>Classroom Facilities Maintenance</u>	<u>Partnering Community Schools</u>	<u>Student Managed Activities</u>	<u>District Managed Student Activities</u>	<u>Auxiliary Services</u>	<u>Public School Preschool</u>
\$ 2,197,135	\$ 6,978,169	\$ -	\$ -	\$ -	\$ -
2,105,647	406,018	-	-	5,765,125	1,008,712
-	-	-	-	-	-
-	-	-	-	-	-
-	-	383,848	250,636	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,302,782</u>	<u>7,384,187</u>	<u>383,848</u>	<u>250,636</u>	<u>5,765,125</u>	<u>1,008,712</u>
-	-	8,166	4,896	-	24,934
-	-	-	-	-	-
-	-	-	-	-	-
-	-	50	-	-	-
-	-	-	1,070	-	731
-	-	-	-	-	1,062,657
-	-	997	-	-	-
57,854	8,286,873	-	-	-	-
-	-	-	-	-	-
3,055,477	-	-	-	-	-
-	-	6,275	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	66	-	6,532,752	-
-	-	311,511	143,194	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>3,113,331</u>	<u>8,286,873</u>	<u>327,065</u>	<u>149,160</u>	<u>6,532,752</u>	<u>1,088,322</u>
<u>1,189,451</u>	<u>(902,686)</u>	<u>56,783</u>	<u>101,476</u>	<u>(767,627)</u>	<u>(79,610)</u>
-	-	-	-	-	-
-	-	-	-	-	-
1,189,451	(902,686)	56,783	101,476	(767,627)	(79,610)
5,994,292	2,280,191	528,238	75,836	2,165,405	-
<u>\$ 7,183,743</u>	<u>\$ 1,377,505</u>	<u>\$ 585,021</u>	<u>\$ 177,312</u>	<u>\$ 1,397,778</u>	<u>\$ (79,610)</u>

(Continued)

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Data Communication</u>	<u>Vocational Education Enhancement</u>	<u>Alternative Schools</u>	<u>Student Wellness and Success</u>
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	153,000	14,348	-	-
Investment earnings	-	-	-	-
Tuition and fees	-	-	-	-
Extracurricular	-	-	-	-
Charges for services	-	-	-	-
Contributions and donations	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>153,000</u>	<u>14,348</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	358,864	-
Special	-	-	-	-
Vocational	-	6,391	-	-
Other	-	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff	-	-	-	-
Administration	-	-	-	-
Fiscal	-	-	-	-
Business	-	-	-	-
Operations and maintenance	-	-	-	-
Pupil transportation	-	-	-	-
Central	76,500	-	-	-
Operation of non-instructional services:				
Food service operations	-	-	-	-
Other non-instructional services	-	-	-	-
Extracurricular activities	-	-	-	1,983,426
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Total expenditures	<u>76,500</u>	<u>6,391</u>	<u>358,864</u>	<u>1,983,426</u>
Excess (deficiency) of revenues over (under) expenditures	<u>76,500</u>	<u>7,957</u>	<u>(358,864)</u>	<u>(1,983,426)</u>
Other financing sources:				
SBITA transaction	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	76,500	7,957	(358,864)	(1,983,426)
Fund balances (deficit) at beginning of year	<u>-</u>	<u>(5,081)</u>	<u>358,864</u>	<u>1,983,426</u>
Fund balances (deficit) at end of year	<u>\$ 76,500</u>	<u>\$ 2,876</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Miscellaneous State Grants</u>	<u>Governor's Emergency Education Relief (GEER)</u>	<u>School Maintenance and Assistance</u>	<u>Title VI-B</u>	<u>Vocational Education</u>	<u>School Improvement Stimulus A</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,138,271	983,575	-	23,034,400	1,634,204	3,200,933
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,255,000	-	60,000
<u>2,138,271</u>	<u>983,575</u>	<u>-</u>	<u>24,289,400</u>	<u>1,634,204</u>	<u>3,260,933</u>
27,933	-	-	1,450,035	-	-
-	-	-	12,859,358	-	-
-	-	-	53,007	1,283,736	-
-	-	149	371,979	-	450,979
47,407	-	-	2,384,134	-	43,777
41,791	-	-	1,649,180	264,355	2,647,877
-	-	1,778	947,878	63,640	-
-	-	2,528	852,454	-	-
-	-	-	106,266	-	-
172,704	1,134,675	-	-	-	-
213,484	-	-	3,690,104	38,523	-
-	-	-	-	-	28,631
-	-	-	-	-	-
1,805	-	-	1,189,893	-	-
-	-	-	174,748	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>505,124</u>	<u>1,134,675</u>	<u>4,455</u>	<u>25,729,036</u>	<u>1,650,254</u>	<u>3,171,264</u>
<u>1,633,147</u>	<u>(151,100)</u>	<u>(4,455)</u>	<u>(1,439,636)</u>	<u>(16,050)</u>	<u>89,669</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,633,147	(151,100)	(4,455)	(1,439,636)	(16,050)	89,669
-	-	209,138	-	(61,187)	(941,932)
<u>\$ 1,633,147</u>	<u>\$ (151,100)</u>	<u>\$ 204,683</u>	<u>\$ (1,439,636)</u>	<u>\$ (77,237)</u>	<u>\$ (852,263)</u>

(Continued)

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	School Improvement Stimulus G	Nutrition Education and Training Program	Title III	Refugee Children School Impact Act
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	180,493	48,828	760,495	177,062
Investment earnings	-	-	-	-
Tuition and fees	-	-	-	-
Extracurricular	-	-	-	-
Charges for services	-	-	-	-
Contributions and donations	-	-	-	-
Miscellaneous	-	-	-	68,000
Total revenues	180,493	48,828	760,495	245,062
Expenditures:				
Current:				
Instruction:				
Regular	-	-	-	-
Special	-	-	174,618	80,776
Vocational	-	-	-	-
Other	510,493	-	-	565
Support services:				
Pupil	-	-	-	76,070
Instructional staff	-	-	458,419	-
Administration	-	-	-	-
Fiscal	-	-	14,859	8,679
Business	-	-	-	-
Operations and maintenance	-	-	-	-
Pupil transportation	-	-	-	-
Central	-	-	-	-
Operation of non-instructional services:				
Food service operations	-	41,979	-	-
Other non-instructional services	-	-	112,599	-
Extracurricular activities	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Total expenditures	510,493	41,979	760,495	166,090
Excess (deficiency) of revenues over (under) expenditures	(330,000)	6,849	-	78,972
Other financing sources:				
SBITA transaction	-	-	-	-
Total other financing sources	-	-	-	-
Change in fund balance	(330,000)	6,849	-	78,972
Fund balances (deficit) at beginning of year	(579,515)	-	-	(249,676)
Fund balances (deficit) at end of year	\$ (909,515)	\$ 6,849	\$ -	\$ (170,704)

<u>Title I</u>	<u>Title IV-A</u>	<u>IDEA Preschool Grant for the Handicapped</u>	<u>Title II-A</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,175,304
41,382,584	519,949	489,425	1,917,590	21,437,200	134,657,044
-	-	-	-	-	3,427
-	-	-	-	-	784
-	-	-	-	-	845,562
-	-	-	-	-	98,791
-	-	-	-	-	5,564,674
-	-	-	-	560,000	2,193,000
<u>41,382,584</u>	<u>519,949</u>	<u>489,425</u>	<u>1,917,590</u>	<u>21,997,200</u>	<u>152,538,586</u>
-	-	-	-	5,697	1,958,487
29,304,053	-	460,423	-	-	43,017,852
-	-	-	-	-	1,345,507
1,667,495	238,723	-	-	315	3,745,516
2,150,218	-	-	-	235,607	5,456,561
1,129,478	539	23,000	2,160,159	38,744	11,669,455
651,565	-	-	-	-	1,987,603
849,412	73,416	6,002	49,824	30,617	10,232,518
-	-	-	-	-	106,266
-	-	-	-	895,687	5,386,522
176,377	-	-	-	-	4,445,097
-	-	-	173,629	12,125,330	13,067,745
-	-	-	-	-	25,378,696
5,309,590	207,271	-	217,593	-	13,629,535
-	-	-	-	-	4,276,780
-	-	-	-	330,648	330,648
-	-	-	-	169,448	169,448
<u>41,238,188</u>	<u>519,949</u>	<u>489,425</u>	<u>2,601,205</u>	<u>13,832,093</u>	<u>146,204,236</u>
<u>144,396</u>	<u>-</u>	<u>-</u>	<u>(683,615)</u>	<u>8,165,107</u>	<u>6,334,350</u>
-	-	-	-	330,648	330,648
-	-	-	-	330,648	330,648
144,396	-	-	(683,615)	8,495,755	6,664,998
-	-	-	-	(165,347)	21,144,643
<u>\$ 144,396</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (683,615)</u>	<u>\$ 8,330,408</u>	<u>\$ 27,809,641</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOOD SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 28,464,296	\$ 25,520,756	\$ (2,943,540)
Investment earnings	3,822	3,427	(395)
Charges for services	110,185	98,791	(11,394)
Total revenues	<u>28,578,303</u>	<u>25,622,974</u>	<u>(2,955,329)</u>
Expenditures:			
Operation of non-instructional services:			
Food service operations	26,029,837	24,573,510	1,456,327
Total expenditures	<u>26,029,837</u>	<u>24,573,510</u>	<u>1,456,327</u>
Excess of revenues over expenditures	<u>2,548,466</u>	<u>1,049,464</u>	<u>(1,499,002)</u>
Other financing uses:			
Advances out	(2,635,359)	(2,635,359)	-
Total other financing uses	<u>(2,635,359)</u>	<u>(2,635,359)</u>	<u>-</u>
Net change in fund balance	(86,893)	(1,585,895)	(1,499,002)
Fund balance at beginning of year	4,091,698	4,091,698	-
Prior year encumbrances appropriated	1,885,600	1,885,600	-
Fund balance at end of year	<u>\$ 5,890,405</u>	<u>\$ 4,391,403</u>	<u>\$ (1,499,002)</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EDUCATIONAL SPECIAL TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Tuition	\$ 755	\$ 784	\$ 29
Contributions and donations	4,612,707	4,790,936	178,229
Miscellaneous	240,700	250,000	9,300
Total revenues	4,854,162	5,041,720	187,558
Expenditures:			
Current:			
Instruction:			
Regular	87,654	81,650	6,004
Special	132,344	123,279	9,065
Vocational	20,378	18,982	1,396
Other	575,904	536,459	39,445
Support services:			
Pupil	554,502	516,522	37,980
Instructional staff	3,153,457	2,937,467	215,990
Administration	348,253	324,400	23,853
Operations and maintenance	137,757	128,322	9,435
Pupil transportation	391,085	364,298	26,787
Central	795,740	741,237	54,503
Operation of non-instructional services:			
Other non-instructional services	73,279	68,260	5,019
Extracurricular activities	1,799,836	1,676,560	123,276
Total expenditures	8,070,189	7,517,436	552,753
 Net change in fund balance	 (3,216,027)	 (2,475,716)	 740,311
 Fund balance at beginning of year	 2,727,381	 2,727,381	 -
Prior year encumbrances appropriated	1,631,220	1,631,220	-
Fund balance at end of year	\$ 1,142,574	\$ 1,882,885	\$ 740,311

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PUBLIC SCHOOL SUPPORT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Extracurricular	\$ 205,497	\$ 211,078	\$ 5,581
Total revenues	<u>205,497</u>	<u>211,078</u>	<u>5,581</u>
Expenditures:			
Current:			
Instruction:			
Regular	6,844	6,708	136
Other	84	82	2
Support Services:			
Administration	956	937	19
Pupil transportation	8,399	8,232	167
Extracurricular activities	<u>196,441</u>	<u>192,538</u>	<u>3,903</u>
Total expenditures	<u>212,724</u>	<u>208,497</u>	<u>4,227</u>
Net change in fund balance	(7,227)	2,581	9,808
Fund balance at beginning of year	943,447	943,447	-
Prior year encumbrances appropriated	49,661	49,661	-
Fund balance at end of year	<u>\$ 985,881</u>	<u>\$ 995,689</u>	<u>\$ 9,808</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
OTHER GRANT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other financing sources (uses):			
Advances in	\$ 727,356	\$ 727,356	\$ -
Advances out	(727,356)	(727,356)	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CLASSROOM FACILITIES MAINTENANCE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property taxes	\$ 1,206,979	\$ 2,191,326	\$ 984,347
Intergovernmental	1,159,787	2,105,647	945,860
Total revenues	<u>2,366,766</u>	<u>4,296,973</u>	<u>1,930,207</u>
Expenditures:			
Current:			
Support Services:			
Fiscal	59,780	57,854	1,926
Operations and maintenance	4,462,759	4,318,981	143,778
Total expenditures	<u>4,522,539</u>	<u>4,376,835</u>	<u>145,704</u>
Net change in fund balance	(2,155,773)	(79,862)	2,075,911
Fund balance at beginning of year	3,926,608	3,926,608	-
Prior year encumbrances appropriated	1,838,308	1,838,308	-
Fund balance at end of year	<u>\$ 3,609,143</u>	<u>\$ 5,685,054</u>	<u>\$ 2,075,911</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARTNERING COMMUNITY SCHOOLS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property taxes	\$ 6,949,124	\$ 6,949,124	\$ -
Intergovernmental	406,018	406,018	-
Total revenues	<u>7,355,142</u>	<u>7,355,142</u>	<u>-</u>
Expenditures:			
Current:			
Support Services:			
Fiscal	8,340,679	8,340,679	-
Total expenditures	<u>8,340,679</u>	<u>8,340,679</u>	<u>-</u>
Net change in fund balance	(985,537)	(985,537)	-
Fund balance at beginning of year	<u>985,537</u>	<u>985,537</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STUDENT MANAGED ACTIVITIES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Extracurricular	\$ 381,994	\$ 383,848	\$ 1,854
Total revenues	<u>381,994</u>	<u>383,848</u>	<u>1,854</u>
Expenditures:			
Current:			
Instruction:			
Regular	14,791	14,279	512
Special	326	315	11
Other	52	50	2
Support Services:			
Administration	1,087	1,049	38
Pupil transportation	6,500	6,275	225
Operation of non-instructional services	68	66	2
Extracurricular activities	422,644	408,020	14,624
Total expenditures	<u>445,468</u>	<u>430,054</u>	<u>15,414</u>
Net change in fund balance	(63,474)	(46,206)	17,268
Fund balance at beginning of year	450,150	450,150	-
Prior year encumbrances appropriated	81,321	81,321	-
Fund balance at end of year	<u>\$ 467,997</u>	<u>\$ 485,265</u>	<u>\$ 17,268</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DISTRICT MANAGED STUDENT ACTIVITIES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Extracurricular	\$ 250,636	\$ 250,636	\$ -
Total revenues	<u>250,636</u>	<u>250,636</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	5,134	4,938	196
Support Services:			
Pupil	1,736	1,670	66
Extracurricular activities	188,898	181,702	7,196
Total expenditures	<u>195,768</u>	<u>188,310</u>	<u>7,458</u>
Net change in fund balance	54,868	62,326	7,458
Fund balance at beginning of year	41,971	41,971	-
Prior year encumbrances appropriated	33,865	33,865	-
Fund balance at end of year	<u>\$ 130,704</u>	<u>\$ 138,162</u>	<u>\$ 7,458</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
AUXILIARY SERVICES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 5,765,125	\$ 5,765,125	\$ -
Total revenues	<u>5,765,125</u>	<u>5,765,125</u>	<u>-</u>
Expenditures:			
Current:			
Operation of non-instructional services	8,010,077	7,621,569	388,508
Total expenditures	<u>8,010,077</u>	<u>7,621,569</u>	<u>388,508</u>
Excess of expenditures over revenues	<u>(2,244,952)</u>	<u>(1,856,444)</u>	<u>388,508</u>
Other financing uses:			
Advances out	(867,461)	(867,461)	-
Total other financing uses	<u>(867,461)</u>	<u>(867,461)</u>	<u>-</u>
Net change in fund balance	(3,112,413)	(2,723,905)	388,508
Fund balance at beginning of year	2,374,686	2,374,686	-
Prior year encumbrances appropriated	1,049,038	1,049,038	-
Fund balance at end of year	<u>\$ 311,311</u>	<u>\$ 699,819</u>	<u>\$ 388,508</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PUBLIC SCHOOL PRESCHOOL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 944,966	\$ 795,756	\$ (149,210)
Total revenues	<u>944,966</u>	<u>795,756</u>	<u>(149,210)</u>
Expenditures:			
Current:			
Instruction:			
Regular	29,490	25,652	3,838
Support services:			
Pupil	840	731	109
Instructional staff	1,116,097	970,834	145,263
Total expenditures	<u>1,146,427</u>	<u>997,217</u>	<u>149,210</u>
Excess of expenditures over revenues	<u>(201,461)</u>	<u>(201,461)</u>	<u>-</u>
Other financing sources (uses):			
Advances in	137,715	137,715	-
Advances out	(45,126)	(45,126)	-
Total other financing sources (uses)	<u>92,589</u>	<u>92,589</u>	<u>-</u>
 Net change in fund balance	 (108,872)	 (108,872)	 -
 Fund balance at beginning of year	 57,859	 57,859	 -
Prior year encumbrances appropriated	51,013	51,013	-
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DATA COMMUNICATIONS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 153,000	\$ 153,000	\$ -
Total revenues	<u>153,000</u>	<u>153,000</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Central	153,000	76,500	76,500
Total expenditures	<u>153,000</u>	<u>76,500</u>	<u>76,500</u>
Net change in fund balance	-	76,500	76,500
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 76,500</u>	<u>\$ 76,500</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
VOCATIONAL EDUCATION ENHANCEMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 14,348	\$ 14,348	\$ -
Total revenues	<u>14,348</u>	<u>14,348</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Vocational	7,581	6,391	1,190
Total expenditures	<u>7,581</u>	<u>6,391</u>	<u>1,190</u>
Excess of revenues over expenditures	<u>6,767</u>	<u>7,957</u>	<u>1,190</u>
Other financing uses:			
Advances out	(17,400)	(17,400)	-
Total other financing uses	<u>(17,400)</u>	<u>(17,400)</u>	<u>-</u>
Net change in fund balance	(10,633)	(9,443)	1,190
Fund balance at beginning of year	12,319	12,319	-
Fund balance at end of year	<u>\$ 1,686</u>	<u>\$ 2,876</u>	<u>\$ 1,190</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALTERNATIVE SCHOOLS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Current:			
Instruction:			
Regular	\$ 358,864	\$ 358,864	\$ -
Total expenditures	<u>358,864</u>	<u>358,864</u>	<u>-</u>
 Net change in fund balance	 (358,864)	 (358,864)	 -
 Fund balance at beginning of year	 358,864	 358,864	 -
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STUDENT WELLNESS AND SUCCESS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:			
Current:			
Extracurricular activities	\$ 2,000,009	\$ 2,000,009	\$ -
Total expenditures	<u>2,000,009</u>	<u>2,000,009</u>	<u>-</u>
Net change in fund balance	(2,000,009)	(2,000,009)	-
Fund balance at beginning of year	1,951,782	1,951,782	-
Prior year encumbrances appropriated	48,227	48,227	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MISCELLANEOUS STATE GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 496,945	\$ 496,945	\$ -
Total revenues	496,945	496,945	-
Expenditures:			
Current:			
Instruction:			
Regular	36,599	29,838	6,761
Support services:			
Pupil	52,400	42,720	9,680
Instructional staff	74,070	60,387	13,683
Operations and maintenance	228,422	186,225	42,197
Pupil transportation	261,858	213,484	48,374
Operation of non-instructional services	3,514	2,865	649
Total expenditures	656,863	535,519	121,344
Net change in fund balance	(159,918)	(38,574)	121,344
Fund balance at beginning of year	1,601,757	1,601,757	-
Prior year encumbrances appropriated	48,485	48,485	-
Fund balance at end of year	<u>\$ 1,490,324</u>	<u>\$ 1,611,668</u>	<u>\$ 121,344</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GOVERNOR'S EMERGENCY EDUCATION RELIEF (GEER) FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 232,041	\$ 232,041	\$ -
Total revenues	<u>232,041</u>	<u>232,041</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Operations and maintenance	1,335,054	1,285,875	49,179
Total expenditures	<u>1,335,054</u>	<u>1,285,875</u>	<u>49,179</u>
Excess of expenditures over revenues	<u>(1,103,013)</u>	<u>(1,053,834)</u>	<u>49,179</u>
Other financing sources:			
Advances in	1,103,013	1,103,013	-
Total other financing sources	<u>1,103,013</u>	<u>1,103,013</u>	<u>-</u>
Net change in fund balance	-	49,179	49,179
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 49,179</u>	<u>\$ 49,179</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOOL MAINTENANCE AND ASSISTANCE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:			
Current:			
Instruction:			
Other	\$ 156	\$ 149	\$ 7
Support services:			
Administration	1,867	1,778	89
Fiscal	2,655	2,528	127
Total expenditures	<u>4,678</u>	<u>4,455</u>	<u>223</u>
Net change in fund balance	(4,678)	(4,455)	223
Fund balance at beginning of year	209,138	209,138	-
Fund balance at end of year	<u>\$ 204,460</u>	<u>\$ 204,683</u>	<u>\$ 223</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE VI-B FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other local revenues	\$ 1,189,251	\$ 1,255,000	\$ 1,255,000
Intergovernmental	21,510,765	22,700,017	1,189,252
Total revenues	<u>22,700,016</u>	<u>23,955,017</u>	<u>1,255,001</u>
Expenditures:			
Current:			
Instruction:			
Regular	1,530,282	1,450,035	80,247
Special	13,285,499	12,588,803	696,696
Vocational	55,941	53,007	2,934
Other	499,366	473,179	26,187
Support services:			
Pupil	2,476,003	2,346,161	129,842
Instructional staff	1,684,383	1,596,053	88,330
Administration	997,934	945,602	52,332
Fiscal	904,789	857,342	47,447
Business	121,831	115,442	6,389
Pupil transportation	3,892,301	3,688,187	204,114
Operation of non-instructional services	1,241,010	1,175,931	65,079
Extracurricular activities	184,419	174,748	9,671
Total expenditures	<u>26,873,758</u>	<u>25,464,490</u>	<u>1,409,268</u>
Excess of expenditures over revenue	<u>(4,173,742)</u>	<u>(1,509,473)</u>	<u>2,664,269</u>
Other financing sources (uses):			
Advances in	3,942,283	3,942,283	-
Advances out	(1,728,547)	(1,728,547)	-
Total other financing sources (uses)	<u>2,213,736</u>	<u>2,213,736</u>	<u>-</u>
Net change in fund balance	(1,960,006)	704,263	2,664,269
Fund balance at beginning of year	1,508,783	1,508,783	-
Prior year encumbrances appropriated	451,223	451,223	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 2,664,269</u>	<u>\$ 2,664,269</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
VOCATIONAL EDUCATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 1,983,388	\$ 1,526,388	\$ (457,000)
Total revenues	<u>1,983,388</u>	<u>1,526,388</u>	<u>(457,000)</u>
Expenditures:			
Current:			
Instruction:			
Vocational	1,552,518	1,449,891	102,627
Support services:			
Instructional staff	281,332	262,735	18,597
Administration	66,081	61,713	4,368
Pupil transportation	42,856	40,023	2,833
Total expenditures	<u>1,942,787</u>	<u>1,814,362</u>	<u>128,425</u>
Excess (deficiency) of revenues over (under) expenditures	<u>40,601</u>	<u>(287,974)</u>	<u>(328,575)</u>
Other financing sources (uses):			
Advances in	490,027	490,027	-
Advances out	<u>(912,748)</u>	<u>(912,748)</u>	<u>-</u>
Total other financing sources (uses)	<u>(422,721)</u>	<u>(422,721)</u>	<u>-</u>
Net change in fund balance	(382,120)	(710,695)	(328,575)
Fund balance at beginning of year	577,582	577,582	-
Prior year encumbrances appropriated	245,537	245,537	-
Fund balance at end of year	<u>\$ 440,999</u>	<u>\$ 112,424</u>	<u>\$ (328,575)</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOOL IMPROVEMENT STIMULUS A FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other local revenue	\$ 58,778	\$ 60,000	\$ 1,222
Intergovernmental	2,827,145	2,885,923	58,778
Total revenues	<u>2,885,923</u>	<u>2,945,923</u>	<u>60,000</u>
Expenditures:			
Current:			
Instruction:			
Other	493,541	475,584	17,957
Support services:			
Pupil	46,987	45,277	1,710
Instructional staff	2,773,367	2,672,456	100,911
Central	30,940	29,814	1,126
Total expenditures	<u>3,344,835</u>	<u>3,223,131</u>	<u>121,704</u>
Excess of expenditures over revenues	<u>(458,912)</u>	<u>(277,208)</u>	<u>181,704</u>
Other financing sources (uses):			
Advances in	1,441,821	1,441,821	-
Advances out	<u>(1,199,693)</u>	<u>(1,199,693)</u>	-
Total other financing sources (uses)	<u>242,128</u>	<u>242,128</u>	-
Net change in fund balance	(216,784)	(35,080)	181,704
Fund balance at beginning of year	81,387	81,387	-
Prior year encumbrances appropriated	135,397	135,397	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 181,704</u>	<u>\$ 181,704</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOOL IMPROVEMENT STIMULUS G FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 180,492	\$ 180,493	\$ 1
Total revenues	<u>180,492</u>	<u>180,493</u>	<u>1</u>
Expenditures:			
Current:			
Instruction:			
Other	283,826	510,493	(226,667)
Total expenditures	<u>283,826</u>	<u>510,493</u>	<u>(226,667)</u>
Excess of expenditures over revenues	<u>(103,334)</u>	<u>(330,000)</u>	<u>(226,666)</u>
Other financing sources (uses):			
Advances in	682,849	682,849	-
Advances out	(1,886,199)	(1,886,199)	-
Total other financing sources (uses)	<u>(1,203,350)</u>	<u>(1,203,350)</u>	<u>-</u>
Net change in fund balance	(1,306,684)	(1,533,350)	(226,666)
Fund balance at beginning of year	1,151,049	1,151,049	-
Prior year encumbrances appropriated	155,635	155,635	-
Fund balance (deficit) at end of year	<u>\$ -</u>	<u>\$ (226,666)</u>	<u>\$ (226,666)</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NUTRITION EDUCATION AND TRAINING PROGRAM
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Current:			
Instruction:			
Operation of non-instructional services:			
Food service operations	\$ 44,078	\$ 41,979	\$ 2,099
Total expenditures	<u>44,078</u>	<u>41,979</u>	<u>2,099</u>
Excess of expenditures over revenues	<u>(44,078)</u>	<u>(41,979)</u>	<u>2,099</u>
Other financing sources:			
Advances in	44,078	44,078	-
Total other financing sources	<u>44,078</u>	<u>44,078</u>	<u>-</u>
Net change in fund balance	-	2,099	2,099
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 2,099</u>	<u>\$ 2,099</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE III FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 579,029	\$ 495,028	\$ (84,001)
Total revenues	<u>579,029</u>	<u>495,028</u>	<u>(84,001)</u>
Expenditures:			
Current:			
Instruction:			
Special	204,627	190,651	13,976
Support services:			
Instructional staff	416,468	388,022	28,446
Fiscal	15,948	14,859	1,089
Operation of non-instructional services	<u>150,463</u>	<u>140,186</u>	<u>10,277</u>
Total expenditures	<u>787,506</u>	<u>733,718</u>	<u>53,788</u>
Excess of expenditures over revenues	<u>(208,477)</u>	<u>(238,690)</u>	<u>(30,213)</u>
Other financing sources (uses):			
Advances in	126,135	126,135	-
Advances out	<u>(80,299)</u>	<u>(80,299)</u>	<u>-</u>
Total other financing sources (uses)	<u>45,836</u>	<u>45,836</u>	<u>-</u>
Net change in fund balance	(162,641)	(192,854)	(30,213)
Fund balance at beginning of year	95,432	95,432	-
Prior year encumbrances appropriated	67,209	67,209	-
Fund balance (deficit) at end of year	<u>\$ -</u>	<u>\$ (30,213)</u>	<u>\$ (30,213)</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
REFUGEE CHILDREN SCHOOL IMPACT ACT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other local revenue	-	68,000	68,000
Intergovernmental	\$ 168,996	\$ 168,996	\$ -
Total revenues	<u>168,996</u>	<u>236,996</u>	<u>68,000</u>
Expenditures:			
Current:			
Instruction:			
Special	194,043	181,730	12,313
Adult/continuing	603	565	38
Other	3,230	3,025	205
Support services:			
Pupil	82,832	77,575	5,257
Fiscal	9,267	8,679	588
Total expenditures	<u>289,975</u>	<u>271,574</u>	<u>18,401</u>
Excess of expenditures over revenues	<u>(120,979)</u>	<u>(34,578)</u>	<u>86,401</u>
Other financing sources (uses):			
Advances in	364,207	364,207	-
Advances out	(294,743)	(294,743)	-
Total other financing sources (uses)	<u>69,464</u>	<u>69,464</u>	<u>-</u>
Net change in fund balance	(51,515)	34,886	86,401
Fund balance at beginning of year	43,990	43,990	-
Prior year encumbrances appropriated	7,525	7,525	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 86,401</u>	<u>\$ 86,401</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE I FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 41,167,335	\$ 41,167,335	\$ -
Total revenues	<u>41,167,335</u>	<u>41,167,335</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Special	30,159,729	28,963,603	1,196,126
Other	1,986,389	1,907,609	78,780
Support services:			
Pupil	2,229,147	2,140,740	88,407
Instructional staff	1,606,262	1,542,558	63,704
Administration	706,631	678,606	28,025
Fiscal	884,491	849,412	35,079
Pupil transportation	151,563	145,552	6,011
Operation of non-instructional services	5,836,138	5,604,678	231,460
Total expenditures	<u>43,560,350</u>	<u>41,832,758</u>	<u>1,727,592</u>
Net change in fund balance	(2,393,015)	(665,423)	1,727,592
Fund balance at beginning of year	4,993,598	4,993,598	-
Prior year encumbrances appropriated	945,834	945,834	-
Fund balance at end of year	<u>\$ 3,546,417</u>	<u>\$ 5,274,009</u>	<u>\$ 1,727,592</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE IV-A FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 905,521	\$ 905,521	\$ -
Total revenues	<u>905,521</u>	<u>905,521</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Other	263,895	259,126	4,769
Support services:			
Pupil	2,859,495	2,807,818	51,677
Instructional staff	6,951	6,825	126
Fiscal	74,767	73,416	1,351
Operation of non-instructional services	<u>348,827</u>	<u>342,523</u>	<u>6,304</u>
Total expenditures	<u>3,553,935</u>	<u>3,489,708</u>	<u>64,227</u>
Excess of expenditures over revenues	<u>(2,648,414)</u>	<u>(2,584,187)</u>	<u>64,227</u>
Other financing sources (uses):			
Advances in	3,058,256	3,058,256	-
Advances out	<u>(119,275)</u>	<u>(119,275)</u>	<u>-</u>
Total other financing sources (uses)	<u>2,938,981</u>	<u>2,938,981</u>	<u>-</u>
Net change in fund balance	290,567	354,794	64,227
Fund balance (deficit) at beginning of year	(656,437)	(656,437)	-
Prior year encumbrances appropriated	365,870	365,870	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 64,227</u>	<u>\$ 64,227</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
IDEA PRESCHOOL GRANT FOR THE HANDICAPPED FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 289,991	\$ 116,891	\$ (173,100)
Total revenues	<u>289,991</u>	<u>116,891</u>	<u>(173,100)</u>
Expenditures:			
Current:			
Instruction:			
Special	300,679	286,885	13,794
Support services:			
Instructional staff	24,106	23,000	1,106
Fiscal	6,291	6,002	289
Total expenditures	<u>331,076</u>	<u>315,887</u>	<u>15,189</u>
Net change in fund balance	(41,085)	(198,996)	(157,911)
Fund balance at beginning of year	197,447	197,447	-
Prior year encumbrances appropriated	1,549	1,549	-
Fund balance at end of year	<u>\$ 157,911</u>	<u>\$ -</u>	<u>\$ (157,911)</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE II-A FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 3,414,948	\$ 1,517,810	\$ (1,897,138)
Total revenues	<u>3,414,948</u>	<u>1,517,810</u>	<u>(1,897,138)</u>
Expenditures:			
Current:			
Support services:			
Instructional staff	2,614,716	1,827,521	787,195
Fiscal	71,285	49,824	21,461
Central	247,889	173,259	74,630
Operation of non-instructional services	603,958	422,129	181,829
Total expenditures	<u>3,537,848</u>	<u>2,472,733</u>	<u>1,065,115</u>
Net change in fund balance	(122,900)	(954,923)	(832,023)
Fund balance (deficit) at beginning of year	(106,459)	(106,459)	-
Prior year encumbrances appropriated	229,359	229,359	-
Fund balance (deficit) at end of year	<u>\$ -</u>	<u>\$ (832,023)</u>	<u>\$ (832,023)</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MISCELLANEOUS FEDERAL GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other local revenue	-	560,000	560,000
Intergovernmental	\$ 27,193,472	\$ 20,013,084	\$ (7,180,388)
Total revenues	<u>27,193,472</u>	<u>20,573,084</u>	<u>(6,620,388)</u>
Expenditures:			
Current:			
Instruction:			
Regular	9,853	5,697	4,156
Other	2,101	1,215	886
Support services:			
Pupil	737,098	426,177	310,921
Instructional staff	182,199	105,344	76,855
Fiscal	66,664	38,544	28,120
Operations and maintenance	2,099,681	1,213,998	885,683
Central	18,516,710	10,706,031	7,810,679
Total expenditures	<u>21,614,306</u>	<u>12,497,006</u>	<u>9,117,300</u>
Excess of revenues over expenditures	<u>5,579,166</u>	<u>8,076,078</u>	<u>2,496,912</u>
Other financing sources (uses):			
Advances in	1,245,138	1,245,138	-
Advances out	(1,060,289)	(1,060,289)	-
Total other financing sources (uses)	<u>184,849</u>	<u>184,849</u>	<u>-</u>
Net change in fund balance	5,764,015	8,260,927	2,496,912
Fund balance at beginning of year	553,324	553,324	-
Prior year encumbrances appropriated	280,055	280,055	-
Fund balance at end of year	<u>\$ 6,597,394</u>	<u>\$ 9,094,306</u>	<u>\$ 2,496,912</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

Nonmajor Capital Projects Funds

The Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings or additions to existing buildings, and for major renovation projects including equipment purchases. The following are descriptions of the School District's nonmajor capital project funds:

Permanent Improvement

This fund accounts for all transactions related to the acquiring, constructing, or improving of such permanent improvements as defined by Ohio Revised Code.

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMANENT IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property taxes	\$ 2,246,689	\$ 2,340,499	\$ 93,810
Intergovernmental	49,209	51,264	2,055
Investment earnings	1,290,043	1,343,908	53,865
Total revenues	<u>3,585,941</u>	<u>3,735,671</u>	<u>149,730</u>
Expenditures:			
Current:			
Instruction:			
Support services:			
Fiscal	191,496	184,552	6,944
Operations and maintenance	288,389	277,931	10,458
Facilities acquisition and construction	10,670,269	10,283,321	386,948
Total expenditures	<u>11,150,154</u>	<u>10,745,804</u>	<u>404,350</u>
Net change in fund balance	(7,564,213)	(7,010,133)	554,080
Fund balance at beginning of year	28,121,225	28,121,225	-
Prior year encumbrances appropriated	5,157,651	5,157,651	-
Fund balance at end of year	<u>\$ 25,714,663</u>	<u>\$ 26,268,743</u>	<u>\$ 554,080</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

Internal Service Funds

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

Liability Self-Insurance Fund

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

Employee Benefits Self-Insurance Fund

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

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2023

	<u>Liability Self-Insurance</u>	<u>Employee Benefits Self-Insurance</u>	<u>Total Governmental Activities - Internal Service Funds</u>
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 1,054,070	\$ 29,498,715	\$ 30,552,785
Total assets	<u>1,054,070</u>	<u>29,498,715</u>	<u>30,552,785</u>
Liabilities:			
Claims payable	<u>535,000</u>	<u>11,865,000</u>	<u>12,400,000</u>
Total liabilities	<u>535,000</u>	<u>11,865,000</u>	<u>12,400,000</u>
Net position:			
Unrestricted	<u>\$ 519,070</u>	<u>\$ 17,633,715</u>	<u>\$ 18,152,785</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Liability Self-Insurance	Employee Benefits Self-Insurance	Total Governmental Activities - Internal Service Funds
Operating revenues:			
Charges for services	\$ -	\$ 138,737,309	\$ 138,737,309
Total operating revenues	<u>-</u>	<u>138,737,309</u>	<u>138,737,309</u>
Operating expenses:			
Claims and claims adjustment expenses	(768,760)	127,662,986	126,894,226
Total operating expenses	<u>(768,760)</u>	<u>127,662,986</u>	<u>126,894,226</u>
Operating income/change in net position	<u>768,760</u>	<u>11,074,323</u>	<u>11,843,083</u>
Change in net position	768,760	11,074,323	11,843,083
Net position at beginning of year	<u>(249,690)</u>	<u>6,559,392</u>	<u>6,309,702</u>
Net position at end of year	<u>\$ 519,070</u>	<u>\$ 17,633,715</u>	<u>\$ 18,152,785</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Liability Self-Insurance	Employee Benefits Self-Insurance	Total Governmental Activities - Internal Service Funds
Cash flows from operating activities:			
Cash received from charges for services	\$ -	\$ 138,737,309	\$ 138,737,309
Cash payments for claims and claim adjustment expenses	(321,240)	(129,500,986)	(129,822,226)
Net cash provided by (used in) operating activities	(321,240)	9,236,323	8,915,083
Net change in cash and cash equivalents	(321,240)	9,236,323	8,915,083
Cash and cash equivalents at beginning of year	1,375,310	20,262,392	21,637,702
Cash and cash equivalents at end of year	<u>\$ 1,054,070</u>	<u>\$ 29,498,715</u>	<u>\$ 30,552,785</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:			
Operating income	\$ 768,760	\$ 11,074,323	\$ 11,843,083
Changes in assets and liabilities: Claims payable	(1,090,000)	(1,838,000)	(2,928,000)
Net cash provided by (used in) operating activities	<u>\$ (321,240)</u>	<u>\$ 9,236,323</u>	<u>\$ 8,915,083</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LIABILITY SELF-INSURANCE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenses:			
Current:			
Support services:			
Administration	\$ 351,154	\$ 335,091	\$ 16,063
Total expense	<u>351,154</u>	<u>335,091</u>	<u>16,063</u>
Net change in fund equity	(351,154)	(335,091)	16,063
Fund equity at beginning of year	1,362,551	1,362,551	-
Prior year encumbrances appropriated	12,759	12,759	-
Fund equity at end of year	<u>\$ 1,024,156</u>	<u>\$ 1,040,219</u>	<u>\$ 16,063</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMPLOYEE BENEFITS SELF-INSURANCE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Charges for services	\$ 125,291,056	\$ 138,737,309	\$ 13,446,253
Total revenues	<u>125,291,056</u>	<u>138,737,309</u>	<u>13,446,253</u>
Expenses:			
Current:			
Support services:			
Central	135,666,379	129,533,634	6,132,745
Total expenses	<u>135,666,379</u>	<u>129,533,634</u>	<u>6,132,745</u>
Net change in fund equity	(10,375,323)	9,203,675	19,578,998
Fund equity at beginning of year	<u>20,262,392</u>	<u>20,262,392</u>	<u>-</u>
Fund equity at end of year	<u>\$ 9,887,069</u>	<u>\$ 29,466,067</u>	<u>\$ 19,578,998</u>

STATISTICAL SECTION



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**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATISTICAL SECTION

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

<u>Table of Contents</u>	<u>Pages</u>
Financial Trends These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	S2 - S15
Revenue Capacity These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.	S16 - S21
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	S22 -S26
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place.	S27 - S28
Operating Information These schedules contain service and capital asset data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	S29 - S34

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year. The School District implemented GASB 68 for the fiscal year ended June 30, 2015, implemented GASB 75 for the fiscal year ended June 30, 2018 and GASB 84 for the fiscal year ended June 30, 2021.

CUYAHOGA COUNTY, OHIO

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
GOVERNMENTAL ACTIVITIES

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020 (c)</u>
Governmental activities				
Net investment in capital assets	\$ 703,356,380	\$ 693,470,347	\$ 717,442,872	\$ 740,395,317
Restricted for:				
Debt service	72,615,318	75,418,937	65,914,202	60,260,720
Capital projects	151,314,735	81,703,832	81,987,018	92,674,288
Other amounts	48,715,342	26,390,720	40,982,350	16,813,659
Unrestricted (deficit)	<u>(514,370,950)</u>	<u>(575,782,555)</u>	<u>(711,539,124)</u>	<u>(738,226,650)</u>
Total Governmental Activities Net Position	<u>\$ 461,630,825</u>	<u>\$ 301,201,281</u>	<u>\$ 194,787,318</u>	<u>\$ 171,917,334</u>

Source: School District financial records.

(a) GASB 68 was implemented in FY 15 and restated in FY 14

(b) GASB 75 was implemented in FY 18 and restated in FY 17

(c) GASB 84 was implemented in FY 21 and restated in FY 20

<u>2019</u>	<u>2018</u>	<u>2017 (b)</u>	<u>2016</u>	<u>2015</u>	<u>2014 (a)</u>
\$ 836,681,681	\$ 656,511,658	\$ 536,270,536	\$ 511,830,184	\$ 501,440,286	\$ 619,248,160
59,662,539	49,731,602	47,607,887	46,540,646	51,010,824	49,735,043
134,683,331	190,674,105	320,528,644	319,958,620	222,963,999	84,864,225
28,581,881	27,927,377	25,968,633	19,575,978	18,957,773	47,730,652
<u>(805,192,740)</u>	<u>(705,938,812)</u>	<u>(995,142,892)</u>	<u>(707,027,575)</u>	<u>(754,622,557)</u>	<u>(720,669,457)</u>
<u>\$ 254,416,692</u>	<u>\$ 218,905,930</u>	<u>\$ (64,767,192)</u>	<u>\$ 190,877,853</u>	<u>\$ 39,750,325</u>	<u>\$ 80,908,623</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
GOVERNMENTAL ACTIVITIES

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Expenses				
Governmental activities:				
Instruction:				
Regular	\$ 343,116,811	\$ 277,183,597	\$ 385,810,028	\$ 387,038,590
Special	154,714,738	123,967,688	217,991,590	207,870,189
Vocational	5,066,828	3,605,519	4,863,000	6,136,836
Adult/Continuing	-	-	-	-
Other	33,565,260	37,926,474	42,330,115	10,482,791
Support services:				
Pupil	47,117,898	41,971,757	49,665,670	44,642,558
Instructional staff	23,085,075	21,083,310	22,869,943	24,178,327
Board of education	295,485	171,485	282,114	219,695
Administration	49,003,740	44,200,284	59,861,039	57,260,727
Fiscal	17,713,803	23,932,067	18,845,647	17,783,050
Business	1,096,877	840,238	1,184,780	1,126,721
Operations and maintenance	77,535,532	68,803,785	61,797,443	73,080,026
Pupil transportation	38,863,697	27,838,314	23,153,111	36,810,361
Central	62,971,177	54,482,697	26,620,548	24,571,642
Operation of non-instructional services	39,928,968	40,467,475	35,033,395	36,242,280
Extracurricular activities	10,194,745	7,353,116	2,497,050	4,446,110
Interest and fiscal charges	11,671,821	12,471,609	12,741,703	13,012,599
Capital outlay	-	-	-	3,258,153
Total governmental activities expenses	<u>915,942,455</u>	<u>786,299,415</u>	<u>965,547,176</u>	<u>948,160,655</u>
Program Revenues				
Governmental activities:				
Charges for services:				
Instruction:				
Regular	2,655,501	812,058	9,719,778	4,931,484
Special	2,219,420	3,139,029	2,617,847	2,194,943
Vocational	-	-	-	70,157
Adult/Continuing	-	-	-	-
Other instructional	155	-	88	228
Support services:				
Pupil	1,798	-	57	464,370
Instructional staff	-	-	2,429	148,038
Board of education	-	-	-	2,768
Administration	2,266	13,372	8,006	697,724
Fiscal	-	-	-	138,896
Business	-	-	-	14,117
Operations and maintenance	305,875	557,629	47,541	876,759
Pupil transportation	222,773	144,541	25,633	450,514
Central	-	-	164	304,978
Operation of non-instructional services	98,868	-	30,189	166,688
Extracurricular activities	801,041	519,451	130,130	378,287
Total governmental activities charges for services	<u>6,307,697</u>	<u>5,186,080</u>	<u>12,581,862</u>	<u>10,839,951</u>

	2019	2018	2017	2016	2015	2014
\$	357,538,712	\$ 228,117,128	\$ 376,444,351	\$ 355,008,543	\$ 362,037,069	\$ 381,411,371
	179,135,468	115,095,669	181,613,355	172,360,574	173,593,367	182,682,324
	6,464,685	3,097,548	8,667,189	9,056,446	8,453,227	11,404,778
	-	-	384,463	64,500	-	620
	12,965,233	12,731,008	9,134,951	7,948,798	7,393,303	1,970,489
	36,808,211	12,249,740	40,460,547	34,179,013	35,790,269	35,833,670
	28,669,934	26,331,387	32,535,827	32,419,457	36,113,336	30,250,022
	319,466	42,376	306,270	266,498	248,308	264,265
	56,715,552	33,734,900	63,093,132	50,223,299	42,751,427	43,290,224
	19,784,079	13,054,274	12,399,059	16,663,611	16,310,738	12,274,449
	1,408,188	1,251,274	1,503,595	1,375,403	1,137,981	1,590,930
	66,935,137	57,685,305	65,547,856	68,629,253	64,587,903	62,189,841
	40,041,724	34,220,642	34,783,284	35,010,112	34,699,642	56,924,644
	28,980,504	21,149,084	38,152,866	29,503,864	25,503,536	17,526,350
	39,726,831	38,187,653	37,273,100	35,255,055	34,670,028	35,846,103
	5,732,891	5,402,338	5,802,430	6,332,462	6,649,997	6,510,125
	13,232,322	12,291,003	13,549,588	13,212,539	6,984,197	93,660
	-	-	-	-	-	-
	<u>894,458,937</u>	<u>614,641,329</u>	<u>921,651,863</u>	<u>867,509,427</u>	<u>856,924,328</u>	<u>880,063,865</u>
	3,884,344	4,329,229	4,014,946	3,283,143	3,825,172	4,170,473
	1,734,703	1,959,579	1,894,148	1,628,204	1,657,048	1,533,891
	48,799	45,108	72,721	61,803	69,797	99,620
	-	-	2,713	510	1,692	5
	1,943	1,796	(3,058)	4,775	-	1,307
	94,892	87,714	267,694	437,033	452,849	467,558
	80,748	75,204	90,197	115,213	472,420	56,314
	859	794	3,009	2,116	2,188	2,311
	599,158	939,990	897,805	779,516	339,112	597,459
	166,060	152,201	180,927	358,888	351,598	323,162
	25,355	23,437	13,893	10,895	10,029	13,915
	1,120,767	1,175,092	692,682	570,943	587,592	591,810
	661,320	611,474	335,899	261,455	282,985	319,926
	425,104	392,949	375,880	222,148	221,306	152,101
	491,974	249,544	871,387	693,540	184,278	7,806
	509,822	482,208	617,423	556,374	617,323	618,561
	<u>9,845,848</u>	<u>10,526,319</u>	<u>10,328,266</u>	<u>8,986,556</u>	<u>9,075,389</u>	<u>8,956,219</u>

(Continued)

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

CHANGES IN NET POSITION - (Continued)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
GOVERNMENTAL ACTIVITIES

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Operating grants and contributions:				
Instruction:				
Regular	\$ 20,644,970	\$ 5,380,847	\$ 5,051,377	\$ 24,571,513
Special	91,588,573	78,252,445	103,161,978	53,534,696
Vocational	3,045,063	2,205,380	4,301,606	1,367,611
Adult/Continuing	-	-	-	-
Other instructional	32,604,071	36,872,425	45,056,547	9,300,545
Support services:				
Pupil	29,607,097	30,814,364	18,419,464	13,245,969
Instructional staff	17,706,540	12,212,136	16,964,287	12,160,218
Board of education	-	-	-	16,239
Administration	3,260,736	2,890,645	2,868,384	6,939,516
Fiscal	5,077,409	4,466,683	1,381,562	2,578,337
Business	106,266	-	1,434	65,930
Operations and maintenance	30,632,969	16,471,555	11,955,391	4,585,630
Pupil transportation	20,197,702	2,622,205	6,841,015	2,165,738
Central	41,709,603	28,837,235	4,544,680	1,547,509
Operation of non-instructional services	41,638,442	37,148,904	35,012,647	34,346,894
Extracurricular activities	5,193,627	3,268,655	938,806	512,384
Total operating grants and contributions	<u>343,013,068</u>	<u>261,443,479</u>	<u>256,499,178</u>	<u>166,938,729</u>
Capital grants and contributions:				
Instruction:				
Regular	-	-	-	-
Support services:				
Fiscal	-	-	-	-
Operations and maintenance of plant	9,158,871	1,930,207	1,930,207	1,860,393
Pupil transportation	213,483	-	-	-
Capital outlay	-	-	-	-
Total capital grants and contributions	<u>9,372,354</u>	<u>1,930,207</u>	<u>1,930,207</u>	<u>1,860,393</u>
Total governmental activities program revenues	<u>358,693,119</u>	<u>268,559,766</u>	<u>271,011,247</u>	<u>179,639,073</u>
Net (Expense)/Revenue				
Governmental activities	<u>\$ (557,249,336)</u>	<u>\$ (517,739,649)</u>	<u>\$ (694,535,929)</u>	<u>\$ (768,521,582)</u>
General Revenues				
Property taxes levied for:				
General purposes	\$ 279,796,239	\$ 286,282,602	\$ 267,912,316	\$ 220,405,212
Debt service	26,808,004	26,855,751	22,900,599	16,158,257
Capital outlay	1,658,720	2,957,622	2,019,205	1,170,697
Capital projects	2,095,856	2,230,481	1,819,807	1,218,523
Grants and entitlements not restricted to specific programs	282,204,359	290,540,323	404,482,584	429,786,589
Grants and entitlements restricted for				
Ohio Facilities Construction Commission	70,702,580	-	-	-
Investment earnings	11,849,368	667,667	327,073	3,778,012
Miscellaneous	42,563,754	14,619,166	17,944,329	8,144,361
Total governmental activities	<u>717,678,880</u>	<u>624,153,612</u>	<u>717,405,913</u>	<u>680,661,651</u>
Transfers out	-	-	-	4,856,076
Change in Net Position				
Governmental activities	<u>\$ 160,429,544</u>	<u>\$ 106,413,963</u>	<u>\$ 22,869,984</u>	<u>\$ (83,003,855)</u>

Source: School District financial records.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$	25,869,930	\$ 27,441,716	\$ 28,914,602	\$ 27,686,802	\$ 28,622,647	\$ 38,760,754
	39,051,712	41,196,919	45,270,733	48,647,774	45,079,772	50,997,326
	1,565,736	1,007,776	1,588,553	1,961,612	1,151,574	1,692,844
	-	-	125,490	4,990	-	53
	13,586,490	13,333,289	8,172,852	7,868,381	6,442,704	1,809,839
	6,292,205	8,703,757	7,833,549	6,572,417	6,809,394	7,294,674
	16,275,226	21,604,022	24,085,576	21,059,213	28,316,332	26,469,136
	71,348	5,390	22,074	20,685	19,814	22,411
	6,289,307	8,027,591	7,410,219	7,633,524	6,098,758	7,917,347
	4,006,846	1,308,043	1,952,889	1,768,304	1,312,335	1,885,624
	131,426	159,146	101,908	106,520	90,807	134,917
	6,034,561	7,125,013	4,329,621	7,200,079	6,694,034	7,388,942
	3,836,506	4,679,883	2,549,930	2,709,989	2,898,364	3,482,438
	2,314,282	2,844,995	2,829,392	3,592,550	2,430,507	1,592,966
	42,569,009	38,894,323	33,611,343	35,342,724	33,223,035	31,407,090
	732,393	942,887	551,198	466,759	490,802	505,410
	<u>168,626,977</u>	<u>177,274,750</u>	<u>169,349,929</u>	<u>172,642,323</u>	<u>169,680,879</u>	<u>181,361,771</u>
	-	-	-	119,391,577	13,049,804	3,155,969
	2,587	-	10,421	-	-	-
	818,874	-	1,919,786	-	-	-
	-	-	-	-	-	-
	-	<u>10,225,792</u>	<u>1,921,083</u>	-	-	-
	<u>821,461</u>	<u>10,225,792</u>	<u>3,851,290</u>	<u>119,391,577</u>	<u>13,049,804</u>	<u>3,155,969</u>
	<u>179,294,286</u>	<u>198,026,861</u>	<u>183,529,485</u>	<u>301,020,456</u>	<u>191,806,072</u>	<u>193,473,959</u>
\$	<u>(715,164,651)</u>	<u>(416,614,468)</u>	<u>(738,122,378)</u>	<u>(566,488,971)</u>	<u>(665,118,256)</u>	<u>(686,589,906)</u>
\$	254,280,867	\$ 235,113,848	\$ 197,120,815	\$ 246,417,195	\$ 157,957,030	\$ 235,958,843
	26,318,883	21,471,349	17,846,019	22,789,130	11,786,075	30,404,951
	2,547,230	2,359,011	1,655,130	2,947,290	1,171,067	2,498,740
	2,327,090	2,525,832	1,805,373	2,123,398	1,735,036	-
	446,780,060	423,617,304	411,531,716	431,394,557	431,725,749	413,100,316
	-	-	-	-	-	-
	6,074,287	1,778,432	2,846,853	3,434,960	1,771,268	2,942,716
	15,230,175	11,594,746	14,939,918	8,509,968	17,813,733	11,360,311
	<u>753,558,592</u>	<u>698,460,522</u>	<u>647,745,824</u>	<u>717,616,498</u>	<u>623,959,958</u>	<u>696,265,877</u>
	<u>(2,883,178)</u>	<u>1,827,066</u>	-	-	-	-
\$	<u>35,510,763</u>	<u>283,673,120</u>	<u>(90,376,554)</u>	<u>151,127,527</u>	<u>(41,158,298)</u>	<u>9,675,971</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020 (a)</u>
General Fund:				
Nonspendable	\$ 1,462,551	\$ 1,919,583	\$ 1,026,134	\$ 997,198
Committed	19,899,541	-	-	-
Assigned	60,117,918	14,293,984	13,517,599	-
Unassigned (deficit)	<u>76,229,149</u>	<u>93,971,377</u>	<u>41,630,443</u>	<u>(4,568,691)</u>
Total general fund	<u>\$ 157,709,159</u>	<u>\$ 110,184,944</u>	<u>\$ 56,174,176</u>	<u>\$ (3,571,493)</u>
All Other Governmental Funds:				
Nonspendable	\$ 554,953	\$ 2,320,311	\$ 3,814,932	\$ 1,617,886
Restricted				
Debt service	66,377,907	68,803,432	59,289,802	52,244,843
Capital projects	78,880,824	76,928,253	77,978,484	75,405,404
Special revenue	32,355,450	21,554,426	31,646,793	21,160,698
Unassigned (deficit)	<u>(14,737,360)</u>	<u>(2,730,094)</u>	<u>(7,824,687)</u>	<u>(8,027,296)</u>
Total all other governmental funds	<u>\$ 163,431,774</u>	<u>\$ 166,876,328</u>	<u>\$ 164,905,324</u>	<u>\$ 142,401,535</u>
Total governmental funds	<u>\$ 321,140,933</u>	<u>\$ 277,061,272</u>	<u>\$ 221,079,500</u>	<u>\$ 138,830,042</u>

(a) GASB 84 was implemented in FY 21 and restated in FY 20

Source: School District financial records.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 790,228	\$ 903,052	\$ 936,035	\$ 806,615	\$ 841,940	\$ 1,036,595
-	-	-	-	-	-
36,830,649	58,747,739	4,852,598	12,150,076	10,265,807	12,144,755
(25,405,544)	-	86,012,193	100,011,060	55,156,983	58,129,480
<u>\$ 12,215,333</u>	<u>\$ 59,650,791</u>	<u>\$ 91,800,826</u>	<u>\$ 112,967,751</u>	<u>\$ 66,264,730</u>	<u>\$ 71,310,830</u>
\$ 1,528,116	\$ 1,519,496	\$ 258,985	\$ 372,733	\$ 394,760	\$ 789,880
53,315,518	44,565,011	40,209,203	37,721,276	43,972,211	31,213,000
91,284,046	174,726,646	198,032,192	187,937,113	206,917,876	50,200,775
22,394,815	22,239,391	22,914,688	19,950,086	25,236,675	53,265,187
(6,505,390)	(8,693,766)	(10,197,979)	(12,252,343)	(14,897,662)	(15,616,054)
<u>\$ 162,017,105</u>	<u>\$ 234,356,778</u>	<u>\$ 251,217,089</u>	<u>\$ 233,728,865</u>	<u>\$ 261,623,860</u>	<u>\$ 119,852,788</u>
<u>\$ 174,232,438</u>	<u>\$ 294,007,569</u>	<u>\$ 343,017,915</u>	<u>\$ 346,696,616</u>	<u>\$ 327,888,590</u>	<u>\$ 191,163,618</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

GOVERNMENTAL FUNDS REVENUE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
General Revenues				
Local sources:				
Property taxes	\$ 316,985,024	\$ 321,267,764	\$ 290,837,408	\$ 245,565,907
Investment earnings	11,261,558	667,728	334,633	3,751,702
Tuition and fees	4,472,082	3,569,333	11,660,102	6,492,653
Extracurricular activities	845,562	581,536	174,664	348,566
Rental income	305,875	-	-	-
Contributions and donations	25,571,646	3,715,098	8,943,525	5,714,215
Charges for services	684,962	481,483	699,085	150,736
Miscellaneous	25,886,638	14,679,259	17,361,024	13,549,773
Total Local Sources	<u>386,013,347</u>	<u>344,962,201</u>	<u>330,010,441</u>	<u>275,573,552</u>
State and Federal Sources	617,947,583	557,547,024	660,622,808	621,182,193
Total revenues	<u>\$ 1,003,960,930</u>	<u>\$ 902,509,225</u>	<u>\$ 990,633,249</u>	<u>\$ 896,755,745</u>

Source: School District financial records.

2019	2018	2017	2016	2015	2014
\$ 277,432,161	\$ 262,495,541	\$ 232,206,251	\$ 249,636,203	\$ 256,365,424	\$ 242,555,376
6,807,401	2,875,062	2,730,701	3,551,112	1,771,268	2,942,716
8,619,422	8,255,258	7,224,318	5,474,617	6,053,782	5,878,768
452,101	564,163	565,573	509,981	563,270	567,220
-	-	-	-	-	-
4,561,484	7,320,278	8,985,343	9,935,905	8,208,426	6,156,679
459,260	218,225	860,882	685,744	287,363	-
14,631,057	12,335,163	15,681,725	10,826,181	4,237,700	13,862,593
<u>312,962,886</u>	<u>294,063,690</u>	<u>268,255,056</u>	<u>280,619,743</u>	<u>283,947,424</u>	<u>271,964,069</u>
628,122,494	662,937,614	585,917,465	621,940,419	600,433,083	639,333,984
<u>\$ 941,085,380</u>	<u>\$ 957,001,304</u>	<u>\$ 854,172,521</u>	<u>\$ 902,560,162</u>	<u>\$ 884,380,507</u>	<u>\$ 911,298,053</u>

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Expenditures				
Current:				
Instructional:				
Regular	\$ 324,046,143	\$ 283,078,683	\$ 333,759,110	\$ 325,168,805
Special	162,198,127	144,953,532	209,314,822	211,891,853
Vocational	5,319,169	4,286,646	4,604,973	6,342,285
Adult/Continuing	-	-	-	-
Other	33,566,061	37,946,865	42,327,849	10,474,580
Support services:				
Pupil	50,121,100	48,397,301	45,735,807	44,035,270
Instructional staff	23,748,534	22,740,198	22,323,037	23,603,995
Board of education	313,898	209,766	265,867	233,180
Administration	52,686,835	51,045,779	57,615,254	57,783,579
Fiscal	18,030,250	24,513,570	18,694,633	17,157,417
Business	854,535	723,691	1,157,190	1,173,518
Operations and maintenance	78,228,916	71,428,038	57,481,142	73,220,004
Pupil transportation	46,986,875	28,726,585	21,689,323	35,629,344
Central	61,886,229	56,614,683	26,161,100	23,860,941
Operation of non-instructional services	40,418,386	41,655,800	34,651,285	35,073,609
Extracurricular activities	10,292,665	7,600,514	2,477,957	4,496,921
Facilities acquisition and construction	13,771,326	-	-	-
Capital outlay	23,102,604	3,582,562	10,144,296	47,255,815
Debt service:				
Principal retirement	56,373,362	6,966,090	7,725,746	6,105,000
Interest and fiscal charges	11,017,521	12,490,332	12,743,521	13,012,599
Payment to refunding bond escrow agent	14,504,370	-	-	-
Issuance costs	301,500	-	-	-
Total expenditures	<u>\$ 1,027,768,406</u>	<u>\$ 846,960,635</u>	<u>\$ 908,872,912</u>	<u>\$ 936,518,715</u>
 Capital expenditures	 \$ 45,535,375	 \$ 2,957,885	 \$ 7,235,883	 \$ 44,068,118
 Debt service as a percentage of noncapital expenditures	 8.34%	 2.31%	 2.27%	 2.14%

Source: School District financial records.

	2019	2018	2017	2016	2015	2014
\$	352,929,842	\$ 339,487,720	\$ 338,992,197	\$ 324,618,371	\$ 335,082,439	\$ 328,296,064
	199,760,057	191,218,576	175,476,604	172,622,234	177,015,873	182,611,969
	7,293,836	7,327,860	8,289,369	9,061,911	8,602,736	12,096,694
	-	-	384,463	64,500	-	620
	12,965,233	12,872,149	9,124,540	7,948,798	7,543,041	1,974,637
	45,755,347	44,099,186	38,840,456	34,931,451	35,762,625	34,740,999
	30,471,215	30,748,271	32,052,227	32,344,941	36,799,727	31,412,749
	326,564	256,007	283,108	257,321	254,804	268,543
	66,389,362	63,174,115	58,651,736	51,041,593	46,708,964	40,298,245
	20,585,345	15,346,518	12,095,073	16,527,158	16,625,868	12,268,155
	1,403,358	1,629,759	1,395,552	1,325,568	1,174,319	1,571,515
	74,560,006	74,417,192	66,993,138	70,242,266	68,459,149	62,283,307
	40,171,126	37,521,557	30,774,583	30,536,879	33,667,163	54,625,249
	30,791,372	28,302,605	37,076,806	29,169,898	25,793,659	17,449,971
	39,730,683	38,382,727	37,339,474	35,427,070	34,800,157	35,451,831
	5,756,944	5,930,679	5,757,733	6,332,299	6,821,653	6,488,287
	-	-	-	-	-	-
	109,974,721	98,739,344	45,068,587	26,687,322	76,490,025	75,299,430
	5,880,000	5,585,000	8,488,640	20,405,143	41,460,586	15,524,161
	13,232,322	13,404,512	13,572,360	13,207,413	3,129,494	6,482,113
	-	-	-	-	-	-
	-	-	-	-	826,655	177,858
\$	1,057,977,333	\$ 1,008,443,777	\$ 920,656,646	\$ 882,752,136	\$ 957,018,937	\$ 919,322,397
\$	101,905,253	\$ 94,897,782	\$ 43,638,438	\$ 18,739,931	\$ 71,296,300	\$ 99,865,136
	2.00%	2.08%	2.52%	3.89%	5.13%	2.71%

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

GOVERNMENTAL FUNDS OTHER FINANCING SOURCES (USES)
AND CHANGES IN FUND BALANCES
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Excess of revenues over (under) expenditures	\$ (23,807,476)	\$ 55,548,590	\$ 81,760,337	\$ (39,762,970)
Other Financing Sources (Uses)				
Lease transaction	21,046,956	-	-	-
General obligation bonds issued	113,205,000	-	-	-
Payment of refunded bond escrow agent	(68,283,150)	-	-	-
SBITA transaction	1,918,331			
Sale of capital assets	-	433,182	489,121	-
Transfers in	-	-	36,307,741	4,856,076
Transfers (out)	-	-	(36,307,741)	(1,000,000)
Total other financing sources (uses)	<u>67,887,137</u>	<u>433,182</u>	<u>489,121</u>	<u>3,856,076</u>
Net change in fund balances	<u>\$ 44,079,661</u>	<u>\$ 55,981,772</u>	<u>\$ 82,249,458</u>	<u>\$ (35,906,894)</u>

Source: School District financial records.

2019	2018	2017	2016	2015	2014
\$ (116,891,953)	\$ (51,442,473)	\$ (66,484,125)	\$ 19,808,026	\$ (72,638,430)	\$ (8,024,344)
-	-	-	-	-	17,943,165
-	-	-	-	200,000,000	10,525,000
-	-	-	-	-	(16,913,399)
-	605,061	-	-	-	-
1,972,898	3,799,964	1,655,767	7,960,673	8,679,511	9,320,558
(4,856,076)	(1,972,898)	(6,455,731)	(8,960,673)	(9,179,511)	(10,070,558)
(2,883,178)	2,432,127	(4,799,964)	(1,000,000)	208,777,561	11,249,488
<u>\$ (119,775,131)</u>	<u>\$ (49,010,346)</u>	<u>\$ (71,284,089)</u>	<u>\$ 18,808,026</u>	<u>\$ 136,139,131</u>	<u>\$ 3,225,144</u>

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**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN COLLECTION (FISCAL) YEARS
(IN THOUSANDS OF DOLLARS)

Collection Year	Real Property		Tangible Personal Property		Assessed Value	Total Estimated Actual Value	Ratio	Total Direct Rate
	Assessed Value	Estimated Actual Value	Public Utility					
			Assessed Value	Estimated Actual Value				
2023	\$ 5,427,325	\$ 15,506,643	\$ 555,606	\$ 631,370	\$ 5,982,931	\$ 16,138,013	37.07%	\$ 84.10
2022	5,395,065	15,414,471	523,080	594,409	5,918,145	16,008,880	36.97%	84.10
2021	4,725,624	13,501,783	498,952	566,991	5,224,576	14,068,774	37.14%	84.30
2020	4,722,560	13,493,029	470,690	534,875	5,193,250	14,027,904	37.02%	79.30
2019	4,722,561	13,493,031	470,690	534,875	5,193,251	14,027,906	37.02%	79.30
2018	4,883,583	13,953,094	439,426	499,348	5,323,009	14,452,442	36.83%	79.30
2017	4,297,763	12,279,323	390,044	443,232	4,687,807	12,722,555	36.85%	79.30
2016	4,315,725	12,330,643	333,849	379,374	4,649,574	12,710,017	36.58%	79.40
2015	4,629,285	13,226,529	318,829	362,306	4,948,114	13,588,835	36.41%	79.40
2014	4,601,349	13,146,711	298,603	339,322	4,899,952	13,486,033	36.33%	79.80

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

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

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

Source: County Fiscal Officer

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATION)
LAST TEN COLLECTION (FISCAL) YEARS
2014-2023

Tax Year/ Collection Year	Cleveland Municipal School District											Total (1)
	City of Cleveland	Cuyahoga County	Cleveland Public Library	Cleveland Metro Parks	Cleveland - Cuyahoga Port Authority	Community College	Total	General Fund	Building Maintenance	Bond Retirement	CMSD Total	
2022/2023	\$ 12.70	\$ 14.85	\$ 8.80	\$ 2.75	\$ 0.13	\$ 4.90	\$ 44.13	\$ 78.20	\$ 1.00	\$ 4.90	\$ 84.10	\$ 128.23
2021/2022	12.70	14.85	8.80	2.75	0.13	4.90	44.13	78.20	1.00	4.90	84.10	128.23
2020/2021	12.70	14.85	8.80	2.75	0.13	4.90	44.13	78.20	1.00	5.10	84.30	128.43
2019/2020	12.70	14.05	8.80	2.75	0.13	4.90	43.33	73.20	1.00	4.90	79.10	122.43
2018/2019	12.70	14.05	8.80	2.75	0.13	4.50	42.93	73.20	1.00	5.10	79.30	122.23
2017/2018	12.70	14.05	6.80	2.75	0.13	4.50	40.93	73.20	1.00	5.10	79.30	120.23
2016/2017	12.70	14.05	6.80	2.75	0.13	4.00	40.43	73.20	1.00	5.10	79.30	119.73
2015/2016	12.70	14.05	6.80	2.75	0.13	4.00	40.43	73.20	1.00	5.10	79.30	119.73
2014/2015	12.70	23.43	6.80	2.75	0.13	4.00	49.81	73.20	1.00	5.20	79.40	129.21
2013/2014	12.70	20.03	6.80	2.75	0.13	3.10	45.51	73.20	0.50	6.10	79.80	125.31

Source: Cuyahoga County Fiscal Officer

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

(2) Certain points of the Villages of Bratenahl, Newburgh Heights and Linnadale and the City of Garfield Heights, City of Brook Park are within the School District and are subject to the School District's tax.

	<u>Village of Bratenahl (2)</u>	<u>Village of Newburgh Heights (2)</u>	<u>Village of Linndale (2)</u>	<u>City of Garfield Heights (2)</u>	<u>City of Brook Park (2)</u>
\$	13.50	\$ 31.80	\$ 2.80	\$ 28.50	\$ 4.75
	15.00	31.80	2.80	29.13	4.75
	15.00	31.80	2.80	28.50	4.75
	15.00	31.80	2.80	28.30	4.75
	15.00	31.80	2.80	29.30	4.75
	15.00	31.80	2.80	28.06	4.75
	15.00	31.80	2.80	29.40	4.75
	15.00	31.80	2.80	27.20	4.75
	16.00	31.80	2.80	27.20	4.75
	16.00	31.80	2.80	27.00	4.75

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**PRINCIPAL PROPERTY TAX PAYERS
CURRENT FISCAL YEAR AND NINE YEARS AGO**

Name of Taxpayer	2022	
	Assessed Value	Percent of Real Property Assessed Value
Cleveland Electric Illuminating Co.	1 \$ 251,813,740	4.21%
East Ohio Gas Co.	2 144,364,760	2.41%
American Transmission System	3 122,255,040	2.04%
City of Cleveland, Ohio	4 111,025,260	1.86%
127 PS Fee Owner LLC	5 87,820,780	1.47%
K&D Properties	6 78,570,760	1.31%
Cleveland-Cuyahoga County Port Authority	7 70,328,010	1.18%
G&I IX 200 Public Square Garage LLC	8 51,380,950	0.86%
Hertz Cleveland	9 49,079,890	0.82%
Cleveland Propco II LLC	10 36,835,990	0.62%
Totals	<u>\$ 1,003,475,180</u>	<u>16.77%</u>
Total Assessed Valuation	<u>\$ 5,982,931,000</u>	

Name of Taxpayer	2013	
	Assessed Value	Percent of Real Property Assessed Value
Cleveland Electric Illuminating Co.	1 \$ 207,043,050	4.23%
Cleveland Clinic Foundation	2 198,883,610	4.06%
Cuyahoga County, Ohio	3 88,117,300	1.80%
City of Cleveland, Ohio	4 81,985,740	1.67%
Key Center Properties, LLC	5 80,559,150	1.64%
East Ohio Gas Co	6 66,267,070	1.35%
Cleveland Financial Associates	7 51,485,990	1.05%
Higbee Mothership LLC	8 44,484,100	0.91%
Hub North Point Properties	9 35,123,770	0.72%
National City Bank	10 34,413,150	0.70%
Totals	<u>\$ 681,319,880</u>	<u>13.90%</u>
Total Assessed Valuation	<u>\$ 4,899,952,000</u>	

Source: Cuyahoga County Fiscal Officer

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

PROPERTY TAX LEVIES AND COLLECTIONS
AD VALOREM REAL AND TANGIBLE PERSONAL PROPERTY TAXES
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS)

Collection Year	Current Tax Levy Billed (1)	Current Collection	Percent Collected (1)	Collected Delinquencies	Total Collected	Total Collected As Percent Of Current Tax Levy
2023	\$ 336,374	\$ 307,757	91.49%	\$ 25,228	\$ 332,985	98.99%
2022	332,451	301,833	90.79%	27,305	329,138	99.00%
2021	324,116	297,189	91.69%	20,862	318,051	98.13%
2020	294,326	268,731	91.30%	18,711	287,442	97.66%
2019	292,817	258,534	88.29%	22,421	280,955	95.95%
2018	294,196	259,936	88.35%	18,928	278,864	94.79%
2017	284,689	254,540	89.41%	16,955	271,495	95.37%
2016	279,407	242,941	86.95%	16,304	259,245	92.78%
2015	300,289	239,052	79.61%	20,107	259,159	86.30%
2014	294,107	236,058	80.26%	19,822	255,880	87.00%
2013	286,871	236,946	82.60%	19,192	256,138	89.29%

Source: Office of the Fiscal Officer, Cuyahoga County, Ohio - Data is presented on a calendar year basis

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

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
LAST TEN YEARS
2014-2023

Fiscal Year	Estimated Population (1)	Estimated Actual Values	General Obligation Bonded Debt		
			Net General Obligation Bonded Debt (2)	Ratio of General Obligation Bonded Debt to Estimated Actual Value	General Obligation Bonded Debt Per Capita
2023	361,607	\$ 16,138,013,000	\$ 230,910,000	0.01	\$ 639
2022	367,991	16,008,880,000	251,175,000	0.02	683
2021	372,624	14,068,774,000	257,900,000	0.02	692
2020	381,009	14,027,904,000	264,275,000	0.02	694
2019	383,793	14,027,906,000	270,380,000	0.02	704
2018	385,525	14,452,442,000	276,260,000	0.02	717
2017	385,809	12,722,555,000	281,845,000	0.02	731
2016	388,072	12,710,017,000	287,240,000	0.02	740
2015	389,521	13,588,835,000	304,080,000	0.02	781
2014	390,113	13,486,033,000	120,820,000	0.01	310

Sources:

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

Other Governmental Activities Debt

Qualified Zone Academy Bonds	Notes	Leass Payable/ SBITAs/ Capital Lease Obligation	Total Debt	Percentage of Personal Income	Per Capita
\$ -	\$ -	\$ 26,126,920	\$ 257,036,920	3.04%	\$ 711
-	-	1,166,634	252,341,634	2.93%	686
-	-	-	257,900,000	3.08%	692
-	-	1,350,746	265,625,746	3.28%	697
-	-	4,018,842	274,398,842	3.56%	715
-	-	6,643,024	282,903,024	4.08%	734
-	-	9,224,016	291,069,016	4.30%	754
-	555,129	11,762,527	299,557,656	4.43%	772
-	1,623,542	14,259,257	319,962,799	4.83%	821
21,250,000	2,638,491	16,714,894	161,423,385	2.44%	414

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2023

Assessed Value	\$ 5,982,931,230
Debt Limit (9% of assessed value)	538,463,811
Debt Applicable to Limit	<u>230,910,000</u>
Legal Debt Margin	<u><u>\$ 307,553,811</u></u>

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Debt Limit - 9% of Taxable Valuation	\$ 538,463,811	\$ 532,633,048	\$ 470,211,827	\$ 467,392,596
Total Net Debt Applicable to Limit	<u>230,910,000</u>	<u>251,175,000</u>	<u>203,259,198</u>	<u>233,508,202</u>
Legal Debt Margin	<u><u>\$ 307,553,811</u></u>	<u><u>\$ 281,458,048</u></u>	<u><u>\$ 266,952,629</u></u>	<u><u>\$ 233,884,394</u></u>
Total Net Debt Applicable to the Limit as a Percentage of the Debt Limit	42.88%	47.16%	43.23%	49.96%

Source: Office of the County Fiscal Officer, Cuyahoga County, Ohio

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

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 479,070,778	\$ 430,830,755	\$ 421,902,602	\$ 418,461,602	\$ 450,630,496	\$ 446,125,379
<u>242,385,347</u>	<u>251,108,048</u>	<u>259,589,396</u>	<u>268,001,993</u>	<u>287,903,530</u>	<u>107,878,824</u>
<u>\$ 236,685,431</u>	<u>\$ 179,722,707</u>	<u>\$ 162,313,206</u>	<u>\$ 150,459,609</u>	<u>\$ 162,726,966</u>	<u>\$ 338,246,555</u>
50.59%	58.28%	61.53%	64.04%	63.89%	24.18%

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2023

Governmental Unit	Gross General Obligation	Percent Applicable to School District (1)	Amount Applicable to School District
Direct:			
Cleveland Municipal School District	\$ 257,036,920	100.00%	\$ 257,036,920
Overlapping:			
Cuyahoga County	240,795,000	17.06%	41,081,041
Brook Park City	8,600,000	4.81%	413,820
Cleveland City	361,080,000	98.05%	354,022,391
Garfield Heights City	11,071,600	4.80%	531,525
Bratenahl Village	2,400,000	100.00%	2,400,000
Newburgh Heights	670,000	100.00%	670,000
Total overlapping	<u>\$ 624,616,600</u>		<u>\$ 399,118,777</u>
Total direct and overlapping debt	<u>\$ 881,653,520</u>		<u>\$ 656,155,697</u>

Source: Cuyahoga County Fiscal Officer

(1) - Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the School District by the total assessed valuation of the government.

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

DEMOGRAPHIC STATISTICS
LAST TEN YEARS

Year	Population	Personal Income	Per Capita Income	State Unemployment Rate
2023	361,607	\$ 8,467,027,905	\$ 26,040	3.4%
2022	367,991	8,616,509,265	23,415	4.2%
2021	372,624	8,362,427,888	22,442	4.5%
2020	381,009	8,086,154,007	21,223	10.9%
2019	383,793	7,708,482,405	20,085	4.0%
2018	385,525	6,940,606,575	18,003	4.5%
2017	385,809	6,765,932,433	17,537	5.1%
2016	388,072	6,766,423,392	17,436	5.0%
2015	389,521	6,618,740,832	16,992	5.0%
2014	390,113	6,628,800,096	16,992	5.5%

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

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	2022			2013		
	Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Cleveland Clinic	50,846	1	34.80%	30,979	1	21.20%
University Hospitals	24,462	2	16.74%	12,719	2	8.71%
U.S. Office of Personnel Management	16,110	3	11.03%	11,939	3	8.17%
Cuyahoga County	7,201	4	4.93%	7,544	4	5.16%
The MetroHealth System	6,979	5	4.78%	5,396	7	3.69%
City of Cleveland	6,935	6	4.75%	6,825	6	4.67%
Cleveland Metropolitan School District	5,784	7	3.96%	6,875	5	4.71%
KeyCorp	5,729	8	3.92%	4,955	8	3.39%
Sherwin-Williams Co.	4,582	9	3.14%	3,221	10	2.20%
Case Western Reserve University	3,868	10	2.65%	4,543	9	3.11%
Total	<u>132,496</u>		<u>90.69%</u>	<u>94,996</u>		<u>65.02%</u>
Total Employment within the School District	<u>146,100</u>			<u>146,100</u>		

Source: City of Cleveland 2022 ACFR

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**FULL-TIME EQUIVALENT SCHOOL DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	Percentage Change 2014-2023
Educational Staff:											
Regular Education	1,972	2,022	1,865	1,985	1,985	1,982	2,060	1,744	1,780	1,742	13.20%
Special Education	781	797	775	898	898	920	868	813	848	718	8.77%
Other Professional - Educational	53	15	54	13	13	15	21	45	29	35	51.43%
Total Educational	2,806	2,834	2,694	2,896	2,896	2,917	2,949	2,602	2,657	2,495	12.46%
Student Services:											
Curriculum Specialist	12	12	2	37	37	71	74	66	108	106	-88.68%
Paraprofessional	503	491	615	212	212	173	163	153	152	153	228.76%
Counseling	43	44	43	50	50	50	48	50	51	52	-17.31%
Librarian/Media	25	25	25	24	24	21	19	26	29	34	-26.47%
Remedial Specialist	-	-	33	-	-	-	-	261	121	247	-100.00%
Psychologist	77	78	74	78	78	68	68	68	69	70	10.00%
Registered Nurse	48	47	52	52	52	51	55	42	38	39	23.08%
Social Work	-	-	6	4	4	4	7	7	6	6	-100.00%
Physical Therapist	9	9	9	9	9	9	8	7	8	8	12.50%
Speech/Language Therapist	84	80	81	83	83	80	76	71	75	75	12.00%
Occ/Mobility Therapist	49	50	40	58	58	34	32	25	24	25	96.00%
Other Professional Services	54	56	158	46	46	47	67	81	78	135	-60.00%
Total Student Services	904	892	1,138	653	653	608	617	857	759	950	-4.84%
Support Staff:											
Bookkeeping	7	6	24	24	24	21	32	19	30	16	-56.25%
Clerical Assignment	117	112	180	210	210	195	213	202	201	203	-42.36%
Teaching Aide	296	304	93	710	710	781	543	537	532	524	-43.51%
Other Office/Clerical	-	-	13	19	19	16	33	27	20	18	-100.00%
Attendance Officer	-	-	12	12	12	8	10	12	16	16	-100.00%
Maintenance	60	67	36	40	40	33	40	37	32	33	81.82%
Custodial	312	305	319	334	334	298	333	323	320	308	1.30%
Food Service/Dietician	288	278	116	6	6	6	8	3	4	5	5660.00%
Guard/Watchman	122	123	164	201	201	182	193	226	230	225	-45.78%
Mechanic/Foreman	22	21	44	46	46	40	47	50	47	42	-47.62%
Vehicle Operating/Dispatch	221	236	211	146	146	262	113	29	27	31	612.90%
Computer Operating/Programming	26	23	18	15	15	20	22	25	25	25	4.00%
Total Support	1,471	1,475	1,230	1,763	1,763	1,862	1,587	1,490	1,484	1,446	1.73%
Administrative Staff:											
Administrative Assistant	41	37	11	14	14	12	10	8	8	7	485.71%
Deputy/Associate	-	35	37	25	25	21	26	40	25	28	-100.00%
Director	37	44	14	31	31	30	33	5	10	8	362.50%
Principal	101	101	107	114	114	108	113	113	113	111	-9.01%
Assistant Principal	91	96	72	84	84	101	97	81	72	74	22.97%
Supervisor/Manager	170	152	210	211	211	201	128	92	66	84	102.38%
Coordinator	73	57	89	63	63	58	81	44	43	47	55.32%
Education Administrative Specialist	-	-	10	7	7	8	6	10	6	8	-100.00%
Other Official/Administrator	144	180	159	93	93	110	66	59	49	44	227.27%
Total Administrative	657	702	709	642	642	649	560	452	392	411	59.85%
Total Employees	5,838	5,903	5,771	5,954	5,954	6,036	5,713	5,401	5,292	5,302	10.11%

Source: School District records

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**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS

Governmental Activities

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Land	\$ 31,597,774	\$ 31,597,774	\$ 31,597,774	\$ 31,814,081	\$ 31,814,081
Construction in progress	13,924,754	15,018,318	14,112,322	94,277,459	60,006,978
Land improvements	84,020	93,142	102,191	113,160	50,484
Buildings and improvements	869,619,267	887,519,752	918,193,252	863,038,409	859,845,018
Vehicles and Equipment	18,259,349	11,093,345	11,756,598	12,901,271	12,516,009
Internal Generated Software	293,934	293,934	293,934	293,934	10,092
Intangible right-to-use-assets	25,905,218	6,792,137	1,407,724	-	-
Total Governmental Activities Capital Assets, net	<u>\$ 959,684,316</u>	<u>\$ 952,408,402</u>	<u>\$ 977,463,795</u>	<u>\$ 1,002,438,314</u>	<u>\$ 964,242,662</u>

Governmental Activities

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Land	\$ 31,814,081	\$ 31,814,081	\$ 31,814,081	\$ 31,814,081	\$ 32,608,196
Construction in progress	85,500,350	48,949,415	20,645,660	142,447,276	74,627,043
Land improvements	62,034	74,900	89,084	107,836	172,018
Buildings and improvements	761,507,524	731,633,466	742,456,894	629,368,663	652,824,352
Vehicles and Equipment	13,375,915	14,313,962	15,465,625	16,375,276	18,762,051
Internal Generated Software	211,598	553,728	916,496	1,289,953	1,677,885
Intangible right-to-use-assets	-	-	-	-	-
Total Governmental Activities Capital Assets, net	<u>\$ 892,471,502</u>	<u>\$ 827,339,552</u>	<u>\$ 811,387,840</u>	<u>\$ 821,403,085</u>	<u>\$ 780,671,545</u>

Source: School District financial records.

Note: Amounts above are presented net of accumulated depreciation.

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures (1)	Cost Per Pupil	Percentage Change
2023	33,149	\$ 908,697,723	\$ 27,413	16.08%
2022	34,890	823,921,651	23,615	-7.21%
2021	34,511	878,259,349	25,449	26.92%
2020	37,158	745,069,321	20,051	-5.73%
2019	37,701	801,927,927	21,271	7.73%
2018	38,637	762,889,478	19,745	6.66%
2017	38,952	721,093,583	18,512	5.50%
2016	39,125	686,521,896	17,547	46.38%
2015	39,083	468,488,105	11,987	-26.62%
2014	37,967	620,202,126	16,335	4.62%

Source: Ohio Department of Education

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

	<u>Expenses (2)</u>	<u>Cost Per Pupil</u>	<u>Teaching Staff</u>	<u>Pupil/ Teacher Ratio</u>	<u>Percentage of Students Receiving Free and Reduced - Paid Meals (3)</u>
\$	904,270,634	27,279	2,806	11.8	100.00%
	773,827,806	22,179	2,431	14.4	100.00%
	952,805,473	27,609	2,491	13.9	100.00%
	810,072,076	21,801	2,434	15.3	100.00%
	754,258,252	20,006	2,476	15.2	100.00%
	474,524,881	12,282	2,448	15.8	100.00%
	775,668,799	19,913	2,826	13.8	100.00%
	718,366,526	18,361	2,803	14.0	100.00%
	706,826,034	18,085	2,825	13.8	100.00%
	696,276,661	18,339	2,469	15.4	100.00%

**CLEVELAND MUNICIPAL SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

TEACHER BASE SALARIES
LAST TEN YEARS
2014-2023

Year	Minimum Salary	Maximum Salary	Statewide Average Salary
2023	\$ 49,198	\$ 99,135	N/A
2022	47,765	96,248	\$ 69,081
2021	46,734	91,612	65,548
2020	46,734	91,612	63,899
2019	45,915	88,926	62,190
2018	44,686	86,546	60,731
2017	43,490	84,230	58,488
2016	42,637	82,578	57,154
2015	42,215	81,760	57,636
2014	42,215	87,631	55,916

Sources: Ohio Department of Education
and School District Labor Agreement
N/A - Information not available.