



Dave Yost • Auditor of State

BEACHWOOD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY

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**BEACHWOOD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2012**

Federal Grantor/ Program Title	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>					
<i>Passed Through Ohio Department of Education:</i>					
Nutrition Cluster:					
National School Lunch Program	10.555	\$67,272	\$14,042	\$67,272	\$14,042
Total U.S. Department of Agriculture		<u>67,272</u>	<u>14,042</u>	<u>67,272</u>	<u>14,042</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>					
<i>Passed Through Ohio Department of Education:</i>					
Special Education Cluster:					
Special Education: Grants to States - FY 2012	84.027	363,751	0	360,803	0
ARRA - Special Education: Grants to States - FY 2011	84.391	<u>0</u>	<u>0</u>	<u>12,466</u>	<u>0</u>
Total Special Education: Grants to States		363,751	0	373,269	0
Special Education: Preschool Grant - FY 2011	84.173	0		466	
Early Childhood Education	84.173	<u>10,307</u>		<u>10,307</u>	
Total Special Education : Preschool Grant		10,307	0	10,773	0
Total Special Education Cluster		<u>374,057</u>	<u>0</u>	<u>384,042</u>	<u>0</u>
Title I - Grants to Local Educational Agencies- FY 2012	84.010	98,197	0	96,157	0
Title I - Grants to Local Educational Agencies - FY 2011	84.010	<u>4,664</u>	<u>0</u>	<u>4,664</u>	<u>0</u>
Total Title I - Grants to Local Educational Agencies		102,862	0	100,821	0
Total Title II-A Grant	84.367	24,665	0	24,665	0
Title II-D Technology Literacy Challenge Funds - FY 2011	84.318	0	0	696	0
Total Title III LEP - English Language Acquisition Grants	84.365	11,564	0	11,564	0
ARRA - State Fiscal Stabilization Fund	84.394	0	0	21,382	0
ARRA - Race to the Top (2011)	84.395	56	0	179	0
ARRA - Race to the Top (2012)	84.395	<u>46,509</u>	<u>0</u>	<u>46,509</u>	<u>0</u>
Total ARRA - Race to the Top		46,509	0	46,688	0
Resident Educator Program	84.395	3,150	0	3,150	0
Total Education Jobs Fund	84.410	<u>32,204</u>	<u>0</u>	<u>37,204</u>	<u>0</u>
Total U.S. Department of Education		<u>595,011</u>	<u>0</u>	<u>630,212</u>	<u>0</u>
Total Federal Financial Assistance		<u>\$662,284</u>	<u>\$14,042</u>	<u>\$697,484</u>	<u>\$14,042</u>

The notes to the Schedule of Federal Awards Receipts and Expenditures are an integral part of this statement.

**BEACHWOOD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
JUNE 30, 2012**

NOTES TO SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - CHILD NUTRITION CLUSTER

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

NOTE C – FOOD DONATION PROGRAM

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



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

Beachwood City School District
Cuyahoga County
24601 Fairmount Boulevard
Beachwood, Ohio 44122

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Beachwood City School District, Cuyahoga County, Ohio (the District) as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 23, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

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

Dave Yost
Auditor of State

October 23, 2012



Dave Yost • Auditor of State

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

Beachwood City School District
Cuyahoga County
24601 Fairmount Boulevard
Beachwood, Ohio 44122
To the Board of Education:

Compliance

We have audited the compliance of the Beachwood City School District (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Beachwood City School District's major federal program for the year ended June 30, 2012. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the Beachwood City School District complied, in all material respects, with the requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2012.

Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of opining on compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

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

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

Schedule of Federal Awards Receipts and Expenditures

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Beachwood City School District, Cuyahoga County, Ohio, as of and for the year ended June 30, 2012, and have issued our report thereon dated October 23, 2012. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying federal awards receipts and expenditures schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Dave Yost
Auditor of State

October 23, 2012

**BEACHWOOD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2012**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Special Education Cluster / CFDA #84.027, #84.391, and #84.173
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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COMPREHENSIVE
ANNUAL FINANCIAL REPORT
OF THE
BEACHWOOD CITY SCHOOL DISTRICT
for the
FISCAL YEAR ENDED JUNE 30, 2012



Prepared by Treasurer's Department

Michele E. Mills, Director of Finance/Treasurer
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Greg Minotas, Purchasing Agent
Mary Lee Ryan, EMIS
Kelly Wright, Accounts Payable
Barb Taich, Duplicating

24601 Fairmount Boulevard
Beachwood, Ohio 44122-2298

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BEACHWOOD CITY SCHOOL DISTRICT
Comprehensive Annual Financial Report
For the Year Ended June 30, 2012
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INTRODUCTORY

SECTION

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Beachwood City School District



BEACHWOOD CITY SCHOOL DISTRICT
24601 Fairmount Boulevard
Beachwood, OH 44122
Phone: 216.464.2600

October 23, 2012

Board of Education
Beachwood City School District
24601 Fairmount Blvd.
Beachwood, Ohio 44122-2298

Dear Board Members:

The comprehensive annual financial report of the Beachwood City School District (the “School District”) for the fiscal year ended June 30, 2012, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the School District. All disclosures necessary to enable the reader to gain an understanding of the School District’s financial activities have been included.

This report includes all funds of the School District. The School District provides a full range of primary and secondary educational services primarily to the residents of the City of Beachwood, Ohio. However, the City of Beachwood, Ohio, and the Beachwood Public Library have not met the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report.

Management’s Discussion and Analysis (MD&A) immediately follows the Independent Accountants’ Report and provides an overview and analysis of the basic financial statements.

The School District

The School District was formed in 1915 and is located in a prosperous suburban area east of Cleveland, Ohio. The community’s tax base is evenly distributed between commercial and residential property. The School District serves 1,624 students from Pre-K through 12th grade in five instructional facilities.

Major Initiatives

Mission and Vision

All of our efforts as educators in the School District are driven by our mission statement: To develop intellectual entrepreneurs with a social conscience. The mission of the Beachwood City School District is

Beachwood City School District

short in length and powerful in vision. We believe that we must develop adults who are seekers of knowledge, creative, flexible, and reflective – in other words, an intellectual capacity. These adults are risk-takers, visionaries, brokers, passionate, and committed to excellence. Beachwood students also enjoy experiences where they learn to be globally responsible, altruistic, and environmentally, culturally and politically sensitive.

Board of Education Goals

The goals adopted by our Board of Education serve as a framework for both our academic and administrative operations. These goals are compelling and focused. They are embraced by our entire staff and serve as the basis for building and department strategies and tactics. And they resulted in a year of great synergy and growth.

Goal # 1 - To use a continuous improvement process in support of systems and programs that promote high standards of performance and high expectations for learning.

Goal # 2 - To develop a culture of accountability that relies on data, research, evaluation and assessment as tools to measure the effectiveness of programs and the satisfaction of stakeholders.

Goal # 3 - To continue to develop and support systems, programs, instructional standards and professional development to enhance students' knowledge, skills and performance in every curriculum area.

Goal # 4 - To maintain open and effective communication with the public, staff and students in order to be aware of attitudes, opinions and ideas.

Goal # 5 - To continue to integrate advanced technology into all phases of the educational and administrative processes.

Goal # 6 - To provide the necessary financial resources for the support of our instructional programs through prudent management and fiscal responsibility.

Goal # 7 - To ensure that students and staff have a safe and appropriate place to learn and work.

Major Initiatives and Accomplishments

The 2011-2012 school year was an exciting one for students and staff in the Beachwood City School District. As was typical, Beachwood students and staff, individually and collectively, garnered myriad recognitions and awards. A partial list is included in this brief account.

In addition to such academic and professional accomplishments, Beachwood City Schools took on the major task of reconstructing Beachwood High School, a \$35.6 million project made possible by voters' passage of a \$30 million bond issue. The project is a combination of new construction and renovation. When completed in 2013, the building will be one of the finest educational facilities in Northeast Ohio, an appropriate home for the high school's many outstanding programs.

2011-2012 Academic Achievements:

- Beachwood Schools - for the fifth consecutive year - was named among the Best Communities for Music Education by the NAMM Foundation for its commitment to music education and growth in the instrumental music programs.

Beachwood City School District

- Three Beachwood teams – 4th, 6th, and 7th grades – qualified for and competed in Destination ImagiNation Global Finals. Each team placed second in their respective categories at the state competition.
- Three Beachwood teams - 5th grade, 6th grade and high school - each placed first in Ohio in the winter Knowledge Master Open competition. The BHS team also ranked eighth nationally.
- A seventh grader took fifth place in the state Power of the Pen competition. A seventh grade team took third place at the regional competition, while the eighth grade team took fourth place.
- An eighth grader placed 9th at the Scripps Spelling Bee regional competition.
- A Beachwood Middle School team placed fourth at the regional MathCounts competition, and three eighth graders earned the highest award from the Greater Cleveland Council of Teachers of Mathematics.
- A Beachwood High School senior was named Beachwood's first-ever Presidential Scholar. He was one of two Ohioans and just 141 high school seniors nationwide to be selected to the 48th class of Presidential Scholars.
- Seven Beachwood High School seniors earned National Merit recognition, including two National Merit Finalists, four Commended Students, and one National Achievement Outstanding Participant.
- Beachwood's Academic Challenge team won the national championship in the small school division of the National Academic Quiz Tournament. They also won their televised appearance on the local game show, and by finishing in the top three in the season's standings, qualified for the season-ending televised Championship Finale.
- Beachwood High School's "The Beachcomber" newspaper staff earned a second-place rating from the Ohio Scholastic Media Association, while students won 10 combined "superior" and "excellent" ratings. Their web site earned the highest "superior" rating.
- Beachwood High School's "Green Dream" marketing class won first place at the Greater Cleveland Junior Achievement Company Program Competition.
- Beachwood High School's culinary arts team took fifth place at the Ohio ProStart Invitational.
- A BHS junior took first place in the state and eighth place in the nation in the Humorous Interpretation of Literature events for the Speech and Debate team.
- A Beachwood High School student earned a perfect 36 on his ACT.
- A Beachwood High School junior was one of four Grand Prize winners in the Northeastern Ohio Science and Engineering Fair.
- Two Beachwood High School marketing students qualified for the international DECA competition. As part of a year-long project, the marketing class performed market research on the teen market for Cedar Point amusement park.

Beachwood City School District

- A Beachwood High School senior won first place in the painting category of the 2012 Eleventh District Congressional Art Competition.
- Seven student-athletes advanced to state-level competitions in track and wrestling. One wrestler won the state title in his weight class.
- Beachwood students and teacher-advisors initiated and participated in countless social service projects that demonstrate their care for people in need, our environment, and our community.
- Beachwood High School's Class of 2012, comprising 138 students, earned more than \$6.4 million for college scholarships.

These accomplishments and many others represent the comprehensive quality of a Beachwood education. We appreciate the generosity and support of the Beachwood community that provides such educational opportunities for its children

Financial Policies

The School District has not adopted any new financial policies that had significant impact on the 2012 financial statements.

Accounting and Budgetary Controls

In developing and evaluating the School District's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance regarding:

- (1) the safeguarding of assets against loss from unauthorized use or disposition; and
- (2) the reliability of financial records for preparing financial statements and maintaining accountability for the assets.

The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits likely to be derived and that the evaluation of cost and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the School District's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Long-Term Financial Planning

The School District is required by law to submit for Board approval a five year forecast which delineates projected revenues, expenditures and anticipated timing for new property tax ballot issues. The five year forecast must be approved by the Board of Education on or before October 31st of each school year and must be amended as necessary by no later than May 31st of each school year. School districts are not able to enter into contracts unless the School District demonstrates financial ability to pay for the contract over the life of the contract. The School District cannot include anticipated revenue through ballot issues as part of its certification of funds process.

Significant Local Economic Events

The economic condition and outlook for the community has been challenging, especially considering the economic downturn in the Midwest as well as the rest of the country. The tax duplicate has actually declined due to the loss of personal property on the tax duplicate and a 1.5% decrease on residential property. The community's tax base is fairly evenly distributed between commercial and residential property. Forty-eight percent of the School District's valuation is comprised of residential property and fifty-two percent is comprised of commercial or public utility property. Due to changes in laws enacted by the State legislature, the School District's personal property tax base will continue to erode as the State has eliminated this tax. All Districts in the State of Ohio were held harmless by the State through fiscal year 2011, at which time the state will enact a partial phase out of the hold harmless provision. The District anticipates revenue reduction of \$665,000 in fiscal years 2012 and 2013, at which time the hold harmless will remain at the 2013 levels. The State of Ohio's overall economic outlook is not good as tries to make its way through economic recovery.

In 1990, The City of Beachwood annexed 400 acres from a neighboring community (Chagrin Highlands) in order to develop a proposed \$500 million, 633-acre corporate complex featuring office space, a retail mall and at least one hotel. The School District signed an agreement with the Warrensville Heights School District to share in any future tax revenue. Under the agreement, the School District will receive 30% of the tax revenue from all future development. Originally, Warrensville Heights School District was the sole beneficiary of school tax revenues. The School District considers the successful negotiation of tax-sharing a major accomplishment that will enhance school revenues in the future.

In 2009, Eaton Corporation, a Fortune 100 company, purchased 50 acres of property in the Chagrin Highlands area, through a tax incremental financing program approved by the City of Beachwood, Warrensville Heights Schools, State of Ohio and the Port Authority. Revenue for the School District is not expected until at least late 2013.

As of the date of this financial statement, it is expected that tax revenue sharing will be forthcoming in the next couple of years. The School District is currently in discussion with the Warrensville Heights School District to determine revenue trigger points and how and when tax revenue will be remitted to the School District from Warrensville Heights Schools. University Hospitals built a 1,000 bed hospital, The Ahuja Medical Center, on the Chagrin Highlands site. The Ahuja Medical Center opened in January, 2011. The District has contacted Ahuja to be a conduit for joint educational programming for the Beachwood and Warrensville School Districts. Joint educational programming is a condition of the revenue sharing agreement.

The School District is still involved in litigation with the Cleveland Clinic over its tax exempt application which dates back to 2002. The case is at the Board of Tax Appeals. The School District anticipates that the case will be heard in 2013 with a scheduled hearing date of March 18, 2013. Property tax losses on this facility are \$8.3 million (School District portion only) through tax year 2012.

The Cleveland Clinic also filed for tax exemption on a portion of the property it purchased in 2007 from Bank of America (formerly MBNA). While some of the buildings are still occupied by Bank of America employees, the Clinic occupies three buildings and has sought tax exemption on those buildings. The Clinic ceased paying property taxes on this parcel beginning in 2009, as is their right, until the tax dispute is ultimately settled. The annual tax loss is \$550,000.

Beachwood City School District

Prospects for the Future

House Bill 920, which was enacted in 1976 by the Ohio legislature, has severely limited schools in their funding initiatives. This law prohibits school districts from realizing additional revenue from previously voted millage due to reappraisal of property values. Although the School District's total operating millage is 79.3 mills, the effective millage levied and collected is 34.72 and 42.66 respectively, for residential and commercial property.

The State's budget bill, House Bill 153, which passed in June 2011, contained funding reductions for all public entities. The School District anticipates that there will be more funding cuts once the election cycle is over. School Districts throughout the State of Ohio had funding reductions via the State budget in 2011. Other public entities such as counties, cities and libraries had more severe funding cuts. As the State of Ohio continues its desire to reduce taxes and government, it is anticipated that school districts will face more draconian cuts.

The State of Ohio in its pursuit of "choice" in education continues to erode tax dollars earmarked for public education. The State passed a bill with the "Jon Petersen Special Needs Scholarship" provision which allows private entities and private schools to become providers of special education services. Depending on the nature of the identification of the disability these providers will take from \$7,196 to \$20,000 in funding from public schools. The School District receives on average \$553 per student from the State of Ohio for education of all its students irrespective of disabilities.

While the State has set a 5% maximum for students, there is no individual school cap. To date the School District has \$44,412 approved with a second round of application coming due. School districts are being further taxed by having it's individual education plan team identifying these students which has increased the case loads of staff members.

In May 2010, the School District placed a \$30 million, 30 year 2.5 mill bond issue on the ballot to renovate the District's 50 year old High School. The bond issue passed with an overwhelming 71% passage rate.

In addition, the School District participated in federally funded tax anticipation notes direct pay Qualified School Construction Bonds (QSCB's) which allowed the School District to borrow \$5,650,000 interest free. These notes were issued specifically for energy conservation related projects at the High School, in addition to the \$30 million dollar High School renovation project.

The School District sought additional federal stimulus funds and participated in the Qualified School Construction Bonds and Build America Bonds programs saving the District over \$13.9 million in interest costs and reduced the issue from a 30 year issue to a 24 year issue. As part of this process, the School District was awarded a Aaa rating from Moody's Investor Services, the highest rating achievable. This places the School District among only 10 school districts in the State of Ohio to be awarded a Aaa rating.

Other Information

Independent Audit

The Ohio Revised Code requires an annual audit of the School District's financial statements and its compliance with certain sections of the Ohio Revised Code. The Ohio Auditor of State conducted the School District's 2012 fiscal year audit. The Independent Accountants' Report appears at the beginning of the Financial Section of this report.

Beachwood City School District

Certificate of Achievement for Excellence in Financial Reporting to the Beachwood City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011. (This was the 24th consecutive year that the School District earned this prestigious award.) In order to be awarded a Certificate of Achievement, a governmental agency must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year. We believe that our current report continues to conform with the reporting standards required for the awarding of the Certificate of Achievement for Excellence in Financial Reporting from the GFOA.

Acknowledgments

The publication of this report continues the School District's commitment toward presenting the financial reporting of the School District in a highly professional manner. It substantially increases the accountability of the School District to the taxpayers.

Sincere appreciation is extended to the Board of Education, who continues to strive for excellence in the schools at all levels. The commitment to our students, staff and community begins with them. Without their support, this report would not be possible.

A special thanks to art teacher Chunny Hahn for the inspiration she provides to her students and the artwork they contributed to this publication.

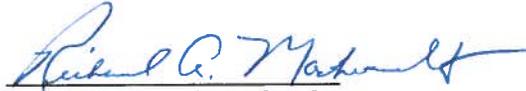
Special recognition must be extended to the members of the Treasurer's Office: Kathleen Stroski, Assistant Treasurer; April Yuhas, Payroll Coordinator, Barb Taich, Duplicating Coordinator, Greg Minotas, Purchasing Agent; Mary Lee Ryan, EMIS coordinator and Kelly Wright, Financial Processing Coordinator; who assisted with the development of the Comprehensive Annual Financial Report and the annual audit. The department members have our sincere gratitude for their professional, efficient and dedicated service.

Audit Committee

The School District has an active audit committee, comprised of 3 members of the community (two of whom are CPA's, and one a small business entrepreneur), one Board member (also a CPA) and the School District's Treasurer. The Superintendent also serves in the capacity of an ex-officio member of this committee. A special thank you to the audit committee members who provided counsel and assisted in improving internal controls, reviewing the audit and making appropriate recommendations to the Board of Education. Mr. Michael Ritter, Mr. Robert Marks and Ms. Patty Rubin along with Mr. David Ostro (Board Member) are to be commended for their efforts.



Michele E. Mills, MBA
Director of Finance/Treasurer



Richard A. Markwardt, Ph.D.
Superintendent of Schools

Beachwood City School District

Elected Officials

Board of Education

Dr. Brian WeissPresident

Mr. Mitchel Luxenburg Vice President

Mr. David OstroMember

Mr. Josh Mintz.....Member

Mr. Steve RosenMember

Administration

Dr. Richard A. MarkwardtSuperintendent

Ms. Michele E. Mills, MBA Treasurer/CFO

Mr. Robert Hardis.....Assistant Superintendent

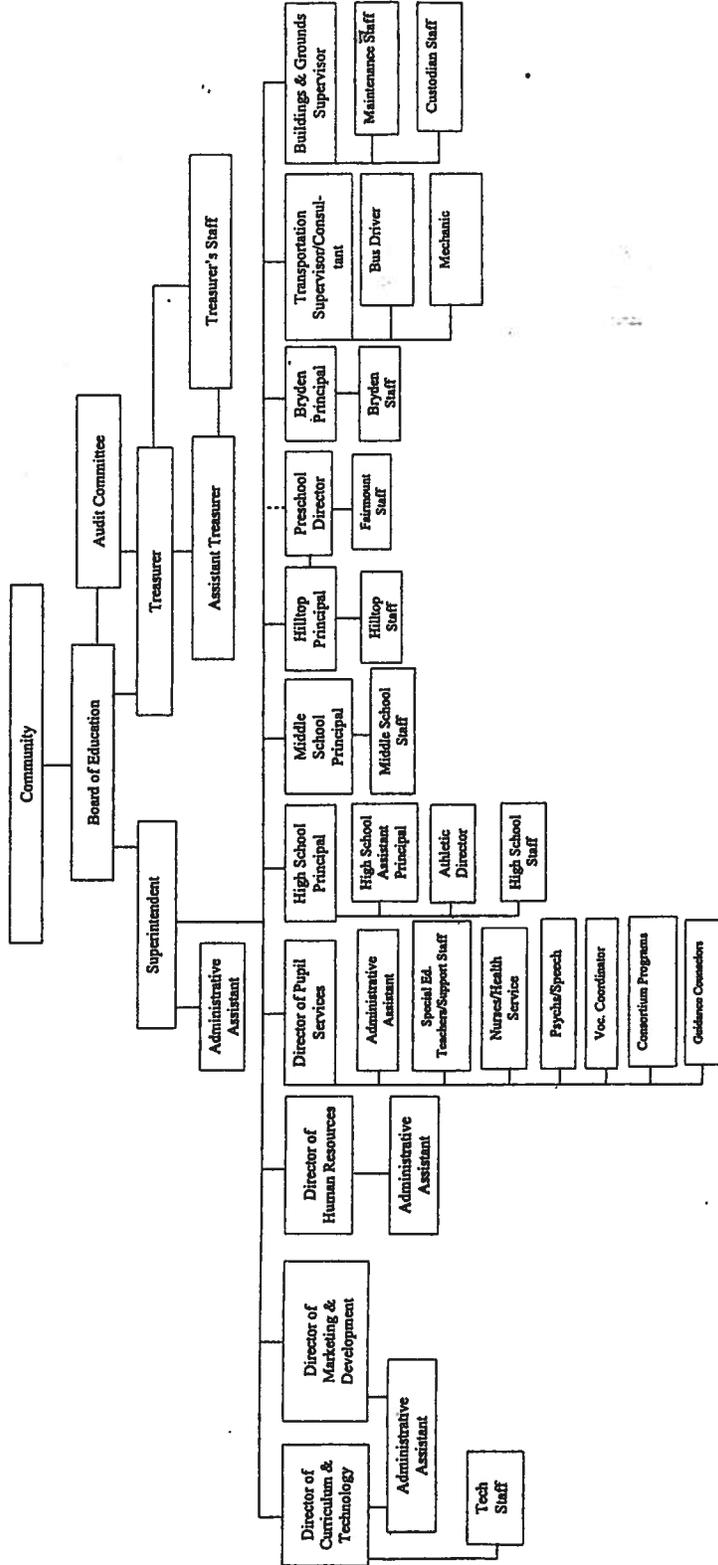
Ms. Lauren BroderickDirector of Pupil Services

policy

BOARD OF EDUCATION
BEACHWOOD CITY SCHOOL DISTRICT

ADMINISTRATION
1101/Page 1 of 1

ORGANIZATIONAL CHART



Revised 2/8/10
Revised 8/8/11

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Beachwood City School District
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

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



Linda C. Dandison

President

Jeffrey R. Emer

Executive Director

FINANCIAL

SECTION

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Beachwood City School District
Cuyahoga County
24601 Fairmount Boulevard
Beachwood, Ohio 44122

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Beachwood City School District, Cuyahoga County, Ohio (the District), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Beachwood City School District, Cuyahoga County, Ohio, as of June 30, 2012, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and Consortium funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2012, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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



Dave Yost
Auditor of State

October 23, 2012

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

The discussion and analysis of the Beachwood City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements, and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2012 are as follows:

- Cash and Cash equivalents decreased by \$11,516,549, due to payments to contractors for the High School building project. The project is 49% complete as the end of the fiscal year. The new and renovated classroom spaces are complete as well as the auxiliary gym. The music suite opened on September 18th. Offices, north gym, cafeteria, library and community spaces will be completed by the end of August, 2013.
- Accrued wages and benefits increased by \$568,242 or 23.3% due to the replacement of 23 staff members, staff members who retired or resigned in fiscal year 2012. In 2012, the School District incurred one of the largest turnovers in staff as pending retirement law changes and opportunities have created a desire for the known rather than an uncertain future. The November elections slowed the process of pension reform but recommended changes were ultimately passed and signed into law in September 2012.
- The School District anticipates that staff members may choose to retire as the retirement law changes effecting years of service, final years average salary calculations and age are effective in August 2015. Cost of living increases will change for new retirees in August 2013. Staff members who retire by July 31, 2013 will receive 2% cost of living increases four of the next five fiscal years. Staff members who retire August 1, 2103 or after will forgo a cost of living increase for five years.
- Total net assets increased by \$2,514,339, which represents a 6.5 percent increase from 2011. Invested in Capital Assets, Net of Related Debt increased from \$17,535,755 to \$18,670,053.
- General revenues accounted for \$34,940,915 in revenue or 83.1 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$7,110,175 or 16.9 percent of total revenues of \$42,050,694.
- The School District had \$39,536,355 in expenses related to governmental activities; only \$7,110,175 of these expenses was offset by program specific charges for services, grants, or contributions. General revenues (primarily taxes) of \$34,940,519 were adequate to provide for these programs.
- Total assets of governmental activities increased \$1,789,264 as cash decreased by \$11,516,549 due primarily to payments to contractors for the high school renovation project.
- The general fund balance increased slightly by \$276,929 or 1.5% as expenditures and revenues remained relatively constant from 2011 levels.

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

- The building fund balance decreased by \$15,198,813 as cash decreased by \$14,259,766 again due to payment to contractors for the high school renovation project.
- Among major funds, the general fund had \$31,651,347 in operating revenues and \$31,312,965 in operating expenditures. The general fund's fund balance increased to \$18,951,505 from \$18,674,576.

Using this Generally Accepted Accounting Principles Report (GAAP)

This Annual Report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the School District as a financial whole, an entire operating entity. The statements then proceed to provide a detailed look at specific financial activities.

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate and longer term view of the School District's finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short term, as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds, with all other non-major funds presented in total in one column. In the case of the School District, the general fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Assets and Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2012?" The *Statement of Net Assets* and *Statement of Activities* answer this question. These statements include *all assets and all liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into accounts all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the *Statement of Net Assets* and *Statement of Activities*, the School District has one type of activity, Governmental Activities -- All of the School District's programs and services are reported here.

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of these major funds begins on page 26. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Bond Retirement, Building Fund, Permanent Improvement, and Consortium Funds.

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

The School District as a Whole

The Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for 2012 compared to 2011:

	Table 1 Governmental Activities	
	2012	2011
Assets		
Current and Other Assets	\$71,065,301	\$83,665,618
Capital Assets	45,768,048	31,378,467
Total Assets	116,833,349	115,044,085
Liabilities		
Long-Term Liabilities	47,070,449	49,401,113
Other Liabilities	28,536,660	26,931,071
Total Liabilities	\$75,607,109	\$76,332,184
Net Assets		
Invested in Capital Assets Net of Debt	18,670,053	17,535,755
Restricted	3,818,435	2,970,405
Unrestricted	18,737,752	18,205,741
Total Net Assets	\$41,226,240	\$38,711,901

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

Net assets of the School District's governmental activities increased by \$2,514,339. Unrestricted net assets also increased by \$532,011. The assets increase is primarily due to the increase in capital assets of \$14,223,183 associated mostly with the High School construction in progress. There was a decrease of \$11.5 million dollars in cash and cash equivalents during 2012 due to contractual payments for the high school renovation project. The decrease in cash is offset by an increase of \$14.2 million in capital assets in construction in progress.

Table 2 shows the changes in net assets for fiscal year 2012 with revenue and expense comparisons to fiscal year 2011

	Governmental Activities 2012	Governmental Activities 2011
Table 2		
Program Revenues:		
Charges for Services and Sales	\$3,920,001	\$4,432,301
Operating Grants and Contributions	3,190,174	3,368,012
General Revenues:		
Property Taxes	28,034,000	26,914,433
Grants and Entitlements	6,385,851	6,845,143
Investment Earnings	221,860	332,985
Miscellaneous	298,808	250,458
Total Revenue	\$42,050,694	\$42,143,332
Program Expenses:		
Instruction:		
Regular	\$12,479,099	\$11,817,943
Special	6,841,655	6,393,564
Vocational	732,685	1,566,475
Adult/Continuing	99,837	172,423
Other	238,069	128,063
Support Services:		
Pupil	3,113,676	2,447,124
Instructional Staff	1,120,386	1,229,125
Board of Education	358,447	562,724
Administration	2,374,984	2,396,922
Fiscal	827,047	443,112
Business	459,488	464,459
Operation of Maintenance and Plant	3,676,973	3,435,706
Pupil Transportation	1,756,043	2,394,212
Central	700,838	779,644
Operation of Non-Instructional Services	1,528,043	1,615,457
Extra-curricular Activities	1,237,501	1,001,511
Interest and Fiscal Charges	1,991,584	1,759,116
Total Expenses	\$39,536,355	\$38,607,580
Change in Net Assets	\$2,514,339	\$3,535,752
Beginning Net Assets	38,711,901	35,176,149
Ending Net Assets	\$41,226,240	\$38,711,901

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

Governmental Activities

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by the levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home was reappraised and its value increased to \$200,000 (and this inflationary increase in value is comparable to other property owners), the effective tax rate would become .5 mills and the owner would still pay \$35.00. Thus, school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up 67 percent of revenues for governmental activities for the School District in fiscal year 2012.

Instruction comprises 52 percent of governmental program expenses. Interest expense was 5 percent. Interest expense was attributable to the outstanding bonds and borrowing for capital projects.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements with comparisons to 2011.

	Table 3 – Governmental Activities			
	Total Cost of Services 2012	Net Cost of Services 2012	Total Cost of Services 2011	Net Cost of Services 2011
Instruction	\$20,391,345	\$16,620,747	\$20,078,468	\$15,990,903
Support Services:				
Pupil and Instructional Staff	4,234,062	2,950,550	3,676,249	2,402,542
Board of Education, Administration, Fiscal and Business	4,019,966	3,994,886	3,867,217	3,843,629
Operation and Maintenance of Plant	3,676,973	3,314,204	3,435,706	3,110,751
Pupil Transportation	1,756,043	1,723,128	2,394,212	1,923,397
Central	700,838	679,838	779,644	760,617
Operation of Non-Instructional Services	1,528,043	(5,386)	1,615,457	61,530
Extracurricular Activities	1,237,501	1,156,629	1,001,511	954,782
Interest	1,991,584	1,991,584	1,759,116	1,759,116
Total Expenses	\$39,536,355	\$32,426,180	\$38,607,580	\$30,807,267

The dependence upon tax revenues for governmental activities is apparent. Over 80 percent of instruction activities are supported through taxes and other general revenues and for all governmental activities general revenue support is also 82 percent. The community, as a whole, is by far the primary support for the School District's students.

The School District's Funds

Information about the School District's major funds starts on page 26. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$42,050,694 and expenditures of \$56,711,128. The net change in fund balance for

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

the year was most significant in the building fund, with a decrease of \$15,198,813. The decrease is due to the High School Renovation Project. The School District's High School Renovation Project is expected to be completed by August 2013.

Overall property tax revenue increased by \$1,298,781, as collections for all funds were up over the previous year.

The net fund balance increased in the bond retirement fund by \$352,677 due to the increase in tax collections of \$221,709 and increased interest payments remitted to the School District by the federal government which totaled \$2,036,195. There was also an increase in expenditures for the repayment of outstanding debt by \$406,277.

The permanent improvement fund increased \$17,057. The School District had several paving projects, roofing repairs and purchased property next to the high school which will allow the School District to expand the driveway into the high school.

The consortium fund balance remained unchanged as actual expenditures are billed out to participating districts and are collected within the current fiscal year.

Budgeting Highlights

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

During the course of fiscal year 2012, the School District amended its general fund budget numerous times, none significant. The School District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, actual revenue was \$19,739 less than the final budget estimates of \$32,475,655. The School District's ending un-obligated cash balance was \$551,533 more than the final budgeted amount as expenditures were less than anticipated in the areas of instruction and operation and maintenance. Operation expenditures were down primarily due to the mild winter with decreased utility costs.

There were twelve amendments to the original appropriations during fiscal year 2012. The budget increased slightly predominantly due to permit fees for the High School Renovation being billed to the general fund.

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2012, the School District had \$45,268,976 invested in land, buildings, equipment, buses and other vehicles, all in governmental activities. See Note 9 to the basic financial statements for more detailed information on capital asset activity. Table 4 shows fiscal 2012 balances compared to 2011:

Table 4 – Capital Assets at June 30th Net of Depreciation

	Governmental Activities	
	2012	2011
Construction in Progress	\$17,907,381	\$2,997,072
Land	978,708	831,499
Land Improvements	1,933,101	2,011,442
Buildings and Improvements	23,004,200	23,474,977
Equipment	1,039,062	987,709
Vehicles	406,524	503,056
Totals	\$45,268,976	\$30,805,755

The primary increase in capital assets is due to the addition of construction in progress for the High School renovation project.

For fiscal year 2012, Ohio law required school districts to set aside three percent of certain revenues for capital improvements. For fiscal year 2012, this amounted to \$250,453 for the set aside. For fiscal year 2012, the School District had qualifying disbursements or offsets exceeding this requirement.

Debt

At June 30, 2012, the School District had \$43,599,998 in bonds and notes outstanding, \$2,440,000 due within one year. Table 5 summarizes bonds and notes outstanding. See Note 15 to the basic financial statements for more detailed information on long-term debt activity.

Under the current Ohio Revised Code, the School District's general obligation bonded debt issuances are subject to a legal limitation on both voted and un-voted debt. The limitation is based on 9% and .1%, respectively, of the total assessed value of real and personal property. At June 30, 2012, the School District's voted general obligation bonded debt of \$39,049,998 initially below the legal limit of \$63,711,888 (voted). In addition, the School District had no un-voted debt at June 30, 2012.

In August 2010, the School District issued \$11,260,000 in federally taxable Qualified School Construction Bonds (QSCB's), \$11,150,000 in federally taxable Build America Bonds (BAB's) and \$7,590,000 in tax exempt bonds. Moody's rating for the School District is Aaa, the highest rating Moody's assigns to debt issues.

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

Interest rates for the QSCB's were 5.125%, BAB's from 5.25% to 5.6% and tax exempt bonds 1.25% to 3.0% The federal government will directly pay the School District the entire amount of the interest for the QSCB's and 35% of the interest for the BAB's.

Table 5 - Outstanding Debt, at Year End

	Governmental Activities 2012	Governmental Activities 2011
General Obligation Bonds		
2010 Tax Anticipation Notes	\$4,550,000	\$5,105,000
2002 School Improvement Premium	251,705	276,876
2002 School Improvement Bonds	4,000,001	4,715,001
2007 School Improvement Premium	237,140	284,568
2007 Advanced Refunded Bonds	5,939,997	6,009,997
2010 School Improvement Bonds	6,700,000	7,590,000
2010 School Improvement Premium	273,915	319,567
2010 Build America Bonds	11,150,000	11,150,000
2010 Qualified School Construct Bonds	<u>11,260,000</u>	<u>11,260,000</u>
Total	<u>\$44,362,758</u>	<u>\$46,711,009</u>

The general obligation bonds were issued for the purpose of school improvements. They are to be repaid from the bond retirement fund.

For the Future

The School District closed out its fiscal year on June 30, 2012 on a positive note as the administration and Board of Education continued to reduce costs for greater efficiency. The School District contracted out its food service operation to AVI Foodsystems, Inc. in 2008 which continues to save the School District over \$150,000 annually, and provided a higher quality of food and increased parent and student satisfaction.

The School District concluded successful negotiations with all three of its unions: the Beachwood Federation of Teachers (BFT), The Beachwood Educational Interpreters Union (BEIU) and the Beachwood Union of Support Staff (BUSS) All three contracts had substantive changes to the health insurance benefits, both in terms of premium contributions which rose from 6% to 10% and changes to the out of pocket maximums and co-pay amounts paid by employees. This change will save the District \$451,000 annually. All three unions also agreed to a pay freeze in the first year of the contract with no step and/or base increases. The changes negotiated with the unions were also extended to the administrative staff. Wage freezes saved the District over \$500,000 annually.

The School District's current major initiative is renovation of the High School, which is 50 years old. On May 4, 2010 a \$30 million, 30 year, 2.5 mills bond issue was overwhelmingly passed by the voters to renovate the School District's High School. An architect has been hired as well as a construction manager. The School District also applied for and received a Qualified School

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

Construction Bond (QSCB's) allocation of \$11,260,000 million to renovate the High School as part of the \$30 million dollar project. In August 2010, the School District issued \$11,260,000 federally taxable direct payment QSCB's, \$11,150,000 federally taxable Build America Bonds (BAB's) and \$7,590,000 in tax-exempt bonds. Because the School District issued these bonds at a rate lower than the federal tax credit rate that day, the entire QSCB interest will be directly remitted back to the School District and 35% of the BAB interest will be directly remitted back to the School District saving taxpayers over \$13.9 million in interest costs. The School District also shortened the issue to 24 years.

The Board of Education and administration of the School District are committed to careful financial planning and prudent fiscal management. An excellent working and supportive relationship exists between the School District, the City of Beachwood, the industrial community and the residents of the City.

In January 2009, the School District began collecting 1.6 inside mills that historically had been collected by the City of Beachwood which will generate an additional \$1.2 million dollars in property tax revenues for the School District on a calendar year basis, which has kept the School District from seeking additional operating levies.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information, contact Michele Mills, MBA, Director of Finance/Treasurer at 216-464-8164 or E-mail at mm@beachwoodschoools.org.

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BASIC

FINANCIAL

STATEMENTS

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Beachwood City Schools
Statement of Net Assets
 June 30, 2012

	Governmental Activities
ASSETS:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 43,330,115
Cash and Cash Equivalents in Segregated Accounts	134,873
Materials and Supplies Inventory	86,135
Accrued Interest Receivable	78,385
Accounts Receivable	181,317
Property Taxes Receivable	27,254,476
<i>Total current assets</i>	71,065,301
Noncurrent Assets:	
Deferred Charges	499,072
Non-Depreciable Capital Assets	978,708
Depreciable Capital Assets, net	26,382,887
Construction in Progress	17,907,381
<i>Total noncurrent assets</i>	45,768,048
<i>Total Assets</i>	116,833,349
LIABILITIES:	
Accounts Payable	403,632
Accrued Wages and Benefits	3,010,203
Contracts Payable	2,074,116
Intergovernmental Payable	250,125
Undistributed Monies	9,630
Matured Bonds Payable	86,363
Unearned Revenue	22,613,191
Claims Payable	89,400
Long-Term Liabilities:	
Due Within One Year	2,797,267
<i>Total current liabilities</i>	31,333,927
Noncurrent Liabilities:	
Due in More Than One Year	44,273,182
<i>Total Liabilities</i>	75,607,109
NET ASSETS:	
Invested in Capital Assets, Net of Related Debt	18,670,053
Restricted for Debt Service	2,643,964
Restricted for Capital Outlay	616,102
Restricted for Other Purposes	423,496
Restricted for Set Asides	134,873
Unrestricted	18,737,752
<i>Total Net Assets</i>	\$ 41,226,240
See Accompanying Notes to the Basic Financial Statements	

Beachwood City Schools
Statement of Activities
For the Fiscal Year Ended June 30, 2012

	Program Revenues		
Expenses	Charges for Services and Sales	Operating Grants and Contributions	
Governmental Activities:			
Instruction:			
Regular	\$ 12,479,099	\$ 198,931	\$ 1,101,653
Special	6,841,655	882,280	838,808
Vocational	732,685	581,738	150,947
Adult/Continuing	99,837	16,141	
Other	238,069	100	
Support Services:			
Pupils	3,113,676	804,828	344,971
Instructional Staff	1,120,386	51,699	82,014
Board of Education	358,447		
Administration	2,374,984	9,088	13,862
Fiscal	827,047		
Business	459,488	2,130	
Operation and Maintenance of Plant	3,676,973	333,064	29,705
Pupil Transportation	1,756,043	2,244	30,671
Central	700,838	12,000	9,000
Operation of Non-Instructional Services:			
Food Service Operations	548,150	382,012	68,588
Community Services	979,893	562,874	519,955
Extracurricular Activities	1,237,501	80,872	
Interest	1,991,584		
Total Governmental Activities	\$ 39,536,355	\$ 3,920,001	\$ 3,190,174

General Revenues:
Grants and Entitlements not Restricted to Specific Programs
Property and Other Local Taxes
Investment Earnings
Miscellaneous

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See Accompanying Notes to the Basic Financial Statements

**Net(Expense)
Revenue and
Changes in Net
Assets**

**Governmental
Activities**

\$ (11,178,515)
(5,120,567)
-
(83,696)
(237,969)

(1,963,877)
(986,673)
(358,447)
(2,352,034)
(827,047)
(457,358)
(3,314,204)
(1,723,128)
(679,838)

(97,550)
102,936
(1,156,629)
(1,991,584)

\$ (32,426,180)

6,385,851
28,034,000
221,860
298,808

34,940,519

2,514,339

38,711,901

\$ 41,226,240

Beachwood City Schools
Balance Sheet
Governmental Funds
June 30, 2012

	General	Bond Retirement Fund	Permanent Improvement Fund	Building Fund
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	\$ 16,734,716	\$ 2,147,413	\$ 842,887	\$ 19,635,609
Cash and Cash Equivalents in Segregated Accounts	134,873			
Materials and Supplies Inventory	77,423			
Accrued Interest Receivable	32,190			46,195
Accounts Receivable	2,271			
Interfund Receivable	1,607,495			
Due From Other Funds	215,000			
Property Taxes Receivable	23,426,595	3,134,793	693,088	
<i>Total Assets</i>	<u>\$ 42,230,563</u>	<u>\$ 5,282,206</u>	<u>\$ 1,535,975</u>	<u>\$ 19,681,804</u>
LIABILITIES:				
Accounts Payable	\$ 290,817	\$ -	\$ 110,973	\$ -
Accrued Wages and Benefits	2,693,930			
Contracts Payable				2,074,116
Interfund Payable				
Due to Other Funds			215,000	
Intergovernmental Payable	210,885			
Undistributed Monies				
Deferred Revenue	20,083,426	2,624,560	582,932	
General Obligation Bonds Payable		86,363		
<i>Total Liabilities</i>	<u>23,279,058</u>	<u>2,710,923</u>	<u>908,905</u>	<u>2,074,116</u>
FUND BALANCES:				
Nonspendable	77,423			
Restricted	134,873	2,571,283	295,823	1,153,912
Committed	312,464		331,247	16,453,776
Assigned	2,412,549			
Unassigned	16,014,196			
<i>Total Fund Balances</i>	<u>18,951,505</u>	<u>2,571,283</u>	<u>627,070</u>	<u>17,607,688</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 42,230,563</u>	<u>\$ 5,282,206</u>	<u>\$ 1,535,975</u>	<u>\$ 19,681,804</u>

See Accompanying Notes to the Basic Financial Statements

Consortium Fund	All Other Governmental Funds	Total Governmental Funds		
			Total Governmental Fund Balances	\$ 40,451,741
\$ 1,978,473	\$ 503,978	\$ 41,843,076	Amounts reported for governmental activities in the Statement of	
		134,873	Net Assets are different because:	
	8,712	86,135	Capital assets used in governmental activities are not financial	
178,741	305	78,385	resources and therefore, are not reported in the funds:	
		181,317	Nondepreciable capital assets	18,886,089
		1,607,495	Depreciable capital assets	26,382,887
		215,000		
		27,254,476	Deferred charges (unamortized bond issuance costs) are not	
<u>\$ 2,157,214</u>	<u>\$ 512,995</u>	<u>\$ 71,400,757</u>	reported in the funds as an asset.	499,072
			Deferred revenue, including delinquent property tax revenues,	
\$ 890	\$ 953	\$ 403,633	are not receivable in the current period and therefore, are not	
273,390	42,883	3,010,203	reported in the funds:	
		2,074,116	Deferred revenue	679,262
1,607,495		1,607,495	Long term liabilities, including bonds payable, are not due and	
		215,000	payable in the current period and therefore, are not reported	
33,826	5,414	250,125	in the funds:	
	9,630	9,630	Due within one year	(2,797,267)
	1,533	23,292,451	Due within more than one year	(44,273,182)
		86,363		
<u>1,915,601</u>	<u>60,413</u>	<u>30,949,016</u>	Internal service funds are used by management to charge the	
			vision, dental and prescription drug, and contingent premium expenses	
			in the governmental activities in the Statement of Net Assets	<u>1,397,638</u>
241,613	8,712	86,135	Net Assets of Governmental Activities	<u>\$41,226,240</u>
	428,786	4,826,290		
	22,512	17,119,999		
		2,412,549		
	(7,428)	16,006,768		
<u>241,613</u>	<u>452,582</u>	<u>40,451,741</u>		
<u>\$ 2,157,214</u>	<u>\$ 512,995</u>	<u>\$ 71,400,757</u>		

Beachwood City Schools
Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Fiscal Year Ended June 30, 2012

	<u>General</u>	<u>Bond Retirement Fund</u>	<u>Permanent Improvement Fund</u>	<u>Building Fund</u>	<u>Consortium Fund</u>
REVENUES:					
Property and Other Local Taxes	\$ 24,094,022	\$ 3,237,998	\$ 701,980	\$ -	\$ -
Intergovernmental	6,258,167	1,380,874	99,765		666,933
Interest	93,407		383	128,070	
Tuition and Fees	445,471				1,923,706
Rent	307,478				
Extracurricular Activities					
Gifts and Donations	14,400				
Customer Sales and Services	147,514			5	14,748
Miscellaneous	290,888				
<i>Total Revenues</i>	<u>31,651,347</u>	<u>4,618,872</u>	<u>802,128</u>	<u>128,075</u>	<u>2,605,387</u>
EXPENDITURES:					
Current:					
Instruction:					
Regular	11,616,657			38,325	
Special	5,259,295				1,191,157
Vocational	342,363				414,534
Adult/Continuing					
Other	238,069				
Support Services:					
Pupils	1,965,669				879,753
Instructional Staff	914,811				58,475
Board of Education	337,438				
Administration	2,341,265				21,354
Fiscal	1,105,928				
Business	479,569				
Operation and Maintenance of Plant	2,888,556		19,354		40,114
Pupil Transportation	1,665,516				
Central	1,083,554				
Operation of Non-Instructional Services:					
Food Service Operations					
Community Services	9,745				
Extracurricular Activities	931,315		110,973		
Capital Outlay:					
Principal	133,215	2,230,000	654,744	15,288,563	
Interest		2,036,195			
<i>Total Expenditures</i>	<u>31,312,965</u>	<u>4,266,195</u>	<u>785,071</u>	<u>15,086,850</u>	<u>2,605,387</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>338,382</u>	<u>352,677</u>	<u>17,057</u>	<u>(15,198,813)</u>	<u>0</u>
OTHER FINANCING SOURCES AND USES:					
Transfers In					
Inception of Capital Lease	172,087				
Transfers Out	(233,540)				
<i>Total Other Financing Sources and Uses</i>	<u>(61,453)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	276,929	352,677	17,057	(15,198,813)	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>18,674,576</u>	<u>2,218,606</u>	<u>610,013</u>	<u>32,806,501</u>	<u>241,613</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 18,951,505</u>	<u>\$ 2,571,283</u>	<u>\$ 627,070</u>	<u>\$ 17,607,688</u>	<u>\$ 241,613</u>

See Accompanying Notes to the Basic Financial Statements

<u>All Other Governmental Funds</u>	<u>Total Governmental Funds</u>		
		Net change in Fund Balances - Total Governmental Funds	(\$14,488,347)
\$ -	\$ 28,034,000	Amounts reported for governmental activities in the Statement of Activities are different because:	
1,170,286	9,576,025		
91	221,951	Governmental Funds report capital outlays as expenditures. However in the Statement of Activities the cost of those assets is allocated over the estimated useful lives of the assets as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	
542,415	2,911,592		
	307,478		
70,712	70,712		
35,185	49,585		
401,308	563,575		
24,888	315,776	Capital Outlay	16,012,233
		Depreciation	<u>(1,549,012)</u>
		Total	14,463,221
2,244,885	42,050,694		
		The issuance of long-term debt (bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also governmental funds report the effect of issuance costs, premiums, and similar items when debt is first issued, where these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	2,250,394
70,217	11,725,199		
263,510	6,713,962		
26	756,923		
98,279	98,279		
	238,069		
200,691	3,046,113	The internal service funds are used by management and are not reported in the government-wide Statements of Activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among governmental activities.	282,441
80,849	1,054,135		
	337,438		
5,364	2,367,983		
924	1,106,852		
	479,569		
	2,948,024	Compensated absences reported in the Statement of Activities, do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.	6,630
40,664	1,665,516		
	1,124,218		
501,174	501,174	Changes in Net Assets of Governmental Activities	<u>\$ 2,514,339</u>
977,397	987,142		
175,527	1,217,815		
	16,076,522		
	2,230,000		
	2,036,195		
2,414,622	56,711,128		
(169,737)	(14,660,434)		
233,540	233,540		
	172,087		
	(233,540)		
233,540	172,087		
63,803	(14,488,347)		
388,779	54,940,088		
\$ 452,582	\$ 40,451,741		

Beachwood City Schools
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Property and Other Local Taxes	\$ 22,582,480	\$ 24,808,387	\$ 25,121,317	\$ 312,930
Intergovernmental	5,909,289	6,283,940	6,258,167	(25,773)
Interest	225,000	90,000	98,162	8,162
Tuition and Fees	397,250	536,047	209,404	(326,643)
Rent	287,790	292,107	317,206	25,099
Gifts and Donations	6,650	6,650	14,400	7,750
Customer Sales and Services	205,660	188,660	146,529	(42,131)
Miscellaneous	269,864	269,864	290,731	20,867
Total Revenues	<u>29,883,983</u>	<u>32,475,655</u>	<u>32,455,916</u>	<u>(19,739)</u>
EXPENDITURES:				
Current:				
Instruction:				
Regular	10,750,928	11,498,249	11,356,338	141,911
Special	5,207,280	5,296,939	5,220,945	75,994
Vocational	500,711	383,711	347,833	35,878
Other	247,958	251,914	238,069	13,845
Support Services:				
Pupils	1,648,872	1,737,660	1,729,810	7,850
Instructional Staff	1,190,097	1,038,656	1,015,968	22,688
Board of Education	466,813	521,413	514,161	7,252
Administration	2,386,504	2,353,592	2,325,066	28,526
Fiscal	1,019,556	1,068,056	1,054,665	13,391
Business	505,349	505,529	498,043	7,486
Operation and Maintenance of Plant	3,521,725	3,025,622	2,891,286	134,336
Pupil Transportation	2,171,093	1,916,549	1,869,170	47,379
Central	895,166	983,808	965,151	18,657
Operation of Non-Instructional Services:				
Community Services	16,350	13,550	9,745	3,805
Extracurricular Activities:				
Academic Oriented Activities	190,121	190,121	186,090	4,031
Sport Oriented Activities	705,593	705,593	697,628	7,965
School and Public Service Co-Curricular Activities	29,268	29,268	24,493	4,775
Capital Outlay:				
Other Facilities Acquisition and Construction	0	133,250	133,215	35
Total Expenditures	<u>31,453,384</u>	<u>31,653,480</u>	<u>31,077,676</u>	<u>575,804</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,569,401)</u>	<u>822,175</u>	<u>1,378,240</u>	<u>556,065</u>
OTHER FINANCING SOURCES AND USES:				
Transfers In	0	0	310	310
Proceeds from Sale of Capital Assets	2,500	2,500	1	(2,499)
Refund of Prior Year Expenditures	2,500	2,500	156	(2,344)
Transfers Out	(123,200)	(261,841)	(261,840)	1
Advances Out	0	(76,000)	(76,000)	0
Total Other Financing Sources and Uses	<u>(118,200)</u>	<u>(332,841)</u>	<u>(337,373)</u>	<u>(4,532)</u>
Net Change in Fund Balances	(1,687,601)	489,334	1,040,867	551,533
Fund Balance (Deficit) at Beginning of Year	14,758,702	14,758,702	14,758,702	
Prior Year Encumbrances Appropriated	466,442	466,442	466,442	
Fund Balance (Deficit) at End of Year	<u>\$ 13,537,543</u>	<u>\$ 15,714,478</u>	<u>\$ 16,266,011</u>	<u>\$ 551,533</u>

Beachwood City Schools
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Consortium Fund
For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Intergovernmental	\$ 642,000	\$ 642,000	\$ 666,933	\$ 24,933
Tuition and Fees	1,995,000	1,957,000	1,764,127	(192,873)
Customer Sales and Services	16,200	16,200	14,748	(1,452)
Total Revenues	<u>2,653,200</u>	<u>2,615,200</u>	<u>2,445,808</u>	<u>(169,392)</u>
EXPENDITURES:				
Current:				
Instruction:				
Special	557,084	554,355	533,121	21,234
Vocational	905,886	872,575	810,377	62,198
Support Services:				
Pupils	794,738	857,816	847,895	9,921
Instructional Staff	57,281	57,369	56,649	720
Administration	14,001	17,761	16,472	1,289
Operation and Maintenance of Plant	42,924	50,307	38,854	11,453
Total Expenditures	<u>2,371,914</u>	<u>2,410,183</u>	<u>2,303,368</u>	<u>106,815</u>
Excess of Revenues Over (Under) Expenditures	<u>281,286</u>	<u>205,017</u>	<u>142,440</u>	<u>(62,577)</u>
Net Change in Fund Balances	281,286	205,017	142,440	(62,577)
Fund Balance (Deficit) at Beginning of Year	1,827,542	1,827,542	1,827,542	
Prior Year Encumbrances Appropriated	<u>8,488</u>	<u>8,488</u>	<u>8,488</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 2,117,316</u>	<u>\$ 2,041,047</u>	<u>\$ 1,978,470</u>	<u>\$ (62,577)</u>

Beachwood City Schools
Statement of Fund Net Assets
Proprietary Fund
June 30, 2012

	Governmental Activities - Internal Service Fund
ASSETS:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 1,487,038
<i>Total Current Assets</i>	1,487,038
<i>Total Assets</i>	1,487,038
LIABILITIES:	
Current Liabilities:	
Claims Payable	89,400
<i>Total Current Liabilities</i>	89,400
<i>Total CurrentLiabilities</i>	89,400
NET ASSETS:	
Restricted	1,397,638
<i>Total Net Assets</i>	\$ 1,397,638

See Accompanying Notes to the Basic Financial Statements

Beachwood City Schools
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Fund
For the Fiscal Year Ended June 30, 2012

	Governmental Activities - Internal Service Fund
OPERATING REVENUES:	
Charges for Services	\$ 2,891,543
Other Revenues	937,062
	<u>3,828,605</u>
<i>Total Operating Revenues</i>	<i>3,828,605</i>
OPERATING EXPENSES:	
Claims	772,160
Other	2,774,004
	<u>3,546,164</u>
<i>Total Operating Expenses</i>	<i>3,546,164</i>
<i>Operating Income (Loss)</i>	<i>282,441</i>
<i>Income (Loss) Before Contributions and Transfers</i>	<i>282,441</i>
<i>Net Change in Net Assets</i>	<i>282,441</i>
<i>Net Assets(Deficit) at Beginning of Year</i>	<i>1,115,197</i>
<i>Net Assets (Deficit) at End of Year</i>	<i>\$ 1,397,638</i>

See Accompanying Notes to the Basic Financial Statements

Beachwood City Schools
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2012

	Governmental Activities - Internal Service Fund
<hr style="border-top: 3px double #000;"/>	
Cash Flows from Operating Activities:	
Cash received from self insurance premiums	\$ 3,828,605
Payments for Claims	(773,360)
Other Payments	(2,774,004)
	<hr/>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<i>281,241</i>
	<hr/>
<i>Cash and Cash Equivalents, Beginning of Year</i>	<i>1,205,797</i>
	<hr/>
<i>Cash and Cash Equivalents, End of Year</i>	<i>\$ 1,487,038</i>
	<hr style="border-top: 3px double #000;"/>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Operating Income	\$ 282,441
Increase (Decrease) in Liabilities	(1,200)
	<hr/>
<i>Net Cash Provided by Operating Activities</i>	<i>\$ 281,241</i>
	<hr style="border-top: 3px double #000;"/>
See Accompanying Notes to the Basic Financial Statements	

Beachwood City Schools
Statement of Fiduciary Assets and Liabilities
Fiduciary Fund
June 30, 2012

	<u>Agency Fund</u>
ASSETS:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 69,535
<i>Total Assets</i>	<u>69,535</u>
LIABILITIES:	
Current Liabilities:	
Undistributed Monies	\$ 5,895
Due to Students	63,640
<i>Total Liabilities</i>	<u>\$ 69,535</u>

See Accompanying Notes to the Basic Financial Statements

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Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Note 1 - Description of the School District and Reporting Entity

The Beachwood City School District (the “School District”) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The School District is a city school district as defined by Section 3311.02 of the Ohio Revised Code. The School District operates under an elected Board of Education (five members) and is responsible for the provision of public education to residents of the School District.

The Board controls the School District’s five instructional facilities and one support facility staffed by 160 certificated teaching personnel, 118 non-certificated support personnel and 9 administrators.

The School District is located east of Cleveland, Ohio, in a prosperous suburb consisting of residences and significant office and retail commercial development. The enrollment for the School District during the 2012 fiscal year was 1,624. The School District operates an early childhood center, two elementary schools, a middle school, and a high school.

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 School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Beachwood City School District, this includes general operations, food service, preschool, consortiums and student related activities of the School District.

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

The School District participates in two jointly governed organizations and one public entity risk pool. These organizations are presented respectively in Note 17 and Note 11B to the basic financial statements. These organizations are:

Jointly Governed Organizations:

Ohio Schools’ Council Association
Lake Geauga Computer Association

Public Entity Risk Pool:

Sheakley Uniservice, Inc. Workers’ Compensation Group Rating Program

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Note 2 - Summary of Significant Accounting Policies

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities and to its internal service fund unless those pronouncements conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described as below.

A. Basis of Presentation

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

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

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

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

B. Fund Accounting

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

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

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

Bond Retirement Fund - The Bond Retirement Fund is used to account for the accumulation of resources received from property taxes for the payment of general long-term debt, principal, interest and related costs.

Permanent Improvement Fund – The Permanent Improvement Fund accounts for resources received from property taxes to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary and trust funds.

Building Fund – the Building Fund accounts for resources received from bond issues passed by the electorate in the form of property taxes to be used for the construction or improvement of capital facilities.

Consortium Fund – The Consortium Fund accounts for services to other Districts for vocational training programs and for the multi-handicapped and educating deaf and hearing-impaired children on a cost-reimbursement basis. Some of the program costs have been reported with the General fund on a modified accrual basis because more than 50% of the students served are Beachwood residents.

The other governmental funds of the School District account for food service, preschool, grants, other resources and capital projects of the School District whose uses are restricted to a particular purpose.

Proprietary Fund - Proprietary funds focus on the determination of the changes in net assets, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service; the School District has no enterprise funds.

Internal Service Fund - The Internal Service Fund is a self-insurance program, which provides vision, dental and prescription drug benefits to employees.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

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

C. Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the Statement of Net Assets.

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

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

D. Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. See Note 8. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, grants, investment earnings, tuition, student fees and rentals.

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

Property taxes for which there is an enforceable legal claim as of June 30, 2012, but which were levied to finance fiscal year 2013 operations, have been recorded as unearned revenue.

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

Expenditures/Expenses On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

E. Budgetary Data

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level.

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

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

Encumbrances

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the fund financial statements, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds. A reserve for encumbrances is not reported on government-wide financial statements.

Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are re-appropriated.

F. Cash and Investments

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

During fiscal year 2012, investments were limited to demand deposits, certificates of deposit, money market, federal agency discount notes, US treasuries, commercial paper and STAR Ohio.

Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. For investments in open-end mutual funds, fair value is determined by the fund's share price. Nonparticipating investment contracts such

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

as nonnegotiable certificates of deposit and repurchase agreements are reported at cost.

The School District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2012. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2012.

Interest on pooled cash and investments is only allocated to governmental, enterprise and fiduciary fund types as required by state statute. Following Ohio statutes, the Board of Education has specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2012 amounted to \$93,407 which includes \$4,186 assigned from other School District funds.

For presentation on the financial statements, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2012, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year which services are consumed.

H. Materials and Supplies Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost while inventories of enterprise funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis and is determined by physical count. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when used (consumption method). Inventories in the General Fund and other non-major governmental funds consist of donated food, purchased food, and school supplies held for resale and are expensed when used.

I. Restricted Assets

Assets are reported as restricted assets when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other government or imposed by enabling legislation. By Statute, money must be set aside to create a reserve for budget stabilization. Restricted assets in the General Fund include the amount required by State

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

statute to be set aside for budget stabilization. See Note 16 for additional information regarding set-asides.

J. Capital Assets

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

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

All reported capital assets, other than land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Land Improvements	30 years
Buildings/Bldg Improvements	20-50 years
Vehicles	10 years
Equipment	5 – 10 years

K. Inter-fund Balances

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

L. Compensated Absences

The School District reports compensated absences in accordance with the provision of GASB Statement No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

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 School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for all employees after ten years of service.

The long-term compensated absence liability is reported on the government-wide financial statements. The short-term compensated absence liability amounts are recorded in the account "accrued wages and benefits" in the fund from which the employees who have accumulated leave are paid.

M. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that once incurred are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and other long-term obligations are recognized as a liability on the governmental fund financial statements when due.

N. Net Assets

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

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

O. Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the School District Board of Education.

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

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

P. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are for a self-insurance program for vision claims. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. Revenues and expenditures not meeting this definition are reported as non-operating.

Q. Inter-fund Transactions

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

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

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the School District and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2012.

S. 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 on the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 3 – Deficit Fund Balances

Fund equity/retained earnings at June 30, 2012 included the following individual fund deficits:

<u>Special Revenue:</u>	
JOBS fund	(\$7,428)

The deficit in the JOBS fund program is due to timing differences on anticipated revenue remittances.

Note 4 - Budgetary Basis of Accounting

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

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General and Consortium Funds.

	<u>General</u>	<u>Consortium</u>
GAAP Basis	\$276,929	\$0
Net adjustments for revenue accruals	632,949	(159,579)
Net adjustments ` expenditure accruals	733,325	302,019
Encumbrances outstanding at year end (Budget Basis)	<u>(602,336)</u>	<u>0</u>
Budget Basis	<u>\$1,040,867</u>	<u>\$142,440</u>

Note 5 – Fund Balances

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Fund Balances	General	Bond Retirement	Permanent Improvement Fund	Building Fund	Consortium Fund	Non Major Governmental Funds	Total
<i>Nonspendable</i>							
Inventory	\$ 77,423	\$ -	\$ -	\$ -	\$ -	\$ 8,712	\$86,135
<i>Restricted for</i>							
Budget Stablization	134,873	0	0	0	0	0	134,873
Food Service Operations	0	0	0	0	0	13,324	13,324
Unclaimed Funds	0	0	0	0	0	0	0
Expendable Trust Funds	0	0	0	0	0	27,080	27,080
Uniform Supplies	0	0	0	0	0	1,493	1,493
Recreation	0	0	0	0	0	1,409	1,409
Consortium Funds	0	0	0	0	241,613	0	241,613
Local Grants	0	0	0	0	0	52,166	52,166
Preschool	0	0	0	0	0	238,119	238,119
District Managed Student Act.	0	0	0	0	0	54,839	54,839
State Grants	0	0	0	0	0	35,685	35,685
Federal Grants	0	0	0	0	0	4,671	4,671
Bond Retirement	0	2,571,283	0	0	0	0	2,571,283
Permanent Improvements	0	0	295,823	0	0	0	295,823
Building Funds	0	0	0	1,153,912	0	0	1,153,912
<i>Total Restricted</i>	<u>134,873</u>	<u>2,571,283</u>	<u>295,823</u>	<u>1,153,912</u>	<u>241,613</u>	<u>428,786</u>	<u>4,826,290</u>
<i>Committed</i>							
Encumbrances	<u>312,464</u>	<u>0</u>	<u>331,247</u>	<u>16,453,776</u>	<u>0</u>	<u>22,512</u>	<u>17,119,999</u>
<i>Assigned to</i>							
Other Purposes	<u>2,412,549</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,412,549</u>
<i>Unassigned</i>							
	<u>16,014,196</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(7,428)</u>	<u>16,006,768</u>
<i>Total Fund Balances</i>	<u>\$ 18,951,505</u>	<u>\$ 2,571,283</u>	<u>\$ 627,070</u>	<u>\$ 17,607,688</u>	<u>\$ 241,613</u>	<u>\$ 452,582</u>	<u>\$40,451,741</u>

Note 6 - Deposits and Investments

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

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

Inactive deposits are public deposits the Board of Education has identified as not required for use within the current five-year period of designation of depositories. Inactive

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

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

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

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

1. United States Treasury bills, bonds, notes, 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 obligation or security 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 2 percent and be marked to market daily, and 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) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain Banker's acceptances and commercial paper notes for the period not to exceed one hundred and eighty days from the date of purchase in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time; and,
8. Under limited circumstances, debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Cash on Hand

At fiscal year end, the School District had \$5,200 un-deposited cash on hand which is included on the balance sheet of the School District as part of "Equity in Pooled Cash and Cash Equivalents".

Deposits

At fiscal year end, the carrying amount of the School District's deposits was \$10,993,392. Based on the criteria described in GASB 40, "Deposits and Investment Risk Disclosures", as of June 30, 2012, \$10,493,201 of the District's bank balance of \$13,883,691 was exposed to custodial risk as discussed below, while \$3,390,490 was covered by Federal Deposit Insurance Corporation. Although all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the School District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial collateral pools at Federal Reserve Banks, or at member banks of the Federal Reserve System, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the School District.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Investments

As of June 30, 2012, the School District had the following investments. All investments are in an internal investment pool.

	<u>Fair Value</u>	<u>Maturity</u>
Federal Home Loan Bank	\$1,003,540	08/22/2012
Morgan Stan Com Paper	999,431	08/04/2012
Federal Home Loan Bank	1,499,250	06/06/2014
Federal Home Loan Bank	1,499,130	12/06/2013
Federal Home Loan Bank	1,003,810	09/14/2012
UBS Commercial Paper	999,774	07/11/2012
UBS Commercial Paper	999,507	07/25/2012
UBS Commercial Paper	997,708	11/30/2012
Federal Farm Credit	500,000	07/26/2013
Federal Home Loan Bank	1,000,000	02/28/2013
Federal Home Loan Bank	996,500	11/01/2013
Federal Home Loan Bank	999,320	03/05/2014
Federal Farm Credit	1,000,714	08/22/2012
Federal Home Loan Bank	505,055	03/20/2013
Federal Home Loan Bank	999,530	04/09/2013
Federal Home Loan Bank	1,999,900	11/28/2012
UBS Commercial Paper	999,774	07/11/2012
Federal Home Loan Bank	1,501,500	08/22/2012
Federal Home Loan Bank	1,508,175	11/22/2012
Federal Home Loan Bank	502,175	12/28/2012
Federal Home Loan Bank	500,455	09/28/2012
Federal Home Loan Bank	1,003,810	09/14/2012
Federal Home Loan Bank	1,511,160	01/16/2013
Federal Home Loan Bank	1,004,350	12/28/2012
Federal Farm Credit	1,109,680	02/11/2013
Federal Farm Credit	503,250	08/12/2013
Federal Home Loan Bank	502,810	05/29/2013
Federal Home Loan Bank	502,540	07/29/2013
Federal Home Loan Bank	500,775	05/29/2013
Stifel Nicholas Com Paper	999,470	08/27/2012
STAR Ohio	2,882,837	33 days
Total	<u>\$32,535,930</u>	

Interest Rate Risk

As a means of limiting its exposure to fair value losses caused by rising interest rates, the School District's policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the School District's Investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

Credit Risk

The Federal Home Loan Bank Notes carry a rating of AA+ by Standard & Poor's, Federal Farm Credits carry a rating of AA+ by Standard & Poor's and STAR Ohio carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The School

Beachwood City School District
Notes to the Basic Financial Statements
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District has no investment policy that would further limit its investment choices.

Custodial Credit Risk

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

Concentration of Credit Risk

The School District places no limit on the amount it may invest in any one issuer. The School District's investments in the Federal Home Loan Bank Notes represents 63.1%, Federal Farm Credits 9.6%, Commercial Paper 18.4% with STAR Ohio representing 8.9% of the School District's total investments.

Note 7 - Property Taxes

Property taxes are levied and assessed on a calendar year basis, while the School District's fiscal year runs from July through June. First-half tax distributions are received by the School District in the second half of the fiscal year. Second-half tax distributions are received in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the School District. Real property tax revenue received in calendar year 2012 represents collections of calendar year 2011 taxes. Real property taxes received in calendar year 2011 were levied after April 1, 2011, on the assessed value listed as of January 1, 2012, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits earlier or later payment dates to be established.

Public utility property tax revenue received in calendar 2012 represents collections of calendar year 2011 taxes. Public utility real and tangible personal property taxes received in calendar year 2012 become a lien December 31, 2010, were levied after April 1, 2011 and are collected in 2011 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2012 (other than public utility property) represents the collection of 2011 taxes. Tangible personal property taxes received in calendar year 2012 were levied after October 1, 2011, on the value as of December 31, 2011. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

received by the School District prior to June 30.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property was eliminated in calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the School District by holding the School District harmless in calendar years 2006-2010. In calendar years 2011-2017, the reimbursement was to be phased out. House Bill No. 1 was signed into law in July 2009, which temporarily delayed the original phase out schedule of the tangible personal property tax until fiscal year 2014. House Bill 153 which was signed into law in June, 2010 phased out the tangible personal property tax for fiscal years 2012 and 2013 and then will remain flat with no additional phase out at the 2013 level of reimbursement. The District anticipates revenue reductions of \$665,000 each year (2012 and 2013).

The Cuyahoga County Treasurer collects property taxes on behalf of the School District. The County Auditor periodically advances to the School District its portion of the taxes collected. These tax "advances" are based on three-year historical cash flow collection rates and occur eight times annually. Second-half real property tax payments collected by the County by June 30, 2012, are available to finance fiscal year 2012 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, public utility property, and tangible personal property taxes, which became measurable as of June 30, 2012 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed settlement of personal property tax and the amount available as an advance at June 30 were levied to finance current fiscal year operations, which is recognized as revenue. The receivable is therefore offset by a credit to unearned revenue for that portion not levied to finance current year operations. The amount available as an advance at June 30, 2012 was \$3,343,169 for the General Fund, \$510,233 in the Bond Retirement Fund, and \$110,156 in the Permanent Improvement Fund.

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

	2011 Second- Half Collections		2012 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential	\$340,593,420	47.32%	\$339,941,590	47.82%
Industrial/Commercial	369,177,050	51.30	359,258,080	50.75
Public Utility	9,915,590	1.38	10,143,050	1.43
Total Assessed Value	\$719,686,060	100.00%	\$709,342,720	100.00%
Tax rate per \$1,000 of Assessed valuation	\$86.40		\$86.40	

Note 8 - Receivables

Receivables at June 30, 2012, consisted of taxes, accounts (rent and student fees), intergovernmental, accrued interest, and loans. All receivables are considered collectible in full because of the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Note 9- Capital Assets

Capital asset activity for the fiscal year ended June 30, 2012 was as follows:

	Balance at 6/30/11	Additions	Reductions	Balance at 6/30/12
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$831,499	\$147,209	\$0	\$978,708
Construction in Progress	2,997,072	14,910,309	0	17,907,381
Total Assets not being depreciated	<u>3,828,571</u>	<u>15,057,518</u>	<u>0</u>	<u>18,886,089</u>
Capital Assets, being depreciated:				
Land Improvements	3,354,388	34,675	0	3,389,063
Buildings and Buildings				
Improvements	39,502,448	387,454	0	39,889,902
Vehicles	1,798,199	0	0	1,798,199
Equipment	5,184,483	532,586	215,738	5,501,331
Totals at Historical Cost	<u>49,839,518</u>	<u>954,715</u>	<u>215,738</u>	<u>50,578,495</u>
Less Accumulated Depreciation:				
Land Improvements	1,342,946	113,016	0	1,455,962
Buildings and Building				
Improvements	16,027,471	858,231	0	16,885,702
Vehicles	1,295,143	96,532	0	1,391,675
Equipment	4,196,774	479,858	214,363	4,462,269
Total Accumulated Depreciation	<u>22,862,334</u>	<u>1,547,637</u>	<u>214,363</u>	<u>24,195,608</u>
Total Capital Assets, being Depreciated, Net	<u>26,977,184</u>	<u>(592,922)</u>	<u>(1,375)</u>	<u>26,382,887</u>
Governmental Activities Capital Assets, Net	<u>\$30,805,755</u>	<u>\$14,464,596</u>	<u>\$ (1,375)</u>	<u>\$45,268,976</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$823,229
Special	49,222
Adult	51,173
Vocational	1,032
Support Services:	
Pupil	15,291
Instructional Staff	44,054
Board of Education	21,009
Administration	35,304
Fiscal	4,127
Business	5,158
Operation and Maintenance of Plant	203,309
Pupil Transportation	94,912
Central	64,193
Extra-curricular activities	26,524
Food service operations	46,976
Community	62,124
Total Depreciation Expense	<u>\$1,547,637</u>

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Note 10 – Inter-fund Transactions

As of June 30, 2012, on the fund financial statements, the Consortium fund owed the General Fund \$1,607,495. The School District's consortium funds provide services to local surrounding school districts. Costs are billed on a per pupil basis. The School District incurs administrative and operational costs that are billed to the consortium districts but are costs that are incurred by the general fund. Over time, the consortium funds owe the general fund these dollars.

During the year ended June 30, 2012, the General Fund transferred \$233,540 to Other Non-major Governmental Funds. The transfers were made to move unrestricted balances to support programs and projects accounted for in other funds.

Note 11 - Risk Management

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2012, the School District contracted with Indiana Insurance for property, general liability insurance and boiler and machinery coverage in the amounts of \$82,549,551, \$2,000,000, and \$50,000,000 respectively. The deductible varies from \$1,000 to \$5,000.

Umbrella Liability insurance and Excess Umbrella Liability insurance are covered by Indiana Insurance with a \$10,000,000 single occurrence limit on both policies and no deductibles unless a claim doesn't fall under an underlying policy which would create the need for a \$10,000 self insured retainer. Vehicles are also covered by Indiana Insurance and have a \$500 deductible for collision. Automobile liability has a \$1,000,000 combined single limit, \$5,000 medical payments, and \$1,000,000 uninsured motorists. Settled claims have not exceeded this commercial coverage.

The School District contracted with Cincinnati Insurance Company for public employee dishonesty coverage, with a \$50,000 limit and a \$500 deductible.

B. Workers' Compensation

The School District participates in the Sheakley Uniservice, Inc. Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-elect and the Immediate Past President of the Ohio School Boards Association. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay the enrollment fee of the GRP to cover the costs of administering the program.

The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP.

Beachwood City School District
Notes to the Basic Financial Statements
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The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". The "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria.

C. Self-Insurance Program

The self-insurance program for dental and prescription drug claims of the School District employees and their covered dependents has been administered by Medical Mutual since September 1, 2006. Self insured vision claims are administered by Vision Service Plan (VSP). Under the program, the School District is obligated for claim payments. During fiscal year 2012, total claims expense of \$804,374 was recognized, which represents actual claims processed and paid as of June 30, 2012. Individual funds are charged for these medical expenses based on an estimate of total cost for the School District as prepared by the plan administrator, and are recorded as revenues of the Internal Service Fund.

Changes for the aggregate liability for claims for the current and past fiscal years are as follows:

Year	Beginning Balance	Claims Incurred	Claims Paid	Ending Balance
2011	99,600	795,374	804,374	90,600
2012	90,600	772,160	773,360	89,400

Note 12 - Defined Benefit Pension Plans

A. School Employees Retirement System

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

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS'

Beachwood City School District
Notes to the Basic Financial Statements
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Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For the fiscal year ending June 30, 2012, the allocation to pension and death benefits is 12.70 percent. The remaining 1.30 percent of the 14 percent employer contribution rate is allocated to the Health Care and Medicare B Funds. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2012, 2011, and 2010 were \$765,115, \$811,377, and \$1,086,531 respectively; 100 percent has been contributed for fiscal years 2012, 2011 and 2010.

B. State Teachers Retirement System

Plan Description - The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at www.strsoh.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

Funding Policy - For the fiscal year ended June 30, 2012, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2012, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2012, 2011, and 2010, were \$1,900,949, \$1,883,505, and \$1,834,757, respectively; 95.9 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010. Contributions to the DC and Combined Plans for fiscal year 2012 were \$50,295 made by the School District and \$35,295 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2012, all five members of the Board of Education have selected Social Security. The Board's liability is 6.2 percent of wages paid.

Note 13 – Other Post-employment Benefits (OPEB)

A. School Employee Retirement System

Plan Description – The School District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For fiscal year 2012, .55 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2011, this amount was \$92,022 (latest information available).

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

Beachwood City School District
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The School District's contributions for health care for the fiscal years ended June 30, 2012, 2011, and 2010 were \$33,135, \$98,244, and \$42,643, respectively; 100 percent has been contributed for fiscal years 2012, 2011 and 2010.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2012, this actuarially required allocation was 0.75 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2012, 2011, and 2010 were \$45,184, \$52,216, and \$64,817, respectively; 100 percent has been contributed for fiscal years 2011, 2010 and 2009.

B. State Teachers Retirement System

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

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2012, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2012, 2011, and 2010 were \$140,226, \$144,885, and \$141,135, respectively; 96 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010.

Note 14 - Employee Benefits

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn up to twenty days of vacation per year, depending upon length of service. Vacation days are credited to classified employees as earned, and must be used within the next 24 months. Accumulated unused vacation time is paid to classified employees upon termination of employment up to a maximum of forty days. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at a rate of one and one-fourth days per month. A percentage of unused sick time is paid at retirement at rates ranging from 30% to 36% depending on an employee's classification. Certain employees with sick time balances exceeding 275 days shall receive 1/12 of the total accumulated days over 275 according to the negotiated agreement. The number of unused sick days which can accumulate is restricted for certain employees.

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B. Health Care Benefits

The School District provides employee medical and surgical coverage through Anthem Blue Cross. The School District is self-insured for vision, prescription drug and dental claims of the School District employees and their covered dependents. The School District also entered into a 90%/102.5% contingent premium program with Anthem January 1, 2012. The program allows the School District to pay 90% of the premium cost to Anthem each month. However, the School District's maximum liability is 13.89% of the premium which is dependent on claims utilization and will be reconciled after the contract expires in December 2012. The School District has charged 102.5% of the premium to various funds, while paying Anthem 90% of the premium. Claims paid to Anthem were \$2,774,044. The School District received an 7.4% decrease in premium due to its better than expected claim history in calendar year 2011. Individual stop loss coverage is set at \$75,000.

Note 15 – Long-Term Obligations

The changes in the School District's long-term obligations during the year consist of the following:

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For the Fiscal Year Ended June 30, 2012

	Principal Outstanding 6/30/11	Additions	Reduction	Principal Outstanding 6/30/12	Amounts Due in One Year
Governmental Activities					
Long-Term Notes Payable					
2010 QSCB Tax Anticipation Notes 4.75%	\$5,105,000	\$0	\$555,000	\$4,550,000	\$555,000
Total Long-Term Notes Payable	5,105,000	0	555,000	4,550,000	555,000
General Obligation Bonds					
2002 School Improvement Premium	276,876	0	25,171	251,705	25,171
2002 School Improvement 2.0%-5.25%	4,715,001	0	715,000	4,000,001	740,000
2007 Advanced Refunding Premium	284,568	0	47,428	237,140	47,428
2007 Advanced Refunding 4.0% - 4.25%	6,009,997	0	70,000	5,939,997	70,000
2010 School Improvement 1.25-3.0%	7,590,000	0	890,000	6,700,000	1,075,000
2010 School Improvement Premium	319,567	0	45,652	273,915	45,652
2010 Build America Bonds 5.25-5.6%	11,150,000	0	0	11,150,000	0
2010 QSCB Bonds 5.125%	11,260,000	0	0	11,260,000	0
Total General Obligation Bonds	41,606,009	0	1,793,251	39,812,758	2,003,251
Capital Lease	178,426	172,087	147,870	202,643	147,870
Compensated Absences Payable	2,511,678	84,516	91,146	2,505,048	91,146
Long-Term Liabilities	2,690,104	256,603	239,016	2,707,691	239,016
Total Long-Term Liabilities	\$49,401,113	\$256,603	\$2,587,267	\$47,070,449	\$2,797,267

Qualified School Construction Bonds (QSCB's) On May 13, 2010, the School District issued \$5,650,000 tax anticipation notes in the form of federally taxable direct payment qualified school construction bonds at an interest rate of 4.75%. These tax anticipation notes were issued to fund energy conservation related projects at the School District's High School. The Permanent Improvement Fund property taxes will pay for the bonds. The interest paid on the bonds has been 100% subsidized by the federal government through federal stimulus funds. The federal government will remit the interest paid by the schools through a direct pay reimbursement. The debt rating assigned by Moody's is Aaa.

In May 2010, the community overwhelming passed a \$30 million 2.5 mill bond issue payable over 24 years. One portion of the financing was an issuance of \$11,260,000 in Qualified School Construction Bonds at an interest rate of 5.125%. The bonds were issued to renovate the High School. The interest paid on the bonds has been 100% subsidized by

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

the federal government through federal stimulus funds. The federal government will remit the interest paid by the schools through a direct pay reimbursement. The debt rating assigned by Moody's is Aaa.

Build America Bonds As part of the bond financing, the District issued \$11,150,000 in Build America Bonds where the federal government will remit 35% of the interest on the bonds to the School District which was part of the federal stimulus funds. Interest rates range from 5.25% to 5.6%. The debt rating assigned by Moody's is Aaa.

General Obligation Bonds On May 1, 1991, the School District issued \$6,000,000 general obligation bonds with an interest rate of 4.8-7.05%, maturity date on December 1, 2006 for the purpose of school improvements. These bonds were advanced refunded and re-issued along with the new general obligation bonds that were issued on November 1, 2002. The School District issued \$18,814,982 general obligation bonds with an interest rate of 2.0-5.25%, maturity date December 1, 2022. A portion of the general obligation bond proceeds was used to refund \$3,065,000 of the 1991 various improvement bonds. The \$3,065,000 portion was paid in full December 1, 2006 which reduced the School District's debt levy by 1.2 mills annually. In addition, in July 2007, a portion of the School District's general obligation funds was advanced refunded and re-issued at a lower interest rate in the amount of \$6,244,997 with an interest rate of 4.00-4.25%. Present value savings from the advanced refunding is \$247,906. The premium on bonds will be amortized over ten years. As of June 30, 2012 \$305,000 of these bonds are considered defeased.

In August 2010, the School District issued \$7,590,000 in tax exempt general obligation bonds with an interest rate of 1.25%-3.0%. The District received a premium of \$319,567 which will be amortized over the life of the issue (7 years for this portion of the debt issued).

All bonds outstanding are general obligation of the School District for which the full faith and credit of the School District are pledged for repayment. General obligation bonds are to be repaid from a current 4.4 mill bonded-debt tax levy. Tax monies will be received in and the debt will be repaid from the Bond Retirement Fund.

Compensated absences will be paid from the funds from which the employee's salaries are paid. Compensated absences are generally liquidated by the general fund.

Capital Leases During fiscal year 2011, the School District entered into a capital lease for computers in the amount of \$267,939 at an interest rate of 5.720%. During fiscal year 2012, the School District entered into a capital lease for computers in the amount of \$172,087 at an interest rate of 2.55%. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date as capital assets in the governmental activities of the statement of net assets. The capital lease will be repaid from the General fund.

The following summarizes the future minimum lease obligations, the net present value of these minimum lease payments, cost and accumulated depreciation of assets acquired through capital leases as of June 30, 2012.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Fiscal Year Beginning June 30	General Fund
2013	\$149,554
2014	58,657
Total Minimum Lease Payments	208,211
Less Amount Representing Interest	(5,568)
Present Value of Lease Payments	<u>\$202,643</u>
Capital Assets at Gross Cost:	\$976,809
Less: Accumulated Depreciation	(653,947)
Net Book Value	<u>\$322,862</u>

The School District's overall voted debt margin was \$24,661,890 with an un-voted debt margin of \$707,910 at June 30, 2012.

Principal and interest requirements to retire the long-term obligations outstanding at June 30, 2012, were as follows:

Fiscal Year Ending	Long-Term Notes Payable		General Obligation Bonds		Capital Lease		Total	
	Principal	Interest*	Principal	Interest*	Principal	Interest	Principal	Interest
2013	\$555,000	\$268,375	\$1,885,000	\$1,725,451	\$147,870	\$4,110	\$2,587,870	\$1,997,936
2014	555,000	268,375	1,940,000	1,669,973	54,773	1,458	2,549,773	1,939,806
2015	555,000	268,375	2,000,000	1,611,641	0	0	2,555,000	1,880,016
2016	550,000	268,375	2,060,000	1,550,123	0	0	2,610,000	1,818,498
2017	550,000	268,375	2,120,000	1,475,380	0	0	2,670,000	1,743,755
2018-2022	1,785,000	675,438	10,534,998	7,594,872	0	0	12,319,998	8,270,310
2023-2035	0	0	18,510,000	8,260,752	0	0	18,510,000	8,260,752
Total	<u>\$4,550,000</u>	<u>\$2,017,313</u>	<u>\$39,049,998</u>	<u>\$23,888,192</u>	<u>\$202,643</u>	<u>\$5,568</u>	<u>\$43,802,641</u>	<u>\$25,911,073</u>

* \$15,112,542 direct payments from federal government

Note 16 - Set-Asides

The School District is required by state statute to annually set aside in the General Fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials, and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year-end. These amounts must be carried forward and used for the same purposes in future years. In addition, the School District is required to set aside money for budget stabilization.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

The following cash basis information identifies the changes in the year-end set-aside amounts for textbooks, capital improvements, and budget stabilization during fiscal year 2012. Disclosure of this information is required by state statute.

	<u>Capital</u> <u>Improvements</u>	<u>Budget</u> <u>Stabilization</u>
Set-aside Reserve Balances as of June 30, 2012	\$0	\$134,873
Set-aside Balance Carried Forward	0	0
Current Year Set-Aside Requirement	250,453	0
Qualifying Disbursements	<u>(15,120,685)</u>	<u>0</u>
Total	<u>(\$14,870,232)</u>	<u>\$134,873</u>
Set-aside Balance Carried Forward to future fiscal years	<u>\$0</u>	<u>\$0</u>
Set-aside Reserve Balance as of June 30, 2012	<u>\$0</u>	<u>\$134,873</u>

The School District had qualifying expenditures during the year that reduced the capital improvements set aside amounts below zero. The total reserve balance for the set-asides at the end of the fiscal year was \$134,873.

Note 17 – Jointly Governed Organizations

Ohio Schools’ Council Association - The Ohio Schools’ Council Association (Council) is a jointly governed organization among one hundred twenty one school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council’s Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2012, the School District paid \$120,659 to the Council. Financial information can be obtained by contacting Dave Cotrell, the Executive Secretary/Treasurer of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

The School District participates in the Council’s prepaid natural gas purchase program. This program allows the School District to purchase natural gas at reduced rates. Compass Energy has been selected as the supplier and program manager for the period from October 1, 2010 through March 31, 2013. There are currently 143 participants in the program including Beachwood School District. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billing beginning in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

In May 2011, The Ohio Schools Council negotiated and approved a contract for discounted electric generation with First Energy for schools in the FirstEnergy territory—Ohio

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Edison, Cleveland Electric Illuminating and Toledo Edison. The price was \$.528 per kWh for all district facilities and was guaranteed through May 31, 2014. There are 110 districts participating in this program including Beachwood School District.

Lake Geauga Computer Association - The Lake Geauga Computer Association ("LGCA") is a jointly governed organization that was formed for the purpose of providing computer services for accounting, grading, scheduling, EMIS and other applications to its 18 member school districts. Each of the districts supports LGCA based upon a per pupil charge. The School District contributed \$55,974 to LGCA during fiscal year 2012.

The executive committee (governing board) consists of the superintendents and treasurers of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the governing board. LGCA's continued existence is not dependent on the School District's continued participation. LGCA is not accumulating significant financial resources or experiencing fiscal stress, which would cause additional financial benefit or burden on the School District. Financial information can be obtained from the Lake Geauga Computer Association, 8140 Auburn Road, Painesville, Ohio 44077.

Note 18 - Contingencies

A. Grants

The School District receives financial assistance from numerous federal, state, and local agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2012.

B. Litigation

The School District has been named as a defendant in several court cases through the period ended June 30, 2012. Management does not believe that the ultimate resolution of those cases will have a material impact on the financial statements of the School District and further believes that the School District has adequate insurance coverage to protect itself against any material loss.

C. ADM Testing

The Auditor of State is currently performing a statewide review of supporting documentation for student attendance data reported to the Ohio Department of Education. The results of this review are still pending and will be reported separately to the Ohio Department of Education at a later date.

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. This also encompasses the Auditor of State's ongoing review of student attendance data. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2012, if applicable, cannot be determined at this time.

Note 19 – Contractual Commitments

At June 30, 2012, the School District's significant contractual commitments which were reported as accounts payable consisted of:

<u>Project</u>	<u>Contract Amount</u>	<u>Amounts Paid to Date</u>	<u>Remaining Contract</u>
HS Renovation	\$19,981,497	\$17,907,381	\$2,074,116

Combining Statements and Individual Fund Schedules

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

Expendable Trust - This fund is used to account for assets held by a governmental unit in a trustee capacity as an agent for individuals, private organizations or other governmental units with specific trust agreements as to how the fund will be disbursed.

Uniform Supplies – This fund accounts for the purchase and sale of school supplies, materials or other school related items above the items provided for general instruction, paid for by students.

Recreation - This fund accounts for revenues and expenses in connection with a community recreation program.

Pupil Support - This fund is used for the general support of the school building, staff, and students.

Miscellaneous Local Grants - These funds are used to develop a Business/Education Partnership program to serve a consortium of eight suburban school districts, and to encourage students to become interested in the teaching profession.

Preschool - This fund accounts for the revenues and expenses of full and half-day services to children ages 2-5.

District Managed Student Activities - This fund accounts for revenues from athletic events and all costs (except supplemental coaching contracts) of the School District's athletic programs.

Auxiliary Services - This fund accounts for State funds for the purchase of science and math materials as well as psychological and other supplemental services at the private schools (Agnon, Fuchs and Yavne) within the School District.

Entry Year Grant – These funds are provided by the State to be used to implement entry-year programs.

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

Miscellaneous State Grants - These funds are used to account for various monies received from state agencies which are not classified elsewhere.

JOBS Fund – The purpose of this fund is to provide funding for hiring educators through a one-time federal grant as part of the federal stimulus fund.

Race to the Top (RttT) Grant – The purpose of this fund is a state-wide initiative to implement a world class education system which will achieve high graduation rates and increased academic performance.

(continued)

Nonmajor Special Revenue Funds (continued)

IDEA B - The purpose of this federal program is to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least-restrictive, alternative service patterns, and provision of full educational opportunities to handicapped children at the preschool through secondary levels.

Title II D - This fund is to account for money used to for technology related expenditures for special education students, primarily for professional development activities.

Title III - This fund is to account for money used to educate immigrant children enrolled at Beachwood City School District.

Title I – The purpose of this fund is to provide financial assistance to State and Local educational agencies to meet the special needs of educationally deprived children.

Preschool Handicapped - This fund accounts for the federal revenues which addresses the improvement and expansion of services for handicapped children ages three through five years.

Title II-A - The purpose of this fund is to hire additional classroom teachers in grades 1 through 3.

Nonmajor Proprietary Fund

Proprietary funds focus on the determination of the changes in net assets, financial position and cash flows and are classified as internal service funds.

Internal Service Fund

The Internal Service Fund is used to account for the financing of services provided by one department to other departments of the government or to other Districts on a cost reimbursement basis.

Health Care Benefits – This fund is used to account for receipt and expenditure of funds for vision, dental and prescription drug claims for employees.

Beachwood City Schools
Combining Balance Sheet
Nonmajor Governmental Fund
June 30, 2012

	Special Revenue
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	\$ 503,978
Materials and Supplies Inventory	8,712
Accounts Receivable	305
<i>Total Assets</i>	\$ 512,995
LIABILITIES:	
Accounts Payable	\$ 953
Accrued Wages and Benefits	42,883
Intergovernmental Payable	5,414
Undistributed Monies	9,630
Deferred Revenue	1,533
<i>Total Liabilities</i>	60,413
FUND BALANCES:	
Nonspendable	8,712
Restricted	428,786
Committed	22,512
Unassigned	(7,428)
<i>Total Fund Balances</i>	452,582
<i>Total Liabilities and Fund Balances</i>	\$ 512,995

Beachwood City Schools
Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Fund
For the Fiscal Year Ended June 30, 2012

	Special Revenue
REVENUES:	
Intergovernmental	\$ 1,170,286
Interest	91
Tuition and Fees	542,415
Extracurricular Activities	70,712
Gifts and Donations	35,185
Customer Sales and Services	401,308
Miscellaneous	24,888
<i>Total Revenues</i>	2,244,885
EXPENDITURES:	
Current:	
Instruction:	
Regular	70,217
Special	263,510
Vocational	26
Adult/Continuing	98,279
Support Services:	
Pupils	200,691
Instructional Staff	80,849
Administration	5,364
Fiscal	924
Central	40,664
Operation of Non-Instructional Services:	
Food Service Operations	501,174
Community Services	977,397
Extracurricular Activities:	
Academic Oriented Activities	8,099
Sport Oriented Activities	167,428
<i>Total Expenditures</i>	2,414,622
<i>Excess of Revenues Over (Under) Expenditures</i>	(169,737)
OTHER FINANCING SOURCES AND USES:	
Transfers In	233,540
<i>Total Other Financing Sources and Uses</i>	233,540
<i>Net Change in Fund Balances</i>	63,803
<i>Fund Balance (Deficit) at Beginning of Year</i>	388,779
<i>Fund Balance (Deficit) at End of Year</i>	\$ 452,582

Beachwood City Schools
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2012

	<u>Food Service</u>	<u>Expendable Trust Funds</u>	<u>Uniform Supplies</u>	<u>Recreation</u>
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	\$ 34,552	\$ 36,710	\$ 1,493	\$ 1,502
Materials and Supplies Inventory	8,712			
Accounts Receivable	305			
<i>Total Assets</i>	<u>\$ 43,569</u>	<u>\$ 36,710</u>	<u>\$ 1,493</u>	<u>\$ 1,502</u>
LIABILITIES:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Wages and Benefits				82
Intergovernmental Payable				11
Undistributed Monies		9,630		
Unearned Revenue	1,533			
<i>Total Liabilities</i>	<u>1,533</u>	<u>9,630</u>	<u>0</u>	<u>93</u>
FUND BALANCES:				
Nonspendable	8,712			
Restricted	13,324	27,080	1,493	1,409
Committed	20,000			
Unassigned	0	0	0	0
<i>Total Fund Balances</i>	<u>42,036</u>	<u>27,080</u>	<u>1,493</u>	<u>1,409</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 43,569</u>	<u>\$ 36,710</u>	<u>\$ 1,493</u>	<u>\$ 1,502</u>

<u>Pupil Support</u>	<u>Misc. Local Grants</u>	<u>Preschool</u>	<u>District Managed Student Activities</u>	<u>Auxiliary Services</u>	<u>Entry Year Grant</u>	<u>One Net</u>
\$ 46,459	\$ 6,157	\$ 274,711	\$ 54,839	\$ 36,959	\$ 1,112	\$ 4,500
<u>\$ 46,459</u>	<u>\$ 6,157</u>	<u>\$ 274,711</u>	<u>\$ 54,839</u>	<u>\$ 36,959</u>	<u>\$ 1,112</u>	<u>\$ 4,500</u>
\$ -	\$ -	\$ 534 31,329 3,835	\$ -	\$ 419 4,937 675	\$ -	\$ -
<u>0</u>	<u>0</u>	<u>35,698</u>	<u>0</u>	<u>6,031</u>	<u>0</u>	<u>0</u>
46,209 250 0	5,957 200 0	238,119 894 0	54,839 0	30,073 855 0	1,112 0	4,500 0
<u>46,459</u>	<u>6,157</u>	<u>239,013</u>	<u>54,839</u>	<u>30,928</u>	<u>1,112</u>	<u>4,500</u>
<u>\$ 46,459</u>	<u>\$ 6,157</u>	<u>\$ 274,711</u>	<u>\$ 54,839</u>	<u>\$ 36,959</u>	<u>\$ 1,112</u>	<u>\$ 4,500</u>

Beachwood City Schools
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2012

	<u>Miscellaneous State Grants</u>	<u>JOBS Fund</u>	<u>Race to the Top Grant (RttT)</u>	<u>IDEA B</u>
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 2,946
Materials and Supplies Inventory				
Accounts Receivable				
<i>Total Assets</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,946</u>
LIABILITIES:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Wages and Benefits		6,535		
Intergovernmental Payable		893		
Undistributed Monies				
Unearned Revenue				
<i>Total Liabilities</i>	<u>0</u>	<u>7,428</u>	<u>0</u>	<u>0</u>
FUND BALANCES:				
Nonspendable				
Restricted				2,633
Committed				313
Unassigned	0	(7,428)	0	0
<i>Total Fund Balances</i>	<u>0</u>	<u>(7,428)</u>	<u>0</u>	<u>2,946</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,946</u>

<u>Title II D</u>	<u>Title III</u>	<u>Title I</u>	<u>Preschool Handicapped Grant</u>	<u>Title II-A</u>	<u>Total Nonmajor Special Revenue</u>
\$ -	\$ -	\$ 2,038	\$ -	\$ -	\$ 503,978 8,712 305
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,038</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 512,995</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 953 42,883 5,414 9,630 1,533
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>60,413</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,712 428,786 22,512 (7,428)</u>
<u>0</u>	<u>0</u>	<u>2,038</u>	<u>0</u>	<u>0</u>	<u>452,582</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,038</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 512,995</u>

Beachwood City Schools
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2012

	<u>Food Service</u>	<u>Expendable Trust Funds</u>	<u>Uniform Supplies</u>	<u>Recreation</u>
REVENUES:				
Intergovernmental	\$ 68,588	\$ -	\$ -	\$ -
Interest	58	1		
Tuition and Fees				
Extracurricular Activities				
Gifts and Donations		10,586		
Customer Sales and Services	376,022	2,639		15,941
Miscellaneous	5,932			
<i>Total Revenues</i>	<u>450,600</u>	<u>13,226</u>	<u>0</u>	<u>15,941</u>
EXPENDITURES:				
Current:				
Instruction:				
Regular				
Special				
Vocational				
Adult/Continuing				98,279
Support Services:				
Pupils		100		
Instructional Staff				
Administration		4,859		
Fiscal		924		
Central				
Operation of Non-Instructional Services:				
Food Service Operations	501,174			
Community Services				
Extracurricular Activities:				
Academic Oriented Activities				
Sport Oriented Activities				
<i>Total Expenditures</i>	<u>501,174</u>	<u>5,883</u>	<u>0</u>	<u>98,279</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(50,574)</u>	<u>7,343</u>	<u>0</u>	<u>(82,338)</u>
OTHER FINANCING SOURCES AND USES:				
Transfers In	50,000	0	0	77,340
<i>Total Other Financing Sources and Uses</i>	<u>50,000</u>	<u>0</u>	<u>0</u>	<u>77,340</u>
<i>Net Change in Fund Balances</i>	(574)	7,343		(4,998)
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>42,610</u>	<u>19,737</u>	<u>1,493</u>	<u>6,407</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 42,036</u>	<u>\$ 27,080</u>	<u>\$ 1,493</u>	<u>\$ 1,409</u>

<u>Pupil Support</u>	<u>Misc. Local Grants</u>	<u>Preschool</u>	<u>District Managed Student Activities</u>	<u>Auxiliary Services</u>	<u>Entry Year Grant</u>	<u>One Net</u>
\$ -	\$ -	\$ -	\$ -	\$ 500,432	\$ -	\$ 9,000
		542,415		32		
24,499			70,712			
431	5,500	775	100			
	334	18,622				
<u>24,930</u>	<u>5,834</u>	<u>561,812</u>	<u>70,812</u>	<u>500,464</u>	<u>0</u>	<u>9,000</u>
17,699	8,254	534				
349						
	505					
	1,000	35,164				4,500
		420,801		537,335		
			8,099			
			167,428			
<u>18,048</u>	<u>9,759</u>	<u>456,499</u>	<u>175,527</u>	<u>537,335</u>	<u>0</u>	<u>4,500</u>
<u>6,882</u>	<u>(3,925)</u>	<u>105,313</u>	<u>(104,715)</u>	<u>(36,871)</u>	<u>0</u>	<u>4,500</u>
<u>0</u>	<u>1,200</u>	<u>0</u>	<u>105,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>1,200</u>	<u>0</u>	<u>105,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
6,882	(2,725)	105,313	285	(36,871)		4,500
<u>39,577</u>	<u>8,882</u>	<u>133,700</u>	<u>54,554</u>	<u>67,799</u>	<u>1,112</u>	<u>0</u>
<u>\$ 46,459</u>	<u>\$ 6,157</u>	<u>\$ 239,013</u>	<u>\$ 54,839</u>	<u>\$ 30,928</u>	<u>\$ 1,112</u>	<u>\$ 4,500</u>

Beachwood City Schools
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2012

	<u>Miscellaneous State Grants</u>	<u>JOBS Fund</u>	<u>Race to the Top Grant (RttT)</u>	<u>IDEA B</u>	<u>Title II D</u>
REVENUES:					
Intergovernmental	\$ -	\$ 32,204	\$ 49,716	\$ 363,751	\$ 696
Interest					
Tuition and Fees					
Extracurricular Activities					
Gifts and Donations					
Customer Sales and Services					
Miscellaneous					
<i>Total Revenues</i>	<u>0</u>	<u>32,204</u>	<u>49,716</u>	<u>363,751</u>	<u>696</u>
EXPENDITURES:					
Current:					
Instruction:					
Regular			43,730		
Special				124,850	
Vocational	26				
Adult/Continuing					
Support Services:					
Pupils		37,204		162,921	
Instructional Staff		7,428	6,108	66,271	642
Administration					
Fiscal					
Central					
Operation of Non-Instructional Services:					
Food Service Operations					
Community Services				14,058	54
Extracurricular Activities:					
Academic Oriented Activities					
Sport Oriented Activities					
<i>Total Expenditures</i>	<u>26</u>	<u>44,632</u>	<u>49,838</u>	<u>368,100</u>	<u>696</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(26)</u>	<u>(12,428)</u>	<u>(122)</u>	<u>(4,349)</u>	<u>0</u>
OTHER FINANCING SOURCES AND USES:					
Transfers In	0	0	0	0	0
<i>Total Other Financing Sources and Uses</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(26)	(12,428)	(122)	(4,349)	
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>26</u>	<u>5,000</u>	<u>122</u>	<u>7,295</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ -</u>	<u>\$ (7,428)</u>	<u>\$ -</u>	<u>\$ 2,946</u>	<u>\$ -</u>

<u>Title III</u>	<u>Title I</u>	<u>Preschool Handicapped Grant</u>	<u>Title II-A</u>	<u>Total Nonmajor Special Revenue</u>
\$ 11,564	\$ 99,363	\$ 10,307	\$ 24,665	\$ 1,170,286
				91
				542,415
				70,712
				35,185
				401,308
				24,888
<u>11,564</u>	<u>99,363</u>	<u>10,307</u>	<u>24,665</u>	<u>2,244,885</u>
				70,217
11,164	94,100	10,306	22,741	263,510
				26
				98,279
		466		200,691
400				80,849
				5,364
				924
				40,664
				501,174
	3,225		1,924	977,397
				8,099
				167,428
<u>11,564</u>	<u>97,325</u>	<u>10,772</u>	<u>24,665</u>	<u>2,414,622</u>
<u>0</u>	<u>2,038</u>	<u>(465)</u>	<u>0</u>	<u>(169,737)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>233,540</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>233,540</u>
	2,038	(465)		63,803
<u>0</u>	<u>0</u>	<u>465</u>	<u>0</u>	<u>388,779</u>
<u>\$ -</u>	<u>\$ 2,038</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 452,582</u>

FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets when a governmental unit is functioning either as a trustee or an agent for another party. Because the governmental unit is functioning in a fiduciary capacity, the authority to employ, dispose of, or otherwise use the assets is determined not by a legislative body or oversight board but by the public laws and private agreements that create the agency relationship.

Agency Funds:

Student Activities - This fund accounts for the resources that belong to the student bodies of the various schools, accounting for sales and other revenue generating activities.

Retirement - This fund accounts for the difference between retirement paid to the state retirement systems and the actual amount due to the retirement system. This fund also accounts for any provisions of an early retirement incentive.

Beachwood City Schools
Combining Statements of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2012

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Retirement				
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	\$ 37,852	\$ 2,254,924	\$ 2,286,881	\$ 5,895
Total Assets	<u>\$ 37,852</u>	<u>\$ 2,254,924</u>	<u>\$ 2,286,881</u>	<u>\$ 5,895</u>
LIABILITIES:				
Undistributed Monies	\$ 37,852	\$ 2,254,924	\$ 2,286,881	\$ 5,895
Total Liabilities	<u>\$ 37,852</u>	<u>\$ 2,254,924</u>	<u>\$ 2,286,881</u>	<u>\$ 5,895</u>
Student Activities				
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	\$ 56,960	\$ 103,456	\$ 96,776	\$ 63,640
Total Assets	<u>\$ 56,960</u>	<u>\$ 103,456</u>	<u>\$ 96,776</u>	<u>\$ 63,640</u>
LIABILITIES:				
Due to Students	\$ 56,960	\$ 103,456	\$ 96,776	\$ 63,640
Total Liabilities	<u>\$ 56,960</u>	<u>\$ 103,456</u>	<u>\$ 96,776</u>	<u>\$ 63,640</u>
Totals				
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	\$ 94,812	\$ 2,358,380	\$ 2,383,657	\$ 69,535
Total Assets	<u>\$ 94,812</u>	<u>\$ 2,358,380</u>	<u>\$ 2,383,657</u>	<u>\$ 69,535</u>
LIABILITIES:				
Undistributed Monies	\$ 37,852	\$ 2,254,924	\$ 2,286,881	\$ 5,895
Due to Students	56,960	103,456	96,776	63,640
Total Liabilities	<u>\$ 94,812</u>	<u>\$ 2,358,380</u>	<u>\$ 2,383,657</u>	<u>\$ 69,535</u>

Beachwood City Schools
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General
For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Property and Other Local Taxes	\$ 22,582,480	\$ 24,808,387	\$ 25,121,317	\$ 312,930
Intergovernmental	5,909,289	6,283,940	6,258,167	(25,773)
Interest	225,000	90,000	98,162	8,162
Tuition and Fees	397,250	536,047	209,404	(326,643)
Rent	287,790	292,107	317,206	25,099
Gifts and Donations	6,650	6,650	14,400	7,750
Customer Sales and Services	205,660	188,660	146,529	(42,131)
Miscellaneous	269,864	269,864	290,731	20,867
Total Revenues	<u>29,883,983</u>	<u>32,475,655</u>	<u>32,455,916</u>	<u>(19,739)</u>
EXPENDITURES:				
Current:				
Instruction:				
Regular				
Salaries	7,655,180	8,231,681	8,214,538	17,143
Fringe Benefits	2,553,129	2,560,132	2,559,040	1,092
Purchased Services	175,285	178,695	157,448	21,247
Materials and Supplies	279,082	332,237	245,521	86,716
Other	53,475	64,475	51,522	12,953
Capital Outlay	34,777	131,029	128,269	2,760
Total - Regular	<u>10,750,928</u>	<u>11,498,249</u>	<u>11,356,338</u>	<u>141,911</u>
Special				
Salaries	2,745,156	2,822,915	2,778,328	44,587
Fringe Benefits	1,274,414	1,215,881	1,195,136	20,745
Purchased Services	1,118,502	1,209,764	1,208,756	1,008
Materials and Supplies	29,080	30,052	22,261	7,791
Capital Outlay	40,128	18,327	16,464	1,863
Total - Special	<u>5,207,280</u>	<u>5,296,939</u>	<u>5,220,945</u>	<u>75,994</u>
Vocational				
Purchased Services	483,334	366,284	339,009	27,275
Materials and Supplies	13,068	14,218	7,124	7,094
Other	4,239	3,139	1,700	1,439
Capital Outlay	70	70	0	70
Total - Vocational	<u>500,711</u>	<u>383,711</u>	<u>347,833</u>	<u>35,878</u>
Other				
Fringe Benefits	21,000	21,000	19,693	1,307
Purchased Services	219,458	219,914	208,824	11,090
Other	7,500	11,000	9,552	1,448
Total - Other	<u>247,958</u>	<u>251,914</u>	<u>238,069</u>	<u>13,845</u>
Total - Instruction:	<u>16,706,877</u>	<u>17,430,813</u>	<u>17,163,185</u>	<u>267,628</u>

Beachwood City Schools
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General
For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Support Services:				
Pupils				
Salaries	1,113,428	1,179,509	1,176,841	2,668
Fringe Benefits	398,897	446,214	445,606	608
Purchased Services	119,631	102,331	100,709	1,622
Materials and Supplies	7,075	7,275	5,298	1,977
Other	489	499	295	204
Capital Outlay	9,352	1,832	1,061	771
Total - Pupils	<u>1,648,872</u>	<u>1,737,660</u>	<u>1,729,810</u>	<u>7,850</u>
Instructional Staff				
Salaries	771,944	666,944	657,553	9,391
Fringe Benefits	297,425	251,484	250,986	498
Purchased Services	77,961	76,519	71,241	5,278
Materials and Supplies	41,743	42,685	35,645	7,040
Other	1,000	641	184	457
Capital Outlay	24	383	359	24
Total - Instructional Staff	<u>1,190,097</u>	<u>1,038,656</u>	<u>1,015,968</u>	<u>22,688</u>
Board of Education				
Salaries	18,500	18,500	18,000	500
Fringe Benefits	3,081	3,081	2,621	460
Purchased Services	411,798	465,798	463,544	2,254
Materials and Supplies	2,953	3,893	2,792	1,101
Other	28,916	28,916	26,229	2,687
Capital Outlay	1,565	1,225	975	250
Total - Board of Education	<u>466,813</u>	<u>521,413</u>	<u>514,161</u>	<u>7,252</u>
Administration				
Salaries	1,448,899	1,428,899	1,424,336	4,563
Fringe Benefits	710,080	680,782	670,376	10,406
Purchased Services	160,082	159,933	152,335	7,598
Materials and Supplies	17,869	19,419	16,540	2,879
Other	42,694	63,404	60,938	2,466
Capital Outlay	6,880	1,155	541	614
Total - Administration	<u>2,386,504</u>	<u>2,353,592</u>	<u>2,325,066</u>	<u>28,526</u>
Fiscal				
Salaries	331,173	328,173	327,460	713
Fringe Benefits	149,951	138,951	137,287	1,664
Purchased Services	18,883	26,883	23,172	3,711
Materials and Supplies	9,021	8,021	5,920	2,101
Other	510,176	563,676	560,547	3,129
Capital Outlay	352	2,352	279	2,073
Total - Fiscal	<u>1,019,556</u>	<u>1,068,056</u>	<u>1,054,665</u>	<u>13,391</u>

Beachwood City Schools
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General
For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Business				
Salaries	181,967	177,967	177,450	517
Fringe Benefits	82,703	78,303	77,213	1,090
Purchased Services	210,466	223,173	222,002	1,171
Materials and Supplies	26,793	25,993	21,378	4,615
Capital Outlay	3,420	93	0	93
Total - Business	<u>505,349</u>	<u>505,529</u>	<u>498,043</u>	<u>7,486</u>
Operation and Maintenance of Plant				
Salaries	1,237,964	1,165,964	1,161,701	4,263
Fringe Benefits	594,291	544,226	525,313	18,913
Purchased Services	1,566,801	1,034,881	927,080	107,801
Materials and Supplies	93,670	272,552	271,671	881
Capital Outlay	28,999	7,999	5,521	2,478
Total - Operation and Maintenance of Plant	<u>3,521,725</u>	<u>3,025,622</u>	<u>2,891,286</u>	<u>134,336</u>
Pupil Transportation				
Salaries	977,021	942,021	934,758	7,263
Fringe Benefits	479,072	385,028	377,821	7,207
Purchased Services	469,000	339,000	328,690	10,310
Materials and Supplies	232,000	242,000	222,447	19,553
Capital Outlay	14,000	8,500	5,454	3,046
Total - Pupil Transportation	<u>2,171,093</u>	<u>1,916,549</u>	<u>1,869,170</u>	<u>47,379</u>
Central				
Salaries	193,972	169,372	168,629	743
Fringe Benefits	70,362	70,362	69,973	389
Purchased Services	417,502	437,817	427,386	10,431
Materials and Supplies	63,250	145,916	140,960	4,956
Other	4,496	4,496	3,901	595
Capital Outlay	145,584	155,845	154,302	1,543
Total - Central	<u>895,166</u>	<u>983,808</u>	<u>965,151</u>	<u>18,657</u>
Total - Support Services:	<u>13,805,175</u>	<u>13,150,885</u>	<u>12,863,320</u>	<u>287,565</u>
Operation of Non-Instructional Services:				
Community Services				
Purchased Services	11,006	11,006	9,138	1,868
Materials and Supplies	5,344	2,544	607	1,937
Total - Community Services	<u>16,350</u>	<u>13,550</u>	<u>9,745</u>	<u>3,805</u>
Total - Operation of Non-Instructional Services:	<u>16,350</u>	<u>13,550</u>	<u>9,745</u>	<u>3,805</u>
Extracurricular Activities:				
Academic Oriented Activities				
Salaries	161,710	161,710	158,398	3,312
Fringe Benefits	28,411	28,411	27,692	719
Total - Academic Oriented Activities	<u>190,121</u>	<u>190,121</u>	<u>186,090</u>	<u>4,031</u>

Beachwood City Schools
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General
For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Sport Oriented Activities				
Salaries	561,582	561,582	555,237	6,345
Fringe Benefits	144,011	144,011	142,391	1,620
Total - Sport Oriented Activities	<u>705,593</u>	<u>705,593</u>	<u>697,628</u>	<u>7,965</u>
School and Public Service Co-Curricular Activities				
Salaries	25,109	25,109	21,198	3,911
Fringe Benefits	4,159	4,159	3,295	864
Total - School and Public Service Co-Curricular Activities	<u>29,268</u>	<u>29,268</u>	<u>24,493</u>	<u>4,775</u>
Total - Extracurricular Activities:	<u>924,982</u>	<u>924,982</u>	<u>908,211</u>	<u>16,771</u>
Capital Outlay:				
Other Facilities Acquisition and Construction				
Purchased Services	0	133,250	133,215	35
Total - Other Facilities Acquisition and Construction	<u>0</u>	<u>133,250</u>	<u>133,215</u>	<u>35</u>
Total - Capital Outlay:	<u>0</u>	<u>133,250</u>	<u>133,215</u>	<u>35</u>
Total Expenditures	<u>31,453,384</u>	<u>31,653,480</u>	<u>31,077,676</u>	<u>575,804</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,569,401)</u>	<u>822,175</u>	<u>1,378,240</u>	<u>556,065</u>
OTHER FINANCING SOURCES AND USES:				
Transfers In	0	0	310	310
Proceeds from Sale of Capital Assets	2,500	2,500	1	(2,499)
Refund of Prior Year Expenditures	2,500	2,500	156	(2,344)
Transfers Out	(123,200)	(261,841)	(261,840)	1
Advances Out	0	(76,000)	(76,000)	0
Total Other Financing Sources and Uses	<u>(118,200)</u>	<u>(332,841)</u>	<u>(337,373)</u>	<u>(4,532)</u>
Net Change in Fund Balances	(1,687,601)	489,334	1,040,867	551,533
Fund Balance (Deficit) at Beginning of Year	14,758,702	14,758,702	14,758,702	
Prior Year Encumbrances Appropriated	466,442	466,442	466,442	
Fund Balance (Deficit) at End of Year	<u>\$ 13,537,543</u>	<u>\$ 15,714,478</u>	<u>\$ 16,266,011</u>	<u>\$ 551,533</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Bond Retirement Fund
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Property and Other Local Taxes	\$ 3,369,187	\$ 3,394,275	\$ 25,088
Intergovernmental	1,270,558	1,380,874	110,316
Total Revenues	<u>4,639,745</u>	<u>4,775,149</u>	<u>135,404</u>
EXPENDITURES:			
Debt Service:			
Principal	2,230,000	2,230,000	0
Interest	<u>2,036,195</u>	<u>2,036,195</u>	<u>0</u>
Total Expenditures	<u>4,266,195</u>	<u>4,266,195</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>373,550</u>	<u>508,954</u>	<u>135,404</u>
Net Change in Fund Balances	373,550	508,954	135,404
Fund Balance (Deficit) at Beginning of Year	<u>1,638,459</u>	<u>1,638,459</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 2,012,009</u>	<u>\$ 2,147,413</u>	<u>\$ 135,404</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Property and Other Local Taxes	\$ 700,000	\$ 738,262	\$ 38,262
Intergovernmental	99,498	99,765	267
Interest	0	383	383
Customer Sales and Services	0	505	505
Total Revenues	<u>799,498</u>	<u>838,915</u>	<u>39,417</u>
EXPENDITURES:			
Current:			
Support Services:			
Operation and Maintenance of Plant	43,971	19,354	24,617
Capital Outlay:			
Site Acquisition Services	147,514	147,479	35
Site Improvement Services	3,000	2,750	250
Architecture and Engineering Services	4,400	4,111	289
Building Improvement Services	38,000	37,515	485
Other Facilities Acquisition and Construction	957,115	942,624	14,491
Total Expenditures	<u>1,194,000</u>	<u>1,153,833</u>	<u>40,167</u>
Excess of Revenues Over (Under) Expenditures	<u>(394,502)</u>	<u>(314,918)</u>	<u>79,584</u>
Net Change in Fund Balances	(394,502)	(314,918)	79,584
Fund Balance (Deficit) at Beginning of Year	446,669	446,669	
Prior Year Encumbrances Appropriated	<u>268,916</u>	<u>268,916</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 321,083</u>	<u>\$ 400,667</u>	<u>\$ 79,584</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Building Fund
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Interest	\$ 160,000	\$ 153,463	\$ (6,537)
Customer Sales and Services	0	4,280	4,280
Total Revenues	<u>160,000</u>	<u>157,743</u>	<u>(2,257)</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular	500,560	499,523	1,037
Capital Outlay:			
Architecture and Engineering Services	1,042,900	736,798	306,102
Building Acquisition and Construction Services	3,900,000	3,828,761	71,239
Building Improvement Services	2,267,740	1,973,405	294,335
Other Facilities Acquisition and Construction	<u>26,143,013</u>	<u>25,898,478</u>	<u>244,535</u>
Total Expenditures	<u>33,854,213</u>	<u>32,936,965</u>	<u>917,248</u>
Excess of Revenues Over (Under) Expenditures	<u>(33,694,213)</u>	<u>(32,779,222)</u>	<u>914,991</u>
Net Change in Fund Balances	(33,694,213)	(32,779,222)	914,991
Fund Balance (Deficit) at Beginning of Year	28,159,250	28,159,250	
Prior Year Encumbrances Appropriated	<u>5,710,243</u>	<u>5,710,243</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 175,280</u>	<u>\$ 1,090,271</u>	<u>\$ 914,991</u>

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Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Consortium Fund
For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Intergovernmental	\$ 642,000	\$ 642,000	\$ 666,933	\$ 24,933
Tuition and Fees	1,995,000	1,957,000	1,764,127	(192,873)
Customer Sales and Services	16,200	16,200	14,748	(1,452)
Total Revenues	<u>2,653,200</u>	<u>2,615,200</u>	<u>2,445,808</u>	<u>(169,392)</u>
EXPENDITURES:				
Current:				
Instruction:				
Special				
Salaries	378,025	364,016	361,516	2,500
Fringe Benefits	132,447	141,277	135,072	6,205
Purchased Services	19,670	20,540	15,632	4,908
Materials and Supplies	5,572	5,572	2,622	2,950
Capital Outlay	21,370	22,950	18,279	4,671
Total - Special	<u>557,084</u>	<u>554,355</u>	<u>533,121</u>	<u>21,234</u>
Vocational				
Salaries	527,367	525,078	518,260	6,818
Fringe Benefits	233,388	194,831	181,297	13,534
Purchased Services	30,121	24,472	18,222	6,250
Materials and Supplies	81,810	94,574	63,288	31,286
Other	2,869	4,169	2,340	1,829
Capital Outlay	30,331	29,451	26,970	2,481
Total - Vocational	<u>905,886</u>	<u>872,575</u>	<u>810,377</u>	<u>62,198</u>
Total - Instruction:	<u>1,462,970</u>	<u>1,426,930</u>	<u>1,343,498</u>	<u>83,432</u>
Support Services:				
Pupils				
Salaries	564,899	600,108	597,036	3,072
Fringe Benefits	229,839	252,508	248,488	4,020
Purchased Services	0	5,200	2,371	2,829
Total - Pupils	<u>794,738</u>	<u>857,816</u>	<u>847,895</u>	<u>9,921</u>
Instructional Staff				
Salaries	32,573	34,496	33,880	616
Fringe Benefits	24,708	22,873	22,769	104
Total - Instructional Staff	<u>57,281</u>	<u>57,369</u>	<u>56,649</u>	<u>720</u>
Administration				
Salaries	8,167	8,401	7,322	1,079
Fringe Benefits	5,834	9,360	9,150	210

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Consortium Fund
For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Total - Administration	14,001	17,761	16,472	1,289
Operation and Maintenance of Plant				
Salaries	19,276	19,928	17,241	2,687
Fringe Benefits	9,107	10,538	8,457	2,081
Purchased Services	13,041	17,341	10,761	6,580
Materials and Supplies	1,500	2,500	2,395	105
Total - Operation and Maintenance of Plant	42,924	50,307	38,854	11,453
Total - Support Services:	908,944	983,253	959,870	23,383
Total Expenditures	2,371,914	2,410,183	2,303,368	106,815
Excess of Revenues Over (Under) Expenditures	281,286	205,017	142,440	(62,577)
Net Change in Fund Balances	281,286	205,017	142,440	(62,577)
Fund Balance (Deficit) at Beginning of Year	1,827,542	1,827,542	1,827,542	
Prior Year Encumbrances Appropriated	8,488	8,488	8,488	
Fund Balance (Deficit) at End of Year	<u>\$ 2,117,316</u>	<u>\$ 2,041,047</u>	<u>\$ 1,978,470</u>	<u>\$ (62,577)</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Food Service
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 70,523	\$ 68,588	\$ (1,935)
Interest	180	58	(122)
Customer Sales and Services	394,794	377,451	(17,343)
Miscellaneous	8,000	5,932	(2,068)
Total Revenues	<u>473,497</u>	<u>452,029</u>	<u>(21,468)</u>
EXPENDITURES:			
Current:			
Operation of Non-Instructional Services:			
Food Service Operations			
Fringe Benefits	11,065	10,699	366
Purchased Services	541,935	534,881	7,054
Materials and Supplies	3,266	111	3,155
Other	1,500	1,353	147
Total - Food Service Operations	<u>557,766</u>	<u>547,044</u>	<u>10,722</u>
Total - Operation of Non-Instructional Services:	<u>557,766</u>	<u>547,044</u>	<u>10,722</u>
Total Expenditures	<u>557,766</u>	<u>547,044</u>	<u>10,722</u>
Excess of Revenues Over (Under) Expenditures	<u>(84,269)</u>	<u>(95,015)</u>	<u>(10,746)</u>
OTHER FINANCING SOURCES AND USES:			
Transfers In	55,000	50,000	(5,000)
Total Other Financing Sources and Uses	<u>55,000</u>	<u>50,000</u>	<u>(5,000)</u>
Net Change in Fund Balances	(29,269)	(45,015)	(15,746)
Fund Balance (Deficit) at Beginning of Year	9,566	9,566	
Prior Year Encumbrances Appropriated	50,000	50,000	
Fund Balance (Deficit) at End of Year	<u>\$ 30,297</u>	<u>\$ 14,551</u>	<u>\$ (15,746)</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Expendable Trust Funds
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Interest	\$ 65	\$ 1	\$ (64)
Gifts and Donations	10,100	10,586	486
Customer Sales and Services	<u>6,500</u>	<u>2,639</u>	<u>(3,861)</u>
Total Revenues	<u>16,665</u>	<u>13,226</u>	<u>(3,439)</u>
EXPENDITURES:			
Current:			
Support Services:			
Pupils			
Other	<u>150</u>	<u>100</u>	<u>50</u>
Total - Pupils	<u>150</u>	<u>100</u>	<u>50</u>
Administration			
Purchased Services	<u>4,865</u>	<u>4,859</u>	<u>6</u>
Total - Administration	<u>4,865</u>	<u>4,859</u>	<u>6</u>
Fiscal			
Purchased Services	<u>700</u>	<u>614</u>	<u>86</u>
Total - Fiscal	<u>700</u>	<u>614</u>	<u>86</u>
Total - Support Services:	<u>5,715</u>	<u>5,573</u>	<u>142</u>
Total Expenditures	<u>5,715</u>	<u>5,573</u>	<u>142</u>
Excess of Revenues Over (Under) Expenditures	<u>10,950</u>	<u>7,653</u>	<u>(3,297)</u>
OTHER FINANCING SOURCES AND USES:			
Transfers Out	<u>(650)</u>	<u>(310)</u>	<u>340</u>
Total Other Financing Sources and Uses	<u>(650)</u>	<u>(310)</u>	<u>340</u>
Net Change in Fund Balances	10,300	7,343	(2,957)
Fund Balance (Deficit) at Beginning of Year	<u>29,364</u>	<u>29,364</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 39,664</u>	<u>\$ 36,707</u>	<u>\$ (2,957)</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Uniform Supplies
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Fund Balance (Deficit) at Beginning of Year	\$ 1,493	\$ 1,493	\$ -
Fund Balance (Deficit) at End of Year	<u>\$ 1,493</u>	<u>\$ 1,493</u>	<u>\$ -</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Customer Sales and Services	\$ 34,000	\$ 15,941	\$ (18,059)
Total Revenues	<u>34,000</u>	<u>15,941</u>	<u>(18,059)</u>
EXPENDITURES:			
Current:			
Instruction:			
Adult/Continuing			
Salaries	69,921	63,335	6,586
Fringe Benefits	31,156	29,301	1,855
Purchased Services	2,600	1,825	775
Materials and Supplies	4,063	3,725	338
Total - Adult/Continuing	<u>107,740</u>	<u>98,186</u>	<u>9,554</u>
Total - Instruction:	<u>107,740</u>	<u>98,186</u>	<u>9,554</u>
Total Expenditures	<u>107,740</u>	<u>98,186</u>	<u>9,554</u>
Excess of Revenues Over (Under) Expenditures	<u>(73,740)</u>	<u>(82,245)</u>	<u>(8,505)</u>
OTHER FINANCING SOURCES AND USES:			
Transfers In	<u>115,000</u>	<u>77,340</u>	<u>(37,660)</u>
Total Other Financing Sources and Uses	<u>115,000</u>	<u>77,340</u>	<u>(37,660)</u>
Net Change in Fund Balances	41,260	(4,905)	(46,165)
Fund Balance (Deficit) at Beginning of Year	<u>6,409</u>	<u>6,409</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 47,669</u>	<u>\$ 1,504</u>	<u>\$ (46,165)</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Pupil Support
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Gifts and Donations	\$ 23,190	\$ 24,499	\$ 1,309
Customer Sales and Services	200	431	231
Total Revenues	23,390	24,930	1,540
EXPENDITURES:			
Current:			
Instruction:			
Regular			
Purchased Services	1,525	1,365	160
Materials and Supplies	22,925	14,146	8,779
Capital Outlay	2,450	2,438	12
Total - Regular	26,900	17,949	8,951
Special			
Materials and Supplies	4,000	349	3,651
Total - Special	4,000	349	3,651
Total - Instruction:	30,900	18,298	12,602
Total Expenditures	30,900	18,298	12,602
Excess of Revenues Over (Under) Expenditures	(7,510)	6,632	14,142
Net Change in Fund Balances	(7,510)	6,632	14,142
Fund Balance (Deficit) at Beginning of Year	39,574	39,574	
Fund Balance (Deficit) at End of Year	\$ 32,064	\$ 46,206	\$ 14,142

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Misc. Local Grants
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Customer Sales and Services	\$ 7,500	\$ 5,500	\$ (2,000)
Miscellaneous	0	334	334
Total Revenues	<u>7,500</u>	<u>5,834</u>	<u>(1,666)</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular			
Purchased Services	1,000	870	130
Materials and Supplies	5,330	3,084	2,246
Capital Outlay	<u>4,500</u>	<u>4,500</u>	<u>0</u>
Total - Regular	<u>10,830</u>	<u>8,454</u>	<u>2,376</u>
Total - Instruction:	<u>10,830</u>	<u>8,454</u>	<u>2,376</u>
Support Services:			
Administration			
Materials and Supplies	<u>820</u>	<u>505</u>	<u>315</u>
Total - Administration	<u>820</u>	<u>505</u>	<u>315</u>
Central			
Materials and Supplies	<u>1,000</u>	<u>1,000</u>	<u>0</u>
Total - Central	<u>1,000</u>	<u>1,000</u>	<u>0</u>
Total - Support Services:	<u>1,820</u>	<u>1,505</u>	<u>315</u>
Total Expenditures	<u>12,650</u>	<u>9,959</u>	<u>2,691</u>
Excess of Revenues Over (Under) Expenditures	<u>(5,150)</u>	<u>(4,125)</u>	<u>1,025</u>
OTHER FINANCING SOURCES AND USES:			
Transfers In	<u>1,000</u>	<u>1,200</u>	<u>200</u>
Total Other Financing Sources and Uses	<u>1,000</u>	<u>1,200</u>	<u>200</u>
Net Change in Fund Balances	(4,150)	(2,925)	1,225
Fund Balance (Deficit) at Beginning of Year	8,681	8,681	
Prior Year Encumbrances Appropriated	<u>200</u>	<u>200</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 4,731</u>	<u>\$ 5,956</u>	<u>\$ 1,225</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Preschool
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Tuition and Fees	\$ 514,000	\$ 542,415	\$ 28,415
Customer Sales and Services	0	775	775
Miscellaneous	27,000	18,622	(8,378)
Total Revenues	<u>541,000</u>	<u>561,812</u>	<u>20,812</u>
EXPENDITURES:			
Current:			
Operation of Non-Instructional Services:			
Community Services			
Salaries	297,033	286,107	10,926
Fringe Benefits	150,325	115,109	35,216
Purchased Services	46,162	23,824	22,338
Materials and Supplies	24,342	21,554	2,788
Capital Outlay	12,081	1,902	10,179
Total - Community Services	<u>529,943</u>	<u>448,496</u>	<u>81,447</u>
Total - Operation of Non-Instructional Services:	<u>529,943</u>	<u>448,496</u>	<u>81,447</u>
Total Expenditures	<u>529,943</u>	<u>448,496</u>	<u>81,447</u>
Excess of Revenues Over (Under) Expenditures	<u>11,057</u>	<u>113,316</u>	<u>102,259</u>
Net Change in Fund Balances	11,057	113,316	102,259
Fund Balance (Deficit) at Beginning of Year	159,202	159,202	
Prior Year Encumbrances Appropriated	<u>760</u>	<u>760</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 171,019</u>	<u>\$ 273,278</u>	<u>\$ 102,259</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
District Managed Student Activities
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Extracurricular Activities	\$ 77,700	\$ 70,712	\$ (6,988)
Gifts and Donations	350	100	(250)
Total Revenues	<u>78,050</u>	<u>70,812</u>	<u>(7,238)</u>
EXPENDITURES:			
Current:			
Extracurricular Activities:			
Academic Oriented Activities			
Materials and Supplies	13,798	8,099	5,699
Other	500	0	500
Total - Academic Oriented Activities	<u>14,298</u>	<u>8,099</u>	<u>6,199</u>
Sport Oriented Activities			
Purchased Services	93,208	84,825	8,383
Materials and Supplies	63,829	50,039	13,790
Other	30,756	26,892	3,864
Capital Outlay	6,030	5,672	358
Total - Sport Oriented Activities	<u>193,823</u>	<u>167,428</u>	<u>26,395</u>
Total - Extracurricular Activities:	<u>208,121</u>	<u>175,527</u>	<u>32,594</u>
Total Expenditures	<u>208,121</u>	<u>175,527</u>	<u>32,594</u>
Excess of Revenues Over (Under) Expenditures	<u>(130,071)</u>	<u>(104,715)</u>	<u>25,356</u>
OTHER FINANCING SOURCES AND USES:			
Transfers In	<u>105,000</u>	<u>105,000</u>	<u>0</u>
Total Other Financing Sources and Uses	<u>105,000</u>	<u>105,000</u>	<u>0</u>
Net Change in Fund Balances	(25,071)	285	25,356
Fund Balance (Deficit) at Beginning of Year	<u>54,557</u>	<u>54,557</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 29,486</u>	<u>\$ 54,842</u>	<u>\$ 25,356</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Auxiliary Services
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 535,938	\$ 500,432	\$ (35,506)
Interest	143	32	(111)
Total Revenues	<u>536,081</u>	<u>500,464</u>	<u>(35,617)</u>
EXPENDITURES:			
Current:			
Operation of Non-Instructional Services:			
Community Services			
Salaries	71,850	71,582	268
Fringe Benefits	14,581	13,187	1,394
Purchased Services	330,065	325,463	4,602
Materials and Supplies	72,901	64,447	8,454
Capital Outlay	91,583	70,646	20,937
Total - Community Services	<u>580,980</u>	<u>545,325</u>	<u>35,655</u>
Total - Operation of Non-Instructional Services:	<u>580,980</u>	<u>545,325</u>	<u>35,655</u>
Total Expenditures	<u>580,980</u>	<u>545,325</u>	<u>35,655</u>
Excess of Revenues Over (Under) Expenditures	<u>(44,899)</u>	<u>(44,861)</u>	<u>38</u>
Net Change in Fund Balances	(44,899)	(44,861)	38
Fund Balance (Deficit) at Beginning of Year	26,660	26,660	
Prior Year Encumbrances Appropriated	<u>53,888</u>	<u>53,888</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 35,649</u>	<u>\$ 35,687</u>	<u>\$ 38</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Entry Year Grant
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Fund Balance (Deficit) at Beginning of Year	\$ 1,112	\$ 1,112	\$ -
Fund Balance (Deficit) at End of Year	<u>\$ 1,112</u>	<u>\$ 1,112</u>	<u>\$ -</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
One Net
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 12,000	\$ 9,000	\$ (3,000)
Total Revenues	<u>12,000</u>	<u>9,000</u>	<u>(3,000)</u>
EXPENDITURES:			
Current:			
Support Services:			
Central			
Purchased Services	<u>5,000</u>	<u>4,500</u>	<u>500</u>
Total - Central	<u>5,000</u>	<u>4,500</u>	<u>500</u>
Total - Support Services:	<u>5,000</u>	<u>4,500</u>	<u>500</u>
Total Expenditures	<u>5,000</u>	<u>4,500</u>	<u>500</u>
Excess of Revenues Over (Under) Expenditures	<u>7,000</u>	<u>4,500</u>	<u>(2,500)</u>
Net Change in Fund Balances	<u>7,000</u>	<u>4,500</u>	<u>(2,500)</u>
Fund Balance (Deficit) at End of Year	<u><u>\$ 7,000</u></u>	<u><u>\$ 4,500</u></u>	<u><u>\$ (2,500)</u></u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous State Grants
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
EXPENDITURES:			
Current:			
Instruction:			
Vocational			
Materials and Supplies	\$ 26	\$ 26	\$ -
Total - Vocational	26	26	0
Total - Instruction:	26	26	0
Total Expenditures	26	26	0
Excess of Revenues Over (Under) Expenditures	(26)	(26)	0
Net Change in Fund Balances	(26)	(26)	0
Fund Balance (Deficit) at Beginning of Year	26	26	0
Fund Balance (Deficit) at End of Year	<u>\$ 26</u>	<u>\$ 26</u>	<u>\$ -</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
JOBS Fund
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 46,668	\$ 32,204	\$ (14,464)
Total Revenues	<u>46,668</u>	<u>32,204</u>	<u>(14,464)</u>
EXPENDITURES:			
Current:			
Support Services:			
Pupils			
Salaries	44,369	31,894	12,475
Fringe Benefits	<u>7,299</u>	<u>5,310</u>	<u>1,989</u>
Total - Pupils	<u>51,668</u>	<u>37,204</u>	<u>14,464</u>
Total - Support Services:	<u>51,668</u>	<u>37,204</u>	<u>14,464</u>
Total Expenditures	<u>51,668</u>	<u>37,204</u>	<u>14,464</u>
Excess of Revenues Over (Under) Expenditures	<u>(5,000)</u>	<u>(5,000)</u>	<u>0</u>
Net Change in Fund Balances	(5,000)	(5,000)	0
Fund Balance (Deficit) at Beginning of Year	<u>5,000</u>	<u>5,000</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Race to the Top Grant (RttT)
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 61,145	\$ 49,716	\$ (11,429)
Total Revenues	<u>61,145</u>	<u>49,716</u>	<u>(11,429)</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular			
Salaries	11,314	5,723	5,591
Fringe Benefits	1,317	367	950
Purchased Services	10,005	9,270	735
Materials and Supplies	1,138	1,128	10
Capital Outlay	<u>27,494</u>	<u>27,242</u>	<u>252</u>
Total - Regular	<u>51,268</u>	<u>43,730</u>	<u>7,538</u>
Total - Instruction:	<u>51,268</u>	<u>43,730</u>	<u>7,538</u>
Support Services:			
Instructional Staff			
Purchased Services	<u>9,877</u>	<u>6,108</u>	<u>3,769</u>
Total - Instructional Staff	<u>9,877</u>	<u>6,108</u>	<u>3,769</u>
Total - Support Services:	<u>9,877</u>	<u>6,108</u>	<u>3,769</u>
Total Expenditures	<u>61,145</u>	<u>49,838</u>	<u>11,307</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>(122)</u>	<u>(122)</u>
Net Change in Fund Balances	0	(122)	(122)
Fund Balance (Deficit) at Beginning of Year	<u>122</u>	<u>122</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 122</u>	<u>\$ -</u>	<u>\$ (122)</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
IDEA B
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 363,751	\$ 363,751	\$ -
Total Revenues	<u>363,751</u>	<u>363,751</u>	<u>0</u>
EXPENDITURES:			
Current:			
Instruction:			
Special			
Salaries	82,114	80,103	2,011
Fringe Benefits	13,507	13,177	330
Purchased Services	30,120	30,120	0
Materials and Supplies	7,136	6,933	203
Total - Special	<u>132,877</u>	<u>130,333</u>	<u>2,544</u>
Total - Instruction:	<u>132,877</u>	<u>130,333</u>	<u>2,544</u>
Support Services:			
Pupils			
Salaries	131,194	131,194	
Fringe Benefits	31,758	31,727	31
Total - Pupils	<u>162,952</u>	<u>162,921</u>	<u>31</u>
Instructional Staff			
Salaries	40,000	40,000	
Fringe Benefits	26,329	26,271	58
Total - Instructional Staff	<u>66,329</u>	<u>66,271</u>	<u>58</u>
Total - Support Services:	<u>229,281</u>	<u>229,192</u>	<u>89</u>
Operation of Non-Instructional Services:			
Community Services			
Purchased Services	14,058	14,058	0
Total - Community Services	<u>14,058</u>	<u>14,058</u>	<u>0</u>
Total - Operation of Non-Instructional Services:	<u>14,058</u>	<u>14,058</u>	<u>0</u>
Total Expenditures	<u>376,216</u>	<u>373,583</u>	<u>2,633</u>
Excess of Revenues Over (Under) Expenditures	<u>(12,465)</u>	<u>(9,832)</u>	<u>2,633</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
IDEA B
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Net Change in Fund Balances	(12,465)	(9,832)	2,633
Fund Balance (Deficit) at Beginning of Year	7,205	7,205	
Prior Year Encumbrances Appropriated	<u>5,260</u>	<u>5,260</u>	
Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ 2,633</u>	<u>\$ 2,633</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title II D
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 696	\$ 696	\$ -
Total Revenues	<u>696</u>	<u>696</u>	<u>0</u>
EXPENDITURES:			
Current:			
Support Services:			
Instructional Staff			
Purchased Services	<u>642</u>	<u>642</u>	<u>0</u>
Total - Instructional Staff	<u>642</u>	<u>642</u>	<u>0</u>
Total - Support Services:	<u>642</u>	<u>642</u>	<u>0</u>
Operation of Non-Instructional Services:			
Community Services			
Purchased Services	<u>54</u>	<u>54</u>	<u>0</u>
Total - Community Services	<u>54</u>	<u>54</u>	<u>0</u>
Total - Operation of Non-Instructional Services:	<u>54</u>	<u>54</u>	<u>0</u>
Total Expenditures	<u>696</u>	<u>696</u>	<u>0</u>
Fund Balance (Deficit) at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance (Deficit) atEnd of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title III
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 11,564	\$ 11,564	\$ -
Total Revenues	<u>11,564</u>	<u>11,564</u>	<u>0</u>
EXPENDITURES:			
Current:			
Instruction:			
Special			
Salaries	9,587	9,587	0
Fringe Benefits	1,577	1,577	0
Total - Special	<u>11,164</u>	<u>11,164</u>	<u>0</u>
Total - Instruction:	<u>11,164</u>	<u>11,164</u>	<u>0</u>
Support Services:			
Instructional Staff			
Purchased Services	400	400	0
Total - Instructional Staff	<u>400</u>	<u>400</u>	<u>0</u>
Total - Support Services:	<u>400</u>	<u>400</u>	<u>0</u>
Total Expenditures	<u>11,564</u>	<u>11,564</u>	<u>0</u>
Fimd Balance (Deficit) at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fimd Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 102,065	\$ 102,861	\$ 796
Total Revenues	<u>102,065</u>	<u>102,861</u>	<u>796</u>
EXPENDITURES:			
Current:			
Instruction:			
Special			
Salaries	84,742	83,794	948
Fringe Benefits	<u>13,938</u>	<u>13,804</u>	<u>134</u>
Total - Special	<u>98,680</u>	<u>97,598</u>	<u>1,082</u>
Total - Instruction:	<u>98,680</u>	<u>97,598</u>	<u>1,082</u>
Operation of Non-Instructional Services:			
Community Services			
Purchased Services	<u>3,385</u>	<u>3,225</u>	<u>160</u>
Total - Community Services	<u>3,385</u>	<u>3,225</u>	<u>160</u>
Total - Operation of Non-Instructional Services:	<u>3,385</u>	<u>3,225</u>	<u>160</u>
Total Expenditures	<u>102,065</u>	<u>100,823</u>	<u>1,242</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>2,038</u>	<u>2,038</u>
Net Change in Fund Balances	0	2,038	2,038
Fund Balance (Deficit) at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ 2,038</u>	<u>\$ 2,038</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Preschool Handicapped Grant
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 10,307	\$ 10,307	\$ -
Total Revenues	<u>10,307</u>	<u>10,307</u>	<u>0</u>
EXPENDITURES:			
Current:			
Instruction:			
Special			
Salaries	8,850	8,850	
Fringe Benefits	<u>1,456</u>	<u>1,456</u>	<u>0</u>
Total - Special	<u>10,306</u>	<u>10,306</u>	<u>0</u>
Total - Instruction:	<u>10,306</u>	<u>10,306</u>	<u>0</u>
Support Services:			
Pupils			
Salaries	<u>466</u>	<u>466</u>	
Total - Pupils	<u>466</u>	<u>466</u>	
Total - Support Services:	<u>466</u>	<u>466</u>	
Total Expenditures	<u>10,772</u>	<u>10,772</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(465)</u>	<u>(465)</u>	<u>0</u>
Net Change in Fund Balances	(465)	(465)	0
Fund Balance (Deficit) at Beginning of Year	<u>465</u>	<u>465</u>	
Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title II-A
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 24,665	\$ 24,665	\$ -
Total Revenues	<u>24,665</u>	<u>24,665</u>	<u>0</u>
EXPENDITURES:			
Current:			
Instruction:			
Special			
Salaries	<u>22,741</u>	<u>22,741</u>	<u>0</u>
Total - Special	<u>22,741</u>	<u>22,741</u>	<u>0</u>
Total - Instruction:	<u>22,741</u>	<u>22,741</u>	<u>0</u>
Operation of Non-Instructional Services:			
Community Services			
Purchased Services	<u>1,924</u>	<u>1,924</u>	<u>0</u>
Total - Community Services	<u>1,924</u>	<u>1,924</u>	<u>0</u>
Total - Operation of Non-Instructional Services:	<u>1,924</u>	<u>1,924</u>	<u>0</u>
Total Expenditures	<u>24,665</u>	<u>24,665</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	0	0	0
Fund Balance (Deficit) at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance (Deficit) at Beginning of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Beachwood City Schools
Schedule of Revenues, Expenses and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Health Care Benefits
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
OPERATING REVENUES:			
Charges for Services	\$ 3,750,000	\$ 2,891,543	\$ (858,457)
Other Revenues	1,072,000	937,062	(134,938)
Total Operating Revenues	<u>4,822,000</u>	<u>3,828,605</u>	<u>(993,395)</u>
OPERATING EXPENSES:			
Claims	1,060,799	773,360	287,439
Other	3,744,000	2,774,004	969,996
Total Operating Expenses	<u>4,804,799</u>	<u>3,547,364</u>	<u>1,257,435</u>
Operating Income (Loss)	<u>17,201</u>	<u>281,241</u>	<u>264,040</u>
Income (Loss) Before Contributions and Transfers	<u>17,201</u>	<u>281,241</u>	<u>264,040</u>
Net Change in Net Assets	17,201	281,241	264,040
Net Assets(Deficit) at Beginning of Year	<u>1,205,797</u>	<u>1,205,797</u>	<u>0</u>
Net Assets (Deficit) at End of Year	<u>\$ 1,222,998</u>	<u>\$ 1,487,038</u>	<u>\$ 264,040</u>

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Statistical Section

This part of the Beachwood City School District's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the School District's overall financial health.

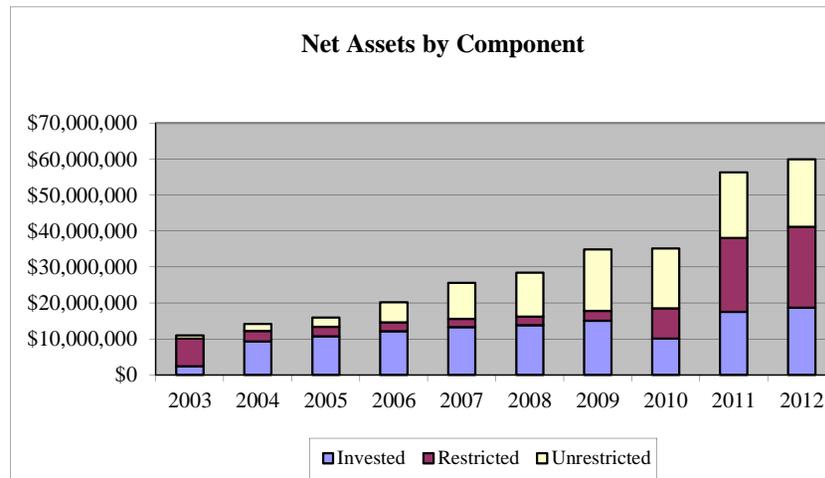
Contents	Pages
Financial Trends These schedules contain trend information to help the reader understand how the School District's financial performance and well-being has changed over time.	S3 – S9
Revenue Capacity These schedules contain information to help the reader assess the School District's most significant local revenue, the property tax.	S10-S14
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	S15 – S19
Economic and Demographic Information This schedule offers economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.	S20- S21
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	S22 – S30

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The School District implemented GASB Statement No. 34 in fiscal year 2003 and implemented GASB Statement No. 54 in fiscal year 2011; schedules presenting government-wide information include information beginning in that year.

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Beachwood City School District
 Net Assets by Component
 Last Ten Fiscal Years
(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Invested in Capital Assets, Net of Related Debt	\$ 2,427,232	\$ 9,336,218	\$ 10,745,501	\$ 12,150,684	\$ 13,307,244	\$ 13,802,891	\$ 15,016,809	\$ 10,092,016	\$ 17,535,755	\$ 18,670,053
Restricted for:										
Debt Services	1,353,347	1,720,016	1,801,050	1,814,506	1,594,417	1,646,024	2,068,977	1,909,169	2,291,287	2,643,964
Capital Outlay	6,108,033	881,458	514,338	351,756	337,034	226,134	192,756	5,965,796	218,541	616,102
Other Purposes	49,787	114,876	149,446	190,089	236,168	376,555	406,199	373,958	325,704	423,498
Set Asides	134,873	134,873	134,873	134,873	134,873	134,873	134,873	134,873	134,873	134,873
Unrestricted	876,587	2,011,674	2,556,168	5,569,139	9,945,853	12,249,707	17,066,792	16,700,337	18,205,741	18,737,752
Total Net Assets	\$ 10,949,859	\$ 14,199,115	\$ 15,901,376	\$ 20,211,047	\$ 25,555,589	\$ 28,436,184	\$ 34,886,406	\$ 35,176,149	\$ 38,711,901	\$ 41,226,242



Source: District Financial Statements

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses										
Regular Instruction	\$12,479,099	\$11,817,943	\$11,732,566	\$11,979,156	\$11,629,226	\$11,080,629	\$10,648,385	\$11,054,568	\$10,041,085	\$10,778,243
Special Instruction	6,841,655	6,393,564	5,787,279	6,784,298	5,871,895	5,303,469	4,883,454	5,326,130	5,642,088	4,585,415
Vocational Instruction	732,685	1,566,475	1,489,827	1,290,755	1,242,827	869,041	1,083,365	989,488	924,719	1,022,011
Adult/Conintuing	99,837	172,423	229,767	223,322	172,720	245,490	187,370	182,946	222,285	171,353
Other Instruction	238,069	128,063	225,758	179,790	664,301	701,677	747,592	542,440	528,364	453,982
Pupils	3,113,676	2,447,124	2,599,282	2,710,272	2,616,865	2,602,066	2,683,123	3,003,113	2,916,828	2,688,550
Instructional Staff	1,120,386	1,229,125	1,115,463	1,169,119	1,012,486	1,013,004	996,497	792,912	999,100	971,811
Board of Education	358,447	562,724	522,649	460,127	356,006	473,970	361,428	392,751	424,172	284,394
Administration	2,374,984	2,396,922	2,337,526	2,329,151	2,371,399	2,314,305	2,291,977	2,307,273	2,467,679	2,398,216
Fiscal	827,047	443,112	1,136,671	514,478	746,614	763,705	821,105	784,491	748,653	696,353
Business	459,488	464,459	493,005	458,069	459,817	506,341	464,096	499,751	648,341	579,234
Operation and										
Maintenance of Plant	3,676,973	3,435,706	3,340,931	3,716,973	3,720,729	3,724,961	3,553,721	3,474,546	3,681,893	3,511,269
Pupil Transportation	1,756,043	2,394,212	2,100,921	2,059,398	1,993,252	1,905,211	1,795,090	1,787,938	1,984,406	1,764,492
Central	700,838	779,644	756,795	704,516	796,909	907,791	891,381	856,973	917,378	902,864
Non-instructional	1,528,043	1,615,457	1,526,872	1,506,769	929,350	997,432	823,543	739,588	689,308	683,080
Extracurricular Activities:	1,237,501	1,001,511	982,846	1,008,747	1,004,529	958,209	885,704	942,705	957,096	944,606
Capital Outlay	0	0	0	0	0	0	0	0	0	647,931
Debt Service	1,991,584	1,759,116	481,661	541,519	1,162,417	993,752	798,353	863,055	937,935	1,027,560
<i>Total Expenses</i>	<i>\$39,536,355</i>	<i>\$38,607,580</i>	<i>\$36,859,819</i>	<i>\$37,636,459</i>	<i>\$36,751,342</i>	<i>\$35,361,053</i>	<i>\$33,916,184</i>	<i>\$34,540,668</i>	<i>\$34,731,330</i>	<i>\$34,111,364</i>
Program Revenues										
Charges for Services and Sales:										
Regular Instruction	\$198,931	\$262,524	\$282,997	\$426,372	\$261,927	\$433,566	\$331,181	\$336,667	\$308,869	\$252,383
Special Instruction	882,280	1,016,441	408,532	1,202,361	680,019	1,169,614	1,363,859	1,324,456	1,178,598	2,195,528
Vocational Instruction	581,738	810,461	670,516	611,363	805,627	326,213	379,573	335,213	303,005	545,984
Adult/Conintuing	16,141	43,777	208,866	223,322	172,720	203,244	187,370	173,326	174,026	153,725
Other Instruction	100	2,166	0	40,114	535,638	510,762	440,985	456,480	442,970	399,689
Pupils	804,828	917,293	821,602	956,469	779,711	618,216	379,618	878,026	871,605	14,869
Instructional Staff	51,699	59,206	70,830	151,967	2,321	2,323	515	2,586	988	1,795
Administration	0	0	6,195	573	320	0	0	15,232	8,963	0
Fiscal	9,088	20,410	21,117	6,520	9,519	0	39,238	58,949	3,598	1,759
Business	2,130	3,178	3,483	9,155	4,965	12,660	2,003	42,313	14,752	6,121
Operation and										
Maintenance of Plant	333,064	324,955	377,779	317,292	275,580	265,814	278,755	250,604	253,837	179,262
Pupil Transportation	2,244	0	7,708	75,245	48,277	59,964	50,308	70,677	41,402	40,968
Central	12,000	2,652	26,020	8,157	27,494	39,993	26,035	25,650	30,350	20,950
Food Service Operations	382,012	422,646	448,638	415,824	374,970	374,118	357,553	326,338	303,674	301,359
Community Services	562,874	499,863	504,650	516,995	5,889	3,033	2,382	882	0	0
Extracurricular Activities:	80,872	46,729	41,905	35,950	35,189	46,028	78,176	86,449	66,766	66,948

(continued)

Source: District Financial Statements

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Operating Grants and Contributions:										
Regular Instruction	\$1,101,653	\$549,983	\$562,371	\$543,711	\$665,444	\$606,968	\$611,687	\$106,578	\$20,741	\$23,646
Special Instruction	838,808	930,310	644,712	980,032	869,960	772,210	838,165	531,704	343,732	634,823
Vocational Instruction	150,947	471,903	399,322	370,783	280,527	311,804	351,695	349,405	391,124	303,901
Other Instruction	0	0	0	0	27,626	29,779	0	0	0	0
Pupils	344,971	225,966	157,696	170,662	222,850	290,804	207,123	331,928	378,760	143,719
Instructional Staff	82,014	71,242	72,793	77,894	12,356	66,675	7,048	50,490	61,511	31,531
Administration	13,862	0	13,591	7,857	7,857	7,736	7,389	6,505	6,971	7,629
Business	0	0	0	0	0	0	0	1,708	5,600	1,550
Operations	29,705	0	0	0	0	0	0	0	0	0
Pupil Transportation	30,671	470,815	543,734	485,476	491,752	482,910	499,063	487,841	1,578	0
Central	9,000	16,375	16,432	52,868	35,660	46,516	24,936	36,715	39,356	27,891
Food Service Operations	68,588	68,349	63,411	49,691	38,608	34,751	34,857	29,677	25,941	25,726
Community Services	519,955	563,069	252,504	289,849	221,806	262,143	239,028	230,662	146,106	155,779
Extracurricular Activities	0	0	0	0	1,000	0	250	6,400	0	0
Capital Grants and Contributions:										
Vocational Instruction	0	0	0	0	0	0	1,097	122	0	0
Pupil Transportation	0	0	0	6,992	7,781	11,466	6,261	6,910	7,467	15,370
Central	0	0	0	0	9,184	0	15,000	0	0	23,719
Total Program Revenues	7,110,175	7,800,313	6,627,404	8,033,494	6,912,577	6,989,310	6,761,150	6,560,493	5,432,290	5,576,624
Net Expenses	(\$32,426,180)	(\$30,807,267)	(\$30,232,415)	(\$29,602,965)	(\$29,838,765)	(\$28,371,743)	(\$27,155,034)	(\$27,980,175)	(\$29,299,040)	(\$28,534,740)
General Revenues										
Grants and Entitlements										
Not Restricted to Specific :	6,385,851	6,845,143	6,141,675	5,152,707	4,170,054	3,168,842	2,772,082	3,916,894	4,549,844	4,089,674
Investment Earnings	221,860	332,985	241,009	465,682	648,569	809,864	328,084	139,814	125,271	364,914
Miscellaneous	298,808	250,458	257,895	40,154	177,021	76,080	83,182	32,150	61,711	(140,595)
Property Taxes	28,034,000	26,914,433	23,881,579	30,394,644	27,723,716	29,661,499	28,281,357	25,593,578	27,811,470	25,000,564
Total General Revenues	34,940,519	34,343,019	30,522,158	36,053,187	32,719,360	33,716,285	31,464,705	29,682,436	32,548,296	29,314,557
Change in Net Assets	\$2,514,339	\$3,535,752	\$289,743	\$6,450,222	\$2,880,595	\$5,344,542	\$4,309,671	\$1,702,261	\$3,249,256	\$779,817

Source: District Financial Statements

Beachwood City School District

Program Revenues by Source

Last Ten Fiscal Years

(accrual basis of accounting)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Program Revenues										
Charges for Services										
Regular Instruction	\$198,931	\$262,524	\$282,997	\$426,372	\$927,371	\$1,040,534	\$942,868	\$443,245	\$329,610	\$276,029
Special Instruction	882,280	1,016,441	408,532	1,202,361	1,549,979	1,941,824	2,202,024	1,856,160	1,522,330	2,830,351
Vocational Instruction	581,738	810,461	670,516	611,363	1,086,154	638,017	732,365	684,740	694,129	849,885
Adult/Conintuing	16,141	43,777	208,866	223,322	172,720	203,244	187,370	173,326	174,026	153,725
Other Instruction	100	2,166	0	40,114	563,264	540,541	440,985	456,480	442,970	399,689
Pupils	804,828	917,293	821,602	956,469	1,002,561	909,020	586,741	1,209,954	1,250,365	158,588
Instructional Staff	51,699	59,206	70,830	151,967	14,677	68,998	7,563	53,076	62,499	33,326
Administration	0	0	6,195	573	8,177	7,736	7,389	21,737	15,934	7,629
Fiscal	9,088	20,410	21,117	6,520	9,519	0	39,238	58,949	3,598	1,759
Business	2,130	3,178	3,483	9,155	4,965	12,660	2,003	44,021	20,352	7,671
Operation and										
Maintenance of Plant	333,064	324,955	377,779	317,292	275,580	265,814	278,755	250,604	253,837	179,262
Pupil Transportation	2,244	0	7,708	75,245	547,810	554,340	555,632	565,428	50,447	56,338
Central	12,000	2,652	26,020	8,157	72,338	86,509	65,971	62,365	69,706	72,560
Food Service Operation	382,012	422,646	448,638	415,824	413,578	408,869	392,410	356,015	329,615	327,085
Community Services	562,874	499,863	504,650	516,995	227,695	265,176	241,410	231,544	146,106	155,779
Extracurricular Activities	80,872	46,729	41,905	35,950	36,189	46,028	78,426	92,849	66,766	66,948
Total Program Revenues	<u>\$3,920,001</u>	<u>\$4,432,301</u>	<u>\$3,900,838</u>	<u>\$4,997,679</u>	<u>\$6,912,577</u>	<u>\$6,989,310</u>	<u>\$6,761,150</u>	<u>\$6,560,493</u>	<u>\$5,432,290</u>	<u>\$5,576,624</u>

Beachwood City School District
Fund Balances, Government Funds
 Last Three Fiscal Years
 (modified accrual basis of accounting)

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<i>General Fund</i>			
Nonspendable	\$77,423	\$78,834	\$77,659
Restricted	134,873	142,715	142,915
Committed	312,464	466,442	148,076
Assigned	2,412,549	1,170,307	1,305,151
Unassigned	<u>16,014,196</u>	<u>16,816,278</u>	<u>16,281,758</u>
<i>Total General Fund</i>	<u>18,951,505</u>	<u>18,674,576</u>	<u>17,955,559</u>
<i>All Other Governmental Funds</i>			
Nonspendable	8,712	4,891	0
Restricted	4,691,417	30,162,866	8,464,795
Committed	16,807,535	6,097,755	645,440
Unassigned	<u>(7,428)</u>	<u>0</u>	<u>0</u>
<i>Total All Other Governmental Funds</i>	<u>21,500,236</u>	<u>36,265,512</u>	<u>9,110,235</u>
<i>Total Governmental Funds</i>	<u><u>\$40,451,741</u></u>	<u><u>\$54,940,088</u></u>	<u><u>\$27,065,794</u></u>

Note: The School District implemented GASB 54 in 2011.

Source: District Financial Statements

Beachwood City School District
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2012	2011	2010	2009	2008
General Revenues					
Property and Other Local Taxes	\$28,034,000	\$26,735,219	\$23,720,129	\$30,489,433	\$28,225,851
Intergovernmental	9,576,025	10,213,155	8,868,241	8,188,859	7,042,005
Interest	221,951	333,272	241,202	467,348	749,468
Tuition and Fees/Rent	3,219,070	3,358,651	2,576,047	3,884,672	2,936,352
Miscellaneous Revenue from Local Sources	999,648	1,323,821	1,582,493	1,151,158	1,180,397
<i>Total Revenues</i>	<u>\$42,050,694</u>	<u>\$41,964,118</u>	<u>\$36,988,112</u>	<u>\$44,181,470</u>	<u>\$40,134,073</u>
Expenditures					
Instruction	\$19,532,432	\$19,158,837	\$18,741,726	\$19,390,201	\$18,409,343
Support Services:					
Pupil	3,046,113	2,488,406	2,638,931	2,683,603	2,597,084
Instructional Staff	1,054,135	1,245,680	1,109,864	1,090,565	930,332
Board of Education	337,438	543,728	502,689	439,485	346,279
Administration	2,367,983	2,357,983	2,295,127	2,274,608	2,334,626
Fiscal	1,106,852	965,920	982,071	944,581	870,664
Business	479,569	456,991	485,105	450,040	475,683
Operation and Maintenance of Plant	2,948,024	3,228,836	3,310,293	3,525,969	3,638,095
Pupil Transportation	1,665,516	2,256,616	2,189,730	2,100,816	1,927,821
Central	1,124,218	1,317,613	742,267	1,013,722	1,107,131
Non-instructional	1,488,316	1,584,575	1,492,319	1,489,470	885,503
Extracurricular Activities	1,217,815	968,684	956,455	976,735	968,945
Capital Outlay	16,076,522	3,304,901	397,220	832,691	622,003
Debt Service:					
Principal	2,230,000	2,060,000	1,450,000	1,390,000	1,094,984
Interest	2,036,195	2,092,818	645,190	593,478	970,500
<i>Total Expenditures</i>	<u>56,711,128</u>	<u>44,031,588</u>	<u>37,938,987</u>	<u>39,195,964</u>	<u>37,178,993</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(14,660,434)</u>	<u>(2,067,470)</u>	<u>(950,875)</u>	<u>4,985,506</u>	<u>2,955,080</u>
Other Financing Sources/(Uses)					
Operating Transfers In	233,540	243,024	240,000	396,000	350,000
General Obligation Bonds Issued	0	30,319,567	0	0	0
Proceed from Sale of Bonds	0	0	5,650,000	0	6,244,997
Proceeds from Sale of Fixed Assets	0	0	0	0	0
Inception of Capital Lease	172,087	267,639	0	124,373	0
Other Financing Sources	0	0	0	0	474,279
Operating Transfers Out	(233,540)	(243,024)	(240,000)	(396,000)	(350,000)
Refund of Prior Year Expenditures/Receipts	0	0	0	0	0
Advanced Refunding of Bonds	0	0	0	0	(6,602,665)
	<u>172,087</u>	<u>30,587,206</u>	<u>5,650,000</u>	<u>124,373</u>	<u>116,611</u>
<i>Net Changes in Fund Balances</i>	<u>(\$14,488,347)</u>	<u>\$28,519,736</u>	<u>\$4,699,125</u>	<u>\$5,109,879</u>	<u>\$3,071,691</u>
Debt Services as a percentage of Noncapital expenditures	10.04%	9.95%	5.62%	5.25%	5.74%
Source: District Financial Statements					

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$30,467,859	\$27,807,938	\$25,307,928	\$27,589,977	\$24,239,246
6,083,421	5,597,211	6,093,461	6,142,734	5,261,381
722,948	332,199	140,974	125,949	365,761
2,793,748	3,015,130	3,369,859	3,161,659	3,424,098
<u>1,425,357</u>	<u>988,963</u>	<u>1,003,425</u>	<u>931,549</u>	<u>793,879</u>
<u>\$41,493,333</u>	<u>\$37,741,441</u>	<u>\$35,915,647</u>	<u>\$37,951,868</u>	<u>\$34,084,365</u>
\$17,132,962	\$16,731,136	\$17,300,556	\$18,098,823	\$16,678,096
2,610,057	2,623,983	3,074,384	2,858,960	2,614,236
959,487	940,566	788,195	941,951	966,523
451,140	338,636	369,854	401,284	263,595
2,340,665	2,367,189	2,291,300	2,487,798	2,466,060
853,796	808,530	769,006	754,590	688,430
499,306	485,869	479,302	668,183	580,659
3,697,130	3,482,866	3,415,354	3,538,967	3,491,718
1,958,588	1,785,440	1,821,183	1,871,614	1,646,430
1,397,285	1,239,852	1,077,752	983,114	1,029,550
937,992	765,582	694,863	633,396	626,473
922,936	850,200	911,114	918,184	932,594
508,859	297,650	400,279	4,900,809	11,379,293
1,859,998	2,050,000	2,014,960	2,293,959	1,549,000
<u>1,009,662</u>	<u>814,303</u>	<u>878,965</u>	<u>939,886</u>	<u>1,110,098</u>
<u>37,139,863</u>	<u>35,581,802</u>	<u>36,287,067</u>	<u>42,291,518</u>	<u>46,022,755</u>
<u>4,353,470</u>	<u>2,159,639</u>	<u>(371,420)</u>	<u>(4,339,650)</u>	<u>(11,938,390)</u>
315,000	283,214	205,500	270,709	310,800
0	0	0	0	18,814,982
0	0	0	0	0
18,622	11,325	41,632	7,850	8,900
413,152	203,684	268,329	583,198	214,273
0	0	0	0	503,415
(315,000)	(283,214)	(205,500)	(270,709)	(315,574)
0	0	0	(10,536)	(1,666)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(3,192,846)</u>
431,774	215,009	309,961	580,512	16,342,284
<u>\$4,785,244</u>	<u>\$2,374,648</u>	<u>(\$61,459)</u>	<u>(\$3,759,138)</u>	<u>\$4,403,894</u>
7.83%	8.12%	8.06%	8.65%	7.68%

Beachwood City School District
 Assessed* and Estimated Actual Value of Taxable Property
 Last Ten Years

Collection Year	Real Estate		Public Utility Tangible Personal		Total Real/Personal Property		Direct Property Tax Rate
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2012	\$ 699,199,670	\$ 1,997,713,343	\$ 10,143,050	\$ 11,526,193	\$ 709,342,720	\$ 2,009,239,536	86.40
2011	709,770,470	2,027,915,629	9,915,590	11,267,715	719,686,060	2,039,183,344	86.40
2010	713,176,220	2,037,646,343	9,694,520	11,016,500	722,870,740	2,048,662,843	83.90
2009	734,787,970	2,099,394,200	24,347,999	243,873,264	759,135,969	2,343,267,464	83.90
2008	737,297,970	2,106,565,629	38,242,896	245,831,783	775,540,866	2,352,397,412	82.30
2007	732,702,280	2,093,435,086	53,770,556	233,376,196	786,472,836	2,326,811,282	82.30
2006	679,670,070	1,941,914,486	64,658,652	237,250,537	744,328,722	2,179,165,023	83.50
2005	672,204,090	1,920,583,114	67,271,738	245,073,166	739,475,828	2,165,656,280	77.60
2004	670,403,030	1,915,437,229	74,355,817	274,614,423	744,758,847	2,190,051,652	77.50
2003	619,110,040	1,768,885,829	84,164,554	302,442,486	703,274,594	2,071,328,315	77.50

Note: Property in Cuyahoga County is reappraised once every six years with a State mandated update of the current market in the third year after reappraisal

*Assessed valuation for real property is based upon 35 percent of estimated true value set by county appraisal, and is 35 percent for public utility property.

Personal Property phased out ended collection year 2009.

Source: Cuyhaoga County Budget Commission

Beachwood City School District
Property Tax Rates - Direct and Overlapping
 (per \$1,000 Assessed Valuation)
 Last Ten Calendar Years

Tax Year/ Collection Year	School Levy	County Levy	City Levy	Total Levy	Debt Service Included in Total Levy		
					School	County	Total
2011/2012	\$ 86.40	\$ 20.80	\$ 4.00	\$ 111.20	\$ 4.40	\$ 1.02	\$ 5.42
2010/2011	86.40	20.90	4.00	111.30	4.40	1.14	5.54
2009/2010	83.90	20.60	4.00	108.50	1.90	0.82	2.72
2008/2009	83.90	20.60	4.00	108.50	1.90	1.01	2.91
2007/2008	82.30	20.20	4.00	106.50	1.90	1.01	2.91
2006/2007	82.30	20.20	4.00	106.50	1.90	1.01	2.91
2005/2006	83.50	20.30	4.00	107.80	3.10	0.98	4.08
2004/2005	77.60	20.30	4.00	101.90	3.10	0.88	3.98
2003/2004	77.50	19.40	4.00	100.90	3.00	0.91	3.91
2002/2003	77.50	17.60	4.00	99.10	3.00	0.86	3.86

Source: Cuyahoga County Auditor - Data is presented on a calendar year basis
 consistent with the County Auditor's method of maintaining the information.

Property Tax Levies and Collections
Real and Personal Property Taxes (1)
Last Ten Calendar Years

Tax Year/ Collection Year	Current Levy	Delinquent Levy	Total Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collected As a Percent of Current Levy
2010/2011	\$31,523,485	\$10,226,335	\$41,749,820	\$28,121,306	89.21%	\$599,534	\$28,720,840	91.1%
2009/2010	31,523,485	10,226,335	41,749,820	28,121,306	89.21%	599,534	28,720,840	91.1%
2008/2009	31,001,148	7,953,004	38,954,152	28,262,113	91.16%	704,361	28,966,474	93.4%
2007/2008	30,850,329	6,565,654	37,415,983	28,112,109	91.12%	1,064,838	29,176,947	94.6%
2006/2007	32,310,572	5,386,849	37,697,421	30,024,676	92.93%	1,017,048	31,041,724	96.1%
2005/2006	33,716,047	3,971,944	37,687,991	31,294,524	92.82%	811,612	32,106,136	95.2%
2004/2005	30,003,789	2,909,970	32,913,759	27,975,506	93.24%	680,095	28,655,601	95.5%
2003/2004	29,929,660	2,286,883	32,216,543	27,572,370	92.12%	651,122	28,223,492	94.3%
2002/2003	29,672,081	1,589,673	31,261,754	28,269,881	95.27%	696,650	28,966,531	97.6%
2001/2002	24,886,806	2,090,958	26,977,764	23,412,034	94.07%	1,327,066	24,739,370	99.4%

Source: Cuyahoga County Auditor - Data is presented on a calendar year basis, consistent with the County Auditor's method of maintaining the information.

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

Beachwood City School District
Principal Property Taxpayers
Real Estate Tax
December 31, 2011 and December 31, 2002

December 31, 2011			
Name of Taxpayer	Nature of Business	Assessed Valuation	% of Total Assessed Valuation (1)
Beachwood Place Limited	Mall	\$57,858,580	16.11%
Cleveland Clinic	Health Care	47,450,670	13.21%
Hamptons Apartment	Apartments	12,205,000	3.40%
Village Green of Beachwood	Condominiums	9,890,870	2.75%
Commerce Park	Office buildings	9,800,020	2.73%
Devlopers Diversidifed Realty	Realty	9,339,200	2.60%
Four Seasons Apartments	Apartments	8,786,240	2.45%
Double Tree	Hotel	7,420,010	2.07%
Gotham King Fee Owner, LLC	Unknown	6,704,960	1.87%
Sqignature Square	Office buildings	6,223,780	1.73%
		<u>\$175,679,330</u>	<u>48.90%</u>
Total Commercial Valuation		<u>\$359,258,080</u>	

December 31, 2002			
Name of Taxpayer	Nature of Business	Assessed Valuation	% of Total Assessed Valuation (1)
Beachwood Place Limited	Retail	\$88,979,660	27.01%
Bracebridge	Retail	63,269,400	19.21%
Cleveland Clinic	Apartments	26,746,940	8.12%
Hamptons Apartment	Apartments	21,693,020	6.58%
Village Green of Beachwood	Apartments	21,540,200	6.54%
Doublewoord Corp	Hotel	18,571,720	5.64%
Beachwood Place	Retail	14,864,960	4.51%
Jewish Community Center	Fitness	14,836,440	4.50%
Dilliards	Hotel	12,951,260	3.93%
Embassy Equity Development	Hotel	12,423,140	3.77%
		<u>\$295,876,740</u>	<u>89.81%</u>
Total Commercial Valuation		<u>\$329,433,890</u>	

Source: Cuyahoga County Auditor

Beachwood City School District
Principal Property Taxpayers
Public Utility Tax
December 31, 2011 and December 31, 2004*

		December 31, 2011	
Name of Taxpayer	Nature of Business	Assessed Valuation	% of Total Tangible Personal Property Valuation
Cleveland Electric Illuminating	Electric Utility	\$8,997,100	88.70%
East Ohio Gas	Gas	620,730	6.12%
American Transmission System	Utility	525,220	5.18%
Total		<u>\$10,143,050</u>	<u>94.82%</u>
Total Public Utility Valuation		<u>\$10,143,050</u>	

		December 31, 2004*	
Name of Taxpayer	Nature of Business	Assessed Valuation	% of Total Tangible Personal Property Valuation
Cleveland Electric Illuminating	Electric Utility	\$5,099,400	34.54%
Ohio Bell	Telephone	3,810,830	25.81%
American Transmission System	Telephone	606,340	4.11%
AT & T Wireless	Telephone	580,640	3.93%
New Par		571,050	3.87%
Total		<u>\$10,668,260</u>	<u>72.26%</u>
Total Public Utility Valuation		<u>\$14,763,570</u>	

* Information not available prior to 2004
Source: Cuyhoga County Auditor

Beachwood City School District

All Outstanding Debt

Last Ten Years

<u>Year</u>	<u>Gross General Bonded Debt</u>	<u>Notes Outstanding</u>	<u>Leases</u>	<u>Total</u>	<u>Total Debt/Capita*</u>	<u>(1) Debt Outstanding % Of Personal Income</u>
2012	\$39,049,998	\$4,550,000	\$202,643	\$43,802,641	\$3,665	7.0%
2011	40,724,998	5,105,000	178,426	46,008,424	3,849	7.0%
2010	11,479,998	6,410,000	41,053	17,931,051	1,471	8.2%
2009	12,209,998	1,480,000	81,096	13,771,094	1,130	2.3%
2008	12,914,998	2,165,000	137,520	15,217,518	1,249	2.5%
2007	13,359,984	2,815,000	334,124	16,509,108	1,355	3.1%
2006	14,599,982	3,435,000	216,448	18,251,430	1,498	2.7%
2005	16,060,022	4,025,000	388,021	20,473,043	1,680	3.0%
2004	17,509,982	4,620,000	468,228	22,598,210	1,854	3.3%
2003	18,889,982	5,200,000	539,556	24,629,538	2,021	3.5%

* Population 11,953 per US census, 2010-2012, 12,186 2003-2009

(1) Information on Personal Income can be found on S-20.

Source: Beachwood City Schools

Beachwood City School District
 Computation of Direct and Overlapping Debt
 General Obligation
 As of December 31, 2011

<u>Jurisdiction</u>	<u>General Obligation Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount Applicable to School District</u>
<i>Direct Debt:</i>			
Beachwood City School District	\$39,049,998	100.00%	\$39,049,998
<i>Overlapping Debt:</i>			
Cuyahoga County	298,113,842	2.38%	7,095,109
Regional Transit Authority	142,080,000	2.38%	3,381,504
City of Beachwood	30,300,000	99.57%	30,169,710
City of Pepper Pike	<u>8,058,733</u>	0.43%	<u>34,653</u>
Total Overlapping Debt	<u>478,552,575</u>		<u>40,680,976</u>
Total Debt	<u><u>\$517,602,573</u></u>		<u><u>\$79,730,974</u></u>

Source: Cuyahoga County Auditor - Data is presented on a calendar year basis, consistent with the County Auditor's method of maintaining the information.

(1) Percentages were determined by dividing the assessed valuation of the political subdivision by the total assessed valuation, which includes all overlapping valuation. The valuations used were for the 2011 collection year.

Beachwood City School District
Ratio of Net General Bonded Debt to Assessed Value
and Net Bonded Debt Per Capita
Last Ten Years

<u>Year</u>	<u>Gross General Bonded Debt</u>	<u>Less Bond Retirement Fund</u>	<u>Net General Bonded Debt</u>	<u>Assessed Value</u>	<u>Population (1)</u>	<u>Ratio of Net Debt to Assessed Value</u>	<u>Net General Bonded Debt Per Capita</u>
2012	\$39,049,998	\$2,571,283	\$36,478,715	\$709,342,720	11,953	5.14%	\$3,052
2011	40,724,998	2,218,606	38,506,392	719,686,060	11,953	5.35%	3,221
2010	11,479,998	1,884,167	9,595,831	722,870,740	12,186	1.33%	787
2009	12,209,998	2,052,047	10,157,951	759,135,969	12,186	1.34%	834
2008	12,914,998	1,626,431	11,288,567	775,540,866	12,186	1.46%	926
2007	13,359,984	1,554,189	11,805,795	786,472,836	12,186	1.50%	969
2006	14,599,982	1,738,191	12,861,791	744,328,722	12,186	1.73%	1,055
2005	16,060,022	1,710,750	14,349,272	739,475,828	12,186	1.94%	1,178
2004	17,509,982	1,638,443	15,871,539	755,137,685	12,186	2.10%	1,302
2003	18,889,982	1,305,760	17,584,222	703,274,594	12,186	2.50%	1,443

(1) Source: Estimates provided by City of Beachwood.

Beachwood City School District
 Computation of Legal Debt Margin
 Last Ten Years

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Assessed Valuation	<u>\$709,342,720</u>	<u>\$719,686,060</u>	<u>\$722,870,740</u>	<u>\$759,135,969</u>
Bonded Debt Limit - 9% of Assessed Value (1)	\$63,840,845	\$64,771,745	\$65,058,367	\$68,322,237
Amount of Debt Applicable to Debt Limit:				
Bonded Debt	39,049,998	40,724,998	11,479,998	12,209,998
Less Bond Retirement Fund	2,571,283	2,218,606	1,884,167	2,052,047
Net General Bonded Debt	36,478,715	38,506,392	9,595,831	10,157,951
Voted Debt Margin	<u>\$24,790,847</u>	<u>\$24,046,747</u>	<u>\$53,578,369</u>	<u>\$56,112,239</u>
Ratio of Legal Debt Margin to Assessed Values	5.14%	5.35%	1.33%	1.34%
Bonded Debt Limit - .1% of Assessed Value (1)	\$709,343	\$719,686	\$722,871	\$759,136
Unvoted Debt Margin	<u>\$709,343</u>	<u>\$719,686</u>	<u>\$722,871</u>	<u>\$759,136</u>

(continued)

Source: Cuyahoga County Auditor

(1) Bond Law by Ohio Revised Code sets a limit of 9% for voted debt margin and .1% for unvoted debt .

2008	2007	2006	2005	2004	2003
<u>\$775,540,866</u>	<u>\$786,472,836</u>	<u>\$744,328,722</u>	<u>\$739,475,828</u>	<u>\$755,137,685</u>	<u>\$703,274,594</u>
\$69,798,678	\$70,782,555	\$66,989,585	\$66,552,825	\$67,962,392	\$63,294,713
12,914,998	13,359,984	14,599,982	16,060,022	17,509,982	18,814,982
1,626,431	1,554,189	1,738,191	1,710,750	1,638,443	1,305,760
11,288,567	11,805,795	12,861,791	14,349,272	15,871,539	17,509,222
<u>\$56,883,680</u>	<u>\$57,422,571</u>	<u>\$52,389,603</u>	<u>\$50,492,803</u>	<u>\$50,452,410</u>	<u>\$44,479,731</u>
1.46%	1.50%	1.73%	1.94%	2.10%	2.49%
\$775,541	\$786,473	\$744,329	\$739,476	\$755,138	\$703,275
<u>\$775,541</u>	<u>\$786,473</u>	<u>\$744,329</u>	<u>\$739,476</u>	<u>\$755,138</u>	<u>\$703,275</u>

Beachwood City School District
Demographic and Economic Statistics
Last Ten Years

Year (1)	Population (2)	Average Federal Adjusted Gross Income (3)	Median Ohio Adjusted Gross Income (3)	Total Personal Income (4)	Per Capita Personal Income (5)	Debt as a % of Personal Income (6)	Cuyahoga County Unemployment Rate (7)
2010	11,953	\$ 101,351	\$50,612	\$ 573,863,530	\$48,010	6.8%	8.6%
2009	12,186	101,351	55,654	493,642,674	40,509	8.2	9.2
2008	12,186	114,266	53,899	493,642,674	40,509	2.3	7.1
2007	12,186	136,606	51,742	493,642,674	40,509	2.5	6.1
2006	12,186	122,152	48,933	493,642,674	40,509	3.1	5.5
2005	12,186	129,930	45,753	493,642,674	40,509	2.7	6.1
2004	12,186	106,109	46,338	493,642,674	40,509	3.0	6.2
2003	12,186	100,111	43,738	493,642,674	40,509	3.3	6.2
2002	12,186	94,108	41,737	493,642,674	40,509	3.5	6.6
2001	12,186	91,434	42,275	493,642,674	40,509	3.8	4.6

Source:

- (1) 2009 latest Information available
- (2) Federal Census
- (3) Ohio Department of Taxation
- (4) Per capita personal income multiplied by population
- (5) U.S. Census
- (6) Gross bonded debt divided by total personal income
- (7) City of Beachwood

Beachwood City School District
Principal Employers
December 31, 2011 and December 31, 2005*

Employer	Number of Employees	Percentage of Total
Bank of America	1,478	6.48%
Cleveland Clinic Foundation	1,355	5.94
Menorah Park Center	1,039	4.56
Nordstrom	620	2.72
Beachwood Board of Education	577 **	2.53
Harborside of Cleveland	500	2.19
Developers Diversified	539	2.36
Montefiore Hone	543	2.38
City of Beachwood	479	2.10
Rosetta Marketing Group	299	1.31
Total	<u>7,429</u>	<u>32.59%</u>
Total employment within the School District	<u>22,796</u>	

** Includes seasonal, substitutes and casual labor

December 31, 2005*

Employer	Number of Employees	Percentage of Total
MBNA	3,061	13.47%
Menorah Park Center	1,407	6.19
Developers Diversified	539	2.37
Cleveland Clinic Foundation	479	2.11
Beachwood City School District	403	1.77
Tremco Inc.	293	1.29
Lamson & Sessions	196	0.86
Brulant Inc	183	0.81
Medical Mutual of Ohio	181	0.80
National City Bank	138	0.61
Total	<u>6,880</u>	<u>30.28%</u>
Total employment within the School District	<u>22,720</u>	

Source: Regional Income Tax Agency and City of Beachwood
* Information prior to 2005 is not available

Beachwood City School District
 Building Statistics by Function/Program
 Last Seven Fiscal Years

	2012	2011	2010	2009	2008***	2007	2006
Fairmount Elementary School							
Constructed in 1998							
Total Building Square Footage	26,987	26,987	26,987	26,987	26,987	26,987	26,987
* Enrollment Grades PreK	74	67	70	84	76	84	96
Student Capacity	220	220	220	220	220	220	220
Regular Instruction Classrooms	8	8	8	8	8	8	8
Regular Instruction Teachers	2	2	3	3	3	7	7
Special Instruction Classrooms	2	3	3	3	3	3	3
Special Instruction Teachers	1	1	1.68	1.75	1.75	3	2.5
% of students who receive free/reduced lunch	0	0	0.00**	0.00**	0.00**	0.00**	6.32%
* Includes special ed Pre k and preschool students							
** Lunch not served at Fairmount							
Bryden Elementary School							
Constructed in 1958							
Additions in 1991 and 2002							
Total Building Square Footage	50,289	50,289	50,289	50,289	50,289	50,289	50,289
Enrollment Grades K -2	276	303	307	274	248	288	278
Student Capacity	510	510	510	510	510	510	510
Regular Instruction Classrooms	13	13	13	13	13	13	13
Regular Instruction Teachers	17.4	16.9	18	19	18	13	13
Special Instruction Classrooms	3	3	3	3	3	3	3
Special Instruction Teachers	4.2	4.2	5.00	4.38	6.53	3	3
% of students who receive free/reduced lunch	13.76%	12.21%	11.31%	11.31%	8.20%	7.12%	6.86%
Hilltop Elementary School							
Constructed in 1957							
Addition in 2002							
Total Building Square Footage	51,200	51,200	51,200	51,200	51,200	51,200	51,200
Enrollment Grades 3-5	321	294	284	312	295	289	302
Student Capacity	731	731	731	731	731	731	731
Regular Instruction Classrooms	16	16	16	16	16	16	16
Regular Instruction Teachers	17.3	16.38	20.56	25	20	14	16
Special Instruction Classrooms	3	3	3	3	3	3	3
Special Instruction Teachers	6.2	8.8	9.4	6.42	8	4	4
% of students who receive free/reduced lunch	11.21%	9.52%	10.09%	10.09%	6.31%	7.17%	6.99%
Beachwood Middle School							
Constructed in 2003							
Total Building Square Footage	98,000	98,000	98,000	98,000	98,000	98,000	98,000
Enrollment Grades 6 - 8	358	336	320	288	317	271	253
Student Capacity	560	560	560	560	560	560	560
Regular Instruction Classrooms	27	27	27	27	27	27	27
Regular Instruction Teachers	21.58	21.58	21.2	22	22	18	18
Special Instruction Classrooms	3	3	3	3	3	3	3
Special Instruction Teachers	5.8	7	6	4.7	7	2	2
% of students who receive free/reduced lunch	11.45%	14.88%	10.73%	10.73%	6.01%	4.93%	4.94%
Beachwood High School							
Constructed in 1958							
Additions in 2002 and 2003							
Total Building Square Footage	208,509	208,509	208,509	208,509	208,509	208,509	208,509
Enrollment Grades 9 - 12	650	692	667	669	669	644	647
Student Capacity	1180	1180	1,180	1,180	1,180	1,180	1,180
Regular Instruction Classrooms	40	40	40	40	40	40	40
Regular Instruction Teachers	41.185	42.7	40	45	45	46	45
Special Instruction Classrooms	6	6	6	6	6	6	6
Special Instruction Teachers	8	8	8	8	9.5	7	7
% of students who receive free/reduced lunch	10%	8.67%	5.30%	5.30%	3.08%	3.72%	4.93%

(1) Information not available prior to 2006

*** District went through a grade level reconfiguration in 2008. Fairmount became a preschool building, Bryden changed from a 1-3 bldg. to a K-2 bldg., Hilltop changed from a 4-6 building to a 3-5 building and the Middle School changed from a 7-8 building to a 6-8 building.

Beachwood City School District

Per Pupil Cost

Last Ten Fiscal Years

<u>Year</u>	<u>General Fund Expenditures (1)</u>	<u>Average Daily Membership (2)</u>	<u>Per Pupil Cost</u>	<u>Percentage Change</u>
2012	\$31,312,965	1,536	\$20,384	1.42%
2011	31,194,471	1,552	20,100	-0.29%
2010	30,722,067	1,524	20,159	-4.54%
2009	31,487,746	1,491	21,119	4.89%
2008	29,678,446	1,474	20,135	6.26%
2007	28,743,982	1,517	18,948	6.18%
2006	27,071,093	1,517	17,845	0.13%
2005	27,462,681	1,541	17,821	-3.76%
2004	28,498,892	1,539	18,518	1.90%
2003	27,641,345	1,521	18,173	10.91%

Source: School District Financial Records

(1) Excludes other financing uses

(2) Excludes preschool enrollment

Beachwood City School District
Attendance and Graduation Rates
Last Ten School Years

Fiscal Year	Beachwood Attendance Rate	State Average	Beachwood Graduation Rate	State Average
2012	96.3%	93.0%	* 92.6%	90.0%
2011	96.2	93.0	100.0	90.0
2010	95.9	94.3	97.1	83.0
2009	95.6	94.3	98.5	84.6
2008	95.7	94.2	97.7	86.9
2007	95.0	94.1	97.1	86.1
2006	96.1	94.1	99.3	86.2
2005	96.2	94.3	97.9	85.9
2004	96.5	94.5	97.3	84.3
2003	95.6	94.5	97.2	83.9

Source: Ohio Department of Education Local Report Cards

* Graduation rates have new calculation rate in 2012

Beachwood City School District
School District Employees by Function/Program
Last Eight Fiscal Years (1)

Function/Program	2012	2011	2010	2009	2008	2007	2006	2005
Regular Instruction								
Preschool Classroom Teachers	2.42	2.00	2.00	3.00	3.00	3.00	3.00	3.00
Preschool Aides	3.61	3.36	2.32	3.43	3.92	2.53	2.46	3.13
Preschool After Care Instructor	-	-	-	-	0.00	0.80	0.80	0.80
Elementary Classroom Teachers	30.47	31.47	29.00	30.47	28.47	33.47	34.07	37.47
Instructional Assistants	-	-	-	-	1.80	2.07	3.26	3.56
Art/Music/PE/Technology K-12	18.16	18.16	18.66	19.66	19.67	18.38	18.38	20.90
HS/MS Classroom Teachers	46.64	46.70	49.07	47.10	48.05	43.10	42.00	44.90
Special Instruction								
Preschool Special Ed.	1.00	1.00	1.68	1.75	1.75	1.75	1.67	1.67
ESL	1.00	1.00	1.00	1.00	1.00	0.60	0.60	0.60
Language Delayed/Cognitive Disabilities	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Multi-Disabilities	2.00	2.00	2.00	2.00	2.00	3.45	3.20	2.33
Deaf/Hard of Hearing	4.50	5.00	5.00	5.00	5.00	5.00	4.00	5.00
Intervention Specialists	14.00	14.00	14.00	14.00	13.50	13.50	11.40	14.40
Special Ed Assistants	36.74	33.15	34.05	35.00	36.80	33.40	31.50	33.50
Gifted Education Teachers	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00
Vocational Instruction								
High School Classroom Teachers	6.50	7.50	7.00	7.00	5.25	5.00	5.00	5.00
Pupil Support Services								
Guidance Counselors	6.00	6.00	6.00	6.00	7.00	5.80	5.80	6.00
Librarians	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Library Media Assistants	3.00	3.00	3.00	2.50	3.00	3.00	2.50	3.50
Psychologists	3.00	3.00	2.50	3.00	3.00	3.00	3.00	3.50
Audiologist and Speech & Lang Pathologists	4.60	4.60	4.60	5.20	5.20	5.20	5.20	5.80
Nurses	2.00	2.00	2.10	2.10	2.10	2.42	2.30	2.14
Educational Interpreters	9.36	10.00	10.00	10.00	10.34	11.60	12.00	17.00
Occupational Therapist	1.00	1.00	1.00	1.00	0.00	0.80	0.80	0.80
Tutors	4.53	2.58	2.32	5.80	3.71	3.11	4.61	1.58
Administrators/Supervisors								
Central Office	3.00	4.00	4.00	4.00	4.00	4.50	4.00	4.00
Elementary	2.00	2.00	2.00	2.00	2.00	3.50	3.00	4.00
MiddleSchool/High School	4.00	4.00	3.50	5.00	5.00	4.00	4.00	3.00
Supervisors	5.00	4.00	5.00	5.00	6.00	7.00	7.00	9.00
Community Education Coordinator	0.00	0.00	0.63	0.63	0.63	0.63	0.63	0.63
Administrative Support								
Administrative/Office Assistants	15.00	16.00	16.53	16.50	17.00	18.38	18.38	15.00
Operation of Plant								
Cleaners	11.00	11.00	11.00	11.00	11.00	10.75	10.75	12.00
Custodians	9.89	9.00	9.00	9.00	10.00	10.00	10.00	11.00
Maintenance/Grounds	3.00	3.00	4.00	5.00	5.00	5.00	5.00	6.00
Pupil Transportation								
Bus Drivers	14.93	18.15	18.15	20.26	21.71	23.14	21.62	24.07
Mechanics	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Treasurer's Office Staff								
	4.60	4.60	4.60	4.60	4.60	4.60	4.60	5.00
Technology								
	2.00	2.00	2.00	2.00	2.00	2.00	1.50	1.00
Food Service Program								
High School Cooks	-	-	-	-	3.00	3.00	3.00	3.00
Food Service Worker	-	-	-	-	6.48	5.66	5.26	5.71
Lunch Aides	-	-	-	-	0.00	0.00	0.00	18.00
Totals	286.95	287.27	289.71	302.00	314.98	315.14	308.29	350.99

(1) Information not available prior to 2005

Source: District records

Beachwood City School District
 Full-Time Equivalent School District Teachers by Education
 Last Nine Fiscal Years (1)

Degree	2012	2011	2010	2009	2008	2007	2006	2005	2004
Bachelor's Degree	13	13	12	12	12	16	11	11	11
Bachelor+ 12	7	3	3	2	9	5	6	8	10
Bachelor + 24	7	8	6	9	11	11	17	15	17
Bachelor + 30	2	2	2	2	2	3	4	4	5
Master's Degree	40	40	50	48	48	84	79	79	84
Master + 12	25	29	25	28	31	15	14	14	15
Master + 24	25	22	20	18	19	9	10	10	5
Master + 36	21	20	21	23	24	10	9	9	9
Master + 60	20	23	19	20	19	14	12	12	17
Total	<u>160</u>	<u>160</u>	<u>158</u>	<u>162</u>	<u>175</u>	<u>167</u>	<u>162</u>	<u>162</u>	<u>173</u>

Source: School District Records
 (1) Information not available prior to 2004

Beachwood City School District
 Enrollment Statistics
 Last Ten Fiscal Years

Fiscal Year	Elementary Schools	Middle School/ High School	Total
2012*	616	1,008	1,624
2011*	621	1,028	1,649
2010*	617	987	1,604
2009*	614	957	1,571
2008*	559	986	1,545
2007	661	915	1,576
2006	676	900	1,576
2005	725	880	1,605
2004	687	909	1,596
2003	676	902	1,578

* Middle School/High School includes grades 6-12, elementary K-5
 Prior to 2008, Middle School/High School included 7-12, elementary K-6

Source: Beachwood City Schools EMIS records

Beachwood City School District
 ACT Composite Scores
 Last Ten School Years

<u>School Year</u>	<u>Number of Test Takers</u>	<u>Number of Seniors</u>	<u>Beachwood Composite</u>	<u>Ohio Composite</u>	<u>National Composite</u>
2012	122	138	25.3	21.8	21.1
2011	131	160	26.0	21.8	21.0
2010	113	139	26.1	21.8	20.9
2009	187	126	25.4	21.7	21.1
2008	226	131	25.0	21.7	21.1
2007	200	115	24.3	21.6	21.2
2006	197	116	23.6	21.5	21.1
2005	197	97	24.5	21.4	20.9
2004	198	101	25.4	21.4	20.9
2003	203	102	24.2	21.4	20.8

Source: High School Guidance Department

Beachwood City School District
 SAT Composite Scores
 Last Ten School Years

School Year	Number of Senior Test Takers	Beachwood Reading/Verbal*	Ohio Reading/Verbal*	National Reading/Verbal*	Beachwood Math	Ohio Math	National Math	Beachwood Writing	Ohio Writing	National Writing
2012	60	602	593	496	631	552	514	594	525	488
2011	67	563	539	497	568	545	514	553	522	489
2010	64	616	538	501	625	548	516	594	522	492
2009	70	573	537	501	606	546	515	584	523	493
2008	68	619	534	502	635	544	515	629	521	494
2007	70	587	536	502	603	542	515	583	522	494
2006	76	557	535	503	573	544	518	573	521	497
2005	96	575	539	508	604	543	520	n/a	n/a	n/a
2004	99	587	538	508	577	542	518	n/a	n/a	n/a
2003	111	562	536	507	580	541	519	n/a	n/a	n/a
2002	113	549	533	504	556	540	516	n/a	n/a	n/a

* Latest information available

Source: High School Guidance Department
 Beachwood City School District

Beachwood City School District
Average Number of Students per Teacher
Last Ten School Years

Fiscal Year	Beachwood Average	State Average
2011*	11.9	n/a
2010	11.4	n/a
2009	13.4	n/a
2008	13.4	18.6
2007	14.3	19.6
2006	14.1	18.6
2005	12.3	18.5
2004	12.3	18.5
2003	10.0	16.5
2002	10.7	16.9

Source: Ohio Department of Education, Local Report Card 2001-2008
2009-2011 Source Cupp Report

* Latest information available



Dave Yost • Auditor of State

BEACHWOOD CITY SCHOOL DISTRICT

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 8, 2012**