



**BEACHWOOD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED JUNE 30, 2001



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

BEACHWOOD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY

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

Board of Education
Beachwood City School District
Cuyahoga County
24601 Fairmount Boulevard
Beachwood, Ohio 44122-2298

We have audited the financial statements of the Beachwood City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2001, and have issued our report thereon dated December 7, 2001 wherein we noted the District restated the Expendable Trust, Debt Service and Permanent Improvement Funds and the General Long-Term Debt Account Group balances. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated December 7, 2001.

Internal Control Over Financial Reporting

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

However, we noted matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 7, 2001.

Beachwood City School District
Cuyahoga County
Report on Compliance and on Internal Control Required
by *Government Auditing Standards*
Page 2

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

Jim Petro
Auditor of State

December 7, 2001

COMPREHENSIVE
ANNUAL FINANCIAL REPORT
OF THE
BEACHWOOD CITY SCHOOL DISTRICT
for the
FISCAL YEAR ENDED JUNE 30, 2001



the best place to learn

Prepared by Treasurer's Department

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Comprehensive Annual Financial Report
For the Year Ended June 30, 2001

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BEACHWOOD CITY SCHOOL DISTRICT BOARD OF EDUCATION

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Office of the Treasurer

December 7, 2001

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 for the fiscal year ended June 30, 2001 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 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 District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

This report is divided into the following sections:

- o The Introductory Section, which includes this transmittal letter, a list of principal officials, the District's organizational chart and the GFOA certificate of achievement.
- o The Financial Section, which includes the general purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the report of independent accountants on the financial statements and schedules.
- o The Statistical Section, which includes related financial and demographic information, generally presented on a multi-year basis.

This report includes all funds and account groups of the District. The District provides a full range of primary and secondary educational services 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.

Beachwood City School District

The School District

The School District is located in a growing, prosperous suburban area east of Cleveland, Ohio. The community's tax base is evenly distributed between commercial and residential property.

The District was formed in 1915 and initially provided services only to children in grades one through eight. In 1917-18, the Board of Education entered into a contract with Shaker Heights Village, a neighboring district, for all high school students to attend Shaker School at \$1.50 per week. This arrangement continued until September 1957 at which time the high school students were provided classes within the District.

Major Initiatives

Mission and Vision

2001 marks a watershed year for the Beachwood School District, a year of remarkable opportunity and growth. The District achieved results of a district-wide effort to align our curricula and teaching methods with the highest international standards, a visionary process that was developed using a business model. This organizational strategy has paid off in dramatically increased proficiency scores, in advanced new courses of study for students of all ages throughout the district, in state-of-the art teaching practices, in national awards earned by our students and staff. And a special honor that we take great pride in...the Beachwood School District's designation by *Cleveland Magazine* as the #1 school district of 65 communities in northeast Ohio.

All of our efforts as educators in the Beachwood School District are driven by our mission statement: To develop intellectual entrepreneurs with a social conscience. The mission of the Beachwood City Schools is 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, they have 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, environmentally, culturally and politically sensitive.

Board of Education Goals

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

Beachwood City School District

Goal #1 - *Process Improvement*. Create and foster a culture that uses process improvement to achieve quality and excellence. Our thirty four member Professional Development Committee plans the staff development initiatives that further enhance teaching and learning throughout our district.

Goal #2 – *Accountability*. Requires that all members of the community, Board members, administrators, staff and students be accountable for their actions, with outcomes measured and evaluated against quality standards. The overall proficiency scores in every grade have increased over the past four years. These are significant gains. They reflect dynamic improvements to our curricula, in alignment with the third goal established by our Board.

Goal #3 - *Dynamic Improvements to the Curriculum*. As part of the SMART consortium – Science and Mathematics Achievement Required for Tomorrow – Beachwood is at the forefront of nationwide improvement in education. We are working to align math and science curricula with peak-performing countries, with the very best in the world. We're teaching our students problem-solving and analysis, advanced new math and science concepts that require the use of critical thinking skills. All so that our children will be able to compete in a global marketplace.

Goal #4 - *Robust Communication*. As a district, we are committed to broad, two-way communication with the constituencies we serve, our students, parents, staff and community leaders. We have improved system communications and delivery channels and expanded local media coverage.

Goal #5 - *Enhanced Use of Technology*. We have committed extensive resources toward the integration of technology at every level from our very youngest "techies" to our extensive technology-based high school curricula to sophisticated administrative functions. This has brought us recognition from the National School Boards Association Technology Network, placing us in the top half of one percent nationwide in the use of technology in the classroom.

Goal #6 - *Safety*. We realize that safety must be a paramount concern in today's environment. We have implemented advanced emergency communication and fire alarm systems, and are in the final stages of implementing a program to secure our elementary school entrances. We have enjoyed the support and collaboration of the City of Beachwood and its police and fire departments.

Major Initiatives and Accomplishments

Student Achievement

We are very proud of our 2001 proficiency scores. Our overall 6th grade scores were the highest in the seven-county region. Our 4th and 6th grade reading results, an area that has been closely monitored by the state because of poor, declining overall scores, also were the highest in seven counties.

Every 6th, 9th and 12th grade score in every area has increased over the last four years. These dramatic increases are no accident. They are the result of curriculum alignment which are changes in our curricula to meet world-class standards of excellence.

In 2001, 54 percent of our graduates received state honors diplomas; 98 percent of our high school graduates go on to college; And 34 percent of these graduates will attend what *U.S. News & World Report* calls "highly selective colleges."

Beachwood City School District

Our gifted and talented program serves 60 percent of our student population. These are students who have been identified as gifted in one or more areas using state criteria.

The Beachwood City School District successfully passed 26 out of 27 effective indicators and is classified as one of the top districts in Ohio.

Program and Services Improvements

Thirty eight of our teachers, administrators and staff received state and national awards and honors last school year, Fulbright and Jennings scholars and Fulbright Exchange Teachers.

We have the lowest pupil/teacher ratio in northeast Ohio; 11.9 students per teacher. The District has the most foreign language programs of any eastern Cleveland suburb. The District has the most gifted and talented programs of any eastern Cleveland suburb. Our district offers 30 non-athletic co-curricular activities and 13 varsity sports. Truly something for everyone.

Beachwood Middle School is the only middle school in Ohio to receive the prestigious national Blue Ribbon award for excellence not once, but twice.

State of the District

A recent survey of new Beachwood residents proved that the number one reason people chose to make Beachwood their home is the quality of our schools. We plan to continue to live up to these highest of standards, continue to seek new thresholds of success, to grow and achieve and learn and continue to live up to our legend as *the best place to learn*.

Financial Information

Accounting and Budgetary Controls

In developing and evaluating the 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 District's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Beachwood City School District

Governmental and Fiduciary fund types are accounted for on the modified accrual basis of accounting. Governmental revenues are recognized when they become measurable and available to finance expenditures of the current period. Revenue items, which are susceptible to accrual, are recorded as receivables. Expenditures are recognized when the related fund liability is incurred, with the exception of accumulated unpaid employee compensation which is not payable from current expendable financial resources and accrued interest for general long-term obligations which is payable when due.

Proprietary funds are accounted for on the accrual basis of accounting. Their revenues are recognized in the period earned and expenses are recognized in the period incurred.

The District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the District's governing body. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function and object within an individual fund.

The District maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Open encumbrances are reviewed individually prior to year-end and a determination made whether or not to carry them forward to the following year. Encumbrances are therefore reported as a reservation of fund balance at year-end. Budgets are legally adopted and controlled on a cash basis (including encumbrances), therefore, the Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgeting Basis) reports actual cash revenues and expenditures (including encumbrances) compared to budget amounts. Unencumbered appropriations terminate at year-end.

General Government Functions

The following schedule represents a summary of all governmental fund revenues for the fiscal year ended June 30, 2001 and the amount and percentage of increases and decreases in relation to prior year revenues

Revenues	6/30/01 Amount	Percent of Total	Increase/(Decrease) from 6/30/00	Percent of Increase
Taxes	\$23,502,664	81.8%	\$2,500,165	11.9%
Tuition and fees	689,572	2.4	504,640	272.9
Interest	868,371	3.0	354,397	69.0
Increase fair market value invest.	10,444	0.0	16,336	277.3
Intergovernmental	3,395,422	11.8	152,272	4.7
Miscellaneous	280,077	1.0	135,090	93.2
Total	<u>\$28,746,550</u>	<u>100.00%</u>	<u>\$3,662,900</u>	<u>14.6%</u>

The most significant increase in revenue was in the area of property taxes. Collections were up over the previous fiscal year. \$379,221 was due to reappraisal of property. Other increases were due to the collection cut off date for real property taxes. The County had \$2.1 million vs. \$500,000 in taxes collected on behalf

Beachwood City School District

of the District as of June 30, 2001 which were not yet disbursed to the District.

Tuition and fees were up over the previous fiscal year due to a change in policy in billing out consortium programs run by the District. Historically the District billed for services six months in arrears. Due to cash flow considerations, the District changed its policy to bill an estimated annual amount for the entire school year.

Interest is up considerably due to higher interest rates for fiscal year 2001.

Miscellaneous increased due to a refund of Worker's Compensation expenditures in the amount of \$131,358.

The following schedule represents a summary of all governmental fund expenditures for the fiscal year ended June 30, 2001, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	6/30/01 Amount	Percent of Total	Increase/ (Decrease) from 6/30/00	Percent of Increase/ (Decrease)
Instruction	\$12,605,104	43.0%	\$1,491,684	13.4%
Support services:				
Pupil	1,516,119	5.2	215,875	16.6
Instructional staff	1,061,254	3.6	59,679	6.0
Board of Education	373,165	1.3	(219,017)	(37.0)
Administration	2,330,887	8.0	297,517	14.6
Fiscal	673,265	2.3	(30,369)	(4.3)
Business	605,469	2.0	9,566	1.6
Operation and maintenance of plant	3,479,271	11.9	338,022	10.8
Pupil transportation	1,593,911	5.4	262,543	19.7
Central	956,460	3.3	180,584	23.3
Non Instructional	170,435	.6	20,677	13.8
Extracurricular activities	644,800	2.2	140,735	27.9
Capital Outlay	877,418	3.0	75,558	9.4
Debt service:				
Principal	1,675,000	5.7	69,000	4.3
Interest	721,940	2.5	213,655	42.0
Total	<u>\$29,284,498</u>	<u>100.00%</u>	<u>\$ 3,125,709</u>	<u>11.9%</u>

A significant expenditure increase was in the area of instruction. The District paid on average a 5.5% salary increase. In addition, six classroom teachers retired with severance pay of \$246,912.

Pupil support increased significantly due to the dismantling of a consortium program which was billed out of an internal services fund. The Severe Oral Language Impaired Program used to include students from outside the District. The Program last year only included Beachwood students and therefore, all expenditures for the program were charged to the general fund.

Beachwood City School District

Board of Education expenditures decreased due to a decrease in attorney's fees. In the previous fiscal year the District was involved in a number of special education litigation cases.

Administration expenditures increased due to the December retirement of the Executive Director of Curriculum and an Elementary Principal. An Asst. Superintendent was hired as of August 1, 2000 to replace the Executive Director. This created an overlap of positions (including salaries and benefits) for a period of five months. Severance for these two positions totaled \$83,723.

Operation of Maintenance and Plant increased primarily due to an increase in contractual services of \$183,000.

Pupil transportation expenditures increased due to hiring of 1 additional bus driver and a \$35,000 increase in the cost of transporting special education students via a cab company.

Extracurricular increased because benefits were charged to this function (retirement, workers compensation and medicare) that were previously charged to another functional area.

Capital outlay decreased significantly due to the reduction of the number of capital projects during the current fiscal year.

Enterprise Operations

The District operates five enterprise activities: Food Service, Uniform School Supplies, Adult Education, Recreation and Preschool. Their classification as Enterprise Funds is based on management's desire to measure profit and/or loss from these operations and, as a result, manage them similar to a private organization.

Currently the largest operation is the Food Service, which provides lunches and/or limited food-related items to the various pupils, teachers, and other employees of the District's Schools. Included in this operation is a limited service cafeteria.

In total, the Enterprise Funds experienced an operating loss before non-operating revenue and operating transfers of \$209,889. Management will continue evaluating the Food Service pricing issue. The District has also hired a new Food Service Supervisor who will monitor all cost associated with the District's food service program.

Internal Service Operations

The Internal Service Funds account for activities of providing goods and/or services to other departments of the District or other districts on a cost reimbursement basis. Special education programs provided to students from various school districts in the areas of hearing impairment, multi-handicapped, and severe oral language impairment areas are included in the Internal Service Funds.

In total, the Internal Service Funds experienced an operating loss before non-operating revenue and operating transfers of \$910,337. This is due to the nature of the special education programs. The State Department of Education provides funding through operating grants to support these programs. After considering operating grants for these programs, these funds experienced a net income of \$12,523.

Beachwood City School District

Trust and Agency Operations

The District functions as the agent for the scholarship fund and various student activity programs. For agency operations, available assets are totally offset by liabilities or amounts due to students, other or other governments.

Debt Administration

At June 30, 2001 the District had general obligation bond issues outstanding of \$4,320,000. The District participated in a bus financing pool to purchase two buses. The District's total debt for the bus financing pool is \$238,000. The bus financing pool debt is not counted toward the district's voted or un-voted debt limits. Refer to Note 11 of the Notes to the General Purpose Financial Statements. Under the current Ohio Revised Code, the 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, 2001, the District's voted general obligation bonded debt of \$4,320,000 was substantially below the legal limit of \$62,841,022 (voted). In addition, the District had no un-voted debt at June 30, 2001. The District has received an Aa2 rating confirmed from Moody's Investors' Service in June, 2001.

The District has tax anticipation notes outstanding. The tax anticipation notes are recorded as a liability of the general long term debt account group. Total tax anticipation notes outstanding as of June 30, 2001 is \$7,340,000. Refer to Note 10 in the Notes to the General Purpose Financial Statements.

Cash Management

Cash not needed for immediate use during the year was invested in demand deposits, certificates of deposit, federal agency discount notes, treasury bills, and the State Treasurer's Asset Reserve of Ohio program administered by the Office of the Treasury of the State of Ohio. This program is a statewide investment pool offered to political sub-divisions of the State of Ohio as a conservative means of investing in a portfolio of investment instruments. The portfolio consists of Government/Federal Agency securities, collateralized certificates of deposit, and repurchase agreements with eligible Ohio financial institutions. The total amount of interest earned during the year from all investments was \$869,354 of which \$530,938 was credited directly to the general fund as directed by statute and/or board resolution.

Risk Management

The District maintains third-party insurance coverage for claims arising from property damage, personal injury, and all other areas of risk. No future plans exist to internally assume these risks.

The District maintains a self insurance fund for the purpose of paying vision claims of District employees and their covered dependents.

Significant Local Economic Events

The economic condition and outlook for the community is very positive. The growth in the tax duplicate has been primarily realized due to the continued development of both office and retail commercial property and residential development. The community's tax base is evenly distributed between commercial and

Beachwood City School District

residential property. Based on current projections, this trend is expected to continue through the 2000's.

The City of Beachwood has annexed 400 acres from a neighboring community in order to develop a proposed \$500 million, 633 acre Corporate Complex featuring office space, a retail mall and at least one hotel. The District signed an agreement with the Warrensville Heights School District to share in any future tax revenue. Beachwood Schools would receive 30% of the tax revenue from all future development. Originally, Warrensville Heights Schools District was the sole beneficiary of school tax revenues. The District considers the successful negotiation of tax sharing a major accomplishment which will enhance school revenues well into the future.

The Beachwood Mall has expanded. Nordstrom's opened in the fall of 1997 while Dillard's and Saks Fifth Avenue expanded the size of their stores in order to remain competitive. The District has financially benefitted from the Mall expansion.

Prospects for The Future

On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

- A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.
- Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. However, as of December 7, 2001, the Ohio General Assembly is still analyzing the impact its Supreme Court decision will have on funding for individual school districts. Further, the State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactively to July 1, 2001.

On November 2, 2001, the Court granted permission for reconsideration. The Court may re-examine and redetermine any issue upon such reconsideration.

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

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 District's total operating millage is 63.8 mills, the effective millage levied and collected is 22.40 and 29.07 respectively, for residential and commercial property.

Beachwood City School District

The District convened a citizens' advisory committee to meet and review the District's finances and building improvement needs. The committee has made recommendations to the Board of Education to place an operating issue on the May, 2002 ballot and also a bond issue to replace the District's Middle School. The committee also identified *Phase I* capital projects that effect virtually every building in the district except the Middle School. Bryden Elementary is adding a lunch room and renovating classrooms. Hilltop Elementary is adding a gymnasium, classrooms and renovating the lunchroom. Beachwood High School has driveway repairs, renovations to the auditorium sound and lighting system and new windows. These projects are expected to be completed by Fall, 2002. All the buildings have also been equipped with new safety features.

Phase II projects have been identified which include renovating the wrestling room and adding new science rooms at the High School.

Other Information

Independent Audit

The Ohio Revised Code requires an annual audit of the District's financial statements and its compliance with certain sections of the Ohio Revised Code. The Ohio Auditor of State conducted the District's 2001 fiscal year audit. The report of independent accountants on the general purpose financial statements and combining and individual fund statements and schedules is included in the Financial Section of this report.

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the 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, 2000. (This was the 13th consecutive year that the Beachwood City School District achieved this prestigious award.) In order to be awarded a Certificate of Achievement, a governmental 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.

Beachwood City School District

Acknowledgments

The publication of this report continues the School District's commitment toward professionalizing the financial reporting of the Beachwood City School District. It substantially increases the accountability of the District to the taxpayers.

Sincere appreciation is extended to the Board of Education, who continue 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 our art teacher, Chunny Hahn, for her inspiration to her students who contributed their art work for this publication. We appreciate their efforts.

Special recognition must be extended to the members of the Treasurer's Office; Linda Klitz, Assistant Treasurer, Karen Bencin, Payroll Coordinator and Dave Green, 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.



Michele E. Mills,
Finance Director/Treasurer



Paul R. Williams, Ph.D.
Superintendent of Schools

Beachwood City School District

Elected Officials

Board of Education

Mr. Martin Horwitz President

Mr. David Ostro Vice President

Mrs. Sylvia Aarons Member

Mrs. Beth Rosenbaum Member

Dr. Scott Peters Member

Appointed Officials

Director of Finance/Treasurer

Michele E. Mills

Administration

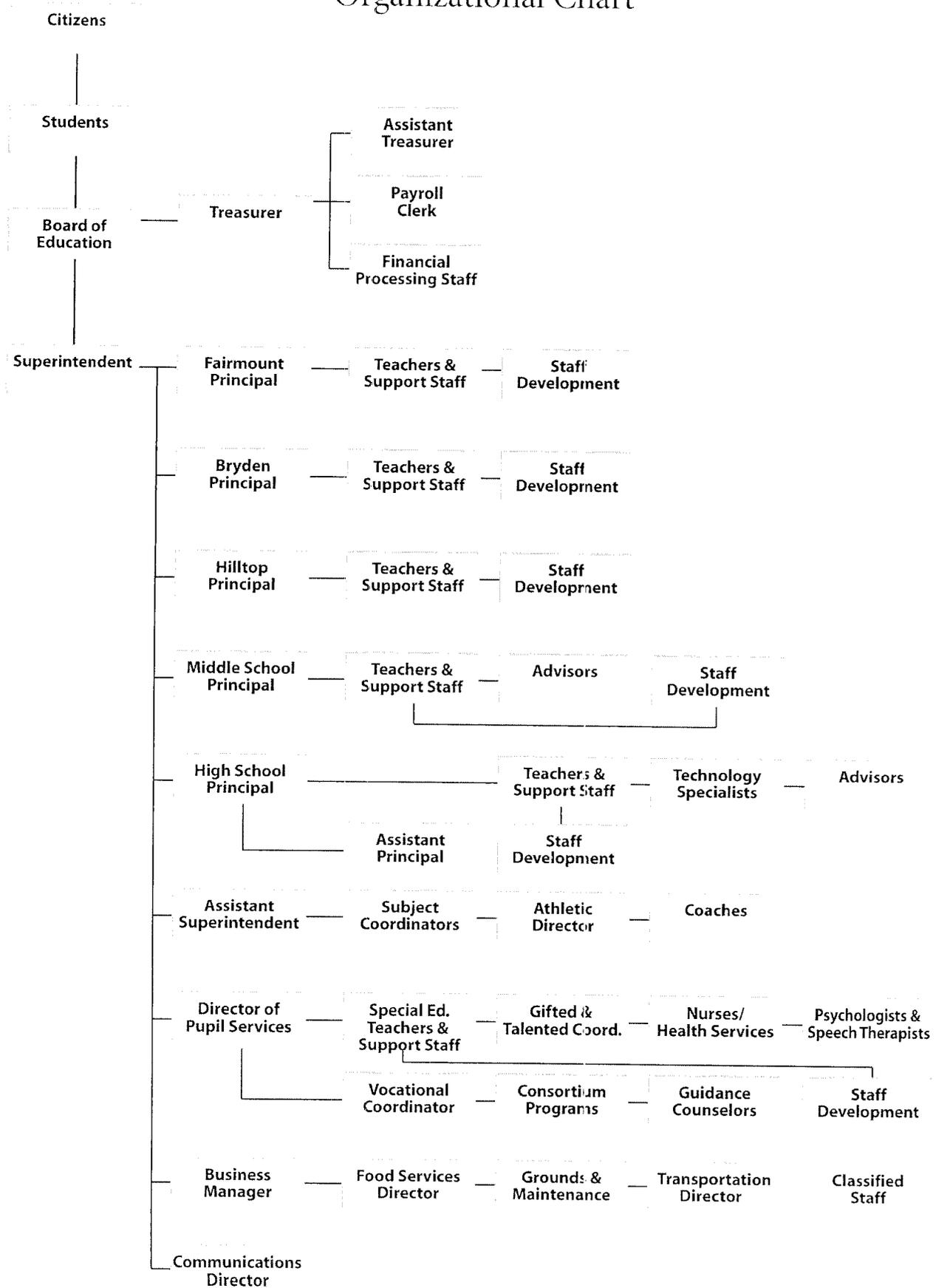
Dr. Paul R. Williams Superintendent

Mr. Randy Boroff Assistant Superintendent

Mr. Lawrence Tomec Business Manager

Mr. John Occhino Director of Pupil Services

Beachwood City Schools Organizational Chart



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, 2000

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.



Thomas D. Arwe
President

Jeffrey L. Esser
Executive Director



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

REPORT OF INDEPENDENT ACCOUNTANTS

Board of Education
Beachwood City School District
Cuyahoga County
24601 Fairmount Boulevard
Beachwood, Ohio 44122-2298

We have audited the accompanying general-purpose financial statements of the Beachwood City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Beachwood City School District, Cuyahoga County, Ohio, as of June 30, 2001, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3 to the accompanying financial statements, the District restated the Expendable Trust, Debt Service and Permanent Improvement Funds and the General Long-Term Debt Account Group balances as of June 30, 2000.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2001 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

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

Jim Petro
Auditor of State

December 7, 2001

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Beachwood City School District
Combined Balance Sheet
All Fund Types and Account Groups
June 30, 2001
(With comparative totals for June 30, 2000)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets				
Equity in pooled cash and cash equivalents (Note 5)	\$2,979,352	\$305,084	\$791,085	\$5,461,389
Restricted cash (Note 2)	153,006	0	0	0
Receivables (Note 8)				
Taxes -- current	19,712,814	0	2,311,875	0
Accounts	5,966	0	0	34,111
Accrued interest	84,461	0	0	0
Due from other funds (Note 7)	583,890	0	0	0
Due from other governments	0	0	0	0
Materials and supplies inventory	73,877	0	0	0
Prepays	0	0	0	0
Fixed assets, (net where applicable of accumulated depreciation) (Note 9)	0	0	0	0
Amount available in debt service fund	0	0	0	0
Amount to be provided for retirement of general long-term obligations	0	0	0	0
Total assets	<u>23,593,366</u>	<u>305,084</u>	<u>3,102,960</u>	<u>5,495,500</u>
Liabilities				
Accounts payable	22,660	15,899	0	187,996
Accrued wages and benefits (Note 11)	2,559,997	4,074	0	0
Due to other funds (Note 7)	956	0	0	0
Due to students	0	0	0	0
Due to other	0	0	0	0
Deferred revenue: taxes	17,405,424	0	1,977,512	0
Deferred revenue: other	0	0	0	0
Tax anticipation notes payable (Note 10)	0	0	0	0
General obligation bonds payable (Note 11)	0	0	86,363	0
Total liabilities	<u>19,989,037</u>	<u>19,973</u>	<u>2,063,875</u>	<u>187,996</u>
Fund equity and other credits				
Investment in general fixed assets	0	0	0	0
Contributed capital	0	0	0	0
Retained earnings (deficit): unreserved	0	0	0	0
Fund balances:				
Reserved for encumbrances	280,501	13,520	0	1,421,949
Reserved for inventory	73,877	0	0	0
Reserved for prepaids	0	0	0	0
Reserved for taxes	1,818,531	0	302,947	0
Reserved for budget stabilization	134,873	0	0	0
Unreserved:				
Designated for textbooks and materials	18,133			
Unreserved...undesignated	1,278,414	271,591	736,138	3,885,555
Total fund balances (deficit)	<u>3,604,329</u>	<u>285,111</u>	<u>1,039,085</u>	<u>5,307,504</u>
Total equity and other credits	<u>3,604,329</u>	<u>285,111</u>	<u>1,039,085</u>	<u>5,307,504</u>
Total liabilities, equity and other credits	<u>\$23,593,366</u>	<u>\$305,084</u>	<u>\$3,102,960</u>	<u>\$5,495,500</u>

See accompanying notes to general purpose financial statements.

Proprietary Fund Types		Fund Types	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Expendable Trust and Agency	General Fixed Assets	General Long-Term Debt	2001	2000
\$134,466	\$1,434,646	\$418,785	\$0	\$0	\$11,524,807	\$12,356,780
0	0	0	0	0	153,006	764,243
0	0	0	0	0	22,024,689	21,674,811
11,637	604	0	0	0	52,318	11,310
0	0	0	0	0	84,461	92,899
0	956	0	0	0	584,846	991,608
0	101,302	0	0	0	101,302	427,467
3,156	0	0	0	0	77,033	89,571
0	0	0	0	0	0	25,893
17,219	40,747	0	26,516,647	0	26,574,613	25,952,497
0	0	0	0	1,039,085	1,039,085	682,790
0	0	0	0	14,075,570	14,075,570	16,102,623
<u>166,478</u>	<u>1,578,255</u>	<u>418,785</u>	<u>26,516,647</u>	<u>15,114,655</u>	<u>76,291,730</u>	<u>79,172,492</u>
1,204	897	0	0	0	228,656	7,700
120,920	709,296	346,957	0	3,216,655	6,957,899	6,473,858
25,000	558,890	0	0	0	584,846	991,608
0	0	51,661	0	0	51,661	36,343
0	0	10,936	0	0	10,936	8,773
0	0	0	0	0	19,382,936	20,832,314
421	0	0	0	0	421	349
0	0	0	0	7,340,000	7,340,000	8,360,000
0	0	0	0	4,558,000	4,644,363	5,213,000
<u>147,545</u>	<u>1,269,083</u>	<u>409,554</u>	<u>0</u>	<u>15,114,655</u>	<u>39,201,718</u>	<u>41,923,945</u>
0	0	0	26,516,647	0	26,516,647	25,912,681
35,200	1,905	0	0	0	37,105	37,105
(16,267)	307,267	0	0	0	291,000	246,964
0	0	0	0	0	1,715,970	757,012
0	0	0	0	0	73,877	84,770
0	0	0	0	0	0	25,893
0	0	0	0	0	2,121,478	619,725
0	0	0	0	0	134,873	734,873
0	0	9,231	0	0	18,133	29,370
0	0	9,231	0	0	6,180,929	8,800,154
18,933	309,172	9,231	26,516,647	0	10,245,260	11,051,797
<u>\$166,478</u>	<u>\$1,578,255</u>	<u>\$418,785</u>	<u>\$26,516,647</u>	<u>\$15,114,655</u>	<u>\$76,291,730</u>	<u>\$79,172,492</u>

Beachwood City School District
Combined Statement of Revenues, Expenditures and Changes in Fund Balances -
All Governmental Fund Types and Expendable Trust Fund
For The Year Ended June 30, 2001
(With comparative totals for June 30, 2000)

	Governmental Fund Types	
	General	Special Revenue
Revenues:		
Taxes	\$20,975,640	\$0
Tuition and fees	689,572	0
Interest	530,938	2,192
Increase in fair market value of investments	10,444	0
Intergovernmental	2,766,640	334,283
Miscellaneous revenue from local sources	176,644	103,433
Total revenues	25,149,878	439,908
Expenditures:		
Current:		
Instruction	12,480,877	124,227
Support services:		
Pupil	1,427,985	88,134
Instructional staff	1,047,790	13,464
Board of Education	373,165	0
Administration	2,309,469	21,418
Fiscal	673,265	0
Business	604,000	1,469
Operation and maintenance of plant	3,479,271	0
Pupil transportation	1,468,315	0
Central	841,294	24,410
Non Instructional	0	169,306
Extracurricular activities	439,146	198,394
Capital outlay	0	0
Debt service:		
Principal	0	0
Interest	0	0
Total expenditures	25,144,577	640,822
Excess (deficiency) of revenues over expenditures	5,301	(200,914)
Other financing sources (uses):		
Operating transfers in	0	180,000
Operating transfers out	(450,920)	0
Proceeds from sale of fixed assets	3,140	0
Proceeds from sale of bonds & notes	0	0
Total other financing sources (uses)	(447,780)	180,000
Excess (deficiency) of revenues and other sources over expenditures and other uses	(442,479)	(20,914)
Fund balance at beginning of year (restated)	4,046,808	306,025
Fund balance at end of year	\$3,604,329	\$285,111

See accompanying notes to general purpose financial statements.

Governmental Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
Debt Service	Capital Projects	Expendable Trust	2001	2000
\$2,527,024	\$0	\$0	\$23,502,664	\$21,002,499
0	0	0	689,572	184,932
341	334,900	327	868,698	514,334
0	0	0	10,444	(5,892)
169,636	124,863	0	3,395,422	3,243,150
0	0	189	280,266	145,777
<u>2,697,001</u>	<u>459,763</u>	<u>516</u>	<u>28,747,066</u>	<u>25,084,800</u>
0	0	0	12,605,104	11,113,420
0	0	1,325	1,517,444	1,302,710
0	0	0	1,061,254	1,001,575
0	0	0	373,165	592,182
0	0	0	2,330,887	2,033,370
0	0	0	673,265	703,634
0	0	0	605,469	595,903
0	0	0	3,479,271	3,141,249
0	125,596	0	1,593,911	1,331,368
0	90,756	0	956,460	775,876
0	1,129	0	170,435	149,758
0	7,260	0	644,800	504,065
0	877,418	0	877,418	801,860
1,675,000	0	0	1,675,000	1,606,000
721,940	0	0	721,940	508,285
<u>2,396,940</u>	<u>1,102,159</u>	<u>1,325</u>	<u>29,285,823</u>	<u>26,161,255</u>
<u>300,061</u>	<u>(642,396)</u>	<u>(809)</u>	<u>(538,757)</u>	<u>(1,076,455)</u>
0	0	0	180,000	191,488
0	0	0	(450,920)	(331,371)
0	0	0	3,140	715
0	0	0	0	6,127,000
<u>0</u>	<u>0</u>	<u>0</u>	<u>(267,780)</u>	<u>5,987,832</u>
300,061	(642,396)	(809)	(806,537)	4,911,377
739,024	5,949,900	10,040	11,051,797	6,140,420
<u>\$1,039,085</u>	<u>\$5,307,504</u>	<u>\$9,231</u>	<u>\$10,245,260</u>	<u>\$11,051,797</u>

Beachwood City School District
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
All Governmental Fund Types and Expendable Trust Fund
For the Year Ended June 30, 2001

	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$19,532,281	\$19,407,462	(\$124,819)
Tuition and fees	235,000	239,883	4,883
Interest	520,000	539,627	19,627
Intergovernmental	2,698,391	2,768,091	69,700
Sales	0	0	0
Miscellaneous revenue from local sources	70,100	71,651	1,551
Total revenues	23,055,772	23,026,714	(29,058)
Expenditures:			
Current:			
Instruction	12,644,633	12,618,057	26,576
Support services:			
Pupils	1,405,267	1,398,246	7,021
Instructional staff	1,060,226	1,041,786	18,440
Board of Education	384,773	383,795	978
Administration	2,281,694	2,260,500	21,194
Fiscal	684,440	678,450	5,990
Business	646,903	623,832	23,071
Operation and maintenance of plant	3,504,693	3,490,829	13,864
Pupil transportation	1,434,734	1,427,072	7,662
Central	861,783	849,894	11,889
Non instruction	0	0	0
Extracurricular activities	460,873	438,333	22,540
Capital outlay	0	0	0
Debt service:			
Principal	0	0	0
Interest	0	0	0
Other	0	0	0
Total expenditures	25,370,019	25,210,794	159,225
Excess (deficiency) of revenues over expenditures	(2,314,247)	(2,184,080)	130,167
Other financing sources (uses)			
Proceeds from sale of bonds & notes	0	0	0
Proceeds from sale of fixed assets	3,005	3,140	135
Refunds, prior year	3,000	131,358	128,358
Advances/transfers in	626,120	626,120	0
Advances/transfers out	(493,500)	(493,420)	80
Total other financing sources (uses)	138,625	267,198	128,573
Excess (deficiency) of revenues and other sources over expenditures and other uses	(2,175,622)	(1,916,882)	258,740
Fund balance at beginning of year	4,173,500	4,173,500	0
Expenditures against prior year's encumbrances	559,436	559,436	0
Fund balance at end of year	\$2,557,314	\$2,816,054	\$258,740

See accompanying notes to general purpose financial statements.

Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$2,304,420	\$2,295,945	(\$8,475)
0	0	0	0	0	0
2,469	2,192	(277)	0	341	341
361,772	334,282	(27,490)	167,506	169,636	2,130
0	0	0	0	0	0
105,343	103,469	(1,874)	86,363	86,363	0
469,584	439,943	(29,641)	2,558,289	2,552,285	(6,004)
156,685	124,227	32,458	0	0	0
92,969	92,969	0	0	0	0
16,988	12,812	4,176	0	0	0
0	0	0	0	0	0
24,084	23,886	198	0	0	0
0	0	0	0	0	0
1,779	1,469	310	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
24,605	24,409	196	0	0	0
181,176	176,890	4,286	0	0	0
206,602	199,146	7,456	0	0	0
0	0	0	0	0	0
0	0	0	1,675,000	1,675,000	0
0	0	0	722,115	721,940	175
0	0	0	400	0	400
704,888	655,808	49,080	2,397,515	2,396,940	575
(235,304)	(215,865)	19,439	160,774	155,345	(5,429)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
180,000	180,000	0	0	0	0
0	0	0	0	0	0
180,000	180,000	0	0	0	0
(55,304)	(35,865)	19,439	160,774	155,345	(5,429)
279,333	279,333	0	635,740	635,740	0
29,068	29,068	0	0	0	0
\$253,097	\$272,536	\$19,439	\$796,514	\$791,085	(\$5,429)

(continued)

Beachwood City School District
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
All Governmental Fund Types and Expendable Trust Fund (continued)
For the Year Ended June 30, 2001

	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$0	\$0	\$0
Tuition and fees	0	0	0
Interest	320,400	300,788	(19,612)
Intergovernmental	123,999	124,863	864
Sales	0	0	0
Miscellaneous revenue from local sources	0	0	0
Total revenues	444,399	425,651	(18,748)
Expenditures:			
Current:			
Instruction	0	0	0
Support services:			
Pupils	0	0	0
Instructional staff	0	0	0
Board of Education	0	0	0
Administration	0	0	0
Fiscal	0	0	0
Business	0	0	0
Operation and maintenance of plant	0	0	0
Pupil transportation	126,680	125,597	1,083
Central	95,038	90,755	4,283
Non instruction	1,349	1,129	220
Extracurricular activities	10,000	7,260	2,740
Capital outlay	3,408,550	2,299,367	1,109,183
Debt service:			
Principal	0	0	0
Interest	0	0	0
Other	0	0	0
Total expenditures	3,641,617	2,524,108	1,117,509
Excess (deficiency) of revenues over expenditures	(3,197,218)	(2,098,457)	1,098,761
Other financing sources (uses):			
Proceeds from sale of long term notes	0	0	0
Proceeds from sale of fixed assets	0	0	0
Refunds, prior year	0	0	0
Advances/transfers in	0	0	0
Advances/transfers out	(310,000)	(310,000)	0
Total other financing sources (uses)	(310,000)	(310,000)	0
Excess (deficiency) of revenues and other sources over expenditures and other uses	(3,507,218)	(2,408,457)	1,098,761
Fund balance at beginning of year	6,077,305	6,077,305	0
Expenditures against prior year's encumbrances	182,595	182,595	0
Fund balance at end of year	\$2,752,682	\$3,851,443	\$1,098,761

Expendable Trust Fund			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$21,836,701	\$21,703,407	(\$133,294)
0	0	0	235,000	239,883	4,883
320	327	7	843,189	843,275	86
0	0	0	3,351,668	3,396,872	45,204
0	0	0	0	0	0
3,195	4,036	841	265,001	265,519	518
3,515	4,363	848	26,531,559	26,448,956	(82,603)
0	0	0	12,801,318	12,742,284	59,034
2,325	1,325	1,000	1,500,561	1,492,540	8,021
0	0	0	1,077,214	1,054,598	22,616
0	0	0	384,773	383,795	978
0	0	0	2,305,778	2,284,386	21,392
1,700	1,683	17	686,140	680,133	6,007
0	0	0	648,682	625,301	23,381
0	0	0	3,504,693	3,490,829	13,864
0	0	0	1,561,414	1,552,669	8,745
0	0	0	981,426	965,058	16,368
0	0	0	182,525	178,019	4,506
0	0	0	677,475	644,739	32,736
0	0	0	3,408,550	2,299,367	1,109,183
0	0	0	1,675,000	1,675,000	0
0	0	0	722,115	721,940	175
0	0	0	400	0	400
4,025	3,008	1,017	32,118,064	30,790,658	1,327,406
(510)	1,355	1,865	(5,586,505)	(4,341,702)	1,244,803
0	0	0	0	0	0
0	0	0	3,005	3,140	135
0	0	0	3,000	131,358	128,358
0	0	0	806,120	806,120	0
0	0	0	(803,500)	(803,420)	80
0	0	0	8,625	137,198	128,573
(510)	1,355	1,865	(5,577,880)	(4,204,504)	1,373,376
18,812	18,812	0	11,184,690	11,184,690	0
0	0	0	771,099	771,099	0
<u>\$18,302</u>	<u>\$20,167</u>	<u>\$1,865</u>	<u>\$6,377,909</u>	<u>\$7,751,285</u>	<u>\$1,373,376</u>

Beachwood City School District
Combined Statement of Revenues, Expenses and Changes in Retained Earnings
All Proprietary Fund Types
For The Year Ended June 30, 2001
(With comparative totals for June 30, 2000)

	Enterprise	Internal Services	Totals (Memorandum only)	
			2001	2000
Operating revenues:				
Tuition and fees	\$366,868	\$2,165,512	\$2,532,380	\$2,455,571
Sales	334,443	0	334,443	340,550
Charges for services	122,932	70,637	193,569	212,506
Other	7,500	207,156	214,656	207,157
Total operating revenues	831,743	2,443,305	3,275,048	3,215,784
Operating expenses:				
Salaries and wages	496,470	1,746,007	2,242,477	2,541,557
Fringe benefits	207,069	649,644	856,713	860,172
Contractual services	90,372	677,190	767,562	390,165
Materials and supplies	240,123	183,642	423,765	387,739
Other expenses	3,916	84,521	88,437	90,734
Depreciation expense	3,682	12,638	16,320	18,271
Total operating expenses	1,041,632	3,353,642	4,395,274	4,288,638
Operating loss	(209,889)	(910,337)	(1,120,226)	(1,072,854)
Non-operating revenues:				
Interest	656	0	656	739
Operating grants	25,746	866,940	892,686	912,379
Total non-operating revenues	26,402	866,940	893,342	913,118
Net income (loss) before operating transfers	(183,487)	(43,397)	(226,884)	(159,736)
Operating transfers in	215,000	55,920	270,920	141,371
Net operating transfers	215,000	55,920	270,920	141,371
Net income (loss)	31,513	12,523	44,036	(18,365)
Retained earnings (deficit) at beginning of year	(47,780)	294,744	246,964	265,329
Retained earnings (deficit) at end of year	(\$16,267)	\$307,267	\$291,000	\$246,964

See accompanying notes to general purpose financial statements.

Beachwood City School District
Combined Statement of Cash Flows
All Proprietary Fund Types
For the Year Ended June 30, 2001
(With comparative totals for June 30, 2000)

	Enterprise Funds	Internal Services	Totals (Memorandum only)	
			2001	2000
Cash flows from operating activities:				
Operating loss	(\$209,889)	(\$910,337)	(\$1,120,226)	(\$1,072,632)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation	3,682	12,638	16,320	18,049
Change in assets and liabilities				
(Increase) decrease in accounts receivable	(11,637)	849	(10,788)	(318)
(Increase) decrease in due from other funds	0	248,656	248,656	(100,801)
(Increase) decrease in due from other governments	0	326,130	326,130	(169,143)
(Increase) decrease in inventory	1,645	0	1,645	(92)
Increase (decrease) in accounts payable	657	480	1,137	806
Increase (decrease) in accrued wages & benefits pay	(13,922)	(65,840)	(79,762)	15,063
Increase (decrease) in due to other funds	20,380	131,514	151,894	135,954
Increase (decrease) in deferred revenue	72	0	72	(847)
Total adjustments	877	654,427	655,304	(101,329)
Net cash used in operating activities	(209,012)	(255,910)	(464,922)	(1,173,961)
Cash flows provided by (used in) noncapital financing activities:				
Interest	656	0	656	739
Operating grants received	25,746	866,940	892,686	912,379
Operating transfers in	215,000	55,920	270,920	141,371
Net cash provided by noncapital financing activities	241,402	922,860	1,164,262	1,054,489
Cash flows used in capital and related financing activities:				
Acquisition and construction of capital assets	(11,883)	(22,587)	(34,470)	(13,001)
Net cash used in capital and related financing activities	(11,883)	(22,587)	(34,470)	(13,001)
Net increase (decrease) in cash and cash equivalents	20,507	644,363	664,870	(132,473)
Cash and cash equivalents at beginning of year	113,959	790,283	904,242	1,036,715
Cash and cash equivalents at end of year	\$134,466	\$1,434,646	\$1,569,112	\$904,242

See accompanying notes to general purpose financial statements.

Beachwood City School District
Notes to General Purpose Financial Statements
For the Year Ended June 30, 2001

(1.) Description of The School

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 District is a city district as defined by Section 3311.02 of the Ohio Revised Code. The District operates under an elected Board of Education (five members) and is responsible for the provision of public education to residents of the District.

The Board controls the District's five instructional facilities and one support facility staffed by 188 certificated teaching personnel, 209 non-certificated support personnel and 11 administrators.

The 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 District during the 2001 fiscal year was 1,662. The District operates three elementary schools, a middle school, and a high school.

(2.) Description of Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies

A. Financial Reporting Entity

The reporting entity is composed of the primary government, component units and other organizations that are included to insure that the financial statements of the School District are not misleading. The primary government 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 provided 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 District is associated with two jointly governed organizations; the Ohio Schools Council and the Lake Geauga Computer Association as outlined below.

Beachwood City School District
Notes to General Purpose Financial Statements
For the Year Ended June 30, 2001

Jointly governed organizations

Ohio Schools Council - The Ohio Schools' Council Association (Council) is a jointly governed organization among eighty-two school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2001, the School District paid \$407,697 to the Council. Financial information can be obtained by contacting Albert G. Vasek, 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 electricity purchase program which was implemented during fiscal year 1998. This program allows school districts to purchase electricity at reduced rates, if the school districts will commit to participating for an eight year period. The participants make monthly payments based on estimated usage. Each June these estimated payments are compared to their actual usage for the year and any necessary adjustments are made.

Energy Acquisition Corp., a non-profit corporation with a self-appointing board, issued \$119,140,000 in debt to purchase eight years of electricity from Cleveland Electric Illuminating (CEI) for the participants. The participating school districts are not obligated in any manner for this debt. If a participating school district terminates its agreement, the district is required to repay the savings to CEI and CEI will refund the remaining prepayment related to the participation to Energy Acquisition Corp.

The School District also participates in the Council's prepaid natural gas program which was implemented during fiscal year 2000. This program allows school districts to purchase natural gas at reduced rates, if the school districts committed to participating for a twelve year period. The participants make monthly payments based on estimated usage. Each month these estimated payments are compared to their actual usage and any necessary adjustments are made.

The City of Hamilton, a municipal corporation and political subdivision duly organized and existing under the laws of the State of Ohio, issued \$89,450,000 in debt to purchase twelve years of natural gas from CMS Energy Corporation for the participants. The participating school districts are not obligated in any manner for this debt. If a participating school district terminates its agreement, the district is entitled to recover that amount, if any, of its contribution to the operating fund which are not encumbered for its share of program administrative costs.

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

Beachwood City School District
Notes to General Purpose Financial Statements
For the Year Ended June 30, 2001

upon a per pupil charge. The School District contributed \$24,362 to LGCA during fiscal year 2001.

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.

B. Basis of Presentation

The accounting policies of the District conform to generally accepted accounting principles (GAAP) as applicable to governments.

The financial transactions of the District are recorded in individual funds and account groups. The various funds and account groups are reported by type in the general purpose financial statements. Amounts in the "Totals (Memorandum Only)" columns in the general purpose financial statements represent a summation of the combined financial statement line items of the fund types and account groups and are presented only for analytical purposes. The summation includes fund types and account groups that use different bases of accounting, interfund transactions that have not been eliminated, and the caption "amounts to be provided," which does not represent an asset. Consequently, amounts shown in the "Totals (Memorandum Only)" columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation and does not represent the total resources available or total revenues and expenditures/expenses of the District.

The District uses the following fund categories, fund types, and accounts groups:

Governmental Funds

Governmental Funds are accounted for on a flow of current financial resources measurement focus. Only current assets and current liabilities are generally included on their balance sheets. Their operating statements present sources (revenues and other financing sources) and uses (expenditures and other financing uses) of "available spendable resources" during a period.

General Fund - the general operating fund of the District; used to account for all revenues and expenditures except those required to be accounted for in another fund.

Special Revenue Funds - used to account for revenue from specific sources (other than major capital projects) which require separate accounting because of legal restrictions

Beachwood City School District
Notes to General Purpose Financial Statements
For the Year Ended June 30, 2001

requiring that expenditures be for specified purposes.

Debt Service Fund - to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Capital Projects Funds - used to account for revenue and expenditures related to the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Proprietary Funds

Proprietary Funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund measurement focus is upon determination of net income, financial position and cash flows.

Enterprise Funds - used to account for operations where the intention is to finance such operations primarily through user charges, or to where the district has decided that the periodic determination of revenues, expenses and net income is appropriate.

Internal Service Funds - used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District, or to other governments on a cost-reimbursement basis.

Fiduciary Funds

Fiduciary Funds are accounted for on a flow of current financial resources measurement focus and are accounted for on a modified accrual accounting basis.

Expendable Trust 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 funds will be disbursed.

Agency Funds - used to account for assets held by the District as an agency for individuals, private organizations, other governments or other funds.

Account Groups

Account groups are used to establish accounting control and accountability for the District's general fixed assets and general long-term debt.

General Fixed Assets - used to account for capital assets used in general government operations with a useful life of greater than one year (other than those accounted for in

Beachwood City School District
Notes to General Purpose Financial Statements
For the Year Ended June 30, 2001

the Proprietary Funds).

General Long-Term Debt - used to account for all long-term obligations of the District, except for those accounted for in the Proprietary Funds. These obligations are secured by the credit of the District as a whole and are payable from general government resources or assessments against property owners.

C. Basis of Accounting

Governmental and Fiduciary Fund types are accounted for on the modified accrual basis of accounting. Governmental revenues are recognized when they become measurable and available to finance expenditures of the current period. Revenue items, which are susceptible to accrual and therefore are recorded as receivables include investment income and reimbursable-type grants. Expenditures are recognized when the related fund liability is incurred, with the exception of accumulated unpaid employee compensation which is not payable from current expendable financial resources, and general long-term obligation principal and interest which is reported when due. The available period for the District is sixty days after year end.

Proprietary Funds are accounted for on the accrual basis of accounting. Their revenues are recognized in the period earned and expenses are recognized in the period incurred. Proprietary Funds' unbilled services receivable are recognized as revenue in the period when the service is provided.

With respect to proprietary activities, Beachwood City School District has adopted GASB 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Units that Use Proprietary Fund Accounting. Beachwood City School District has elected to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board pronouncements and Accounting Principles Board Opinions issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements.

D. Budgetary Accounting

An annual appropriations budget is adopted by the Board of Education each year for all Governmental Fund Types, Fiduciary Fund Types, and Proprietary Fund Types as is required by state statute. Modifications to the original budgets are approved by the Board of Education throughout the year. Budget amounts presented in the accompanying financial statements represent revised amounts which are not significantly different from the original budgets. The District maintains budgetary control by not permitting expenditures to exceed appropriations within each function and object of an individual fund without the approval of the Board of Education (legal level of control). Unencumbered appropriations lapse at year end. Encumbrances are reported as an expenditure in the current budget presentation and are carried forward to the succeeding fiscal year and are re-appropriated.

Beachwood City School District
Notes to General Purpose Financial Statements
For the Year Ended June 30, 2001

The District's budget (budget basis) for all funds account for certain transactions on a basis which differs from generally accepted accounting principles (GAAP basis). The major differences between the budget basis and the GAAP basis are that:

- (1.) Revenues are recorded when received in cash for budget purposes as opposed to when susceptible to accrual or when services are provided for GAAP purposes.
- (2.) Expenditures and expenses are recorded when paid in cash or encumbered for budget purposes as opposed to when the liability is incurred for GAAP purposes.

An analysis of the difference in fund balance for all governmental fund types and the expendable trust fund at June 30, 2001 was determined under the GAAP basis and budget basis follows:

	General Fund	Special Revenue Funds	Debt Service	Capital Projects	Expendable Trust
	_____	_____	_____	_____	_____
GAAP basis fund balance (deficit)					
Adjustments for GAAP basis	\$3,604,329	\$285,111	\$1,039,085	\$5,307,504	\$9,231
Accrued revenues at June 30, 2001	(20,461,008)	0	(2,311,875)	(34,112)	0
Accrued expenditures /deferred revenue at June 30, 2001	19,989,037	19,973	2,063,875	187,996	10,936
Adjustment - fair market value of investments	9,517	0	0	0	0
Encumbrances outstanding at June 30, 2001(budget basis)	(325,821)	(32,548)	0	(1,609,945)	0
Budget basis - fund balance	<u>\$2,816,054</u>	<u>\$272,536</u>	<u>\$791,085</u>	<u>\$3,851,443</u>	<u>\$20,167</u>

E. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding as of year-end are reported as a reservation of fund balances.

Beachwood City School District
Notes to General Purpose Financial Statements
For the Year Ended June 30, 2001

F. Cash and Cash Equivalents

For purposes of the combined statement of cash flows - all proprietary fund types - the District considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents, such as certificates of deposit, discount notes, repurchase agreements and banker's acceptances. Any investments with a maturity of one year or less at the time of purchase is reported at amortized cost. Interest revenue credited to the general fund during fiscal year 2001 amounted to \$530,938 which included \$235,590 assigned from other funds.

G. Inventory

Inventories of governmental funds are stated at cost, while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out method (FIFO) and are determined by physical count. Inventory in Governmental Funds consists of expendable supplies held for consumption. The cost of inventory items is recognized as an expenditure when used (consumption method). Reported inventories in the general fund are equally offset by a fund balance reserve which indicates they are unavailable for appropriation. Inventories of proprietary funds consist of donated food, purchased food and school supplies held for resale and are expensed when used.

H. Fixed Assets and Depreciation

(1.) General Fixed Assets Account Group

General Fixed Assets are capitalized at cost (or estimated historical cost) and updated for the cost of additions and retirements during the year in the General Fixed Assets Account Group. Contributed fixed assets are recorded at their fair market values as of the date donated. The District follows the policy of not capitalizing assets with a cost of less than \$1,000 with the exception of any items deemed by the Business Manager to be capitalized. No depreciation is recognized for assets in the General Fixed Assets Account Group.

(2.) Proprietary Funds

Property, plant, and equipment reflected in the Proprietary Funds are stated at historical cost (or estimated historical cost) and updated for the cost of additions and retirements during the year. Contributed fixed assets are recorded at their fair market values as of the date donated. Depreciation has been provided on a straight-line basis for all property, plant, and equipment based on estimated useful lives ranging from 5 to 15 years for equipment.

I. Interfund Transactions

During the course of normal operations, the District has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct

Beachwood City School District
Notes to General Purpose Financial Statements
For the Year Ended June 30, 2001

assets, and service debt. Operating subsidies are recorded as operating transfers. The classification of amounts recorded as subsidies, advances, or equity contributions is based on the intent of the District at the time of the transaction.

J. Fund Balance Reserves

Reserved Fund Balances indicate that portion of fund equity which is not available for current appropriation or is legally segregated for specific use. Fund Balances are reserved for prepaid items, materials and supplies inventory, property taxes, textbooks and instructional materials, capital improvements, budget stabilization and encumbrances. The unreserved portions of fund equity reflected for the Governmental Funds are available for use within the specific purposes of those funds.

K. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents set aside to reflect restrictions on their use. By statute, money must be set aside to create a reserve for textbooks and instructional material, capital improvements and a budget stabilization reserve. In addition, the Board had designated a portion of the fund balance for textbook and instructional material purchases. See Note 19 for the calculations of the year-end restricted asset balance and the corresponding fund balance reserves/designation.

L. Estimates

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

(3.) Restatement of Funds

The School District had adjustments which resulted in the restatement of the Debt Service Fund, Permanent Improvement Fund and the General Long-Term Debt Account Group. Tax anticipation notes were reclassified to the General Long-Term Debt Account Group in the amount of \$8,360,000. There was also an adjustment to the expendable trust fund due to the understatement of Due to Others. Adjustments to the Fund Balance are as follows:

	<u>Expendable Trust Fund</u>	<u>Debt Service Fund</u>	<u>Permanent Improvement Fund</u>
Fund Balance previously reported	\$18,813	\$682,790	(\$2,362,000)
Adjustments	<u>(8,773)</u>	<u>56,234</u>	<u>8,303,766</u>
Restated Fund Balance as of June 30, 2000	<u>\$10,040</u>	<u>\$739,024</u>	<u>\$5,941,766</u>

Beachwood City School District
Notes to General Purpose Financial Statements
For the Year Ended June 30, 2001

The adjustments to the Combined Statement of Revenues, Expenditures and Changes in Fund Balance are as follows:

	<u>Expendable Trust Fund</u>	<u>Debt Service Fund</u>	<u>Permanent Improvement Fund</u>
Balance previously reported	(\$2,860)	\$20,301	\$567,635
Excess of revenues and other sources over expenditures and other uses			
Adjustments	<u>(1,544)</u>	<u>56,234</u>	<u>4,923,766</u>
Restated Excess as of June 30, 2000	<u>(\$4,404)</u>	<u>\$76,535</u>	<u>\$5,491,401</u>

(4.) Change in Accounting Principles

For the Fiscal Year 2001 the District implemented GASB 33, "Accounting and Financial Reporting for Non-exchanged Transactions" and GASB 36 "Recipient Reporting for Certain Shared Non-exchange Revenues". At June 30, 2000 there was no financial impact on the District's financial statements.

(5.) Equity in Pooled Cash and Cash Equivalents

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

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

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

Beachwood City School District
Notes to General Purpose Financial Statements
For the Year Ended June 30, 2001

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bond 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). 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 market price the investment could be sold for;
7. Certain Banker's acceptances 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, 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 or transfer from the custodian.

During fiscal year 2001, the District complied with the provisions of these requirements pertaining to the types of investments held and investments in which deposits were made. At June 30, 2001,

Beachwood City School District
Notes to General Purpose Financial Statements
For the Year Ended June 30, 2001

the District was also in compliance with the provisions of the statutes concerning security agreements.

(a) Deposits

At year end, the District's petty cash equaled \$5,200 and the carrying amount of the District's deposits was \$6,167,458 and the bank balance was \$6,828,382. The bank balance is categorized as follows:

Amount insured by the FDIC or collateralized with securities held by the financial institution in the District's name	\$6,342,764
Amount collateralized with securities held by our agent but not in the District's name	\$ 485,618

(b) Investments

Investments made by the District as of June 30, 2001 are summarized below. The investments that are represented by specific identifiable investment securities are classified as to credit risk by the three categories described below:

- | | |
|------------|--|
| Category 1 | Insured or registered, or investments held by the District or its agents in the District's name. |
| Category 2 | Uninsured or unregistered, with investments held by the counterparty's trust department or agent in the District's name. |
| Category 3 | Uninsured and unregistered, with investments held by the counterparty, or by its trust department or agent but not in the District's name. |

	<u>Risk Category 1</u>	<u>Risk Category 2</u>	<u>Reported Amount</u>	<u>Fair Value</u>
U.S. Government Agency FHLB Int 6.75% (3/24/00 - 2/15/02)	\$500,000	\$ 9,015	\$509,015	\$509,015
Fifth Third Bank Banker's Acceptance Int 3.95% (6/05/01-8/31/01)	<u> </u>	<u>344,576</u>	<u>344,576</u>	<u>345,648</u>
Subtotal	<u>\$500,000</u>	<u>\$353,591</u>	<u>\$853,591</u>	<u>\$ 854,663</u>
Investment in Mutual Fund Sweep			235,998	235,998
Investment in STAR Ohio			<u>4,415,566</u>	<u>4,415,566</u>
Grand Total			<u>\$ 5,505,155</u>	<u>\$ 5,506,227</u>

Interest on pooled cash and investments is only allocated to governmental and fiduciary fund types as is required by state statute.

The investments in STAR Ohio and Mutual Fund Sweep Account are unclassified since it is not evidenced by securities that exist in physical or book entry form.

Beachwood City School District
Notes to General Purpose Financial Statements
For the Year Ended June 30, 2001

(6.) Deficit Fund Equity/Retained Earnings

Fund equity/retained earnings at June 30, 2001 included the following individual fund deficits:

Enterprise Funds:

Food Service	(\$47,973)
Preschool	(\$44,835)

The deficit in the Preschool Fund is due to a decrease in enrollment last school year. The District has experienced increased enrollment during the current school year and expects this trend to continue well into the future which will eliminate the deficit over time.

The deficit in the Food Service fund is due in part to staffing issues. In the fall of 2000, the District had two staff members who were on an extended leave of absence while still in pay status. This accounted for approximately \$30,000 in salaries and benefits paid to those staff members. The District expects that some of the deficit will be eliminated through increased participation and the return of the staff members who were on leave, however, due to the number of students in the school, the District does not anticipate that the deficit will be completely eliminated.

(7.) Interfund Transactions

Interfund balances at June 30, 2001 consist of the following individual fund receivables and payables:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$583,890	\$ 956
Enterprise Funds:		
Preschool	0	25,000
Internal Service Funds:		
Consortium Funds	<u>956</u>	<u>558,890</u>
Grand Total	<u>\$584,846</u>	<u>\$584,846</u>

A summary of interfund (operating) transfers made during 2001 by fund is as follows:

	<u>Transferred to:</u>	<u>Transferred from:</u>
General Fund	\$ 0	\$ 450,920
Special Revenue Funds:		
Termination Benefits	50,000	0
Athletics	130,000	0
Enterprise Funds:		
Food Service	205,000	0
Recreation	10,000	
Consortium Funds	<u>55,920</u>	<u>0</u>
	<u>\$ 450,920</u>	<u>\$450,920</u>

(8.) Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible (used in business) property located in the District. Real property taxes and public utility taxes are levied after April 1, on the assessed value listed as of the prior January 1, the lien date.

Beachwood City School District
Notes to General Purpose Financial Statements
For the Year Ended June 30, 2001

Assessed values are established by State law at 35% of appraised market value. Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at true value (normally 50% of cost). Tangible personal property assessments are 25% of market value. The assessed value upon which the 2000 taxes were collected was \$698,233,574. Agricultural/ Residential and Other Real Estate represented 87% (\$610,239,450), Public utility tangible 2% (\$14,601,620) and General tangible property 11% (\$73,392,504) of this total. The general tax rate for operations for the fiscal year ended June 30, 2001 was \$63.80 per \$1,000 of assessed valuation, 2.70 per \$1,000 for permanent improvements and \$1.40 per \$1,000 of assessed valuation for debt retirement.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due January 20, with the remainder payable by June 20. Under certain circumstances, State statute permits earlier or later payment dates to be established. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The Cuyahoga County Treasurer collects property taxes on behalf of the District. The County Auditor periodically remits to the District its portions of the taxes collected. These tax "advances" are based on three year historical cash flow collection rates and occur eight times annually.

Accrued taxes receivable represent delinquent taxes outstanding and real property, personal property, and public utility taxes which became measurable as of June 30, 2001. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for the portion not intended to finance current year operations. The amount available as an advance at June 30, 2001 was \$1,818,531 for the General Fund and \$302,947 in the Debt Service Fund. Personal property taxes are measurable and available to finance current operations and a portion is therefore reported as current revenue.

(9.) Fixed Assets

Fixed Assets are reported as general fixed assets for all fund types except Enterprise Funds and Internal Service funds. The summary of the General Fixed Assets Account Group for 2001 is as follows:

	<u>Balance</u> <u>June 30, 2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2001</u>
Land and Improvements	\$2,336,054	\$0	\$0	\$2,336,054
Buildings	18,970,322	336,571	(1,320)	19,305,573
Furniture & Equipment	3,108,106	393,511	(283,673)	3,217,944
Vehicles	<u>1,498,199</u>	<u>283,344</u>	<u>(124,467)</u>	<u>1,657,076</u>
Total	<u>\$25,912,681</u>	<u>\$1,013,426</u>	<u>(\$409,460)</u>	<u>\$26,516,647</u>

Beachwood City School District
Notes to General Purpose Financial Statements
For the Year Ended June 30, 2001

A summary of Enterprise and Internal Service Fund(s) property plant and equipment is as follows:

	<u>Furniture and Equipment</u>	Less <u>Accumulated Depreciation</u>	<u>Carrying Value</u>
Enterprise funds:			
Food Service	\$69,302	(\$54,553)	\$14,749
Preschool	3,189	(1,056)	2,133
Recreation	375	(38)	337
	<hr/>	<hr/>	<hr/>
Total	72,866	(55,647)	17,219
Internal Service Funds:			
Consortium Funds	175,519	(134,772)	40,747
	<hr/>	<hr/>	<hr/>
Total	175,519	(134,772)	40,747
 Total Enterprise and Internal Service Funds	 <u>\$248,385</u>	 <u>(\$190,419)</u>	 <u>\$57,966</u>

(10.) Long-Term Notes Payable

A summary of the note transactions for the year ended June 30, 2001 are as follows:

	<u>Outstanding at 6/30/00</u>	<u>Issued</u>	<u>Retired</u>	<u>Outstanding at 6/30/01</u>
Tax anticipation 4.81% Tax	\$1,400,000	\$0	\$700,000	\$700,000
anticipation 3.85%	960,000	0	320,000	640,000
Tax anticipation 4.8-5.3	<u>6,000,000</u>	<u>0</u>	<u>0</u>	<u>6,000,000</u>
Total	<u>\$8,360,000</u>	<u>\$ 0</u>	<u>\$1,020,000</u>	<u>\$7,340,000</u>

The payment schedule for tax anticipation notes, series 1997 with an interest rate of 4.81%, tax anticipation notes, series 1998 with an interest rate of 3.85%, and tax anticipation notes, series 2000 with various interest rates 4.8% - 5.30% of is as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$1,385,000	\$355,384	\$1,740,384
2003	830,000	288,137	1,118,137
2004	535,000	250,081	785,081
2005	565,000	222,715	787,715
2006	590,000	193,693	783,693
2007	620,000	162,985	782,985
2008	650,000	130,438	780,438
2009	685,000	95,890	780,890
2010	720,000	59,180	779,180
2011	<u>760,000</u>	<u>20,140</u>	<u>780,140</u>
Total	<u>\$7,340,000</u>	<u>\$1,778,643</u>	<u>\$9,118,643</u>

Beachwood City School District
Notes to General Purpose Financial Statements
For the Year Ended June 30, 2001

(11.) Long-Term Debt

All bonds outstanding are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Accordingly, such unmatured obligations of the District are accounted for in the General Long-Term Debt Account Group. Payments of principal and interest relating to these liabilities are recorded as expenditures in the Debt Service Fund. The source of payment is derived from a current 1.40 mill bonded-debt tax levy.

The portion of general obligation bonds payable in the debt service fund is for unclaimed bearer bonds and coupons that are owed by the District.

A. Schedule of Bonds Outstanding

The following is a schedule of bonds outstanding as of June 30, 2001 for the Beachwood City Schools:

Purpose	Interest Rate	Issue Date	Maturity Date	Principal O/S		Principal Redemption During Year	Amount O/S- End of Period
				Beginning Of the Year	New Issues		
Bus Financing Pool	4.85,5.280	06/26/97-00	04/15/05	\$ 328,000	\$ 0	\$ 90,000	\$ 238,000
School Improve.	4.8%-7.05%	05/01/91	12/01/06	<u>4,885,000</u>	<u>0</u>	<u>565,000</u>	<u>4,320,000</u>
Total				<u>\$5,213,000</u>	<u>\$ 0</u>	<u>\$655,000</u>	<u>\$4,558,000</u>

B. Future Debt Requirements

The District's future annual debt service requirements for bonded debt is as follows:

Year Ending June 30	Principal on General Obligation Bonds	Interest on General Obligation Bonds	Total
2002	\$699,000	\$277,995	\$976,995
2003	719,000	231,580	950,580
2004	735,000	184,700	919,700
2005	770,000	135,400	905,400
2006	790,000	82,882	872,882
2007	845,000	28,307	873,307
Total	<u>\$4,558,000</u>	<u>\$ 940,864</u>	<u>\$ 5,498,864</u>

Beachwood City School District
Notes to General Purpose Financial Statements
For the Year Ended June 30, 2001

C. Compensated Absences and Judgments

The criteria for determining vested vacation and sick leave components 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. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the 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 leave balances exceeding 250 days shall receive 1/12 of the total accumulated days over 250 according to the negotiated agreement. The number of unused sick days which can accumulate is restricted for certain employees.

Accumulated vacation and sick leave of Governmental Fund type employees meeting the eligibility requirements have been recorded in the appropriate Governmental Funds as a current liability to the extent that the amounts are expected to be payable within the current period. The balance of the liability is recorded in the General Long-Term Debt Account Group. Vacation and sick leave for employees paid from the Proprietary Fund is recorded as an expense when earned. The District calculates sick and vacation leave using the vesting method based on accumulated benefits as of June 30, 2001.

Salary related benefits refer to unpaid contractually required pension obligation for classified employees.

Changes in long term portion of compensated absences are summarized below:

<u>General Long Term Debt</u>	<u>Balance 06/30/00</u>	<u>Increase (Decrease)</u>	<u>Balance 06/30/01</u>
Vacation	\$ 290,015	\$9,198	\$ 299,213
Sick Leave	2,729,966	(11,258)	2,718,708
Salary Related Benefits			
	<u>192,432</u>	<u>6,302</u>	<u>198,734</u>
Total	<u>\$3,212,413</u>	<u>\$ 4,242</u>	<u>\$3,216,655</u>

Beachwood City School District
Notes to General Purpose Financial Statements
For the Year Ended June 30, 2001

(12.) Segment Information for Enterprise Funds

The District maintains five enterprise funds to account for food service operations, uniform school supplies, adult education, recreation and preschool services. The more significant financial information for those funds is as follows:

	Food Service	Uniform School Supplies	Adult Education	Recreation	Preschool	Total Enterprise Funds
Operating revenues	\$334,443	\$0	\$4,845	\$125,587	\$366,868	\$831,743
Operating expenses						
before depreciation	557,932	0	9,380	104,785	365,853	1,037,950
Depreciation	3,337	0	0	38	307	3,682
Operating income/(loss)	(226,826)	0	(4,535)	20,764	708	(209,889)
Interest	656	0	0	0	0	656
Operating grants	25,746	0	0	0	0	25,746
Transfers in	205,000	0	0	10,000	0	215,000
Net income (loss)	4,576	0	(4,535)	30,764	708	31,513
PP&E Additions	10,115	0	0	375	1,393	11,883
Net working capital	(19,368)	1,493	6,372	103,539	(34,737)	57,299
Total assets	31,091	1,493	6,372	104,558	22,964	166,478
Total liabilities	79,064	0	0	682	67,799	147,545
Total Equity(deficit)	<u>(\$47,973)</u>	<u>\$1,493</u>	<u>\$6,372</u>	<u>\$103,876</u>	<u>\$(44,835)</u>	<u>\$18,933</u>

(13.) Segment Information - Internal Service Funds

The District maintains two Internal Service Funds. The first fund, Consortium Funds, is maintained to serve students from several districts for vocational training or special educational services for handicapped students. The second is a self insurance fund for vision claims. Segment information is as follows:

	<u>Consortium Funds</u>	<u>Self Insurance</u>	<u>Total</u>
Operating Revenues	\$2,383,305	\$60,000	\$2,443,305
Operating Expenses before			
depreciation	3,271,743	69,261	3,341,004
Depreciation	12,638	0	12,638
Operating income (loss)	(901,076)	(9,261)	(910,337)
Operating grants	866,940	0	866,940
Transfers in	55,920	0	55,920
Net income (loss)	21,784	(9,261)	12,523
PP & E additions	22,587	0	22,587
Net working capital	439,538	193,025	632,563
Total assets	1,385,230	193,025	1,578,255
Total liabilities	1,269,083	0	1,269,083
Total equity	<u>\$116,147</u>	<u>\$193,025</u>	<u>\$309,172</u>

Beachwood City School District
Notes to General Purpose Financial Statements
For the Year Ended June 30, 2001

(14.) Defined Benefit Pension Plan

A. School Employees Retirement System

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer public employee retirement system administered by the School Employees Retirement Board. SERS provides basic retirement benefits, annual cost of living adjustments, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available financial report that includes financial statements and required supplementary information for SERS. The report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute an actuarially determined rate. The current rate is 14 percent of annual covered payroll. For fiscal year 2001, 4.20 percent was the portion used to fund pension obligations. For fiscal year 2000, 5.5 percent was used to fund the pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS's Retirement Board. The School District's pension contributions to SERS for the fiscal years ending June 30, 2001, 2000 and 1999 were 239,872, \$295,337 and \$380,482 respectively; Fifty four percent has been contributed for fiscal year 2001 and 100 percent for the fiscal years 2000 and 1999. \$109,409 which represents the unpaid contribution for fiscal year 2001 is recorded as a liability within the respective funds or the general long-term obligations account group.

B. State Teachers Retirement System

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

Plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent; 9.5 percent was the portion used to fund pension obligations. For fiscal year 2000, the portion used to fund pension obligations was 6 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's contributions for pension obligations to STRS for the fiscal years ending June 30, 2001, 2000 and 1999 were \$1,118,272,

Beachwood City School District
Notes to General Purpose Financial Statements
For the Year Ended June 30, 2001

\$659,540 and \$633,332 respectively; Eighty four percent has been contributed for fiscal year 2001 and 100 percent for the fiscal years 2000 and 1999. \$176,841 represents the unpaid contribution for fiscal year 2001 and is recorded as a liability within the respective funds.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System of 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, 2001, two members of the Board of Education have selected Social Security. The Board's liability is 6.2 percent of wages paid.

(15.) Post-employment Benefits

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

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For the Fiscal Year ended June 30, 2000, the STRS Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$613,475 during the 2001 fiscal year.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$3,419 million at June 30, 2000 (the latest information available). For the year

ended June 30, 2000, net health care costs paid by STRS were \$283,137,000 and STRS had 99,011 eligible benefit recipients.

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

For this fiscal year, employer contributions to fund health care benefits were 9.8 percent of covered payroll, an increase of 1.3 percent from fiscal year 2000. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and member's pay, pro-rated for partial service credit. For fiscal year 2001, the

Beachwood City School District
Notes to General Purpose Financial Statements
For the Year Ended June 30, 2001

minimum pay has been established at \$12,400. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 2000 (the latest information available), were \$140,696,340 and the target level was \$211.0 million. At June 30, 2000 SERS had net assets available for payment of health care benefits of \$252.3 million. SERS has approximately 50,000 participants currently receiving health care benefits. For the School District, the amount to fund health care benefits, including surcharge, equaled \$599,169 during the 2001 fiscal year.

(16.) Contingent Liabilities

A. Grants

The School District receives financial assistance from numerous federal, state, and local agencies in the form of grants. The disbursement 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 effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the School District at June 30, 2001.

B. Litigation

The School District was named as a defendant in several court cases during the period ended June 30, 2001. Management does not believe that the ultimate resolution of those cases will have a material impact on the financial statements of the School District.

(17.) Risk Management

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2001, the School District contracted with Nationwide and Crum & Foster for property, general liability insurance and boiler and machinery in the amounts of \$47,930,175, \$20,000,000 and \$30,000,000 respectively. The deductible varies from \$1,000 to \$25,000.

Employment practices and education liabilities are protected by Nationwide and Nutmeg Insurance Companies with a \$2,000,000 and \$1,000,000 single occurrence limit, respectively, with a \$2,500 deductible. Vehicles are also covered by Nationwide Insurance and have a \$100 deductible for comprehensive collision. Automobile liability has a \$1,000,000 combined single limit of liability. Settled claims have not exceeded this commercial coverage in any of the past three years.

Beachwood City School District
Notes to General Purpose Financial Statements
For the Year Ended June 30, 2001

The School District contracted with Fidelity and Deposit Company for public employee dishonesty coverage, with a \$250,000 limit and a \$250 deductible. The School District provides employee medical, surgical and prescription drug coverage through Medical Mutual and dental coverage through Medical Benefits Mutual Life Insurance Company.

Self Insurance Funds

The School District is self insured for vision claims of District employees and their covered dependents. Under the program, the School District is obligated for claim payments. During fiscal year 2001, total claims expense of \$69,261 was recognized, which represents actual claims processed and paid as of June 30, 2001. Individual funds are charged for 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:

		Claims		
	Balance	<u>Incurred</u>	<u>Claims Paid</u>	<u>Balance</u>
1999	\$0	\$72,401	\$72,401	\$0
2000	\$0	\$69,766	\$69,766	\$0
2001	\$0	\$69,261	\$69,261	\$0

OSBA Group Rating Program

The School District participates in the Ohio School Boards Association Workers' Compensation 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 an 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. 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. The firm of Gates McDonald & Company provides administrative, cost control and actuarial services to the GRP.

Beachwood City School District
Notes to General Purpose Financial Statements
For the Year Ended June 30, 2001

(18.) School Funding

On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

- A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this changes must be retroactive to July 1, 2001, although a time line for distribution is not specified.
- Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

In general, it is expected that the decision would result in an increase in State funding for most of Ohio school districts. However, as of December 7, 2001, the Ohio General Assembly is still analyzing the impact this Supreme Court decision will have on funding for individual school districts. Further, the State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001.

On November 2, 2001, the Court granted this motion for reconsideration. The Court may re-examine and redetermine any issue upon such reconsideration.

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

(19.) Set-Aside Requirements

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 capital improvements. Amounts not spent by year-end or offset by similarly restricted resources must be held in cash at year-end and carried forward to be used for the same purposes in future years.

The following cash basis information describes the changes in the fiscal year end set aside amounts for textbooks and instructional materials, capital improvements and budget stabilization from the end of the prior year to the end of the current year. Disclosure of this information is required by State statute.

Beachwood City School District
Notes to General Purpose Financial Statements
For the Year Ended June 30, 2001

	<u>Textbooks</u>	<u>Capital Improvements</u>	<u>Budget Stabilization</u>
Set aside Reserve Cash Balance at June 30, 2000	\$0	\$0	\$734,873
Set aside balance carried forward	(81,444)	0	0
Current Year Set-Aside requirement	562,428	562,428	0
Reduction Authorized by Legislative Revisions	0	0	(600,000)
Qualifying Disbursements	<u>(810,432)</u>	<u>(1,190,623)</u>	<u>0</u>
Total	<u>(\$329,448)</u>	<u>(\$628,195)</u>	<u>134,873</u>
Set aside balance carried forward to future fiscal years	<u>(\$329,448)</u>	<u>\$0</u>	<u>134,873</u>
Set aside reserve balance as of June 30, 2001	<u>\$0</u>	<u>\$0</u>	<u>\$134,873</u>

The School District had qualifying disbursements and offsets during the fiscal year that reduced the textbook and/or capital improvements set-aside amounts below zero. The textbook negative amount may be used to reduce the set-aside requirements in future fiscal years. The Capital improvement negative amount may not be used to reduce the set aside requirement of future years and is, therefore, not presented as being carried forward to future fiscal years. The total reserve balance for the three set-aside at the end of the fiscal year was \$134,873.

(20.) Contractual Commitments

The District had the following significant contractual commitments as of June 30, 2001:

<u>Project</u>	<u>Contract Amount</u>	<u>Contract Payments</u>	<u>Remaining</u>
Bryden Elementary Renovations	\$ 576,573	(\$35,933)	\$ 540,640
Middle School (Phase II study)	285,500	(83,351)	202,149
Early Childhood Center	81,733	(63,518)	18,215
High School Renovations	190,775	(8,036)	182,739
Hilltop Elementary Addition	<u>680,145</u>	<u>(20,943)</u>	<u>659,202</u>
Total	<u>\$ 1,814,726</u>	<u>(\$211,781)</u>	<u>\$ 1,602,945</u>

Beachwood City School District

SUPPLEMENTAL DATA

GENERAL FUND

The General Fund is used to account for all activities of the School District not included in other specified funds. This includes, but is not limited to, general instruction, pupil services, operation and maintenance of buildings and grounds, pupil transportation, and the administration of School District functions.

Beachwood City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$19,532,281	\$19,407,462	(\$124,819)
Tuition and fees	235,000	239,883	4,883
Interest	520,000	539,627	19,627
Intergovernmental	2,698,391	2,768,091	69,700
Miscellaneous revenue from local sources	70,100	71,651	1,551
Total revenues	23,055,772	23,026,714	(29,058)
Expenditures:			
Instruction			
Regular instruction:			
Salaries and wages	6,947,037	6,946,805	232
Fringe benefits	1,928,455	1,927,541	914
Contractual services	142,417	135,876	6,541
Supplies	333,890	333,693	197
Equipment	38,573	37,388	1,185
Other	545	113	432
Total regular instruction	9,390,917	9,381,416	9,501
Special instruction:			
Salaries and wages	1,429,125	1,426,265	2,860
Fringe benefits	513,148	510,937	2,211
Contractual services	1,173,371	1,171,293	2,078
Supplies	9,917	7,635	2,282
Equipment	4,688	4,272	416
Other	206	0	206
Total special instruction	3,130,455	3,120,402	10,053
Other instruction:			
Contractual services	122,774	116,239	6,535
Supplies	487	0	487
Total other instruction	123,261	116,239	7,022
Total instruction	12,644,633	12,618,057	26,576
Support services:			
Pupils:			
Salaries and wages	1,026,255	1,021,532	4,723
Fringe benefits	305,508	305,229	279
Contractual services	58,231	57,219	1,012
Supplies	13,441	13,380	61
Equipment	1,353	410	943
Other	479	476	3
Total pupils	\$1,405,267	\$1,398,246	\$7,021

(continued)

Beachwood City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Instructional staff:			
Salaries and wages	\$652,812	\$648,782	\$4,030
Fringe benefits	216,425	212,119	4,306
Contractual services	107,783	103,360	4,423
Supplies	68,598	62,949	5,649
Equipment	14,608	14,576	32
Total instructional staff	1,060,226	1,041,786	18,440
Board of Education:			
Salaries and wages	11,784	11,685	99
Fringe benefits	10,159	9,908	251
Contractual services	347,549	347,236	313
Supplies	1,951	1,692	259
Other	13,330	13,274	56
Total Board of Education	384,773	383,795	978
Administration:			
Salaries and wages	1,577,463	1,571,977	5,486
Fringe benefits	442,965	442,758	207
Contractual services	161,670	150,562	11,108
Supplies	34,788	32,193	2,595
Equipment	15,496	14,086	1,410
Other	49,312	48,924	388
Total administration	2,281,694	2,260,500	21,194
Fiscal:			
Salaries and wages	213,550	211,185	2,365
Fringe benefits	65,537	62,686	2,851
Contractual services	12,942	12,503	439
Supplies	10,099	9,794	305
Equipment	3,800	3,793	7
Other	378,512	378,489	23
Total fiscal	684,440	678,450	5,990
Business:			
Salaries and wages	315,329	314,821	508
Fringe benefits	108,678	107,044	1,634
Contractual services	189,156	170,862	18,294
Supplies	23,429	21,876	1,553
Equipment	8,900	8,598	302
Other	1,411	631	780
Total business	\$646,903	\$623,832	\$23,071

(continued)

Beachwood City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operation and maintenance of plant:			
Salaries and wages	\$1,567,544	\$1,566,755	\$789
Fringe benefits	511,484	510,670	814
Contractual services	1,172,688	1,163,986	8,702
Supplies	239,770	238,634	1,136
Equipment	13,207	10,784	2,423
Total operation and maintenance of plant	3,504,693	3,490,829	13,864
Pupil transportation:			
Salaries and wages	861,942	861,185	757
Fringe benefits	329,628	328,437	1,191
Contractual services	110,131	107,913	2,218
Supplies	101,350	100,157	1,193
Equipment	31,211	29,350	1,861
Other	472	30	442
Total pupil transportation	1,434,734	1,427,072	7,662
Central:			
Salaries and wages	241,143	235,021	6,122
Fringe benefits	59,353	58,246	1,107
Contractual services	111,709	111,700	9
Supplies	100,428	97,357	3,071
Equipment	348,000	346,515	1,485
Other	1,150	1,055	95
Total central	861,783	849,894	11,889
Total support services	12,264,513	12,154,404	110,109
Extracurricular activities:			
Academic and subject oriented activities:			
Salaries and wages	393,954	378,712	15,242
Fringe benefits	66,919	59,621	7,298
Total academic and subject oriented activities	460,873	438,333	22,540
Total expenditures	\$25,370,019	\$25,210,794	\$159,225

(continued)

Beachwood City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Excess of revenues over expenditures	(\$2,314,247)	(\$2,184,080)	\$130,167
Other financing sources (uses):			
Proceeds from sale of fixed assets	3,005	3,140	135
Refund of prior year expenses	3,000	131,358	128,358
Advances/transfers in	626,120	626,120	0
Advances/transfers out	(493,500)	(493,420)	80
Total other financing sources (uses)	138,625	267,198	128,573
Excess (deficiency) of revenues and other sources over expenditures and other uses	(2,175,622)	(1,916,882)	258,740
Fund balance at beginning of year	4,173,500	4,173,500	0
Expenditures against prior year's encumbrances	559,436	559,436	0
Fund balance at end of year	<u>\$2,557,314</u>	<u>\$2,816,054</u>	<u>\$258,740</u>

Beachwood City School District

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 are as follows:

Public School 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 funds provided by the Board of Education to develop a program for employees to improve the quality of work-life within the District.

Termination Benefits - used to account for sick time severance payments to retiring staff members.

Athletic - this fund accounts for revenues from athletic events and all costs (except supplemental coaching contracts) of the District's athletic program.

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 school (Agnon) within the District.

Professional Development - the purpose of this fund is to provide assistance to school districts for the development of in-service programs.

Management Information Systems - funds provided by the State of Ohio to be used solely for costs associated with the requirements of the education management information system required by Senate Bill 140.

Entry Year Teacher Grant - used to account for a state grant provided to Districts to implement an entry year teacher program.

Miscellaneous State Grants - these funds are used to implement "safe schools" concepts and for development of a school within a school concept for disengaged learners.

Title II - the purpose of this fund is to expand the awareness of elementary grade teachers in the area of science education through in-service training.

Title VI 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, elementary, and secondary levels.

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

Beachwood City School District

SPECIAL REVENUE FUNDS - Cont'd.

Drug Free Education - this fund accounts for Federal revenues to implement programs to educate and encourage students to live lives free of drug dependency.

Preschool Handicapped - this fund accounts for the federal revenues which addresses the improvement and expansion of services for handicapped children ages three (3) through five (5) years.

E-Rate Telecommunications Grant - used to account for a grant which is directly tied to the telecommunication service provider.

Title VI-R - used to account for federal revenues to reduce class size at the primary grade level.

Beachwood City School District
Combining Balance Sheet
All Special Revenue Funds
June 30, 2001
(With comparative totals for June 30, 2000)

	Public School Support	Miscellaneous Local Grants	Termination Benefits	Athletics
Assets				
Equity in pooled cash and cash equivalents	\$17,743	\$15,497	\$210,000	\$3,925
Due from other governments	0	0	0	0
Total assets	<u>17,743</u>	<u>15,497</u>	<u>210,000</u>	<u>3,925</u>
Liabilities				
Accounts payable	0	0	0	188
Accrued wages and benefits	0	0	0	0
Due to other funds	0	0	0	0
Total liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>188</u>
Fund balances (deficit):				
Reserved for encumbrances	0	0	0	669
Unreserved...undesignated	17,743	15,497	210,000	3,068
Total fund balances (deficit)	<u>17,743</u>	<u>15,497</u>	<u>210,000</u>	<u>3,737</u>
Total liabilities and fund balances	<u>\$17,743</u>	<u>\$15,497</u>	<u>\$210,000</u>	<u>\$3,925</u>

Auxiliary Services	Professional Development	Management Information Systems	Entry Year Teacher Grant	Miscellaneous State Grants	Title II
\$22,043	\$5,484	\$1,447	\$3,013	\$8,767	\$4,369
0	0	0	0	0	0
<u>22,043</u>	<u>5,484</u>	<u>1,447</u>	<u>3,013</u>	<u>8,767</u>	<u>4,369</u>
15,711	0	0	0	0	0
0	652	0	0	294	0
0	0	0	0	0	0
<u>15,711</u>	<u>652</u>	<u>0</u>	<u>0</u>	<u>294</u>	<u>0</u>
6,135	0	0	0	0	0
197	4,832	1,447	3,013	8,473	4,369
<u>6,332</u>	<u>4,832</u>	<u>1,447</u>	<u>3,013</u>	<u>8,473</u>	<u>4,369</u>
<u>\$22,043</u>	<u>\$5,484</u>	<u>\$1,447</u>	<u>\$3,013</u>	<u>\$8,767</u>	<u>\$4,369</u>

(continued)

Beachwood City School District
Combining Balance Sheet
All Special Revenue Funds
June 30, 2001
(With comparative totals for June 30, 2000)

	<u>Title VI-B</u>	<u>Title VI</u>	<u>Drug Free Education</u>	<u>Preschool Handicapped</u>
Assets				
Equity in pooled cash and cash equivalents	\$9,844	\$1,606	\$1,346	\$0
Due from other governments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total assets	<u><u>9,844</u></u>	<u><u>1,606</u></u>	<u><u>1,346</u></u>	<u><u>0</u></u>
Liabilities				
Accounts payable	0	0	0	0
Accrued wages and benefits	3,128	0	0	0
Due to other funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total liabilities	<u><u>3,128</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>
Fund balances (deficit):				
Reserved for encumbrances	6,716	0	0	0
Unreserved...undesignated	<u>0</u>	<u>1,606</u>	<u>1,346</u>	<u>0</u>
Total fund balances (deficit)	<u><u>6,716</u></u>	<u><u>1,606</u></u>	<u><u>1,346</u></u>	<u><u>0</u></u>
Total liabilities and fund balances	<u><u>\$9,844</u></u>	<u><u>\$1,606</u></u>	<u><u>\$1,346</u></u>	<u><u>\$0</u></u>
(continued)				

E-Rate Telecommunications		Totals	
Grant	Title VI -R	2001	2000
\$0	\$0	\$305,084	\$308,399
0	0	0	35
0	0	305,084	308,434
0	0	15,899	82
0	0	4,074	2,327
0	0	0	0
0	0	19,973	2,409
0	0	13,520	28,289
0	0	271,591	277,736
0	0	285,111	306,025
\$0	\$0	\$305,084	\$308,434

Beachwood City School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
All Special Revenue Funds
For The Year Ended June 30, 2001
(With comparative totals for June 30, 2000)

	Public School Support	Miscellaneous Local Grants	Termination Benefits	Athletics
Revenues:				
Intergovernmental	\$0	\$0	\$0	\$0
Interest	0	0	0	0
Miscellaneous revenue from local sources	20,263	18,355	0	64,815
Total revenues	20,263	18,355	0	64,815
Expenditures:				
Current:				
Instruction:	10,097	18,642	0	0
Support services:				
Pupil	0	0	0	0
Instructional staff	0	835	0	0
Administration	0	3,981	0	0
Business	0	0	0	0
Central	0	0	0	0
Non Instructional	0	0	0	0
Extracurricular activities	0	0	0	198,394
Total expenditures	10,097	23,458	0	198,394
Excess (deficiency) of revenues over expenditures	10,166	(5,103)	0	(133,579)
Other financing sources (uses):				
Operating transfers in	0	0	50,000	130,000
Total other financing sources (uses)	0	0	50,000	130,000
Excess (deficiency) of revenues and other sources over expenditures and other uses	10,166	(5,103)	50,000	(3,579)
Fund balance/deficit beginning of year	7,577	20,600	160,000	7,316
Fund balance/deficit end of year	\$17,743	\$15,497	\$210,000	\$3,737

Auxiliary Services	Professional Development	Magangement Information Systems	Entry Year Teacher Grant	Miscellaneous State Grants	Title II
\$162,429	\$12,413	\$6,251	\$3,001	\$1,779	\$4,369
2,192	0	0	0	0	0
0	0	0	0	0	0
<u>164,621</u>	<u>12,413</u>	<u>6,251</u>	<u>3,001</u>	<u>1,779</u>	<u>4,369</u>
0	6,752	0	0	43,322	0
0	0	0	0	294	0
0	829	0	0	0	0
0	0	0	0	0	0
0	0	0	0	1,469	0
0	0	9,804	0	0	0
169,306	0	0	0	0	0
0	0	0	0	0	0
<u>169,306</u>	<u>7,581</u>	<u>9,804</u>	<u>0</u>	<u>45,085</u>	<u>0</u>
(4,685)	4,832	(3,553)	3,001	(43,306)	4,369
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(4,685)	4,832	(3,553)	3,001	(43,306)	4,369
<u>11,017</u>	<u>0</u>	<u>5,000</u>	<u>12</u>	<u>51,779</u>	<u>0</u>
<u>\$6,332</u>	<u>\$4,832</u>	<u>\$1,447</u>	<u>\$3,013</u>	<u>\$8,473</u>	<u>\$4,369</u>

(continued)

Beachwood City School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
All Special Revenue Funds
For The Year Ended June 30, 2001
(With comparative totals for June 30, 2000)

	Title VI B	Title VI	Drug Free Education	Preschool Handicapped
Revenues:				
Intergovernmental	\$105,651	\$9,277	\$7,773	\$9,409
Interest	0	0	0	0
Miscellaneous revenue from local sources	0	0	0	0
Total revenues	<u>105,651</u>	<u>9,277</u>	<u>7,773</u>	<u>9,409</u>
Expenditures:				
Current:				
Instruction:	24,277	7,671	1,535	0
Support services:				
Pupil	82,848	0	4,992	0
Instructional staff	2,391	0	0	9,409
Administration	17,437	0	0	0
Business	0	0	0	0
Central	0	0	0	0
Non Instructional	0	0	0	0
Extracurricular activities	0	0	0	0
Total expenditures	<u>126,953</u>	<u>7,671</u>	<u>6,527</u>	<u>9,409</u>
Excess (deficiency) of revenues over expenditures	(21,302)	1,606	1,246	0
Other financing sources (uses):				
Operating transfers in	0	0	0	0
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(21,302)	1,606	1,246	0
Fund balance/deficit beginning of year	<u>28,018</u>	<u>0</u>	<u>100</u>	<u>0</u>
Fund balance/deficit end of year	<u><u>\$6,716</u></u>	<u><u>\$1,606</u></u>	<u><u>\$1,346</u></u>	<u><u>\$0</u></u>

E-Rate Telecommunications Grant	Title VI-R	Totals	
		2001	2000
\$0	\$11,931	\$334,283	\$355,177
0	0	2,192	1,796
0	0	103,433	86,221
0	11,931	439,908	443,194
0	11,931	124,227	66,798
0	0	88,134	43,270
0	0	13,464	22,822
0	0	21,418	24,332
0	0	1,469	0
14,606	0	24,410	5,018
0	0	169,306	149,758
0	0	198,394	143,984
14,606	11,931	640,822	455,982
(14,606)	0	(200,914)	(12,788)
0	0	180,000	190,000
0	0	180,000	190,000
(14,606)	0	(20,914)	177,212
14,606	0	306,025	128,813
\$0	\$0	\$285,111	\$306,025

Beachwood City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
Public School Support Fund
For the Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Miscellaneous revenue from local sources	\$19,943	\$20,264	\$321
Total revenues	19,943	20,264	321
Expenditures:			
Instruction:			
Contractual services	2,934	1,113	1,821
Supplies	8,185	3,389	4,796
Equipment	12,625	5,595	7,030
Total instruction	23,744	10,097	13,647
Total expenditures	23,744	10,097	13,647
Excess (deficiency) of revenues over expenditures	(3,801)	10,167	13,968
Fund balance at beginning of year	7,576	7,576	0
Fund balance at end of year	<u>\$3,775</u>	<u>\$17,743</u>	<u>\$13,968</u>

Beachwood City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
Miscellaneous Local Grants
For the Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Miscellaneous revenue from local sources	\$15,400	\$18,355	\$2,955
Total revenues	15,400	18,355	2,955
Expenditures:			
Instruction:			
Contractual services	9,500	8,862	638
Supplies	12,000	7,797	4,203
Equipment	2,000	1,983	17
Total instruction	23,500	18,642	4,858
Support:			
Instructional staff			
Supplies	1,000	835	165
Total instructional staff	1,000	835	165
Administration			
Contractual services	4,000	3,810	190
Supplies	180	172	8
Total administration	4,180	3,982	198
Total expenditures	28,680	23,459	5,221
Excess (deficiency) of revenues over expenditures	(13,280)	(5,104)	8,176
Fund balance at beginning of year	20,101	20,101	0
Expenditures against prior year's encumbrances	500	500	0
Fund balance at end of year	<u>\$7,321</u>	<u>\$15,497</u>	<u>\$8,176</u>

Beachwood City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
Termination Benefits
For the Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Other financing sources:			
Transfers in	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$0</u>
Total other financing sources	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Excess of revenue and other sources over expenditures and other uses	50,000	50,000	0
Fund balance at beginning of year	<u>160,000</u>	<u>160,000</u>	<u>0</u>
Fund balance at end of year	<u><u>\$210,000</u></u>	<u><u>\$210,000</u></u>	<u><u>\$0</u></u>

Beachwood City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
Athletic Fund
For the Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Extracurricular activities:			
Miscellaneous revenue from local sources	\$70,000	\$64,850	(\$5,150)
Total revenues	70,000	64,850	(5,150)
Expenditures:			
Extracurricular activities			
Contractual services	81,457	77,037	4,420
Supplies	104,962	103,371	1,591
Equipment	17,000	16,521	479
Other	3,183	2,217	966
Total extracurricular activities	206,602	199,146	7,456
Total expenditures	206,602	199,146	7,456
Excess (deficiency) of revenues over expenditures	(136,602)	(134,296)	2,306
Other financing sources:			
Transfers in	130,000	130,000	0
Total other financing sources	130,000	130,000	0
Excess (deficiency) of revenues and other sources over expenditures and other uses	(6,602)	(4,296)	2,306
Fund balance at beginning of year	7,033	7,033	0
Expenditures against prior year's encumbrances	331	331	0
Fund balance at end of year	<u>\$762</u>	<u>\$3,068</u>	<u>\$2,306</u>

Beachwood City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
Auxiliary Services
For the Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Interest	\$2,469	\$2,192	(\$277)
Intergovernmental	162,429	162,429	0
Total revenues	164,898	164,621	(277)
Expenditures:			
Non-instructional services:			
Salaries and wages	2,700	2,606	94
Benefits	1,274	1,085	189
Contractual services	146,797	146,797	0
Supplies	17,377	17,187	190
Equipment	9,214	9,214	0
Total non-instructional services	177,362	176,889	473
Excess (deficiency) of revenues over expenditures	(12,464)	(12,268)	196
Fund balance at beginning of year	12,464	12,464	0
Fund balance at end of year	\$0	\$196	\$196

Beachwood City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
Professional Development Grant
For the Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$12,413	\$12,413	\$0
Total revenues	12,413	12,413	0
Expenditures:			
Instruction:			
Salaries	8,320	3,824	4,496
Benefits	1,190	203	987
Contractual services	2,725	2,725	0
Total instruction	12,235	6,752	5,483
Support services:			
Instructional staff:			
Salaries and wages	178	177	1
Total instructional staff	178	177	1
Total expenditures	12,413	6,929	5,484
Excess (deficiency) of revenues over expenditures	0	5,484	5,484
Fund balance at beginning of year	0	0	0
Fund balance at end of year	<u>\$0</u>	<u>\$5,484</u>	<u>\$5,484</u>

Beachwood City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
Management Information Systems
For the Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$5,000	\$6,251	\$1,251
Total revenues	5,000	6,251	1,251
Expenditures:			
Support:			
Central			
Contractual services	10,000	9,804	196
Total central	10,000	9,804	196
Total expenditures	10,000	9,804	196
Excess (deficiency) of revenues over expenditures	(5,000)	(3,553)	1,447
Fund balance at beginning of year	5,000	5,000	0
Fund balance at end of year	\$0	\$1,447	\$1,447

Beachwood City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
Entry Year Teacher Grant
For the Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$3,000	\$3,000	\$0
Total revenues	3,000	3,000	0
Expenditures:			
Regular Instruction:			
Salaries and wages	12	0	12
Total regular instruction	12	0	12
Total expenditures	12	0	12
Excess of revenues over expenditures	2,988	3,000	12
Fund balance at beginning of year	13	13	0
Fund balance at end of year	\$3,001	\$3,013	\$12

Beachwood City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
Miscellaneous State Grants
For the Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$1,779	\$1,779	\$0
Total revenues	1,779	1,779	0
Expenditures:			
Instruction:			
Salaries	40,000	35,148	4,852
Benefits	10,000	8,174	1,826
Equipment	1,779	0	1,779
Total instruction	51,779	43,322	8,457
Business			
Equipment	1,779	1,469	310
Total business	1,779	1,469	310
Total expenditures	53,558	44,791	8,767
Excess (deficiency) of revenues over expenditures	(51,779)	(43,012)	8,767
Fund balance at beginning of year	51,779	51,779	0
Fund balance at end of year	\$0	\$8,767	\$8,767

Beachwood City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
Title II
For the Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$4,872	\$4,369	(\$503)
Total revenues	4,872	4,369	(503)
Expenditures:			
Support services:			
Instructional Staff			
Salaries and wages	4,010	0	4,010
Total instructional staff	4,010	0	4,010
Non-instructional services			
Supplies	862	0	862
Total non-instructional services	862	0	862
Total expenditures	4,872	0	4,872
Excess (deficiency) of revenues over expenditures	0	4,369	4,369
Fund balance at beginning of year	0	0	0
Fund balance at end of year	<u>\$0</u>	<u>\$4,369</u>	<u>\$4,369</u>

Beachwood City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
Title VI B
For the Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$133,888	\$105,651	(\$28,237)
Total revenues	133,888	105,651	(28,237)
Expenditures:			
Special Instruction			
Salaries and wages	1,632	1,632	0
Contractual services	22,645	22,645	0
Total special instruction	24,277	24,277	0
Support Services:			
Pupils:			
Salaries and wages	67,375	67,375	0
Benefits	9,780	9,780	0
Contractual services	10,161	10,161	0
Total pupils	87,316	87,316	0
Instructional staff:			
Contractual services	2,391	2,391	0
Total instructional staff	2,391	2,391	0
Administration:			
Salaries & wages	13,526	13,526	0
Benefits	6,378	6,378	0
Total administration	19,904	19,904	0
Total expenditures	133,888	133,888	0
Excess (deficiency) of revenues over expenditures	0	(28,237)	(28,237)
Fund balance at beginning of year	0	0	0
Expenditures against prior year's encumbrances	28,237	28,237	0
Fund balance at end of year	\$28,237	\$0	(\$28,237)

Beachwood City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
Title VI
For the Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$9,277	\$9,277	\$0
Total revenues	9,277	9,277	0
Expenditures:			
Instruction:			
Salaries and wages	7,671	7,671	0
Total instruction	7,671	7,671	0
Non-instructional services:			
Supplies	1,606	1	1,605
Total non-instructional services	1,606	1	1,605
Total expenditures	9,277	7,672	1,605
Excess (deficiency) of revenues over expenditures	0	1,605	1,605
Fund balance at beginning of year	1	1	0
Fund balance at end of year	\$1	\$1,606	\$1,605

Beachwood City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
Drug Free Education
For the Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$7,774	\$7,773	(\$1)
Total revenues	7,774	7,773	(1)
Expenditures:			
Instruction:			
Equipment	1,536	1,535	1
Total instruction	1,536	1,535	1
Support services:			
Pupils:			
Salaries & Wages	3,859	3,859	0
Benefits	30	30	0
Contractual services	1,064	1,064	0
Supplies	700	700	0
Total pupils	5,653	5,653	0
Total support services	5,653	5,653	0
Non-instructional services:			
Supplies	1,346	0	1,346
Total non-instructional services	1,346	0	1,346
Total expenditures	8,535	7,188	1,347
Excess (deficiency) of revenues over expenditures	(761)	585	1,346
Fund balance at beginning of year	761	761	0
Fund balance at end of year	\$0	\$1,346	\$1,346

Beachwood City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
Preschool Handicapped Grant
For the Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$9,409	\$9,409	\$0
Total revenues	9,409	9,409	0
Expenditures:			
Support:			
Instructional staff			
Salaries and wages	9,409	9,409	0
Total instructional staff	9,409	9,409	0
Total expenditures	9,409	9,409	0
Excess (deficiency) of revenues over expenditures	0	0	0
Fund balance at beginning of year	0	0	0
Fund balance at end of year	\$0	\$0	\$0

Beachwood City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
E-Rate Telecommunications Grant
For the Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total revenues	0	0	0
Expenditures:			
Support services:			
Central:			
Equipment	14,605	14,605	0
Total expenditures	14,605	14,605	0
Excess (deficiency) of revenues over expenditures	(14,605)	(14,605)	0
Fund balance at beginning of year	14,605	14,605	0
Fund balance (deficit) at end of year	\$0	\$0	\$0

Beachwood City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
Title VI-R
For the Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$11,931	\$11,931	\$0
Total revenues	11,931	11,931	0
Expenditures:			
Instruction:			
Salaries and wages	11,931	11,931	0
Total instruction	11,931	11,931	0
Excess (deficiency) of revenues over expenditures	0	0	0
Fund balance at beginning of year	0	0	0
Fund balance at end of year	\$0	\$0	\$0

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Beachwood City School District

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition or construction of major capital facilities.

Permanent Improvement Fund - to account for all transactions related to the acquiring, constructing, or improving facilities.

Building Fund - to account for the receipts and expenditures related to all special bond funds in the district.

Vocational Equipment Grant - to account for all transactions related to the replacement or updating of equipment essential for the instruction of students in jobs skills.

School Net Plus - a fund to account for monies received by the State of Ohio for the purpose of purchasing computers for k-4 grades.

Beachwood City School District
Combining Balance Sheet
All Capital Projects Funds
June 30, 2001
(With comparative totals for June 30, 2000)

	Permanent Improvement Fund	Building Fund	Vocational Education Equipment Grant
Assets			
Equity in pooled cash and cash equivalents	\$5,438,565	\$6,876	\$221
Receivables:			
Taxes	0	0	0
Interest	34,111	0	0
Total assets	<u>5,472,676</u>	<u>6,876</u>	<u>221</u>
Liabilities			
Accounts Payable	187,996	0	0
Due to other funds	0	0	0
Total liabilities	<u>187,996</u>	<u>0</u>	<u>0</u>
Fund balances:			
Reserved for encumbrances	1,421,949	0	0
Unreserved...undesignated	3,862,731	6,876	221
Total fund balances	<u>5,284,680</u>	<u>6,876</u>	<u>221</u>
Total liabilities and fund balances	<u>\$5,472,676</u>	<u>\$6,876</u>	<u>\$221</u>

School Net Plus	Totals	
	2001	2000
\$15,727	\$5,461,389	\$6,259,900
0	0	0
0	34,111	0
<u>15,727</u>	<u>5,495,500</u>	<u>6,259,900</u>
0	187,996	0
0	0	310,000
0	187,996	310,000
0	1,421,949	182,595
15,727	3,885,555	5,767,305
<u>15,727</u>	<u>5,307,504</u>	<u>5,949,900</u>
<u>\$15,727</u>	<u>\$5,495,500</u>	<u>\$6,259,900</u>

Beachwood City School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
All Capital Projects Funds
For The Year Ended June 30, 2001
(With comparative totals for June 30, 2000)

	Permanent Improvement Fund	Building Fund	Vocational Education Grant	School Net Plus
Revenues:				
Taxes	\$0	\$0	\$0	\$0
Interest	334,519	381	0	0
Intergovernmental	77,014	0	1,349	46,500
Miscellaneous revenue from local sources	0	0	0	0
Total revenues	411,533	381	1,349	46,500
Expenditures:				
Current:				
Instruction:	0	0	0	0
Support services:				
Operation and maintenance of plant	0	0	0	0
Pupil transportation	125,596	0	0	0
Central	58,345	0	0	32,411
Non-instructional	0	0	1,129	0
Extracurricular activities	7,260	0	0	0
Capital Outlay	877,418	0	0	0
Total expenditures	1,068,619	0	1,129	32,411
Excess (deficiency) of revenues over expenditures	(657,086)	381	220	14,089
Other financing sources (uses):				
Proceeds from sale of bonds & notes	0	0	0	0
Total other financing sources (uses)	0	0	0	0
Excess (deficiency) of revenues and other sources over expenditures and other uses	(657,086)	381	220	14,089
Fund balance / deficit beginning of year	5,941,766	6,495	1	1,638
Fund balance / deficit end of year	\$5,284,680	\$6,876	\$221	\$15,727

(continued)

Totals	
2001	2000
\$0	\$133,513
334,900	13,744
124,863	184,644
0	0
459,763	331,901
0	18,000
0	0
125,596	127,568
90,756	44,305
1,129	0
7,260	0
877,418	801,860
1,102,159	991,733
(642,396)	(659,832)
0	6,127,000
0	6,127,000
(642,396)	5,467,168
5,949,900	482,732
\$5,307,504	\$5,949,900
(continued)	

Beachwood City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Interest	320,000	300,408	(19,592)
Intergovernmental	76,500	77,014	514
Total revenue	<u>396,500</u>	<u>377,422</u>	<u>(19,078)</u>
Expenditures:			
Pupil transportation:			
Equipment	126,680	125,597	1,083
Total pupil transportation	<u>126,680</u>	<u>125,597</u>	<u>1,083</u>
Central			
Equipment	60,000	58,344	1,656
Total central	<u>60,000</u>	<u>58,344</u>	<u>1,656</u>
Extra-Curricular			
Equipment	10,000	7,260	2,740
Total extra-curricular	<u>10,000</u>	<u>7,260</u>	<u>2,740</u>
Total support services	<u>196,680</u>	<u>191,201</u>	<u>5,479</u>
Capital outlay:			
Equipment	3,402,120	2,299,367	1,102,753
Total capital outlay	<u>3,402,120</u>	<u>2,299,367</u>	<u>1,102,753</u>
Total expenditures	<u>3,598,800</u>	<u>2,490,568</u>	<u>1,108,232</u>
Excess (deficiency) of revenues over expenditures	(3,202,300)	(2,113,146)	1,089,154
Other financing uses:			
Advances/Transfers out	(310,000)	(310,000)	0
Total other financing uses	<u>(310,000)</u>	<u>(310,000)</u>	<u>0</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(3,512,300)	(2,423,146)	1,089,154
Fund balance at beginning of year	6,069,170	6,069,170	0
Expenditures against prior year's encumbrances	<u>182,595</u>	<u>182,595</u>	<u>0</u>
Fund balance at end of year	<u><u>\$2,739,465</u></u>	<u><u>\$3,828,619</u></u>	<u><u>\$1,089,154</u></u>

Beachwood City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
Building Fund
For the Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Interest	\$400	\$380	(\$20)
Total revenue	400	380	(20)
Expenditures:			
Capital outlay:			
Equipment	6,430	0	6,430
Total capital outlay	6,430	0	6,430
Total expenditures	6,430	0	6,430
Excess (deficiency) of revenues over expenditures	(6,030)	380	6,410
Fund balance at beginning of year	6,496	6,496	0
Fund balance at end of year	\$466	\$6,876	\$6,410

Beachwood City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
Vocational Equipment Grant
For the Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$1,349	\$1,349	\$0
Total revenue	1,349	1,349	0
Expenditures:			
Non-instructional services:			
Equipment	1,349	1,129	220
Total non-instructional services	1,349	1,129	220
Total expenditures	1,349	1,129	220
Excess (deficiency) of revenues over expenditures	0	220	220
Other financing sources (uses):			
Advances/transfers in	0	0	0
Advances/transfers out	0	0	0
Total other financing sources (uses)	0	0	0
Excess (deficiency) of revenues and other sources over expenditures and other uses	0	220	220
Fund balance at beginning of year	1	1	0
Fund balance at end of year	<u>\$1</u>	<u>\$221</u>	<u>\$220</u>

Beachwood City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
School Net Plus
For the Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$46,150	\$46,500	\$350
Total revenue	46,150	46,500	350
Expenditures:			
Central:			
Contractual services	2,492	2,492	0
Supplies	4,000	1,387	2,613
Equipment	28,546	28,532	14
Total central	35,038	32,411	2,627
Total expenditures	35,038	32,411	2,627
Excess (deficiency) of revenues over expenditures	11,112	14,089	2,977
Fund balance at beginning of year	1,638	1,638	0
Fund balance at end of year	\$12,750	\$15,727	\$2,977

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Beachwood City School District

ENTERPRISE FUNDS

Enterprise Funds are established to account for operations that are financed and operated in a manner similar to private sector businesses where the intent is that the expense (including depreciation) of providing goods or services to the general public is financed or recovered primarily through user charges.

Food Service - this fund accounts for the provision of food service to the District.

Uniform School Supplies - this fund accounts for the purchase of necessary supplies, materials or other school related items above those items provided for general instruction, paid for by students.

Adult Education - this fund accounts for the provision of adult education classes to the District.

Recreation - this fund accounts for monies received and expended in connection with a community recreation program.

Preschool - this fund accounts for the provision of full and half-day services to children ages 3-5.

Beachwood City School District
Combining Balance Sheet
All Enterprise Funds
June 30, 2001
(With comparative totals for June 30, 2000)

	Food Service	Uniform School Supplies	Adult Education	Recreation
Assets				
Current assets:				
Equity in pooled cash and cash equivalents	\$9,266	\$1,493	\$6,372	\$96,721
Receivables - accounts	3,920	0	0	7,500
Due from other governments	0	0	0	0
Material and supplies inventory	3,156	0	0	0
Total current assets	<u>16,342</u>	<u>1,493</u>	<u>6,372</u>	<u>104,221</u>
Fixed assets (net of accumulated depreciation)	14,749	0	0	337
Total assets	<u><u>31,091</u></u>	<u><u>1,493</u></u>	<u><u>6,372</u></u>	<u><u>104,558</u></u>
Liabilities				
Liabilities:				
Accounts payable	496	0	0	682
Accrued wages and benefits	78,147	0	0	0
Due to other funds	0	0	0	0
Deferred revenue: other	421	0	0	0
Total liabilities	<u>79,064</u>	<u>0</u>	<u>0</u>	<u>682</u>
Fund equity (deficit)				
Contributed capital	35,200	0	0	0
Retained earnings (deficit):				
Unreserved	(83,173)	1,493	6,372	103,876
Total fund equity (deficit)	<u>(47,973)</u>	<u>1,493</u>	<u>6,372</u>	<u>103,876</u>
Total liabilities and fund equity	<u><u>\$31,091</u></u>	<u><u>\$1,493</u></u>	<u><u>\$6,372</u></u>	<u><u>\$104,558</u></u>

Preschool	Totals	
	2001	2000
\$20,614	\$134,466	\$113,959
217	11,637	0
0	0	0
0	3,156	4,801
<u>20,831</u>	<u>149,259</u>	<u>118,760</u>
2,133	17,219	9,018
<u>22,964</u>	<u>166,478</u>	<u>127,778</u>
26	1,204	547
42,773	120,920	134,842
25,000	25,000	4,620
0	421	349
<u>67,799</u>	<u>147,545</u>	<u>140,358</u>
0	35,200	35,200
<u>(44,835)</u>	<u>(16,267)</u>	<u>(47,780)</u>
<u>(44,835)</u>	<u>18,933</u>	<u>(12,580)</u>
<u>\$22,964</u>	<u>\$166,478</u>	<u>\$127,778</u>

Beachwood City School District
Combining Statement of Revenues, Expenses and Changes in Retained Earnings
All Enterprise Funds
For The Year Ended June 30, 2001
(With comparative totals for June 30, 2000)

	Food Service	Uniform School Supplies	Adult Education	Recreation
Operating revenues:				
Tuition and fees	\$0	\$0	\$0	\$0
Sales	334,443	0	0	0
Charges for services	0	0	4,845	118,087
Other	0	0	0	7,500
Total operating revenues	334,443	0	4,845	125,587
Operating expenses:				
Salaries and wages	227,643	0	0	53,597
Fringe benefits	106,681	0	0	10,101
Contractual services	8,608	0	7,951	29,505
Materials and supplies	215,000	0	1,429	9,271
Other expenses	0	0	0	2,311
Depreciation expense	3,337	0	0	38
Total operating expenses	561,269	0	9,380	104,823
Operating income (loss)	(226,826)	0	(4,535)	20,764
Non-operating revenues:				
Interest	656	0	0	0
Operating grants	25,746	0	0	0
Total non-operating revenues	26,402	0	0	0
Net income (loss) before operating transfers	(200,424)	0	(4,535)	20,764
Operating transfers in	205,000	0	0	10,000
Net operating transfers	205,000	0	0	10,000
Net income (loss)	4,576	0	(4,535)	30,764
Retained earnings (deficit) at beginning of year	(87,749)	1,493	10,907	73,112
Retained earnings (deficit) at end of year	(\$83,173)	\$1,493	\$6,372	\$103,876

Preschool	Totals	
	2001	2000
\$366,868	\$366,868	\$425,644
0	334,443	340,550
	122,932	136,681
0	7,500	809
<u>366,868</u>	<u>831,743</u>	<u>903,684</u>
215,230	496,470	539,231
90,287	207,069	197,627
44,308	90,372	73,294
14,423	240,123	227,783
1,605	3,916	4,340
307	3,682	3,141
<u>366,160</u>	<u>1,041,632</u>	<u>1,045,416</u>
708	(209,889)	(141,732)
0	656	739
0	25,746	27,078
<u>0</u>	<u>26,402</u>	<u>27,817</u>
708	(183,487)	(113,915)
0	215,000	105,000
0	215,000	105,000
708	31,513	(8,915)
<u>(45,543)</u>	<u>(47,780)</u>	<u>(38,865)</u>
<u>(\$44,835)</u>	<u>(\$16,267)</u>	<u>(\$47,780)</u>

Beachwood City School District
Combining Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2001
(With comparative totals for June 30, 2000)

	Food Service	Uniform School Supplies	Adult Education	Recreation
Cash flows from operating activities:				
Operating Income (loss)	(\$226,826)	\$0	(\$4,535)	\$20,764
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	3,337	0	0	38
Change in assets and liabilities				
(Increase) Decrease in accounts receivable	(3,920)	0	0	(7,500)
(Increase) Decrease in due from other governments	0	0	0	0
(Increase) Decrease in inventory	1,645	0	0	0
Increase (Decrease) in accounts payable	496	0	0	646
Increase (Decrease) in accrued wages & benefits pay	8,525	0	0	0
Increase (Decrease) in due to other funds	0	0	0	(4,620)
Increase (Decrease) in deferred revenue	72	0	0	0
Total adjustments	10,155	0	0	(11,436)
Net cash provided by (used in) operating activities	(216,671)	0	(4,535)	9,328
Cash flows provided by noncapital financing activities:				
Interest	656	0	0	0
Operating grants received	25,746	0	0	0
Operating transfers in	205,000	0	0	10,000
Net cash provided by noncapital financing activities	231,402	0	0	10,000
Cash flows used in capital and related financing activities:				
Acquisition and construction of capital assets	(10,115)	0	0	(375)
Net cash used in capital and related financing activities	(10,115)	0	0	(375)
Net increase in cash and cash equivalents	4,616	0	(4,535)	18,953
Cash and cash equivalents at beginning of year	4,650	1,493	10,907	77,768
Cash and cash equivalents at end of year	\$9,266	\$1,493	\$6,372	\$96,721

Preschool	Totals	
	2001	2000
\$708	(\$209,889)	(\$141,732)
307	3,682	3,141
(217)	(11,637)	1,050
0	0	4,240
0	1,645	(92)
(485)	657	390
(22,447)	(13,922)	10,548
25,000	20,380	3,998
0	72	(847)
<u>2,158</u>	<u>877</u>	<u>22,428</u>
<u>2,866</u>	<u>(209,012)</u>	<u>(119,304)</u>
0	656	739
0	25,746	27,078
0	215,000	105,000
<u>0</u>	<u>241,402</u>	<u>132,817</u>
<u>(1,393)</u>	<u>(11,883)</u>	<u>(4,466)</u>
<u>(1,393)</u>	<u>(11,883)</u>	<u>(4,466)</u>
<u>1,473</u>	<u>20,507</u>	<u>9,047</u>
<u>19,141</u>	<u>113,959</u>	<u>104,912</u>
<u>\$20,614</u>	<u>\$134,466</u>	<u>\$113,959</u>

Beachwood City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
Food Service
For the Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues:			
Sales	\$366,600	\$330,522	(\$36,078)
Total operating revenues	366,600	330,522	(36,078)
Operating expenses:			
Food service operations			
Salaries and wages	226,028	221,481	4,547
Benefits	111,965	104,317	7,648
Contractual services	12,351	8,703	3,648
Supplies	231,933	212,787	19,146
Equipment	10,615	10,115	500
Total food service operations	592,892	557,403	35,489
Total operating expenses	592,892	557,403	35,489
Operating income (loss)	(226,292)	(226,881)	(589)
Non-operating revenues :			
Miscellaneous revenue from local sources	1,000	656	(344)
Federal and state subsidies	31,200	25,745	(5,455)
Total non-operating revenues	32,200	26,401	(5,799)
Excess of revenue and other financing sources over (under) expenses and other financing uses	(194,092)	(200,480)	(6,388)
Operating transfers in	200,000	205,000	5,000
Total operating transfers	200,000	205,000	5,000
Excess of revenue over (under) expenses, advances and transfers	5,908	4,520	(1,388)
Fund equity at beginning of year	850	850	0
Prior year encumbrances appropriated	3,800	3,800	0
Fund equity at end of year	<u>\$10,558</u>	<u>\$9,170</u>	<u>(\$1,388)</u>

Beachwood City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
Uniform School Supplies
For the Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operating revenues:			
Sales	\$0	\$0	\$0
Total operating revenues	0	0	0
Operating expenses:			
Salaries and wages			
Fringe benefits	0	0	0
Total operating expenses	0	0	0
Excess of revenue and other financing sources over (under) expenses and other financing uses	0	0	0
Fund equity at beginning of year	1,492	1,492	0
Fund equity at end of year	\$1,492	\$1,492	\$0

Beachwood City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
Adult Education
For the Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operating revenues:			
Charges for services	\$8,300	\$4,845	(\$3,455)
Total operating revenues	8,300	4,845	(3,455)
Operating expenditures:			
Contractual services	8,050	8,023	27
Supplies	2,700	1,524	1,176
Equipment	500	0	500
Total operating expenses	11,250	9,547	1,703
Operating income (loss)	(2,950)	(4,702)	(1,752)
Non-operating revenues :			
Federal and state subsidies	861	0	(861)
Total non-operating revenues	861	0	(861)
Excess of revenue over (under) expenses, advances and transfers	(2,089)	(4,702)	(2,613)
Fund equity at beginning of year	10,907	10,907	0
Fund equity at end of year	<u>\$8,818</u>	<u>\$6,205</u>	<u>(\$2,613)</u>

Beachwood City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
Recreation
For the Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operating revenues:			
Charges for services	\$124,175	\$118,087	(\$6,088)
Total operating revenues	124,175	118,087	(6,088)
Operating expenditures:			
Salaries and wages	80,891	53,598	27,293
Fringe Benefits	13,492	10,100	3,392
Contractual services	45,591	30,248	15,343
Supplies	11,456	9,486	1,970
Other	2,975	2,686	289
Total operating expenditures	154,405	106,118	48,287
Excess (deficiency) of revenues over expenditures	(30,230)	11,969	42,199
Non-operating revenues :			
Transfers in	8,000	10,000	2,000
Advances out	(4,620)	(4,620)	\$0
Total non-operating revenues	3,380	5,380	2,000
Excess of revenues and other over expenses other	(26,850)	17,349	44,199
Fund equity at beginning of year	77,616	77,616	0
Prior year encumbrances appropriated	151	151	0
Fund equity at end of year	<u>\$50,917</u>	<u>\$95,116</u>	<u>\$44,199</u>

Beachwood City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
Preschool
For the Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues:			
Tuition & fees	\$447,750	\$366,652	(\$81,098)
Total operating revenues	447,750	366,652	(81,098)
Operating expenses:			
Instruction:			
Salaries and wages	285,271	224,277	60,994
Benefits	113,746	103,687	10,059
Contractual services	46,969	45,757	1,212
Supplies	20,650	16,195	4,455
Equipment	3,443	2,998	445
Total instruction	470,079	392,914	77,165
Total expenditures	470,079	392,914	77,165
Operating income (loss)	(22,329)	(26,262)	(3,933)
Non-operating revenues :			
Advances in	25,000	25,000	0
Total advances in	25,000	25,000	0
Excess of revenue over (under) expenses, advances and transfers	2,671	(1,262)	(3,933)
Fund equity at beginning of year	16,864	16,864	0
Prior year encumbrances appropriated	2,277	2,277	0
Fund equity at end of year	<u>\$21,812</u>	<u>\$17,879</u>	<u>(\$3,933)</u>

Beachwood City School District

INTERNAL SERVICE FUNDS

Internal Service Funds are 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.

Consortium Funds - to account for vocational training programs, programs for the multi-handicapped and educating deaf and hearing-impaired children.

Self Insurance Fund - to account for receipt and expenditure of funds for vision claims for employees.

Beachwood City School District
Combining Balance Sheet
All Internal Services Funds
June 30, 2001
(With comparative totals for June 30, 2000)

	Consortium Funds	Self Insurance Fund	Totals	
			2001	2000
Assets				
Current assets:				
Equity in pooled cash and cash equivalents	\$1,241,621	\$193,025	\$1,434,646	\$790,283
Accounts receivable	604	0	604	1,453
Due from other funds	956	0	956	249,612
Due from other governments	101,302	0	101,302	427,432
Total current assets	1,344,483	193,025	1,537,508	1,468,780
Fixed assets, (net of accumulated depreciation)	40,747	0	40,747	30,798
Total assets	1,385,230	193,025	1,578,255	1,499,578
Liabilities				
Liabilities:				
Accounts payable	897	0	897	417
Accrued wages and benefits	709,296	0	709,296	775,136
Due to other funds	558,890	0	558,890	427,376
Due to other governments	0	0	0	0
Total liabilities	1,269,083	0	1,269,083	1,202,929
Fund equity				
Contributed capital	1,905	0	1,905	1,905
Retained earnings: unreserved	114,242	193,025	307,267	294,744
Total fund equity	116,147	193,025	309,172	296,649
Total liabilities and fund equity	\$1,385,230	\$193,025	\$1,578,255	\$1,499,578

Beachwood City School District
Combining Statement of Revenues, Expenses and Changes in Retained Earnings
All Internal Service Funds
For The Year Ended June 30, 2001
(With comparative totals for June 30, 2000)

	Consortium Funds	Self Insurance Fund	Totals	
			2001	2000
Operating revenues:				
Tuition and fees	\$2,165,512	\$0	\$2,165,512	\$2,029,927
Charges for services	70,637	0	70,637	75,825
Other	147,156	60,000	207,156	206,348
Total operating revenues	2,383,305	60,000	2,443,305	2,312,100
Operating expenses:				
Salaries and wages	1,746,007	0	1,746,007	2,002,326
Fringe benefits	649,644	0	649,644	662,545
Contractual services	677,190	0	677,190	316,871
Materials and supplies	183,642	0	183,642	159,956
Other expenses	15,260	69,261	84,521	86,394
Depreciation expenses	12,638	0	12,638	15,130
Total operating expenses	3,284,381	69,261	3,353,642	3,243,222
Operating loss	(901,076)	(9,261)	(910,337)	(931,122)
Non-operating revenues:				
Operating grants	866,940	0	866,940	885,301
Total non-operating revenues	866,940	0	866,940	885,301
Net income (loss) before operating transfers	(34,136)	(9,261)	(43,397)	(45,821)
Operating transfers in	55,920	0	55,920	36,371
Net operating transfers	55,920	0	55,920	36,371
Net income (loss)	21,784	(9,261)	12,523	(9,450)
Retained earnings/deficit at beginning of year	92,458	202,286	294,744	304,194
Retained earnings at end of year	\$114,242	\$193,025	\$307,267	\$294,744

Beachwood City School District
Combining Statement of Cash Flows
All Internal Service Funds
For the Year Ended June 30, 2001
(With comparative totals for June 30, 2000)

	Consortium Funds	Self Insurance Fund	Totals	
			2001	2000
Cash flows from operating activities:				
Operating income (loss)	(\$901,076)	(\$9,261)	(\$910,337)	(\$930,900)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation	12,638	0	12,638	14,908
Change in assets and liabilities				
(Increase) decrease in accounts receivable	849	0	849	(1,368)
(Increase) decrease in due from other funds	248,656	0	248,656	(100,801)
(Increase) decrease in due from other governments	326,130	0	326,130	(173,383)
Increase (decrease) in accounts payable	480	0	480	416
Increase (decrease) in accrued wages & benefits pay	(65,840)	0	(65,840)	4,515
Increase (decrease) in due to other funds	131,514	0	131,514	131,956
Total adjustments	654,427	0	654,427	(123,757)
Net cash provided by (used in) operating activities	(246,649)	(9,261)	(255,910)	(1,054,657)
Cash flows provided by (used in) noncapital financing activities:				
Operating grants received	866,940	0	866,940	885,301
Operating transfers in	55,920	0	55,920	36,371
Net cash provided by (used in)noncapital financing	922,860	0	922,860	921,672
Cash flows used in capital and related financing activities:				
Acquisition and construction of capital assets	(22,587)	0	(22,587)	(8,535)
Net cash used in capital and related financing activities	(22,587)	0	(22,587)	(8,535)
Net increase (decrease) in cash and cash equivalents	653,624	(9,261)	644,363	(141,520)
Cash and cash equivalents at beginning of year	587,997	202,286	790,283	931,803
Cash and cash equivalents at end of year	\$1,241,621	\$193,025	\$1,434,646	\$790,283

Beachwood City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
Consortium Funds
For the Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Tuition	\$2,594,395	\$2,740,295	\$145,900
Charges for services	133,380	132,755	(625)
Miscellaneous revenue from local sources	100,980	85,888	(15,092)
Total revenues	2,828,755	2,958,938	130,183
Operating expenses:			
Special Instruction:			
Salaries and wages	1,817,467	1,809,030	8,437
Benefits	660,179	652,466	7,713
Contractual services services	291,830	236,239	55,591
Supplies	199,065	184,924	14,141
Equipment	44,212	36,403	7,809
Other	1,500	1,438	62
Total instruction	3,014,253	2,920,500	93,753
Total operating expenses	3,014,253	2,920,500	93,753
Operating income (loss)	(185,498)	38,438	223,936
Non-operating revenues and expenses			
Federal and state subsidies	801,635	866,941	65,306
Total non-operating revenues and expenses	801,635	866,941	65,306
Excess of revenues and other over expenses and other	616,137	905,379	289,242
Operating transfers in	47,624	55,920	8,296
Advances out	(311,500)	(311,500)	0
Total transfers/advances	(263,876)	(255,580)	8,296
Excess of revenue over (under) expenses, advances and transfers	352,261	649,799	297,538
Fund equity at beginning of year	580,639	580,639	0
Prior year encumbrances appropriated	7,360	7,360	0
Fund balance at end of year	\$940,260	\$1,237,798	\$297,538

Beachwood City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual
Self Insurance Fund
For the Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operating revenues:			
Miscellaneous revenue from local sources	\$60,000	\$60,000	\$0
Total operating revenues	60,000	60,000	0
Operating expenses:			
Fiscal:			
Other	72,000	\$69,261	2,739
Total fiscal	72,000	69,261	2,739
Total operating expenses	72,000	69,261	2,739
Excess of revenue over (under) expenses, advances and transfers	(12,000)	(9,261)	2,739
Fund equity at beginning of year	202,287	202,287	0
Fund equity at end of year	\$190,287	\$193,026	\$2,739

Beachwood City School District

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 trustee or agency relationship.

Expendable Trust Fund:

Scholarship/Unclaimed Funds - 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.

Agency Funds:

Student Activities - this fund accounts for 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 School District
Combining Balance Sheet
All Expendable Trust and Agency Funds
June 30, 2001
(With comparative totals for June 30, 2000)

	Expendable Trust	Agency	
		Student Activities	Retirement
Assets			
Equity in pooled cash and cash equivalents	\$20,167	\$51,661	\$346,957
Total assets	<u>20,167</u>	<u>51,661</u>	<u>346,957</u>
Liabilities			
Accrued wages and benefits	0	0	346,957
Due to students	0	51,661	0
Due to other	10,936	0	0
Total liabilities	<u>10,936</u>	<u>51,661</u>	<u>346,957</u>
Fund equity			
Fund balances:			
Unreserved...undesignated	9,231	0	0
Total fund equity	<u>9,231</u>	<u>0</u>	<u>0</u>
Total liabilities and fund equity	<u>\$20,167</u>	<u>\$51,661</u>	<u>\$346,957</u>

Totals	
2001	2000
\$418,785	\$299,767
<u>418,785</u>	<u>299,767</u>
346,957	244,611
51,661	36,343
10,936	8,773
<u>409,554</u>	<u>289,727</u>
9,231	10,040
<u>9,231</u>	<u>10,040</u>
<u>\$418,785</u>	<u>\$299,767</u>

Beachwood City School District
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For The Year Ended June 30, 2001

	Begin Balance July 1, 2000	Additions	Deductions	Ending Balance June 30, 2001
Student Activities Fund				
Assets				
Equity in pooled cash and cash equivalents	\$36,343	\$83,204	\$67,886	\$51,661
Total assets	<u>36,343</u>	<u>83,204</u>	<u>67,886</u>	<u>51,661</u>
Liabilities				
Due to students	36,343	83,204	67,886	51,661
Total liabilities	<u>\$36,343</u>	<u>\$83,204</u>	<u>\$67,886</u>	<u>\$51,661</u>
Retirement Fund				
Assets				
Equity in pooled cash and cash equivalents	\$244,611	\$2,623,794	\$2,521,448	\$346,957
Total assets	<u>244,611</u>	<u>2,623,794</u>	<u>2,521,448</u>	<u>346,957</u>
Liabilities				
Accrued wages/benefits	244,611	2,623,794	2,521,448	346,957
Total liabilities	<u>\$244,611</u>	<u>\$2,623,794</u>	<u>\$2,521,448</u>	<u>\$346,957</u>

Beachwood City School District
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2001

	Beginning Balance <u>July 1, 2000</u>	<u>Additions</u>	<u>Deductions</u>	Ending Balance <u>June 30, 2001</u>
<hr/>				
Total Agency Funds				
<hr/>				
Assets				
Equity in pooled cash and cash equivalents	\$280,954	\$2,706,998	\$2,589,334	\$398,618
	<u>280,954</u>	<u>2,706,998</u>	<u>2,589,334</u>	<u>398,618</u>
Total assets	<u><u>280,954</u></u>	<u><u>2,706,998</u></u>	<u><u>2,589,334</u></u>	<u><u>398,618</u></u>
Liabilities				
Accrued wages and benefits	244,611	2,623,794	2,521,448	346,957
Due to students	36,343	83,204	67,886	51,661
	<u>280,954</u>	<u>2,706,998</u>	<u>2,589,334</u>	<u>398,618</u>
Total liabilities	<u><u>280,954</u></u>	<u><u>2,706,998</u></u>	<u><u>2,589,334</u></u>	<u><u>398,618</u></u>

Beachwood City School District

GENERAL FIXED ASSETS ACCOUNT GROUP

The group of accounts is used to account for all sites, buildings, equipment and vehicles not used in the operation of the Proprietary Funds.

**Beachwood City School District
Schedule of General Fixed Assets
By Function and Type
For the Year Ended June 30, 2001**

Function	Total	Land and Improvements	Buildings	Furniture and Equipment	Vehicles
Instruction	\$22,695,093	\$2,106,615	\$18,129,114	\$2,459,364	\$0
Support Services:					
Administration/Fiscal	661,157	125,384	217,836	317,937	0
Operation and Maintenance of Plant Services	895,537	21,308	383,787	286,477	203,965
Pupil Transportation	1,711,618	0	248,372	33,467	1,429,779
Extracurricular Activities	553,242	82,747	326,464	120,699	23,332
Total General Fixed Assets	<u>\$26,516,647</u>	<u>\$2,336,054</u>	<u>\$19,305,573</u>	<u>\$3,217,944</u>	<u>\$1,657,076</u>

Beachwood City School District
Schedule of Changes in General Fixed Assets
By Function
For the Year Ended June 30, 2001

<u>Function</u>	General Fixed Assets For the Fiscal Year Ended June 30, 2000	<u>Increases</u>	<u>Decreases</u>	General Fixed Assets For the Fiscal Year Ended June 30, 2001
Instruction	\$22,221,159	\$703,186	(\$229,252)	\$22,695,093
Support Services:				
Administration/Fiscal	706,837	2,439	(48,119)	661,157
Operation and Maintenance of Plant Services	898,623	1,841	(4,927)	895,537
Pupil Transportation	1,549,208	287,882	(125,472)	1,711,618
Extracurricular Activities	<u>536,854</u>	<u>18,078</u>	<u>(1,690)</u>	<u>553,242</u>
Total General Fixed Assets	<u>\$25,912,681</u>	<u>\$1,013,426</u>	<u>(\$409,460)</u>	<u>\$26,516,647</u>

**Beachwood City School District
Schedule of General Fixed Assets
By Source
As of June 30, 2001**

General Fixed Assets:

Land and Improvements	\$2,336,054
Buildings	19,305,573
Furniture and Equipment	3,217,944
Vehicles	1,657,076

Total General Fixed Assets	\$26,516,647

Investments in General Fixed Assets from
Acquisitions/Adjustments since July 1, 1992

General Fund	\$1,224,960
Capital Projects Fund	14,341,743
Special Revenue Funds	214,115

	15,780,818
Acquisitions Prior to July 1, 1992	10,735,829
Total Investment in General Fixed Assets	\$26,516,647

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Beachwood City School District
General Fund - Expenditures and Other Financing Uses by Function
Last Ten Years

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Instruction	\$12,480,877	\$11,028,622	\$10,302,192	\$9,794,051	\$9,114,562	\$8,548,145	\$8,275,956	\$8,589,274	\$7,843,353	\$6,989,021
Support Services:										
Pupil	1,427,985	1,256,974	1,230,135	1,330,343	1,329,622	1,293,108	1,217,709	1,100,746	1,041,070	928,753
Instructional Staff	1,047,790	978,753	854,324	850,369	837,004	855,671	910,788	872,694	797,387	730,435
Board of Education	373,165	592,182	286,573	231,410	223,210	185,668	180,974	191,282	128,037	157,782
Administration	2,309,469	2,009,038	2,020,920	1,772,108	1,655,143	1,803,786	1,584,261	1,693,882	1,465,961	1,430,488
Fiscal	673,265	703,634	654,159	598,323	608,885	577,656	526,617	572,621	478,522	468,180
Business	604,000	595,903	470,691	490,540	451,768	467,578	412,006	402,815	387,269	343,780
Operation and										
Maintenance of Plant	3,479,271	3,141,249	2,861,431	2,549,054	2,583,308	2,583,644	2,540,382	2,635,284	2,310,350	2,109,182
Pupil Transportation	1,468,315	1,203,800	1,185,776	1,123,682	1,134,748	1,162,692	1,116,312	1,082,296	981,066	861,336
Central	841,294	726,553	499,374	389,466	348,814	383,737	288,822	179,310	154,128	102,044
Non-instructional	0	0	0	7,847	0	6,317	6,154	4,416	4,253	16,503
Extracurricular Activities	439,146	360,081	322,261	313,744	279,267	262,049	249,025	244,101	210,727	188,421
Capital Outlay	0	0	0	0	0	0	0	0	0	0
Non-Programmed Charges	0	0	0	0	0	0	0	0	0	0
Expenditures and Other Uses (1)	450,920	331,371	282,773	198,600	188,578	379,208	473,756	452,831	329,397	185,271
Total	\$25,595,497	\$22,928,160	\$20,970,609	\$19,649,537	\$18,754,909	\$18,509,279	\$17,782,762	\$18,021,552	\$16,131,520	\$14,511,196

Source: School District Financial Records

(1) General Fund sums transferred to Capital Projects Fund: 1996, \$200,000; 1995, \$250,000; 1994, \$250,000; 1993, \$150,000.

Beachwood City School District
General Fund - Revenues and Other Financing Sources by Source
Last Ten Years

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Taxes	\$20,975,640	\$18,784,502	\$18,579,347	\$17,540,448	\$16,809,907	\$16,175,106	\$15,183,032	\$16,209,847	\$13,831,557	\$12,024,223
Tuition and Fees	689,572	184,932	119,779	271,174	319,637	110,543	165,486	40,176	48,631	55,874
Interest	530,938	485,893	450,823	431,244	291,216	255,758	232,090	100,508	112,301	161,119
Inc/(Dec) in fair market value of investments	10,444	(5,892)	(16,489)	2,420	0	0	0	0	0	0
Intergovernmental	2,766,640	2,609,534	2,450,867	2,360,848	2,274,894	2,162,270	2,098,907	2,221,280	2,033,864	1,700,878
Extracurricular Activities	0	0	0	0	0	0	0	0	0	0
Charges for Services	0	0	0	0	0	0	0	0	0	0
Rentals	0	0	0	0	0	0	0	0	0	0
Miscellaneous Revenue from Local Sources	176,644	58,766	62,476	91,398	269,038	87,607	200,496	102,446	90,518	155,084
Revenues and Other Financing Sources	3,140	2,203	50,535	145,878	0	0	7,251	0	0	0
Total	\$25,153,018	\$22,119,938	\$21,697,338	\$20,843,410	\$19,964,692	\$18,791,284	\$17,887,262	\$18,674,257	\$16,116,871	\$14,097,178

Source: School District Financial Records

**Beachwood City School District
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
2000/2001	\$24,043,459	\$1,313,444	\$25,356,903	\$22,496,799	93.57%	\$1,468,741	\$23,965,540	99.7%
1999/2000	23,369,923	1,153,949	24,523,872	22,756,093	97.37%	662,490	23,418,583	100.2%
1998/1999	22,044,802	1,163,401	23,208,203	21,118,474	95.80%	752,386	21,870,860	99.2%
1997/1998	20,900,491	1,244,733	22,145,224	19,998,904	95.69%	599,164	20,598,068	98.6%
1996/1997	18,596,070	1,236,807	19,832,877	18,100,987	97.3%	643,217	18,744,204	100.8%
1995/1996	18,267,474	1,140,768	19,408,242	17,099,591	93.6%	390,735	17,490,326	95.7%
1994/1995	18,149,911	2,792,237	20,942,148	17,211,067	94.8%	1,681,481	18,892,548	104.1%
1992/1993	18,006,639	2,070,850	20,077,489	16,672,050	92.6%	609,010	17,281,060	96.0%
1991/1992	14,594,314	1,644,135	16,238,449	14,056,328	96.3%	322,501	14,378,829	98.5%
1990/1991	13,633,583	1,163,811	14,797,394	12,943,562	94.9%	320,040	13,263,602	97.3%

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
Assessed and Estimated Actual Value of Taxable Property
Last Ten Calendar Years

Tax Year/ Collection Year	Agricultural And Residential Real Estate	Other Real Estate	Public Utility Personal	Tangible Personal	Total Assessed Valuation	Estimated Actual Value	Ratio
2000/2001	\$287,492,690	\$322,746,760	\$14,601,620	\$73,392,504	\$698,233,574	\$2,053,704,052	34%
1999/2000	263,927,060	275,087,650	18,279,300	68,012,471	625,306,481	1,832,863,845	34%
1998/1999	261,109,480	265,821,240	20,322,810	64,860,358	612,113,888	1,788,051,877	34%
1997/1998	259,144,980	247,799,030	18,944,410	53,657,332	579,545,752	1,684,568,605	34%
1996/1997	242,577,970	225,986,570	20,025,830	48,897,801	537,488,171	1,557,103,600	35%
1995/1996	242,188,780	213,121,340	18,884,910	43,496,246	517,691,276	1,479,117,931	35%
1994/1995	243,276,140	210,328,890	20,133,470	43,939,322	517,677,822	1,479,079,491	35%
1993/1994	212,269,710	209,013,530	19,562,430	43,053,298	483,898,968	1,382,568,480	35%
1992/1993	210,664,810	211,296,390	17,290,890	39,862,696	479,114,786	1,384,702,951	35%
1991/1992	207,158,010	197,817,060	17,536,660	40,193,900	462,705,630	1,370,888,517	34%

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

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
2000/2001	67.90	17.60	4.00	89.50	1.40	0.79	2.19
1999/2000	68.00	16.70	4.00	88.70	1.50	0.85	2.35
1998/1999	68.10	16.70	4.00	88.80	1.60	0.72	2.32
1997/1998	67.50	18.00	4.00	89.50	1.00	0.60	1.60
1996/1997	67.80	18.00	4.00	89.80	1.30	0.90	2.20
1995/1996	65.10	18.00	4.00	87.10	1.30	0.87	2.17
1994/1995	65.30	18.20	4.00	87.50	1.50	0.76	2.26
1993/1994	65.40	17.80	3.40	86.60	1.60	0.68	2.28
1992/1993	65.40	17.80	3.40	86.60	1.60	0.71	2.31
1991/1992	59.40	17.80	4.20	81.40	1.60	0.80	2.40

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

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

Year	Gross General Bonded Debt	Less Debt Service Fund	Net General Bonded Debt	Assessed Value	Population (1)	Ratio of Net Debt to	
						Assessed Value	Debt Per Capita
2001	\$4,558,000	\$1,039,085	\$3,518,915	\$698,233,574	12,000	0.50%	\$380
2000	5,213,000	739,024	4,473,976	625,306,481	12,000	0.72%	434
1999	5,672,000	662,489	5,009,511	612,113,888	12,000	0.82%	473
1998	5,941,000	521,562	5,419,438	579,545,772	12,000	0.94%	495
1997	5,980,000	90,045	5,889,955	537,488,171	12,000	1.10%	498
1996	6,200,000	97,258	6,102,742	517,691,276	12,000	1.18%	517
1995	6,551,406	155,094	6,396,312	517,677,822	12,000	1.24%	546
1994	6,897,812	220,791	6,677,021	483,898,968	12,000	1.38%	575
1993	7,244,219	271,925	6,972,294	479,114,786	12,000	1.46%	604
1992	7,590,625	356,905	7,233,720	462,705,630	10,677	1.56%	711

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

**Beachwood City School District
 Computation of Legal Debt Margin
 June 30, 2001**

Assessed Valuation (2000)	<u>\$698,233,574</u>
Bonded Debt Limit - 9% of Assessed Value (1)	\$62,841,022
Amount of Debt Applicable to Debt Limit:	
Bonded Debt	4,320,000
	<hr/>
Voted Debt Margin	<u>\$58,521,022</u>
Bonded Debt Limit - .1% of Assessed Value (1)	\$698,234
Amount of Debt Applicable	0
	<hr/>
Unvoted Debt Margin	<u>\$698,234</u>

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

**Beachwood City School District
 Computation of Direct and Overlapping Debt
 General Obligation
 As of December 31, 2000**

<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	\$4,320,000	100.00%	\$4,320,000
<i>Overlapping Debt:</i>			
Cuyahoga County	231,044,636	2.44%	5,637,489
Regional Transit Authority	98,030,000	2.41%	2,362,523
City of Pepper Pike	4,842,934	0.01%	484
 Total	 <u><u>\$338,237,570</u></u>		 <u><u>\$12,320,496</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 2000 collection year.

Beachwood City School District
Ratio of Annual Debt Service Expenditures for
General Bonded Debt to Total General Fund Expenditures
Last Ten Calendar Years

Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures (1)	Ratio of Debt Service to General Fund Expenditures (Percentage)
2001	\$655,000	\$323,701	\$978,701	\$25,595,497	3.82%
2000	586,000	357,995	943,995	22,928,160	4.12%
1999	362,400	384,503	746,903	20,970,609	3.56%
1998	267,200	539,841	807,041	19,649,537	4.11%
1997	220,200	409,640	629,840	18,761,617	3.36%
1996	351,406	428,920	780,326	18,509,279	4.22%
1995	346,406	452,678	799,084	17,782,762	4.49%
1994	346,406	476,420	822,826	18,021,552	4.57%
1993	346,406	499,793	846,199	16,131,520	5.25%
1992	416,406	558,560	974,966	14,511,196	6.72%

Source: School District Financial Records

(1) Includes other financing uses.

**Beachwood City School District
Building Permits
Last Ten Calendar Years**

<u>Year</u>	<u>Value of Building Permits Issued</u>
2000	\$15,517,000
1999	17,815,775
1998	16,505,000
1997	41,487,800
1996	41,110,000
1995	12,649,092
1994	47,843,501
1993	33,203,341
1992	44,584,804
1991	13,549,597

Source: City of Beachwood Building Department

**Beachwood City School District
Property Value, Construction and Bank Deposits
Last Ten Calendar Years**

Calendar Year	Number of		Construction Value (a)	Number of Residential Units	Construction Value (a)	Cuyahoga County Bank Deposits (b) (in \$000's)	Tax Valuation		Total Assessed
	Commercial Units	Residential Units					Residential	Commercial Other(c)	
1999	4	4	\$13,835,000	4	\$1,638,200	\$61,942,764	\$287,492,690	\$322,746,760	\$698,233,574
1999	4	4	15,615,775	4	2,200,000	57,021,360	263,927,060	275,087,650	625,306,481
1998	3	4	14,750,000	4	1,755,000	56,770,353	261,109,480	265,821,240	612,113,888
1997	3	13	37,300,000	13	4,187,800	53,941,971 (d)	259,144,980	247,799,030	579,545,772
1996	3	13	35,320,000	13	5,790,000	27,068,211	242,577,970	225,986,570	537,488,171
1995	2	9	66,000	9	2,740,000	22,458,673	242,188,780	213,121,340	517,691,276
1994	2	4	38,000	4	1,315,000	20,885,453	243,276,140	210,328,890	517,677,822
1993	7	2	17,105,360	2	700,000	21,009,421	212,269,710	209,013,530	483,898,968
1992	3	376	13,989,000	376	15,035,000	19,379,303	210,664,810	268,449,976	479,114,786
1991	0	32	0	32	6,060,000	18,392,243	207,158,010	255,547,620	462,705,630

Source: a) Beachwood City Building Department
b) Federal Reserve Bank of Cleveland (total demand, time and savings deposits) for Cuyahoga County, Ohio Banks
c) Cuyahoga County Auditor
d) Large increase in deposits due to Key Bank becoming a single charter in 1997

**Beachwood City School District
Principal Property Taxpayers
Real Estate Tax
December 31, 2000**

Name of Taxpayer	Nature of Business	Assessed Valuation	% of Total Assessed Valuation (1)
Beachwood Place Limited	Mall	\$30,157,650	4.32%
MBNA	Banking	14,122,430	2.02%
Hamptons Apartments	Apartments	13,811,180	1.98%
Red Lions Hotels	Hotel	10,770,100	1.54%
Village Green of Beachwood	Condominiums	10,391,080	1.49%
Medical Building Invest. Co.	Investment	10,271,800	1.47%
Bracebridge Corp.	Banking	9,848,340	1.41%
Dillards	Retail	7,272,760	1.04%
Beachwood Place	Retail	7,055,860	1.01%
Embassy Equity Development	Hotel	6,475,630	0.93%
		<u>\$120,176,830</u>	<u>17.21%</u>

Source: Cuyahoga County Auditor

(1) Total Assessed Valuation \$698,233,574

**Beachwood City School District
Principal Property Taxpayers
Tangible Personal Property Tax
December 31, 2000**

Name of Taxpayer	Nature of Business	Assessed Valuation	% of Total Assessed Valuation (1)
The Higbee Company	Retail sales	\$6,137,340	0.88%
MBNA Ohio Properties, Inc.	Banking	4,133,450	0.59%
Nordstrom Inc.	Retail sales	4,130,660	0.59%
Tremco	Roofing	3,172,440	0.45%
Saks Fifth Avenue	Retail sales	2,619,380	0.38%
Developers Diversified	Development	1,781,140	0.26%
Penske Logistics Inc	Truck leasing	1,657,760	0.24%
MBT Services Inc	Unknown	1,420,240	0.20%
Imperial Wall Coverings	Retail	1,368,170	0.20%
Crestmont Cadillac	Car dealership	1,287,660	0.18%
		<u>\$27,708,240</u>	<u>3.97%</u>

Source: Cuyahoga County Auditor

(1) Total Assessed valuation \$698,233,574.

**Beachwood City School District
Cost to Educate a 2001 Graduate**

<u>Year</u>	<u>Grade</u>	<u>Annual Cost Per Pupil</u>
2001	12	\$15,445
2000	11	14,356
1999	10	13,356
1998	9	12,730
1997	8	12,596
1996	7	12,209
1995	6	12,224
1994	5	12,531
1993	4	11,247
1992	3	10,549
1991	2	10,854
1990	1	11,665
1989	K	11,530
		<u>\$161,292</u>

Source: School District Records

**Beachwood City School District
Enrollment Statistics
Last Ten Years**

Year	General Fund Expenditures (1)	Average Daily Membership (2)	Per Pupil Cost
2001	\$25,144,577	1,628	\$15,445
2000	22,596,789	1,574	14,356
1999	20,687,836	1,549	13,356
1998	19,450,937	1,528	12,730
1997	18,566,331	1,474	12,596
1996	18,130,071	1,485	12,209
1995	17,309,006	1,416	12,224
1994	17,568,721	1,402	12,531
1993	15,802,123	1,405	11,247
1992	14,325,925	1,358	10,549

Source: School District Financial Records

(1) Excludes other financing sources

(2) Excludes preschool enrollment

**Beachwood City School District
Student Demographic Information
For the Year Ended June 30, 2001**

<u>Grade</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
Pre	18	4	22
K	42	27	69
1	48	54	102
2	53	46	99
3	65	45	110
4	58	59	117
5	64	55	119
6	67	74	141
7	67	57	124
8	70	50	120
9	84	68	152
10	83	79	162
11	91	74	165
12	92	68	160
	<u>902</u>	<u>760</u>	<u>1,662</u>

<u>Ethnic</u>	<u>Total</u>	<u>Percent</u>
Caucasian American	1,330	80.02%
African American	216	13.00%
Asian American	83	4.99%
Hispanic American	9	0.54%
Multi-Racial	24	1.45%

**Beachwood City School District
Report Card - Proficiency Test Results
Fiscal Year 2001**

	Minimum State Performance Standard	Beachwood's Results	Standard Met?
4th Grade			
1. Citizenship	75%	86.6	Yes
2. Mathematics	75%	79.4	Yes
3. Reading	75%	83.5	Yes
4. Writing	75%	95.9	Yes
5. Science	75%	69.1	No
6 th Grade			
6. Citizenship	75%	91.3	Yes
7. Mathematics	75%	90.4	Yes
8. Reading	75%	88.7	Yes
9. Writing	75%	94.8	Yes
10. Science	75%	85.2	Yes
9 th Grade	(9 th grade students)		
11. Citizenship	75%	89.9	Yes
12. Mathematics	75%	81.4	Yes
13. Reading	75%	93.5	Yes
14. Writing	75%	95.0	Yes
15. Science	75%	85.0	Yes
9 th Grade	(10 th grade students)		
16. Citizenship	85%	95.8	Yes
17. Mathematics	85%	89.4	Yes
18. Reading	85%	97.2	Yes
19. Writing	85%	99.3	Yes
20. Science	85%	94.4	Yes
12 th Grade			
21. Citizenship	60%	85.7	Yes
22. Mathematics	60%	89.3	Yes
23. Reading	60%	95.3	Yes
24. Writing	60%	98.8	Yes
25. Science	60%	86.7	Yes
26. Student Attendance Rate		99.6	Yes
27. Graduation Rate		99.0	Yes

The District has met 26 of the 27 indicators and is considered an “**effective**” school (highest rating given) by the Ohio Department of Education.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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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
JANUARY 3, 2002**