

**CITY OF BEACHWOOD
CUYAHOGA COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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

City of Beachwood
Cuyahoga County
2700 Richmond Road
Beachwood, Ohio 44122

To the Members of City Council:

We have audited the financial statements of the City of Beachwood, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 1999, and have issued our report thereon dated May 31, 2000, in which report we noted the City made various adjustments to the beginning fund balance. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated May 31, 2000.

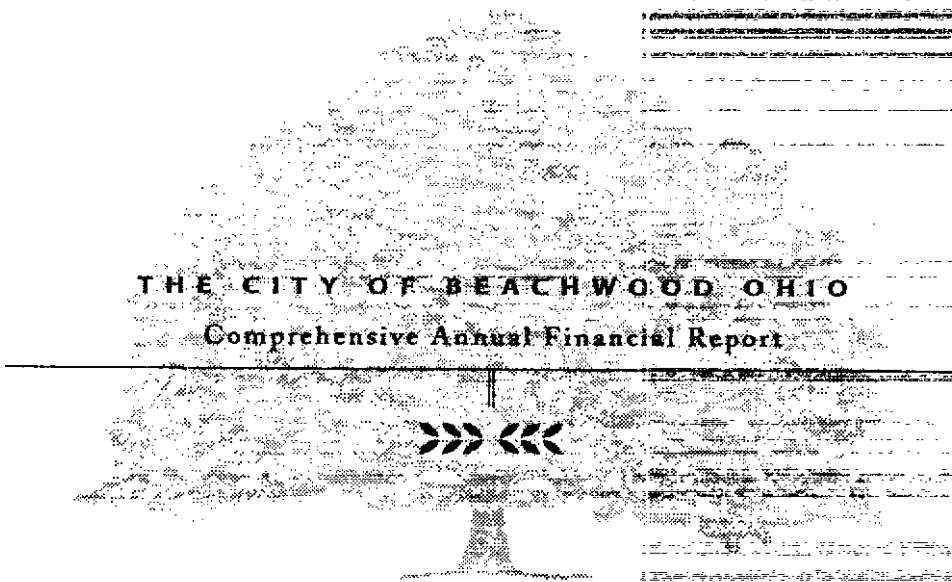
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This report is intended for the information and use of management and City Council, and is not intended to be and should not be used by anyone other than these specified parties.

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

Jim Petro
Auditor of State

May 31, 2000



THE CITY OF BEACHWOOD OHIO
Comprehensive Annual Financial Report

CAFR
for the year ended
DECEMBER 31 1999

CITY OF
Beachwood

THE CITY OF BEACHWOOD OHIO
Comprehensive Annual Financial Report



PREPARED BY:

Office of the Finance Director
David A. Pfaff, CPA
Finance Director

INTRODUCTORY SECTION



City of Beachwood, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 1999
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CITY OF *Beachwood*

2700 RICHMOND ROAD • BEACHWOOD, OHIO 44122

MAYOR
MERLE S. GORDEN

May 31, 2000

Members of Beachwood City Council and
The Citizens of Beachwood, Ohio

It is our privilege to present to you the second Comprehensive Annual Financial Report (CAFR) prepared for the City of Beachwood. This CAFR represents the official report of the City of Beachwood's operations and financial position for the year ended December 31, 1999, and has been developed to accurately detail the status of City finances to Beachwood residents and elected officials, investment banks and underwriters, rating agencies and all other interested parties.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the entire presentation, including all disclosures, rests with the City of Beachwood. We believe the data presented is accurate in all material respects, that it is presented in a manner designed to set forth fairly the financial position and results of operations of the City as measured by financial activity of its various funds, account groups and applicable component units. All disclosures necessary to enable the reader to gain an understanding of the City of Beachwood's activities have been included.

The Comprehensive Annual Financial Report is presented in three sections:

THE INTRODUCTORY SECTION, which includes a table of contents, this transmittal letter, a list of the City's principal elected and appointed officials, an organizational chart and the GFOA Certificate of Achievement.

THE FINANCIAL SECTION, which includes the Report of the Independent Accountants, the general purpose financial statements, including any explanatory notes that support a more detailed overview of the City of Beachwood's financial position and results of operations, and the combining financial statements and schedules of the individual funds and account groups that provide information related to the general purpose financial statements.

THE STATISTICAL SECTION, which includes selected financial and demographic information, generally presented on a multi-year basis.

FINANCE DEPARTMENT
DAVID A. PFAFF, CPA, FINANCE DIRECTOR
PHONE (216) 292-1903 • FAX (216) 292-1912

REPORTING ENTITY

The City has reviewed its reporting entity definition in order to insure compliance and conformance with the Governmental Accounting Standards Board Statement Number 14, "The Financial Reporting Entity." For financial reporting definition purposes, City management has considered all agencies, departments and organizations comprising the City of Beachwood, the primary government, and its potential component units.

The Beachwood City School District and the (Cleveland) Regional Transit Authority have not been included in the accompanying general purpose financial statements. Boards of both entities are not appointed by the City, nor is either fiscally dependent on the City of Beachwood.

The City has contracted with the Regional Income Tax Agency for municipal income tax administration and collection services.

THE CITY OF BEACHWOOD

The City of Beachwood gained formal status as a City in 1960 with an estimated census of approximately 6,100 residents. Previously, the City was incorporated as a village in 1915. Beachwood is located in the county of Cuyahoga in northeastern Ohio approximately 13.5 miles east of downtown Cleveland.

The City of Beachwood covers approximately six square miles, and is located in an area easily accessible by various methods of mass public transportation. The City is bordered on the east by Interstate 271, which provides connecting routes to Interstates 90 and 480. Cleveland Hopkins International Airport is less than thirty miles from Beachwood, while Cleveland Burke Lakefront Airport and the Cuyahoga County Regional Airport are both less than fifteen miles from the City.

The quality of life in Beachwood, supported by low taxes, an excellent public education system and effective public services, has consistently served to be attractive to new residents and commercial investors. Surveys show that young families are drawn to Beachwood for all of the reasons stated above, and these qualities are also a strong basis for maintaining a stable residential population. Currently, the community is made up of more than 2,500 homes and 1,800 apartment and condominium units and is populated by nearly 12,000 residents. Due to factors attracting commercial interests to Beachwood, the daytime population swells to approximately 70,000 as employees arrive for work.

Cleveland's relatively close proximity allows Beachwood residents to benefit from cultural and entertainment attractions staged at sites within a short drive of the City. The Cleveland Orchestra at Severance Hall, the Cleveland Museum of Art and the Crawford Auto and Aviation Museum are all situated in University Circle just miles from Beachwood. Downtown Cleveland offers a wide array of professional and collegiate sports teams in state of the art facilities. The Great Lakes Science Center and the Rock and Roll Hall of Fame are popular additions to Cleveland's lakefront development, which is bordered by quality shopping offerings located at the Galleria and Tower City.

The Cleveland area is also well respected for the level of medical services available. The Cleveland Clinic Foundation is known world-wide as one of the premier medical facilities. University Hospitals also provide a top-rate source of specialized medical services. Both organizations are located less than fifteen minutes from Beachwood.

Beachwood itself offers residents and visitors a significant level of cultural, medical and entertainment services. Beachwood Place mall underwent a substantial upgrade in 1997, and offers shoppers more than 140 stores featuring apparel, home furnishings and other gifts. Flanked by Saks Fifth Avenue, Nordstrom and Dillard's, Beachwood Place also is a profitable revenue source for the City, as it is staffed by over 1,500 sales associates. La Place and the Pavilion Shopping Centre are enclosed malls that also attract the attention of residents and commuting employees.

Beachwood is home to the newly constructed Peter B. Lewis Aquatic & Therapy Center, a project made possible by Mr. Lewis, the Chief Executive Officer of Progressive Corporation. The first such aquatic rehabilitation center of its type in the Cleveland area, the facility will include therapy pools with moveable floors that allow clients to enter the pool in wheelchairs without fear of being lifted over the water surface.

MBNA is the largest independent credit card lender in the world, and has chosen Beachwood as the site of a major portion of their business operations. With a staff in excess of 1,800, MBNA is the City's largest employer and provides substantial tax revenues to support City operations. Alfred Lerner, president of MBNA, recently was awarded controlling ownership in the new edition of the Cleveland Browns football team.

The City has made substantial investments in its Recreation and Human Services programs, offering a wide array of sports and health improvement activities for commercial and residential citizens of Beachwood. Understanding the commitment the City has to its business community, there are a number of recreation programs that provide summer day camps as well as before and after-camp childcare that allow working parents a safe haven for their children. City-sponsored recreation activities run year-round, and include specialized programming for all ages and abilities.

CITY GOVERNMENT

The City Charter was first adopted by voters on November 3, 1959. It was extensively revised and re-adopted in its entirety at the general election of November 8, 1994. The Charter governs operations of the City of Beachwood and provides for a Mayor-Council form of municipal government. All legislative authority is vested in a seven-member Council. Council members are elected on an at-large basis at the regular municipal election in November of odd numbered years for a term of four years, and serve staggered terms commencing on the first day of January after the election.

At the first Council meeting in January following the election of Council members, Council is required to hold an organizational meeting at which time one of the members is elected Council President to serve for a term not to extend beyond the next organizational meeting. The Council President appoints chairpersons and members of standing and temporary committees of Council to serve terms not beyond the next organizational meeting.

Council also appoints individuals to serve in the positions of Law Director, Assistant Law Director and other Attorneys at Law for the City and confirms Mayoral appointments of various other director positions. Council is charged with approving the employment of consultants to advise and assist the Mayor, Council or any board, commission or department of the City relative to City issues.

The Council determines and sets compensation of City officials and employees, and enacts legislation in the form of ordinances and resolutions relative to City services, tax levies, appropriating and borrowing monies, licensing and regulating businesses and trades, and other various municipal purposes.

Pursuant to the revised Charter, the Mayor is to be elected every fourth year - the first election under the revised Charter being held in 1997, for a term of four years. The Mayor is considered to be the Chief Executive Officer of the City, and is responsible for all contracts, conveyances, evidences of indebtedness and other instruments to which the City is a party. The Mayor serves as the official and ceremonial head of the City government.

The Mayor is required to supervise the administration of the City's affairs, and exercises control over all departments and divisions except those reserved to Council. The Mayor acts also as the chief conservator of the peace within the City, and is required to enforce all laws and regulations. The Mayor currently serves in the additional capacity of Safety Director.

City administrative departments operating under the supervision of the Mayor include: Audit, Building, Community Services, Finance, Fire, Police and Service. The Department of Law is controlled by a director appointed by City Council and works to assist the various administrative operations of the City.

Beachwood residents receive water services from the City of Cleveland and sewer services from the Northeast Ohio Regional Sewer District. Beachwood safety forces are partners with other local municipalities for joint response fire and police services. Income tax administration is managed for the City through a contract with the Regional Income Tax Agency.

ECONOMIC CONDITIONS AND OUTLOOK

City Council and the Administration are committed to protecting the level of services afforded all of the commercial and residential citizenry of Beachwood and to implement projects and programs designed to improve the economic and operational efficiency of the City Government. Through effective financial management, the City is striving to maintain tax rates at current levels, an action that should continue to draw new businesses and home buyers to the City.

July 1998 marked the start of major construction in the area of Beachwood known as Chagrin Highlands. Commercial development in this area promises to deliver a blend of custom designed corporate headquarters, multi-tenant buildings, hotels, restaurants and business service enterprises that will add to the tax base of the City. Additionally, one third of the 630-acre site overlooking Interstate 271 will be dedicated as scenic green space, a factor indicative of Beachwood's commitment to maintain a high sense of environmental integrity.

The Chagrin Highlands project will be the focal point of future economic growth for the City. Employment projections for the next twenty years indicate that potentially 20,000 individuals will obtain jobs in Chagrin Highlands businesses. Tax revenue generated from these employees will be available for infrastructure replacement and expansion. Construction of the first office building in the Chagrin Highlands was completed in 1999, with Scott Technologies becoming the first major tenant of the new building.

Phase One of the approximate \$1.3 million infrastructure improvements including the construction of Spectrum and Auburn roadways was substantially completed in 1999. To accommodate the expected increase in traffic for Chagrin Highlands, the City committed \$1 million in 1998 to major arterial improvements on Harvard and Richmond Roads, the result of which will include the installation of a new interchange for Interstate 271 at Harvard Road. These projects were designed to minimize the traffic disruptions in residential areas as well as to protect City infrastructure from the volume of employees and customers commuting to Chagrin Highlands. It is anticipated that both the Harvard and Richmond Roads projects will be completed by the summer of 2000.

The City has consistently enjoyed the benefits of a strong commercial employment base that has provided for a consistent level of withholding tax collections. This strong base has enabled the City to enjoy increased collections during economically strong periods such as the present, while at the same time maintaining fairly level collections during economic downturns. In an effort to maintain this strong commercial base, the City entered into a contractual agreement with the Beachwood Chamber of Commerce at the end of 1999 to provide economical development services. Under this agreement the Beachwood Chamber of Commerce will work to keep current businesses and attract new businesses to the City.

Continually increasing property tax values, fueled by the combination of good government and a superlative public school system make the City of Beachwood an attractive place to live, work and play. Because of this attractiveness the City will be able to continually attract new residents and businesses, which will protect the City's income stream for years to come.

MAJOR INITIATIVES

Cooperative efforts by the Mayor and Council led to a variety of major initiatives being implemented, continued, or completed in 1999. These initiatives are designed to improve the general level of operations of the City and to enhance the level of services and benefits provided to Beachwood residential and commercial residents.

City Hall Master Plan

A measure of the City's commitment to future growth is the City Hall Master Plan, a joint effort of Council and the Administration designed to appropriately provide facility expansion. Residents will benefit from new construction of a fire station, a service complex and new recreational facilities. Increases in the City's work force projected over the next 15-20 years will be accommodated by an expansion of the main City Hall building. Approximately \$25 million will be expended through 2003 to accomplish these objectives.

A minor part of the Master Plan is the remodeling of Fire Station No. 2 that began in late 1999.

Administrative Resource Improvements

In 1999, the City continued an aggressive program to improve and update administrative resources and operational performance. Council approved personnel expansions requested by the Mayor that will allow for continuation of the excellent level of community services provided to residents of the City and for the support of future growth projected through the next century.

The staffing levels of the Beachwood Safety forces were a primary concern of City management. During 1999 the City hired 8 new firefighters, 6 new officers and 2 officers to fill existing vacancies. The City also administered a civil service exam for firefighters in 1999 in anticipation of future vacancies.

The Beachwood Service Department continued in 1999 with a program designed to reduce the City's dependence on independent contractors for economic and efficiency reasons. During 1999 the Service Department staff increased in size by 6 employees, including the addition of a Shipping and Receiving Clerk. The addition of a shipping and receiving clerk added an additional level of internal control to the City's purchasing function.

Work force additions have allowed the City to sustain its high level of street and sewer projects and lower total maintenance and repair costs. The environmentally conscious direction of the Mayor and Council, supported by the efforts of trained Service Department personnel, led to the City's certification as a "Tree City USA," an award presented by the National Arbor Day Foundation.

The Mayor has instituted various programs geared towards improving the City's technology capabilities in an effort to increase efficiencies and controls. The City's Year 2000 Task Force performed exhaustive evaluations of mission critical City systems in 1999. In part due to the diligence of this task force the City entered the new millennium without any major interruptions in City services. The City web site had a successful launch in February 1999, and plans to expand future Internet capabilities to include registration for recreation programs and obtaining permits in compliance with current ordinances.

Work also continued in the area of records retention. During 1999 the City completed the conversion in excess of 1.6 million administrative documents to microfilm. Also in 1999 the police department began the process of reviewing records for possible destruction. It is anticipated that approval for destruction of these records will be obtained in the year 2000.

Community Programs

The City will continue to promote an aggressive street repair program in the immediate future. A strong financial standing has allowed the City to undertake regular projects of street and sewer improvements and preventive maintenance. The Service Department, through quality additions to its work force, is becoming increasingly proficient at conducting road repair programs with little or no reliance on outside contractors. This approach to capital repairs promotes planned and predictable expenditure levels making cash management strategies more effective and eliminating large variances in spending from year to year. In addition to work performed by Service Department personnel, the City spent in excess of \$3.0 million on major road rehabilitation projects.

In 1999, the City continued to provide a superior level of public service. In an effort to provide the best services possible, the City's Public Service Department picked up 4,800 tons of rubbish, provided 26 complete leaf pickups, and applied 7,000 tons of rock salt. The Service Department also was aggressive in providing professional landscaping services including the removal of 220 dead and/or hazardous trees, planting 384 new trees, 8,500 perennial flower bulbs, 1,720 annual flowers, 1,600 lbs. of grass seed, and spreading 550 cubic yards of mulch for the beautification of the City. All of these services were done at no additional cost to the residents.

As evidence of the City's strong financial position and City government's commitment to the Beachwood residential citizenry, in 1998 City Council approved a two-year extension of the City's 100% tax credit for residents. Initially implemented as a temporary measure for 1997-1998, the credit has been extended through the year 2000 and allows residents working in locations outside Beachwood to receive 100% credit for all income taxes paid to other taxing districts. This credit, in addition to the low property tax rates levied by the City, has continued to make Beachwood an attractive alternative to new home buyers and proved to be a factor in the overall stability of the City's residential population.

In 1999 the City's Police Department purchased a "Reverse 911 System". This equipment allows the Police Department to notify residents via the telephone in emergency situations. Use of this equipment enables the Police Department to keep emergency phone lines open.

In October 1999, the Beachwood Fire Department celebrated its 50th Anniversary. The anniversary was celebrated with a weekend of entertainment and festivities. Residents were encouraged to participate in activities throughout the weekend, and to view the various pieces of fire and emergency medical service equipment on display.

FUTURE PROJECTS AND PROGRAMS

As Beachwood looks towards the future, the City Government has initiated plans to accommodate growth in the business and residential communities through an extensive expansion of facilities. The City Hall Master Plan, a project started in 1998, provided for an evaluation of the effectiveness and efficiency of all aspects of City operations. The results of the research indicated that the City should undertake four major projects in the immediate future to protect the high level of public services Beachwood commercial and residential citizens have come to expect and enjoy.

The first major component of the Master Plan is replacement of Fire Station No.1, currently located at the corner of Fairmount and Richmond Roads. A new station will be constructed on the east side of Richmond Road, across from City Hall. Construction of this \$3.5 million facility is scheduled to begin in the spring of 2000. The City also purchased 3.9 acres of land from the Park Synagogue Cemetery for \$1.5 million. This land is tentatively scheduled to be used for the future expansion of fire protection services on the south end of town.

Phase one of the City's "Recreational Facilities Plan," which includes the construction of eight new tennis courts at a cost of approximately \$1.3 million is slated to begin in the spring of 2000. In addition to the new tennis courts the City reached an agreement with RTA in early 2000 for the purchase of in excess of 25 acres of land west of Richmond Road between the two Shaker Boulevards for \$3.3 million. This land, along with the approximately 27-acre site east of Richmond, will be used to develop state of the art recreational facilities over the next 10 years.

Administrative space within the existing City Hall is also a need that is addressed in the Master Plan. The City is presently considering several alternatives relative to an expansion of current City Hall facilities. It is anticipated that - subsequent to the completion of the fire station and tennis courts - a major renovation program will be scheduled for the main City Hall building, to include the expansion of the existing Service Department facilities.

Related to the Master Plan development, the impact of the commercial projects underway at Chagrin Highlands played a major role in how growth in the City would be accommodated and managed. Upon completion of office park construction, projected to continue over the next twenty years, as many as 20,000 new workers are expected to obtain employment in Chagrin Highlands. Tax revenue from these employees should enhance annual tax collections substantially for the City.

An integral consideration of the Master Plan was to provide for a quality level of services for the influx of new employees anticipated to fill positions in Chagrin Highlands enterprises. Over the next twenty years, construction in Chagrin Highlands will increase the volume of commercial office space in Beachwood from 3.2 million to 5.2 million square feet.

The new Harvard Road interchange for Interstate-271 will be operational in 2000 and should serve to alleviate traffic considerations associated with development in Chagrin Highlands. The City has worked diligently and in cooperation with the Ohio Department of Transportation and neighboring communities to address traffic concerns that inevitably arise from commercial expansion.

FINANCIAL INFORMATION

Accounting Policies and Budgetary Control

In fiscal year 1997, the City of Beachwood converted its financial reporting from a cash basis to one in accordance and conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The City utilizes a modified accrual basis of accounting for all governmental fund types and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. Measurable means the amount of the transaction may be determined, and available means collectible within the current year or in the subsequent year in sufficient time to pay liabilities of the current year. The available period for the City is sixty days after year end.

The accrual basis of accounting is utilized for reporting purposes by the nonexpendable trust fund. Under this basis of accounting, revenues are recognized when earned and expenses are recorded as incurred. Use of this method of accounting enables City management to maximize decision making capabilities through a more efficient and consistent reporting system which allows current and past year operating information to be compared effectively.

The budgetary process is conducted in accordance with requirements stipulated in the Ohio Revised Code and the City Charter and related ordinances. Major documents associated with budget preparation include: the Cuyahoga County Tax Budget, the Certificate of Estimated Resources (filed with the Cuyahoga County Auditor) and the Appropriation Ordinance. All budget documents are prepared in compliance with the budgetary basis of accounting. Both the Certificate of Estimated Resources and the Appropriation Ordinance are subject to revision and amendment throughout the fiscal year; both are subject to the restriction that current appropriations cannot exceed estimated resources as disclosed on the Certificate of Estimated Resources. In accordance with State law, all funds, with the exception of agency funds, are legally required to be budgeted and appropriated. Council controls budgeted appropriations at the department level for the General Fund and at the fund level for all other funds. Modifications or amendments to control levels in the Appropriation Ordinance require Council approval; internal City financial policies permit fund transfers within control levels with approval by the Mayor and Finance Director.

The City employs an encumbrance system documenting purchase commitment amounts prior to generation and release of official City purchase orders. Purchasing practices within the City require departmental review and authorization of all purchase requisitions prior to representation to the Purchasing Department. Where applicable, proposed purchases in excess of administrative approval limits are subject to competitive bid requirements of Council and are awarded subsequent to approved legislation authorizing the procurement of goods or services. The Finance Director certifies all purchase orders for availability of funds and the estimated expenditure is encumbered against the appropriate departmental or fund appropriation.

Annual appropriations for the current year are determined by Council action on or before January 15 and are set as approved amounts in the City's computerized financial system. Any transfers or disbursements of cash between approved funds require appropriation authority and the approval of Council. Each year Council approves a Chart of Accounts developed by the Finance Director, the content of which details funds, major revenue and expense classes and objects used in preparation of City financial statements and reports.

Internal Accounting and Reporting Control

In an effort to improve the level and efficiency of internal accounting controls, the City created a full-time position of Audit Director in 1998. The Audit Director reviews all financial operations of the City and also conducts periodic reviews of other aspects of administrative performance to develop recommendations for management and Council. In conjunction with ongoing evaluations conducted by the Mayor and Finance Director, the Audit Director assists in reviewing internal accounting controls, policies and procedures to insure that City management is exercising due diligence in conducting financial and administrative operations.

Financial records are audited annually by the Office of the Auditor of the State of Ohio. The City management team reviews the findings and recommendations of the State Auditor and determines appropriate action to improve performance controls and to promote efficient financial operations conducted in the best interests of the commercial and residential citizens of the City.

Through the use of a computerized financial accounting and reporting system, the City has implemented a series of strong internal controls which provide a reasonable, but not absolute, assurance with respect to the safeguarding of City assets against losses resulting from unauthorized use or disposal. Such assurances also pertain to the reliability of the financial records utilized to prepare financial statements and maintain accountability of assets. The framework of the City's internal control system was structured using the concept of reasonable assurance, a concept which recognizes that the cost of a control should not exceed the expected benefits likely to be derived from its implementation.

This concept also recognizes that the evaluation of costs and benefit require the preparation of estimates and judgements by City management. Based on the level of existing controls, and with consideration to the ongoing control review process conducted by City management and the State Auditor, we are confident that the City's internal accounting controls sufficiently safeguard City assets and provide for reasonable assurance of the proper recording and reporting of City financial transactions.

The following summary compares revenues for general governmental functions which include the general, special revenue, debt service and capital projects funds:

Revenues	1998 Amount	1999 Amount	Change	Percent Change
Municipal Income Tax	\$13,437,873	\$14,035,958	\$598,085	4.45%
Property Taxes	2,112,335	2,248,730	136,395	6.46
Other Taxes	987,628	1,025,461	37,833	3.83
Charges for Services	889,564	599,805	(289,759)	(32.57)
Fines, Licenses, and Permits	873,213	635,959	(237,254)	(27.17)
Intergovernmental	2,885,619	3,073,641	188,022	6.52
Special Assessments	963,511	974,751	11,240	1.17
Interest	2,656,226	1,895,120	(761,106)	(28.65)
Donations	19,890	0	(19,890)	(100.00)
Other	554,545	195,892	(358,653)	(64.68)
Total Revenues	\$25,380,404	\$24,685,317	(\$695,087)	(2.74)%

Municipal income taxes increased mostly as a result in withholding tax collections. This increase is in part a reflection of the overall good state of the economy and employment conditions.

Property taxes increased due to the assessed valuation increasing from \$615,421,121 in 1998, to \$625,979,001 in 1999.

The decrease in charges for services is mostly due to the reduction in revenues collected for the Shooting Range and Recreation programs.

Fines, Licenses and Permits decreased due to the reduction in collections by the Mayor's and Shaker Heights Municipal courts. Also, there was a reduction in building permits issued during 1999.

The decrease in interest revenue is due to the loss of market value on investments at December 31, 1999.

Donations decreased in 1999 because no monies were received from the City of Beachwood Paramedic Trust Fund.

Other revenues decreased in 1999 because the city did not receive the same reimbursements from the County Probate Court and the Bureau of Workers Compensation as it did in 1998.

The following summary compares expenditures for general governmental functions which include the general, special revenue, debt service and capital projects funds:

Expenditures	1998 Amount	1999 Amount	Change	Percent Change
Current:				
General Government	\$2,141,822	\$2,254,477	\$112,655	5.26%
Public Safety	8,004,484	8,464,810	460,326	5.75
Public Services	5,206,040	5,596,884	390,844	7.51
Health and Welfare	74,602	297,133	222,531	298.29
Culture and Recreation	1,214,131	1,135,689	(78,442)	(6.46)
Community Development	795,265	862,872	67,607	8.50
Capital Outlay	5,280,119	7,299,746	2,019,627	38.25
Debt Service:				
Principal Retirement	435,000	430,000	(5,000)	(1.15)
Interest and Fiscal Charges	533,940	498,298	(35,642)	(6.68)
Total Expenditures	\$23,685,403	\$26,839,909	\$3,154,506	13.32%

Public Safety expenditures increased due to an increase in staffing in the City's fire department.

The increase in Health and Welfare expenditures was due to the continued growth of the Human Services department. 1999 marked the first full year of operation of this department.

Capital outlay expenditures increased in part because the City began phase I of the Chagrin Highlands infrastructure improvements. In addition to adequately providing service to this area in the future, the City purchased 3.9 acres of land.

GENERAL FUND BALANCE

During 1999, the fund balance of the general fund decreased from \$19,062,026 to \$15,415,384. The fund balance decrease is attributable to increased overall expenditures and transfers by the City and a decrease in the fair market of the City's investment's at December 31, 1999.

FIDUCIARY FUNDS

The City of Beachwood's fiduciary funds are comprised of the nonexpendable trust fund and agency funds.

The Leo Weiss nonexpendable trust fund had a fund balance of \$1,073 at December 31, 1999. The agency funds included in the City's financial statements are Commercial Permits Tax, Special Trust and Agency, Deposits, and Mayor's Court. Agency funds had assets totaling \$279,859 at December 31, 1999.

DEBT ADMINISTRATION

The gross indebtedness of the City of Beachwood at December 31, 1999, was \$9,442,000. These issues included \$6,842,000 in special assessment bonds. The total overall legal debt margin at December 31, 1999, was \$63,840,822 with an unvoted total debt margin of \$32,541,872.

The City continues to have an Aa2 Rating from Moody's Investor's Service. The most recent rating was received in 1997.

CASH MANAGEMENT

Cash management is a vital component in the City of Beachwood's overall financial strategy. The primary objective of the City's investment activity is the preservation of capital and the protection of investment principal. A prudent investment program is maintained to assure the overnight and over-the-weekend investments of all possible dollars, as well as longer term investments. In addition to the security of the investment, a major consideration is the timing of needed cash to pay City liabilities. Cash resources of all City funds are combined for maximum return and are invested in accordance with the Ohio Revised Code. Allowable deposits and investments include certificates of deposit, savings accounts, State Treasurer's Investment Pool (STAROhio), manuscript bonds, U.S. Treasury Notes, federal agency securities, and repurchase agreements.

RISK MANAGEMENT

The City carries general insurance through Gulf Insurance Group, Selective Insurance and Travelers Property Casualty. In 1999 insurance premiums were \$77,651.

The City carries a \$1,000,000/\$3,000,000 comprehensive general liability (including employee benefits and EMT liability) insurance policy with no deductible and \$10,000,000 umbrella over its comprehensive general liability, automobile, law enforcement liability, and public officials liability. The City also carries a \$1,000,000 law enforcement liability insurance policy with a \$10,000 deductible. Other coverage carried by the City includes property, inland marine, crime, boiler and machinery, and public officials (including fire department errors and omissions).

All employees of the City of Beachwood, except for the Finance Director, Mayor, and Tax Administrator are covered by a \$100,000 blanket bond. The Finance Director, Mayor, and Tax Administrator are covered by individual bonds in the amount of \$100,000, \$10,000, and \$100,000 respectively.

The City pays the Ohio Bureau of Workers' Compensation System (OBWC) a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. In 1999, the City paid \$209,566 to the OBWC.

FIXED ASSETS

The fixed assets of the City are used in the performance of general governmental functions. As of December 31, 1999, the general fixed assets of the City amounted to \$24,348,464. Amounts represent either actual or estimated historical costs of the assets. See appropriate schedules for analysis of fixed assets by function and activity.

OTHER INFORMATION

Independent Audit

In accordance with Ohio law, independent audits are required to be performed on all financial operations of the City. Either the Auditor of the State of Ohio or, if the Auditor permits, an independent public accounting firm conducts these audits. The Beachwood City Council selected the Auditor of State's Office to perform these services for the year 1999. This report is presented in the Financial Section.

AWARDS

GFOA Certificate of Achievement

The Government Finance Officers' Association of the United States and Canada (GFOA) award a Certificate of Achievement for Excellence in Financial Reporting for a Comprehensive Annual Financial Report. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. The 1998 CAFR received the Certificate of Achievement and we believe our current report will conform to the requirements and standards of the Certificate of Achievement Program. Thus, we are submitting the 1999 Comprehensive Annual Report to the GFOA for award consideration.

Tree City USA

Beachwood received its 4th consecutive Tree City U.S.A. award for the year ended December 31, 1999. This prestigious award from the National Arbor Day Association presented through the Ohio Department of Natural Resources recognizes the City for its annual program of tree planting and maintenance.

ACKNOWLEDGMENTS

Successful preparation of a report of this scope depends upon the dedicated contribution of many employees. The sincere appreciation of those primarily responsible for its completion is extended to all contributors but especially to those employees in the Department of Finance who have spent their time and energy on various parts of the project and to Local Government Services for their assistance in helping the City prepare this report in conformity with generally accepted accounting principles (GAAP) and the requirements of the Government Finance Officers Association.

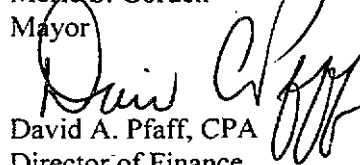
In addition, we would like to thank Beachwood City Council, without whose positive leadership and encouragement, the preparation of this report would not have been possible.

In closing, we would like to thank the residents and taxpayers of the City of Beachwood for entrusting us with the administration of their local government.

Respectfully submitted,



Merle S. Gorden
Mayor



David A. Pfaff, CPA
Director of Finance

City of Beachwood, Ohio

City Officials - as of December 31, 1999

ELECTED OFFICIALS

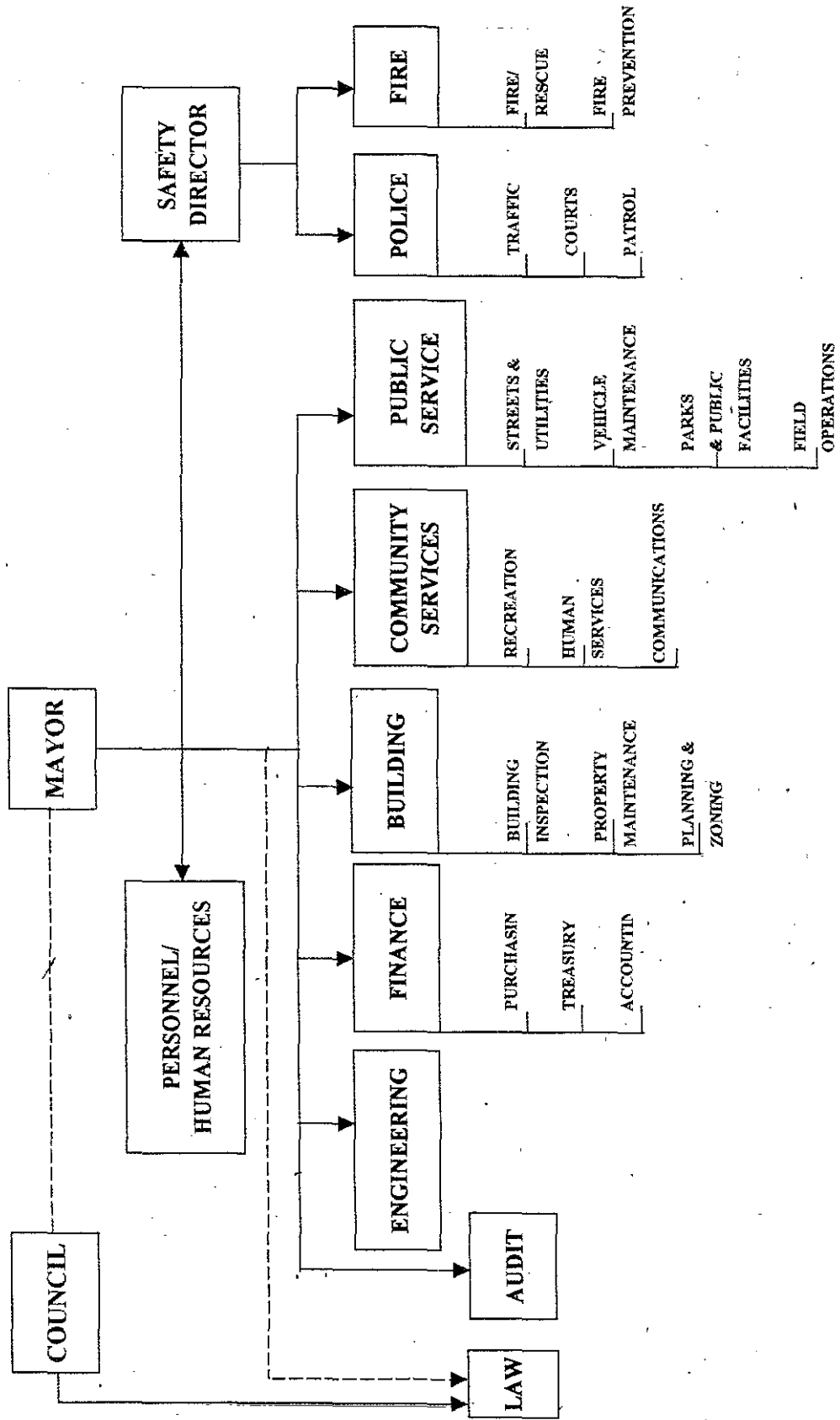
Mayor-Safety Director Merle S. Gorden
President of Council Fredric S. Goodman
Council Member Martin D. Arsham
Council Member Alice Z. Jacobs
Council Member Melvin M. Jacobs
Council Member Kenneth W. Kleinman
Council Member Lawrence S. Small
Council Member Mark I. Wachter

APPOINTED OFFICIALS

Finance Director David A. Pfaff
Police Chief Mark S. Sechrist
Fire Chief William S. Kaselak
Service Director Dale H. Pekarek
Building Commissioner John D. Korinek
Clerk of Courts Gina M. Benadum
Human Services Supervisor Bonnie H. Cole
Recreation Supervisor Beth B. Rosenblum
Law Director Margaret Anne Cannon
City Auditor Harvey S. Rose
City Engineer Frederick N. Tufts
Clerk of Council Barbara Ann Blankfeld

CITY OF BEACHWOOD

Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Beachwood,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 1998

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



Cary Brubaker
President

Jeffrey L. Esall
Executive Director

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FINANCIAL SECTION





STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

Report of Independent Accountants

City of Beachwood
Cuyahoga County
2700 Richmond Road
Beachwood, Ohio 44122

To the Members of City Council:

We have audited the accompanying general-purpose financial statements of the City of Beachwood, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

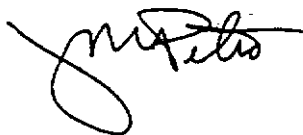
In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Beachwood, Cuyahoga County, Ohio, as of December 31, 1999, and the results of its operations and the cash flows of its nonexpendable trust fund for the year then ended in conformity with generally accepted accounting principles.

As described in Note 3 to the general-purpose financial statements, the City made various adjustments to the beginning fund balance.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2000 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

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



Jim Petro
Auditor of State

May 31, 2000

**General Purpose
Financial Statements**

The general purpose financial statements of the City include the basic combined financial statements, presented by fund type and account group, and notes to the financial statements that are essential to the fair presentation of the financial position and results of operation and changes in cash flow of its nonexpendable trust fund for the year ended December 31, 1999.

City of Beachwood, Ohio
Combined Balance Sheet
All Fund Types and Account Groups
December 31, 1999

	Governmental Fund Types		
	General	Special Revenue	Debt Service
Assets and Other Debits			
Assets			
Equity in Pooled Cash and Cash Equivalents	\$13,113,728	\$1,004,176	\$671,027
Cash and Cash Equivalents in Segregated Accounts	0	0	0
Investment	0	0	42,000
Receivables:			
Taxes	4,397,880	178,604	0
Accounts	1,361	0	0
Special Assessments	0	0	8,138
Accrued Interest	148,276	0	0
Due from Other Governments	421,016	23,090	0
Materials and Supplies			
Inventory	350,105	0	0
Prepaid Items	71,180	0	0
Fixed Assets	0	0	0
Other Debits			
Amount Available in Debt Service Fund	0	0	0
Amount to be Provided from Fund for Retirement of Special Assessment Bonds	0	0	0
Total Assets and Other Debits	\$18,503,546	\$1,205,870	\$721,165

Capital Projects	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$27,375,906	\$280,862	\$0	\$0	\$42,445,699
0	39,778	0	0	39,778
0	0	0	0	42,000
0	0	0	0	4,576,484
0	0	0	0	1,361
0	0	0	0	8,138
0	0	0	0	148,276
0	0	0	0	444,106
0	0	0	0	350,105
0	0	0	0	71,180
0	0	24,348,464	0	24,348,464
0	0	0	713,027	713,027
0	0	0	9,621,135	9,621,135
<u>\$27,375,906</u>	<u>\$320,640</u>	<u>\$24,348,464</u>	<u>\$10,334,162</u>	<u>\$82,809,753</u>

(continued)

City of Beachwood, Ohio
Combined Balance Sheet
All Fund Types and Account Groups (continued)
 December 31, 1999

	Governmental Fund Types		
	General	Special Revenue	Debt Service
<i>Liabilities, Fund Equity And Other Credits</i>			
Liabilities			
Accounts Payable	\$297,537	\$24,534	\$0
Contracts Payable	75,154	0	0
Accrued Wages and Benefits	341,220	0	0
Compensated Absences Payable	40,804	0	0
Due to Other Governments	202,755	0	0
Deferred Revenue	2,130,692	172,760	8,138
Undistributed Monies	0	0	0
Deposits Held and Due to Others	0	0	0
Accrued Interest Payable	0	0	0
Notes Payable	0	0	0
Special Assessment Debt with Governmental Commitment	0	0	0
	3,088,162	197,294	8,138
<i>Total Liabilities</i>			
Fund Equity and Other Credits			
Investment in General Fixed Assets	0	0	0
Fund Balance:			
Reserved for Encumbrances	500,818	102,097	0
Reserved for Inventory	350,105	0	0
Reserved for Endowments	0	0	0
Unreserved, Undesignated	14,564,461	906,479	713,027
	15,415,384	1,008,576	713,027
<i>Total Fund Equity and Other Credits</i>			
	\$18,503,546	\$1,205,870	\$721,165
<i>Total Liabilities, Fund Equity and Other Credits</i>			

See accompanying notes to the general purpose financial statements

Capital Projects	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$70,468	\$0	\$0	\$0	\$392,539
411,470	0	0	0	486,624
0	0	0	0	341,220
0	0	0	1,101,764	1,142,568
0	0	0	390,398	593,153
0	0	0	0	2,311,590
0	40,082	0	0	40,082
0	279,485	0	0	279,485
5,500	0	0	0	5,500
600,000	0	0	2,000,000	2,600,000
0	0	0	6,842,000	6,842,000
<u>1,087,438</u>	<u>319,567</u>	<u>0</u>	<u>10,334,162</u>	<u>15,034,761</u>
0	0	24,348,464	0	24,348,464
1,578,672	0	0	0	2,181,587
0	0	0	0	350,105
0	1,060	0	0	1,060
<u>24,709,796</u>	<u>13</u>	<u>0</u>	<u>0</u>	<u>40,893,776</u>
<u>26,288,468</u>	<u>1,073</u>	<u>24,348,464</u>	<u>0</u>	<u>67,774,992</u>
<u>\$27,375,906</u>	<u>\$320,640</u>	<u>\$24,348,464</u>	<u>\$10,334,162</u>	<u>\$82,809,753</u>

City of Beachwood, Ohio
*Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
All Governmental Fund Types
For the Year Ended December 31, 1999*

	Governmental	
	General	Special Revenue
Revenues		
Municipal Income Taxes	\$14,035,958	\$0
Property Taxes	2,080,076	168,654
Other Local Taxes	1,025,461	0
Charges for Services	599,805	0
Fines, Licenses, and Permits	620,379	15,580
Intergovernmental	2,737,673	335,968
Special Assessments	0	25,378
Interest	1,835,536	59,203
Other	120,627	0
Total Revenues	23,055,515	604,783
Expenditures		
Current:		
General Government	2,252,126	2,351
Public Safety	8,228,963	235,847
Public Services	5,200,218	396,666
Health and Welfare	297,133	0
Culture and Recreation	1,135,689	0
Community Development	862,872	0
Capital Outlay	0	0
Debt Service:		
Principal Retirement	0	0
Interest and Fiscal Charges	0	0
Total Expenditures	17,977,001	634,864
Excess of Revenues Over (Under) Expenditures	5,078,514	(30,081)
Other Financing Sources (Uses)		
Proceeds of Notes	0	0
Sale of Fixed Assets	14,900	0
Operating Transfer In	0	0
Operating Transfer Out	(8,800,600)	0
Total Other Financing Sources (Uses)	(8,785,700)	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(3,707,186)	(30,081)
Fund Balances Beginning of Year (Restated Note 3)	19,062,026	1,038,657
Increase in Reserve for Inventory	60,544	0
Fund Balances End of Year	\$15,415,384	\$1,008,576

See accompanying notes to the general purpose financial statements

Fund Types		Totals (Memorandum Only)
Debt Service	Capital Projects	
\$0	\$0	\$14,035,958
0	0	2,248,730
0	0	1,025,461
0	0	599,805
0	0	635,959
0	0	3,073,641
949,373	0	974,751
381	0	1,895,120
0	75,265	195,892
<u>949,754</u>	<u>75,265</u>	<u>24,685,317</u>
0	0	2,254,477
0	0	8,464,810
0	0	5,596,884
0	0	297,133
0	0	1,135,689
0	0	862,872
0	7,299,746	7,299,746
430,000	0	430,000
476,095	22,203	498,298
<u>906,095</u>	<u>7,321,949</u>	<u>26,839,909</u>
<u>43,659</u>	<u>(7,246,684)</u>	<u>(2,154,592)</u>
2,000,000	0	2,000,000
0	0	14,900
0	10,823,038	10,823,038
(2,022,438)	0	(10,823,038)
<u>(22,438)</u>	<u>10,823,038</u>	<u>2,014,900</u>
21,221	3,576,354	(139,692)
691,806	22,712,114	43,504,603
0	0	60,544
<u>\$713,027</u>	<u>\$26,288,468</u>	<u>\$43,425,455</u>

City of Beachwood, Ohio
*Combined Statement of Revenues, Expenditures, and
 Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual
 All Governmental Fund Types
 For The Year Ended December 31, 1999*

	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Municipal Income Tax	\$13,000,000	\$13,889,903	\$889,903
Property Taxes	2,063,128	2,080,076	16,948
Other Local Taxes	961,500	1,040,990	79,490
Charges for Services	721,800	599,153	(122,647)
Fines, Licenses, and Permits	850,000	592,396	(257,604)
Intergovernmental	2,154,792	2,709,402	554,610
Special Assessments	0	0	0
Interest	1,800,000	2,625,813	825,813
Other	190,000	124,289	(65,711)
Total Revenues	21,741,220	23,662,022	1,920,802
Expenditures			
Current:			
General Government	2,759,876	2,268,186	491,690
Public Safety	8,875,619	8,241,279	634,340
Public Services	6,821,046	5,694,429	1,126,617
Health and Welfare	380,923	310,067	70,856
Culture and Recreation	1,533,559	1,214,286	319,273
Community Development	1,005,870	924,517	81,353
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	21,376,893	18,652,764	2,724,129
Excess of Revenues Over (Under) Expenditures	364,327	5,009,258	4,644,931
Other Financing Sources (Uses)			
Proceeds of Notes	0	0	0
Sale of Fixed Assets	10,000	14,900	4,900
Operating Transfer In	0	0	0
Operating Transfer Out	(8,800,600)	(8,800,600)	0
Total Other Financing Sources (Uses)	(8,790,600)	(8,785,700)	4,900
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(8,426,273)	(3,776,442)	4,649,831
Fund Balances Beginning of Year	15,683,760	15,683,760	0
Prior Year Encumbrances Appropriated	863,528	863,528	0
Fund Balances End of Year	\$8,121,015	\$12,770,846	\$4,649,831

Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$0	\$0	\$0
165,391	168,654	3,263	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
15,000	16,330	1,330	0	0	0
349,708	334,302	(15,406)	0	0	0
22,330	25,378	3,048	975,000	949,373	(25,627)
40,000	59,203	19,203	0	381	381
0	0	0	0	0	0
<u>592,429</u>	<u>603,867</u>	<u>11,438</u>	<u>975,000</u>	<u>949,754</u>	<u>(25,246)</u>
30,999	18,083	12,916	0	0	0
226,890	218,892	7,998	0	0	0
1,077,052	495,162	581,890	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	1,061,059	1,030,000	31,059
0	0	0	498,941	498,533	408
<u>1,334,941</u>	<u>732,137</u>	<u>602,804</u>	<u>1,560,000</u>	<u>1,528,533</u>	<u>31,467</u>
<u>(742,512)</u>	<u>(128,270)</u>	<u>614,242</u>	<u>(585,000)</u>	<u>(578,779)</u>	<u>6,221</u>
0	0	0	0	600,000	600,000
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>600,000</u>	<u>600,000</u>
(742,512)	(128,270)	614,242	(585,000)	21,221	606,221
832,894	832,894	0	691,806	691,806	0
182,400	182,400	0	0	0	0
<u>\$272,782</u>	<u>\$887,024</u>	<u>\$614,242</u>	<u>\$106,806</u>	<u>\$713,027</u>	<u>\$606,221</u>

(continued)

City of Beachwood, Ohio
*Combined Statement of Revenues, Expenditures, and
 Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual
 All Governmental Fund Types (continued)
 For The Year Ended December 31, 1999*

	Capital Projects Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Municipal Income Tax	\$0	\$0	\$0
Property Taxes	0	0	0
Other Local Taxes	0	0	0
Charges for Services	0	0	0
Fines, Licenses, and Permits	0	0	0
Intergovernmental	0	0	0
Special Assessments	0	0	0
Interest	0	0	0
Other	0	75,265	75,265
<i>Total Revenues</i>	<u>0</u>	<u>75,265</u>	<u>75,265</u>
Expenditures			
Current:			
General Government	0	0	0
Public Safety	0	0	0
Public Services	0	0	0
Health and Welfare	0	0	0
Culture and Recreation	0	0	0
Community Development	0	0	0
Capital Outlay	14,724,619	8,636,723	6,087,896
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>14,724,619</u>	<u>8,636,723</u>	<u>6,087,896</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(14,724,619)</u>	<u>(8,561,458)</u>	<u>6,163,161</u>
Other Financing Sources (Uses)			
Proceeds of Notes	0	2,000,000	2,000,000
Sale of Fixed Assets	0	0	0
Operating Transfer In	8,800,000	8,800,600	600
Operating Transfer Out	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>8,800,000</u>	<u>10,800,600</u>	<u>2,000,600</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(5,924,619)</u>	<u>2,239,142</u>	<u>8,163,761</u>
<i>Fund Balances Beginning of Year</i>	<u>18,803,813</u>	<u>18,803,813</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>4,724,619</u>	<u>4,724,619</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$17,603,813</u>	<u>\$25,767,574</u>	<u>\$8,163,761</u>

See accompanying notes to the general purpose financial statements

Totals
(Memorandum Only)

Revised Budget	Actual	Variance Favorable (Unfavorable)
\$13,000,000	\$13,889,903	\$889,903
2,228,519	2,248,730	20,211
961,500	1,040,990	79,490
721,800	599,153	(122,647)
865,000	608,726	(256,274)
2,504,500	3,043,704	539,204
997,330	974,751	(22,579)
1,840,000	2,685,397	845,397
190,000	199,554	9,554
<u>23,308,649</u>	<u>25,290,908</u>	<u>1,982,259</u>
2,790,875	2,286,269	504,606
9,102,509	8,460,171	642,338
7,898,098	6,189,591	1,708,507
380,923	310,067	70,856
1,533,559	1,214,286	319,273
1,005,870	924,517	81,353
14,724,619	8,636,723	6,087,896
1,061,059	1,030,000	31,059
498,941	498,533	408
<u>38,996,453</u>	<u>29,550,157</u>	<u>9,446,296</u>
<u>(15,687,804)</u>	<u>(4,259,249)</u>	<u>11,428,555</u>
0	2,600,000	2,600,000
10,000	14,900	4,900
8,800,000	8,800,600	600
(8,800,600)	(8,800,600)	0
<u>9,400</u>	<u>2,614,900</u>	<u>2,605,500</u>
(15,678,404)	(1,644,349)	14,034,055
36,012,273	36,012,273	0
5,770,547	5,770,547	0
<u>\$26,104,416</u>	<u>\$40,138,471</u>	<u>\$14,034,055</u>

City of Beachwood, Ohio
*Statement of Revenues, Expenses
and Changes in Fund Balance
Nonexpendable Trust Fund
For the Year Ended December 31, 1999*

	<u>Leo Weiss</u>
Operating Revenues	
Interest	<u>\$62</u>
<i>Operating Income</i>	62
<i>Fund Balance Beginning of Year</i>	<u>1,011</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,073</u></u>

See accompanying notes to the general purpose financial statements

City of Beachwood, Ohio
Statement of Revenues, Expenses and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Nonexpendable Trust Fund
For the Year Ended December 31, 1999

	Leo Weiss		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Interest	\$0	\$62	\$62
Expenses			
Materials and Supplies	100	0	100
<i>Excess of Revenues Over (Under) Expenses</i>	(100)	62	162
<i>Fund Balance Beginning of Year</i>	1,011	1,011	0
<i>Fund Balance End of Year</i>	\$911	\$1,073	\$162

See accompanying notes to the general purpose financial statements

City of Beachwood, Ohio
Statement of Cash Flows
Nonexpendable Trust Fund
For the Year Ended December 31, 1999

	<u>Leo Weiss</u>
Increase/Decrease in Cash and Cash Equivalents	
Cash Flows from Investing Activities	
Interest	\$62
	62
<i>Net Increase in Cash and Cash Equivalents</i>	62
<i>Cash and Cash Equivalents</i>	
<i>Beginning of Year</i>	1,011
	1,011
<i>Cash and Cash Equivalents End of Year</i>	<u>\$1,073</u>
Reconciliation of Operating Income to	
Net Cash Provided by Operating Activities	
<i>Operating Income</i>	62
Adjustment:	
Interest Received by Nonexpendable Trust Fund	(62)
	(62)
<i>Net Cash Provided by Operating Activities</i>	<u>\$0</u>
Reconciliation of Cash on Cash Equivalents of	
Nonexpendable Trust Fund to Balance Sheet	
Cash and Cash Equivalents - All Fiduciary Funds	\$280,862
Cash and Cash Equivalents - Agency Funds	(279,789)
	(279,789)
<i>Cash and Cash Equivalents - Nonexpendable Trust Fund</i>	<u>\$1,073</u>

See accompanying notes to the general purpose financial statements

City of Beachwood, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

Note 1 - Reporting Entity and Basis of Presentation

The City was incorporated as a village in 1915 and became a city in 1960. The City of Beachwood ("The City") is a charter municipal corporation, incorporated under the laws of the State of Ohio. The City operates under a "Mayor-Council" form of government. Elected officials include seven council members and a mayor.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Beachwood, this includes police, fire, emergency service, rubbish collection, street construction, maintenance and repair, general administrative services, and a Mayor's Court.

The Mayor is an elected official who has a fiduciary responsibility for the collection and disbursement of Mayor's Court fees and fines. This activity has been included in the City's financial statements as an agency fund.

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

Note 2 - Summary of Significant Accounting Policies

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

A. Basis Of Presentation - Fund Accounting

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

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

City of Beachwood, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

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

Governmental Fund Types Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities are accounted for through governmental funds. The following are the City's governmental fund types:

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

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

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

Capital Projects Fund This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Fiduciary Fund Types Trust and agency funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The City's fiduciary funds include nonexpendable trust and agency funds. Nonexpendable trust funds are accounted for in essentially the same manner as proprietary funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

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

General Fixed Assets Account Group This account group accounts for all general fixed assets of the City.

General Long-Term Obligations Account Group This account group accounts for all unmatured long-term indebtedness of the City, including special assessment debt for which the City is obligated in some manner.

City of Beachwood, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

B. Measurement Focus and Basis of Accounting

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

The nonexpendable trust fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components.

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

All governmental fund types and agency funds are accounted for using the modified accrual basis of accounting. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. Measurable means the amount of the transaction can be determined, and available means collectible within the current year or soon enough thereafter to be used to pay liabilities of the current year. The available period for the City is sixty days after year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: income tax, interest, state-levied locally shared taxes (including gasoline tax and other local government assistance).

The City reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Current and delinquent property taxes measurable as of December 31, 1999, whose availability is indeterminate and which are not intended to finance current period obligations, have been recorded as a receivable and deferred revenue. Levied special assessments are measurable and have been recorded as a receivable. Since all assessments are due outside of the available period, the entire amount has been deferred.

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

The accrual basis of accounting is utilized for reporting purposes by the nonexpendable trust fund. Revenues are recognized when they are earned and become measurable and expenses are recognized when they are incurred, if measurable.

City of Beachwood, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

C. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the department level for the general fund and at the fund level for all other funds. Any budgetary modifications at this level may only be made by resolution of City Council. Internal City financial policies permit fund transfers within control levels with approval by the Mayor and Finance Director.

Tax Budget At the first Council meeting in July, the Mayor presents the annual operating budget for the following fiscal year to City Council for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

Estimated Resources The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation ordinance. On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31 of the preceding year. The certificate may be further amended during the year if the Finance Director determines, and the Budget Commission agrees that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 1999.

Appropriations A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance fixes spending authority at the department level for the general fund and at the fund level for all other funds. The appropriation ordinance may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. Any budgetary modification at the department level for general fund or the fund level for other funds may only be made by resolution of the City Council. The Finance Director maintains budgetary information at the object level and has the authority to allocate appropriations at the object level without a resolution by City Council. During the year, several supplemental appropriation measures were passed. None of these supplemental appropriations had any significant affect on the original appropriations. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

City of Beachwood, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

Encumbrances As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations at the department level. On the GAAP basis, encumbrances outstanding at year end are reported as reservations of fund balances for subsequent-year expenditures for governmental funds.

Lapsing of Appropriations At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding year and is not reappropriated.

D. Cash and Cash Equivalents

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

During fiscal year 1999, investments were limited to STAROhio, manuscript bonds, Federal Agency Securities, U.S. Treasury Notes, non-negotiable certificates of deposit and repurchase agreements. The City also invests in AIM Government and Agency Mutual Fund, which is a money market mutual fund.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as non-negotiable certificates of deposit and repurchase agreements are reported at cost.

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on December 31, 1999.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 1999 amounted to \$1,835,536, which includes \$1,245,810 assigned from other City funds.

The City has segregated bank accounts for monies held separate from the City's central bank account. These interest bearing depository accounts are presented in the combined balance sheet as "cash and cash equivalents in segregated accounts" since they are not required to be deposited into the City treasury.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments with an original maturity of three months or less and cash and investments in the cash management pool are considered to be cash equivalents. Investments with an original maturity of more than three months not purchased from the pool are reported as investments.

City of Beachwood, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

E. Inventory

Inventories of governmental funds are stated at cost which is determined on a first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental fund types when purchased. Reported materials and supplies inventory is equally offset by a fund balance reserve in the governmental fund which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 1999, 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 is reported in the year in which services are consumed.

G. Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group.

All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost when no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

Improvements are capitalized. Interest incurred during the construction of general fixed assets is not capitalized.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government.

H. Compensated Absences

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the City's termination policy.

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

City of Beachwood, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

I. Fund Equity

Reservations of fund balances are established to identify the existence of assets that, because of their nonmonetary nature or lack of liquidity, represent financial resources not available for current appropriation or expenditures, including amounts legally segregated for a specific future use. Fund balances are reserved for encumbrances and inventory. Fund balance has also been reserved for endowments to indicate that the principal is legally restricted.

J. Accrued Liabilities and Long-term Obligations

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

K. Intergovernmental Revenues

In governmental funds, intergovernmental revenue, such as grants awarded on a non-reimbursement basis, shared revenues and entitlements are recorded as due from other governments and revenues when measurable and available. Reimbursable grants are recorded as receivables and revenues when the related expenditures are made.

L. Interfund Transactions

During the normal course of operation, the City has transactions between funds. Quasi-external transactions are accounted for as revenues and expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

M. 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 these estimates.

City of Beachwood, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

N. Memorandum Only - Total Columns

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

Note 3 - Restatement of Prior Year Fund Balance

The following adjustments resulted in the restatement of fund balance as it was previously reported as of December 31, 1998.

	<u>Capital Projects</u>
Fund Balance at December 31, 1998	\$23,317,849
Understatement of Notes Payable (Previously reported in GLTOAG)	(600,000)
Understatement of Accrued Interest Payable	<u>(5,735)</u>
Restated Fund Balance at December 31, 1998	<u><u>\$22,712,114</u></u>

The effect of these changes on the excess of revenue and other financing sources over expenditures and other finance uses as previously reported for the year ended December 31, 1998, is as follows:

	<u>Capital Projects</u>
Excess at December 31, 1998	\$3,641,995
Understatement of Accrued Interest Payable	<u>(5,735)</u>
Restated Excess at December 31, 1998	<u><u>\$3,636,260</u></u>

The General Fixed Assets Account Group balance at December 31, 1998, was restated from \$22,291,972 to \$22,352,144, an increase of \$60,172.

Note 4 - Budgetary Basis of Accounting

While 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 transactions on a basis of cash receipts, disbursements and encumbrances.

The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual - All Governmental Fund Types and the Statement of Revenues, Expenses and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual - Nonexpendable Trust Fund are presented on the budgetary basis to provide a relevant comparison of actual results with the budget and to demonstrate compliance with State statute. The major differences between the budget basis and the GAAP basis are:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).

City of Beachwood, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Outstanding year end encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance for governmental fund types.

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

**Excess of Revenues and Other Financing Sources
Over (Under) Expenditures and Other Financing Uses
All Governmental Fund Types**

	General	Special Revenue	Debt Service	Capital Projects
GAAP Basis	(\$3,707,186)	(\$30,081)	\$21,221	\$3,576,354
Net Adjustment for Revenue Accruals	83,891	(916)	0	0
Fair Value Adjustment for Investments	552,066	0	0	0
Proceeds of Notes	0	0	(1,400,000)	2,000,000
Transfers In	0	0	0	(2,022,438)
Unrecorded Cash	(29,450)	0	0	0
Net Adjustment for Expenditure Accruals	190,761	18,224	0	271,355
Principal Retirement	0	0	(600,000)	0
Interest and Fiscal Charges	0	0	(22,438)	22,203
Transfers Out	0	0	2,022,438	0
Encumbrances	(866,524)	(115,497)	0	(1,608,332)
Budget Basis	<u>(\$3,776,442)</u>	<u>(\$128,270)</u>	<u>\$21,221</u>	<u>\$2,239,142</u>

Note 5 - Deposits and Investments

State statutes classify monies held by the City into three categories:

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

City of Beachwood, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

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

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

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the finance director by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution. Interim monies to be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and,
6. The State Treasurer's investment pool (STAROhio).

The City may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;

City of Beachwood, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

2. Bond of any municipal corporation, village, county, township or other political subdivision of this State, as to which there is not default of principal, interest, or coupons; and,
3. Obligations of the City.

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 City, and must be purchased with the expectation that it will be held to maturity.

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

Cash on Hand. At year end, the City had \$29,450 in undeposited cash on hand which is included on the balance sheet as part of "equity in pooled cash and cash equivalents."

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements".

Deposits. At year-end, the carrying amount of the City's deposits was \$5,366,489 and the bank balance was \$6,637,661. \$540,624 of the bank balance was covered by federal depository insurance. \$6,097,037 was uninsured and uncollateralized.

Investments. The City's investments are required to be categorized to give an indication of the level of risk assumed by the City at year-end. Category 1 includes investments that are insured or registered or are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments which are held by the counterparty, or by its trust department or agent but not in the City's name. STAROhio and the money market fund are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

	Category 1	Category 3	Carrying Value	Fair Value
Repurchase Agreements	\$0	\$2,015,153	\$2,015,153	\$2,015,153
Federal Agency Securities	0	14,194,600	14,194,600	14,194,600
U.S. Treasury Notes	0	16,504,511	16,504,511	16,504,511
Manuscript Bonds	42,000	0	42,000	42,000
AIM Government and Agency Mutual Fund	0	0	57,950	57,950
STAROhio	0	0	4,277,616	4,277,616
Total Investments	\$42,000	\$32,714,264	\$37,091,830	\$37,091,830

City of Beachwood, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

The classification of cash and cash equivalents, and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. Cash and cash equivalents are defined to include investments with original maturities of three months or less and cash and investments of the cash management pool.

A reconciliation between the classification of cash and investments on the combined financial statements and the classification per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/ Deposits	Investments
GASB Statement 9	\$42,445,769	\$42,000
Repurchase Agreements	(2,015,153)	2,015,153
Federal Agency Securities	(14,194,600)	14,194,600
U.S. Treasury Notes	(16,504,511)	16,504,511
AIM Government and Agency Mutual Fund	(57,950)	57,950
STAROhio	(4,277,616)	4,277,616
Cash on Hand	(29,450)	0
GASB Statement 3	\$5,366,489	\$37,091,830

Note 6 - Receivables

Receivables at December 31, 1999, consisted of taxes, accounts (billings for user charged services), special assessments, interest, and intergovernmental receivables arising from grants, entitlements, and shared revenues. All receivables are deemed collectible in full.

A. Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 1999 for real and public utility property taxes represents collections of 1998 taxes. Property tax payments received during 1999 for tangible personal property (other than public utility property) is for 1999 taxes.

1999 real property taxes are levied after October 1, 1999 on the assessed value as of January 1, 1999, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 1999 real property taxes are collected in and intended to finance 2000.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 1999 public utility property taxes became a lien December 31, 1998, are levied after October 1, 1999, and collected in 2000 real property taxes.

1999 tangible personal property taxes are levied after October 1, 1998 on the value as of December 31, 1998. Collections are made in 1999. Tangible personal property assessments are 25 percent of true value.

The tax rate for all City operations for the year ended December 31, 1999, was \$4.00 per 1,000 of assessed value. The assessed values of real and tangible personal property upon which 1999 property tax receipts were based are as follows:

City of Beachwood, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

Real Property	\$539,039,250
Tangible Personal Property	68,327,501
Public Utility Property	18,612,250
Total	\$625,979,001

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 later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable at September 20.

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Beachwood. The County Auditor periodically remits to the City its portion of the taxes. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 1999. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 1999 operations. The receivable is offset by deferred revenue.

B. Due from Other Governments

A summary of the principal items of due from other governments follows:

	Amount
General Fund:	
Estate Tax	\$371,388
Exempt Personal Property	18,927
Other	6,450
Liquor Permit	5,740
Local Government Tax	18,511
Total General Fund	421,016
Special Revenue Funds:	
Exempt Personal Prop Tax	1,535
Gasoline Tax	11,514
Drug Arrest Reimbursement	2,500
Motor Vehicle Permissive	7,541
Total Special Revenue Funds	23,090
Total	\$444,106

C. Income Tax

The City levies a municipal income tax of 1.5 percent on all income earned within the City as well as on income of residents earned outside of the City. In the latter case, the City allows a credit of 100 percent on the income earned outside of the City and paid to another municipality. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the Regional Income Tax Agency (RITA) at least quarterly. Corporations and other individual taxpayers are required to pay their estimated

City of Beachwood, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

tax at least quarterly and file a final return annually. Taxes collected by RITA in one month are remitted to the City on the tenth business day of the following month. Income tax revenue is credited entirely to the general fund.

Note 7 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 1999, the City contracted with several companies for various types of insurance as follows:

Company	Type	Coverage
Gulf Insurance Group	Employee Dishonesty	\$100,000
	Law Enforcement Liability	1,000,000
	Commercial Crime	25,000
	Automobile - Comprehensive	1,000,000
	Electronic Data Processing	500,000
	Building and Personal Property	13,868,909
	Contractor's Equipment	2,217,127
	General Liability (Includes Public Officials and Law Enforcement)	1,000,000/3,000,000
Selective Insurance	Umbrella	10,000,000
Travelers Property Casualty	Boiler and Machinery	9,000,000

Settled claims have not exceeded this coverage in any of the past three years and there has not been a significant reduction in coverage from the prior year.

The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Note 8 - Fixed Assets

A summary of changes in general fixed assets follows:

	Restated			Balance December 31, 1999
	Balance January 1, 1999	Additions	Deductions	
Land	\$4,125,674	\$1,504,968	\$0	\$5,630,642
Land Improvements	783,468	0	0	783,468
Vehicles	4,310,072	162,282	53,021	4,419,333
Machinery and Equipment	3,181,655	586,355	204,264	3,563,746
Buildings	9,951,275	0	0	9,951,275
Total	\$22,352,144	\$2,253,605	\$257,285	\$24,348,464

City of Beachwood, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

Note 9 - Defined Benefit Pension Plans

A. Public Employees Retirement System (PERS)

All City full-time employees, other than non-administrative full-time uniformed police officers and firemen participate in the Public Employees Retirement System of Ohio (PERS), a cost-sharing multiple employer public employee retirement system administered by the Public Employees Retirement Board. PERS provides basic retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report which may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations and the City is required to contribute 9.35 percent. Contributions are authorized by State statute. The contribution rates are determined actuarially. The City's required contribution to PERS for the years ended December 31, 1999, 1998, and 1997 were \$477,515, \$428,017, and \$337,156, respectively. The full amount has been contributed for 1998 and 1997. 76.63 percent has been contributed for 1999 with the remainder being reported as a liability in the general long-term obligations group.

B. Police and Firemen's Disability and Pension Fund (PFDPF)

The City contributes to the Police and Firemen's Disability and Pension Fund of Ohio (PFDPF), a cost-sharing multiple employer public employee retirement system administered by PFDPF's Board of Trustees. PFDPF provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and by Chapter 742 of the Ohio Revised Code. PFDPF issues a publicly available financial report that includes financial information and required supplementary information. That report may be obtained by writing to the Police and Firemen's Disability and Pension Fund of Ohio, 140 East Town Street, Columbus, Ohio 43215.

Police and firefighters are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 12.50 percent for police and 17 percent for firefighters. For 1998, the City contributions were 13 percent for police and 17.50 percent for firefighters. Contributions are authorized by State statute. The City's contributions to PFDPF for police and firefighters were \$301,753 and \$365,219 for the year ended December 31, 1999, \$278,672 and \$318,761 for 1998 and \$246,434 and \$315,410 for 1997. The full amount has been contributed for 1998 and 1997. 76.2, and 75.9 percent, respectively, have been contributed for 1999 with the remainder being reported as a liability within the general long-term obligations account group.

B. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the Public Employees Retirement System or the Police and Firemen's Disability and Pension Fund are covered by Social Security. As of December 31, 1999, the City's volunteer firefighters, hired after August 3, 1992, and one member of council are covered by Social Security. The City's liability is 6.2 percent of wages paid.

City of Beachwood, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

Note 10 - Postemployment Benefits

A. Public Employees Retirement System

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 1999 employer contribution rate was 13.55 percent of covered payroll; 4.2 percent was the portion that was used to fund health care.

Benefits are funded on a pay-as-you-go basis. OPEB are financed through employer contributions and investment earnings. The contributions allocated to retiree health care and Medicare, along with investment income on allocated assets and periodic adjustments in health care provisions, are expected to be sufficient to sustain the program indefinitely. During 1999, OPEB expenditures made by PERS were \$523,599,349. As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were \$9,870,285,641. At December 31, 1999, the total number of benefit recipients eligible for OPEB through PERS was 118,062. The City's actual contributions for 1999 which were used to fund OPEB were \$214,499.

During 1997, PERS adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1998, employer contributions, equaled 4.2 percent of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health coverage.

B. Police and Firemen's Disability and Pension Fund

The Police and Firemen's Disability and Pension Fund (PFDPF) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Police and Firemen's Disability and Pension Fund's board of trustees to provide health care coverage and states that health care cost paid from the Police and Firemen's Disability and Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7 percent of covered payroll is applied to the postemployment health care program during 1999. For 1998 the percent used to fund health care was 6.5 percent. This allocation will be raised to 7.25 percent in 2000. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

The City's actual contributions for 1999 that were used to fund post employment benefits were \$150,877 for police and \$135,653 for fire. PFDPF's total health care expenses for the year ending December 31, 1998, (the latest information available) were \$78,596,790, which was net of member contributions of \$5,331,515.

City of Beachwood, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

The number of PFDPF participants eligible to receive health care benefits as of December 31, 1998, was 11,424 for police and 9,186 for firefighters.

Note 11 - Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Vacation leave is earned at rates which vary depending upon length of service and standard work week. Employees may carryover vacation hours from year to year in an amount up to fifty percent of their annual accrual.

City employees earn sick leave at the rate of 4.6 hours per pay period during which the employee is in an active pay status, and does not accrue for additional overtime hours worked. Sick leave accrual is based on an 80 hour pay period; employees who do not record 80 hours of work, approved paid leave, or a combination thereof receive a sick leave accrual proportionate to the number of hours worked and approved paid leave hours recorded. Firefighters who are on a 103.4 hour pay period receive sick leave at a rate of 5.97 hours per pay period. Upon death or retirement, employees with accumulated service time of 20 years or more, or administrative employees and service union members who qualify for retirement, at date of termination, under the Public Employees Retirement System, are entitled to convert 33 percent of their unused sick leave balance into a lump sum cash payment to be included in the final payroll warrant issued to the employee. The conversion rate for police officers and dispatchers is 33 1/3 percent.

Note 12 - Litigation

The City of Beachwood is a party to legal proceedings. The City management is of the opinion that ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

Note 13 - Long-Term Obligations

The changes in long-term obligations during the year were as follows:

	Outstanding 12/31/98	Additions	(Reductions)	Outstanding 12/31/99
Special Assessment Bonds:				
\$84,000 Annesly Road Improvement				
1981 9.625%	\$24,000	\$0	(\$4,000)	\$20,000
\$1,076,000 Sewer Improvements				
1981 11.875%	165,000	0	(55,000)	110,000
\$127,000 Timberland Drive Improvement				
1985 9.375%	48,000	0	(6,000)	42,000
\$670,000 Blossom Lane Improvements				
1988 7.500%	440,000	0	(30,000)	410,000

City of Beachwood, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

	Outstanding 12/31/98	Additions	(Reductions)	Outstanding 12/31/99
\$205,000 Green Road Improvement				
1989 7.150%	\$30,000	\$0	(\$30,000)	\$0
\$235,000 Meadoway Drive Improvement				
1989 7.150%	165,000	0	(10,000)	155,000
\$4,855,000 Various Projects				
1990 7.000%	3,705,000	0	(205,000)	3,500,000
\$610,000 Various Projects				
1994 6.750%	550,000	0	(20,000)	530,000
\$2,270,000 George Zeiger Drive Improvements				
1995 4.900%	2,145,000	0	(70,000)	2,075,000
Total Special Assessment Bonds	7,272,000	0	(430,000)	6,842,000
Various Improvements Note 3.20%				
Matures March 4, 2000	0	2,000,000	0	2,000,000
Pension Obligation	355,109	390,398	(355,109)	390,398
Compensated Absences	631,139	470,625	0	1,101,764
Total General Long-term Obligations	\$8,258,248	\$2,861,023	(\$785,109)	\$10,334,162

The special assessment bonds will be paid from the proceeds of special assessments levied against benefitted property owners. In the event that a property owner would fail to pay the assessment, payment would be made by the City. Compensated absences will be paid from the fund from which the employees' salaries are paid. The intergovernmental payable represents contractually required pension contributions paid outside the available period and will be paid from the fund from which the person is paid.

Bond anticipation notes that were rolled over prior to the issuance of the financial statements and have a new maturity beyond the end of the year in which the report is issued have been reported in the general long-term obligations account and will be paid from the debt service fund.

The City's overall legal debt margin was \$63,840,822 at December 31, 1999. Principal and interest requirements to retire outstanding special assessment bonds at December 31, 1999, are as follows

Year	Principal	Interest	Total
2000	\$431,000	\$445,185	\$876,185
2001	451,000	413,508	864,508
2002	431,000	380,535	811,535
2003	481,000	351,716	832,716
2004	446,000	321,847	767,847
2005-2009	2,812,000	1,090,490	3,902,490
2010-2014	1,380,000	300,168	1,680,168
2015-2019	410,000	31,442	441,442
Total	\$6,842,000	\$3,334,891	\$10,176,891

City of Beachwood, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 1999

Note 14 - Note Payable

Changes in the City's note activity for the year ended December 31, 1999, were as follows:

	Outstanding 12/31/98	Additions	(Reductions)	Outstanding 12/31/99
Sewer Improvement Note - 3.91%	\$600,000	\$0	(\$600,000)	\$0
Sewer Improvement Note - 3.95%	0	600,000	0	600,000
Total	\$600,000	\$600,000	\$600,000	\$600,000

The notes are backed by the full faith and credit of the City and will mature on October 6, 2000. The note liability is reflected in the capital projects fund, the fund which received the proceeds. Notes are generally issued in anticipation of long-term bond financing and are refinanced until such bonds are issued.

Note 15 - Contractual Commitments

The City had the following contractual commitments outstanding at December 31, 1999:

Project	Contract Amount	Amount Paid	Remaining on Contract
Baseball Field Improvements	\$387,630	(\$336,798)	\$50,832
Road Improvements	2,650,084	(2,373,425)	276,659
Water Main Improvements	3,049,085	(2,631,435)	417,650
Storm and Sanitary Sewer Improvements	418,580	(370,472)	48,108
Fuel Storage Tank Removal/Installation	178,499	(116,964)	61,535
Fire Stations #1 and 2 Improvements	414,500	(64,470)	350,030
Pierce Aerial Platform Repair	57,211	0	57,211
Recreation Facilities Plan	32,000	(31,291)	709
Misc Architectural Services	770,000	(448,587)	321,413
Total	\$7,957,589	(\$6,373,442)	\$1,584,147

Note 16 - Subsequent Event

On March 2, 2000, the City issued \$2,000,000 in bond anticipation notes at a rate of 4.5% for various improvement projects, with a maturity date of March 3, 2001.

General Fund

The general fund is used to account for financial resources traditionally associated with general operations which are not required to be accounted for by another fund.

City of Beachwood, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Municipal Income Taxes	\$13,000,000	\$13,889,903	\$889,903
Property Taxes	2,063,128	2,080,076	16,948
Other Local Taxes	961,500	1,040,990	79,490
Charges for Services	721,800	599,153	(122,647)
Fines, Licenses, and Permits	850,000	592,396	(257,604)
Intergovernmental	2,154,792	2,709,402	554,610
Interest	1,800,000	2,625,813	825,813
Other	190,000	124,289	(65,711)
Total Revenues	21,741,220	23,662,022	1,920,802
Expenditures			
Current:			
General Government:			
Council:			
Personal Services	78,650	61,321	17,329
Contractual Services	5,000	0	5,000
Materials and Supplies	2,440	506	1,934
Capital Outlay	39,500	0	39,500
Other	57,737	42,699	15,038
Total Council	183,327	104,526	78,801
Mayor:			
Personal Services	273,603	256,974	16,629
Contractual Services	15,615	14,162	1,453
Materials and Supplies	21,479	19,205	2,274
Capital Outlay	15,770	13,217	2,553
Other	24,261	22,093	2,168
Total Mayor	350,728	325,651	25,077
Finance Department:			
Personal Services	1,169,906	950,577	219,329
Contractual Services	67,754	62,478	5,276
Materials and Supplies	34,269	31,601	2,668
Capital Outlay	107,240	69,435	37,805
Other	176,863	135,371	41,492
Total Finance Department	\$1,556,032	\$1,249,462	\$306,570

(continued)

City of Beachwood, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Law Department:			
Personal Services	\$517,381	\$495,550	\$21,831
Contractual Services	22,688	5,268	17,420
Materials and Supplies	35,384	22,899	12,485
Capital Outlay	19,460	8,568	10,892
Other	74,876	56,262	18,614
Total Law Department	669,789	588,547	81,242
Total General Government	2,759,876	2,268,186	491,690
Public Safety:			
Police Department:			
Personal Services	4,213,990	4,025,471	188,519
Contractual Services	272,938	236,670	36,268
Materials and Supplies	67,270	58,903	8,367
Capital Outlay	388,694	324,876	63,818
Other	119,849	78,774	41,075
Total Police Department	5,062,741	4,724,694	338,047
Fire Department:			
Personal Services	3,263,803	3,178,367	85,436
Contractual Services	93,454	75,030	18,424
Materials and Supplies	131,461	111,867	19,594
Capital Outlay	264,599	103,332	161,267
Other	59,561	47,989	11,572
Total Fire Department	3,812,878	3,516,585	296,293
Total Public Safety	8,875,619	8,241,279	634,340
Public Services:			
Service Department:			
Personal Services	351,222	317,912	33,310
Contractual Services	1,598	1,128	470
Materials and Supplies	51,448	49,716	1,732
Capital Outlay	29,982	16,153	13,829
Other	26,643	24,916	1,727
Total Service Department	\$460,893	\$409,825	\$51,068

(continued)

City of Beachwood, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Building and Grounds:			
Personal Services	\$799,266	\$735,322	\$63,944
Contractual Services	424,982	407,692	17,290
Materials and Supplies	265,460	236,678	28,782
Capital Outlay	243,271	113,839	129,432
Other	25,000	19,722	5,278
Total Building and Grounds	1,757,979	1,513,253	244,726
Fleet Maintenance:			
Personal Services	553,121	474,108	79,013
Contractual Services	107,641	99,027	8,614
Materials and Supplies	437,420	406,450	30,970
Capital Outlay	43,244	9,628	33,616
Total Fleet Maintenance	1,141,426	989,213	152,213
Streets, Sidewalks, and Sewers:			
Personal Services	908,395	796,634	111,761
Contractual Services	297,748	200,496	97,252
Materials and Supplies	784,540	663,212	121,328
Capital Outlay	404,784	333,794	70,990
Other	7,515	6,378	1,137
Total Street, Sidewalks, and Sewers	2,402,982	2,000,514	402,468
Sanitation:			
Personal Services	575,935	480,425	95,510
Contractual Services	304,641	222,398	82,243
Materials and Supplies	14,500	8,570	5,930
Capital Outlay	25,000	20,100	4,900
Other	1,000	40	960
Total Sanitation	921,076	731,533	189,543
Engineering Department:			
Personal Services	86,690	47,218	39,472
Materials and Supplies	15,000	0	15,000
Capital Outlay	35,000	2,873	32,127
Total Engineering Department	136,690	50,091	86,599
Total Public Services	\$6,821,046	\$5,694,429	\$1,126,617 (continued)

City of Beachwood, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Health and Welfare:			
Human Services Department:			
Personal Services	\$219,178	\$202,606	\$16,572
Contractual Services	60,125	23,271	36,854
Materials and Supplies	32,143	21,759	10,384
Capital Outlay	32,847	31,135	1,712
Other	36,630	31,296	5,334
Total Health and Welfare	380,923	310,067	70,856
Culture and Recreation:			
Recreation Administration:			
Personal Services	281,619	210,755	70,864
Contractual Services	264,282	220,365	43,917
Materials and Supplies	13,119	9,930	3,189
Capital Outlay	25,905	9,519	16,386
Other	18,193	12,361	5,832
Total Recreation Administration	603,118	462,930	140,188
Camps:			
Personal Services	156,000	138,504	17,496
Contractual Services	68,980	63,037	5,943
Materials and Supplies	27,466	19,512	7,954
Capital Outlay	1,700	510	1,190
Other	2,815	2,625	190
Total Camps	256,961	224,188	32,773
Child Care:			
Personal Services	49,700	42,051	7,649
Contractual Services	12,872	7,797	5,075
Materials and Supplies	5,822	2,275	3,547
Capital Outlay	1,000	0	1,000
Other	1,915	847	1,068
Total Child Care	71,309	52,970	18,339
Sports Programs:			
Personal Services	17,650	10,548	7,102
Contractual Services	54,000	33,163	20,837
Materials and Supplies	36,980	29,218	7,762
Capital Outlay	5,700	4,566	1,134
Other	9,250	5,762	3,488
Total Sports Programs	\$123,580	\$83,257	\$40,323

(continued)

City of Beachwood, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Other Programs:			
Personal Services	\$57,500	\$50,144	\$7,356
Contractual Services	86,243	48,913	37,330
Materials and Supplies	8,286	5,225	3,061
Capital Outlay	2,500	0	2,500
Other	11,490	9,024	2,466
Total Other Programs	166,019	113,306	52,713
Senior Adults:			
Contractual Services	1,662	505	1,157
Materials and Supplies	935	263	672
Other	65	49	16
Total Senior Adults	2,662	817	1,845
Parks/Swimming Pools			
Personal Services	155,100	143,323	11,777
Contractual Services	70,240	61,816	8,424
Materials and Supplies	31,920	25,018	6,902
Capital Outlay	46,350	44,321	2,029
Other	6,300	2,340	3,960
Total Parks/Swimming Pools	309,910	276,818	33,092
Total Culture and Recreation	1,533,559	1,214,286	319,273
Community Development:			
Building Department:			
Personal Services	857,997	812,046	45,951
Contractual Services	15,150	9,038	6,112
Materials and Supplies	23,249	20,432	2,817
Capital Outlay	89,518	67,904	21,614
Other	19,956	15,097	4,859
Total Community Development	1,005,870	924,517	81,353
Total Expenditures	21,376,893	18,652,764	2,724,129
Excess of Revenues Over Expenditures	\$364,327	\$5,009,258	\$4,644,931 (continued)

City of Beachwood, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Other Financing Sources (Uses)			
Sale of Fixed Assets	\$10,000	\$14,900	\$4,900
Operating Transfers Out	(8,800,600)	(8,800,600)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(8,790,600)</u>	<u>(8,785,700)</u>	<u>4,900</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses</i>	(8,426,273)	(3,776,442)	4,649,831
<i>Fund Balance Beginning of Year</i>	15,683,760	15,683,760	0
Prior Year Encumbrances Appropriated	<u>863,528</u>	<u>863,528</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$8,121,015</u>	<u>\$12,770,846</u>	<u>\$4,649,831</u>

Special Revenue Funds

Special revenue funds are established to account for the proceeds of specific revenue sources (other than major capital projects) that are restricted by law or administrative action to expenditures for specified purposes.

Street Construction, Maintenance and Repair Fund - This fund accounts for 92.5 percent of the State gasoline tax and motor vehicle registration fees designated for maintenance and repair of streets within the City.

State Highway Fund - This fund accounts for 7.5 percent of the State gasoline tax and motor vehicle registration fees designated for maintenance and repair of State highways within the City.

Mayor's Court Improvement Fund - This fund accounts for court fees and fines used for the purchase and maintenance of computers for the Mayor's court.

Law Enforcement Trust Fund - This fund accounts for monies received from the sale or disposition of seized contraband.

Police Pension Fund - This fund accounts for property taxes collected to pay for a portion of the employer's share of police pension benefits.

Street Lights Fund - This fund accounts for the collection of special assessments to provide street lighting on Blossom Drive and George Zeiger Drive.

Paramedic Trust Fund - This fund accounts for monies given to the City by the privately held "Beachwood Paramedic Trust Fund" to provide equipment and training for paramedics of the City.

City of Beachwood, Ohio
Combining Balance Sheet
All Special Revenue Funds
December 31, 1999

	Street Construction, Maintenance and Repair	State Highway	Mayor's Court Improvement
Assets			
Equity in Pooled Cash and Cash Equivalents	\$564,388	\$321,469	\$37,833
Receivables:			
Taxes	5,405	439	0
Due from Other Governments	17,625	1,430	0
<i>Total Assets</i>	<u>\$587,418</u>	<u>\$323,338</u>	<u>\$37,833</u>
Liabilities			
Accounts Payable	\$23,359	\$0	\$0
Deferred Revenue	0	0	0
<i>Total Liabilities</i>	<u>23,359</u>	<u>0</u>	<u>0</u>
Fund Equity			
Fund Balance:			
Reserved for Encumbrances	86,365	0	15,732
Unreserved, Undesignated	477,694	323,338	22,101
<i>Total Fund Equity</i>	<u>564,059</u>	<u>323,338</u>	<u>37,833</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$587,418</u>	<u>\$323,338</u>	<u>\$37,833</u>

Law Enforcement Trust	Police Pension	Street Lights	Paramedic Trust	Totals
\$7,782	\$21,660	\$48,154	\$2,890	\$1,004,176
0	172,760	0	0	178,604
2,500	1,535	0	0	23,090
<u>\$10,282</u>	<u>\$195,955</u>	<u>\$48,154</u>	<u>\$2,890</u>	<u>\$1,205,870</u>
\$0	\$0	\$1,175	\$0	\$24,534
0	172,760	0	0	172,760
0	172,760	1,175	0	197,294
0	0	0	0	102,097
10,282	23,195	46,979	2,890	906,479
10,282	23,195	46,979	2,890	1,008,576
<u>\$10,282</u>	<u>\$195,955</u>	<u>\$48,154</u>	<u>\$2,890</u>	<u>\$1,205,870</u>

City of Beachwood
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds
For the Year Ended December 31, 1999*

	Street Construction, Maintenance and Repair	State Highway	Mayor's Court Improvement
Revenues			
Property Taxes	\$0	\$0	\$0
Fines, Licenses; and Permits	0	0	14,870
Intergovernmental	289,633	23,486	0
Special Assessments	0	0	0
Interest	41,177	17,982	0
<i>Total Revenues</i>	<u>330,810</u>	<u>41,468</u>	<u>14,870</u>
Expenditures			
Current:			
General Government	0	0	2,351
Public Safety	0	0	0
Public Services	396,666	0	0
<i>Total Expenditures</i>	<u>396,666</u>	<u>0</u>	<u>2,351</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(65,856)	41,468	12,519
<i>Fund Balances Beginning of Year</i>	<u>629,915</u>	<u>281,870</u>	<u>25,314</u>
<i>Fund Balances End of Year</i>	<u>\$564,059</u>	<u>\$323,338</u>	<u>\$37,833</u>

Law Enforcement Trust	Police Pension	Street Lights	Paramedic Trust	Totals
\$0	\$168,654	\$0	\$0	\$168,654
710	0	0	0	15,580
5,142	17,707	0	0	335,968
0	0	25,378	0	25,378
44	0	0	0	59,203
<u>5,896</u>	<u>186,361</u>	<u>25,378</u>	<u>0</u>	<u>604,783</u>
0	0	0	0	2,351
1,924	199,968	16,955	17,000	235,847
0	0	0	0	396,666
<u>1,924</u>	<u>199,968</u>	<u>16,955</u>	<u>17,000</u>	<u>634,864</u>
3,972	(13,607)	8,423	(17,000)	(30,081)
6,310	36,802	38,556	19,890	1,038,657
<u>\$10,282</u>	<u>\$23,195</u>	<u>\$46,979</u>	<u>\$2,890</u>	<u>\$1,008,576</u>

City of Beachwood, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	\$305,000	\$290,432	(\$14,568)
Interest	25,000	41,177	16,177
<i>Total Revenues</i>	<u>330,000</u>	<u>331,609</u>	<u>1,609</u>
Expenditures			
Current:			
Public Service:			
Streets, Sidewalks, and Sewers:			
Personal Services	105,700	9,980	95,720
Capital Outlay	676,452	465,077	211,375
<i>Total Expenditures</i>	<u>782,152</u>	<u>475,057</u>	<u>307,095</u>
<i>Excess of Revenues Under Expenditures</i>	(452,152)	(143,448)	308,704
<i>Fund Balance Beginning of Year</i>	425,919	425,919	0
Prior Year Encumbrances Appropriated	<u>182,152</u>	<u>182,152</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$155,919</u>	<u>\$464,623</u>	<u>\$308,704</u>

City of Beachwood, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$25,000	\$23,549	(\$1,451)
Interest	15,000	17,982	2,982
<i>Total Revenues</i>	<u>40,000</u>	<u>41,531</u>	<u>1,531</u>
Expenditures			
Current:			
Public Service:			
Streets, Sidewalks, and Sewers:			
Personal Services	10,000	0	10,000
Capital Outlay	260,000	0	260,000
<i>Total Expenditures</i>	<u>270,000</u>	<u>0</u>	<u>270,000</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(230,000)	41,531	271,531
<i>Fund Balance Beginning of Year</i>	<u>279,938</u>	<u>279,938</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$49,938</u>	<u>\$321,469</u>	<u>\$271,531</u>

City of Beachwood, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Mayor's Court Improvement Fund
For the Year Ended December 31, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Fines, Licenses, and Permits	\$15,000	\$15,620	\$620
Expenditures			
Current:			
General Government:			
Mayor:			
Personal Services	7,500	75	7,425
Materials and Supplies	2,500	178	2,322
Capital Outlay	20,000	17,830	2,170
<i>Total Expenditures</i>	<u>30,000</u>	<u>18,083</u>	<u>11,917</u>
<i>Excess of Revenues Under Expenditures</i>	(15,000)	(2,463)	12,537
<i>Fund Balance Beginning of Year</i>	<u>22,909</u>	<u>22,909</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$7,909</u>	<u>\$20,446</u>	<u>\$12,537</u>

City of Beachwood, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Trust Fund
For the Year Ended December 31, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Fines, Licenses, and Permits	\$0	\$710	\$710
Intergovernmental	2,558	2,642	84
Interest	0	44	44
<i>Total Revenues</i>	<u>2,558</u>	<u>3,396</u>	<u>838</u>
Expenditures			
Current:			
General Government:			
Law Department:			
Materials and Supplies	250	0	250
Capital Outlay	499	0	499
Other	250	0	250
Total General Government	<u>999</u>	<u>0</u>	<u>999</u>
Public Safety:			
Police Department:			
Materials and Supplies	1,000	0	1,000
Capital Outlay	5,000	1,500	3,500
Other	1,000	424	576
Total Public Safety	<u>7,000</u>	<u>1,924</u>	<u>5,076</u>
<i>Total Expenditures</i>	<u>7,999</u>	<u>1,924</u>	<u>6,075</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(5,441)	1,472	6,913
<i>Fund Balance Beginning of Year</i>	6,061	6,061	0
Prior Year Encumbrances Appropriated	248	248	0
<i>Fund Balance End of Year</i>	<u>\$868</u>	<u>\$7,781</u>	<u>\$6,913</u>

City of Beachwood, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Property Taxes	\$165,391	\$168,654	\$3,263
Intergovernmental	17,150	17,679	529
<i>Total Revenues</i>	182,541	186,333	3,792
Expenditures			
Current:			
Public Safety:			
Police Department:			
Personal Services	200,000	199,968	32
<i>Excess of Revenues Under Expenditures</i>	(17,459)	(13,635)	3,824
<i>Fund Balance Beginning of Year</i>	35,296	35,296	0
<i>Fund Balance End of Year</i>	<u>\$17,837</u>	<u>\$21,661</u>	<u>\$3,824</u>

City of Beachwood, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Lights Fund
For the Year Ended December 31, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Special Assessments	\$22,330	\$25,378	\$3,048
Expenditures			
Current:			
Public Service:			
Streets, Sidewalks, and Sewers:			
Contractual Services	<u>24,900</u>	<u>20,105</u>	<u>4,795</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,570)	5,273	7,843
<i>Fund Balance Beginning of Year</i>	<u>42,881</u>	<u>42,881</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$40,311</u>	<u>\$48,154</u>	<u>\$7,843</u>

City of Beachwood, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Paramedic Trust Fund
For the Year Ended December 31, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures			
Current:			
Public Safety:			
Fire Department:			
Capital Outlay	17,000	17,000	0
Other	2,890	0	2,890
<u>Total Expenditures</u>	<u>19,890</u>	<u>17,000</u>	<u>2,890</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(19,890)	(17,000)	2,890
<i>Fund Balance Beginning of Year</i>	<u>19,890</u>	<u>19,890</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$2,890</u>	<u>\$2,890</u>

City of Beachwood, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
All Special Revenue Funds
For the Year Ended December 31, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property Taxes	\$165,391	\$168,654	\$3,263
Fines, Licenses, and Permits	15,000	16,330	1,330
Intergovernmental	349,708	334,302	(15,406)
Special Assessments	22,330	25,378	3,048
Interest	40,000	59,203	19,203
<i>Total Revenues</i>	<u>592,429</u>	<u>603,867</u>	<u>11,438</u>
Expenditures			
Current:			
General Government:			
Mayor's Court Improvement Fund	30,000	18,083	11,917
Law Enforcement Trust Fund	749	0	749
Total General Government	<u>30,749</u>	<u>18,083</u>	<u>12,666</u>
Public Safety:			
Law Enforcement Trust Fund	7,000	1,924	5,076
Police Pension Fund	200,000	199,968	32
Paramedic Trust Fund	19,890	17,000	2,890
Total Public Safety	<u>226,890</u>	<u>218,892</u>	<u>7,998</u>
Public Service:			
Street Construction Maintenance and Repair Fund	782,152	475,057	307,095
State Highway Fund	270,000	0	270,000
State Lights Fund	24,900	20,105	4,795
Total Public Service	<u>1,077,052</u>	<u>495,162</u>	<u>581,890</u>
<i>Total Expenditures</i>	<u>1,334,691</u>	<u>732,137</u>	<u>602,554</u>
<i>Excess of Revenues</i>			
<i> Under Expenditures</i>	(742,262)	(128,270)	613,992
<i>Fund Balance Beginning of Year</i>	832,894	832,894	0
<i>Prior Year Encumbrances Appropriated</i>	182,400	182,400	0
<i>Fund Balance End of Year</i>	<u>\$273,032</u>	<u>\$887,024</u>	<u>\$613,992</u>

Debt Service Fund

The debt service fund is used to account for the accumulation of financial resources for, and the payment of, general long-term debt principal, interest, and related costs. Since there is only one debt service fund and the level of budgetary control is not greater than that presented in the combined financial statements, no additional financial statements are presented.

General Bond Retirement Fund To account for the accumulation of resources to pay principal and interest on special assessment debt.

Capital Projects Fund

The capital projects fund accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by trust funds). Since there is only one capital projects fund and the level of budgetary control is not greater than that presented in the combined financial statements, no additional financial statements are presented.

Capital Improvements Fund To account for financial resources to be used for the acquisition or construction of major capital facilities.

Fiduciary Funds

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

Nonexpendable Trust Fund

This fund accounts for assets held by the City in a trustee capacity for individuals, private organizations, other governmental units and/or other funds. Since there is only one nonexpendable trust fund and the level of budgetary control is not greater than that presented in the combined financial statements, no additional financial statements are presented.

Leo Weiss Trust Fund - This fund accounts for monies given to the City by the family of former City councilman Leo Weiss. The interest earned on the donated monies is to provide funds for the annual Leo Weiss Good Sportsmanship award for the Beachwood Men's Softball League.

Agency Funds

These funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results of operations.

Commercial Permits Tax Fund - This fund accounts for monies collected by the City in accordance with State law.

Deposits Fund - This fund accounts for monies from planning, zoning, and street repairs put on deposit with the City in accordance with various City ordinances.

Mayor's Court Fund - To account for the activities within the Mayor's Court.

City of Beachwood
Combining Balance Sheet
All Trust and Agency Funds
December 31, 1999

	Nonexpendable Trust	Agency	Totals
Assets			
Equity in Pooled Cash and Cash Equivalents	\$1,073	\$279,789	\$280,862
Cash and Cash Equivalents in Segregated Accounts	0	39,778	39,778
<i>Total Assets</i>	<u>\$1,073</u>	<u>\$319,567</u>	<u>\$320,640</u>
Liabilities			
Undistributed Monies	\$0	\$40,082	\$40,082
Deposits Held and Due to Others	0	279,485	279,485
<i>Total Liabilities</i>	<u>0</u>	<u>319,567</u>	<u>319,567</u>
Fund Equity			
Fund Balance:			
Reserved for Endowments	1,060	0	1,060
Unreserved, Undesignated	13	0	13
<i>Total Fund Equity</i>	<u>1,073</u>	<u>0</u>	<u>1,073</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$1,073</u>	<u>\$319,567</u>	<u>\$320,640</u>

City of Beachwood, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended December 31, 1999

	Beginning Balance 1/1/99	Additions	Deductions	Ending Balance 12/31/99
Commercial Permits Tax				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$331	\$0	\$27	\$304
Liabilities				
Undistributed Monies	\$331	\$0	\$27	\$304
Deposits				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$336,477	\$0	\$56,992	\$279,485
Liabilities				
Deposits Held and Due to Others	\$336,477	\$0	\$56,992	\$279,485
Mayor's Court				
Assets				
Cash and Cash Equivalents in Segregated Accounts	\$59,079	\$545,841	\$565,142	\$39,778
Liabilities				
Undistributed Monies	\$59,079	\$545,841	\$565,142	\$39,778
Total - All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$336,808	\$0	\$57,019	\$279,789
Cash and Cash Equivalents in Segregated Accounts	59,079	545,841	565,142	39,778
Total Assets	\$395,887	\$545,841	\$622,161	\$319,567
Liabilities				
Undistributed Monies	\$59,410	\$545,841	\$565,169	\$40,082
Deposits Held and Due to Others	336,477	0	56,992	279,485
Total Liabilities	\$395,887	\$545,841	\$622,161	\$319,567

General Fixed Assets Account Group

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

City of Beachwood
Schedule of Changes in General Fixed Assets
By Function
For the Year Ended December 31, 1999

	General Fixed Assets 12/31/98	Additions	Deletions	Transfers	General Fixed Assets 12/31/99
<i>General Government</i>					
Council	\$9,126,062	\$1,504,968	\$0	\$0	\$10,631,030
Mayor's Office	45,453	14,291	556	0	59,188
Finance Department	439,444	33,659	55,899	(800)	416,404
Law Department	31,522	6,400	1,862	800	36,860
<i>Total General Government</i>	<u>9,642,481</u>	<u>1,559,318</u>	<u>58,317</u>	<u>0</u>	<u>11,143,482</u>
<i>Public Safety</i>					
Police Department	1,930,725	279,740	95,484	0	2,114,981
Fire Department	2,422,296	89,310	9,550	0	2,502,056
<i>Total Public Safety</i>	<u>4,353,021</u>	<u>369,050</u>	<u>105,034</u>	<u>0</u>	<u>4,617,037</u>
<i>Public Services</i>					
Service Department	7,324,979	267,094	63,295	0	7,528,778
<i>Health and Welfare</i>					
Human Services Department	74,810	14,467	0	0	89,277
<i>Culture and Recreation</i>					
Recreation Department	725,967	20,200	26,268	0	719,899
<i>Community Development</i>					
Building Department	230,886	23,476	4,371	0	249,991
<i>Total General Fixed Assets</i>	<u>\$22,352,144</u>	<u>\$2,253,605</u>	<u>\$257,285</u>	<u>\$0</u>	<u>\$24,348,464</u>

City of Beachwood, Ohio
Schedule of General Fixed Assets
By Function and Type
December 31, 1999

	Total	Land	Land Improvements	Vehicles	Machinery and Equipment	Buildings
<i>General Government</i>						
Council	\$10,631,030	\$5,630,642	\$0	\$0	\$21,738	\$4,978,650
Mayor's Office	59,188	0	0	28,000	31,188	0
Finance Department	416,404	0	126,651	20,436	269,317	0
Law Department	36,860	0	0	0	36,860	0
Total General Government	11,143,482	5,630,642	126,651	48,436	359,103	4,978,650
<i>Public Safety</i>						
Police Department	2,114,981	0	0	485,891	945,090	684,000
Fire Department	2,502,056	0	8,893	1,600,762	297,176	595,225
Total Security of Persons and Property	4,617,037	0	8,893	2,086,653	1,242,266	1,279,225
<i>Public Services</i>						
Service Department	7,528,778	0	138,226	2,103,747	1,714,805	3,572,000
<i>Health and Welfare</i>						
Human Services Department	89,277	0	0	41,734	47,543	0
<i>Culture and Recreation</i>						
Recreation Department	719,899	0	509,698	0	88,801	121,400
<i>Community Development</i>						
Building Department	249,991	0	0	138,763	111,228	0
Total General Fixed Assets	\$24,348,464	\$5,630,642	\$783,468	\$4,419,333	\$3,563,746	\$9,951,275

City of Beachwood
Schedule of General Fixed Assets
By Source
December 31, 1999

General Fixed Assets	
Land	\$5,630,642
Land Improvements	783,468
Vehicles	4,419,333
Machinery and Equipment	3,563,746
Buildings	<u>9,951,275</u>

Total General Fixed Assets \$24,348,464

Investment in General Fixed Assets by Source

General Fund Revenues	\$17,320,073
Capital Project Funds' Revenues	<u>7,028,391</u>

Total Investment in General Fixed Assets \$24,348,464

STATISTICAL SECTION



City of Beachwood, Ohio
General Governmental Expenditures by Function (1)
Last Ten Years

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
General Government	\$2,254,477	\$2,141,822	\$1,750,146	\$3,617,008	\$2,491,905	\$3,366,748	\$4,461,774	\$3,141,485	\$2,067,571	\$1,760,319
Public Safety	8,464,810	8,004,484	6,706,503	7,201,156	5,960,641	5,989,600	5,254,548	4,735,436	4,660,773	4,506,286
Public Services	5,596,884	5,206,040	4,915,061	26,831	29,670	24,257	26,413	26,453	53,780	20,370
Health and Welfare	297,133	74,602	0	0	0	0	0	0	0	0
Transportation (2)	0	0	0	4,794,293	3,292,418	4,192,994	2,774,565	3,630,201	1,648,702	2,161,061
Culture and Recreation	1,135,689	1,214,131	1,265,314	138,380	191,691	197,340	223,338	96,831	57,108	383,884
Community Development	862,872	795,265	791,317	781,420	545,671	746,947	696,644	517,558	457,416	424,249
Basic Utility Services	0	0	0	1,074,084	768,375	1,430,785	1,578,822	1,060,073	1,332,048	1,093,091
Capital Outlay	7,299,746	5,280,119	2,553,922	0	329,319	440,442	510,646	501,671	662,159	1,775,932
Debt Service	1,528,533	1,568,940	1,591,127	1,519,346	2,844,108	2,574,774	4,105,963	874,074	968,232	5,056,034
Total	\$27,440,144	\$24,285,403	\$19,573,390	\$19,152,518	\$16,453,798	\$19,063,887	\$19,032,713	\$14,583,782	\$11,907,789	\$17,181,226

Source: City financial records

(1) 1997, 1998, and 1999 are reported on a GAAP basis; all other on a Cash basis.

(2) Prior to 1997, the City reported expenditures in the transportation category.

City of Beachwood, Ohio
General Governmental Revenues by Source (1)
Last Ten Years

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Taxes (2)	\$17,310,149	\$16,537,836	\$16,601,521	\$16,327,242	\$15,273,531	\$14,679,323	\$13,405,663	\$13,932,508	\$11,681,929	\$9,049,987
Charges for Services	599,805	889,564	687,330	450	100	0	0	24,150	29,961	143,049
Fines, Licenses, and Permits	635,959	873,213	929,560	961,008	515,659	529,905	483,544	505,945	409,418	450,161
Intergovernmental	3,073,641	2,885,619	4,476,126	2,059,463	5,950,815	2,995,592	1,986,134	1,578,980	1,616,029	3,410,099
Special Assessments	974,751	963,511	1,041,403	1,592	1,674	30,211	1,670	1,592	1,071,691	195,755
Interest	1,895,120	2,656,226	2,237,905	0	0	0	0	0	0	0
Donations	0	19,890	0	0	0	0	0	0	0	0
Other	195,892	554,545	151,668	2,760,826	1,250,291	1,054,873	881,274	1,728,426	1,019,124	836,221
Totals	\$24,685,317	\$25,380,404	\$26,125,513	\$22,110,581	\$22,992,070	\$19,289,904	\$16,758,285	\$17,771,601	\$15,828,152	\$14,085,272

Source: City Financial Records

(1) 1997, 1998 and 1999 are reported on a GAAP basis; all other on a Cash basis.

(2) Taxes include all taxes the city receives.

City of Beachwood, Ohio
Real and Public Utility Property Tax Levies And Collections
Last Ten Years

Year	Current Levy (1)	Delinquent Levy	Total Levy	Current Collection (1)	Percent of Current Collections To Tax Levy	Delinquent Collection	Total Collections	Percent of Total Collections To Tax Levy	Outstanding Delinquent Taxes (2)	Percent of Delinquent Taxes to Tax Levy
1999	\$2,193,925	\$68,547	\$2,262,472	\$2,134,653	97.30%	\$44,362	\$2,179,015	99.32%	\$65,281	2.89%
1998	2,110,259	65,035	2,175,294	2,037,350	96.55	36,391	2,073,741	98.27	62,169	2.86
1997	1,955,738	87,183	2,042,921	1,892,545	96.77	27,280	1,919,825	98.16	50,935	2.49
1996	1,902,202	72,038	1,974,240	1,854,942	97.52	30,265	1,885,207	99.11	71,642	3.63
1995	1,894,741	91,804	1,986,545	1,719,454	90.75	33,062	1,752,516	92.49	77,316	3.89
1994	1,876,240	210,720	2,086,960	1,764,468	94.04	53,315	1,817,783	96.88	106,896	5.12
1993	1,512,710	231,097	1,743,807	1,401,199	92.63	78,478	1,479,677	97.82	242,526	13.91
1992	1,805,387	205,399	2,010,786	1,740,376	96.40	70,094	1,810,470	100.28	207,993	10.34
1991	1,487,019	126,541	1,613,560	1,400,476	94.18	83,466	1,483,942	99.79	205,751	12.75
1990	1,409,506	32,513	1,442,019	1,357,417	96.30	55,472	1,412,889	100.24	72,193	5.01

Source: Cuyahoga County, Ohio; County Auditor

(1) Includes homestead/rollback taxes assessed locally but distributed through the State and reported as intergovernmental revenue.

(2) Includes penalties and interest, since by Ohio Law, they become part of tax obligation as assessment occurs.

City of Beachwood, Ohio
Personal Property Tax Levies And Collections
Last Ten Years

Year	Current Levy	Delinquent Levy	Total Levy	Current Collection	Percent of Current Collections To Tax Levy	Delinquent Collection	Total Collections	Percent of Total Collections to Current Tax Levy	Outstanding Delinquent Taxes (1)
1999	\$273,310	\$37,014	\$310,323	\$266,876	97.65%	\$19,439	\$285,146	104.33%	\$21,106
1998	260,460	35,693	296,153	242,667	93.17	17,793	260,460	100.00	29,366
1997	282,281	80,182	362,463	281,275	99.64	6,556	287,831	101.97	61,562
1996	233,678	100,571	334,249	230,660	98.71	3,018	233,678	100.00	63,137
1995	213,790	103,474	317,264	209,496	97.99	4,293	213,789	100.00	103,474
1994	182,864	113,006	295,870	174,659	95.51	10,303	184,962	101.15	110,062
1993	174,912	99,613	274,525	169,924	97.15	6,210	176,134	100.70	98,379
1992	184,667	99,872	284,539	177,874	96.32	26,634	204,508	110.74	81,712
1991	179,475	71,581	251,056	156,227	87.05	6,890	163,117	90.89	91,792
1990	165,778	75,515	241,293	163,332	98.52	10,988	174,320	105.15	68,052

Source: Cuyahoga County, Ohio; County Auditor

(1) Includes penalties and interest, since by Ohio Law, they become part of tax obligation as assessment occurs.

City of Beachwood, Ohio
Assessed and Estimated Actual Value of Taxable Property
Last Ten Years

Year	Real Property		Public Utility Property		Tangible Personal Property		Total		Ratio
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value	
1999	\$539,039,250	\$1,540,112,143	\$18,612,250	\$21,150,284	\$68,327,501	\$273,310,004	\$625,979,001	\$1,834,572,431	34.12%
1998	529,606,400	1,513,161,143	20,699,720	23,322,409	65,115,001	260,460,004	615,421,121	1,797,143,556	34.24
1997	507,681,500	1,450,518,571	19,293,070	21,923,943	53,827,069	215,308,276	580,801,639	1,687,750,791	34.41
1996	469,250,790	1,340,716,543	20,347,690	23,122,375	49,230,508	196,922,032	538,828,988	1,560,760,950	34.52
1995	455,996,370	1,302,846,771	19,611,490	22,285,784	43,875,056	175,500,224	519,482,916	1,500,632,780	34.62
1994	454,278,850	1,297,939,571	21,649,010	24,601,148	44,181,802	176,727,208	520,109,662	1,499,267,927	34.69
1993	427,019,180	1,220,054,800	21,092,810	23,969,102	43,234,508	172,938,032	491,346,498	1,416,961,934	34.68
1992	427,697,140	1,221,991,829	17,697,330	20,110,602	39,971,061	159,884,244	485,365,531	1,401,986,675	34.62
1991	410,711,010	1,173,460,029	17,946,360	20,393,591	40,259,314	161,037,256	468,916,684	1,354,890,875	34.61
1990	338,262,780	966,465,086	15,777,010	17,928,420	41,344,389	165,377,556	395,384,179	1,149,771,062	34.39

Source: Cuyahoga County, Ohio; County Auditor

(1) This amount is calculated based on the following percentages:

Real property is assessed at thirty-five percent of actual value.

Public utility is assessed at eighty-eight percent of actual value.

Tangible personal is assessed at twenty-five percent of actual value.

City of Beachwood, Ohio
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)
Last Ten Years

Collection Year	City of Beachwood				Beachwood City School District		Total Direct and Overlapping Governments
	General	Police Pension	Total City	Cuyahoga County	School District		
1999	\$3.70	\$0.30	\$4.00	\$16.70	\$68.00	\$88.70	
1998	3.70	0.30	4.00	16.70	68.10	88.80	
1997	3.70	0.30	4.00	18.00	67.50	89.50	
1996	3.70	0.30	4.00	18.00	67.80	89.80	
1995	3.70	0.30	4.00	18.20	65.30	87.50	
1994	3.90	0.30	4.20	17.80	65.40	87.40	
1993	3.10	0.30	3.40	17.80	65.40	86.60	
1992	3.90	0.30	4.20	17.80	59.40	81.40	
1991	3.90	0.30	4.20	17.80	59.40	81.40	
1990	3.90	0.30	4.20	17.80	59.40	81.40	

Source: Cuyahoga County, Ohio; County Auditor

City of Beachwood, Ohio
Special Assessment Levies and Collections (1)
Last Ten Years

Year	Current Assessments Levied	Current Assessments Collected	Percentage of Current Assessments Collected to Levy	Delinquent Assessments Collected	Percentage of Delinquent Assessments Collected to Current Levy	Total Assessments Collected	Percentage of Total Collections to Current Levy	Accumulative Delinquency (2)
1999	\$949,426	\$946,604	99.70%	\$28,147	2.96%	\$974,751	102.67%	\$23,396
1998	981,339	935,931	95.37	27,580	2.81	963,511	98.18	37,616
1997	979,551	974,798	99.51	5,259	0.54	980,057	100.05	31,060
1996	806,079	780,181	96.79	26,380	3.27	806,561	100.06	42,381
1995	758,944	746,512	98.36	15,645	2.06	762,157	100.42	44,868
1994	775,598	759,711	97.95	19,396	2.50	779,107	100.45	67,326
1993	844,766	759,015	89.85	88,950	10.53	847,965	100.38	63,120
1992	865,636	858,352	99.16	9,928	1.15	868,280	100.31	72,620
1991	915,125	900,644	98.42	14,488	1.58	915,132	100.00	40,242
1990	429,234	428,534	99.84	12,243	2.85	440,777	102.69	19,688

Source: Cuyahoga County, Ohio; County Auditor

(1) Includes only special assessments collected by the County for the retirement of debt.

(2) Includes penalties and interest, since by Ohio Law, they become part of tax obligation as assessment occurs.

City of Beachwood, Ohio
General Bonded Debt

The City of Beachwood does not have any general bonded debt; therefore, no ratio of net general bonded debt to assessed value and net bonded debt per capita and no ratio of annual debt service for general bonded debt to total general fund expenditures are presented in the City's statistical tables.

City of Beachwood, Ohio
Computation of Legal Debt Margin
December 31, 1999

Assessed Valuation		<u>\$625,979,001</u>
Overall Debt Limitation 10.5% of Assessed Valuation		\$65,727,795
Gross Indebtedness		
Special Assessment Bonds	6,842,000	
Bond Anticipation Notes	<u>2,600,000</u>	
Total	9,442,000	
Exemptions:		
Special Assessment Bonds	<u>6,842,000</u>	
Debt Within 10.5% Limitation	2,600,000	
Less: Amount Available in Debt Service Fund	<u>713,027</u>	
Net Debt Within 10.5% Limitation		<u>1,886,973</u>
Overall Debt Margin Within 10.5% Limitation		<u>\$63,840,822</u>
Unvoted Debt Limitation - 5.5% of Assessed Valuation		\$34,428,845
Gross indebtedness authorized by Council	9,442,000	
Less: Debt Outside Limitation: Special Assessments	6,842,000	
Debt Within 5.5% Limitation	2,600,000	
Less: Amount Available in Debt Service Fund	<u>713,027</u>	
Net Debt Within 5.5% Limitation		<u>1,886,973</u>
Unvoted Debt Margin Within 5.5% Limitation		<u>\$32,541,872</u>

Source: Cuyahoga County Auditor and City Financial Records

City of Beachwood, Ohio
Computation of Overlapping General Obligation Bonded Debt
December 31, 1999

	<u>General Obligation Debt Outstanding</u>	<u>Percentage Applicable to City (1)</u>	<u>Amount Applicable to City of Beachwood</u>
Cuyahoga County	\$269,083,366	4.10	\$11,032,418
Beachwood City Schools	5,049,000	99.89	5,043,446
Regional Transit Authority	101,865,000	4.10	<u>4,176,465</u>
			<u>\$20,252,329</u>

Source: Cuyahoga County, Ohio; County Auditor

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

City of Beachwood, Ohio
Property Value, Construction and Bank Deposits
Last Ten Years

<u>Year</u>	<u>Property Value (1)</u>	<u>Number of Building Permits</u>	<u>Dollar Value of Building Permits</u>	<u>Bank Deposits (in thousands) (2)</u>
1999	\$539,039,250	252	\$17,815,775	\$57,816,942
1998	529,606,400	317	34,771,108	58,904,596
1997	507,681,500	285	68,034,294	53,941,971
1996	469,250,790	237	94,485,996	27,068,211
1995	455,996,370	220	12,649,092	22,458,573
1994	454,278,850	257	48,244,949	20,885,453
1993	427,019,180	301	32,750,541	21,009,421
1992	427,697,140	264	47,495,904	19,379,280
1991	410,711,010	259	13,549,597	18,392,243
1990	338,262,780	301	32,565,391	19,188,641

Sources: Cuyahoga County, Ohio; County Auditor
City building permits reports
Federal Reserve Bank of Cleveland

- (1) Represents total real property assessed value for the City
- (2) In 1997 Key Bank adopted a single charter causing a significant increase in recorded bank deposits

City of Beachwood, Ohio
Principal Taxpayers - Real and Tangible Personal Property
 December 31, 1999

Taxpayer	Assessed Value	Percent of Assessed Value
Beachwood Place, Limited	\$28,252,640	4.65%
MBNA Ohio Properties, Incorporated	16,416,070	2.70
Bracebridge Corporation	14,527,500	2.39
Hamptons Apartments	10,699,890	1.76
Village Green of Beachwood	10,189,660	1.68
Boykin Hotel Properties	8,049,670	1.33
Dillards	6,755,000	1.11
G S K Associates	6,489,000	1.07
Embassy Equity Development	6,034,260	0.99
Beachwood Care Center	4,897,200	0.81
<i>Totals</i>	<u>\$112,310,890</u>	<u>18.49%</u>
Real Property Assessed Valuation	\$539,039,250	
Tangible Personal Property Assessed Valuation	<u>68,327,501</u>	
Assessed Valuation	<u>\$607,366,751</u>	

City of Beachwood, Ohio
Principal Taxpayers - Public Utility Property
December 31, 1998

<u>Taxpayer</u>	<u>Assessed Value</u>	<u>Percent of Assessed Value</u>
Cleveland Electric Illuminating Company	\$10,855,650	58.33%
Ameritech Telephone Company	5,530,150	29.71
East Ohio Gas	1,592,650	8.55
<i>Totals</i>	<u>\$17,978,450</u>	<u>96.59%</u>
Assessed Valuation	<u>\$18,612,250</u>	

Source: Cuyahoga County, Ohio; County Auditor

City of Beachwood, Ohio
Demographic Statistics
Last Ten Years

<u>Year</u>	<u>Population</u>	<u>School Enrollment</u>	<u>Cuyahoga County Unemployment Rate</u>
1999	12,000	1,549	4.5%
1998	12,000	1,528	4.5
1997	12,000	1,474	5.8
1996	11,291	1,485	5.2
1995	11,371	1,416	4.8
1994	11,474	1,402	5.8
1993	11,393	1,405	6.8
1992	10,746	1,358	7.2
1991	10,727	1,296	5.8
1990	10,644	1,153	5.0

Sources: Cuyahoga County Planning Commission
 Beachwood City Schools
 Ohio Bureau of Employment Services

City of Beachwood, Ohio

Miscellaneous Statistics

December 31, 1999

Date Founded	1915
Date of Incorporation	1915
Date Became a City	1960
Date of Adoption of Original City Charter	1959
Form of Government	Mayor-Council
Area-Square Miles	6
Fire Department:	
Number of Stations	2
Number of Uniformed Employees:	
Chief	1
Fire Prevention Officers	2
Full-Time	35
Part-Time	9
Number of Paramedics	
Full-Time	28
Part-Time	0
Police Department:	
Number of Stations	1
Number of Uniformed Employees:	
Chief	1
Deputy Chief	1
Full-Time	39
Part-Time	0
Number of Full-Time Dispatchers	12
Parks and Recreation:	
Number of Community Centers	1
Number of Swimming Pool Complexes	1
Number of Playgrounds	1
Number of Tennis Courts	6
Number of Basketball Courts	3

Source: City Records

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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CITY OF BEACHWOOD

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 13, 2000**