

**BEACHWOOD CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2008**



**Mary Taylor, CPA**  
Auditor of State



BEACHWOOD CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY

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**BEACHWOOD CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2008**

Federal Grantor/ Pass Through Grantor Program Title	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>					
<i>Passed Through Ohio Department of Education:</i>					
Nutrition Cluster:					
Food Distribution Program	10.550	\$0	\$14,855	\$0	\$14,855
National School Lunch Program	10.555	37,063	0	37,063	0
Special Milk Program	10.556	679	0	679	0
Total U.S. Department of Agriculture		<u>37,742</u>	<u>14,855</u>	<u>37,742</u>	<u>14,855</u>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>					
<i>Passed Through Ohio Department of Education:</i>					
Special Education Cluster:					
Special Education: Grants to States - FY 2007	84.027	0	0	4,446	0
Special Education: Grants to States - FY 2008	84.027	377,359	0	377,359	0
		<u>377,359</u>	<u>0</u>	<u>381,805</u>	<u>0</u>
Special Education: Preschool Grant - FY 2008	84.173	13,158	0	13,158	0
Total Special Education Cluster		<u>390,517</u>	<u>0</u>	<u>394,963</u>	<u>0</u>
Title I - Grants to Local Educational Agencies - FY 2007	84.010	0	0	5,356	0
Title I - Grants to Local Educational Agencies - FY 2008	84.010	66,960	0	61,127	0
Total Title I - Grants to Local Educational Agencies		<u>66,960</u>	<u>0</u>	<u>66,483</u>	<u>0</u>
Safe and Drug-Free Schools and Communities: State Grants - FY 2006	84.186	0	0	19	0
Safe and Drug-Free Schools and Communities: State Grants - FY 2007	84.186	528	0	893	0
Safe and Drug-Free Schools and Communities: State Grants - FY 2008	84.186	3,914	0	3,745	0
Total Safe and Drug-Free Schools Grant		<u>4,442</u>	<u>0</u>	<u>4,657</u>	<u>0</u>
Innovative Education Program Strategies Grant - FY 2007	84.298	0	0	110	0
Innovative Education Program Strategies Grant - FY 2008	84.298	4,199	0	3,894	0
Total Innovative Education Program Strategies Grant		<u>4,199</u>	<u>0</u>	<u>4,004</u>	<u>0</u>
Improving Teacher Quality - FY 2007	84.367	0	0	35	0
Improving Teacher Quality - FY 2008	84.367	30,291	0	30,074	0
Total Improving Teacher Quality		<u>30,291</u>	<u>0</u>	<u>30,109</u>	<u>0</u>
Title II-D Technology Literacy Challenge Funds - FY 2008	84.318	673	0	611	0
Total Title II-D Technology Literacy Challenge Funds		<u>673</u>	<u>0</u>	<u>611</u>	<u>0</u>
Title III LEP - English Language Acquisition Grants - FY 2008	84.365	5,859	0	5,859	0
Total Title III LEP - English Language Acquisition Grants		<u>5,859</u>	<u>0</u>	<u>5,859</u>	<u>0</u>
Title III, Part B - Grants for Supportive Services and Senior Centers - FY 2007	84.938	0	0	1,233	0
Title III, Part B - Grants for Supportive Services and Senior Centers - FY 2008	84.938	3,874	0	3,116	0
		<u>3,874</u>	<u>0</u>	<u>4,349</u>	<u>0</u>
Conflicts Management Grant - FY 2008	84.305	500	0	784	0
Total U.S. Department of Education		<u>507,315</u>	<u>0</u>	<u>511,819</u>	<u>0</u>
<b>Total Federal Financial Assistance</b>		<b><u>\$545,057</u></b>	<b><u>\$14,855</u></b>	<b><u>\$549,561</u></b>	<b><u>\$14,855</u></b>

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

**BEACHWOOD CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY  
JUNE 30, 2008**

**NOTES TO SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES**

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B – FOOD DISTRIBUTION**

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the entitlement value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State and local grant monies. It is assumed federal monies are expended first. At June 30, 2007, the District had no significant food commodities in inventory.

CFDA – Catalog of Federal Domestic Assistance



# Mary Taylor, CPA

Auditor of State

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

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

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Beachwood City School District, Cuyahoga County, Ohio (the District) as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 19, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

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

### **Compliance and Other Matters**

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

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

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

December 19, 2008



# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

To the Board of Education:

### Compliance

We have audited the compliance of the Beachwood City School District, Cuyahoga County, Ohio (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended June 30, 2008. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the Beachwood City School District complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended June 30, 2008.

### Internal Control Over Compliance

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

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that the District's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the District's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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

#### **Schedule of Federal Awards Receipts and Expenditures**

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Beachwood City School District as of and for the year ended June 30, 2008, and have issued our report thereon dated December 19, 2008. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of federal awards receipts and expenditures provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



**Mary Taylor, CPA**  
Auditor of State

December 19, 2008

**BEACHWOOD CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2008**

**1. SUMMARY OF AUDITOR'S RESULTS**

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

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None





COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
OF THE  
BEACHWOOD CITY SCHOOL DISTRICT  
*for the*  
FISCAL YEAR ENDED JUNE 30, 2008



**BEACHWOOD SCHOOLS**  
LEARNING FOR LIFE

*Prepared by Treasurer's Department*

Michele E. Mills, Director of Finance/Treasurer  
Kathleen Stroski Assistant Treasurer  
April Yuhas, Payroll  
Greg Minotas, Purchasing Agent  
Mary Lee Ryan, EMIS  
Cindy Szczecinski, Accounts Payable  
Barb Taich, Duplicating

24601 Fairmount Boulevard  
Beachwood, Ohio 44122-2298



**BEACHWOOD CITY SCHOOL DISTRICT**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2008**  
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**Debt Capacity**

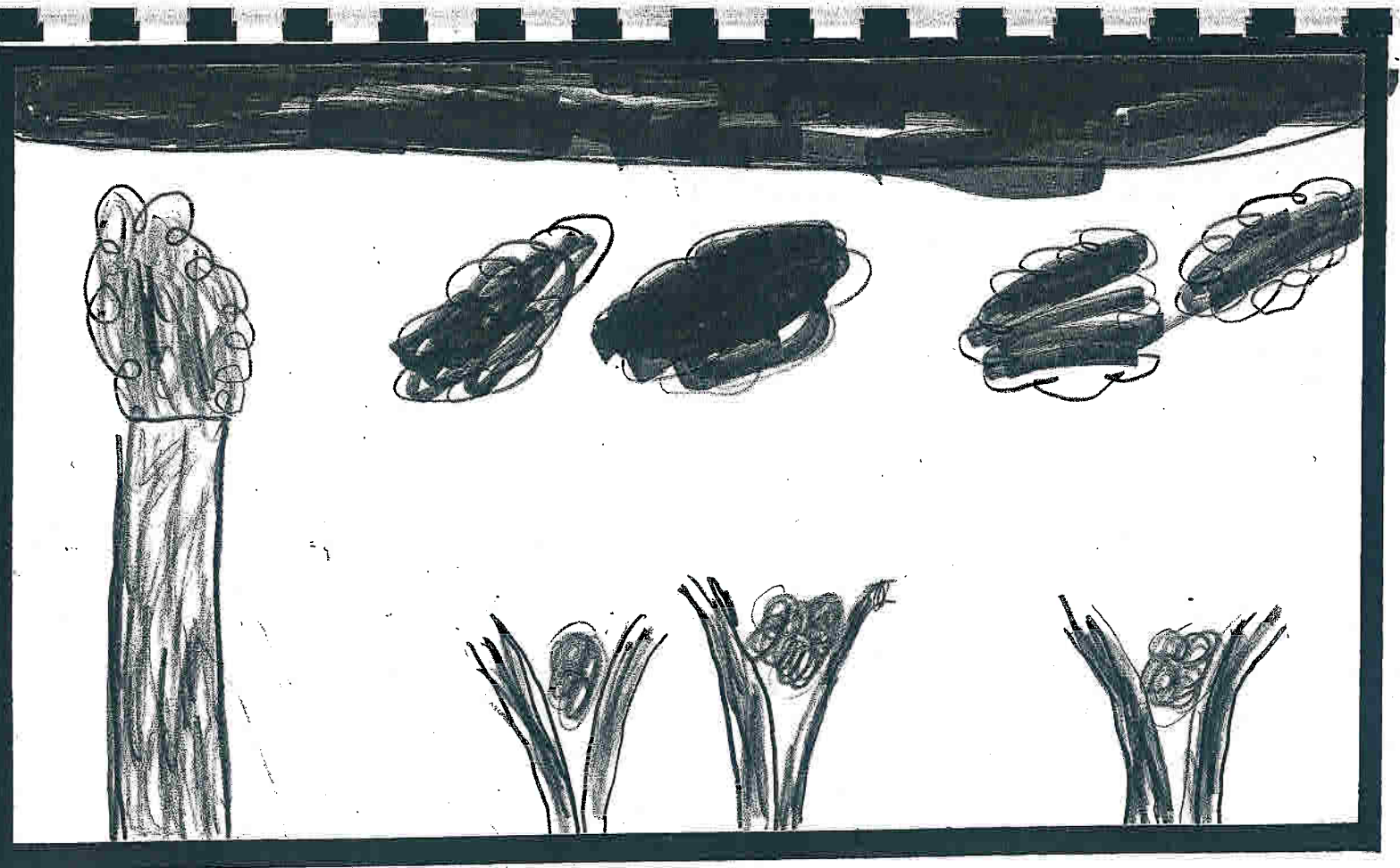
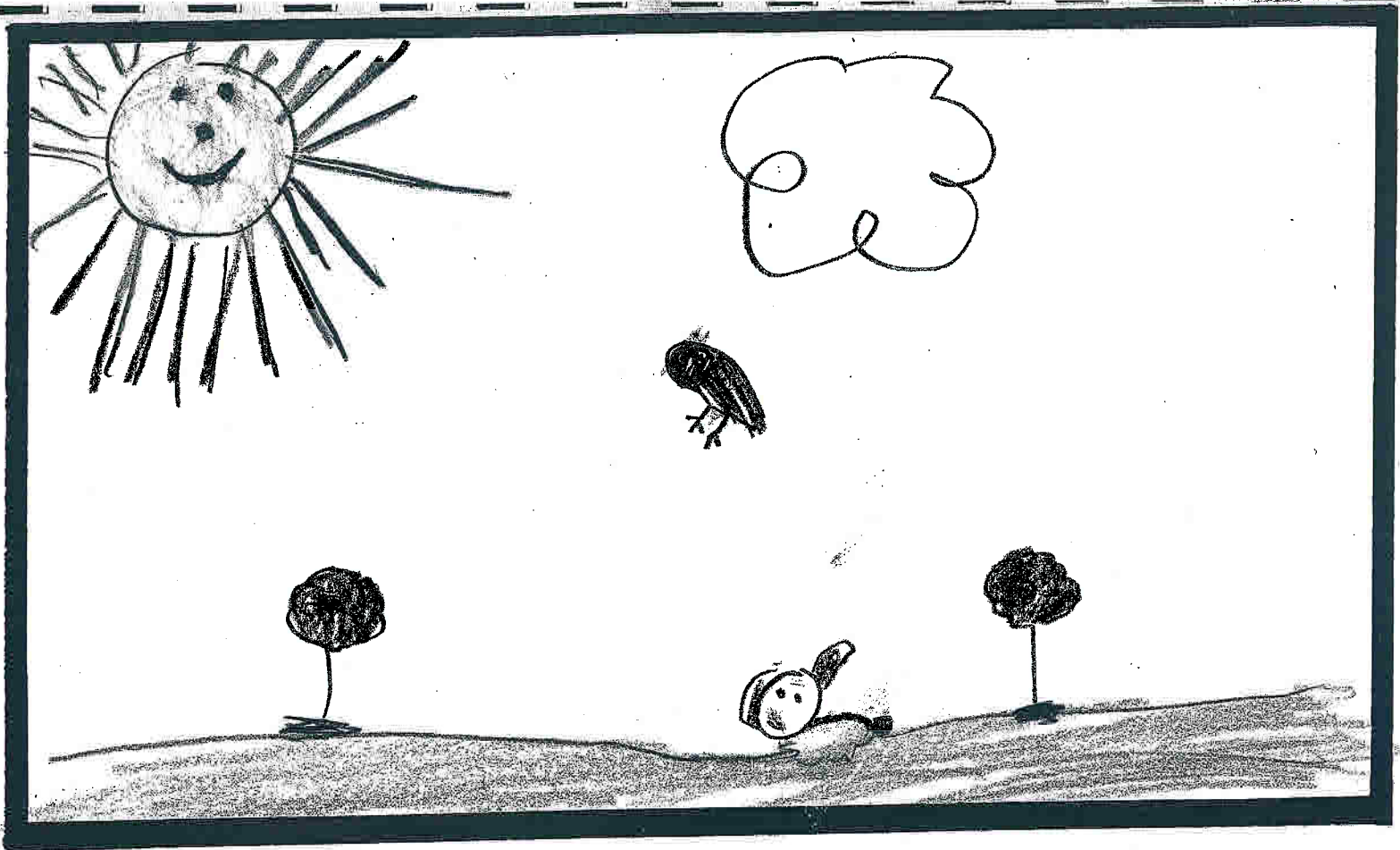
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**BEACHWOOD CITY SCHOOL DISTRICT**  
**Comprehensive Annual Financial Report**  
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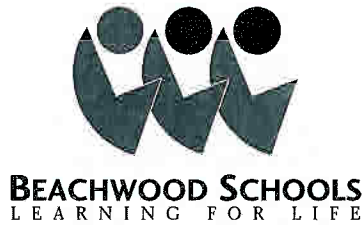
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**BEACHWOOD CITY SCHOOL DISTRICT**  
24601 Fairmount Boulevard  
Beachwood, OH 44122  
Phone: 216.464.2600

December 19, 2008

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, 2008, 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 Independent Accountants' Report, the Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the District's financial position and operating results, the Combining Statements by Fund Type, and other schedules that provide detailed information relative to the Basic Financial Statements.
- o The Statistical Section, which includes related financial and demographic information, generally presented on a multi-year basis.

This report includes all funds 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 serves 1,545 students from Pre-K through 12<sup>th</sup> grade in five instructional facilities.

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 High 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*

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, an intellectual capacity. These adults are risk-takers, visionaries, brokers, passionate, and committed to excellence. Beachwood students also enjoy experiences where they learn to be globally responsible, altruistic, and environmentally, culturally and politically sensitive.

#### *Board of Education Goals*

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

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

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

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

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

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

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

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

## *Beachwood City School District*

### *Major Initiatives and Accomplishments*

The reconfiguration of the District that occurred over the summer of 2007 proved to be a success as the school year unfolded. Academic programs were enhanced and learning opportunities increased as kindergarten moved to Bryden Elementary School, third grade moved to Hilltop Elementary School, and sixth grade joined Beachwood Middle School. The physical moves and resultant transitions went smoothly as subsequent accomplishments indicate.

Fairmount Early Childhood Center took on a new role this year. The preschool program gained a new dimension by hosting high school Excel Technical Education Career Consortium students as field students in the preschool classrooms. At Fairmount, such students developed knowledge and skills under the guidance of licensed teachers and classroom assistants prior to entering the field of early childhood education.

Bryden Elementary School absorbed the District's kindergarten program, thereby easing the transition that typically accompanied the move of students from kindergarten at Fairmount to first grade at Bryden. The building continues to evolve as a primary grade school. This summer, new age-appropriate playground equipment, funded partially by the Beachwood Community PTO, is being added to meet the recess needs of the youngest students.

Hilltop Elementary School gained considerable recognition in 2007-2008 with the success of its Destination Imagination students who qualified for and competed in the international global competition at the University of Tennessee in Knoxville. There, Beachwood students joined others from around the world to showcase their creative thinking and problem-solving skills. This is only the second time since DI has been a sponsored activity in Beachwood that the team has qualified to compete at the global level. A team of fifth grade students competing in the Ohio Knowledge Master Open academic competition won state championship titles in both winter and spring placing third in the nation and sixth in international competition.

Beachwood Middle School was honored this past year by being named one of two Ohio Middle Schools to Watch by the National Forum to Accelerate Middle-Grades Reform and the Ohio Department of Education. As such, the building was honored as a National School to Watch at an awards ceremony on June 19, 2008 in Washington, D.C. This was a real honor for the Beachwood residents and middle school staff who provided the resources and the talent that earned the school this honor.

Part of the Beachwood Middle School success is attributable to a new program titled "Where Everybody Belongs". WEB is designed to help students transition from Hilltop Elementary School into Beachwood Middle School. Members of the eighth grade class are selected to be positive role models for incoming sixth grade students. The program provides valuable information and social networking for the new arrivals through organized orientation and follow-up activities. A similar program, Link Crew, functions at the High School as a means to welcome and involve incoming freshmen.

Beachwood High School posted multiple accomplishments this year. In some cases, these were first-time achievements. The Academic Challenge Team, for the first time in its history, qualified for national competition and sent a team to Washington, D.C. The Beachwood High School Debate Team, in its first year of existence, won seven regional awards and qualified three students for state-level competition. The Science Olympiad Team won a regional medal and also, for the first time in the team's history, qualified for and sent a team to state-level competition.

## *Beachwood City School District*

The BHS history of scholastic excellence manifested itself in other areas throughout the last year. The Junior Council on World Affairs team won the Best Delegation trophy for small schools at the Model United Nations conference at the University of Virginia, then went on to win multiple top awards at the North American Model United Nations conference in Washington, D.C. Beachwood High School was selected as one of three schools in Ohio to participate in the Ohio State University Flagship Program for the development of Chinese foreign language instruction, further evidence of the District's efforts to realize a global perspective of education. In the academic arena, nine Beachwood High School students were recognized by National Merit and National Achievement Scholarship Programs for their outstanding performance on the PSAT/NMSQT.

Several noteworthy initiatives were undertaken in the past year with impressive results.

One was the Green Dream Showcase. Students from the Excel TECC marketing class at Beachwood High School sponsored this event with support from area businesses, the Beachwood Chamber of Commerce, and the City of Beachwood. Approximately 70 environmentally friendly businesses staged a showcase of their products for an audience of 2,200 attendees at the Beachwood Community Center. In the process, the students raised \$150,000 in money, materials, and services to remodel a Beachwood High School classroom into the Ultimate Green Classroom. As such, it will serve as a model for new environmentally-conscious classroom construction/remodeling throughout Ohio.

The Beachwood Schools Foundation sponsored a symposium, in cooperation with the Beachwood Board of Education, on the topic of national security and the related role of intelligence gathering. Presenters included representatives of the National Security Agency, Central Intelligence Agency, Federal Bureau of Investigation, Defense Intelligence Agency, National Drug Enforcement Agency, and the Department of Homeland Security.

The program was part of the Foundation's "Above and Beyond" program, designed to provide opportunities for Beachwood students beyond what would typically be expected in a public school setting.

Beachwood's determination to close the racial achievement gap, a national challenge, received additional attention in 2007-2008. The District entered into a partnership with the Pacific Educational Group, a nationally-recognized company that helps schools to address academic disparity that often manifests itself in the context of race. As the minority scholars program expands from Hilltop Elementary School through Beachwood Middle School and into Beachwood High School, the District is committed to seeing results.

The fine and performing arts continue to play a prominent role in Beachwood City Schools. In 2007-2008, the District applied for and received recognition by the National Association of Music Merchants as being among the top 110 public school districts nation-wide in music education. Beachwood City Schools earned this distinction due to the range of its musical offerings, its support of the arts, and the role that the arts play in the greater community.

Changes are underway in the District's cafeterias. A study of the food service program yielded the decision to outsource that aspect of our operations. Consequently, proposals were solicited from outside service providers and selected companies were invited to present their products. Following a sampling session by students, staff, and parents from the District Wellness Council, the firm of AVI Food Services was awarded a contract by the Board of Education. While the menu will be significantly expanded for 2008-2009, prices are unchanged and students will see many familiar faces on the serving line. Most of our former cafeteria employees who applied for jobs with AVI have been employed by that company.

We have much to celebrate. Yet in our effort to strive for excellence, we always have room to improve. The District is recognized state-wide as one of the finest. Our students' accomplishments and honors attest to that

## *Beachwood City School District*

fact as do our range of academic and extracurricular offerings. We compare respectably with other premier districts in terms of achievement as reflected in the Ohio Department of Education's District Report Card, being one of only 4% of Ohio districts to be named "Excellent" for eight consecutive years. Yet in reality, we have historically seemed to downplay the Report Card's significance, noting that it is but one of many indicators of success. When such an instrument is the single most widely-read indicator of district success, it merits our attention. While we will never allow state-mandated tests to adversely affect the creative art of teaching, we will be directing our staff this year to be diligent to address the academic content standards that are reflected in the Ohio Achievement Tests and the Ohio Graduation Test in their lessons.

### **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.

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 individual funds.

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 is made on whether or not to carry them forward to the following year. Encumbrances are therefore reported as a



## *Beachwood City School District*

reservation of fund balance at year-end. Budgets are legally adopted and controlled on a cash basis (including encumbrances); therefore, the Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Budgeting Basis) and Actual reports actual cash revenues and expenditures (including encumbrances) compared with budget amounts. Unencumbered appropriations terminate at year-end.

### *Financial Reporting*

For the fiscal year ending June 30, 2003, the District implemented the provisions of the Governmental Accounting Standards Board Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." This pronouncement significantly changes the way the District reports its financial condition and results of operations as compared with previous years. The new basic financial statements for reporting on the District's financial activities are as follows:

*Government-wide financial statements:* These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by business enterprises. The government-wide statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

*Fund financial statements:* These statements present information for individual major funds, rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

*Statement of budgetary comparison:* These statements present comparison of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the School District. This discussion is presented in the financial section of this report and provides an assessment of the School District finances for the fiscal year 2008.

### *Debt Administration*

At June 30, 2008, the District had general obligation bond issues outstanding of \$13,694,239. See Note 15 of the Notes to the Basic 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, 2008, the District's voted general obligation bonded debt of \$12,914,998 initially below the legal limit of \$55,556,857 (voted). In addition, the District had no un-voted debt at June 30, 2008. On July 11, 2007, the District advanced refunded \$6,245,000 in outstanding bonds at an interest rates of 4.0–4.25% which was a net present value savings of \$247,906 (3.97%). In the process of advance refunding the District's debt, Moody's upgraded the District to Aa1 from Aa2, which places The School District among the smallest sized taxing entities in the country and only among three in the State of Ohio to achieve this level of debt rating.

## *Beachwood City School District*

### *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, Victory Money Market Funds, 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, banker's acceptances, collateralized certificates of deposit, and repurchase agreements with eligible Ohio financial institutions.

### *Risk Management*

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

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

### *Long-Term Financial Planning*

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

### **Significant Local Economic Events**

The economic condition and outlook for the community has been challenging, especially considering the economic downturn in the Midwest as well as the rest of the country. The tax duplicate has actually declined due to the loss of personal property on the tax duplicate. The community's tax base is fairly evenly distributed between commercial and residential property. Forty-seven percent of the District's valuation is comprised of residential property and fifty-two percent is comprised of commercial or public utility property. Due to changes in laws enacted by the State legislature, the District's personal property tax base will continue to erode as the State has eliminated this tax. All Districts in the State of Ohio will be held harmless by the State through 2010, at which time the state will eliminate the hold harmless provision. The State of Ohio's overall economic outlook is not good as we try to make our way through economic recovery.

The City of Beachwood has annexed 400 acres from a neighboring community (Chagrin Highlands) in order to develop a proposed \$500 million, 633-acre corporate complex featuring office space, a retail mall and at least one hotel. The 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 School District was the sole beneficiary of school tax revenues. The District considers the successful negotiation of tax-sharing a major accomplishment that will enhance school revenues in the future. The City of Beachwood announced this fall that Eaton Corporation, a Fortune 200 company has expressed interest in purchasing 50 acres of property in the Chagrin Highlands area, but as of the date of this statement, no final plans have been announced.

## *Beachwood City School District*

As of the date of this financial statement, it is expected that tax revenue sharing will be forthcoming in the next couple of years. The District is currently in negotiations with the Warrensville Heights School District to determine revenue trigger points and how and when tax revenue will be remitted to Beachwood Schools from Warrensville Heights Schools. The City of Beachwood also recently announced that University Hospitals plans to build a 1,000 bed hospital on the Chagrin Highlands site. While this is great economic news for the City, the Schools will probably not receive any property tax dollars as University Hospitals has sought tax exemption in all of the communities in which it currently operates.

### **Prospects for The Future**

House Bill 920, which was enacted in 1976 by the Ohio legislature, has severely limited schools in their funding initiatives. This law prohibits school districts from realizing additional revenue from previously voted millage due to reappraisal of property values. Although the District's total operating millage is 77.7 mills, the effective millage levied and collected is 31.00 and 39.96 respectively, for residential and commercial property.

House Bill 95, passed in June 2003 as part of the State of Ohio's biennial budget, further limited a school district's ability to collect certain property taxes, including: eliminating personal property tax-exempt small businesses (which the State of Ohio pays on behalf of the small business owner) by 10% each year over the next ten years which equates to a loss of \$30,000 annually; and an expedited elimination of inventory tax on personal property, which the District estimates to be an annual loss of \$125,000. These funding changes will force the District to seek voter- approved levies more frequently than it has historically.

In addition, House Bill 66, which passed in June 2005 completely eliminated personal property taxes on equipment and furniture and fixtures. Schools will be held harmless for a period of five years, beginning with calendar year 2006. After the five-year hold harmless period, Districts will face an uncertain future as this revenue will be phased out over time. Since this tax currently generates \$3.5 million annually, elimination of this tax will negatively impact the District in the future and will force the District to seek levies more frequently.

### **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 2008 fiscal year audit. The Independent Accountants' Report appears at the beginning of 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, 2007. (This was the 20<sup>th</sup> consecutive year that the Beachwood City School District earned this prestigious award.) In order to be awarded a Certificate of Achievement, a governmental agency must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.



*Beachwood City School District*

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

Acknowledgments

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

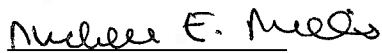
Sincere appreciation is extended to the Board of Education, who continues to strive for excellence in the schools at all levels. The commitment to our students, staff and community begins with them. Without their support, this report would not be possible.

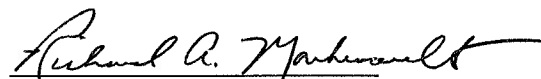
A special thanks to art teacher Chunny Hahn for the inspiration she provides to her students and the artwork they contributed to this publication.

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

Audit Committee

The Beachwood City School District has an active audit committee, comprised of 3 members of the community (all of whom are CPA's), one Board member (also a CPA) and the District's Treasurer. The Superintendent also serves in the capacity of an ex-officio member of this committee. Many thanks to the audit committee members whose wise counsel has assisted in improving internal controls, reviews the audit and makes appropriate recommendations to the Board of Education. Mr. Michael Ritter, Mr. Robert Marks and Ms. Patty Rubin along with Mr. David Ostro (board member) are to be commended for their efforts.

  
Michele E. Mills  
Finance Director/Treasurer

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

*Beachwood City School District*

Elected Officials

Board of Education

Mrs. Beth Rosenbaum .....President

Dr. Brian Weiss ..... Vice President

Mr. David Ostro..... Member

Dr. Alan Rosenthal ..... Member

Mrs. Jennifer Tramer ..... Member

Appointed Officials

Director of Finance/Treasurer

Ms. Michele E. Mills

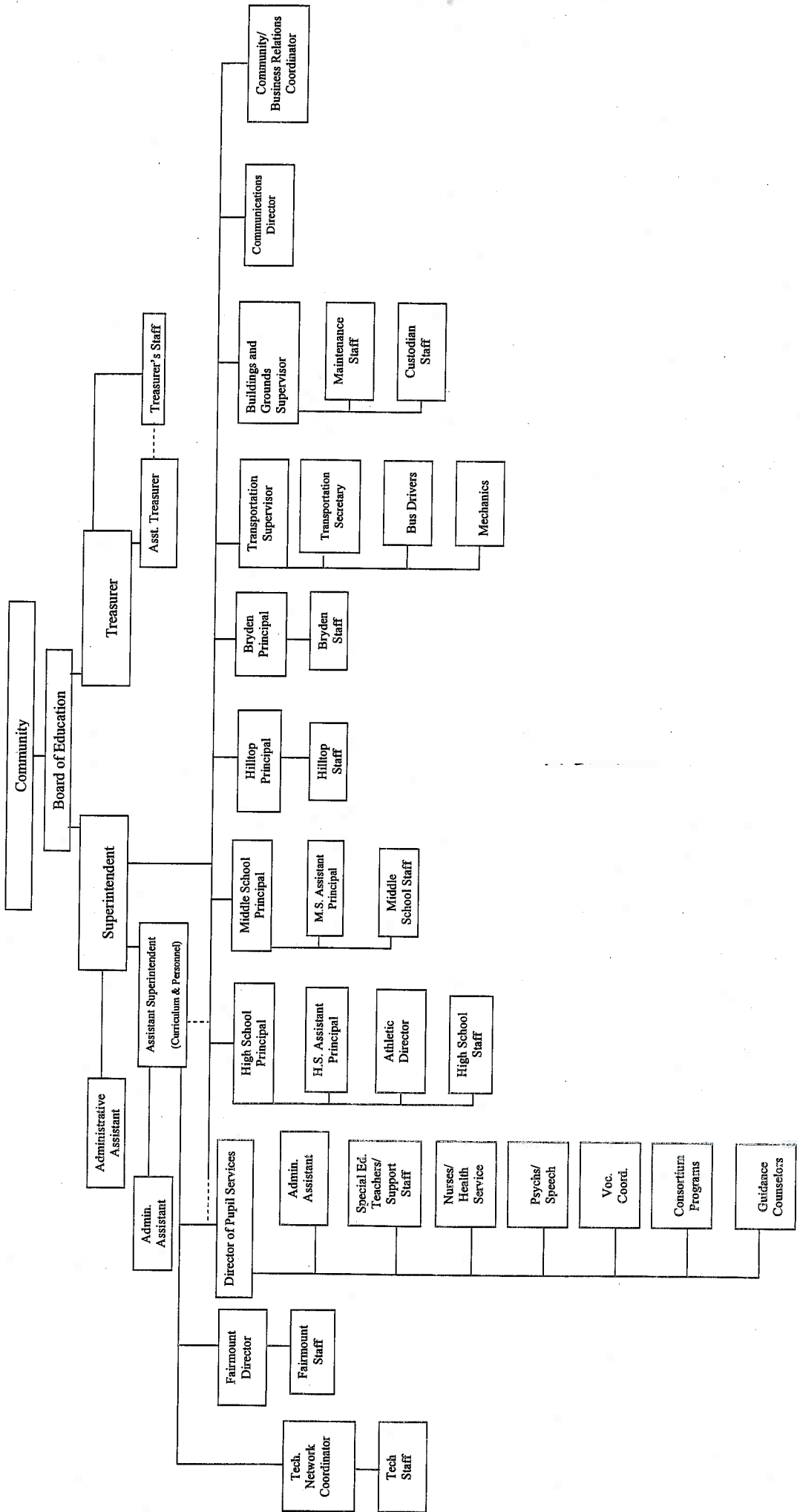
Administration

Dr. Richard A. Markwardt..... Superintendent

Dr. Philip Wagner..... Assistant Superintendent

Ms. Lauren Broderick..... Director of Pupil Services

**Beachwood City School District  
Organizational Chart – Policy No. 1101**



# 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, 2007

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.



*Oliver S. Cox*

President

*Jeffrey R. Emmer*

Executive Director



# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Beachwood City School District, Cuyahoga County, Ohio (the District), as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Beachwood City School District, Cuyahoga County, Ohio, as of June 30, 2008, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and Consortium funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2008, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining non-major fund statements and schedules, and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining non-major fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



**Mary Taylor, CPA**  
Auditor of State

December 19, 2008

Beachwood City School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2008  
*Unaudited*

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The discussion and analysis of the Beachwood City School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2008. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements, and financial statements to enhance their understanding of the District's financial performance.

### **Financial Highlights**

Key financial highlights for 2008 are as follows:

- The District's financial condition substantially improved over 2007 due to the combination of the passage of a 5.9 mill operating levy in 2006 (full collection in calendar year 2007) and an advanced debt refunding which saved the District \$247,906 in net present value savings.
- Total net assets increased \$2,880,595, which represents an 11.27 percent increase from 2007.
- General revenues accounted for \$32,719,360 in revenue or 82.5 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$6,912,577 or 17.5 percent of total revenues of \$39,631,937.
- Total assets of governmental activities increased \$2,908,056 as cash increased by \$3,121,310, while capital assets decreased by \$487,413 due to very little activity and purchases of capital equipment and/or building projects and because depreciation expenses exceeded the additions to capital assets. Taxes and other receivables increased slightly by \$172,379. While the State of Ohio has agreed to hold harmless the Districts who have been impacted by the elimination of the personal property tax, the State has a right not to remit the funds, and therefore, those tax dollars are not included in the financial statements for accrual purposes.
- The District had \$36,751,342 in expenses related to governmental activities; only \$6,912,577 of these expenses were offset by program specific charges for services, grants, or contributions. General revenues (primarily taxes) of \$32,719,360 were adequate to provide for these programs.
- Among major funds, the general fund had \$33,075,576 in operating revenues and \$29,678,446 in operating expenditures. The general fund's fund balance increased to \$14,111,983 from \$11,064,853.

### **Using this Generally Accepted Accounting Principals Report (GAAP)**

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

Beachwood City School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2008  
*Unaudited*

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

### ***Reporting the School District as a Whole***

#### *Statement of Net Assets and Statement of Activities*

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2008?" The Statement of Net Assets and Statement of Activities answer this question. These statements include *all assets and all liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Assets and Statement of Activities, the District has one type of activity:

Governmental Activities - All of the District's programs and services are reported here.

### ***Reporting the District's Most Significant Funds***

#### *Fund Financial Statements*

The analysis of the District's major funds begins on page 26. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund, bond retirement, permanent improvement and consortium funds.

**Governmental Funds** Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the District's general government operations and the basic services it provides.



Beachwood City School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2008  
*Unaudited*

Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and Statement of Activities) and governmental funds is reconciled in the financial statements.

**The School District as a Whole**

You may recall that the Statement of Net Assets provides the perspective of the District as a whole. Table 1 provides a summary of the District's net assets for 2008 compared to 2007:

	<u>Table 1</u> <u>Governmental Activities</u>	
	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
Current and Other Assets	\$45,501,659	\$42,106,190
Capital Assets	<u>29,743,543</u>	<u>30,230,956</u>
Total Assets	<u>75,245,202</u>	<u>72,337,146</u>
<b>Liabilities</b>		
Long-Term Liabilities	18,889,962	19,452,377
Other Liabilities	<u>27,919,056</u>	<u>27,329,180</u>
Total Liabilities	<u>46,809,018</u>	<u>46,781,557</u>
<b>Net Assets</b>		
Invested in Capital Assets Net of Debt	13,802,891	13,307,244
Restricted	2,383,586	2,302,492
Unrestricted	<u>12,249,707</u>	<u>9,945,853</u>
Total Net Assets	<u>\$28,436,184</u>	<u>\$25,555,589</u>

Total assets increased \$2,908,056. Equity in pooled cash and cash equivalents increased \$3,121,310. Taxes receivable increased \$206,913.

Net assets of the District's governmental activities increased by \$2,880,595. The surplus in unrestricted net assets increased by \$2,303,854. The predominant reason for the net asset increase is due to a \$3.1 million dollar increase in cash and cash equivalents during 2008 due to revenues exceeding expenditures.

Beachwood City School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2008  
*Unaudited*

Table 2 shows the changes in net assets for fiscal year 2008 with revenue and expense comparisons to fiscal year 2007:

	Governmental Activities 2008	Governmental Activities 2007
<b>Program Revenues:</b>		
Charges for Services:		
Operating Grants	\$4,020,166	\$4,065,548
Capital Grants	2,875,446	2,912,296
General Revenues:	16,965	11,466
Property Taxes	27,723,716	29,661,499
Grants and Entitlements	4,170,054	3,168,842
Investments	648,569	809,864
Other	177,021	76,080
<b>Total Revenue</b>	<b>\$39,631,937</b>	<b>\$40,705,595</b>
<b>Program Expenses:</b>		
<b>Instruction:</b>		
Regular	\$11,629,226	\$11,080,629
Special	5,871,895	5,303,469
Vocational	1,242,827	869,041
Adult/Continuing	172,720	245,490
Other	664,301	701,677
<b>Support Services:</b>		
Pupil	2,616,865	2,602,066
Instructional Staff	1,012,486	1,013,004
Board of Education	356,006	473,970
Administration	2,371,399	2,314,305
Fiscal	746,614	763,705
Business	459,817	506,341
Operation of Maintenance and Plant	3,720,729	3,724,961
Pupil Transportation	1,993,252	1,905,211
Central	796,909	907,791
<b>Operation of Non-Instructional Services</b>		
Extra-curricular Activities	929,350	997,432
Interest and Fiscal Charges	1,004,529	958,209
<b>Total Expenses</b>	<b>\$36,751,342</b>	<b>\$35,361,053</b>
<b>Change in Net Assets</b>	<b>\$2,880,595</b>	<b>\$5,344,542</b>
<b>Beginning Net Assets</b>	<b>25,555,589</b>	<b>20,211,047</b>
<b>Ending Net Assets</b>	<b>\$28,436,184</b>	<b>\$25,555,589</b>

Beachwood City School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2008  
*Unaudited*

**Governmental Activities**

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by the levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home was reappraised and its value increased to \$200,000 (and this inflationary increase in value is comparable to other property owners), the effective tax rate would become .5 mills and the owner would still pay \$35.00. Thus, school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up 70 percent of revenues for governmental activities for the District in fiscal year 2008.

Instruction comprises 53.3 percent of governmental program expenses. Interest expense was 3.16 percent. Interest expense was attributable to the outstanding bonds and borrowing for capital projects.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements with comparisons to 2007.

	Total Cost of Services 2008	Net Cost of Services 2008	Total Cost of Services 2007	Net Cost of Services 2007
Instruction	\$19,580,969	\$15,281,481	\$18,200,306	\$13,836,146
Support Services:				
Pupil and Instructional Staff	3,629,351	2,612,113	3,615,070	2,637,052
Board of Education, Administration, Fiscal and Business	3,933,836	3,911,175	4,058,321	4,037,925
Operation and Maintenance of Plant	3,720,729	3,445,149	3,724,961	3,459,147
Pupil Transportation	1,993,252	1,445,442	1,905,211	1,350,871
Central	796,909	724,571	907,791	821,282
Operation of Non-Instructional Services	929,350	288,077	997,432	323,387
Extracurricular Activities	1,004,529	968,340	958,209	912,181
Interest and Fiscal Charges/Other	1,162,417	1,162,417	993,752	993,752
<b>Total Expenses</b>	<b>\$36,751,342</b>	<b>\$29,838,765</b>	<b>\$35,361,053</b>	<b>\$28,371,743</b>

The dependence upon tax revenues for governmental activities is apparent. Over 78 percent of instruction activities are supported through taxes and other general revenues, for all governmental activities general revenue support is 81 percent. The community, as a whole, is by far the primary support for the District's students.

Beachwood City School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2008  
*Unaudited*

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### **The School District's Funds**

Information about the District's major funds starts on page 26. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$40,134,073 and expenditures of \$37,178,993. The net change in fund balance for the year was most significant in the general fund, an increase of \$3,047,130. This increase is due to an increase in tuition and fees and also the "hold harmless" collection of personal property taxes, distributed by the State of Ohio.

### ***Budgeting Highlights***

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

During the course of fiscal year 2008, the District amended its general fund budget numerous times, none significant. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, actual revenue was \$250,124 more than the final budget estimates of \$32,468,793 which was primarily due to increases in interest income and tuition and fees revenues. District's ending un-obligated cash balance was \$2,100,504 above the final budgeted amount.

There were two minor amendments to the original appropriations during fiscal year 2008.

For the consortium fund, revenues were \$460,495 less than budgeted primarily due to the closing of the Multi-handicapped (MH) program in January, 2008. Expenditures also came in under budget by \$826,033 due to the closing of the MH program.

The bond retirement fund had revenues of \$24,017 less than the final budget and \$65,365 less in expenses due to the decrease in interest costs associated with the advanced refunding.

The permanent improvement fund had \$42,365 in revenues less than projected.

### **Capital Assets and Debt Administration**

#### ***Capital Assets***

At the end of fiscal 2008, the District had \$29,743,543 invested in land, buildings, equipment, buses and other vehicles, all in governmental activities. See Note 9 to the basic financial statements for more detailed information on capital asset activity. Table 4 shows fiscal 2008 balances compared to 2007:

Beachwood City School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2008  
*Unaudited*

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

	Governmental Activities	
	2008	2007
Land	\$831,499	\$831,499
Land Improvements	1,816,317	1,726,706
Buildings and Improvements	25,545,056	26,112,611
Equipment	963,437	941,045
Vehicles	587,234	619,095
<b>Totals</b>	<b>\$29,743,543</b>	<b>\$30,230,956</b>

The primary decrease in capital assets is due to depreciation expenses exceeding additions to capital assets.

For fiscal year 2008, Ohio law required school districts to set aside three percent of certain revenues for capital improvements and textbooks, respectively. For fiscal year 2007, this amounted to \$243,088 for each set aside. For fiscal year 2008, the District had qualifying disbursements or offsets exceeding these requirements. For fiscal year 2008, the set aside will remain three percent. The District has budgeted to meet these requirements.

**Debt**

At June 30, 2008, the District had \$15,859,239 in bonds and notes outstanding, \$1,462,599 due within one year. Table 5 summarizes bonds and notes outstanding. See Note 15 to the basic financial statements for more detailed information on long-term debt activity.

Table 5 - Outstanding Debt, at Year End

	Governmental Activities 2008	Governmental Activities 2007
	<b>General Obligation Bonds</b>	
2000 Tax Anticipation Notes	\$2,165,000	\$2,815,000
2002 School Improvement Premium	352,389	377,560
2002 Un-amortized Accounting Gain	138,908	148,169
2002 School Improvement Bonds	6,576,093	13,211,815
2007 School Improvement Premium	426,852	0
2007 Un-amortized Accounting Gain	102,411	0
2007 Advanced Refunded Bonds	6,097,586	0
<b>Total</b>	<b>\$15,859,239</b>	<b>\$16,552,544</b>

Beachwood City School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2008  
*Unaudited*

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

At June 30, 2008, the District's overall legal debt margin was \$56,883,680 with an un-voted debt margin of \$775,541. The District upgraded its bond rating in June, 2007 from Aa2 to Aa1.

**For the Future**

The Beachwood City School District closed out its fiscal year on June 30, 2008 on a positive note as the District and the community overwhelming passed a 5.9 mill operating levy in 2006 which began full collection in 2007 and implemented a reconfiguration of grade levels which initially was studied as a recommendation of the finance committee as an area to review to save costs, but ended up being a good instructional decision for the students. The reconfiguration was implemented in the fall of 2007.

In June, 2007, the District received an upgrade in its bond rating to Aa1 from Moody's Investor's Service for the new and all outstanding debt. This rating is among the highest of all school districts in Ohio.

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

**Contacting the School District's Financial Management**

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

**Beachwood City Schools**  
*Statement of Net Assets*  
 June 30, 2008

	<b>Governmental Activities</b>
<b>ASSETS:</b>	
<b>Current Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 14,452,523
Cash and Cash Equivalents in Segregated Accounts	134,873
Materials and Supplies Inventory	83,908
Accrued Interest Receivable	109,214
Accounts Receivable	61,543
Property Taxes Receivable	<u>30,418,279</u>
<i>Total current assets</i>	<u>45,260,340</u>
<b>Noncurrent Assets:</b>	
Deferred Charges	241,319
Non-Depreciable Capital Assets	831,499
Depreciable Capital Assets, net	<u>28,912,044</u>
<i>Total noncurrent assets</i>	<u>29,984,862</u>
<i>Total Assets</i>	<u>75,245,202</u>
<b>LIABILITIES:</b>	
<b>Current Liabilities:</b>	
Accounts Payable	54,794
Accrued Wages and Benefits	2,787,868
Intergovernmental Payable	434,005
Undistributed Monies	9,630
Matured Bonds Payable	86,363
Unearned Revenue	24,455,596
Claims Payable	90,800
<b>Long-Term Liabilities:</b>	
Due Within One Year	<u>1,976,253</u>
<i>Total current liabilities</i>	<u>29,895,309</u>
<b>Noncurrent Liabilities:</b>	
Due in More Than One Year	<u>16,913,709</u>
<i>Total Liabilities</i>	<u>46,809,018</u>
<b>NET ASSETS:</b>	
Invested in Capital Assets, Net of Related Debt	13,802,891
Restricted for Debt Service	1,646,024
Restricted for Capital Outlay	226,134
Restricted for Other Purposes	376,555
Restricted for Set Asides	134,873
Unrestricted	<u>12,249,707</u>
<i>Total Net Assets</i>	<u>\$ 28,436,184</u>

See Accompanying Notes to the Basic Financial Statements

**Beachwood City Schools**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2008

**Program Revenues**

	<u>Expenses</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Governmental Activities:</b>				
<b>Instruction:</b>				
Regular	\$ 11,629,226	\$ 261,927	\$ 665,444	
Special	5,871,895	680,019	869,960	
Vocational	1,242,827	805,627	280,527	
Adult/Continuing	172,720	172,720		
Other	664,301	535,638	27,626	
<b>Support Services:</b>				
Pupils	2,616,865	779,711	222,850	
Instructional Staff	1,012,486	2,321	12,356	
Board of Education	356,006			
Administration	2,371,399	320	7,857	
Fiscal	746,614	9,519		
Business	459,817	4,965		
Operation and Maintenance of Plant	3,720,729	275,580		
Pupil Transportation	1,993,252	48,277	491,752	7,781
Central	796,909	27,494	35,660	9,184
<b>Operation of Non-Instructional Services:</b>				
Food Service Operations	701,655	374,970	38,608	
Community Services	227,695	5,889	221,806	
Extracurricular Activities	1,004,529	35,189	1,000	
Debt Service Interest and Fiscal Charges	1,162,417			
<b>Total Governmental Activities</b>	<b>\$ 36,751,342</b>	<b>\$ 4,020,166</b>	<b>\$ 2,875,446</b>	<b>\$ 16,965</b>

**General Revenues:**

Grants and Entitlements not Restricted to Specific Programs  
Investment Earnings  
Miscellaneous  
Property Taxes

*Total General Revenues*

*Change in Net Assets*

*Net Assets Beginning of Year*

*Net Assets End of Year*

See Accompanying Notes to the Basic Financial Statements



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

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**Governmental  
Activities**

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\$ (10,701,855)  
(4,321,916)  
(156,673)  
  
(101,037)  
  
(1,614,304)  
(997,809)  
(356,006)  
(2,363,222)  
(737,095)  
(454,852)  
(3,445,149)  
(1,445,442)  
(724,571)  
  
(288,077)  
  
(968,340)  
(1,162,417)  

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**\$ (29,838,765)**

4,170,054  
648,569  
177,021  

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27,723,716

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32,719,360

2,880,595

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25,555,589

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**\$ 28,436,184**

**Beachwood City Schools**  
*Balance Sheet*  
*Governmental Funds*  
*June 30, 2008*

	<u>General</u>	<u>Bond Retirement Fund</u>	<u>Permanent Improvement Fund</u>	<u>Consortium Fund</u>
<b>ASSETS:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 10,537,460	\$ 1,250,814	\$ 370,792	\$ 1,352,505
Cash and Cash Equivalents in Segregated Accounts	134,873			
Materials and Supplies Inventory	79,319			
Accrued Interest Receivable	109,214			
Accounts Receivable	11,088			48,705
Interfund Receivable	862,030			
Due From Other Funds	315,000			
Property Taxes Receivable	<u>27,624,267</u>	<u>2,110,689</u>	<u>683,323</u>	
<i>Total Assets</i>	<u>\$ 39,673,251</u>	<u>\$ 3,361,503</u>	<u>\$ 1,054,115</u>	<u>\$ 1,401,210</u>
<b>LIABILITIES:</b>				
Accounts Payable	\$ 51,199			\$ 143
Accrued Wages and Benefits	2,433,754			268,786
Interfund Payable				862,030
Due to Other Funds			315,000	
Intergovernmental Payable	385,528			28,638
Undistributed Monies				
Unearned Revenue	22,690,787	1,648,709	549,485	
General Obligation Bonds Payable		<u>86,363</u>		
<i>Total Liabilities</i>	<u>25,561,268</u>	<u>1,735,072</u>	<u>864,485</u>	<u>1,159,597</u>
<b>Equity:</b>				
<b>FUND BALANCES:</b>				
<b>Reserved:</b>				
Reserved for Encumbrances	159,905		66,953	940
Reserved for Inventory	79,319			
Reserved for Property Taxes	4,820,863	456,957	132,194	
Reserved for Budget Stabilization	134,873			
<b>Unreserved, Undesignated, Reported in:</b>				
General Fund	8,917,023			
Special Revenue Funds				240,673
Debt Service Funds		1,169,474		
Capital Projects Funds			<u>(9,517)</u>	
<i>Total Fund Balances</i>	<u>14,111,983</u>	<u>1,626,431</u>	<u>189,630</u>	<u>241,613</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 39,673,251</u>	<u>\$ 3,361,503</u>	<u>\$ 1,054,115</u>	<u>\$ 1,401,210</u>

See Accompanying Notes on the Basic Financial Statements

All Other Governmental Funds	Total Governmental Funds		
		Total Governmental Fund Balances	\$16,611,350
\$ 553,603	\$ 14,065,174	Amounts reported for governmental activities in the Statement of	
	134,873	Net Assets are different because:	
4,589	83,908	Capital assets used in governmental activities are not financial	
	109,214	resources and therefore, are not reported in the funds:	
1,750	61,543	Nondepreciable capital assets	831,499
	862,030	Depreciable capital assets	28,912,044
	315,000		
	30,418,279	Deferred charges (unamortized bond issuance costs) are not	241,319
		reported in the funds as an asset:	
<u>\$ 559,942</u>	<u>\$ 46,050,021</u>	Deferred revenue, including delinquent property tax revenues,	
		are not receivable in the current period and therefore, are not	
\$ 3,452	\$ 54,794	reported in the funds:	
85,328	2,787,868	Unearned revenue	433,385
	862,030		
	315,000	Long term liabilities, including bonds payable, are not due and	
19,839	434,005	payable in the current period and therefore, are not reported	
9,630	9,630	in the funds:	
	24,888,981	Due within one year	(1,976,253)
	86,363	Due within more than one year	(16,913,709)
		Internal service funds are used by management to charge the	
		vision, dental and prescription drug, and contingent premium expenses	
		in the governmental activities in the Statement of Net Assets	<u>296,549</u>
		<b>Net Assets of Governmental Activities</b>	<u>\$28,436,184</u>
74,000	301,798		
	79,319		
	5,410,014		
	134,873		
	8,917,023		
350,646	591,319		
	1,169,474		
17,047	7,530		
<u>441,693</u>	<u>16,611,350</u>		
<u>\$ 559,942</u>	<u>\$ 46,050,021</u>		

**Beachwood City Schools**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2008*

	General	Bond Retirement Fund	Permanent Improvement Fund	Consortium Fund
<b>REVENUES:</b>				
Property and Other Local Taxes	\$ 25,736,935	\$ 1,878,537	\$ 610,379	\$ -
Intergovernmental	5,443,493	142,578	106,977	495,119
Interest	626,610		21,634	
Tuition and Fees	650,417			1,800,078
Rent	246,427			
Extracurricular Activities				
Gifts and Donations	1,700			
Customer Sales and Services	169,800			15,677
Miscellaneous	200,194			
<i>Total Revenues</i>	<u>33,075,576</u>	<u>2,021,115</u>	<u>738,990</u>	<u>2,310,874</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	10,437,236		6,706	
Special	4,975,585			664,658
Vocational	394,367			842,814
Adult/Continuing				
Other	142,359			
<b>Support Services:</b>				
Pupils	1,635,769			803,402
Instructional Staff	843,564			
Board of Education	346,279			
Administration	2,301,937			
Fiscal	866,408			
Business	475,683			
Operation and Maintenance of Plant	3,414,609		203,559	
Pupil Transportation	1,927,821			
Central	1,077,905			
<b>Operation of Non-Instructional Services:</b>				
Food Service Operations				
Community Services				
Extracurricular Activities	838,924			
<b>Capital Outlay:</b>				
Site Improvement Services			19,340	
Building Improvement Services				
Other Facilities Acquisition and Construction			594,808	
<b>Debt Service:</b>				
Principal		1,094,984		
Interest		856,710		
Issuance Costs		113,790		
<i>Total Expenditures</i>	<u>29,678,446</u>	<u>2,065,484</u>	<u>824,413</u>	<u>2,310,874</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>3,397,130</u>	<u>(44,369)</u>	<u>(85,423)</u>	<u>0</u>
<b>OTHER FINANCING SOURCES AND USES:</b>				
<b>Transfers In</b>				
Refunding Bonds Issued		6,244,997		
Premium on Refunding Bonds Issued		505,009		
Discount on Bonds and Notes Issued		(30,730)		
Transfers Out	(350,000)			
Payment to Refunded Bond Escrow Agent		(6,602,665)		
<i>Total Other Financing Sources and Uses</i>	<u>(350,000)</u>	<u>116,611</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	3,047,130	72,242	(85,423)	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>11,064,853</u>	<u>1,554,189</u>	<u>275,053</u>	<u>241,613</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 14,111,983</u>	<u>\$ 1,626,431</u>	<u>\$ 189,630</u>	<u>\$ 241,613</u>

See Accompanying Notes to the Basic Financial Statements

<u>All Other Governmental Funds</u>	<u>Total Governmental Funds</u>		
		Net change in Fund Balances - Total Governmental Funds	\$3,071,691
\$ -	\$ 28,225,851	Amounts reported for governmental activities in the Statement of Activities are different because:	
853,838	7,042,005		
4,387	652,631	Governmental Funds report capital outlays as expenditures. However in the Statement of Acitivites the cost of those assets is allocated over the estimated useful lives of the assets as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	
485,857	2,936,352		
	246,427		
35,189	35,189		
18,761	20,461		
583,709	769,186		
5,777	205,971		
1,987,518	40,134,073	Capital Outlay	1,198,494
		Depreciation	<u>(1,685,907)</u>
		Total	<u>(487,413)</u>
		Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
38,056	10,481,998	Property Taxes	(502,135)
222,575	5,862,818		
	1,237,181	The issuance of long-term debt (bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also governmental funds report the effect of issuance costs, premiums, and similar items when debt is first issued, where these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
171,613	171,613		
513,374	655,733		
157,913	2,597,084		
86,768	930,332		
	346,279		
32,689	2,334,626		
4,256	870,664		
	475,683	The internal service funds are used by management and are not reported in the government-wide Statements of Activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among governmental activities.	983,059
19,927	3,638,095		
	1,927,821		
29,227	1,107,132		
654,861	654,861		
230,641	230,641	Compensated absences reported in the Statement of activites, do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.	142,887
130,021	968,945		
	19,340		
7,855	7,855		
	594,808	Changes in Net Assets of Governmental Activities	<u>\$ 2,880,595</u>
	1,094,984		
	856,710		
	113,790		
2,299,776	37,178,993		
(312,258)	2,955,080		
350,000	350,000		
	6,244,997		
	505,009		
	(30,730)		
	(350,000)		
	(6,602,665)		
350,000	116,611		
37,742	3,071,691		
403,951	13,539,659		
\$ 441,693	\$ 16,611,350		

**Beachwood City Schools**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
<b>REVENUES:</b>				
Property and Other Local Taxes	\$ 25,351,237	\$ 25,593,778	\$ 25,483,350	\$ (110,428)
Intergovernmental	5,505,460	5,517,819	5,443,493	(74,326)
Interest	450,000	450,000	734,604	284,604
Tuition and Fees	207,391	207,391	454,838	247,447
Rent	271,270	271,270	264,493	(6,777)
Extracurricular Activities	200	200	0	(200)
Gifts and Donations	1,000	1,000	1,700	700
Customer Sales and Services	213,010	213,010	169,800	(43,210)
Miscellaneous	214,325	214,325	166,639	(47,686)
<b>Total Revenues</b>	<b>32,213,893</b>	<b>32,468,793</b>	<b>32,718,917</b>	<b>250,124</b>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	10,912,833	10,845,479	10,547,264	298,215
Special	4,513,116	4,979,450	4,839,693	139,757
Vocational	328,519	423,696	404,367	19,329
Other	351,300	250,300	181,476	68,824
<b>Support Services:</b>				
Pupils	1,804,621	1,746,871	1,596,677	150,194
Instructional Staff	1,034,426	918,408	838,826	79,582
Board of Education	467,349	467,349	373,651	93,698
Administration	2,304,842	2,398,243	2,333,167	65,076
Fiscal	1,076,010	992,660	888,153	104,507
Business	571,588	526,588	484,716	41,872
Operation and Maintenance of Plant	3,962,686	3,696,822	3,423,429	273,393
Pupil Transportation	2,022,450	2,084,974	1,974,948	110,026
Central	1,133,081	1,152,981	1,107,834	45,147
<b>Extracurricular Activities:</b>				
Academic Oriented Activities	108,170	113,170	112,592	578
Sport Oriented Activities	776,053	771,053	640,519	130,534
School and Public Service Co-Curricular Activities	64,268	64,268	62,366	1,902
<b>Total Expenditures</b>	<b>31,431,312</b>	<b>31,432,312</b>	<b>29,809,678</b>	<b>1,622,634</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>782,581</b>	<b>1,036,481</b>	<b>2,909,239</b>	<b>1,872,758</b>
<b>OTHER FINANCING SOURCES AND USES:</b>				
Proceeds from Sale of Capital Assets	2,500	2,500	4,193	1,693
Refund of Prior Year Expenditures	2,500	2,500	29,153	26,653
Transfers Out	(278,000)	(380,000)	(350,600)	29,400
Advances Out	(250,000)	(170,000)	0	170,000
<b>Total Other Financing Sources and Uses</b>	<b>(523,000)</b>	<b>(545,000)</b>	<b>(317,254)</b>	<b>227,746</b>
<b>Net Change in Fund Balances</b>	<b>259,581</b>	<b>491,481</b>	<b>2,591,985</b>	<b>2,100,504</b>
<b>Fund Balance (Deficit) at Beginning of Year</b>	<b>7,455,146</b>	<b>7,455,146</b>	<b>7,455,146</b>	
<b>Prior Year Encumbrances Appropriated</b>	<b>430,758</b>	<b>430,758</b>	<b>430,758</b>	
<b>Fund Balance (Deficit) at End of Year</b>	<b>\$ 8,145,485</b>	<b>\$ 8,377,385</b>	<b>\$ 10,477,889</b>	<b>\$ 2,100,504</b>

See Accompanying Notes to the Basic Financial Statements

**Beachwood City Schools**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Consortium Fund*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
<b>REVENUES:</b>				
Intergovernmental	\$ 517,679	\$ 517,679	\$ 495,119	\$ (22,560)
Tuition and Fees	2,229,223	2,229,223	1,811,611	(417,612)
Customer Sales and Services	36,000	36,000	15,677	(20,323)
<b>Total Revenues</b>	<u>2,782,902</u>	<u>2,782,902</u>	<u>2,322,407</u>	<u>(460,495)</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction:				
Special	1,211,134	1,219,685	712,078	507,607
Vocational	808,357	809,757	666,343	143,414
Support Services:				
Pupils	1,000,217	988,743	815,171	173,572
Central	1,440	1,440	0	1,440
<b>Total Expenditures</b>	<u>3,021,148</u>	<u>3,019,625</u>	<u>2,193,592</u>	<u>826,033</u>
Excess of Revenues Over (Under) Expenditures	<u>(238,246)</u>	<u>(236,723)</u>	<u>128,815</u>	<u>365,538</u>
Net Change in Fund Balances	(238,246)	(236,723)	128,815	365,538
Fund Balance (Deficit) at Beginning of Year	1,198,695	1,198,695	1,198,695	
Prior Year Encumbrances Appropriated	<u>23,909</u>	<u>23,909</u>	<u>23,909</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 984,358</u>	<u>\$ 985,881</u>	<u>\$ 1,351,419</u>	<u>\$ 365,538</u>

See Accompanying Notes to the Basic Financial Statements

**Beachwood City Schools**  
*Statement of Fund Net Assets*  
*Proprietary Fund*  
*June 30, 2008*

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	<b>Governmental Activities - Internal Service Funds</b>
<b>ASSETS:</b>	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 387,349
<i>Total Current Assets</i>	<u>387,349</u>
<i>Total Assets</i>	<u>387,349</u>
<b>LIABILITIES:</b>	
Current Liabilities:	
Claims Payable	90,800
<i>Total Current Liabilities</i>	<u>90,800</u>
<i>Total Liabilities</i>	<u>90,800</u>
<b>NET ASSETS:</b>	
Unrestricted	296,549
<i>Total Net Assets</i>	<u>\$ 296,549</u>

See Accompanying Notes to the Basic Financial Statements



**Beachwood City Schools**  
*Statement of Revenues, Expenses and Changes in Fund Net Assets*  
*Proprietary Fund*  
*For the Fiscal Year Ended June 30, 2008*

	<b>Governmental Activities - Internal Service Funds</b>
<b>OPERATING REVENUES:</b>	
Charges for Services	\$ 2,012,792
<i>Total Operating Revenues</i>	<i>2,012,792</i>
<b>OPERATING EXPENSES:</b>	
Claims	1,869,905
<i>Total Operating Expenses</i>	<i>1,869,905</i>
<i>Operating Income (Loss)</i>	<i>142,887</i>
<i>Income (Loss) Before Contributions and Transfers</i>	<i>142,887</i>
<i>Net Change in Net Assets</i>	<i>142,887</i>
<i>Net Assets(Deficit) at Beginning of Year</i>	<i>153,662</i>
<i>Net Assets (Deficit) at End of Year</i>	<i>\$ 296,549</i>

See Accompanying Notes to the Basic Financial Statements

**Beachwood City Schools**  
*Statement of Cash Flows*  
*Proprietary Fund*  
For the Fiscal Year Ended June 30, 2008

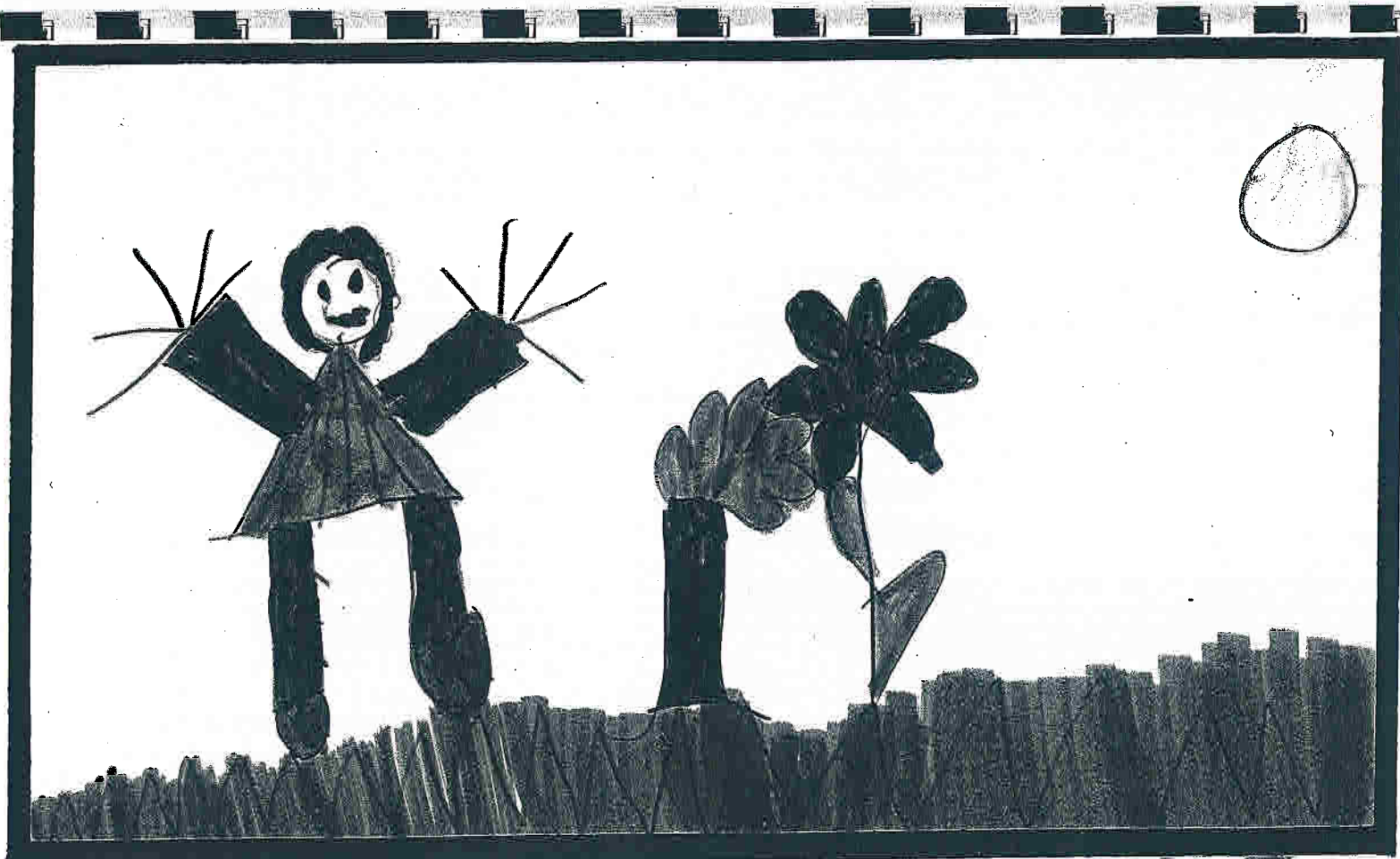
	<u><b>Governmental Activities - Internal Service Funds</b></u>
<hr/>	
Cash Flows from Operating Activities:	
Cash received from self insurance premiums	\$ 2,012,792
Payments for Claims	<u>(1,862,305)</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>150,487</u>
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>236,862</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$ 387,349</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Operating Gain	142,887
Increase (Decrease) in Liabilities	7,600
	<u>150,487</u>
<i>Net Cash Provided by Operating Activities</i>	<u><u>\$ 150,487</u></u>
See Accompanying Notes to the Basic Financial Statements	

**Beachwood City Schools**  
*Statement of Fiduciary Net Assets*  
*Fiduciary Fund*  
*June 30, 2008*

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	<b>Agency Fund</b>
<b>ASSETS:</b>	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 405,707
<i>Total Current Assets</i>	405,707
<i>Total Assets</i>	405,707
<b>LIABILITIES:</b>	
Current Liabilities:	
Undistributed Monies	347,983
Due to Students	57,724
<i>Total Current Liabilities</i>	405,707
<i>Total Liabilities</i>	-\$ -- 405,707

See Accompanying Notes to the Basic Financial Statements



*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008

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**Note 1 - Description of the School District and Reporting Entity**

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

The Board controls the School District's five instructional facilities and one support facility staffed by 159 certificated teaching personnel, 145 non-certificated support personnel and 11 administrators.

The School District is located east of Cleveland, Ohio, in a prosperous suburb consisting of residences and significant office and retail commercial development. The enrollment for the School District during the 2008 fiscal year was 1,545. The District operates three elementary schools, a middle school, and a high school.

**Reporting Entity**

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

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

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

**Jointly Governed Organizations:**

Ohio Schools' Council Association  
Lake Geauga Computer Association

**Public Entity Risk Pool:**

Sheakley Uniservice, Inc. Workers' Compensation Group Rating Program



*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008

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

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

**A. Basis of Presentation**

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

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

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

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

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008

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**B. Fund Accounting**

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

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

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

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

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

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

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

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

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

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008

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

**C. Measurement Focus**

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

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

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

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

**D. Basis of Accounting**

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



*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008

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

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. See Note 7. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

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

Property taxes for which there is an enforceable legal claim as of June 30, 2008, but which were levied to finance fiscal year 2008 operations, have been recorded as unearned revenue.

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

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

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

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008

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**E. Budgetary Data**

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

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

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

**Encumbrances**

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

**Lapsing of Appropriations**

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

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008

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**F. Cash and Investments**

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

During fiscal year 2008, investments were limited to demand deposits, certificates of deposit, Victory Federal Money Market, federal agency discount notes, banker's acceptances and STAR Ohio.

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

The School District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2008. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2008.

Interest on pooled cash and investments is only allocated to governmental, enterprise and fiduciary fund types as required by state statute. Following Ohio statutes, the Board of Education has specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2008 amounted to \$626,610, which includes \$137,667 assigned from other School District funds.

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

**G. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2008, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year which services are consumed.

**H. Inventory**

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

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008

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

**I. Restricted Assets**

Assets are reported as restricted assets when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other government or imposed by enabling legislation. By Statute, money must be set aside to create a reserve for budget stabilization. Restricted assets in the General Fund include the amount required by State statute to be set aside for budget stabilization. See Note 16 for additional information regarding set-asides.

**J. Capital Assets**

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

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

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

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

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008

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**K. Inter-fund Balances**

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

**L. Compensated Absences**

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

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

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

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

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

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

**N. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the



*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008

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acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

**O. Fund Balance Reserves and Designations**

The School District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for property taxes, inventories, budget stabilization, and encumbrances.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for budget stabilization represents monies required to be set aside by State statute to protect against cyclical changes in revenues and expenditures. The designation for budget stabilization represents revenues set aside that exceed statutorily required amounts.

**P. Operating Revenues and Expenses**

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

**Q. Inter-fund Transactions**

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

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

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008

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**R. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the School District and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2008.

**S. Estimates**

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

**Note 3 – Accountability and Compliance**

**A. Change in Accounting Principles**

For fiscal year 2008, the District has implemented GASB Statement No. 45, "Accounting and Financial Reporting for Post-employment Benefits Other than Pensions", GASB Statement No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues", and GASB Statement No. 50, "Pension Disclosures".

GASB Statement No. 45 establishes uniform standards of financial reporting for other post-employment benefits and increases the usefulness and improves the faithfulness of representations in the financial reports. The implementation of GASB Statement No. 45 did not have an effect on the financial statements of the District, however, certain disclosures related to post-employment benefits (see Note 13) have been modified to conform to the new reporting requirements.

GASB Statement No. 48 establishes criteria to ascertain whether certain transactions should be regarded as sales or as collateralized borrowings, as well as disclosure requirements for future revenues that are pledged and sold. The implementation of GASB Statement No. 48 did not have an effect on the financial statements of the District.

GASB Statement No. 50 establishes standards that more closely align the financial reporting requirements for pensions with those of other post-employment benefits. The implementation of GASB Statement No. 50 did not have an effect on the financial statements of the District.

**Note 4 – Deficit Fund Balances**

**A. Deficit Fund Balances**

Fund equity/retained earnings at June 30, 2008 included the following individual fund deficits:

<u>Special Revenue:</u>	
Food Service	(\$18,701)
Title I	(\$3,382)

The deficit in the Food Service Fund is due to increases in salary and benefit costs which have not been offset by increased prices for lunches. Due to the increasing deficit in the

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food service program, the District bid out the food service program in the spring of 2008. AVI Foodsystems, Inc. was awarded the contract and will operate the food service program beginning in September, 2008. All the former food service employees were offered positions with the new provider and are their employees.

The deficit in the Title I program is due to timing differences on anticipated revenue remittances.

**Note 5 - Budgetary Basis of Accounting**

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

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

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

**Net Change in Fund Balance**

	<u>General</u>	<u>Consortium</u>
GAAP Basis	\$3,047,130	\$0
Net adjustments for revenue accruals	(57,047)	11,533
Net adjustments for expenditure accruals	(182,007)	118,365
Encumbrances Outstanding at Year End (Budget Basis)	(216,091)	(1,083)
Budget Basis	<u>\$2,591,985</u>	<u>\$128,815</u>

**Note 6 - Deposits and Investments**

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

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the School District Treasury, in



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commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain Banker's acceptances and commercial paper notes for the period not to exceed one hundred and eighty days from the date of purchase in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time; and,

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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 of transfer from the custodian.

**Cash on Hand**

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

**Deposits**

At fiscal year end, the carrying amount of the School District's deposits was \$8,439,800. Based on the criteria described in GASB 40, "Deposits and Investment Risk Disclosures", as of June 30, 2008, \$8,677,334 of the District's bank balance of \$9,224,978 was exposed to custodial risk as discussed below, while \$547,644 was covered by Federal Deposit Insurance Corporation. Although all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

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

**Investments**

As of June 30, 2008, the School District had the following investments. All investments are in an internal investment pool.

	Fair Value	Maturity
Federal Home Loan Mortgage Corp. Disc notes	\$999,032	02/19/10
Federal National Mortgage Assoc. Disc notes	495,271	04/01/10
Victory Financial Money Market	139,629	1 day
Star Ohio	4,914,171	33 days
Total	\$6,548,103	

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**Interest Rate Risk**

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

**Credit Risk**

Both the Federal Home Loan Mortgage Discount Notes and the Federal National Mortgage Association bonds carry a rating of AAA by Standard & Poor's and STAROhio also carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The School District has no investment policy that would further limit its investment choices.

**Custodial Credit Risk**

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

**Concentration of Credit Risk**

The School District places no limit on the amount it may invest in any one issuer. The School District's investments in the Federal Home Loan Mortgage Discount Notes represents 15.5%, Federal National Mortgage Association, 7.5%, Victory Financial Money Market, 2% with STAR Ohio representing 75% of the School District's total investments.

**Note 7 - Property Taxes**

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

Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the school district. Real property tax revenue received in calendar year 2008 represents collections of calendar year 2007 taxes. Real property taxes received in calendar year 2007 were levied after April 1, 2007, on the assessed value listed as of January 1, 2007, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the

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remainder payable by June 20. Under certain circumstances, State statute permits earlier or later payment dates to be established.

Public utility property tax revenue received in calendar 2008 represents collections of calendar year 2007 taxes. Public utility real and tangible personal property taxes received in calendar year 2008 become a lien December 31, 2006, were levied after April 1, 2007 and are collected in 2008 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2008 (other than public utility property) represents the collection of 2008 taxes. Tangible personal property taxes received in calendar year 2008 were levied after April 1, 2007, on the value as of December 31, 2007. Tangible personal property tax is being phased out. Tangible personal property is currently assessed at 12.5% for property including inventory. This percentage was reduced to 6.25% in 2008 and will be reduced to zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30. This year, the June 2008 tangible personal property tax settlement was not received until July, 2008.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the District by holding the District harmless in calendar years 2006-2010. In calendar years 2011-2017, the reimbursement will be phased out.

The Cuyahoga County Treasurer collects property taxes on behalf of the District. The County Auditor periodically advances to the School District its portion of the taxes collected. These tax "advances" are based on three-year historical cash flow collection rates and occur eight times annually. Second-half real property tax payments collected by the County by June 30, 2008, are available to finance fiscal year 2008 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, public utility property, and tangible personal property taxes, which became measurable as of June 30, 2008 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed settlement of personal property tax and the amount available as an advance at June 30 were levied to finance current fiscal year operations, which is recognized as revenue. The receivable is therefore offset by a credit to unearned revenue for that portion not levied to finance current year operations. The amount available as an advance at June 30, 2008 was \$4,820,863 for the General Fund, \$456,957 in the Bond Retirement Fund, and \$132,194 in the Permanent Improvement Fund.



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The assessed values upon which the fiscal year 2008 taxes were collected are:

	2007 Second- Half Collections		2008 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential	\$361,042,680	45.91%	\$363,493,670	46.87%
Industrial/Commercial	371,659,600	47.25	373,804,300	48.20
Public Utility	12,723,490	1.62	8,757,950	3.80
Tangible Personal	41,047,066	5.22	29,484,946	1.13
Total Assessed Value	<u>\$786,472,836</u>	<u>100.00%</u>	<u>\$775,540,866</u>	<u>100.00%</u>
Tax rate per \$1,000 of Assessed valuation	\$82.30		\$82.30	

**Note 8 - Receivables**

Receivables at June 30, 2008, consisted of taxes, accounts (rent and student fees), intergovernmental, accrued interest, and loans. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

**Note 9 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2008 was as follows:

	Balance at 6/30/07	Additions	Reductions	Balance at 6/30/08
Governmental Activities Capital Assets, not being depreciated:				
Land	\$831,499	\$0	\$0	\$831,499
Capital Assets, being depreciated:				
Land Improvements	2,643,492	183,905	0	2,827,397
Buildings and Buildings Improvements	38,412,330	435,343	0	38,847,673
Vehicles	1,804,224	101,856	68,970	1,837,110
Equipment	5,241,798	504,701	203,610	5,542,889
Totals at Historical Cost	<u>48,101,844</u>	<u>1,225,805</u>	<u>272,580</u>	<u>49,055,069</u>
Less Accumulated Depreciation:				
Land Improvements	916,786	94,294	0	1,011,080
Buildings and Building Improvements	12,299,719	1,002,898	0	13,302,617
Vehicles	1,185,129	133,717	68,970	1,249,876
Equipment	4,300,753	454,998	176,299	4,579,452
Total Accumulated Depreciation	<u>18,702,387</u>	<u>1,685,907</u>	<u>245,269</u>	<u>20,143,025</u>
Total Capital Assets, being Depreciated, Net	29,399,457	(460,102)	(27,311)	28,912,044
Governmental Activities Capital Assets, Net	<u>\$30,230,956</u>	<u>(460,102)</u>	<u>(27,311)</u>	<u>\$29,743,543</u>

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Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$946,742
Special	53,048
Adult	1,446
Vocational	15,204
Other	15,932
Support Services:	
Pupil	12,496
Instructional Staff	69,603
Board of Education	20,358
Administration	32,808
Fiscal	4,121
Business	6,377
Operation and Maintenance of Plant	140,477
Pupil Transportation	139,328
Central	137,292
Extra-curricular activities	35,342
Food service operations	50,980
Community	4,353
	<hr/>
Total Depreciation Expense	<u>\$1,685,907</u>

**Note 10 – Inter-fund Transactions**

As of June 30, 2008, on the fund financial statements, the Consortium fund owed the General Fund \$862,030. The District's consortium funds provide services to local surrounding school districts. Costs are billed on a per pupil basis. The district incurs administrative and operational costs that are billed to the consortium districts but are costs that are incurred by the general fund. Over time, the consortium funds owe the general fund these dollars.

During the year ended June 30, 2008, the General Fund transferred \$350,000 to Other Non-major Governmental Funds. The transfers were made to move unrestricted balances to support programs and projects accounted for in other funds.

**Note 11 - Risk Management**

**A. Property and Liability**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2008, the School District contracted with Indiana Insurance for property, general liability insurance and boiler and machinery coverage in the amounts of \$72,329,338, \$2,000,000, and \$30,000,000 respectively. The deductible varies from \$1,000 to \$5,000.

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Umbrella Liability insurance and Excess Umbrella Liability insurance are covered by Indiana Insurance and Crum & Forster with a \$10,000,000 single occurrence limit on both policies and no deductibles unless a claim doesn't fall under an underlying policy which would create the need for a \$10,000 self insured retainer. Vehicles are also covered by Indiana Insurance and have a \$1,000 deductible for collision. Automobile liability has a \$1,000,000 combined single limit, \$5,000 medical payments, and \$50,000 uninsured motorists. Settled claims have not exceeded this commercial coverage in any of the past three years.

The School District contracted with Fidelity and Deposit Company for public employee dishonesty coverage, with a \$250,000 limit and a \$250 deductible.

**B. Worker's Compensation**

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

**C. Self-Insurance Program**

The self-insurance program for dental and prescription drug claims of District employees and their covered dependents has been administered by Medical Mutual beginning September 1, 2006. Self insured vision claims are administered by Vision Service Plan (VSP). Under the program, the School District is obligated for claim payments. During fiscal year 2008, total claims expense of \$874,212 was recognized, which represents actual claims processed and paid as of June 30, 2008. 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.

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

	<u>Beginning Balance</u>	<u>Claims Incurred</u>	<u>Claims Paid</u>	<u>Ending Balance</u>
2006	\$0	\$82,000	\$82,000	\$0
2007	\$0	\$758,354	\$675,154	\$83,200
2008	\$83,200	\$881,812	\$874,212	\$90,800

**Note 12 - Defined Benefit Pension Plans**

**A. School Employees Retirement System**

Plan Description - The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2008, 9.16 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2008, 2007, and 2006 were \$564,242, \$603,684, and \$563,577, respectively; 88 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

**B. State Teachers Retirement System**

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

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on



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

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

Funding Policy - For the fiscal year ended June 30, 2008, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2007, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2008, 2007, and 2006, were \$1,744,920, \$1,540,460, and \$1,478,143, respectively; 95 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006. Contributions to the DC and Combined Plans for fiscal year 2008 were \$21,465 made by the School District and \$48,157 made by the plan members.

**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, 2008, all five members of the Board of Education have selected Social Security. The Board's liability is 6.2 percent of wages paid.

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**Note 13 – Post-employment Benefits**

**A. School Employee Retirement System**

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

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2008, 4.18 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2008, this amount was \$92,695.

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

The School District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$298,134, \$203,060, and \$179,005, respectively; 88.13 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2008, this actuarially required allocation was 0.66 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2008, 2007, and 2006 were \$40,655, \$49,532, and \$46,430 respectively; 88.13 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

**B. State Teachers Retirement System**

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

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or by calling (888) 227-7877.

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2008, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$134,225, \$128,372, and \$123,179 respectively; 95 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

**Note 14 - Employee Benefits**

**A. Compensated Absences**

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

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

**B. Health Care Benefits**

The School District provides employee medical and surgical coverage through Medical Mutual. The School District is self-insured for vision, prescription drug and dental claims of District employees and their covered dependents. The District also entered into a 90%/100% contingent premium program with Medical Mutual effective September 1, 2007. The program allows the District to pay 90% of the premium to Medical Mutual. However, the District's maximum liability is 100% of the premium which is dependent on claims utilization and will be reconciled after the contract expires in December, 2008. The District has charged 100% of the premium to various funds, while paying Medical Mutual 90% of the premium. Claims paid to Medical Mutual were \$988,093.

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008

**Note 15 – Long-Term Obligations**

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

	Principal Outstanding 6/30/07	Additions	Reduction	Principal Outstanding 6/30/08	Amounts Due in One Year
<b>Governmental Activities</b>					
Long-Term Notes Payable					
2000 Tax Anticipation Notes 4.8%-5.3%	\$2,815,000	\$0	\$650,000	\$2,165,000	\$685,000
Total Long-Term Notes Payable	<u>2,815,000</u>	<u>0</u>	<u>650,000</u>	<u>2,165,000</u>	<u>685,000</u>
<b>General Obligation Bonds</b>					
2002 School Improvement Premium	377,560	0	25,171	352,389	25,171
2002 Unamortized Accounting Gain	148,169	0	9,261	138,908	9,261
2002 School Improvement 2.0%-5.25%	13,211,815	0	6,635,722	6,576,093	635,740
2007 Advanced refunding premium	0	474,279	47,427	426,852	47,427
2007 Unamortized Accounting Gain	0	113,790	11,379	102,411	11,379
2007 Advanced refunding 4.0% - 4.25%	0	6,131,207	33,621	6,097,586	48,621
Total General Obligation Bonds	<u>13,737,544</u>	<u>6,719,276</u>	<u>6,762,581</u>	<u>13,694,239</u>	<u>777,599</u>
Capital Lease	334,124	0	196,604	137,520	137,520
Compensated Absences Payable	2,565,709	692,552	365,058	2,893,203	376,134
Total Governmental Long-Term Liabilities	<u>2,899,833</u>	<u>692,552</u>	<u>561,662</u>	<u>3,030,723</u>	<u>513,654</u>
Total Long-Term Liabilities	<u>\$19,452,377</u>	<u>\$7,411,828</u>	<u>\$7,974,243</u>	<u>\$18,889,962</u>	<u>\$1,976,253</u>

**Long-Term Tax Anticipation Notes** On June 29, 2000, the School District issued \$6,000,000, 4.8%-5.3% tax anticipation notes maturing on December 1, 2010. These tax anticipation notes were issued to fund various school improvements in the permanent improvement fund and will be paid from property taxes.

**General Obligation Bonds** On May 1, 1991, the School District issued \$6,000,000 general obligation bonds with an interest rate of 4.8-7.05%, maturity date on December 1, 2006 for the purpose of school improvement. These bonds were advanced refunded and re-issued along with the new general obligation bonds that were issued on November 1, 2002. The District issued \$18,814,982 general obligation bonds with an interest rate of 2.0-5.25%, maturity date December 1, 2022. A portion of the general obligation bond



*Beachwood City School District*  
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proceeds were used to refund \$3,065,000 of the 1991 various improvement bonds. The \$3,065,000 portion was paid in full December 1, 2006 which reduced the District's debt levy by 1.2 mills annually. In addition, in July, 2007 a portion of the District's general obligation funds were advanced refunded and re-issued at a lower interest rate in the amount of \$6,244,997 with an interest rate of 4.00-4.25%. Present value savings from the advanced refunding is \$247,906. The premium on bonds will be amortized over twenty years.

All bonds outstanding are general obligation of the District for which the full faith and credit of the District are pledged for repayment. General obligation bonds are to be repaid from a current 1.9 mill bonded-debt tax levy. Tax monies will be received in and the debt will be repaid from the Bond Retirement Fund.

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

**Capital Leases** During fiscal year 2004, the District entered into a capital lease for computers in the amount of \$583,199 at an interest rate of 5.33%. During fiscal year 2005, the District entered into a capital lease for computers in the amount of \$268,329 at an interest rate of 3.18%. During fiscal year 2006, the District entered into a capital lease for computers in the amount of \$203,684 at an interest rate of 2.90%. During fiscal year 2007, the District entered into a capital lease for computers in the amount of \$413,152 at an interest rate of 2.9%. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date as capital assets in the governmental activities of the statement of net assets. The capital lease will be repaid from the General fund.

The following summarizes the future minimum lease obligations, the net present value of these minimum lease payments, cost and accumulated depreciation of assets acquired through capital leases as of June 30, 2008.

Fiscal Year Beginning June 30	Governmental Activities		
	General Fund	Building	Total
2009	\$146,844	0	\$146,844
Total Minimum Lease Payments	146,844	\$0	146,844
Less Amount Representing Interest	(9,324)	0	(9,324)
Present Value of Lease Payments	<u>\$137,520</u>	<u>\$0</u>	<u>\$137,520</u>
Capital Assets at Cost:	\$1,099,438	\$583,199	\$1,682,637
Less: Accumulated Depreciation	(716,410)	(583,199)	(1,299,609)
Net Book Value	<u>\$383,028</u>	<u>\$0</u>	<u>\$383,028</u>

The School District's overall voted debt margin was \$56,883,680 with an un-voted debt margin of \$775,541 at June 30, 2008.

*Beachwood City School District*  
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Principal and interest requirements to retire the long-term obligations outstanding at June 30, 2008, were as follows:

Fiscal Year Ending June 30, 2008	Long-Term Notes Payable		General Obligation Bonds		Capital Lease		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$685,000	\$95,890	\$705,000	\$497,588	\$137,520	\$9,324	\$1,527,520	\$602,802
2010	720,000	59,180	730,000	474,439	0	0	1,450,000	533,619
2011	760,000	20,140	755,000	448,620	0	0	1,515,000	468,760
2012	0	0	785,000	420,445	0	0	785,000	420,445
2013	0	0	810,000	390,358	0	0	810,000	390,358
2014-2018	0	0	3,699,998	2,299,212	0	0	3,699,998	2,299,212
2019-2022	0	0	5,430,000	584,989	0	0	5,430,000	584,989
Total	<u>\$2,165,000</u>	<u>\$175,210</u>	<u>\$12,914,998</u>	<u>\$5,115,651</u>	<u>\$137,520</u>	<u>\$9,324</u>	<u>\$15,217,518</u>	<u>\$5,300,185</u>

**Note 16 - Set-Asides**

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

The following cash basis information identifies the changes in the year-end set-aside amounts for textbooks, capital improvements, and budget stabilization during fiscal year 2008. Disclosure of this information is required by State Statute.

	Textbooks	Capital Improvements	Budget Stabilization
Set-aside Reserve Balances as of June 30, 2007	\$0	\$0	\$134,873
Set-aside Balance Carried Forward	(2,927,431)	0	0
Current Year Set-Aside Requirement	243,088	243,088	0
Qualifying Disbursements	(1,078,132)	(824,412)	0
Total	<u>(\$3,762,475)</u>	<u>(\$581,324)</u>	<u>\$134,873</u>
Set-aside Balance Carried Forward to future fiscal years	<u>(\$3,762,475)</u>	\$0	\$0
Set-aside Reserve Balance as of June 30, 2008	<u>\$0</u>	<u>\$0</u>	<u>\$134,873</u>

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The School District had qualifying expenditures during the year that reduced the textbooks 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 set-asides at the end of the fiscal year was \$134,873.

**Note 17 – Jointly Governed Organizations**

*Ohio Schools' Council Association* - The Ohio Schools' Council Association (Council) is a jointly governed organization among one hundred twenty one school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2008, the School District paid \$822,318 to the Council. Financial information can be obtained by contacting Dave Cotrell, the Executive Secretary/Treasurer of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

The School District participates in the Council's 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

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2008

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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 upon a per pupil charge. The School District contributed \$57,546 to LGCA during fiscal year 2008.

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

**Note 18 - Contingencies**

***A. Grants***

The School District receives financial assistance from numerous federal, state, and local agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2008.

***B. Litigation***

The School District was named as a defendant in several court cases during the period ended June 30, 2008. Management does not believe that the ultimate resolution of those cases will have a material impact on the financial statements of the School District and further that the School District has adequate insurance coverage to protect itself against any material loss.





# ***Combining Statements and Individual Fund Schedules***

## ***Combining Statements – Nonmajor Governmental Funds***

### Nonmajor Capital Projects Funds

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

Building Fund - This fund is used to account for the receipts and expenditures related to specific capital improvements in the District.

School Net – This fund is used to account for monies received by the State of Ohio for the purpose of purchasing computers.

### Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

Management Information Systems – These funds are 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 Grant – These funds are provided by the State to be used to implement entry-year programs.

(continued)



## Nonmajor Special Revenue Funds (continued)

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

School Net Professional Development – These funds are used to account for professional development activities related to school net.

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

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

Title III (Immigrant) - This fund is to account for money used to educate immigrant children enrolled at Beachwood.

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

Title V – 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.

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 through five years.

E Rate Grant – This fund accounts for the federal revenues used to support internet connectivity.

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

Miscellaneous Federal Grants – This fund accounts for various monies received from federal agencies which are not classified elsewhere.

## Nonmajor Proprietary Fund

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

### Internal Service Fund

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

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

**Beachwood City Schools**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*June 30, 2008*

	<u>Capital Projects</u>	<u>Special Revenue</u>	<u>Total</u>
<b>ASSETS:</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 17,047	\$ 536,556	\$ 553,603
Materials and Supplies Inventory		4,589	4,589
Accounts Receivable		1,750	1,750
<i>Total Assets</i>	<u>17,047</u>	<u>542,895</u>	<u>559,942</u>
<b>LIABILITIES:</b>			
Accounts Payable		3,452	3,452
Accrued Wages and Benefits		85,328	85,328
Intergovernmental Payable		19,839	19,839
Undistributed Monies		9,630	9,630
<i>Total Liabilities</i>		<u>118,249</u>	<u>118,249</u>
Equity:			
<b>FUND BALANCES:</b>			
Reserved:			
Reserved for Encumbrances		74,000	74,000
Unreserved, Undesignated, Reported in:			
Special Revenue Funds		350,646	350,646
Capital Projects Funds	17,047		17,047
<i>Total Fund Balances</i>	<u>17,047</u>	<u>424,646</u>	<u>441,693</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 17,047</u>	<u>\$ 542,895</u>	<u>\$ 559,942</u>

**Beachwood City Schools**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Capital Projects</u>	<u>Special Revenue</u>	<u>Total</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 9,184	\$ 844,654	\$ 853,838
Interest	325	4,062	4,387
Tuition and Fees		485,857	485,857
Extracurricular Activities		35,189	35,189
Gifts and Donations		18,761	18,761
Customer Sales and Services		583,709	583,709
Miscellaneous		5,777	5,777
<i>Total Revenues</i>	<u>9,509</u>	<u>1,978,009</u>	<u>1,987,518</u>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	4,490	33,566	38,056
Special		222,575	222,575
Adult/Continuing		171,613	171,613
Other		513,374	513,374
<b>Support Services:</b>			
Pupils		157,913	157,913
Instructional Staff		86,768	86,768
Administration		32,689	32,689
Fiscal		4,256	4,256
Operation and Maintenance of Plant		19,927	19,927
Central		29,227	29,227
<b>Operation of Non-Instructional Services:</b>			
Food Service Operations		654,861	654,861
Community Services		230,641	230,641
<b>Extracurricular Activities:</b>			
Academic Oriented Activities		20,070	20,070
Sport Oriented Activities		109,951	109,951
<b>Capital Outlay:</b>			
Building Improvement Services	7,855		7,855
<i>Total Expenditures</i>	<u>12,345</u>	<u>2,287,431</u>	<u>2,299,776</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,836)</u>	<u>(309,422)</u>	<u>(312,258)</u>
<b>OTHER FINANCING SOURCES AND USES:</b>			
Transfers In	0	350,000	350,000
<i>Total Other Financing Sources and Uses</i>	<u>0</u>	<u>350,000</u>	<u>350,000</u>
<i>Net Change in Fund Balances</i>	(2,836)	40,578	37,742
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>19,883</u>	<u>384,068</u>	<u>403,951</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 17,047</u>	<u>\$ 424,646</u>	<u>\$ 441,693</u>

**Beachwood City Schools**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*June 30, 2008*

	<u>Building Fund</u>	<u>School Net</u>	<u>Total Nonmajor Capital Projects</u>
<b>ASSETS:</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 7,863	\$ 9,184	\$ 17,047
<i>Total Assets</i>	<u>7,863</u>	<u>9,184</u>	<u>17,047</u>
Equity:			
<b>FUND BALANCES:</b>			
Unreserved, Undesignated, Reported in:			
Capital Projects Funds	<u>7,863</u>	<u>9,184</u>	<u>17,047</u>
<i>Total Fund Balances</i>	<u>7,863</u>	<u>9,184</u>	<u>17,047</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 7,863</u>	<u>\$ 9,184</u>	<u>\$ 17,047</u>

**Beachwood City Schools**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Project Funds*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Building Fund</u>	<u>School Net</u>	<u>Total Nonmajor Capital Projects</u>
<b>REVENUES:</b>			
Intergovernmental	\$ -	\$ 9,184	\$ 9,184
Interest	325		325
<i>Total Revenues</i>	<u>325</u>	<u>9,184</u>	<u>9,509</u>
<b>EXPENDITURES:</b>			
Current:			
Instruction:			
Regular	4,490		4,490
Capital Outlay:			
Building Improvement Services	7,855		7,855
<i>Total Expenditures</i>	<u>12,345</u>		<u>12,345</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(12,020)</u>	<u>9,184</u>	<u>(2,836)</u>
<i>Net Change in Fund Balances</i>	(12,020)	9,184	(2,836)
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>19,883</u>	<u>0</u>	<u>19,883</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 7,863</u>	<u>\$ 9,184</u>	<u>\$ 17,047</u>



**Beachwood City Schools**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2008*

	<u>Food Service</u>	<u>Expendable Trust Funds</u>	<u>Uniform Supplies</u>	<u>Recreation</u>	<u>Pupil Support</u>
<b>ASSETS:</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 11,671	\$ 20,830	\$ 1,493	\$ 51,400	\$ 42,458
Materials and Supplies Inventory	4,589				
Accounts Receivable	1,253				
<i>Total Assets</i>	<u>17,513</u>	<u>20,830</u>	<u>1,493</u>	<u>51,400</u>	<u>42,458</u>
<b>LIABILITIES:</b>					
Accounts Payable				438	
Accrued Wages and Benefits	30,724			3,158	
Intergovernmental Payable	5,490			1,765	
Undistributed Monies		9,630			
<i>Total Liabilities</i>	<u>36,214</u>	<u>9,630</u>	<u>0</u>	<u>5,361</u>	<u>0</u>
Equity:					
<b>FUND BALANCES:</b>					
Reserved:					
Reserved for Encumbrances				1,119	
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	(18,701)	11,200	1,493	44,920	42,458
<i>Total Fund Balances</i>	<u>(18,701)</u>	<u>11,200</u>	<u>1,493</u>	<u>46,039</u>	<u>42,458</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 17,513</u>	<u>\$ 20,830</u>	<u>\$ 1,493</u>	<u>\$ 51,400</u>	<u>\$ 42,458</u>

(continued)

<u>Misc. Local Grants</u>	<u>Preschool</u>	<u>District Managed Student Activities</u>	<u>Auxiliary Services</u>	<u>Management Information Systems</u>	<u>Entry Year Grant</u>	<u>One Net</u>	<u>School Net Professional Development</u>
\$ 13,876	\$ 235,605	\$ 57,133	\$ 90,586	\$ 2,231	\$ 1,462	\$ -	\$ -
<u>13,876</u>	<u>235,605</u>	<u>57,133</u>	<u>90,586</u>	<u>2,231</u>	<u>1,462</u>	<u>-</u>	<u>-</u>
	504		2,068				
	34,013		8,000		355		
	10,740		1,104				
<u>0</u>	<u>45,257</u>	<u>0</u>	<u>11,172</u>	<u>0</u>	<u>355</u>	<u>0</u>	<u>0</u>
	288		71,197				
<u>13,876</u>	<u>190,060</u>	<u>57,133</u>	<u>8,217</u>	<u>2,231</u>	<u>-1,107</u>	<u>0</u>	<u>0</u>
<u>13,876</u>	<u>190,348</u>	<u>57,133</u>	<u>79,414</u>	<u>2,231</u>	<u>1,107</u>	<u>0</u>	<u>0</u>
<u>\$ 13,876</u>	<u>\$ 235,605</u>	<u>\$ 57,133</u>	<u>\$ 90,586</u>	<u>\$ 2,231</u>	<u>\$ 1,462</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

**Beachwood City Schools**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2008*

	<u>Miscellaneous State Grants</u>	<u>IDEA B</u>	<u>Title III (Immigrant)</u>	<u>Title I</u>	<u>Title V</u>
<b>ASSETS:</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 26	\$ -	\$ 758	\$ 5,827	\$ 304
Materials and Supplies Inventory					
Accounts Receivable					
<i>Total Assets</i>	<u>26</u>	<u>-</u>	<u>758</u>	<u>5,827</u>	<u>304</u>
<b>LIABILITIES:</b>					
Accounts Payable			246		
Accrued Wages and Benefits				8,501	
Intergovernmental Payable				708	
Undistributed Monies					
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>246</u>	<u>9,209</u>	<u>0</u>
<b>Equity:</b>					
<b>FUND BALANCES:</b>					
<b>Reserved:</b>					
Reserved for Encumbrances			513		305
<b>Unreserved, Undesignated, Reported in:</b>					
Special Revenue Funds	26	0	(1)	(3,382)	(1)
<i>Total Fund Balances</i>	<u>26</u>	<u>0</u>	<u>512</u>	<u>(3,382)</u>	<u>304</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 26</u>	<u>\$ -</u>	<u>\$ 758</u>	<u>\$ 5,827</u>	<u>\$ 304</u>

(continued)

<b>Drug Free Education (Title IV-A)</b>	<b>Preschool Handicapped Grant</b>	<b>E-rate Grant</b>	<b>Title II-A</b>	<b>Miscellaneous Federal Grants</b>	<b>Total Nonmajor Special Revenue</b>
\$ 173			\$ 217	\$ 506	\$ 536,556
497					4,589
<u>670</u>	<u>-</u>	<u>-</u>	<u>217</u>	<u>506</u>	<u>1,750</u>
					<u>542,895</u>
				196	3,452
577					85,328
32					19,839
<u>609</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>196</u>	<u>9,630</u>
					<u>118,249</u>
52			218	308	74,000
9			(1)	2	- 350,646
<u>61</u>			<u>217</u>	<u>310</u>	<u>424,646</u>
<u>\$ 670</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 217</u>	<u>\$ 506</u>	<u>\$ 542,895</u>

**Beachwood City Schools**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Food Service</u>	<u>Expendable Trust Funds</u>	<u>Uniform Supplies</u>	<u>Recreation</u>	<u>Pupil Support</u>
<b>REVENUES:</b>					
Intergovernmental	\$ 38,608	\$ -	\$ -	\$ -	\$ -
Interest	1,638	125			
Tuition and Fees	1,253				
Extracurricular Activities					
Gifts and Donations		2,200			15,561
Customer Sales and Services	368,374	9,519		196,954	232
Miscellaneous	4,957				
<i>Total Revenues</i>	<u>414,830</u>	<u>11,844</u>	<u>0</u>	<u>196,954</u>	<u>15,793</u>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular					14,427
Special					2,895
Adult/Continuing				216,017	
Other					
<b>Support Services:</b>					
Pupils		688			
Instructional Staff					
Administration					
Fiscal		4,256			
Operation and Maintenance of Plant					
Central					
<b>Operation of Non-Instructional Services:</b>					
Food Service Operations	654,861				
Community Services					
<b>Extracurricular Activities:</b>					
Academic Oriented Activities					
Sport Oriented Activities					
<i>Total Expenditures</i>	<u>654,861</u>	<u>4,944</u>	<u>0</u>	<u>216,017</u>	<u>17,322</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(240,031)</u>	<u>6,900</u>	<u>0</u>	<u>(19,063)</u>	<u>(1,529)</u>
<b>OTHER FINANCING SOURCES AND USES:</b>					
Transfers In	250,000	0	0	0	0
<i>Total Other Financing Sources and Uses</i>	<u>250,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	9,969	6,900	0	(19,063)	(1,529)
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>(28,670)</u>	<u>4,300</u>	<u>1,493</u>	<u>65,102</u>	<u>43,987</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ (18,701)</u>	<u>\$ 11,200</u>	<u>\$ 1,493</u>	<u>\$ 46,039</u>	<u>\$ 42,458</u>

(continued)

<u>Misc. Local Grants</u>	<u>Preschool</u>	<u>District Managed Student Activities</u>	<u>Auxiliary Services</u>	<u>Management Information Systems</u>	<u>Entry Year Grant</u>	<u>One Net</u>	<u>School Net Professional Development</u>
\$ -	\$ -	\$ -	\$ 264,428 2,299	\$ 5,331	\$ 7,200	\$ 15,000	\$ 2,970
	484,604	35,189 1,000					
820	5,040		3,590				
<u>820</u>	<u>489,644</u>	<u>36,189</u>	<u>270,317</u>	<u>5,331</u>	<u>7,200</u>	<u>15,000</u>	<u>2,970</u>
6,966	504				8,885 355		
	(44,404) 485,748						
349	6,086 24,486						
2,417	19,927			6,237		15,000	2,970
			207,301				
		20,070 109,951					
<u>9,732</u>	<u>492,347</u>	<u>130,021</u>	<u>207,301</u>	<u>6,237</u>	<u>9,240</u>	<u>15,000</u>	<u>2,970</u>
<u>(8,912)</u>	<u>(2,703)</u>	<u>(93,832)</u>	<u>63,016</u>	<u>(906)</u>	<u>(2,040)</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>100,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>100,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(8,912)	(2,703)	6,168	63,016	(906)	(2,040)	0	0
<u>22,788</u>	<u>193,051</u>	<u>50,965</u>	<u>16,398</u>	<u>3,137</u>	<u>3,147</u>	<u>0</u>	<u>0</u>
<u>\$ 13,876</u>	<u>\$ 190,348</u>	<u>\$ 57,133</u>	<u>\$ 79,414</u>	<u>\$ 2,231</u>	<u>\$ 1,107</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

**Beachwood City Schools**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Miscellaneous State Grants</u>	<u>IDEA B</u>	<u>Title III (Immigrant)</u>	<u>Title I</u>	<u>Title V</u>
<b>REVENUES:</b>					
Intergovernmental	\$ 3,832	\$ 377,359	\$ 9,733	\$ 66,960	\$ 4,199
Interest					
Tuition and Fees					
Extracurricular Activities					
Gifts and Donations					
Customer Sales and Services					
Miscellaneous					
<i>Total Revenues</i>	<u>3,832</u>	<u>377,359</u>	<u>9,733</u>	<u>66,960</u>	<u>4,199</u>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular	2,000				
Special		136,397	10,455	55,555	3,564
Adult/Continuing					
Other					
<b>Support Services:</b>					
Pupils		152,482			
Instructional Staff	3,864	72,633		3,135	440
Administration		7,854			
Fiscal					
Operation and Maintenance of Plant					
Central					
<b>Operation of Non-Instructional Services:</b>					
Food Service Operations					
Community Services		8,679		11,731	
<b>Extracurricular Activities:</b>					
Academic Oriented Activities					
Sport Oriented Activities					
<i>Total Expenditures</i>	<u>5,864</u>	<u>378,045</u>	<u>10,455</u>	<u>70,421</u>	<u>4,004</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,032)</u>	<u>(686)</u>	<u>(722)</u>	<u>(3,461)</u>	<u>195</u>
<b>OTHER FINANCING SOURCES AND USES:</b>					
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Other Financing Sources and Uses</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(2,032)	(686)	(722)	(3,461)	195
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>2,058</u>	<u>686</u>	<u>1,234</u>	<u>79</u>	<u>- 109</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 26</u>	<u>\$ -</u>	<u>\$ 512</u>	<u>\$ (3,382)</u>	<u>\$ 304</u>

(continued)



<u>Drug Free Education (Title IV-A)</u>	<u>Preschool Handicapped Grant</u>	<u>E-rate Grant</u>	<u>Title II-A</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue</u>
\$ 4,411	\$ 13,158	\$ -	\$ 30,291	\$ 1,174	\$ 844,654
					4,062
					485,857
					35,189
					18,761
					583,709
					5,777
<u>4,411</u>	<u>13,158</u>	<u>0</u>	<u>30,291</u>	<u>1,174</u>	<u>1,978,009</u>
	13,158			784	33,566
				196	222,575
			27,626		171,613
					513,374
4,743					157,913
				610	86,768
					32,689
					4,256
		2,603			19,927
					29,227
					654,861
447			2,483		230,641
					20,070
					109,951
<u>5,190</u>	<u>13,158</u>	<u>2,603</u>	<u>30,109</u>	<u>1,590</u>	<u>2,287,431</u>
<u>(779)</u>	<u>0</u>	<u>(2,603)</u>	<u>182</u>	<u>(416)</u>	<u>(309,422)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>350,000</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>350,000</u>
<u>(779)</u>	<u>0</u>	<u>(2,603)</u>	<u>182</u>	<u>(416)</u>	<u>40,578</u>
<u>840</u>	<u>0</u>	<u>2,603</u>	<u>35</u>	<u>726</u>	<u>384,068</u>
<u>\$ 61</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 217</u>	<u>\$ 310</u>	<u>\$ 424,646</u>

## FIDUCIARY FUNDS

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

### Agency Funds:

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

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

**Beachwood City Schools**  
**Combining Statements of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Fiscal Year Ended June 30, 2008**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b>Retirement</b>				
<b>ASSETS:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 324,820	\$ 2,939,196	\$ 2,916,033	\$ 347,983
Total Assets	<u>324,820</u>	<u>2,939,196</u>	<u>2,916,033</u>	<u>347,983</u>
<b>LIABILITIES:</b>				
Undistributed Monies	324,820	2,939,196	2,916,033	347,983
Total Liabilities	<u>\$ 324,820</u>	<u>\$ 2,939,196</u>	<u>\$ 2,916,033</u>	<u>\$ 347,983</u>
<b>Student Activities</b>				
<b>ASSETS:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 63,096	\$ 73,481	\$ 78,853	\$ 57,724
Total Assets	<u>63,096</u>	<u>73,481</u>	<u>78,853</u>	<u>57,724</u>
<b>LIABILITIES:</b>				
Due to Students	63,096	73,481	78,853	57,724
Total Liabilities	<u>\$ 63,096</u>	<u>\$ 73,481</u>	<u>\$ 78,853</u>	<u>\$ 57,724</u>
<b>Totals</b>				
<b>ASSETS:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 387,916	\$ 3,012,677	\$ 2,994,886	\$ 405,707
Total Assets	<u>387,916</u>	<u>3,012,677</u>	<u>2,994,886</u>	<u>405,707</u>
<b>LIABILITIES:</b>				
Undistributed Monies	324,820	2,939,196	2,916,033	347,983
Due to Students	63,096	73,481	78,853	57,724
Total Liabilities	<u>\$ 387,916</u>	<u>\$ 3,012,677</u>	<u>\$ 2,994,886</u>	<u>\$ 405,707</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
<b>REVENUES:</b>				
Property and Other Local Taxes	\$ 25,351,237	\$ 25,593,778	\$ 25,483,350	\$ (110,428)
Intergovernmental	5,505,460	5,517,819	5,443,493	(74,326)
Interest	450,000	450,000	734,604	284,604
Tuition and Fees	207,391	207,391	454,838	247,447
Rent	271,270	271,270	264,493	(6,777)
Extracurricular Activities	200	200	0	(200)
Gifts and Donations	1,000	1,000	1,700	700
Customer Sales and Services	213,010	213,010	169,800	(43,210)
Miscellaneous	214,325	214,325	166,639	(47,686)
<b>Total Revenues</b>	<u>32,213,893</u>	<u>32,468,793</u>	<u>32,718,917</u>	<u>250,124</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
<b>Regular</b>				
Salaries	7,524,007	7,588,181	7,498,590	89,591
Fringe Benefits	2,517,659	2,320,398	2,222,028	98,370
Purchased Services	199,615	209,053	167,703	41,350
Materials and Supplies	542,532	555,435	495,346	60,089
Other	48,538	72,000	69,709	2,291
Capital Outlay	77,389	97,912	92,457	5,455
Capital Outlay Replacement	3,093	2,500	1,431	1,069
<b>Total - Regular</b>	<u>10,912,833</u>	<u>10,845,479</u>	<u>10,547,264</u>	<u>298,215</u>
<b>Special</b>				
Salaries	2,085,052	2,702,502	2,661,151	41,351
Fringe Benefits	1,059,580	1,148,580	1,144,778	3,802
Purchased Services	1,325,831	1,086,265	1,003,864	82,401
Materials and Supplies	33,525	34,175	22,969	11,206
Capital Outlay	9,128	7,928	6,931	997
<b>Total - Special</b>	<u>4,513,116</u>	<u>4,979,450</u>	<u>4,839,693</u>	<u>139,757</u>
<b>Vocational</b>				
Purchased Services	305,300	407,485	398,393	9,092
Materials and Supplies	21,379	14,371	5,740	8,631
Other	1,740	1,740	234	1,506
Capital Outlay	100	100	0	100
<b>Total - Vocational</b>	<u>328,519</u>	<u>423,696</u>	<u>404,367</u>	<u>19,329</u>
<b>Other</b>				
Salaries	133,654	42,154	30,491	11,663
Fringe Benefits	87,646	76,646	19,504	57,142
Purchased Services	130,000	131,500	131,481	19
<b>Total - Other</b>	<u>351,300</u>	<u>250,300</u>	<u>181,476</u>	<u>68,824</u>
<b>Total - Instruction:</b>	<u>16,105,768</u>	<u>16,498,925</u>	<u>15,972,800</u>	<u>526,125</u>

(continued)

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive/ Negative</u>
<b>Support Services:</b>				
Pupils				
Salaries	1,230,040	1,214,730	1,114,540	100,190
Fringe Benefits	452,226	372,226	332,746	39,480
Purchased Services	108,434	145,913	140,466	5,447
Materials and Supplies	11,928	11,678	7,747	3,931
Other	179	535	534	1
Capital Outlay	1,414	1,389	314	1,075
Capital Outlay Replacement	400	400	330	70
<b>Total - Pupils</b>	<u>1,804,621</u>	<u>1,746,871</u>	<u>1,596,677</u>	<u>150,194</u>
<b>Instructional Staff</b>				
Salaries	634,662	534,662	527,317	7,345
Fringe Benefits	233,997	193,997	169,253	24,744
Purchased Services	84,513	113,563	89,609	23,954
Materials and Supplies	59,345	59,677	45,178	14,499
Capital Outlay	21,702	16,302	7,469	8,833
Capital Outlay Replacement	207	207	0	207
<b>Total - Instructional Staff</b>	<u>1,034,426</u>	<u>918,408</u>	<u>838,826</u>	<u>79,582</u>
<b>Board of Education</b>				
Salaries	18,959	17,459	17,125	334
Fringe Benefits	2,665	2,665	1,927	738
Purchased Services	423,926	415,626	323,431	92,195
Materials and Supplies	4,829	6,329	5,974	355
Other	16,970	19,170	19,145	25
Capital Outlay		6,100	6,049	51
<b>Total - Board of Education</b>	<u>467,349</u>	<u>467,349</u>	<u>373,651</u>	<u>93,698</u>
<b>Administration</b>				
Salaries	1,468,516	1,508,516	1,491,419	17,097
Fringe Benefits	546,066	626,566	622,229	4,337
Purchased Services	149,357	163,757	138,219	25,538
Materials and Supplies	26,811	27,561	22,893	4,668
Other	101,375	44,126	33,323	10,803
Capital Outlay	12,717	27,717	25,084	2,633
<b>Total - Administration</b>	<u>2,304,842</u>	<u>2,398,243</u>	<u>2,333,167</u>	<u>65,076</u>
<b>Fiscal</b>				
Salaries	241,250	292,250	291,349	901
Fringe Benefits	96,505	120,505	116,915	3,590
Purchased Services	18,760	18,760	12,490	6,270
Materials and Supplies	10,600	10,600	3,645	6,955
Other	707,695	546,345	460,111	86,234
Capital Outlay	1,200	4,200	3,643	557
<b>Total - Fiscal</b>	<u>1,076,010</u>	<u>992,660</u>	<u>888,153</u>	<u>104,507</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive/ Negative</u>
<b>Business</b>				
Salaries	236,171	196,171	189,166	7,005
Fringe Benefits	97,298	77,298	75,091	2,207
Purchased Services	217,028	217,028	198,507	18,521
Materials and Supplies	19,891	33,291	19,211	14,080
Capital Outlay	1,200	2,800	2,741	59
<b>Total - Business</b>	<u>571,588</u>	<u>526,588</u>	<u>484,716</u>	<u>41,872</u>
<b>Operation and Maintenance of Plant</b>				
Salaries	1,547,104	1,391,240	1,353,703	37,537
Fringe Benefits	647,217	547,217	521,960	25,257
Purchased Services	1,479,601	1,443,801	1,278,791	165,010
Materials and Supplies	225,499	261,299	231,626	29,673
Capital Outlay	19,558	19,558	16,639	2,919
Capital Outlay Replacement	43,707	33,707	20,710	12,997
<b>Total - Operation and Maintenance of Plant</b>	<u>3,962,686</u>	<u>3,696,822</u>	<u>3,423,429</u>	<u>273,393</u>
<b>Pupil Transportation</b>				
Salaries	1,030,041	1,032,541	1,027,939	4,602
Fringe Benefits	536,360	511,384	441,139	70,245
Purchased Services	129,988	141,488	130,244	11,244
Materials and Supplies	207,361	272,361	260,127	12,234
Other	500	500	0	500
Capital Outlay	27,000	20,500	11,364	9,136
Capital Outlay Replacement	91,200	106,200	104,135	2,065
<b>Total - Pupil Transportation</b>	<u>2,022,450</u>	<u>2,084,974</u>	<u>1,974,948</u>	<u>110,026</u>
<b>Central</b>				
Salaries	282,944	267,251	260,370	6,881
Fringe Benefits	101,846	91,949	90,762	1,187
Purchased Services	351,269	409,236	392,879	16,357
Materials and Supplies	48,893	66,516	64,072	2,444
Other	500	500	0	500
Capital Outlay	347,629	317,529	299,751	17,778
<b>Total - Central</b>	<u>1,133,081</u>	<u>1,152,981</u>	<u>1,107,834</u>	<u>45,147</u>
<b>Total - Support Services:</b>	<u>14,377,053</u>	<u>13,984,896</u>	<u>13,021,401</u>	<u>963,495</u>
<b>Extracurricular Activities:</b>				
<b>Academic Oriented Activities</b>				
Salaries	93,489	96,989	96,708	281
Fringe Benefits	14,631	16,131	15,884	247
Other	50	50	0	50
<b>Total - Academic Oriented Activities</b>	<u>108,170</u>	<u>113,170</u>	<u>112,592</u>	<u>578</u>

(continued)



**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
Sport Oriented Activities				
Salaries	645,061	641,561	528,436	113,125
Fringe Benefits	130,992	129,492	112,083	17,409
Total - Sport Oriented Activities	<u>776,053</u>	<u>771,053</u>	<u>640,519</u>	<u>130,534</u>
School and Public Service Co-Curricular Activities				
Salaries	55,189	55,189	53,667	1,522
Fringe Benefits	9,079	9,079	8,699	380
Total - School and Public Service Co-Curricular Activities	<u>64,268</u>	<u>64,268</u>	<u>62,366</u>	<u>1,902</u>
Total - Extracurricular Activities:	<u>948,491</u>	<u>948,491</u>	<u>815,477</u>	<u>133,014</u>
Total Expenditures	<u>31,431,312</u>	<u>31,432,312</u>	<u>29,809,678</u>	<u>1,622,634</u>
Excess of Revenues Over (Under) Expenditures	<u>782,581</u>	<u>1,036,481</u>	<u>2,909,239</u>	<u>1,872,758</u>
OTHER FINANCING SOURCES AND USES:				
Proceeds from Sale of Capital Assets	2,500	2,500	4,193	1,693
Refund of Prior Year Expenditures	2,500	2,500	29,153	26,653
Transfers Out	(278,000)	(380,000)	(350,600)	29,400
Advances Out	(250,000)	(170,000)	0	170,000
Total Other Financing Sources and Uses	<u>(523,000)</u>	<u>(545,000)</u>	<u>(317,254)</u>	<u>227,746</u>
Net Change in Fund Balances	259,581	491,481	2,591,985	2,100,504
Fund Balance (Deficit) at Beginning of Year	7,455,146	7,455,146	7,455,146	
Prior Year Encumbrances Appropriated	<u>430,758</u>	<u>430,758</u>	<u>430,758</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 8,145,485</u>	<u>\$ 8,377,385</u>	<u>\$ 10,477,889</u>	<u>\$ 2,100,504</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Bond Retirement Fund*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Property and Other Local Taxes	\$ 2,043,891	\$ 2,003,791	\$ (40,100)
Intergovernmental	126,495	142,578	16,083
<b>Total Revenues</b>	<u>2,170,386</u>	<u>2,146,369</u>	<u>(24,017)</u>
<b>EXPENDITURES:</b>			
<b>Debt Service:</b>			
<b>Principal</b>			
Principal Retirement	1,094,984	1,094,984	0
<b>Total - Principal</b>	<u>1,094,984</u>	<u>1,094,984</u>	<u>0</u>
<b>Interest</b>			
Interest and Fiscal Charges	919,254	856,710	62,544
<b>Total - Interest</b>	<u>919,254</u>	<u>856,710</u>	<u>62,544</u>
<b>Issuance Costs</b>			
Refunding Bond Issuance Costs	116,611	113,790	2,821
<b>Total - Issuance Costs</b>	<u>116,611</u>	<u>113,790</u>	<u>2,821</u>
<b>Total - Debt Service:</b>	<u>2,130,849</u>	<u>2,065,484</u>	<u>65,365</u>
<b>Total Expenditures</b>	<u>2,130,849</u>	<u>2,065,484</u>	<u>65,365</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>39,537</u>	<u>80,885</u>	<u>41,348</u>
<b>OTHER FINANCING SOURCES AND USES:</b>			
Refunding Bonds Issued	6,244,997	6,244,997	0
Premium on Refunding Bonds Issued	505,009	505,009	0
Discount on Bonds and Notes Issued	(30,730)	(30,730)	0
Payment to Refunded Bond Escrow Agent	(6,602,665)	(6,602,665)	0
<b>Total Other Financing Sources and Uses</b>	<u>116,611</u>	<u>116,611</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	156,148	197,496	41,348
<b>Fund Balance (Deficit) at Beginning of Year</b>	<u>1,053,318</u>	<u>1,053,318</u>	
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ 1,209,466</u>	<u>\$ 1,250,814</u>	<u>\$ 41,348</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Permanent Improvement Fund*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Property and Other Local Taxes	\$ 602,771	\$ 605,723	\$ 2,952
Intergovernmental	153,218	106,977	(46,241)
Interest	20,710	21,634	924
<b>Total Revenues</b>	<u>776,699</u>	<u>734,334</u>	<u>(42,365)</u>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular			
Capital Outlay	<u>9,530</u>	<u>6,706</u>	<u>2,824</u>
<b>Total - Regular</b>	<u>9,530</u>	<u>6,706</u>	<u>2,824</u>
<b>Total - Instruction:</b>	<u>9,530</u>	<u>6,706</u>	<u>2,824</u>
<b>Support Services:</b>			
Operation and Maintenance of Plant			
Purchased Services	190,070	187,950	2,120
Capital Outlay	<u>41,100</u>	<u>41,073</u>	<u>27</u>
<b>Total - Operation and Maintenance of Plant</b>	<u>231,170</u>	<u>229,023</u>	<u>2,147</u>
<b>Total - Support Services:</b>	<u>231,170</u>	<u>229,023</u>	<u>2,147</u>
<b>Capital Outlay:</b>			
Site Improvement Services			
Capital Outlay	<u>21,000</u>	<u>19,340</u>	<u>1,660</u>
<b>Total - Site Improvement Services</b>	<u>21,000</u>	<u>19,340</u>	<u>1,660</u>
Other Facilities Acquisition and Construction			
Capital Outlay	<u>644,300</u>	<u>636,298</u>	<u>8,002</u>
<b>Total - Other Facilities Acquisition and Construction</b>	<u>644,300</u>	<u>636,298</u>	<u>8,002</u>
<b>Total - Capital Outlay:</b>	<u>665,300</u>	<u>655,638</u>	<u>9,662</u>
<b>Total Expenditures</b>	<u>906,000</u>	<u>891,367</u>	<u>14,633</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(129,301)</u>	<u>(157,033)</u>	<u>(27,732)</u>
<b>Net Change in Fund Balances</b>	<u>(129,301)</u>	<u>(157,033)</u>	<u>(27,732)</u>
<b>Fund Balance (Deficit) at Beginning of Year</b>	431,012	431,012	
<b>Prior Year Encumbrances Appropriated</b>	<u>29,859</u>	<u>29,859</u>	
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ 331,570</u>	<u>\$ 303,838</u>	<u>\$ (27,732)</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Consortium Fund*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
<b>REVENUES:</b>				
Intergovernmental	\$ 517,679	\$ 517,679	\$ 495,119	\$ (22,560)
Tuition and Fees	2,229,223	2,229,223	1,811,611	(417,612)
Customer Sales and Services	36,000	36,000	15,677	(20,323)
<b>Total Revenues</b>	<u>2,782,902</u>	<u>2,782,902</u>	<u>2,322,407</u>	<u>(460,495)</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
<b>Special</b>				
Salaries	815,112	816,112	504,837	311,275
Fringe Benefits	284,565	291,806	169,605	122,201
Purchased Services	73,029	67,726	14,207	53,519
Materials and Supplies	22,255	22,255	8,983	13,272
Capital Outlay	8,114	9,727	7,816	1,911
Capital Outlay Replacement	8,059	12,059	6,630	5,429
<b>Total - Special</b>	<u>1,211,134</u>	<u>1,219,685</u>	<u>712,078</u>	<u>507,607</u>
<b>Vocational</b>				
Salaries	464,557	466,057	420,400	45,657
Fringe Benefits	184,182	181,582	127,356	54,226
Purchased Services	44,029	43,752	21,891	21,861
Materials and Supplies	76,785	75,442	58,159	17,283
Other	491	491	198	293
Capital Outlay	38,313	42,433	38,339	4,094
<b>Total - Vocational</b>	<u>808,357</u>	<u>809,757</u>	<u>666,343</u>	<u>143,414</u>
<b>Total - Instruction:</b>	<u>2,019,491</u>	<u>2,029,442</u>	<u>1,378,421</u>	<u>651,021</u>
<b>Support Services:</b>				
<b>Pupils</b>				
Salaries	680,222	657,222	571,374	85,848
Fringe Benefits	294,051	289,051	222,869	66,182
Purchased Services	25,628	42,154	20,928	21,226
Materials and Supplies	316	316		316
<b>Total - Pupils</b>	<u>1,000,217</u>	<u>988,743</u>	<u>815,171</u>	<u>173,572</u>
<b>Central</b>				
Materials and Supplies	1,440	1,440	0	1,440
<b>Total - Central</b>	<u>1,440</u>	<u>1,440</u>	<u>0</u>	<u>1,440</u>
<b>Total - Support Services:</b>	<u>1,001,657</u>	<u>990,183</u>	<u>815,171</u>	<u>175,012</u>
<b>Total Expenditures</b>	<u>3,021,148</u>	<u>3,019,625</u>	<u>2,193,592</u>	<u>826,033</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(238,246)</u>	<u>(236,723)</u>	<u>128,815</u>	<u>365,538</u>
<b>Net Change in Fund Balances</b>	<u>(238,246)</u>	<u>(236,723)</u>	<u>128,815</u>	<u>365,538</u>
<b>Fund Balance (Deficit) at Beginning of Year</b>	1,198,695	1,198,695	1,198,695	
<b>Prior Year Encumbrances Appropriated</b>	<u>23,909</u>	<u>23,909</u>	<u>23,909</u>	
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ 984,358</u>	<u>\$ 985,881</u>	<u>\$ 1,351,419</u>	<u>\$ 365,538</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Building Fund*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Interest	\$ 123	\$ 325	\$ 202
Total Revenues	<u>123</u>	<u>325</u>	<u>202</u>
<b>EXPENDITURES:</b>			
Current:			
Instruction:			
Regular			
Capital Outlay	<u>4,490</u>	<u>4,490</u>	<u>0</u>
Total - Regular	<u>4,490</u>	<u>4,490</u>	<u>0</u>
Total - Instruction:	<u>4,490</u>	<u>4,490</u>	<u>0</u>
Capital Outlay:			
Building Improvement Services			
Capital Outlay	<u>7,855</u>	<u>7,855</u>	<u>0</u>
Total - Building Improvement Services	<u>7,855</u>	<u>7,855</u>	<u>0</u>
Total - Capital Outlay:	<u>7,855</u>	<u>7,855</u>	<u>0</u>
Total Expenditures	<u>12,345</u>	<u>12,345</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(12,222)</u>	<u>(12,020)</u>	<u>202</u>
Net Change in Fund Balances	(12,222)	(12,020)	202
Fund Balance (Deficit) at Beginning of Year	14,414	14,414	
Prior Year Encumbrances Appropriated	<u>5,470</u>	<u>5,470</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 7,662</u>	<u>\$ 7,864</u>	<u>\$ 202</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*School Net*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
REVENUES:			
Intergovernmental	\$ 9,184	\$ 9,184	\$ -
Total Revenues	<u>9,184</u>	<u>9,184</u>	<u>0</u>
EXPENDITURES:			
Current:			
Support Services:			
Central			
Capital Outlay	<u>9,184</u>	<u>0</u>	<u>9,184</u>
Total - Central	<u>9,184</u>	<u>0</u>	<u>9,184</u>
Total - Support Services:	<u>9,184</u>	<u>0</u>	<u>9,184</u>
Total Expenditures	<u>9,184</u>	<u>0</u>	<u>9,184</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>9,184</u>	<u>9,184</u>
Net Change in Fund Balances	<u>0</u>	<u>9,184</u>	<u>9,184</u>
Fund Balance (Deficit) at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ 9,184</u>	<u>\$ 9,184</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Food Service*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 35,000	\$ 38,608	\$ 3,608
Interest	800	1,638	838
Customer Sales and Services	372,500	368,374	(4,126)
Miscellaneous	5,000	4,957	(43)
<b>Total Revenues</b>	<u>413,300</u>	<u>413,577</u>	<u>277</u>
<b>EXPENDITURES:</b>			
Current:			
Operation of Non-Instructional Services:			
Food Service Operations			
Salaries	305,095	303,056	2,039
Fringe Benefits	136,517	135,918	599
Purchased Services	15,000	13,422	1,578
Materials and Supplies	206,382	200,850	5,532
Capital Outlay	5,500	5,480	20
<b>Total - Food Service Operations</b>	<u>668,494</u>	<u>658,726</u>	<u>9,768</u>
<b>Total - Operation of Non-Instructional Services:</b>	<u>668,494</u>	<u>658,726</u>	<u>9,768</u>
<b>Total Expenditures</b>	<u>668,494</u>	<u>658,726</u>	<u>9,768</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(255,194)</u>	<u>(245,149)</u>	<u>10,045</u>
<b>OTHER FINANCING SOURCES AND USES:</b>			
Transfers In	250,000	250,000	0
<b>Total Other Financing Sources and Uses</b>	<u>250,000</u>	<u>250,000</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	(5,194)	4,851	10,045
<b>Fund Balance (Deficit) at Beginning of Year</b>	1,677	1,677	
<b>Prior Year Encumbrances Appropriated</b>	<u>5,142</u>	<u>5,142</u>	
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ 1,625</u>	<u>\$ 11,670</u>	<u>\$ - 10,045</u>



**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Expendable Trust Funds*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Interest	\$ 45	\$ 125	\$ 80
Gifts and Donations	600	2,200	1,600
Customer Sales and Services	94,000	9,519	(84,481)
<b>Total Revenues</b>	<u>94,645</u>	<u>11,844</u>	<u>(82,801)</u>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
<b>Support Services:</b>			
<b>Pupils</b>			
Materials and Supplies	700	613	87
Other	49,075	75	49,000
<b>Total - Pupils</b>	<u>49,775</u>	<u>688</u>	<u>49,087</u>
<b>Fiscal</b>			
Purchased Services	4,450	566	3,884
Other	30,950	3,690	27,260
<b>Total - Fiscal</b>	<u>35,400</u>	<u>4,256</u>	<u>31,144</u>
<b>Total - Support Services:</b>	<u>85,175</u>	<u>4,944</u>	<u>80,231</u>
<b>Total Expenditures</b>	<u>85,175</u>	<u>4,944</u>	<u>80,231</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>9,470</u>	<u>6,900</u>	<u>(2,570)</u>
<b>OTHER FINANCING SOURCES AND USES:</b>			
Transfers Out	(3,800)	0	3,800
<b>Total Other Financing Sources and Uses</b>	<u>(3,800)</u>	<u>0</u>	<u>3,800</u>
<b>Net Change in Fund Balances</b>	5,670	6,900	1,230
<b>Fund Balance (Deficit) at Beginning of Year</b>	12,382	12,382	
<b>Prior Year Encumbrances Appropriated</b>	1,545	1,545	-
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ 19,597</u>	<u>\$ 20,827</u>	<u>\$ 1,230</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Uniform Supplies*  
*For the Fiscal Year Ended June 30, 2008*

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

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Recreation*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
REVENUES:			
Customer Sales and Services	\$ 288,400	\$ 196,954	\$ (91,446)
Total Revenues	<u>288,400</u>	<u>196,954</u>	<u>(91,446)</u>
EXPENDITURES:			
Current:			
Instruction:			
Adult/Continuing			
Salaries	164,321	130,291	34,030
Fringe Benefits	38,138	28,029	10,109
Purchased Services	47,970	42,439	5,531
Materials and Supplies	21,082	15,048	6,034
Other	2,700	0	2,700
Capital Outlay	500	500	0
Total - Adult/Continuing	<u>274,711</u>	<u>216,307</u>	<u>58,404</u>
Total - Instruction:	<u>274,711</u>	<u>216,307</u>	<u>58,404</u>
Total Expenditures	<u>274,711</u>	<u>216,307</u>	<u>58,404</u>
Excess of Revenues Over (Under) Expenditures	<u>13,689</u>	<u>(19,353)</u>	<u>(33,042)</u>
OTHER FINANCING SOURCES AND USES:			
Advances In	<u>5,000</u>	<u>0</u>	<u>(5,000)</u>
Total Other Financing Sources and Uses	<u>5,000</u>	<u>0</u>	<u>(5,000)</u>
Net Change in Fund Balances	18,689	(19,353)	(38,042)
Fund Balance (Deficit) at Beginning of Year	67,052	67,052	
Prior Year Encumbrances Appropriated	<u>2,146</u>	<u>2,146</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 87,887</u>	<u>\$ 49,845</u>	<u>\$ (38,042)</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Pupil Support*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Gifts and Donations	\$ 12,950	\$ 15,561	\$ 2,611
Customer Sales and Services	0	232	232
<b>Total Revenues</b>	<u>12,950</u>	<u>15,793</u>	<u>2,843</u>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
<b>Regular</b>			
Purchased Services	2,000	1,144	856
Materials and Supplies	20,850	12,816	8,034
Capital Outlay	8,665	467	8,198
<b>Total - Regular</b>	<u>31,515</u>	<u>14,427</u>	<u>17,088</u>
<b>Special</b>			
Materials and Supplies	3,325	2,895	430
<b>Total - Special</b>	<u>3,325</u>	<u>2,895</u>	<u>430</u>
<b>Total - Instruction:</b>	<u>34,840</u>	<u>17,322</u>	<u>17,518</u>
<b>Total Expenditures</b>	<u>34,840</u>	<u>17,322</u>	<u>17,518</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(21,890)</u>	<u>(1,529)</u>	<u>20,361</u>
<b>Net Change in Fund Balances</b>	<u>(21,890)</u>	<u>(1,529)</u>	<u>20,361</u>
<b>Fund Balance (Deficit) at Beginning of Year</b>	<u>43,986</u>	<u>43,986</u>	
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ 22,096</u>	<u>\$ 42,457</u>	<u>\$ 20,361</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Misc. Local Grants*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Gifts and Donations	\$ 1,000	\$ -	\$ (1,000)
Customer Sales and Services	3,563	0	(3,563)
Miscellaneous	0	820	820
<b>Total Revenues</b>	<u>4,563</u>	<u>820</u>	<u>(3,743)</u>
<b>EXPENDITURES:</b>			
Current:			
Instruction:			
Regular			
Purchased Services	1,500	1,493	7
Materials and Supplies	2,257	997	1,260
Other	2,000	0	2,000
Capital Outlay	5,976	4,476	1,500
<b>Total - Regular</b>	<u>11,733</u>	<u>6,966</u>	<u>4,767</u>
<b>Total - Instruction:</b>	<u>11,733</u>	<u>6,966</u>	<u>4,767</u>
Support Services:			
Pupils			
Purchased Services	839	0	839
Other	328	0	328
<b>Total - Pupils</b>	<u>1,167</u>	<u>0</u>	<u>1,167</u>
Administration			
Purchased Services	1,500	0	1,500
Materials and Supplies	500	349	151
<b>Total - Administration</b>	<u>2,000</u>	<u>349</u>	<u>1,651</u>
Pupil Transportation			
Materials and Supplies	570	0	570
<b>Total - Pupil Transportation</b>	<u>570</u>	<u>0</u>	<u>570</u>
Central			
Materials and Supplies	75	32	43
Capital Outlay	3,674	2,385	1,289
<b>Total - Central</b>	<u>3,749</u>	<u>2,417</u>	<u>1,332</u>
<b>Total - Support Services:</b>	<u>7,486</u>	<u>2,766</u>	<u>4,720</u>
<b>Total Expenditures</b>	<u>19,219</u>	<u>9,732</u>	<u>9,487</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(14,656)</u>	<u>(8,912)</u>	<u>5,744</u>
<b>Net Change in Fund Balances</b>	<u>(14,656)</u>	<u>(8,912)</u>	<u>5,744</u>
<b>Fund Balance (Deficit) at Beginning of Year</b>	<u>22,787</u>	<u>22,787</u>	
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ 8,131</u>	<u>\$ 13,875</u>	<u>\$ 5,744</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Preschool*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES:</b>			
Tuition and Fees	\$ 540,000	\$ 486,267	\$ (53,733)
Customer Sales and Services	0	5,040	5,040
<b>Total Revenues</b>	<u>540,000</u>	<u>491,307</u>	<u>(48,693)</u>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
<b>Other</b>			
Salaries	299,853	269,751	30,102
Fringe Benefits	112,810	106,087	6,723
Purchased Services	43,606	38,683	4,923
Materials and Supplies	27,339	20,849	6,490
Capital Outlay	8,237	6,613	1,624
<b>Total - Other</b>	<u>491,845</u>	<u>441,983</u>	<u>49,862</u>
<b>Total - Instruction:</b>	<u>491,845</u>	<u>441,983</u>	<u>49,862</u>
<b>Support Services:</b>			
<b>Instructional Staff</b>			
Salaries	4,000	3,370	630
Fringe Benefits	2,800	2,716	84
<b>Total - Instructional Staff</b>	<u>6,800</u>	<u>6,086</u>	<u>714</u>
<b>Administration</b>			
Salaries	19,900	17,853	2,047
Fringe Benefits	7,000	6,437	563
<b>Total - Administration</b>	<u>26,900</u>	<u>24,290</u>	<u>2,610</u>
<b>Operation and Maintenance of Plant</b>			
Salaries	13,100	13,006	94
Fringe Benefits	7,000	6,921	79
<b>Total - Operation and Maintenance of Plant</b>	<u>20,100</u>	<u>19,927</u>	<u>173</u>
<b>Total - Support Services:</b>	<u>53,800</u>	<u>50,303</u>	<u>3,497</u>
<b>Total Expenditures</b>	<u>545,645</u>	<u>492,286</u>	<u>53,359</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(5,645)</u>	<u>(979)</u>	<u>4,666</u>
<b>Net Change in Fund Balances</b>	<u>(5,645)</u>	<u>(979)</u>	<u>4,666</u>
<b>Fund Balance (Deficit) at Beginning of Year</b>	234,648	234,648	
<b>Prior Year Encumbrances Appropriated</b>	<u>1,144</u>	<u>1,144</u>	
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ 230,147</u>	<u>\$ 234,813</u>	<u>\$ 4,666</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*District Managed Student Activities*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Extracurricular Activities	\$ 77,700	\$ 35,189	\$ (42,511)
Gifts and Donations	2,000	1,000	(1,000)
<b>Total Revenues</b>	<u>79,700</u>	<u>36,189</u>	<u>(43,511)</u>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
Extracurricular Activities:			
Academic Oriented Activities			
Purchased Services	39,135	13,524	25,611
Materials and Supplies	40,402	2,368	38,034
Other	4,435	4,178	257
<b>Total - Academic Oriented Activities</b>	<u>83,972</u>	<u>20,070</u>	<u>63,902</u>
Sport Oriented Activities			
Purchased Services	72,041	62,436	9,605
Materials and Supplies	45,805	44,349	1,456
Other	2,608	1,967	641
Capital Outlay	4,235	1,199	3,036
<b>Total - Sport Oriented Activities</b>	<u>124,689</u>	<u>109,951</u>	<u>14,738</u>
<b>Total - Extracurricular Activities:</b>	<u>208,661</u>	<u>130,021</u>	<u>78,640</u>
<b>Total Expenditures</b>	<u>208,661</u>	<u>130,021</u>	<u>78,640</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(128,961)</u>	<u>(93,832)</u>	<u>35,129</u>
<b>OTHER FINANCING SOURCES AND USES:</b>			
Transfers In	110,500	100,000	(10,500)
<b>Total Other Financing Sources and Uses</b>	<u>110,500</u>	<u>100,000</u>	<u>(10,500)</u>
<b>Net Change in Fund Balances</b>	(18,461)	6,168	24,629
<b>Fund Balance (Deficit) at Beginning of Year</b>	50,087	50,087	-
<b>Prior Year Encumbrances Appropriated</b>	<u>879</u>	<u>879</u>	
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ 32,505</u>	<u>\$ 57,134</u>	<u>\$ 24,629</u>



**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Auxiliary Services*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES:</b>			
Intergovernmental	\$ 264,428	\$ 264,428	\$ -
Interest	4,000	2,299	(1,701)
Customer Sales and Services	3,600	3,590	(10)
<b>Total Revenues</b>	<u>272,028</u>	<u>270,317</u>	<u>(1,711)</u>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
<b>Operation of Non-Instructional Services:</b>			
<b>Community Services</b>			
Salaries	82,698	82,267	431
Fringe Benefits	15,440	15,308	132
Purchased Services	86,066	75,144	10,922
Materials and Supplies	66,349	64,767	1,582
Capital Outlay	54,066	52,166	1,900
<b>Total - Community Services</b>	<u>304,619</u>	<u>289,652</u>	<u>14,967</u>
<b>Total - Operation of Non-Instructional Services:</b>	<u>304,619</u>	<u>289,652</u>	<u>14,967</u>
<b>Total Expenditures</b>	<u>304,619</u>	<u>289,652</u>	<u>14,967</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(32,591)</u>	<u>(19,335)</u>	<u>13,256</u>
<b>Net Change in Fund Balances</b>	<u>(32,591)</u>	<u>(19,335)</u>	<u>13,256</u>
<b>Fund Balance (Deficit) at Beginning of Year</b>	18,918	18,918	
<b>Prior Year Encumbrances Appropriated</b>	<u>17,742</u>	<u>17,742</u>	
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ 4,069</u>	<u>\$ 17,325</u>	<u>\$ 13,256</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Management Information Systems*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 5,700	\$ 5,330	\$ (370)
Total Revenues	<u>5,700</u>	<u>5,330</u>	<u>(370)</u>
<b>EXPENDITURES:</b>			
Current:			
Support Services:			
Central			
Purchased Services	<u>6,236</u>	<u>6,236</u>	<u>0</u>
Total - Central	<u>6,236</u>	<u>6,236</u>	<u>0</u>
Total - Support Services:	<u>6,236</u>	<u>6,236</u>	<u>0</u>
Total Expenditures	<u>6,236</u>	<u>6,236</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(536)</u>	<u>(906)</u>	<u>(370)</u>
Net Change in Fund Balances	<u>(536)</u>	<u>(906)</u>	<u>(370)</u>
Fund Balance (Deficit) at Beginning of Year	<u>3,137</u>	<u>3,137</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 2,601</u>	<u>\$ 2,231</u>	<u>\$ (370)</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Entry Year Grant*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 8,800	\$ 7,200	\$ (1,600)
Total Revenues	<u>8,800</u>	<u>7,200</u>	<u>(1,600)</u>
<b>EXPENDITURES:</b>			
Current:			
Instruction:			
Regular			
Salaries	2,436	2,085	351
Purchased Services	<u>6,800</u>	<u>6,800</u>	<u>0</u>
Total - Regular	<u>9,236</u>	<u>8,885</u>	<u>351</u>
Total - Instruction:	<u>9,236</u>	<u>8,885</u>	<u>351</u>
Total Expenditures	<u>9,236</u>	<u>8,885</u>	<u>351</u>
Excess of Revenues Over (Under) Expenditures	<u>(436)</u>	<u>(1,685)</u>	<u>(1,249)</u>
Net Change in Fund Balances	(436)	(1,685)	(1,249)
Fund Balance (Deficit) at Beginning of Year	<u>3,147</u>	<u>3,147</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 2,711</u>	<u>\$ 1,462</u>	<u>\$ (1,249)</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*One Net*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
REVENUES:			
Intergovernmental	\$ 15,000	\$ 15,000	\$ -
Total Revenues	<u>15,000</u>	<u>15,000</u>	<u>0</u>
EXPENDITURES:			
Current:			
Support Services:			
Central			
Purchased Services	<u>15,000</u>	<u>15,000</u>	<u>0</u>
Total - Central	<u>15,000</u>	<u>15,000</u>	<u>0</u>
Total - Support Services:	<u>15,000</u>	<u>15,000</u>	<u>0</u>
Total Expenditures	<u>15,000</u>	<u>15,000</u>	<u>0</u>
Net Change in Fund Balances	0	0	0
Fund Balance (Deficit) at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*School Net Professional Development*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 2,970	\$ 2,970	\$ -
Total Revenues	<u>2,970</u>	<u>2,970</u>	<u>0</u>
EXPENDITURES:			
Current:			
Support Services:			
Central			
Purchased Services	<u>2,970</u>	<u>2,970</u>	<u>0</u>
Total - Central	<u>2,970</u>	<u>2,970</u>	<u>0</u>
Total - Support Services:	<u>2,970</u>	<u>2,970</u>	<u>0</u>
Total Expenditures	<u>2,970</u>	<u>2,970</u>	<u>0</u>
Net Change in Fund Balances	0	0	0
Fund Balance (Deficit) at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Miscellaneous State Grants*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES:</b>			
Intergovernmental	\$ 5,864	\$ 3,832	\$ (2,032)
Total Revenues	<u>5,864</u>	<u>3,832</u>	<u>(2,032)</u>
<b>EXPENDITURES:</b>			
Current:			
Instruction:			
Regular			
Salaries	<u>2,000</u>	<u>2,000</u>	<u>0</u>
Total - Regular	<u>2,000</u>	<u>2,000</u>	<u>0</u>
Total - Instruction:	<u>2,000</u>	<u>2,000</u>	<u>0</u>
Support Services:			
Instructional Staff			
Purchased Services	2,382	2,382	0
Materials and Supplies	<u>1,450</u>	<u>1,450</u>	<u>0</u>
Total - Instructional Staff	<u>3,832</u>	<u>3,832</u>	<u>0</u>
Total - Support Services:	<u>3,832</u>	<u>3,832</u>	<u>0</u>
Total Expenditures	<u>5,832</u>	<u>5,832</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>32</u>	<u>(2,000)</u>	<u>(2,032)</u>
<b>OTHER FINANCING SOURCES AND USES:</b>			
Refund of Prior Year Receipts	<u>(32)</u>	<u>(32)</u>	<u>0</u>
Total Other Financing Sources and Uses	<u>(32)</u>	<u>(32)</u>	<u>0</u>
Net Change in Fund Balances	0	(2,032)	(2,032)
Fund Balance (Deficit) at Beginning of Year	<u>2,058</u>	<u>2,058</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 2,058</u>	<u>\$ 26</u>	<u>\$ - (2,032)</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**IDEA B**  
*For the Fiscal Year Ended June 30, 2008*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 377,359	\$ 377,359	\$ -
<b>Total Revenues</b>	<u>377,359</u>	<u>377,359</u>	<u>0</u>
<b>EXPENDITURES:</b>			
Current:			
Instruction:			
Special			
Salaries	39,604	39,604	0
Fringe Benefits	6,427	6,427	0
Purchased Services	85,663	85,663	0
Materials and Supplies	5,079	5,079	0
<b>Total - Special</b>	<u>136,773</u>	<u>136,773</u>	<u>0</u>
<b>Total - Instruction:</b>	<u>136,773</u>	<u>136,773</u>	<u>0</u>
Support Services:			
Pupils			
Salaries	129,687	129,687	0
Fringe Benefits	26,181	26,181	0
<b>Total - Pupils</b>	<u>155,868</u>	<u>155,868</u>	<u>0</u>
Instructional Staff			
Salaries	43,190	43,190	0
Fringe Benefits	29,443	29,443	0
<b>Total - Instructional Staff</b>	<u>72,633</u>	<u>72,633</u>	<u>0</u>
Administration			
Salaries	6,747	6,747	0
Fringe Benefits	1,107	1,107	0
<b>Total - Administration</b>	<u>7,854</u>	<u>7,854</u>	<u>0</u>
<b>Total - Support Services:</b>	<u>236,355</u>	<u>236,355</u>	<u>0</u>
Operation of Non-Instructional Services:			
Community Services			
Salaries	6,272	6,272	0
Fringe Benefits	1,032	1,032	0
Purchased Services	1,376	1,376	0
<b>Total - Community Services</b>	<u>8,680</u>	<u>8,680</u>	<u>0</u>
<b>Total - Operation of Non-Instructional Services:</b>	<u>8,680</u>	<u>8,680</u>	<u>0</u>
<b>Total Expenditures</b>	<u>381,808</u>	<u>381,808</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(4,449)</u>	<u>(4,449)</u>	<u>0</u>
Net Change in Fund Balances	(4,449)	(4,449)	0
Fund Balance (Deficit) at Beginning of Year	3,941	3,941	
Prior Year Encumbrances Appropriated	508	508	
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title III (Immigrant)*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 10,968	\$ 9,733	\$ (1,235)
Total Revenues	<u>10,968</u>	<u>9,733</u>	<u>(1,235)</u>
EXPENDITURES:			
Current:			
Instruction:			
Special			
Salaries	5,859	5,859	0
Materials and Supplies	<u>5,109</u>	<u>5,108</u>	<u>1</u>
Total - Special	<u>10,968</u>	<u>10,967</u>	<u>1</u>
Total - Instruction:	<u>10,968</u>	<u>10,967</u>	<u>1</u>
Total Expenditures	<u>10,968</u>	<u>10,967</u>	<u>1</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>(1,234)</u>	<u>(1,234)</u>
Net Change in Fund Balances	0	(1,234)	(1,234)
Fund Balance (Deficit) at Beginning of Year	1	1	
Prior Year Encumbrances Appropriated	<u>1,233</u>	<u>1,233</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 1,234</u>	<u>\$ -</u>	<u>\$ (1,234)</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title I*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 70,693	\$ 66,960	\$ (3,733)
Total Revenues	<u>70,693</u>	<u>66,960</u>	<u>(3,733)</u>
EXPENDITURES:			
Current:			
Instruction:			
Special			
Salaries	49,335	44,326	5,009
Fringe Benefits	<u>8,115</u>	<u>7,291</u>	<u>824</u>
Total - Special	<u>57,450</u>	<u>51,617</u>	<u>5,833</u>
Total - Instruction:	<u>57,450</u>	<u>51,617</u>	<u>5,833</u>
Support Services:			
Instructional Staff			
Purchased Services	3,096	3,096	0
Materials and Supplies	<u>39</u>	<u>39</u>	<u>0</u>
Total - Instructional Staff	<u>3,135</u>	<u>3,135</u>	<u>0</u>
Total - Support Services:	<u>3,135</u>	<u>3,135</u>	<u>0</u>
Operation of Non-Instructional Services:			
Community Services			
Purchased Services	<u>11,731</u>	<u>11,731</u>	<u>0</u>
Total - Community Services	<u>11,731</u>	<u>11,731</u>	<u>0</u>
Total - Operation of Non-Instructional Services:	<u>11,731</u>	<u>11,731</u>	<u>0</u>
Total Expenditures	<u>72,316</u>	<u>66,483</u>	<u>5,833</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,623)</u>	<u>477</u>	<u>2,100</u>
Net Change in Fund Balances	(1,623)	477	2,100
Fund Balance (Deficit) at Beginning of Year	5,311	5,311	
Prior Year Encumbrances Appropriated	<u>39</u>	<u>39</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 3,727</u>	<u>\$ 5,827</u>	<u>\$ 2,100</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title V*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 4,309	\$ 4,199	\$ (110)
Total Revenues	<u>4,309</u>	<u>4,199</u>	<u>(110)</u>
EXPENDITURES:			
Current:			
Instruction:			
Special			
Materials and Supplies	2,096	2,096	0
Capital Outlay	<u>1,468</u>	<u>1,468</u>	<u>0</u>
Total - Special	<u>3,564</u>	<u>3,564</u>	<u>0</u>
Total - Instruction:	<u>3,564</u>	<u>3,564</u>	<u>0</u>
Support Services:			
Instructional Staff			
Salaries	380	380	0
Fringe Benefits	<u>60</u>	<u>60</u>	<u>0</u>
Total - Instructional Staff	<u>440</u>	<u>440</u>	<u>0</u>
Total - Support Services:	<u>440</u>	<u>440</u>	<u>0</u>
Operation of Non-Instructional Services:			
Community Services			
Materials and Supplies	<u>305</u>	<u>305</u>	<u>0</u>
Total - Community Services	<u>305</u>	<u>305</u>	<u>0</u>
Total - Operation of Non-Instructional Services:	<u>305</u>	<u>305</u>	<u>0</u>
Total Expenditures	<u>4,309</u>	<u>4,309</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>(110)</u>	<u>(110)</u>
Net Change in Fund Balances	0	(110)	(110)
Fund Balance (Deficit) at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	<u>110</u>	<u>110</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 110</u>	<u>\$ -</u>	<u>\$ (110)</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Drug Free Education (Title IV-A)*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 5,324	\$ 4,442	\$ (882)
Total Revenues	<u>5,324</u>	<u>4,442</u>	<u>(882)</u>
EXPENDITURES:			
Current:			
Support Services:			
Pupils			
Salaries	3,815	3,246	569
Fringe Benefits	580	534	46
Purchased Services	331	331	0
Materials and Supplies	100	100	0
Total - Pupils	<u>4,826</u>	<u>4,211</u>	<u>615</u>
Total - Support Services:	<u>4,826</u>	<u>4,211</u>	<u>615</u>
Operation of Non-Instructional Services:			
Community Services			
Purchased Services	296	296	0
Materials and Supplies	202	202	0
Total - Community Services	<u>498</u>	<u>498</u>	<u>0</u>
Total - Operation of Non-Instructional Services:	<u>498</u>	<u>498</u>	<u>0</u>
Total Expenditures	<u>5,324</u>	<u>4,709</u>	<u>615</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>(267)</u>	<u>(267)</u>
Net Change in Fund Balances	0	(267)	(267)
Fund Balance (Deficit) at Beginning of Year	109	109	
Prior Year Encumbrances Appropriated	<u>277</u>	<u>277</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 386</u>	<u>\$ 119</u>	<u>\$ (267)</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Preschool Handicapped Grant*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 13,158	\$ 13,158	\$ -
Total Revenues	<u>13,158</u>	<u>13,158</u>	<u>0</u>
EXPENDITURES:			
Current:			
Instruction:			
Special			
Salaries	<u>13,158</u>	<u>13,158</u>	<u>0</u>
Total - Special	<u>13,158</u>	<u>13,158</u>	<u>0</u>
Total - Instruction:	<u>13,158</u>	<u>13,158</u>	<u>0</u>
Total Expenditures	<u>13,158</u>	<u>13,158</u>	<u>0</u>
Net Change in Fund Balances	0	0	0
Fund Balance (Deficit) at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*E-rate Grant*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
EXPENDITURES:			
Current:			
Support Services:			
Central			
Purchased Services	\$ 2,603	\$ 2,603	\$ -
Total - Central	<u>2,603</u>	<u>2,603</u>	<u>0</u>
Total - Support Services:	<u>2,603</u>	<u>2,603</u>	<u>0</u>
Total Expenditures	<u>2,603</u>	<u>2,603</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,603)</u>	<u>(2,603)</u>	<u>0</u>
Net Change in Fund Balances	(2,603)	(2,603)	0
Fund Balance (Deficit) at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	<u>2,603</u>	<u>2,603</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title II-A*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 30,326	\$ 30,291	\$ (35)
Total Revenues	<u>30,326</u>	<u>30,291</u>	<u>(35)</u>
EXPENDITURES:			
Current:			
Instruction:			
Other			
Salaries	<u>27,626</u>	<u>27,626</u>	<u>0</u>
Total - Other	<u>27,626</u>	<u>27,626</u>	<u>0</u>
Total - Instruction:	<u>27,626</u>	<u>27,626</u>	<u>0</u>
Operation of Non-Instructional Services:			
Community Services			
Purchased Services	<u>2,700</u>	<u>2,700</u>	<u>0</u>
Total - Community Services	<u>2,700</u>	<u>2,700</u>	<u>0</u>
Total - Operation of Non-Instructional Services:	<u>2,700</u>	<u>2,700</u>	<u>0</u>
Total Expenditures	<u>30,326</u>	<u>30,326</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>(35)</u>	<u>(35)</u>
Net Change in Fund Balances	0	(35)	(35)
Fund Balance (Deficit) at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	<u>35</u>	<u>35</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 35</u>	<u>\$ -</u>	<u>\$ (35)</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Miscellaneous Federal Grants*  
*For the Fiscal Year Ended June 30, 2008*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 2,673	\$ 1,172	\$ (1,501)
Total Revenues	<u>2,673</u>	<u>1,172</u>	<u>(1,501)</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular			
Materials and Supplies	<u>2,000</u>	<u>1,225</u>	<u>775</u>
Total - Regular	<u>2,000</u>	<u>1,225</u>	<u>775</u>
Total - Instruction:	<u>2,000</u>	<u>1,225</u>	<u>775</u>
Support Services:			
Instructional Staff			
Salaries	540	540	
Fringe Benefits	<u>71</u>	<u>71</u>	<u>0</u>
Total - Instructional Staff	<u>611</u>	<u>611</u>	<u>0</u>
Total - Support Services:	<u>611</u>	<u>611</u>	<u>0</u>
Operation of Non-Instructional Services:			
Community Services			
Purchased Services	<u>62</u>	<u>62</u>	<u>0</u>
Total - Community Services	<u>62</u>	<u>62</u>	<u>0</u>
Total - Operation of Non-Instructional Services:	<u>62</u>	<u>62</u>	<u>0</u>
Total Expenditures	<u>2,673</u>	<u>1,898</u>	<u>775</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>(726)</u>	<u>(726)</u>
Net Change in Fund Balances	0	(726)	(726)
Fund Balance (Deficit) at Beginning of Year	694	694	
Prior Year Encumbrances Appropriated	<u>32</u>	<u>32</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 726</u>	<u>\$ -</u>	<u>\$ (726)</u>



**Beachwood City Schools**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Health Care Benefits*  
*For the Fiscal Year Ended June 30, 2008*

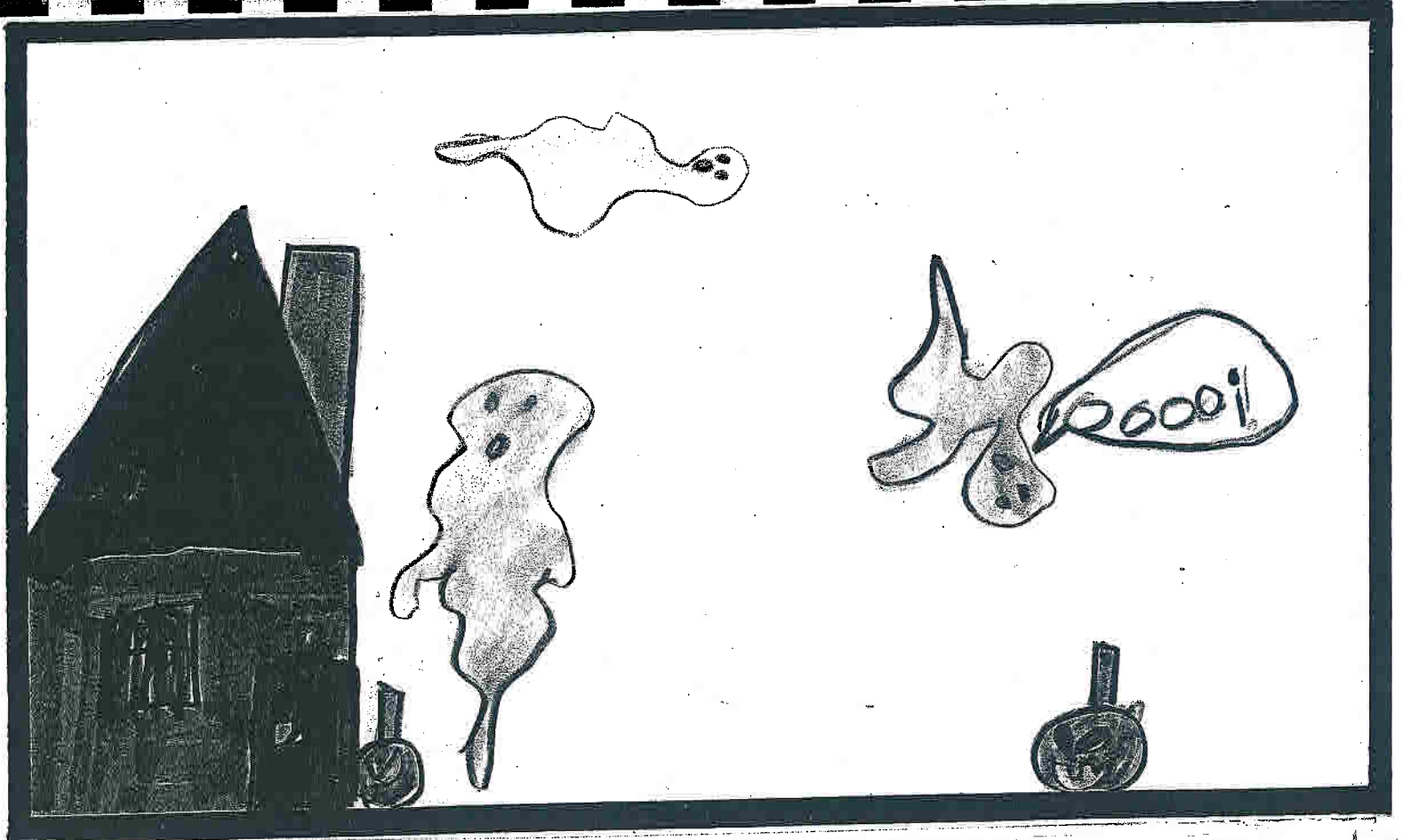
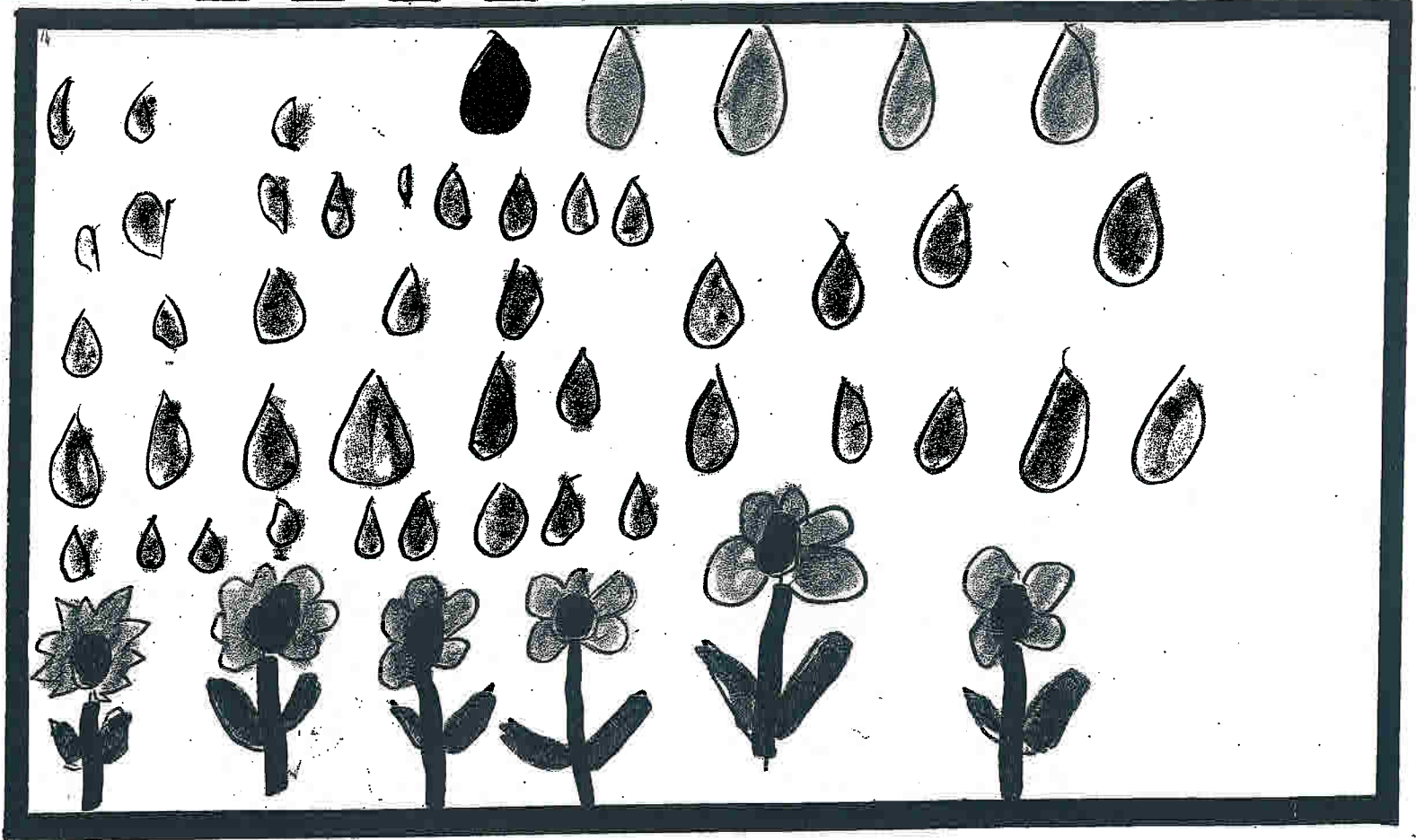
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>OPERATING REVENUES:</b>			
Charges for Services	\$ 2,000,000	\$ 2,012,792	\$ 12,792
Total Operating Revenues	<u>2,000,000</u>	<u>2,012,792</u>	<u>12,792</u>
<b>OPERATING EXPENSES:</b>			
Claims	<u>1,888,000</u>	<u>1,862,305</u>	<u>25,695</u>
Total Operating Expenses	<u>1,888,000</u>	<u>1,862,305</u>	<u>25,695</u>
Operating Income (Loss)	<u>112,000</u>	<u>150,487</u>	<u>38,487</u>
Income (Loss) Before Contributions and Transfers	<u>112,000</u>	<u>150,487</u>	<u>38,487</u>
Net Change in Net Assets	112,000	150,487	38,487
Net Assets(Deficit) at Beginning of Year	<u>236,862</u>	<u>236,862</u>	
Net Assets (Deficit) at End of Year	<u>\$ 348,862</u>	<u>\$ 387,349</u>	<u>\$ 38,487</u>

## Statistical Section

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

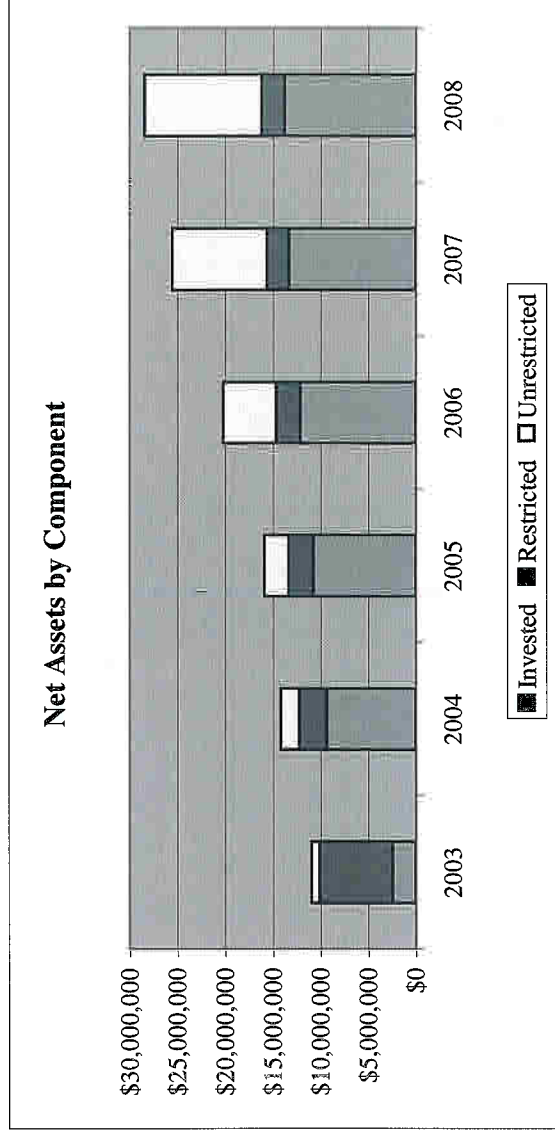
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<b>Contents</b>	<b>Pages</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the School District's financial performance and well-being has changed over time.	<b>S3 – S11</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the School District's most significant local revenue, the property tax.	<b>S12-S17</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	<b>S18 – S23</b>
<b>Economic and Demographic Information</b> This schedule offers economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.	<b>S24- S25</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	<b>S26 – S34</b>
<b>Sources:</b> Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The School District implemented GASB Statement No. 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that year.	



**Beachwood City School District**  
 Net Assets by Component  
 Last Six Fiscal Years (1)  
*(accrual basis of accounting)*

	2003	2004	2005	2006	2007	2008
Invested in Capital Assets, Net of Related Debt	\$ 2,427,232	\$ 9,336,218	\$ 10,745,501	\$ 12,150,684	\$ 13,307,244	\$ 13,802,891
Restricted for:						
Debt Services	1,353,347	1,720,016	1,801,050	1,814,506	1,594,417	1,646,024
Capital Outlay	6,108,033	881,458	514,338	351,756	337,034	226,134
Other Purposes	49,787	114,876	149,446	190,089	236,168	376,555
Set Asides	134,873	134,873	134,873	134,873	134,873	134,873
Unrestricted	876,587	2,011,674	2,556,168	5,569,139	9,945,853	12,249,707
<b>Total Net Assets</b>	<b>\$ 10,949,859</b>	<b>\$ 14,199,115</b>	<b>\$ 15,901,376</b>	<b>\$ 20,211,047</b>	<b>\$ 25,555,589</b>	<b>\$ 28,436,184</b>



(1) Information prior to 2003 not available

**Beachwood City School District**  
**Changes in Net Assets of Governmental Activities**  
**Last Six Fiscal Years (1)**  
**(accrual basis of accounting)**

	2008	2007	2006	2005	2004	2003
<b>Expenses</b>						
Regular Instruction	\$11,629,226	\$11,080,629	\$10,648,385	\$11,054,568	\$10,041,085	\$10,778,243
Special Instruction	5,871,895	5,303,469	4,883,454	5,326,130	5,642,088	4,585,415
Vocational Instruction	1,242,827	869,041	1,083,365	989,488	924,719	1,022,011
Adult/Conintuing	172,720	245,490	187,370	182,946	222,285	171,353
Other Instruction	664,301	701,677	747,592	542,440	528,364	453,982
Pupils	2,616,865	2,602,066	2,683,123	3,003,113	2,916,828	2,688,550
Instructional Staff	1,012,486	1,013,004	996,497	792,912	999,100	971,811
Board of Education	356,006	473,970	361,428	392,751	424,172	284,394
Administration	2,371,399	2,314,305	2,291,977	2,307,273	2,467,679	2,398,216
Fiscal	746,614	763,705	821,105	784,491	748,653	696,353
Business	459,817	506,341	464,096	499,751	648,341	579,234
<b>Operation and</b>						
Maintenance of Plant	3,720,729	3,724,961	3,553,721	3,474,546	3,681,893	3,511,269
Pupil Transportation	1,993,252	1,905,211	1,795,090	1,787,938	1,984,406	1,764,492
Central	796,909	907,791	891,381	856,973	917,378	902,864
Non-instructional	929,350	997,432	823,543	739,588	689,308	683,080
Extracurricular Activities	1,004,529	958,209	885,704	942,705	957,096	944,606
Capital Outlay	0	0	0	0	0	647,931
Debt Service	1,162,417	993,752	798,353	863,055	937,935	1,027,560
<b>Total Expenses</b>	<b>\$36,751,342</b>	<b>\$35,361,053</b>	<b>\$33,916,184</b>	<b>\$34,540,668</b>	<b>\$34,731,330</b>	<b>\$34,111,364</b>
<b>Program Revenues</b>						
<b>Charges for Services and Sales:</b>						
Regular Instruction	261,927	433,566	331,181	336,667	308,869	252,383
Special Instruction	680,019	1,169,614	1,363,859	1,324,456	1,178,598	2,195,528
Vocational Instruction	805,627	326,213	379,573	335,213	303,005	545,984
Adult/Conintuing	172,720	203,244	187,370	173,326	174,026	153,725
Other Instruction	535,638	510,762	440,985	456,480	442,970	399,689
Pupils	779,711	618,216	379,618	878,026	871,605	14,869
Instructional Staff	2,321	2,323	515	2,586	988	1,795
Administration	320	0	0	15,232	8,963	0
Fiscal	9,519	0	39,238	58,949	3,598	1,759
Business	4,965	12,660	2,003	42,313	14,752	6,121
<b>Operation and</b>						
Maintenance of Plant	275,580	265,814	278,755	250,604	253,837	179,262
Pupil Transportation	48,277	59,964	50,308	70,677	41,402	40,968
Central	27,494	39,993	26,035	25,650	30,350	20,950
Food Service Operations	374,970	374,118	357,553	326,338	303,674	301,359
Community Services	5,889	3,033	2,382	882	0	0
Extracurricular Activities	35,189	46,028	78,176	86,449	66,766	66,948

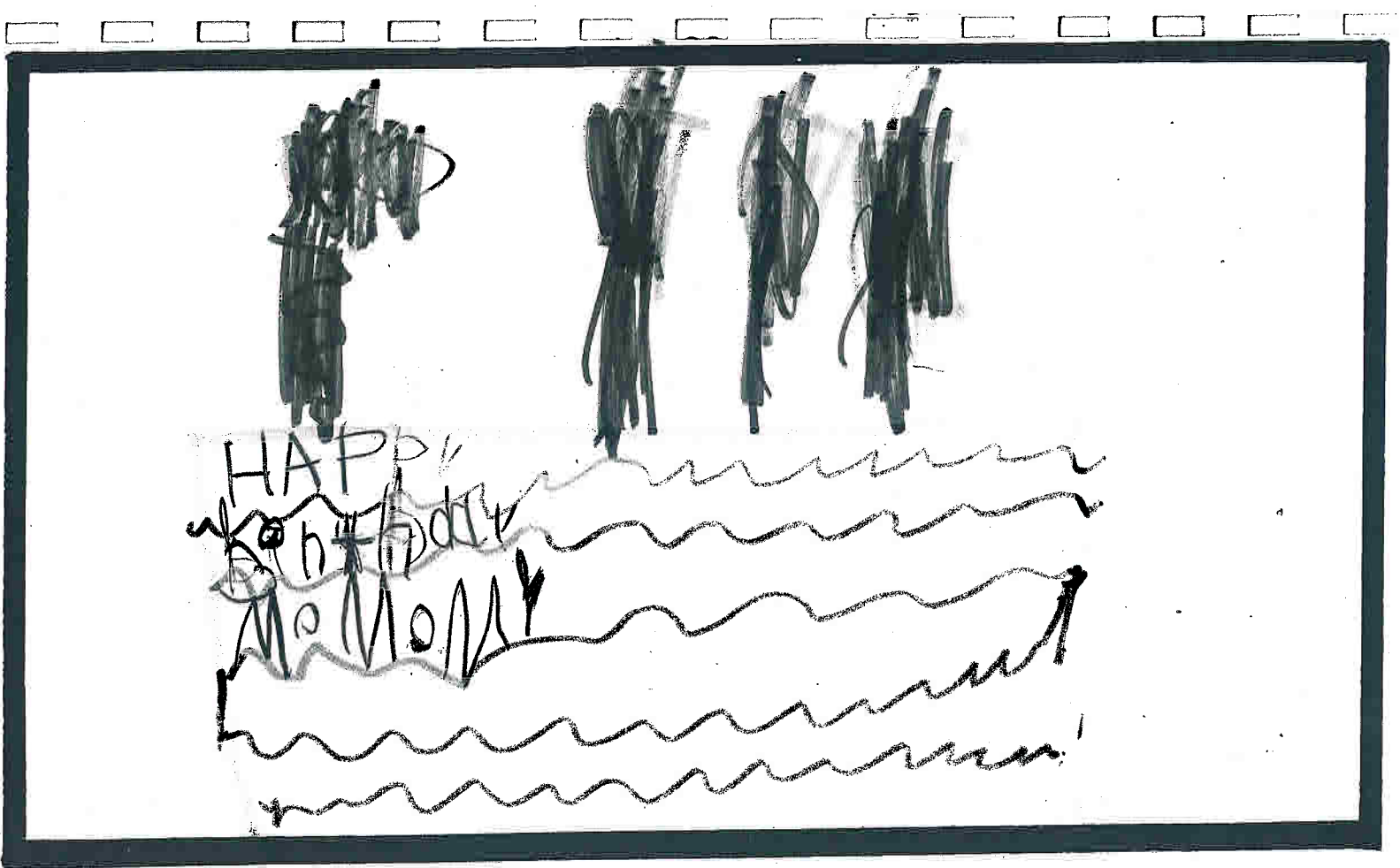
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**Beachwood City School District**  
Changes in Net Assets of Governmental Activities  
Last Six Fiscal Years (1)  
(accrual basis of accounting)

	2008	2007	2006	2005	2004	2003
<b>Operating Grants and Contributions:</b>						
Regular Instruction	665,444	606,968	611,687	106,578	20,741	23,646
Special Instruction	869,960	772,210	838,165	531,704	343,732	634,823
Vocational Instruction	280,527	311,804	351,695	349,405	391,124	303,901
Other Instruction	27,626	29,779	0	0	0	0
Pupils	222,850	290,804	207,123	331,928	378,760	143,719
Instructional Staff	12,356	66,675	7,048	50,490	61,511	31,531
Administration	7,857	7,736	7,389	6,505	6,971	7,629
Business	0	0	0	1,708	5,600	1,550
Pupil Transportation	491,752	482,910	499,063	487,841	1,578	0
Central	35,660	46,516	24,936	36,715	39,356	27,891
Food Service Operations	38,608	34,751	34,857	29,677	25,941	25,726
Community Services	221,806	262,143	239,028	230,662	146,106	155,779
Extracurricular Activities	1,000	0	250	6,400	0	0
<b>Capital Grants and Contributions:</b>						
Vocational Instruction	0	0	1,097	122	0	0
Pupil Transportation	7,781	11,466	6,261	6,910	7,467	15,370
Central	9,184	0	15,000	0	0	23,719
<b>Total Program Revenues</b>	<u>6,912,577</u>	<u>6,989,310</u>	<u>6,761,150</u>	<u>6,560,493</u>	<u>5,432,290</u>	<u>5,576,624</u>
<b>Net Expenses</b>	<u>(\$29,838,765)</u>	<u>(\$28,371,743)</u>	<u>(\$27,155,034)</u>	<u>(\$27,980,175)</u>	<u>(\$29,299,040)</u>	<u>(\$28,534,740)</u>
<b>General Revenues</b>						
Grants and Entitlements not						
Restricted to Specific Services	4,170,054	3,168,842	2,772,082	3,916,894	4,549,844	4,089,674
Investment Earnings	648,569	809,864	328,084	139,814	125,271	364,914
Miscellaneous	177,021	76,080	83,182	32,150	61,711	(140,595)
Property Taxes	27,723,716	29,661,499	28,281,357	25,593,578	27,811,470	25,000,564
<b>Total General Revenues</b>	<u>32,719,360</u>	<u>33,716,285</u>	<u>31,464,705</u>	<u>29,682,436</u>	<u>32,548,296</u>	<u>29,314,557</u>
<b>Change in Net Assets</b>	<u>\$2,880,595</u>	<u>\$5,344,542</u>	<u>\$4,309,671</u>	<u>\$1,702,261</u>	<u>\$3,249,256</u>	<u>\$779,817</u>

(1) Information not presented in this format prior to 2003





**Beachwood City School District**

**Program Revenues by Source**

Last Six Fiscal Years (1)

(accrual basis of accounting)

	2008	2007	2006	2005	2004	2003
<b>Program Revenues</b>						
Charges for Services						
Regular Instruction	\$927,371	\$1,040,534	\$942,868	\$443,245	\$329,610	\$276,029
Special Instruction	1,549,979	1,941,824	2,202,024	1,856,160	1,522,330	2,830,351
Vocational Instruction	1,086,154	638,017	732,365	684,740	694,129	849,885
Adult/Conintuing	172,720	203,244	187,370	173,326	174,026	153,725
Other Instruction	563,264	540,541	440,985	456,480	442,970	399,689
Pupils	1,002,561	909,020	586,741	1,209,954	1,250,365	158,588
Instructional Staff	14,677	68,998	7,563	53,076	62,499	33,326
Administration	8,177	7,736	7,389	21,737	15,934	7,629
Fiscal	9,519	0	39,238	58,949	3,598	1,759
Business	4,965	12,660	2,003	44,021	20,352	7,671
Operation and						
Maintenance of Plant	275,580	265,814	278,755	250,604	253,837	179,262
Pupil Transportation	547,810	554,340	555,632	565,428	50,447	56,338
Central	72,338	86,509	65,971	62,365	69,706	72,560
Food Service Operations	413,578	408,869	392,410	356,015	329,615	327,085
Community Services	227,695	265,176	241,410	231,544	146,106	155,779
Extracurricular Activities	36,189	46,028	78,426	92,849	66,766	66,948
<b>Total Program Revenues</b>	<b>\$6,912,577</b>	<b>\$6,989,310</b>	<b>\$6,761,150</b>	<b>\$6,560,493</b>	<b>\$5,432,290</b>	<b>\$5,576,624</b>

(1) Information not presented in this format prior to 2003



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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Fund				
Reserved	\$5,194,960	\$5,239,608	\$4,052,527	\$4,800,334
Unreserved	<u>8,917,023</u>	<u>5,825,245</u>	<u>2,134,483</u>	<u>(1,112,119)</u>
<i>Total General Fund</i>	<u>14,111,983</u>	<u>11,064,853</u>	<u>6,187,010</u>	<u>3,688,215</u>
All Other Governmental Funds				
Reserved	731,044	804,680	591,542	1,130,455
Unreserved, Undesignated, Reported in:				
Special Revenue funds	591,319	568,339	575,599	484,569
Debt Service funds	1,169,474	970,197	1,273,916	1,036,533
Capital Projects funds	<u>7,530</u>	<u>131,590</u>	<u>126,348</u>	<u>39,995</u>
Total All Other Governmental Funds	<u>2,499,367</u>	<u>2,474,806</u>	<u>2,567,405</u>	<u>2,691,552</u>
<i>Total Governmental Funds</i>	<u><u>\$16,611,350</u></u>	<u><u>\$13,539,659</u></u>	<u><u>\$8,754,415</u></u>	<u><u>\$6,379,767</u></u>

(continued)

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

2004	2003	2002	2001	2000	1999
\$4,557,332	\$3,706,404	\$3,680,936	\$2,325,915	\$2,095,574	\$2,424,648
(1,015,196)	(1,020,226)	157,538	1,278,414	1,951,234	2,430,382
3,542,136	2,686,178	3,838,474	3,604,329	4,046,808	4,855,030
1,227,655	6,497,343	2,097,283	1,738,416	300,409	716,315
412,994	324,954	91,596	271,591	277,736	113,763
997,295	837,863	497,067	736,138	649,499	580,778
261,146	(145,974)	(829,197)	3,885,555	(2,592,695)	(3,516,822)
2,899,090	7,514,186	1,856,749	6,631,700	(1,365,051)	(2,105,966)
<u>\$6,441,226</u>	<u>\$10,200,364</u>	<u>\$5,695,223</u>	<u>\$10,236,029</u>	<u>\$2,681,757</u>	<u>\$2,749,064</u>

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

	2008	2007	2006	2005	2004
<b>General Revenues</b>					
Property and Other Local Taxes	\$28,225,851	\$30,467,859	\$27,807,938	\$25,307,928	\$27,589,977
Intergovernmental	7,042,005	6,083,421	5,597,211	6,093,461	6,142,734
Interest	749,468	722,948	332,199	140,974	125,949
Tuition and Fees/Rent	2,936,352	2,793,748	3,015,130	3,369,859	3,161,659
Miscellaneous Revenue from Local Sources	1,180,397	1,425,357	988,963	1,003,425	931,549
<i>Total Revenues</i>	<u>\$40,134,073</u>	<u>\$41,493,333</u>	<u>\$37,741,441</u>	<u>\$35,915,647</u>	<u>\$37,951,868</u>
<b>Expenditures</b>					
Instruction	\$18,409,343	\$17,132,962	\$16,731,136	\$17,300,556	\$18,098,823
Support Services:					
Pupil	2,597,084	2,610,057	2,623,983	3,074,384	2,858,960
Instructional Staff	930,332	959,487	940,566	788,195	941,951
Board of Education	346,279	451,140	338,636	369,854	401,284
Administration	2,334,626	2,340,665	2,367,189	2,291,300	2,487,798
Fiscal	870,664	853,796	808,530	769,006	754,590
Business	475,683	499,306	485,869	479,302	668,183
Operation and Maintenance of Plant	3,638,095	3,697,130	3,482,866	3,415,354	3,538,967
Pupil Transportation	1,927,821	1,958,588	1,785,440	1,821,183	1,871,614
Central	1,107,131	1,397,285	1,239,852	1,077,752	983,114
Non-instructional	885,503	937,992	765,582	694,863	633,396
Extracurricular Activities	968,945	922,936	850,200	911,114	918,184
Capital Outlay	622,003	508,859	297,650	400,279	4,900,809
Debt Service:					
Principal	1,094,984	1,859,998	2,050,000	2,014,960	2,293,959
Interest	970,500	1,009,662	814,303	878,965	939,886
<i>Total Expenditures</i>	<u>37,178,993</u>	<u>37,139,863</u>	<u>35,581,802</u>	<u>36,287,067</u>	<u>42,291,518</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,955,080</u>	<u>4,353,470</u>	<u>2,159,639</u>	<u>(371,420)</u>	<u>(4,339,650)</u>
<b>Other Financing Sources/(Uses)</b>					
Operating Transfers In	350,000	315,000	283,214	205,500	270,709
General Obligation Bonds Issued	0	0	0	0	0
Proceed from Sale of Bonds	6,244,997	0	0	0	0
Proceeds from Sale of Fixed Assets	0	18,622	11,325	41,632	7,850
Inception of Capital Lease	0	413,152	203,684	268,329	583,198
Other Financing Sources	474,279	0	0	0	0
Operating Transfers Out	(350,000)	(315,000)	(283,214)	(205,500)	(270,709)
Refund of Prior Year Expenditures/Receipts	0	0	0	0	(10,536)
Advanced Refunding of Bonds	(6,602,665)	0	0	0	0
	116,611	431,774	215,009	309,961	580,512
<i>Net Changes in Fund Balances</i>	<u>\$3,071,691</u>	<u>\$4,785,244</u>	<u>\$2,374,648</u>	<u>(\$61,459)</u>	<u>(\$3,759,138)</u>
Debt Services as a percentage of Noncapital expenditures	5.65%	7.83%	8.12%	8.06%	8.65%

2003	2002	2001	2000	1999
\$24,239,246	\$24,352,420	\$23,502,664	\$21,002,499	\$20,719,786
5,261,381	3,661,088	3,395,422	3,243,150	3,005,697
365,761	402,251	878,815	508,082	507,979
3,424,098	568,401	689,572	184,932	119,779
<u>793,879</u>	<u>153,875</u>	<u>280,077</u>	<u>144,987</u>	<u>134,283</u>
<u>\$34,084,365</u>	<u>\$29,138,035</u>	<u>\$28,746,550</u>	<u>\$25,083,650</u>	<u>\$24,487,524</u>
\$16,678,096	\$12,844,431	\$12,605,104	\$11,113,420	\$10,388,348
2,614,236	1,636,458	1,516,119	1,300,244	1,273,637
966,523	1,082,394	1,061,254	1,001,575	877,895
263,595	294,226	373,165	592,182	286,573
2,466,060	2,235,020	2,330,887	2,033,370	2,044,858
688,430	714,044	673,265	703,634	654,159
580,659	634,439	605,469	595,903	470,691
3,491,718	3,374,674	3,479,271	3,141,249	2,880,359
1,646,430	1,525,891	1,593,911	1,331,368	1,278,456
1,029,550	748,401	956,460	775,876	704,400
626,473	179,397	170,435	149,758	169,705
932,594	808,626	644,800	504,065	465,447
11,379,293	5,012,396	877,418	801,860	1,915,511
1,549,000	2,084,000	1,675,000	586,000	362,000
<u>1,110,098</u>	<u>634,072</u>	<u>721,940</u>	<u>508,285</u>	<u>567,436</u>
<u>46,022,755</u>	<u>33,808,469</u>	<u>29,284,498</u>	<u>25,138,789</u>	<u>24,339,475</u>
<u>(11,938,390)</u>	<u>(4,670,434)</u>	<u>(537,948)</u>	<u>(55,139)</u>	<u>148,049</u>
310,800	270,400	180,000	191,488	145,695
18,814,982	0	0	0	0
0	0	0	127,000	93,000
8,900	2,320	3,140	715	870
214,273	400,175	0	0	0
503,415	0	0	0	0
(315,574)	(543,267)	(450,920)	(331,371)	(282,773)
(1,666)	0	0	0	50,510
<u>(3,192,846)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
16,342,284	129,628	(267,780)	(12,168)	7,302
<u>\$4,403,894</u>	<u>(\$4,540,806)</u>	<u>(\$805,728)</u>	<u>(\$67,307)</u>	<u>\$155,351</u>
7.68%	9.44%	8.44%	4.50%	4.14%

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

Collection Year	Real Estate		Tangible Personal		Total Real/Personal Property		Direct Property Tax Rate
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2008	\$737,297,970	\$2,106,565,629	\$38,242,896	\$245,831,783	\$775,540,866	\$2,352,397,412	82.30
2007	732,702,280	2,093,435,086	53,770,556	233,376,196	786,472,836	2,326,811,282	82.30
2006	679,670,070	1,941,914,486	64,658,652	237,250,537	744,328,722	2,179,165,023	83.50
2005	672,204,090	1,920,583,114	67,271,738	245,073,166	739,475,828	2,165,656,280	77.60
2004	670,403,030	1,915,437,229	74,355,817	274,614,423	744,758,847	2,190,051,652	77.50
2003	619,110,040	1,768,885,829	84,164,554	302,442,486	703,274,594	2,071,328,315	77.50
2002	613,766,680	1,753,619,086	98,721,209	333,714,527	712,487,889	2,087,333,613	67.90
2001	610,239,450	1,743,541,286	87,994,124	310,162,766	698,233,574	2,053,704,052	67.90
2000	539,014,710	1,540,042,029	86,291,771	292,921,815	625,306,481	1,832,963,844	68.00
1999	526,930,720	1,505,516,343	85,183,168	282,535,559	612,113,888	1,788,051,902	68.10

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

\*Assessed valuation for real property is based upon 35 percent of estimated true value set by county appraisal, and is 6.25 percent of listed true value for tangible personal property and 88 percent for public utility property.

**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
2007/2008	82.30	20.20	4.00	106.50	1.90	1.01	2.91
2006/2007	82.30	20.20	4.00	106.50	1.90	1.01	2.91
2005/2006	83.50	20.30	4.00	107.80	3.10	0.98	4.08
2004/2005	77.60	20.30	4.00	101.90	3.10	0.88	3.98
2003/2004	77.50	19.40	4.00	100.90	3.00	0.91	3.91
2002/2003	77.50	17.60	4.00	99.10	3.00	0.86	3.86
2001/2002	67.90	17.60	4.00	89.50	1.40	0.86	2.26
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

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 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	
	Levy		Levy		Levy		Collection		Collected		Collection		Collection		Current Levy	
2007/2008	\$30,850,329		\$6,565,654		\$37,415,983		\$28,112,109		91.12%		\$1,064,838		\$29,176,947		94.6%	
2006/2007	32,310,572		5,386,849		37,697,421		30,024,676		92.93%		1,017,048		31,041,724		96.1%	
2005/2006	33,716,047		3,971,944		37,687,991		31,294,524		92.82%		811,612		32,106,136		95.2%	
2004/2005	30,003,789		2,909,970		32,913,759		27,975,506		93.24%		680,095		28,655,601		95.5%	
2003/2004	29,929,660		2,286,883		32,216,543		27,572,370		92.12%		651,122		28,223,492		94.3%	
2002/2003	29,672,081		1,589,673		31,261,754		28,269,881		95.27%		696,650		28,966,531		97.6%	
2001/2002	24,886,806		2,090,958		26,977,764		23,412,034		94.07%		1,327,066		24,739,370		99.4%	
2000/2001	24,276,599		1,804,128		26,080,727		22,780,122		93.84%		1,362,694		24,142,816		99.4%	
1999/2000	23,939,725		1,192,422		25,132,147		22,969,237		95.95%		773,709		23,742,946		99.2%	
1998/1999	23,369,923		1,153,949		24,523,872		22,756,093		97.37%		662,490		23,418,583		100.2%	

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

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

**Beachwood City School District**  
Principal Property Taxpayers  
Real Estate Tax  
December 31, 2007 and December 31, 1998

Name of Taxpayer	Nature of Business	December 31, 2007	
		Assessed Valuation	% of Total Assessed Valuation (1)
Beachwood Place Limited	Mall	\$56,898,180	15.22%
Cleveland Clinic	Health Care	48,474,280	12.97%
Hamptons Apartment	Apartments	10,995,570	2.94%
Village Green of Beachwood	Condominiums	10,188,090	2.73%
Four Seasons Apartments	Apartments	8,786,270	2.35%
Boardwalk Partners LLC	Hotel	8,423,740	2.25%
Commerce Park	Office buildings	7,930,630	2.12%
HCRI Beachwood Inc	Hotel	7,179,660	1.92%
Gotham King Fee Owner, LLC	Unknown	7,057,830	1.89%
Signature Square	Office buildings	6,551,350	1.75%
		\$172,485,600	46.14%
Total Commercial Valuation		\$373,804,300	

Name of Taxpayer	Nature of Business	December 31, -1998	
		Assessed Valuation	% of Total Assessed Valuation (1)
Beachwood Place Limited	Retail	\$21,298,870	8.01%
Bracebridge Corp.	Banking	11,275,570	4.24%
Hamptons Apartment	Apartments	10,699,890	4.03%
Village Green of Beachwood	Apartments	10,189,660	3.83%
MBNA	Banking	7,874,090	2.96%
Dilliards	Retail	6,755,000	2.54%
La Place Center	Retail	6,527,010	2.46%
GSK Associates	Office buildings	6,489,000	2.44%
Boykin Hotel Properties	Hotel	6,316,280	2.38%
Embassy Equity Development	Hotel	5,444,390	2.05%
		\$92,869,760	34.94%
Total Commercial Valuation		\$265,821,240	

Source: Cuyahoga County Auditor



**Beachwood City School District**  
Principal Property Taxpayers  
Tangible Personal Property Tax  
December 31, 2007 and December 31, 1998

		<u>December 31, 2007</u>	
<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Tangible Personal Property Valuation</u>
MBNA Marketing Systems Inc	Credit card	\$3,376,050	11.45%
The Higbee Company	Retail	2,249,530	7.63%
Nordstrom Inc.	Retail	2,229,710	7.56%
Crestmont Cadillac	Car dealership	1,887,300	6.40%
Saks Fifth Avenue	Retail sales	1,648,820	5.59%
Tremco	Roofing	1,254,870	4.26%
Developers Diversified	Advertisement	1,144,780	3.88%
Hexagran Inc	Retail sales	1,139,470	3.86%
Officemax, Inc.	Retail sales	732,190	2.48%
Central Hummer East Ltd.	Car dealership	731,100	2.48%
Degussa Contruccion Chemicals	Chemicals	719,872	2.44%
Englehard Corp.	Research & Development	714,720	2.42%
<b>Total</b>		<u><u>\$17,828,412</u></u>	<u><u>60.47%</u></u>
<b>Total Tangible Personal Property Valuation</b>		<u><u>\$29,484,946</u></u>	

		<u>December 31, 1998</u>	
<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Tangible Personal Property Valuation</u>
Nordstrom Inc	Retail	\$5,406,630	8.34%
The Higbee Company	Retail	4,650,930	7.17%
MBNA Ohio Properties, Inc.	Banking	3,922,150	6.05%
Saks Fifth Avenue	Retail	2,437,690	3.76%
Master Builders	Concrete additives	2,077,050	3.20%
Comdisco Inc	Unknown	1,517,250	2.34%
Office Max	Retail	1,507,480	2.32%
Lamson & Sessions Co,	Mfg., thermal plastics	1,306,860	2.01%
Crestmont Cadillac	Auto sales	1,233,098	1.90%
IBM Credit Corp	Computers	1,123,030	1.73%
<b>Total</b>		<u><u>\$25,182,168</u></u>	<u><u>38.83%</u></u>
<b>Total Tangible Personal Property Valuation</b>		<u><u>\$64,860,358</u></u>	

**Beachwood City School District**  
Principal Property Taxpayers  
Public Utility Tax  
December 31, 2007 and December 31, 1998

		<u>December 31, 2007</u>	
<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Tangible Personal Property Valuation</u>
Cleveland Electric Illuminating	Electric Utility	\$5,514,740	62.97%
Ohio Bell	Telephone	921,450	10.52%
American Transmission System	Telephone	546,230	6.24%
East Ohio Gas Co.	Gas Utility	525,260	6.00%
Total		<u>\$7,507,680</u>	<u>85.72%</u>
Total Public Utility Valuation		<u>\$8,757,950</u>	

		<u>December 31, 1998</u>	
<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Tangible Personal Property Valuation</u>
Cleveland Electric Illuminating	Electric Utility	\$9,831,860	48.38%
Ohio Bell	Telephone	7,490,680	36.86%
Total		<u>\$17,322,540</u>	<u>85.24%</u>
Total Public Utility Valuation		<u>\$20,322,810</u>	

Source: Cuyhoga County Auditor

**Beachwood City School District**  
**All Outstanding Debt**  
**Last Ten Years**

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<u>Year</u>	<u>Gross General Bonded Debt</u>	<u>Notes Outstanding</u>	<u>Leases</u>	<u>Total</u>
2008	\$12,914,998	\$2,165,000	\$137,520	\$15,217,518
2007	13,359,984	2,815,000	334,124	16,509,108
2006	14,599,982	3,435,000	216,448	18,251,430
2005	16,060,022	4,025,000	388,021	20,473,043
2004	17,509,982	4,620,000	468,228	22,598,210
2003	18,889,982	5,200,000	539,556	24,629,538
2002	3,859,000	9,814,000	433,654	14,106,654
2001	4,558,000	11,898,000	n/a	16,456,000
2000	5,213,000	13,573,000	n/a	18,786,000
1999	5,672,000	9,377,220	n/a	15,049,220

Source: Beachwood City Schools

**Beachwood City School District**  
 Computation of Direct and Overlapping Debt  
 General Obligation  
 As of December 31, 2007

<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	\$15,079,998	100.00%	\$15,079,998
<i>Overlapping Debt:</i>			
Cuyahoga County	161,267,576	2.30%	3,709,154
Regional Transit Authority	154,655,000	2.30%	3,557,065
City of Beachwood	16,990,000	99.70%	16,939,030
City of Pepper Pike	<u>10,840,577</u>	0.30%	<u>32,522</u>
Total Overlapping Debt	<u>343,753,153</u>		<u>24,237,771</u>
Total Debt	<u><u>\$358,833,151</u></u>		<u><u>\$39,317,769</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.

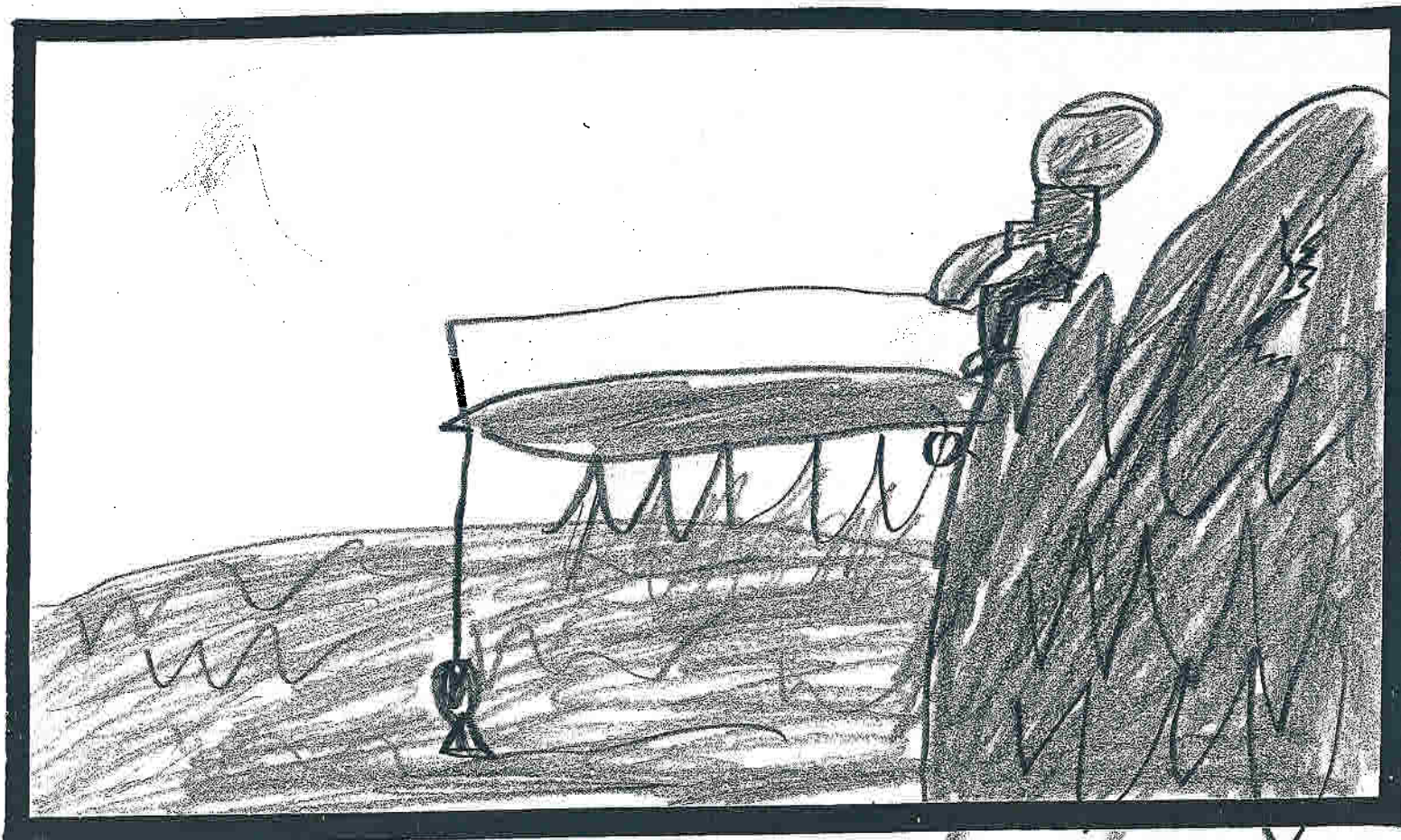
(1) Percentages were determined by dividing the assessed valuation of the political subdivision by the total assessed valuation, which includes all overlapping valuation. The valuations used were for the 2008 collection year.

**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 Bond Retirement Fund	Net General Bonded Debt	Assessed Value	Population (1)	Ratio of Net Debt to Assessed Value	Net General Bonded Debt Per Capita
2008	\$12,914,998	\$1,626,431	\$11,288,567	\$775,540,866	12,186	1.46%	\$926
2007	13,359,984	1,554,189	11,805,795	786,472,836	12,186	1.50%	969
2006	14,599,982	1,738,191	12,861,791	744,328,722	12,186	1.73%	1,055
2005	16,060,022	1,710,750	14,349,272	739,475,828	12,186	1.94%	1,178
2004	17,509,982	1,638,443	15,871,539	755,137,685	12,186	2.10%	1,302
2003	18,889,982	1,305,760	17,584,222	703,274,594	12,186	2.50%	1,443
2002	3,859,000	955,728	2,903,272	712,487,889	12,186	0.41%	238
2001	4,558,000	1,039,085	3,518,915	698,233,574	12,186	0.50%	289
2000	5,213,000	739,024	4,473,976	625,306,481	12,186	0.72%	367
1999	5,672,000	662,489	5,009,511	612,113,888	10,677	0.82%	469







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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Assessed Valuation	<u>\$775,540,866</u>	<u>\$786,472,836</u>	<u>\$744,328,722</u>	<u>\$739,475,828</u>
Bonded Debt Limit - 9% of Assessed Value (1)	\$69,798,678	\$70,782,555	\$66,989,585	\$66,552,825
Amount of Debt Applicable to Debt Limit:				
Bonded Debt	12,914,998	13,359,984	14,599,982	16,060,022
Less Bond Retirement Fund	1,626,431	1,554,189	1,738,191	1,710,750
Net General Bonded Debt	11,288,567	11,805,795	12,861,791	14,349,272
Voted Debt Margin	<u>\$56,883,680</u>	<u>\$57,422,571</u>	<u>\$52,389,603</u>	<u>\$50,492,803</u>
Ratio of Legal Debt Margin to Assessed Values	1.46%	1.50%	1.73%	1.94%
Bonded Debt Limit - .1% of Assessed Value (1)	\$775,541	\$786,473	\$744,329	\$739,476
Unvoted Debt Margin	<u>\$775,541</u>	<u>\$786,473</u>	<u>\$744,329</u>	<u>\$739,476</u>

(continued)

Source: Cuyahoga County Auditor

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

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
<u>\$755,137,685</u>	<u>\$703,274,594</u>	<u>\$712,487,889</u>	<u>\$698,233,574</u>	<u>\$625,306,481</u>	<u>\$612,113,888</u>
\$67,962,392	\$63,294,713	\$64,123,910	\$62,841,022	\$56,277,583	\$55,090,250
17,509,982	18,814,982	19,465,000	4,320,000	4,885,000	5,415,000
1,638,443	1,305,760	955,728	1,039,085	739,024	662,489
15,871,539	17,509,222	18,509,272	3,280,915	4,145,976	4,752,511
<u>\$50,452,410</u>	<u>\$44,479,731</u>	<u>\$44,658,910</u>	<u>\$58,521,022</u>	<u>\$51,392,583</u>	<u>\$49,675,250</u>
2.10%	2.49%	2.60%	0.47%	0.66%	0.78%
\$755,138	\$703,275	\$712,488	\$698,234	\$625,306	\$612,114
<u>\$755,138</u>	<u>\$703,275</u>	<u>\$712,488</u>	<u>\$698,234</u>	<u>\$625,306</u>	<u>\$612,114</u>



**Beachwood City School District**  
Demographic and Economic Statistics  
Last Ten Years

Year (1)	Population (2)	Average Federal Adjusted Gross Income (3)	Median Ohio Adjusted Gross Income (3)	Total Personal Income (4)	Per Capita Personal Income (5)	Debt as a % of Personal Income (6)	Cuyahoga
							County Unemployment Rate (7)
2006	12,186	\$122,152	\$48,933	\$493,642,674	\$40,509	3.05%	5.5%
2005	12,186	129,930	45,753	493,642,674	40,509	2.7	6.1
2004	12,186	106,109	46,338	493,642,674	40,509	3.0	6.2
2003	12,186	100,111	43,738	493,642,674	40,509	3.3	6.2
2002	12,186	94,108	41,737	493,642,674	40,509	3.5	6.6
2001	12,186	91,434	42,275	493,642,674	40,509	3.8	4.6
2000	12,186	97,658	45,087	493,642,674	40,509	0.8	4.5
1999	10,677	94,267	44,568	318,932,667	29,871	1.4	4.5
1998	10,677	103,778	44,302	318,932,667	29,871	1.6	4.5
1997	10,677	91,193	41,285	318,932,667	29,871	1.8	5.8

Source:

- (1) 2006 latest information available
- (2) Federal Census
- (3) Ohio Department of Taxation
- (4) Per capita personal income multiplied by population
- (5) U.S. Census
- (6) Gross bonded debt divided by total personal income
- (7) City of Beachwood

**Beachwood City School District**  
Principal Employers  
December 31, 2007

Employer	Number of Employees	Percentage of Total
Bank of America	2,427	12.62%
Menorah Park Center	1,025	5.33
Cleveland Clinic Foundation	767	3.99
Nordstrom	715	3.72
Montefiore Home	471	2.45
Beachwood City School District	446	2.32
Developers Diversified	390	2.03
Tremco Inc.	329	1.71
Brulant Inc	228	1.19
BASF Construction Chemicals	204	1.06
Total	<u>7,002</u>	<u>36.41%</u>
Total employment within the School District	<u>19,231</u>	

December 31, 2005 (1)

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

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

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

	2008***	2007	2006
<b>Fairmount Elementary School</b>			
Constructed in 1998			
Total Building Square Footage	26,987	26,987	26,987
* Enrollment Grades PreK	76	84	96
Student Capacity	220	220	220
Regular Instruction Classrooms	8	8	8
Regular Instruction Teachers	3	7	7
Special Instruction Classrooms	3	3	3
Special Instruction Teachers	1.75	3	2.5
% of students who receive free/reduced lunch	0.00**	0.00**	6.32%
* Includes special ed Pre k and preschool students			
** Lunch not served at Fairmount			
<b>Bryden Elementary School</b>			
Constructed in 1958			
Additions in 1991 and 2002			
Total Building Square Footage	50,289	50,289	50,289
Enrollment Grades K -2	248	288	278
Student Capacity	510	510	510
Regular Instruction Classrooms	13	13	13
Regular Instruction Teachers	18	13	13
Special Instruction Classrooms	3	3	3
Special Instruction Teachers	6.53	3	3
% of students who receive free/reduced lunch	8.20%	7.12%	6.86%
<b>Hilltop Elementary School</b>			
Constructed in 1957			
Addition in 2002			
Total Building Square Footage	51,200	51,200	51,200
Enrollment Grades 3-5	295	289	302
Student Capacity	731	731	731
Regular Instruction Classrooms	16	16	16
Regular Instruction Teachers	20	14	16
Special Instruction Classrooms	3	3	3
Special Instruction Teachers	8	4	4
% of students who receive free/reduced lunch	6.31%	7.17%	6.99%
<b>Beachwood Middle School</b>			
Constructed in 2003			
Total Building Square Footage	98,000	98,000	98,000
Enrollment Grades 6 - 8	317	271	253
Student Capacity	560	560	560
Regular Instruction Classrooms	27	27	27
Regular Instruction Teachers	22	18	18
Special Instruction Classrooms	3	3	3
Special Instruction Teachers	7	2	2
% of students who receive free/reduced lunch	6.01%	4.93%	4.94%
<b>Beachwood High School</b>			
Constructed in 1958			
Additions in 2002 and 2003			
Total Building Square Footage	208,509	208,509	208,509
Enrollment Grades 9 - 12	669	644	647
Student Capacity	1,180	1,180	1,180
Regular Instruction Classrooms	40	40	40
Regular Instruction Teachers	45	46	45
Special Instruction Classrooms	6	6	6
Special Instruction Teachers	9.5	7	7
% of students who receive free/reduced lunch	3.08%	3.72%	4.93%

(1) Information not available prior to 2006

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

**Beachwood City School District**  
Per Pupil Cost  
Last Ten Fiscal Years

Year	General Fund Expenditures (1)	Average Daily Membership (2)	Per Pupil Cost	Percentage Change
2008	\$29,678,446	1,474	\$20,135	6.26%
2007	28,743,982	1,517	18,948	6.18%
2006	27,071,093	1,517	17,845	0.13%
2005	27,462,681	1,541	17,821	-3.76%
2004	28,498,892	1,539	18,518	1.90%
2003	27,641,345	1,521	18,173	10.91%
2002	24,922,718	1,521	16,386	6.09%
2001	25,144,577	1,628	-15,445	7.58%
2000	22,596,789	1,574	14,356	7.49%
1999	20,687,836	1,549	13,356	4.91%

Source: School District Financial Records

(1) Excludes other financing sources

(2) Excludes preschool enrollment

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

<u>Fiscal Year</u>	<u>Beachwood Attendance Rate</u>	<u>State Average</u>	<u>Beachwood Graduation Rate</u>	<u>State Average</u>
2008	95.7%	94.2%	97.7%	86.9%
2007	95.0	94.1	97.1	86.1
2006	96.1	94.1	99.3	86.2
2005	96.2	94.3	97.9	85.9
2004	96.5	94.5	97.3	84.3
2003	95.6	94.5	97.2	83.9
2002	96.3	94.3	97.2	82.8
2001	96.8	93.9	97.6	81.2
2000	95.8	93.6	96.9	80.7
1999	95.4	93.5	97.2	81.4

Source: Ohio Department of Education Local Report Cards

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

Function/Program	2008	2007	2006	2005
<b>Regular Instruction</b>				
Preschool Classroom Teachers	3.00	3.00	3.00	3.00
Preschool Aides	3.92	2.53	2.46	3.13
Preschool After Care Instructor	0.00	0.80	0.80	0.80
Elementary Classroom Teachers	28.47	33.47	34.07	37.47
Instructional Assistants	1.80	2.07	3.26	3.56
Art/Music/PE/Technology K-12	20.67	18.38	18.38	20.90
High School/Middle School Classroom Teachers	45.05	43.10	42.00	44.90
<b>Special Instruction</b>				
Preschool Special Ed.	1.75	1.75	1.67	1.67
ESL	1.00	0.60	0.60	0.60
Language Delayed	2.00	2.00	2.00	2.00
Multi-Disabilities/Cognitive Disabilitites	4.00	3.45	3.20	2.33
Deaf/Hard of Hearing	5.00	5.00	4.00	5.00
Intervention Specialists	13.50	13.50	11.40	14.40
Special Ed Assistants	36.80	33.40	31.50	33.50
Gifted Education Teachers	4.00	4.00	4.00	5.00
<b>Vocational Instruction</b>				
High School Classroom Teachers	5.25	5.00	5.00	5.00
<b>Pupil Support Services</b>				
Guidance Counselors	7.00	5.80	5.80	6.00
Librarians	4.00	4.00	4.00	4.00
Library Media Assistants	3.00	3.00	2.50	3.50
Psychologists	3.00	3.00	3.00	3.50
Audiologist and Speech & Lang Pathologists	5.20	5.20	5.20	5.80
Nurses	2.10	2.42	2.30	2.14
Educational Interpreters	10.34	11.60	12.00	17.00
Occupational Therapist	0.00	0.80	0.80	0.80
Tutors	3.71	3.11	4.61	1.58
<b>Administrators</b>				
Central Office	4.00	4.50	4.00	4.00
Elementary	2.00	3.50	3.00	4.00
MiddleSchool/High School	5.00	4.00	4.00	3.00
Supervisors	6.00	7.00	7.00	9.00
Community Education Coordinator	0.63	0.63	0.63	0.63
<b>Adminisitrative Support</b>				
Administrative/Office Assistants	17.00	18.38	18.38	15.00
<b>Operation of Plant</b>				
Cleaners	11.00	10.75	10.75	12.00
Custodians	10.00	10.00	10.00	11.00
Maintenance/Grounds	5.00	5.00	5.00	6.00
<b>Pupil Transportation</b>				
Bus Drivers	21.71	23.14	21.62	24.07
Mechanics	2.00	2.00	2.00	2.00
<b>Treasurer's Office Staff</b>				
	4.60	4.60	4.60	5.00
<b>Technology</b>				
	2.00	2.00	1.50	1.00
<b>Food Service Program</b>				
High School Cooks	3.00	3.00	3.00	3.00
Food Service Worker	6.48	5.66	5.26	5.71
Lunch Aides	0.00	0.00	0.00	18.00
<b>Totals</b>	<u>314.98</u>	<u>315.14</u>	<u>308.29</u>	<u>350.99</u>

(1) Information not available prior to 2005

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

Degree	2008	2007	2006	2005	2004
Bachelor's Degree	12	16	11	11	11
Bachelor+ 12	9	5	6	8	10
Bachelor + 24	11	11	17	15	17
Bachelor + 30	2	3	4	4	5
Master's Degree	48	84	79	79	84
Master + 12	31	15	14	14	15
Master + 24	19	9	10	10	5
Master + 36	24	10	9	9	9
Master + 60	19	14	12	12	17
<b>Total</b>	<u>175</u>	<u>167</u>	<u>162</u>	<u>162</u>	<u>173</u>

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

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

Fiscal Year	Elementary Schools	Middle School/ High School	Total
2008*	559	986	1,545
2007	661	915	1,576
2006	676	900	1,576
2005	725	880	1,605
2004	687	909	1,596
2003	676	902	1,578
2002	661	882	1,543
2001	779	883	1,662
2000	768	841	1,609
1999	838	838	1,676

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

Source: Beachwood City Schools EMIS records



**Beachwood City School District**  
 ACT Composite Scores  
 Last Ten School Years

<u>School Year</u>	<u>Number of Test Takers</u>	<u>Number of Seniors</u>	<u>Beachwood Composite</u>	<u>Ohio Composite</u>	<u>National Composite</u>
2008	226	131	25.0	21.7	21.1
2007	200	115	24.3	21.6	21.2
2006	197	116	23.6	21.5	21.1
2005	197	97	24.5	21.4	20.9
2004	198	101	25.4	21.4	20.9
2003	203	102	24.2	21.4	20.8
2002	191	89	23.3	21.4	20.8
2001	162	73	25.1	21.4	21.0
2000	169	96	23.6	21.4	21.0
1999	190	94	24.4	21.4	21.0

Source: High School Guidance Department  
 Beachwood City School District

**Beachwood City School District**  
**SAT Composite Scores**  
**Last Ten School Years**

School Year	Number of Senior Test Takers	Beachwood		Ohio		National		Beachwood		Ohio		National							
		Reading/Verbal*	Writing	Reading/Verbal*	Writing	Math	Writing	Math	Writing	Math	Writing	Math	Writing						
2008	68	619	619	534	534	502	502	635	635	544	544	515	515	629	629	521	521	494	494
2007	70	587	587	536	536	502	502	603	603	542	542	515	515	583	583	522	522	494	494
2006	76	557	557	535	535	503	503	573	573	544	544	518	518	573	573	521	521	497	497
2005	96	575	575	539	539	508	508	604	604	543	543	520	520	n/a	n/a	n/a	n/a	n/a	n/a
2004	99	587	587	538	538	508	508	577	577	542	542	518	518	n/a	n/a	n/a	n/a	n/a	n/a
2003	111	562	562	536	536	507	507	580	580	541	541	519	519	n/a	n/a	n/a	n/a	n/a	n/a
2002	113	549	549	533	533	504	504	556	556	540	540	516	516	n/a	n/a	n/a	n/a	n/a	n/a
2001	83	563	563	534	534	506	506	577	577	539	539	514	514	n/a	n/a	n/a	n/a	n/a	n/a
2000	106	537	537	533	533	505	505	546	546	539	539	514	514	n/a	n/a	n/a	n/a	n/a	n/a
1999	109	560	560	534	534	505	505	577	577	538	538	511	511	n/a	n/a	n/a	n/a	n/a	n/a

Source: High School Guidance Department  
 Beachwood City School District  
 \* Verbal scores School years 1999 - 2005, Reading Scores School Year 2006-2007

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

Fiscal Year	Beachwood Average	State Average
2008	13.4	18.6
2007	14.3	19.6
2006	14.1	18.6
2005	12.3	18.5
2004	12.3	18.5
2003	10.0	16.5
2002	10.7	16.9
2001	11.1	18.0
2000	11.9	18.1
1999	12.1	18.6

Source: Ohio Department of Education, Local Report Card



**Mary Taylor, CPA**  
Auditor of State

**BEACHWOOD CITY SCHOOL DISTRICT**

**CUYAHOGA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JANUARY 27, 2009**