

**BEACHWOOD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2010



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, 2010**

Federal Grantor/ Pass Through Grantor Program Title	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>					
<i>Passed Through Ohio Department of Education:</i>					
Nutrition Cluster:					
National School Lunch Program	10.555	\$62,057	\$9,211	\$62,057	\$9,211
Special Milk Program	10.556	453	0	453	0
Total U.S. Department of Agriculture		<u>62,510</u>	<u>9,211</u>	<u>62,510</u>	<u>9,211</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>					
<i>Passed Through Ohio Department of Education:</i>					
Special Education Cluster:					
Special Education: Grants to States - FY 2009	84.027	0	0	7,308	0
Special Education: Grants to States - FY 2010	84.027	318,385	0	318,385	0
ARRA - Special Education: Grants to States	84.391	167,000	0	166,594	0
Total Special Education: Grants to States		<u>485,385</u>	<u>0</u>	<u>492,287</u>	<u>0</u>
Special Education: Preschool Grant - FY 2010	84.173	10,305	0	10,079	0
ARRA - Special Education: Preschool Grant	84.392	5,797	0	5,797	0
Total Special Education : Preschool Grant		<u>16,102</u>	<u>0</u>	<u>15,876</u>	<u>0</u>
Total Special Education Cluster		<u>501,487</u>	<u>0</u>	<u>508,163</u>	<u>0</u>
Title I - Grants to Local Educational Agencies - FY 2009	84.010	24,059	0	25,870	0
Title I - Grants to Local Educational Agencies - FY 2010	84.010	72,670	0	71,603	0
Total Title I - Grants to Local Educational Agencies		<u>96,729</u>	<u>0</u>	<u>97,473</u>	<u>0</u>
Vocational Education - FY 2010	84.048	90	0	0	0
		90	0	0	0
Safe and Drug-Free Schools and Communities: State Grants - FY 2009	84.186	0	0	546	0
Safe and Drug-Free Schools and Communities: State Grants - FY 2010	84.186	3,312	0	3,210	0
Total Safe and Drug-Free Schools Grant		<u>3,312</u>	<u>0</u>	<u>3,756</u>	<u>0</u>
Innovative Education Program Strategies Grant - FY 2009	84.298	0	0	98	0
Title II-A Grant - FY 2010	84.367	30,366	0	30,266	0
Title II-D Technology Literacy Challenge Funds - FY 2010	84.318	685	0	685	0
Title III LEP - English Language Acquisition Grants - FY 2009	84.365	(67)	0	0	0
Title III LEP - English Language Acquisition Grants - FY 2010	84.365	4,757	0	4,757	0
Total Title III LEP - English Language Acquisition Grants		<u>4,690</u>	<u>0</u>	<u>4,757</u>	<u>0</u>
ARRA - State Fiscal Stabilization Fund	84.394	69,871	0	59,583	0
Title III, Part B - Grants for Supportive Services and Senior Centers - FY 2009	84.938	0	0	217	0
Title III, Part B - Grants for Supportive Services and Senior Centers - FY 2010	84.938	11,871	0	11,871	0
Total Title III, Part B - Grants for Supportive Services and Senior Centers		<u>11,871</u>	<u>0</u>	<u>12,088</u>	<u>0</u>
Total U.S. Department of Education		<u>719,101</u>	<u>0</u>	<u>716,869</u>	<u>0</u>
Total Federal Financial Assistance		<u>\$781,611</u>	<u>\$9,211</u>	<u>\$779,379</u>	<u>\$9,211</u>

**BEACHWOOD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
JUNE 30, 2010**

NOTES TO SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - CHILD NUTRITION CLUSTER

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

NOTE C – FOOD DONATION PROGRAM

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

NOTE D - TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. These transfers resulted in the Schedule reporting negative receipts. The District transferred the following amounts from 2009 to 2010 programs:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount Transferred from 2009 to 2010</u>
Title III LEP	84.365	\$67

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, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 23, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We did note a certain matter not requiring inclusion in this report that we reported to the District's management in a separate letter dated November 23, 2010.

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

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

Mary Taylor, CPA
Auditor of State

November 23, 2010



Mary Taylor, CPA

Auditor of State

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

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

To the Board of Education:

Compliance

We have audited the compliance of the Beachwood City School District (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect Beachwood City School District's major federal program for the year ended June 30, 2010. The summary of auditor's results section of the accompanying schedule of finding identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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 included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with 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 could directly and materially affect its major federal program for the year ended June 30, 2010.

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 to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

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

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

Schedule of Federal Awards Receipts and Expenditures

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Beachwood City School District, Cuyahoga County, Ohio, as of and for the year ended June 30, 2010, and have issued our report thereon dated November 23, 2010. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying federal awards receipts and expenditures schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Mary Taylor, CPA
Auditor of State

November 23, 2010

**BEACHWOOD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2010**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Special Education Cluster / CFDA #84.027, #84.391, #84.173, #84.392
<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, 2010



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
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24601 Fairmount Boulevard
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BEACHWOOD CITY SCHOOL DISTRICT
Comprehensive Annual Financial Report
For the Year Ended June 30, 2010
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BEACHWOOD CITY SCHOOL DISTRICT
24601 Fairmount Boulevard
Beachwood, OH 44122
Phone: 216.464.2600

November 23, 2010

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

Dear Board Members:

The comprehensive annual financial report of the Beachwood City School District (the “School District”) for the fiscal year ended June 30, 2010, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the School District. All disclosures necessary to enable the reader to gain an understanding of the School District’s financial activities have been included.

This report is divided into the following sections:

- o The Introductory Section, which includes this transmittal letter, a list of principal officials, the School 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 School 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 School District. The School District provides a full range of primary and secondary educational services primarily to the residents of the City of Beachwood, Ohio. However, the City of Beachwood, Ohio, and the Beachwood Public Library have not met the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report.

Beachwood City School District

The School District

The School District was formed in 1915 and 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 School District serves 1,604 students from Pre-K through 12th grade in five instructional facilities.

Major Initiatives

Mission and Vision

All of our efforts as educators in the School District are driven by our mission statement: To develop intellectual entrepreneurs with a social conscience. The mission of the Beachwood City School District is short in length and powerful in vision. We believe that we must develop adults who are seekers of knowledge, creative, flexible, and reflective – in other words, an intellectual capacity. These adults are risk-takers, visionaries, brokers, passionate, and committed to excellence. Beachwood students also enjoy experiences where they learn to be globally responsible, altruistic, and environmentally, culturally and politically sensitive.

Board of Education Goals

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

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

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

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

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

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

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

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

Beachwood City School District

Major Initiatives and Accomplishments

The 2009-2010 school year was one of significant accomplishments for the Beachwood City School District. The year began with an address to the staff by State Superintendent of Public Instruction Deborah Delisle in which she commended the School District for its outstanding educational initiatives.

Chief among the School District's student achievements was the record number of students named National Merit Scholarship Semifinalists. Eight students (5.6 percent of the Class of 2010) earned this distinction along with an additional six Commended Scholars and one National Achievement Semifinalist for a total of 15 students receiving recognition based upon performance on the Preliminary Scholastic Aptitude/National Merit Scholarship Qualifying Test (PSAT/NMSQT). The School District's percentage of Semifinalists was the highest of any Northeast Ohio public school system. All eight eventually advanced to become National Merit Scholarship Finalists, an honor claimed by less than one percent of eligible high school students nationally.

Beachwood High School also celebrated a record number of Advanced Placement Scholars in 2009. To qualify for this distinction, a student must score a three (3) or above on a five-point scale on a minimum of three AP exams. A three (3) is the level deemed acceptable for academic credit at many colleges and universities. Sixty-three Beachwood High School students were awarded AP Scholar status last year.

Once again, in 2009-2010, Beachwood High School was named to *Newsweek* magazine's list of Best High Schools in the U.S. This is the sixth consecutive year that the school has been so named.

The Ohio Educational Library Media Association (OELMA) chose The School District as one of two recipients of the District Library of Distinction Award for 2009. The award was a recognition of the support the community provides for its school libraries, the role the libraries play in the process of instruction, and the incorporation of appropriate instructional technology.

The School District was one of five districts honored for academic progress by Battelle for Kids. At a ceremony in Columbus, State Superintendent of Public Instruction Deb Delisle presented the award naming The School District in the top 5 percent of those districts eligible for this distinction.

The BHS Academic Challenge Team successfully defended its Knowledge Master Open (KMO) state championship title in 2009-2010 finishing first among 31 teams in Ohio. On a related note, The School District's fifth-grade Horizon's KMO team won first place in Ohio and fifth in the nation among 223 competing schools.

Beachwood Middle School was re-designated as a National School to Watch in 2010. The award was based on the School District academic excellence, developmental responsiveness, social equity efforts, and organizational support. The school initially received National School to Watch distinction in 2007.

Beachwood High School's Excel TECC Green Dream won first place in the Greater Cleveland Junior Achievement Company Program Competition in April 2010. Once again, the group hosted the largest eco-friendly showcase in Ohio.

In May 2010, the Beachwood community passed by 71% a bond levy to fund the renovation/reconstruction of Beachwood High School. The \$30 million raised by the bond levy will be supplemented by \$5.6 million in federal stimulus monies to pay for the project. The "new" and improved high school will have a new humanities wing, a new performing arts suite, an auxiliary gym, and remodeled math and science

Beachwood City School District

departments.

The mechanical infrastructure will be replaced with the goal of increased energy efficiency and LEED certification.

Also in 2010, the School District's bond rating was recalibrated to Aaa by Moody's Investors Services. The timing of this achievement yielded direct benefits associated with the financing of the aforementioned high school renovation/reconstruction.

A host of other honors and distinctions were earned by the district and its students in academics, athletics, and the fine arts. This is typical of Beachwood City School District, a district that seeks not merely demonstration of academic proficiency but individual mastery of program content that yields learners who explore, problem solve, communicate, and achieve utilizing time-tested and state-of-the art academic tools.

Financial Information

Accounting and Budgetary Controls

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

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

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

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

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 School 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 School 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.

Beachwood City School District

The School 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 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 School 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 changed the way the School District reported its financial condition and results of operations as compared with previous years. The basic financial statements for reporting on the School 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 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 2010.

Financial Policies

The School District has not adopted any new financial policies that had significant impact on the 2010 financial statements.

Long-Term Financial Planning

The School 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 31st of each school year and must be amended as necessary by no later than May 31st of each school year. School districts are not able to enter into contracts unless the School District demonstrates financial ability to pay for the contract over the life of the contract. The School District cannot include anticipated revenue through ballot issues as part of its certification of funds process.

Beachwood City School District

Significant Local Economic Events

The economic condition and outlook for the community has been challenging, especially considering the economic downturn in the Midwest as well as the rest of the country. The tax duplicate has actually declined due to the loss of personal property on the tax duplicate and a 7% decrease on residential property. The community's tax base is fairly evenly distributed between commercial and residential property. Forty-eight percent of the School District's valuation is comprised of residential property and fifty-three percent is comprised of commercial or public utility property. Due to changes in laws enacted by the State legislature, the School District's personal property tax base will continue to erode as the State has eliminated this tax. All Districts in the State of Ohio will be held harmless by the State through fiscal year 2013, 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.

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

In 2009, Eaton Corporation, a Fortune 100 company purchased 50 acres of property in the Chagrin Highlands area, through a tax incremental financing program approved by the City of Beachwood, Warrensville Heights Schools, State of Ohio and the Port Authority. Revenue for the schools is not expected until at least 2013. Due to the economic malaise, it is unclear when Eaton will begin building its headquarters, which could delay any anticipated revenues for the schools beyond 2013.

As of the date of this financial statement, it is expected that tax revenue sharing will be forthcoming in the next couple of years. The School District is currently in 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. University Hospitals built a 1,000 bed hospital, The Ahuja Medical Center on the Chagrin Highlands site. The Ahuja Medical Center will open in January, 2011. 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.

The School District is still involved in litigation with the Cleveland Clinic tax exempt application which dates back to 2002. The case is at the Board of Tax Appeals. The School District anticipates that the case will be heard in 2011. Property tax losses on this facility are \$4.7 million (school district portion only) through tax year 2010.

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

Beachwood City School District

Prospects for The Future

House Bill 920, which was enacted in 1976 by the Ohio legislature, has severely limited schools in their funding initiatives. This law prohibits school districts from realizing additional revenue from previously voted millage due to reappraisal of property values. Although the School District's total operating millage is 79.3 mills, the effective millage levied and collected is 34.54 and 41.87 respectively, for residential and commercial property.

House Bill 66, which passed in June 2005, completely eliminated personal property taxes on equipment and furniture and fixtures. Schools were to be held harmless for a period of five years, beginning with calendar year 2006. The hold harmless provision was to begin phasing out in 2011. House Bill 1 which passed in June 2009 delayed the hold harmless period through fiscal year 2013, at which time the phase out will begin at the point it would have been in HB 66, which means the District will lose 47% of this revenue in fiscal year 2014.

The tax will phase out completely by the end of fiscal year 2018. Since this tax currently generates \$3.8 million annually, elimination of this tax will negatively impact the School District in the future and will force the School District to seek levies more frequently.

The State of Ohio, with major revenue shortfalls of its own and a budget heavily dependent on one-time federal stimulus funds, has signaled that the next budget bill will most likely contain revenue reductions to schools. The budget for the State of Ohio must pass on or before June 30, 2011.

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

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

In August 2010 the District borrowed \$30 million dollars to finance the High School renovation project. The School District sought additional federal stimulus funds and participated in the Qualified School Construction Bonds and Build America Bonds programs saving the District over \$13.9 million in interest costs and reduced the issue from a 30 year issue to a 24 year issue. As part of this process, the School District was awarded a Aaa rating from Moody's Investor Services, the highest rating achievable. This places the School District among only 10 school districts in the State of Ohio to be awarded a Aaa rating.

Other Information

Independent Audit

The Ohio Revised Code requires an annual audit of the School District's financial statements and its compliance with certain sections of the Ohio Revised Code. The Ohio Auditor of State conducted the School District's 2010 fiscal year audit. The Independent Accountants' Report appears at the beginning of the Financial Section of this report.

Beachwood City School District

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, 2010. (This was the 22nd consecutive year that the School District earned this prestigious award.) In order to be awarded a Certificate of Achievement, a governmental agency must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

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

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

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

Special recognition must be extended to the members of the Treasurer's Office: Kathleen 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 School District has an active audit committee, comprised of 3 members of the community (two of whom are CPA's, and one a small business entrepreneur), one Board member (also a CPA) and the School District's Treasurer. The Superintendent also serves in the capacity of an ex-officio member of this committee. 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, MBA
Finance Director/Treasurer

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

Beachwood City School District

Elected Officials

Board of Education

Mr. David Ostro President

Mrs. Jennifer Tramer..... Vice President

Mrs. Beth Rosenbaum..... Member

Dr. Brian Weiss..... Member

Mr. Mitchel Luxenburg..... Member

Appointed Officials

Ms. Michele E. Mills Director of Finance/Treasurer

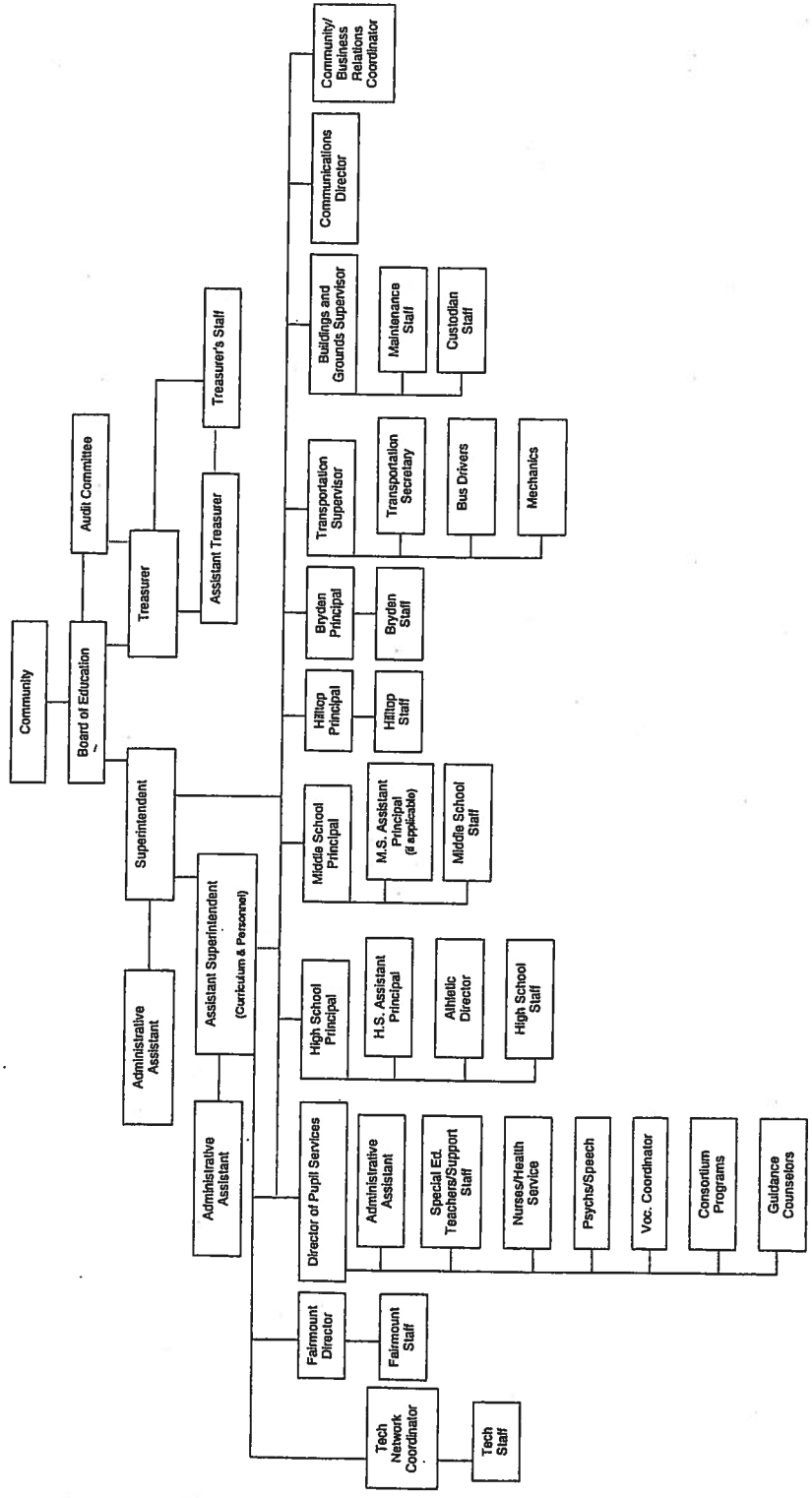
Administration

Dr. Richard A. Markwardt Superintendent

Dr. Philip Wagner Assistant Superintendent

Ms. Lauren Broderick Director of Pupil Services

ORGANIZATIONAL CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Beachwood City School
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

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.



A stylized handwritten signature in black ink, appearing to read "JEFFREY R. EMER".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

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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, 2010, 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, 2010, 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 November 23, 2010, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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



Mary Taylor, CPA
Auditor of State

November 23, 2010

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

The discussion and analysis of the Beachwood City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements, and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2010 are as follows:

- The School District's financial condition improved slightly over 2009 due to the issuance of federally taxable direct payment Qualified School Construction Bonds (QSCB's) tax anticipation notes in the amount of \$5,650,000. This increase was offset by unearned revenues from property taxes increasing by \$4,476,868.
- Total net assets increased \$289,743, which represents a .83 percent increase from 2009.
- General revenues accounted for \$30,522,158 in revenue or 82.2 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$6,627,404 or 17.8 percent of total revenues of \$37,149,562.
- The School District had \$36,859,819 in expenses related to governmental activities; only \$6,627,404 of these expenses was offset by program specific charges for services, grants, or contributions. General revenues (primarily taxes) of \$30,522,158 were adequate to provide for these programs.
- Total assets of governmental activities increased \$9,335,677 as cash increased by \$8,862,884. The building fund had an increase of \$5,389,839 due to the issuance of the QSCB's in May 2010. The general fund also had an increase in cash of 2,868,226 due to cost reduction measures implemented by the School District and an increase in personal property hold harmless revenues from the State of Ohio.
- Among major funds, the general fund had \$30,080,481 in operating revenues and \$30,722,067 in operating expenditures. The general fund's fund balance decreased to \$17,955,559 from \$18,837,145

Using this Generally Accepted Accounting Principles Report (GAAP)

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

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short term, as well as what remains for

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

future spending. The fund financial statements also look at the School District's most significant funds, with all other non-major funds presented in total in one column. In the case of the School District, the general fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Assets and Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2010?" The Statement of Net Assets and Statement of Activities answer this question. These statements include *all assets and all liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into accounts all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of these major funds begins on page 28. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Bond Retirement, Building Fund, Permanent Improvement, and Consortium Funds.

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

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

The School District as a Whole

The Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for 2010 compared to 2009:

Table 1
Governmental Activities

	2010	2009
Assets		
Current and Other Assets	\$55,313,858	\$45,807,738
Capital Assets	28,530,714	29,459,075
Total Assets	83,844,572	75,266,813
Liabilities		
Long-Term Liabilities	21,164,477	17,593,733
Other Liabilities	27,503,946	22,786,674
Total Liabilities	\$48,589,673	40,380,407
Net Assets		
Invested in Capital Assets Net of Debt	10,092,016	15,016,809
Restricted	8,383,796	2,802,805
Unrestricted	16,700,337	17,066,792
Total Net Assets	\$35,176,149	\$34,886,406

Total assets increased \$8,577,759. Equity in pooled cash and cash equivalents increased \$8,799,826. Taxes receivable increased by \$803,440 due to an increase in expected collections for real property taxes.

Net assets of the School District's governmental activities increased by \$289,743. Unrestricted net assets decreased by \$366,455. Net assets remained relatively flat due to changes in cash and cash equivalents, unearned revenue and long term debt. There was an increase of \$8.8 million dollars in cash and cash equivalents during 2010 due to revenues exceeding expenditures, primarily due to increased property tax collections in the general fund and the issuance of federally taxable Qualified School Construction Bonds (QSCB's) in the amount of \$5,650,000 in the building fund. There was an increase in unearned revenue by \$4,476,868 primarily due to a decrease in the amount of property taxes available for advance by the County Treasurer as of June 30, 2010. In addition, long term liabilities increased \$3,570,744 due to addition of long term debt to repay the tax anticipation notes over the next ten years.

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

Table 2 shows the changes in net assets for fiscal year 2010 with revenue and expense comparisons to fiscal year 2009

	Governmental Activities 2010	Governmental Activities 2009
Program Revenues:		
Charges for Services and Sales	\$3,900,838	\$4,997,679
Operating Grants and Contributions	2,726,566	3,028,823
Capital Grants and Contributions	0	6,992
General Revenues:		
Property Taxes	23,881,579	30,394,644
Grants and Entitlements	6,141,675	5,152,707
Investments	241,009	465,682
Other	257,895	40,154
Total Revenue	\$37,149,562	\$44,086,681
Program Expenses:		
Instruction:		
Regular	\$11,732,566	\$11,979,156
Special	5,787,279	6,784,298
Vocational	1,489,827	1,290,755
Adult/Continuing	229,767	223,322
Other	225,758	179,790
Support Services:		
Pupil	2,599,282	2,710,272
Instructional Staff	1,115,463	1,169,119
Board of Education	522,649	460,127
Administration	2,337,526	2,329,151
Fiscal	1,136,671	514,478
Business	493,005	458,069
Operation of Maintenance and Plant	3,340,931	3,716,973
Pupil Transportation	2,100,921	2,059,398
Central	756,795	704,516
Operation of Non-Instructional Services		
Services	1,526,872	1,506,769
Extra-curricular Activities	982,846	1,008,747
Interest and Fiscal Charges	481,661	541,519
Total Expenses	\$36,859,819	\$37,636,459
Change in Net Assets	\$289,743	\$6,450,222
Beginning Net Assets	34,886,406	28,436,184
Ending Net Assets	\$35,176,149	\$34,886,406

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
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 64 percent of revenues for governmental activities for the School District in fiscal year 2010.

Instruction comprises 53 percent of governmental program expenses. Interest expense was 1.3 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 2009.

Table 3 – Governmental Activities

	Total Cost of Services 2010	Net Cost of Services 2010	Total Cost of Services 2009	Net Cost of Services 2009
Instruction	\$19,465,197	\$16,287,881	\$20,457,321	\$16,059,263
Support Services:				
Pupil and Instructional Staff	3,714,745	2,591,824	3,879,391	2,522,399
Board of Education, Administration, Fiscal and Business	4,489,851	4,445,465	3,761,825	3,737,720
Operation and Maintenance of Plant	3,340,931	2,963,152	3,716,973	3,399,681
Pupil Transportation	2,100,921	1,549,479	2,059,398	1,491,685
Central	756,795	714,343	704,516	643,491
Operation of Non-Instructional Services	1,526,872	257,669	1,506,769	234,410
Extracurricular Activities	982,846	940,941	1,008,747	972,797
Interest and Fiscal Charges	481,661	481,661	541,519	541,519
Total Expenses	<u>\$36,859,819</u>	<u>\$30,232,415</u>	<u>\$37,636,459</u>	<u>\$29,602,965</u>

The dependence upon tax revenues for governmental activities is apparent. Over 84 percent of instruction activities are supported through taxes and other general revenues, for all governmental activities general revenue support is 82 percent. The community, as a whole, is by far the primary support for the School District's students.

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

The School District's Funds

Information about the School District's major funds starts on page 28. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$36,988,112 and expenditures of \$37,938,987. The net change in fund balance for the year was most significant in the building fund, with an increase of \$5,389,839. The increase is due to the issuance of federally taxable direct payment Qualified School Construction Bonds (QSCB's) tax anticipation notes in the amount of \$5,650,000. Upon passage of a \$30 million dollar bond issue in May 2010, the School District hired an architect, Burt Hill, to design a renovation plan for the School District's High School which is 50 years old and has significant HVAC challenges due to the age of the building.

Overall property tax revenue decreased by \$6,769,304, of which \$4,476,868 was due to a decrease in property taxes available for collection as of June 30, 2010 and a decrease in the personal property tax of \$865,335 as the State of Ohio eliminated this tax in its entirety.

The net fund balance decreased in the bond retirement fund by \$167,880, due to tax collections were less than principal and interest payments on the School District's outstanding debt.

The permanent improvement fund net fund balance increased by \$374,805 due to the School District's delaying a re-commissioning project at the Middle School to the summer of 2010 in the amount of \$372,564. Numerous driveway repairs projects were completed in 2010.

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

Budgeting Highlights

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

During the course of fiscal year 2010, the School District amended its general fund budget numerous times, none significant. The School District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, actual revenue was \$570,183 more than the final budget estimates of \$33,201,088 which was primarily due to increases in property tax revenues. The School District's ending un-obligated cash balance was \$1,938,659 above the final budgeted amount.

There were nine amendments to the original appropriations during fiscal year 2010. The budget decreased due to belt tightening measures implemented to reduce overall costs and increase efficiency of operations due to the country's economic downturn.

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2010, the had 28,530,714 invested in land, buildings, equipment, buses and other vehicles, all in governmental activities. See Note 8 to the basic financial statements for more detailed information on capital asset activity. Table 4 shows fiscal 2010 balances compared to 2009:

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

	Governmental Activities	
	2010	2009
Construction in Progress	\$148,975	\$0
Land	831,499	831,499
Land Improvements	2,123,303	2,123,675
Buildings and Improvements	23,981,551	24,864,333
Equipment	833,087	992,902
Vehicles	612,299	646,666
Totals	\$28,530,714	\$29,459,075

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

For fiscal year 2010, Ohio law required school districts to set aside three percent of certain revenues for capital improvements and textbooks, respectively. For fiscal year 2010, this amounted to \$253,383 for each set aside. For fiscal year 2010, the School District had qualifying disbursements or offsets exceeding these requirements. For fiscal year 2010, the set aside will remain three percent. The School District has budgeted to meet these requirements.

Debt

At June 30, 2010, the School District had \$17,889,998 in bonds and notes outstanding, \$2,060,000 due within one year. Table 5 summarizes bonds and notes outstanding. See Note 14 to the basic financial statements for more detailed information on long-term debt activity.

Under the current Ohio Revised Code, the School District's general obligation bonded debt issuances are subject to a legal limitation on both voted and un-voted debt. The limitation is based on 9% and .1% respectively, of the total assessed value of real and personal property. At June 30, 2010, the School District's voted general obligation bonded debt of \$11,479,998 initially below the legal limit of \$53,578,369 (voted). In addition, the School District had no un-voted debt at June 30, 2010. On July 11, 2007, the School 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 School District's debt, Moody's upgraded the School District to Aa1 from Aa2.

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

In May 2010, the School District issued \$5,650,000 in federally taxable Qualified School Construction Bonds (QSCB's) direct pay tax anticipation notes for a ten year period. Moody's recalibrated the School District's debt rating from Aa1 to Aaa, placing the School District among only ten districts in the State of Ohio to achieved this rating. Aaa is the highest rating Moody's assigns to debt issues.

The notes have an interest rate of 4.75%, but because the issue was part of the American Recovery and Reinvestment Act, the federal government will directly pay the School District the entire amount of the interest for this issue, effectively making the issue at cost of no interest.

Table 5 - Outstanding Debt, at Year End

	Governmental Activities 2010	Governmental Activities 2009
General Obligation Bonds		
2000 Tax Anticipation Notes	\$760,000	\$1,480,000
2010 Un-amortized Accounting Gain	111,570	0
2010 Tax Anticipation Notes	5,538,430	0
2002 School Improvement Premium	302,047	327,218
2002 Un-amortized Accounting Gain	120,386	129,647
2002 School Improvement Bonds	5,284,615	5,940,354
2007 School Improvement Premium	331,996	379,424
2007 Un-amortized Accounting Gain	79,653	91,032
2007 Advanced Refunded Bonds	5,995,344	6,048,965
Total	\$18,524,041	\$14,396,640

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

For the Future

The School District closed out its fiscal year on June 30, 2010 on a positive note as the administration and Board of Education continued to reduce costs for greater efficiency. The School District contracted out its food service operation to AVI Foodsystems, Inc. in 2008 which continues to save the School District over \$100,000 annually, and provided a higher quality of food and increased parent and student satisfaction.

The School District also successfully concluded its negotiations with the Beachwood Federation of Teachers, approving a three year contract through August 31, 2012.

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

The School District's next major initiative is renovation of the High School, which is 50 years old. On May 4, 2010 a \$30 million, 30 year, 2.5 mill bond issue was overwhelmingly passed by the voters to renovate the School District's High School. An architect has been hired as well as a construction manager. The School District also applied for and received a Qualified School Construction Bond (QSCB's) allocation of \$11,260,000 million to renovate the High School as part of the \$30 million dollar project. In August 2010 the School District issued \$11,260,000 federally taxable direct payment QSCB's, \$11,150,000 federally taxable Build America Bonds (BAB's) and \$7,590,000 in tax-exempt bonds. Because the School District issued these bonds at a rate lower than the federal tax credit rate that day, the entire QSCB interest will be directly remitted back to the School District and 35% of the BAB interest will be directly remitted back to the School District saving taxpayers over \$13.9 million in interest costs. The School District also shortened the issue to 24 years.

In August 2010, the School District received an upgrade in its bond rating to Aaa from Moody's Investor's Service for the new and all outstanding debt. This rating, the most recently received from Moody's, is the highest rating an entity can achieve.

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

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

Contacting the School District's Financial Management

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

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Beachwood City Schools*Statement of Net Assets**June 30, 2010*

	Governmental Activities
ASSETS:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 26,472,702
Cash and Cash Equivalents in Segregated Accounts	134,873
Materials and Supplies Inventory	87,165
Accrued Interest Receivable	67,769
Accounts Receivable	23,276
Intergovernmental Receivable	20,719
Property Taxes Receivable	28,195,745
<i>Total current assets</i>	<u>55,002,249</u>
Noncurrent Assets:	
Deferred Charges	311,609
Non-Depreciable Capital Assets	831,499
Depreciable Capital Assets, net	27,550,240
Construction in Progress	148,975
<i>Total noncurrent assets</i>	<u>28,842,323</u>
<i>Total Assets</i>	<u><u>\$ 83,844,572</u></u>
LIABILITIES:	
Current Liabilities:	
Accounts Payable	\$ 105,360
Accrued Wages and Benefits	3,102,856
Intergovernmental Payable	327,682
Undistributed Monies	9,630
Matured Bonds Payable	86,363
Unearned Revenue	23,772,455
Claims Payable	99,600
Long-Term Liabilities:	
Due Within One Year	2,173,652
<i>Total current liabilities</i>	<u>29,677,598</u>
Noncurrent Liabilities:	
Due in More Than One Year	18,990,825
<i>Total Liabilities</i>	<u>48,668,423</u>
NET ASSETS:	
Invested in Capital Assets, Net of Related Debt	10,092,016
Restricted for Debt Service	1,909,169
Restricted for Capital Outlay	5,965,796
Restricted for Other Purposes	373,958
Restricted for Set Asides	134,873
Unrestricted	16,700,337
<i>Total Net Assets</i>	<u><u>\$ 35,176,149</u></u>

See Accompanying Notes to the Basic Financial Statements

Beachwood City Schools
Statement of Activities
For the Fiscal Year Ended June 30, 2010

	Program Revenues	
Expenses	Charges for Services and Sales	Operating Grants and Contributions
Governmental Activities:		
Instruction:		
Regular	\$ 11,732,566	\$ 282,997
Special	5,787,279	408,532
Vocational	1,489,827	670,516
Adult/Continuing	229,767	208,866
Other	225,758	
Support Services:		
Pupils	2,599,282	821,602
Instructional Staff	1,115,463	70,830
Board of Education	522,649	
Administration	2,337,526	6,195
Fiscal	1,136,671	21,117
Business	493,005	3,483
Operation and Maintenance of Plant	3,340,931	377,779
Pupil Transportation	2,100,921	7,708
Central	756,795	26,020
Operation of Non-Instructional Services		
Food Service Operations	607,571	448,638
Community Services	919,301	504,650
Extracurricular Activities	982,846	41,905
Interest and Fiscal Charges	481,661	
 <i>Total Governmental Activities</i>	\$ 36,859,819	\$ 3,900,838

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

Total General Revenues and Transfers

Change in Net Assets

Net Assets at Beginning of Year

Net Assets at End of Year

See Accompanying Notes to the Basic Financial Statements

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

**Governmental
Activities**

\$ (10,887,198)
(4,734,035)
(419,989)
(20,901)
(225,758)

(1,619,984)
(971,840)
(522,649)
(2,317,740)
(1,115,554)
(489,522)
(2,963,152)
(1,549,479)
(714,343)

(95,522)
(162,147)
(940,941)

(481,661)

\$ (30,232,415)

\$ 6,141,675
241,009
23,881,579

257,895

30,522,158

289,743

34,886,406

\$ 35,176,149

Beachwood City Schools
Balance Sheet
Governmental Funds
June 30, 2010

	<u>General</u>	<u>Bond Retirement Fund</u>	<u>Permanent Improvement Fund</u>	<u>Building Fund</u>	<u>Consortium Fund</u>
ASSETS:					
Equity in Pooled Cash and Cash Equivalents	\$ 15,936,541	\$ 1,652,460	\$ 774,164	\$ 5,476,559	\$ 1,498,076
Cash and Cash Equivalents in Segregated Accounts	134,873				
Materials and Supplies Inventory	77,659				
Accrued Interest Receivable	67,769				
Accounts Receivable	7,050				15,420
Interfund Receivable	955,358				
Due From Other Funds	315,000				
Intergovernmental Receivable					
Property Taxes Receivable	<u>24,890,663</u>	<u>2,777,054</u>	<u>528,028</u>		
<i>Total Assets</i>	<u>\$ 42,384,913</u>	<u>\$ 4,429,514</u>	<u>\$ 1,302,192</u>	<u>\$ 5,476,559</u>	<u>\$ 1,513,496</u>
LIABILITIES:					
Accounts Payable	\$ 24,477			\$ 78,750	
Accrued Wages and Benefits	2,751,684				282,341
Interfund Payable					955,358
Due to Other Funds			315,000		
Intergovernmental Payable	285,983				34,184
Undistributed Monies					
Unearned Revenue	21,367,210	2,458,984	445,208		
General Obligation Bonds Payable		<u>86,363</u>			
<i>Total Liabilities</i>	<u>24,429,354</u>	<u>2,545,347</u>	<u>760,208</u>	<u>78,750</u>	<u>1,271,883</u>
FUND BALANCES:					
Reserved:					
Reserved for Encumbrances	148,076		389,203	178,920	1,056
Reserved for Inventory	77,659				
Reserved for Property Taxes	3,523,453	318,070	82,820		
Reserved for Budget Stabilization	134,873				
Unreserved, Undesignated, Reported in:					
General Fund	14,071,498				
Special Revenue Funds					240,557
Debt Service Funds		1,566,097			
Capital Projects Funds			<u>69,961</u>	<u>5,218,889</u>	
<i>Total Fund Balances</i>	<u>17,955,559</u>	<u>1,884,167</u>	<u>541,984</u>	<u>5,397,809</u>	<u>241,613</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 42,384,913</u>	<u>\$ 4,429,514</u>	<u>\$ 1,302,192</u>	<u>\$ 5,476,559</u>	<u>\$ 1,513,496</u>
See Accompanying Notes to the Basic Financial Statements					

<u>All Other Governmental Funds</u>	<u>Total Governmental Funds</u>		
		Total Governmental Fund Balances	\$ 26,420,354
\$ 457,400	\$ 25,795,200	Amounts reported for governmental activities in the Statement of	
	134,873	Net Assets are different because:	
9,506	87,165	Capital assets used in governmental activities are not financial	
	67,769	resources and therefore, are not reported in the funds:	
806	23,276	Nondepreciable capital assets	831,499
	955,358	Depreciable capital assets	27,699,215
	315,000		
20,719	20,719	Deferred charges (unamortized bond issuance costs) are not	311,609
	28,195,745	reported in the funds as an asset:	
<u>\$ 488,431</u>	<u>\$ 55,595,105</u>	Deferred revenue, including delinquent property tax revenues,	
		are not receivable in the current period and therefore, are not	
\$ 2,134	\$ 105,361	reported in the funds:	
68,831	3,102,856	Unearned revenue	500,046
	955,358		
	315,000	Long term liabilities, including bonds payable, are not due and	
7,515	327,682	payable in the current period and therefore, are not reported	
9,630	9,630	in the funds:	
1,099	24,272,501	Due within one year	(2,173,652)
	86,363	Due within more than one year	(18,990,825)
<u>89,209</u>	<u>29,174,751</u>	Internal service funds are used by management to charge the	
		vision, dental and prescription drug, and contingent premium expenses	
		in the governmental activities in the Statement of Net Assets	<u>577,903</u>
76,261	793,516	Net Assets of Governmental Activities	<u>\$35,176,149</u>
	77,659		
	3,924,343		
	134,873		
	14,071,498		
322,961	563,518		
	1,566,097		
	5,288,850		
<u>399,222</u>	<u>26,420,354</u>		
<u>\$ 488,431</u>	<u>\$ 55,595,105</u>		

Beachwood City Schools
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2010

	General	Bond Retirement Fund	Permanent Improvement Fund	Building Fund
REVENUES:				
Property and Other Local Taxes	\$ 21,631,337	\$ 1,657,506	\$ 431,286	\$ -
Intergovernmental	6,939,218	158,234	170,801	
Interest	240,161		688	159
Tuition and Fees	465,714			
Rent	280,495			
Extracurricular Activities				
Gifts and Donations	7,326			
Customer Sales and Services	203,149			
Miscellaneous	313,081		20,500	
<i>Total Revenues</i>	<u>30,080,481</u>	<u>1,815,740</u>	<u>623,275</u>	<u>159</u>
EXPENDITURES:				
Current:				
Instruction:				
Regular	10,931,930			
Special	5,215,505			
Vocational	497,530			
Adult/Continuing	1,898			
Other	225,758			
Support Services:				
Pupils	1,611,627			
Instructional Staff	987,442			
Board of Education	502,689			
Administration	2,280,384			
Fiscal	981,439			
Business	485,105			
Operation and Maintenance of Plant	3,288,748			
Pupil Transportation	2,112,455			
Central	733,267			
Operation of Non-Instructional Services:				
Food Service Operations				
Community Services	40,267			
Extracurricular Activities	826,023			
Capital Outlay:			248,470	148,750
Debt Service:				
Principal		1,450,000		
Interest		533,620		
Issuance Costs				111,570
<i>Total Expenditures</i>	<u>30,722,067</u>	<u>1,983,620</u>	<u>248,470</u>	<u>260,320</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(641,586)</u>	<u>(167,880)</u>	<u>374,805</u>	<u>(260,161)</u>
OTHER FINANCING SOURCES AND USES:				
Transfers In				
Tax Anticipation Notes Issued				5,650,000
Transfers Out	(240,000)			
<i>Total Other Financing Sources and Uses</i>	<u>(240,000)</u>	<u>0</u>	<u>0</u>	<u>5,650,000</u>
<i>Net Change in Fund Balances</i>	(881,586)	(167,880)	374,805	5,389,839
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>18,837,145</u>	<u>2,052,047</u>	<u>167,179</u>	<u>7,970</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 17,955,559</u>	<u>\$ 1,884,167</u>	<u>\$ 541,984</u>	<u>\$ 5,397,809</u>

See Accompanying Notes to the Basic Financial Statements

Consortium Fund	All Other Governmental Funds	Total Governmental Funds		
			Net change in Fund Balances - Total Governmental Funds	\$4,699,125
\$ -	\$ -	\$ 23,720,129	Amounts reported for governmental activities in the Statement of Activities are different because:	
611,640	988,348	8,868,241		
	194	241,202	Governmental Funds report capital outlays as expenditures. However in the Statement of Activities the cost of those assets is allocated over the estimated useful lives of the assets as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	
1,627,687	482,646	2,576,047		
	41,805	41,805		
	14,022	21,348		
15,895	655,687	874,731		
	30,533	364,114	Capital Outlay	635,040
			Depreciation	(1,563,401)
			Total	(928,361)
2,255,222	2,213,235	36,988,112	Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
	10,984	10,942,914	Property Taxes	161,450
354,371	313,441	5,883,317		
962,858		1,460,388	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.	(3,996,428)
	227,451	229,349		
		225,758		
866,591	160,713	2,638,931		
50,712	71,710	1,109,864		
		502,689		
	14,743	2,295,127		
	632	982,071		
		485,105	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.	(162,657)
20,690	855	3,310,293		
	77,275	2,189,730		
	9,000	742,267		
	576,678	576,678		
	875,374	915,641	Compensated absences reported in the Statement of Activities, do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.	516,614
	130,432	956,455		
		397,220		
		1,450,000	Changes in Net Assets of Governmental Activities	\$ 289,743
		533,620		
		111,570		
2,255,222	2,469,288	37,938,987		
0	(256,053)	(950,875)		
	240,000	240,000		
		5,650,000		
		(240,000)		
0	240,000	5,650,000		
	(16,053)	4,699,125		
241,613	415,275	21,721,229		
\$ 241,613	\$ 399,222	\$ 26,420,354		

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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Property and Other Local Taxes	\$ 23,946,079	\$ 24,250,766	\$ 25,064,563	\$ 813,797
Intergovernmental	7,142,662	7,088,868	6,935,231	(153,637)
Interest	400,000	375,000	323,234	(51,766)
Tuition and Fees	543,690	631,230	608,128	(23,102)
Rent	287,790	287,790	280,495	(7,295)
Gifts and Donations	2,050	2,050	6,826	4,776
Customer Sales and Services	176,290	218,920	205,269	(13,651)
Miscellaneous	175,444	346,464	347,525	1,061
Total Revenues	<u>32,674,005</u>	<u>33,201,088</u>	<u>33,771,271</u>	<u>570,183</u>
EXPENDITURES:				
Current:				
Instruction:				
Regular	11,222,901	11,229,268	10,921,934	307,334
Special	5,374,199	5,367,695	5,276,971	90,724
Vocational	505,114	505,114	497,530	7,584
Other	229,596	229,596	227,689	1,907
Support Services:				
Pupils	1,680,353	1,673,870	1,635,241	38,629
Instructional Staff	981,810	981,150	962,377	18,773
Board of Education	539,808	539,808	525,483	14,325
Administration	2,332,481	2,331,940	2,310,321	21,619
Fiscal	1,025,672	1,024,089	990,803	33,286
Business	540,241	540,211	507,922	32,289
Operation and Maintenance of Plant	3,955,304	3,930,393	3,327,303	603,090
Pupil Transportation	2,106,112	2,105,472	2,036,243	69,229
Central	810,819	809,511	739,835	69,676
Operation of Non-Instructional Services:				
Community Services	66,810	66,810	42,667	24,143
Extracurricular Activities:				
Academic Oriented Activities	179,366	179,366	179,204	162
Sport Oriented Activities	638,350	638,350	617,716	20,634
School and Public Service Co-Curricular Activities	30,870	30,870	20,099	10,771
Total Expenditures	<u>32,219,806</u>	<u>32,183,513</u>	<u>30,819,338</u>	<u>1,364,175</u>
Excess of Revenues Over (Under) Expenditures	<u>454,199</u>	<u>1,017,575</u>	<u>2,951,933</u>	<u>1,934,358</u>
OTHER FINANCING SOURCES AND USES:				
Proceeds from Sale of Capital Assets	2,500		3,300	3,300
Refund of Prior Year Expenditures	2,500	1,163	1,184	21
Transfers Out	(241,580)	(241,580)	(240,600)	980
Total Other Financing Sources and Uses	<u>(236,580)</u>	<u>(240,417)</u>	<u>(236,116)</u>	<u>4,301</u>
Net Change in Fund Balances	217,619	777,158	2,715,817	1,938,659
Fund Balance (Deficit) at Beginning of Year	13,065,047	13,065,047	13,065,047	
Prior Year Encumbrances Appropriated	134,912	134,912	134,912	
Fund Balance (Deficit) at End of Year	<u>\$ 13,417,578</u>	<u>\$ 13,977,117</u>	<u>\$ 15,915,776</u>	<u>\$ 1,938,659</u>
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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Intergovernmental	\$ 557,278	\$ 557,278	\$ 611,640	\$ 54,362
Tuition and Fees	1,935,000	1,935,000	1,709,325	(225,675)
Customer Sales and Services	25,000	25,000	15,895	(9,105)
Total Revenues	<u>2,517,278</u>	<u>2,517,278</u>	<u>2,336,860</u>	<u>(180,418)</u>
EXPENDITURES:				
Current:				
Instruction:				
Special	548,655	548,655	543,638	5,017
Vocational	907,622	907,622	899,359	8,263
Support Services:				
Pupils	870,137	870,137	869,061	1,076
Instructional Staff	57,844	57,844	55,820	2,024
Operation and Maintenance of Plant	22,257	22,257	20,690	1,567
Total Expenditures	<u>2,406,515</u>	<u>2,406,515</u>	<u>2,388,568</u>	<u>17,947</u>
Excess of Revenues Over (Under) Expenditures	<u>110,763</u>	<u>110,763</u>	<u>(51,708)</u>	<u>(162,471)</u>
Net Change in Fund Balances	110,763	110,763	(51,708)	(162,471)
Fund Balance (Deficit) at Beginning of Year	1,540,640	1,540,640	1,540,640	
Prior Year Encumbrances Appropriated	<u>8,085</u>	<u>8,085</u>	<u>8,085</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 1,659,488</u>	<u>\$ 1,659,488</u>	<u>\$ 1,497,017</u>	<u>\$ (162,471)</u>

See Accompanying Notes to the Basic Financial Statements

Beachwood City Schools
Statement of Fund Net Assets
Proprietary Fund
June 30, 2010

	Governmental Activities - Internal Service Funds
ASSETS:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 677,503
<i>Total Current Assets</i>	<i>677,503</i>
<i>Total Assets</i>	<i>677,503</i>
LIABILITIES:	
Current Liabilities:	
Claims Payable	99,600
<i>Total Current Liabilities</i>	<i>99,600</i>
<i>Total Liabilities</i>	<i>99,600</i>
NET ASSETS:	
Unrestricted	577,903
<i>Total Net Assets</i>	<i>\$ 677,503</i>

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, 2010

	Governmental Activities - Internal Service Funds
OPERATING REVENUES:	
Charges for Services	\$ 3,083,536
Other Revenues	973,433
	<u>4,056,969</u>
OPERATING EXPENSES:	
Claims	893,392
Other	3,326,234
	<u>4,219,626</u>
<i>Total Operating Revenues</i>	<u>4,056,969</u>
<i>Operating Income (Loss)</i>	<u>(162,657)</u>
<i>Income (Loss) Before Contributions and Transfers</i>	<u>(162,657)</u>
<i>Net Change in Net Assets</i>	(162,657)
<i>Net Assets(Deficit) at Beginning of Year</i>	<u>740,560</u>
<i>Net Assets (Deficit) at End of Year</i>	<u><u>\$ 577,903</u></u>

See Accompanying Notes to the Basic Financial Statements

Beachwood City Schools
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2010

	<u>Governmental Activities - Internal Service Funds</u>
Cash Flows from Operating Activities:	
Cash received from self insurance premiums	\$ 4,056,969
Payments for Claims	<u>(4,120,026)</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(63,057)</u>
<i>Cash and Cash Equivalents, Beginning of Year</i>	<u>740,560</u>
<i>Cash and Cash Equivalents, End of Year</i>	<u><u>\$ 677,503</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Operating Loss	\$ (162,657)
Increase (Decrease) in Liabilities	99,600
	<u> </u>
<i>Net Cash Provided by Operating Activities</i>	<u><u>\$ (63,057)</u></u>
See Accompanying Notes to the Basic Financial Statements	

Beachwood City Schools
Statement of Fiduciary Net Assets
Fiduciary Fund
June 30, 2010

	<u>Agency Fund</u>
ASSETS:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 65,978
<i>Total Current Assets</i>	<u>65,978</u>
<i>Total Assets</i>	<u><u>\$ 65,978</u></u>
LIABILITIES:	
Current Liabilities:	
Undistributed Monies	\$ 16,774
Due to Students	49,204
<i>Total Current Liabilities</i>	<u>65,978</u>
<i>Total Liabilities</i>	<u><u>\$ 65,978</u></u>

See Accompanying Notes to the Basic Financial Statements

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Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Note 1 - Description of the School District and Reporting Entity

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

The Board controls the School District’s five instructional facilities and one support facility staffed by 158 certificated teaching personnel, 122 non-certificated support personnel and 9.5 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 2010 fiscal year was 1,604. The School District operates an early childhood center, two elementary schools, a middle school, and a high school.

Reporting Entity

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

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

The School District participates in two jointly governed organizations and one public entity risk pool. These organizations are presented respectively in Note 16 and Note 10B 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, 2010

Note 2 - Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

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

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

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

B. Fund Accounting

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

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

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

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

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

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

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

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

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

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

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.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

D. Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is 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 6. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from 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, 2010, but which were levied to finance fiscal year 2011 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.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

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

E. Budgetary Data

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to 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, 2010

F. Cash and Investments

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

During fiscal year 2010, investments were limited to demand deposits, certificates of deposit, money market, federal agency discount notes 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 2010. 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, 2010.

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 2010 amounted to \$240,161 which includes \$91,144 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, 2010, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year which services are consumed.

H. Materials and Supplies Inventory

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

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 15 for additional information regarding set-asides.

J. Capital Assets

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

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

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

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

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

M. Accrued Liabilities and Long-Term Obligations

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

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

N. Net Assets

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

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

O. Fund Balance 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, 2010

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the School District and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2010.

S. Estimates

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

Note 3 – Deficit Fund Balances

Fund equity/retained earnings at June 30, 2010 included the following individual fund deficits:

<u>Special Revenue:</u>	
Title I	(\$4,018)

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

Note 4 - Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations, and changes in fund balances/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.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Net Change in Fund Balance

	<u>General</u>	<u>Consortium</u>
GAAP Basis	\$(881,586)	\$0
Net adjustments for revenue accruals	3,695,274	81,638
Net adjustments for expenditure accruals	49,289	(132,291)
Encumbrances Outstanding at Year End (Budget Basis)	<u>(147,160)</u>	<u>(1,055)</u>
Budget Basis	<u>\$2,715,817</u>	<u>\$(51,708)</u>

Note 5 - Deposits and Investments

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

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

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain Banker's acceptances and commercial paper notes for the period not to exceed one hundred and eighty days from the date of purchase in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time; and,
8. Under limited circumstances, debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, 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 \$6,200 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 \$16,217,353. Based on the criteria described in GASB 40, "Deposits and Investment Risk Disclosures", as of June 30, 2010, \$7,022,049 of the District's bank balance of \$16,937,400 was exposed to custodial risk as discussed below, while \$9,915,351 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.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

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

Investments

As of June 30, 2010, the School District had the following investments. All investments are in an internal investment pool.

	Fair Value	Maturity
Federal Home Loan Bank	\$9,012,850	08/23/10-08/10/12
Star Ohio	1,437,148	33 days
Total	\$10,449,998	

Interest Rate Risk

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

Credit Risk

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

Custodial Credit Risk

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal Home Loan Bank Notes 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.

Beachwood City School District
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Concentration of Credit Risk

The School District places no limit on the amount it may invest in any one issuer. The School District's investments in the Federal Home Loan Bank Notes represents 86.2%, with STAR Ohio representing 13.8% of the School District's total investments.

Note 6 - 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 2010 represents collections of calendar year 2009 taxes. Real property taxes received in calendar year 2009 were levied after April 1, 2009, on the assessed value listed as of January 1, 2009, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits earlier or later payment dates to be established.

Public utility property tax revenue received in calendar 2010 represents collections of calendar year 2009 taxes. Public utility real and tangible personal property taxes received in calendar year 2010 become a lien December 31, 2008, were levied after April 1, 2009 and are collected in 2009 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 2010 (other than public utility property) represents the collection of 2009 taxes. Tangible personal property taxes received in calendar year 2010 were levied after October 1, 2009, on the value as of December 31, 2009. Tangible personal property tax has been phased out. Tangible personal property was 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 School District prior to June 30.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property was eliminated in calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the School District by holding the School District harmless in calendar years 2006-2010. In calendar years 2011-2017, the reimbursement will be phased out. House Bill No. 1 was signed into law in July 2009, which temporarily delayed the original phase out schedule of the tangible personal property tax until fiscal year 2014.

Beachwood City School District
Notes to the Basic Financial Statements
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The Cuyahoga County Treasurer collects property taxes on behalf of the School District. The County Auditor periodically advances to the School District its portion of the taxes collected. These tax “advances” are based on three-year historical cash flow collection rates and occur eight times annually. Second-half real property tax payments collected by the County by June 30, 2010, are available to finance fiscal year 2010 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, 2010 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, 2010 was \$3,523,453 for the General Fund, \$318,070 in the Bond Retirement Fund, and \$82,820 in the Permanent Improvement Fund.

The assessed values upon which the fiscal year 2010 taxes were collected are:

	2009 Second- Half Collections		2010 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential	\$364,138,690	47.97%	\$339,471,850	46.96%
Industrial/Commercial	370,649,280	48.82	373,704,370	51.70
Public Utility	9,105,920	1.20	9,694,520	1.34
Tangible Personal	15,242,079	2.01	0	0
Total Assessed Value	<u>\$759,135,969</u>	<u>100.00%</u>	<u>\$722,870,740</u>	<u>100.00%</u>
Tax rate per \$1,000 of Assessed valuation	\$83.90		\$83.90	

Note 7 - Receivables

Receivables at June 30, 2010, consisted of taxes, accounts (rent and student fees), intergovernmental, accrued interest, and loans. All receivables are considered collectible in full because of the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

Beachwood City School District
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For the Fiscal Year Ended June 30, 2010

Note 8 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2010 was as follows:

	Balance at 6/30/09	Additions	Reductions	Balance at 6/30/10
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$831,499	\$0	\$0	\$831,499
Construction in Progress	0	148,975	0	148,975
Total Assets not being depreciated	<u>831,499</u>	<u>148,975</u>	<u>0</u>	<u>980,474</u>
Capital Assets, being depreciated:				
Land Improvements	3,242,899	111,489	0	3,354,388
Buildings and Buildings				
Improvements	39,137,520	19,000	0	39,156,520
Vehicles	1,961,392	105,050	170,860	1,895,582
Equipment	5,915,096	279,464	1,359,017	4,835,543
Totals at Historical Cost	<u>50,256,907</u>	<u>515,003</u>	<u>1,529,877</u>	<u>49,242,033</u>
Less Accumulated Depreciation:				
Land Improvements	1,119,224	111,861	0	1,231,085
Buildings and Building				
Improvements	14,273,187	901,782	0	15,174,969
Vehicles	1,314,726	137,577	169,020	1,283,283
Equipment	<u>4,922,194</u>	<u>412,181</u>	<u>1,331,919</u>	<u>4,002,456</u>
Total Accumulated Depreciation	<u>21,629,331</u>	<u>1,563,401</u>	<u>1,500,939</u>	<u>21,691,793</u>
Total Capital Assets, being Depreciated, Net	<u>28,627,576</u>	<u>(1,048,398)</u>	<u>(28,938)</u>	<u>27,550,240</u>
Governmental Activities Capital Assets, Net	<u>\$29,459,075</u>	<u>\$(899,423)</u>	<u>\$(28,938)</u>	<u>\$28,530,714</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$814,755
Special	52,557
Adult	1,030
Vocational	43,562
Support Services:	
Pupil	11,300
Instructional Staff	53,750
Board of Education	20,520
Administration	32,470
Fiscal	4,121
Business	5,565
Operation and Maintenance of Plant	180,504
Pupil Transportation	134,498
Central	97,664
Extra-curricular activities	29,047
Food service operations	51,085
Community	<u>30,973</u>
Total Depreciation Expense	<u>\$1,563,401</u>

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Note 9 – Inter-fund Transactions

As of June 30, 2010, on the fund financial statements, the Consortium fund owed the General Fund \$955,358. The School District's consortium funds provide services to local surrounding school districts. Costs are billed on a per pupil basis. The School District incurs administrative and operational costs that are billed to the consortium districts but are costs that are incurred by the general fund. Over time, the consortium funds owe the general fund these dollars.

During the year ended June 30, 2010, the General Fund transferred \$240,000 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 10 - 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 2010, the School District contracted with Indiana Insurance for property, general liability insurance and boiler and machinery coverage in the amounts of \$80,574,052, \$2,000,000, and \$50,000,000 respectively. The deductible varies from \$1,000 to \$5,000.

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

The School District contracted with Cincinnati Insurance Company for public employee dishonesty coverage, with a \$250,000 limit and a \$1,000 deductible.

B. Workers' Compensation

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

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

C. Self-Insurance Program

The self-insurance program for dental and prescription drug claims of the School District employees and their covered dependents has been administered by Medical Mutual 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 2010, total claims expense of \$893,392 was recognized, which represents actual claims processed and paid as of June 30, 2010. Individual funds are charged for these medical expenses based on an estimate of total cost for the School District as prepared by the plan administrator, and are recorded as revenues of the Internal Service Fund.

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

	<u>Beginning Balance</u>	<u>Claims Incurred</u>	<u>Claims Paid</u>	<u>Ending Balance</u>
2007	\$0	\$758,354	\$675,154	\$83,200
2008	83,200	881,812	874,212	90,800
2009	90,800	811,809	902,609	0
2010	0	992,992	893,392	99,600

Note 11 - 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.

Beachwood City School District
Notes to the Basic Financial Statements
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A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund retiree health care benefits; for fiscal year 2010, 12.74 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, 2010, 2009, and 2008 were \$1,086,531, \$535,319, and \$564,242 respectively; 100 percent has been contributed for fiscal years 2010, 2009 and 2008.

The significant increase in pension obligations in 2010 is due to a change in SERS requirements to fund pension obligations. School districts were provided an alternative to fund 6 months of arrearage owed to SERS in one fiscal year, or at 1/6th per year commencing in fiscal year 2010. The School District chose to fund the entire obligation of \$431,004 in fiscal year 2010.

B. State Teachers Retirement System

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

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

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

Beachwood City School District
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Funding Policy - For the fiscal year ended June 30, 2010, 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 2009, 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, 2010, 2009, and 2008, were \$1,834,757, \$1,855,764, and \$1,744,920, respectively; 95 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008. Contributions to the DC and Combined Plans for fiscal year 2010 were \$41,588 made by the School District and \$29,706 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2010, all five members of the Board of Education have selected Social Security. The Board's liability is 6.2 percent of wages paid.

Note 12 – Other Post-employment Benefits (OPEB)

A. School Employee Retirement System

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

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For fiscal year 2010, .50 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 2010, this amount was \$91,145.

Beachwood City School District
Notes to the Basic Financial Statements
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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, 2010, 2009, and 2008 were \$42,643, \$289,155, and \$298,134, respectively; 100 percent has been contributed for fiscal years 2010, 2009 and 2008.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2010, this actuarially required allocation was 0.76 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2010, 2009, and 2008 were \$64,817, \$44,168, and \$40,655, respectively; 100 percent has been contributed for fiscal years 2010, 2009 and 2008.

B. State Teachers Retirement System

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

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2010, 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, 2010, 2009, and 2008 were \$141,135, \$142,751, and \$134,225, respectively; 95 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

Note 13 - 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.

Beachwood City School District
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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 Anthem Blue Cross/ Blue Shield. The School District is self-insured for vision, prescription drug and dental claims of the School District employees and their covered dependents. The also entered into a 90%/102.5% contingent premium program with Anthem Blue Cross/Blue Shield effective January 1, 2010. The program allows the School District to pay 90% of the premium cost to Anthem each month. However, the School District's maximum liability is 102.5% of the premium which is dependent on claims utilization and will be reconciled after the contract expires in December, 2010. The School District has charged 102.5% of the premium to various funds, while paying Anthem 90% of the premium. Claims paid to Anthem were \$3,226,634. The School District incurred a 42.1% increase in premium due to its claim history in calendar year 2009. Individual stop loss coverage is set at \$75,000.

Beachwood City School District
Notes to the Basic Financial Statements
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Note 14 – Long-Term Obligations

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

	Principal Outstanding 6/30/09	Additions	Reduction	Principal Outstanding 6/30/10	Amounts Due in One Year
Governmental Activities					
Long-Term Notes Payable					
2000 Tax Anticipation Notes-4.8- 5.3%	\$1,480,000	\$0	\$720,000	\$760,000	\$760,000
2010 Unamortized Accounting Gain	0	111,570	0	111,570	11,157
2010 QSCB Tax Anticipation Notes 4.75%	0	5,538,430	0	5,538,430	533,843
Total Long-Term Notes Payable	1,480,000	5,650,000	720,000	6,410,000	1,305,000
General Obligation Bonds					
2002 School Improvement Premium	327,218	0	25,171	302,047	25,171
2002 Unamortized Accounting Gain	129,647	0	9,261	120,386	9,261
2002 School Improvement 2.0%-5.25%	5,940,354	0	655,739	5,284,615	680,739
2007 Advanced Refunding Premium	379,424	0	47,428	331,996	47,428
2007 Unamortized Accounting Gain	91,032	0	11,379	79,653	11,379
2007 Advanced Refunding 4.0% - 4.25%	6,048,965	0	53,621	5,995,344	53,621
Total General Obligation Bonds	12,916,640	0	802,599	12,114,041	827,599
Capital Lease	81,096	0	40,043	41,053	41,053
Compensated Absences Payable	3,115,997	0	516,614	2,599,383	0
Total Governmental Long-Term Liabilities	3,197,093	0	556,657	2,640,436	41,053
Total Long-Term Liabilities	\$17,593,733	\$5,650,000	\$2,079,256	\$21,164,477	\$2,173,652

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.

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

General Obligation Bonds On May 1, 1991, the School District issued \$6,000,000 general obligation bonds with an interest rate of 4.8-7.05%, maturity date on December 1, 2006 for the purpose of school improvements. These bonds were advanced refunded and re-issued along with the new general obligation bonds that were issued on November 1, 2002. The School District issued \$18,814,982 general obligation bonds with an interest rate of 2.0-5.25%, maturity date December 1, 2022. A portion of the general obligation bond proceeds 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 School District's debt levy by 1.2 mills annually. In addition, in July, 2007 a portion of the School District's general obligation funds 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 ten years.

All bonds outstanding are general obligation of the School District for which the full faith and credit of the School District are pledged for repayment. General obligation bonds are to be repaid from a current 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 School 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 School 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 School 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 School District entered into a capital lease for computers in the amount of \$413,152 at an interest rate of 2.9%. During fiscal year 2009, the School District entered into a capital lease for computers in the amount of \$124,373 at an interest rate of 4.0%. 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, 2010.

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Fiscal Year Beginning June 30	<u>Governmental Activities</u>		
	General Fund	Building	Total
2010	\$42,879	0	\$42,879
2011	0	0	0
Total Minimum Lease Payments	<u>42,879</u>	<u>\$0</u>	<u>42,879</u>
Less Amount Representing Interest	<u>(1,826)</u>	<u>0</u>	<u>(1,826)</u>
Present Value of Lease Payments	<u>\$41,053</u>	<u>\$0</u>	<u>\$41,053</u>
Capital Assets at Gross Cost:	\$1,223,811	\$583,199	\$1,807,010
Less: Accumulated Depreciation	<u>(1,066,559)</u>	<u>(583,199)</u>	<u>(1,649,758)</u>
Net Book Value	<u>\$157,252</u>	<u>\$0</u>	<u>\$157,252</u>

The School District's overall voted debt margin was \$53,578,369 with an un-voted debt margin of \$722,871 at June 30, 2010.

Principal and interest requirements to retire the long-term obligations outstanding at June 30, 2010, were as follows:

Fiscal Year Ending	Long-Term Notes Payable		General Obligation Bonds		Capital Lease		Total	
	Principal	Interest*	Principal	Interest	Principal	Interest	Principal	Interest
June 30, 2010								
2011	\$1,305,000	\$291,497	\$755,000	\$448,620	\$41,053	\$1,826	\$2,101,053	\$741,943
2012	555,000	268,375	785,000	420,445	0	0	1,340,000	688,820
2013	555,000	268,375	810,000	390,358	0	0	1,365,000	658,733
2014	555,000	268,375	840,000	358,097	0	0	1,395,000	626,472
2015	555,000	268,375	875,000	323,298	0	0	1,430,000	591,673
2016-2020	2,885,000	1,207,688	4,059,998	1,985,983	0	0	6,944,998	3,193,671
2021-2023	0	0	3,355,000	216,822	0	0	3,355,000	216,822
Total	<u>\$6,410,000</u>	<u>\$2,572,685</u>	<u>\$11,479,998</u>	<u>\$4,143,623</u>	<u>\$41,053</u>	<u>\$1,826</u>	<u>\$17,931,051</u>	<u>\$6,718,134</u>

* \$2,552,545 direct payments from federal government

Note 15 - 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.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

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 2010. Disclosure of this information is required by State Statute.

	<u>Textbooks</u>	<u>Capital Improvements</u>	<u>Budget Stabilization</u>
Set-aside Reserve Balances as of June 30, 2009	\$0	\$0	\$134,873
Set-aside Balance Carried Forward	(4,243,437)	0	0
Current Year Set-Aside Requirement	253,383	253,383	0
Qualifying Disbursements	<u>(462,094)</u>	<u>(430,040)</u>	<u>0</u>
Total	<u>(\$4,452,148)</u>	<u>(\$176,657)</u>	<u>\$134,873</u>
Set-aside Balance Carried Forward to future fiscal years	<u>(\$4,452,148)</u>	<u>\$0</u>	<u>\$0</u>
Set-aside Reserve Balance as of June 30, 2010	<u>\$0</u>	<u>\$0</u>	<u>\$134,873</u>

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 16 – 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 2010, the School District paid \$187,770 to the Council. Financial information can be obtained by contacting Dave Cotrell, the Executive Secretary/Treasurer of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

The School District participates in the Council's prepaid natural gas 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.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

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

Lake Geauga Computer Association - The Lake Geauga Computer Association (“LGCA”) is a jointly governed organization that was formed for the purpose of providing computer services for accounting, grading, scheduling, EMIS and other applications to its 18 member school districts. Each of the districts supports LGCA based upon a per pupil charge. The School District contributed \$55,215 to LGCA during fiscal year 2010.

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 17 - 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, 2010.

B. Litigation

The School District has been named as a defendant in several court cases through the period ended June 30, 2010. 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.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Note 18 – Subsequent Events

The School District issued \$30 million in bonds on August 31, 2010 for the High School Renovation project. Moody's assigned the issue Aaa rating. The bonds were issued as follows: \$11,150,000 in federally taxable direct payment Build America Bonds, \$11,260,000 in federally taxable direct payment Qualified School Construction Bonds and \$7,590,000 in tax exempt bonds. Participating in this federal stimulus fund programs saved the taxpayers of the School District over \$13.9 million in interest costs and shortened the issue from 30 years to 24 years (maximum allowable by law).

Combining Statements and Individual Fund Schedules

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

(continued)

Nonmajor Special Revenue Funds (continued)

Title III - 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.

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

Nonmajor Proprietary Fund

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

Internal Service Fund

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

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

Beachwood City Schools
Combining Balance Sheet
Nonmajor Governmental Fund
June 30, 2010

	Special Revenue
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	\$ 457,400
Materials and Supplies Inventory	9,506
Accounts Receivable	806
Intergovernmental Receivable	20,719
<i>Total Assets</i>	\$ 488,431
LIABILITIES:	
Accounts Payable	\$ 2,134
Accrued Wages and Benefits	68,831
Intergovernmental Payable	7,515
Undistributed Monies	9,630
Unearned Revenue	1,099
<i>Total Liabilities</i>	89,209
FUND BALANCES:	
Reserved:	
Reserved for Encumbrances	76,261
Unreserved, Undesignated, Reported in:	
Special Revenue Funds	322,961
<i>Total Fund Balances</i>	399,222
<i>Total Liabilities and Fund Balances</i>	\$ 488,431

See Accompanying Notes to the Basic Financial Statements

Beachwood City Schools
Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Fund
For the Fiscal Year Ended June 30, 2010

	Special Revenue
REVENUES:	
Intergovernmental	\$ 988,348
Interest	194
Tuition and Fees	482,646
Extracurricular Activities	41,805
Gifts and Donations	14,022
Customer Sales and Services	655,870
Miscellaneous	30,350
<i>Total Revenues</i>	2,213,235
EXPENDITURES:	
Current:	
Instruction:	
Regular	10,984
Special	313,441
Adult/Continuing	227,451
Support Services:	
Pupils	160,713
Instructional Staff	71,710
Administration	14,743
Fiscal	632
Operation and Maintenance of Plant	855
Pupil Transportation	77,275
Central	9,000
Operation of Non-Instructional Services:	
Food Service Operations	576,678
Community Services	875,374
Extracurricular Activities	130,432
<i>Total Expenditures</i>	2,469,288
<i>Excess of Revenues Over (Under) Expenditures</i>	(256,053)
OTHER FINANCING SOURCES AND USES:	
Transfers In	240,000
<i>Total Other Financing Sources and Uses</i>	240,000
<i>Net Change in Fund Balances</i>	(16,053)
<i>Fund Balance (Deficit) at Beginning of Year</i>	415,275
<i>Fund Balance (Deficit) at End of Year</i>	\$ 399,222

Beachwood City Schools
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2010

	<u>Food Service</u>	<u>Expendable Trust Funds</u>	<u>Uniform Supplies</u>	<u>Recreation</u>	<u>Pupil Support</u>
ASSETS:					
Equity in Pooled Cash and Cash Equivalents	\$ 105,464	\$ 25,566	\$ 1,493	\$ 31,039	\$ 54,106
Materials and Supplies Inventory	9,506				
Accounts Receivable	788				18
Intergovernmental Receivable					
<i>Total Assets</i>	<u>\$ 115,758</u>	<u>\$ 25,566</u>	<u>\$ 1,493</u>	<u>\$ 31,039</u>	<u>\$ 54,124</u>
LIABILITIES:					
Accounts Payable				\$ 634	
Accrued Wages and Benefits	6,688				
Intergovernmental Payable					
Undistributed Monies		9,630			
Unearned Revenue	1,099				
<i>Total Liabilities</i>	<u>7,787</u>	<u>9,630</u>	<u>0</u>	<u>634</u>	<u>0</u>
FUND BALANCES:					
Reserved:					
Reserved for Encumbrances	70,017			3,382	
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	37,954	15,936	1,493	27,023	54,124
<i>Total Fund Balances</i>	<u>107,971</u>	<u>15,936</u>	<u>1,493</u>	<u>30,405</u>	<u>54,124</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 115,758</u>	<u>\$ 25,566</u>	<u>\$ 1,493</u>	<u>\$ 31,039</u>	<u>\$ 54,124</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>Miscellaneous State Grants</u>
\$ 3,363	\$ 152,519	\$ 59,847	\$ 11,753	\$ 3,000	\$ 1,112	\$ 6,432	\$ 26
<u>\$ 3,363</u>	<u>\$ 152,519</u>	<u>\$ 59,847</u>	<u>\$ 11,753</u>	<u>\$ 3,000</u>	<u>\$ 1,112</u>	<u>\$ 6,432</u>	<u>\$ 26</u>
		\$ 1,500					
	46,510		6,170				
	5,425		843				
<u>0</u>	<u>51,935</u>	<u>1,500</u>	<u>7,013</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	1,840	895	27				
<u>3,363</u>	<u>98,744</u>	<u>57,452</u>	<u>4,713</u>	<u>3,000</u>	<u>1,112</u>	<u>6,432</u>	<u>26</u>
<u>3,363</u>	<u>100,584</u>	<u>58,347</u>	<u>4,740</u>	<u>3,000</u>	<u>1,112</u>	<u>6,432</u>	<u>26</u>
<u>\$ 3,363</u>	<u>\$ 152,519</u>	<u>\$ 59,847</u>	<u>\$ 11,753</u>	<u>\$ 3,000</u>	<u>\$ 1,112</u>	<u>\$ 6,432</u>	<u>\$ 26</u>

(continued)

Beachwood City Schools
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2010

	<u>IDEA B</u>	<u>Title II D</u>	<u>Title III</u>	<u>Title I</u>	<u>Title V</u>
ASSETS:					
Equity in Pooled Cash and Cash Equivalents	\$ 406	\$ 2	\$ -	\$ 1,068	\$ -
Materials and Supplies Inventory					
Accounts Receivable					
Intergovernmental Receivable	15,199			5,283	
<i>Total Assets</i>	<u>\$ 15,605</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 6,351</u>	<u>\$ -</u>
LIABILITIES:					
Accounts Payable					
Accrued Wages and Benefits				9,122	
Intergovernmental Payable				1,247	
Undistributed Monies					
Unearned Revenue					
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,369</u>	<u>0</u>
FUND BALANCES:					
Reserved:					
Reserved for Encumbrances					
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	15,605	2	0	(4,018)	0
<i>Total Fund Balances</i>	<u>15,605</u>	<u>2</u>	<u>0</u>	<u>(4,018)</u>	<u>0</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 15,605</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 6,351</u>	<u>\$ -</u>

(continued)

<u>Drug Free Education (Title IV-A)</u>	<u>Preschool Handicapped Grant</u>	<u>Title II-A</u>	<u>Total Nonmajor Special Revenue</u>
\$ 104	\$ -	\$ 100	\$ 457,400
			9,506
			806
<u>237</u>			<u>20,719</u>
<u>\$ 341</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 488,431</u>
			\$ 2,134
341			68,831
			7,515
			9,630
			<u>1,099</u>
<u>341</u>	<u>0</u>	<u>0</u>	<u>89,209</u>
		100	76,261
<u>0</u>	<u>0</u>	<u>0</u>	<u>322,961</u>
<u>0</u>	<u>0</u>	<u>100</u>	<u>399,222</u>
<u>\$ 341</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 488,431</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, 2010

	<u>Food Service</u>	<u>Expendable Trust Funds</u>	<u>Uniform Supplies</u>	<u>Recreation</u>	<u>Pupil Support</u>
REVENUES:					
Intergovernmental	\$ 63,411	\$ -	\$ -	\$ -	\$ -
Interest	150	5			
Tuition and Fees					
Extracurricular Activities					
Gifts and Donations					13,922
Customer Sales and Services	440,011	5,666		208,864	79
Miscellaneous	8,568				
<i>Total Revenues</i>	<u>512,140</u>	<u>5,671</u>	<u>0</u>	<u>208,864</u>	<u>14,001</u>
EXPENDITURES:					
Current:					
Instruction:					
Regular					8,439
Special					425
Adult/Continuing				227,451	
Support Services:					
Pupils		75			
Instructional Staff					
Administration					
Fiscal		632			
Operation and Maintenance of Plant					
Pupil Transportation					
Central					
Operation of Non-Instructional Services:					
Food Service Operations	576,678				
Community Services					
Extracurricular Activities					
<i>Total Expenditures</i>	<u>576,678</u>	<u>707</u>	<u>0</u>	<u>227,451</u>	<u>8,864</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(64,538)</u>	<u>4,964</u>	<u>0</u>	<u>(18,587)</u>	<u>5,137</u>
OTHER FINANCING SOURCES AND USES:					
Transfers In	150,000				
<i>Total Other Financing Sources and Uses</i>	<u>150,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	85,462	4,964		(18,587)	5,137
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>22,509</u>	<u>10,972</u>	<u>1,493</u>	<u>48,992</u>	<u>48,987</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 107,971</u>	<u>\$ 15,936</u>	<u>\$ 1,493</u>	<u>\$ 30,405</u>	<u>\$ 54,124</u>
See Accompanying Notes to the Basic Financial Statements <i>(continued)</i>					

<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>
\$ -	\$ -	\$ -	\$ 239,299 39	\$ 5,000	\$ -	\$ 11,432
	482,646	41,805 100				
1,250	21,782					
<u>1,250</u>	<u>504,428</u>	<u>41,905</u>	<u>239,338</u>	<u>5,000</u>	<u>0</u>	<u>11,432</u>
2,545 500						
855						
625				4,000		5,000
	590,992	130,432	272,121			
<u>4,525</u>	<u>590,992</u>	<u>130,432</u>	<u>272,121</u>	<u>4,000</u>		<u>5,000</u>
<u>(3,275)</u>	<u>(86,564)</u>	<u>(88,527)</u>	<u>(32,783)</u>	<u>1,000</u>	<u>0</u>	<u>6,432</u>
		90,000				
<u>0</u>	<u>0</u>	<u>90,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(3,275)	(86,564)	1,473	(32,783)	1,000		6,432
6,638	187,148	56,874	37,523	2,000	1,112	
<u>\$ 3,363</u>	<u>\$ 100,584</u>	<u>\$ 58,347</u>	<u>\$ 4,740</u>	<u>\$ 3,000</u>	<u>\$ 1,112</u>	<u>\$ 6,432</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, 2010

	<u>Miscellaneous State Grants</u>	<u>IDEA B</u>	<u>Title II D</u>	<u>Title III</u>	<u>Title I</u>
REVENUES:					
Intergovernmental	\$ -	\$ 500,584	\$ 685	\$ 16,561	\$ 102,012
Interest					
Tuition and Fees					
Extracurricular Activities					
Gifts and Donations					
Customer Sales and Services					
Miscellaneous					
<i>Total Revenues</i>	<u>0</u>	<u>500,584</u>	<u>685</u>	<u>16,561</u>	<u>102,012</u>
EXPENDITURES:					
Current:					
Instruction:					
Regular					
Special		174,175		15,118	79,216
Adult/Continuing					
Support Services:					
Pupils		158,148			
Instructional Staff		66,356	628	547	4,179
Administration		13,888			
Fiscal					
Operation and Maintenance of Plant					
Pupil Transportation		76,650			
Central					
Operation of Non-Instructional Services:					
Food Service Operations					
Community Services		2,541	58	1,181	6,150
Extracurricular Activities					
<i>Total Expenditures</i>		<u>491,758</u>	<u>686</u>	<u>16,846</u>	<u>89,545</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>0</u>	<u>8,826</u>	<u>(1)</u>	<u>(285)</u>	<u>12,467</u>
OTHER FINANCING SOURCES AND USES:					
Transfers In					
<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>		8,826	(1)	(285)	12,467
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>26</u>	<u>6,779</u>	<u>3</u>	<u>285</u>	<u>(16,485)</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 26</u>	<u>\$ 15,605</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ (4,018)</u>
See Accompanying Notes to the Basic Financial Statements					<i>(continued)</i>

<u>Title V</u>	<u>Drug Free Education (Title IV-A)</u>	<u>Preschool Handicapped Grant</u>	<u>Title II-A</u>	<u>Total Nonmajor Special Revenue</u>
\$ -	\$ 3,121	\$ 15,877	\$ 30,366	\$ 988,348
				194
				482,646
				41,805
				14,022
				655,870
				30,350
<u>0</u>	<u>3,121</u>	<u>15,877</u>	<u>30,366</u>	<u>2,213,235</u>
				10,984
		15,877	28,130	313,441
				227,451
	2,490			160,713
				71,710
				14,743
				632
	855			855
				77,275
				9,000
				576,678
(3)	198		2,136	875,374
				130,432
<u>(3)</u>	<u>3,543</u>	<u>15,877</u>	<u>30,266</u>	<u>2,469,288</u>
<u>3</u>	<u>(422)</u>	<u>0</u>	<u>100</u>	<u>(256,053)</u>
				240,000
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>240,000</u>
3	(422)		100	(16,053)
<u>(3)</u>	<u>422</u>			<u>415,275</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 399,222</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, 2010

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Retirement				
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	\$ 223,083	\$ 3,369,706	\$ 3,576,015	\$ 16,774
Total Assets	<u>223,083</u>	<u>3,369,706</u>	<u>3,576,015</u>	<u>16,774</u>
LIABILITIES:				
Undistributed Monies	223,083	3,369,706	3,576,015	16,774
Total Liabilities	<u>\$ 223,083</u>	<u>\$ 3,369,706</u>	<u>\$ 3,576,015</u>	<u>\$ 16,774</u>
Student Activities				
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	\$ 52,329	\$ 75,547	\$ 78,672	\$ 49,204
Total Assets	<u>52,329</u>	<u>75,547</u>	<u>78,672</u>	<u>49,204</u>
LIABILITIES:				
Due to Students	52,329	75,547	78,672	49,204
Total Liabilities	<u>\$ 52,329</u>	<u>\$ 75,547</u>	<u>\$ 78,672</u>	<u>\$ 49,204</u>
Totals				
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	\$ 275,412	\$ 3,445,253	\$ 3,654,687	\$ 65,978
Total Assets	<u>275,412</u>	<u>3,445,253</u>	<u>3,654,687</u>	<u>65,978</u>
LIABILITIES:				
Undistributed Monies	223,083	3,369,706	3,576,015	16,774
Due to Students	52,329	75,547	78,672	49,204
Total Liabilities	<u>\$ 275,412</u>	<u>\$ 3,445,253</u>	<u>\$ 3,654,687</u>	<u>\$ 65,978</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Property and Other Local Taxes	\$ 23,946,079	\$ 24,250,766	\$ 25,064,563	\$ 813,797
Intergovernmental	7,142,662	7,088,868	6,935,231	(153,637)
Interest	400,000	375,000	323,234	(51,766)
Tuition and Fees	543,690	631,230	608,128	(23,102)
Rent	287,790	287,790	280,495	(7,295)
Gifts and Donations	2,050	2,050	6,826	4,776
Customer Sales and Services	176,290	218,920	205,269	(13,651)
Miscellaneous	175,444	346,464	347,525	1,061
Total Revenues	32,674,005	33,201,088	33,771,271	570,183
EXPENDITURES:				
Current:				
Instruction:				
Regular				
Salaries	7,986,082	7,986,082	7,828,392	157,690
Fringe Benefits	2,550,072	2,550,072	2,521,457	28,615
Purchased Services	183,330	183,330	141,618	41,712
Materials and Supplies	405,703	405,670	338,276	67,394
Other	62,075	62,075	57,674	4,401
Capital Outlay	34,629	41,029	33,813	7,216
Capital Outlay Replacement	1,010	1,010	704	306
Total - Regular	11,222,901	11,229,268	10,921,934	307,334
Special				
Salaries	2,797,618	2,797,618	2,792,655	4,963
Fringe Benefits	1,308,474	1,308,474	1,306,464	2,010
Purchased Services	1,174,761	1,174,761	1,101,208	73,553
Materials and Supplies	23,293	23,293	14,315	8,978
Capital Outlay	70,053	63,549	62,329	1,220
Total - Special	5,374,199	5,367,695	5,276,971	90,724
Vocational				
Purchased Services	490,038	490,038	487,636	2,402
Materials and Supplies	10,897	10,897	7,091	3,806
Other	4,109	4,109	2,803	1,306
Capital Outlay	70	70	70	70
Total - Vocational	505,114	505,114	497,530	7,584
Other				
Fringe Benefits	15,566	15,566	15,454	112
Purchased Services	208,030	208,030	206,757	1,273
Other	6,000	6,000	5,478	522
Total - Other	229,596	229,596	227,689	1,907
Total - Instruction:	17,331,810	17,331,673	16,924,124	407,549

(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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Support Services:				
Pupils				
Salaries	1,140,858	1,140,858	1,140,432	426
Fringe Benefits	398,566	398,566	397,421	1,145
Purchased Services	129,494	123,011	90,676	32,335
Materials and Supplies	8,497	8,497	5,539	2,958
Other	515	515	485	30
Capital Outlay	2,019	2,019	688	1,331
Capital Outlay Replacement	404	404		404
Total - Pupils	<u>1,680,353</u>	<u>1,673,870</u>	<u>1,635,241</u>	<u>38,629</u>
Instructional Staff				
Salaries	635,030	635,030	628,997	6,033
Fringe Benefits	235,789	235,789	235,468	321
Purchased Services	67,838	67,838	63,724	4,114
Materials and Supplies	41,828	41,168	34,163	7,005
Capital Outlay	1,325	1,325	25	1,300
Total - Instructional Staff	<u>981,810</u>	<u>981,150</u>	<u>962,377</u>	<u>18,773</u>
Board of Education				
Salaries	20,842	20,842	20,758	84
Fringe Benefits	2,947	2,947	2,744	203
Purchased Services	483,488	483,488	476,593	6,895
Materials and Supplies	3,280	3,280	1,267	2,013
Other	25,286	25,286	22,481	2,805
Capital Outlay	3,965	3,965	1,640	2,325
Total - Board of Education	<u>539,808</u>	<u>539,808</u>	<u>525,483</u>	<u>14,325</u>
Administration				
Salaries	1,417,327	1,417,327	1,414,849	2,478
Fringe Benefits	722,479	722,479	721,737	742
Purchased Services	126,470	126,025	118,772	7,253
Materials and Supplies	19,069	18,973	16,347	2,626
Other	36,305	36,305	31,038	5,267
Capital Outlay	10,831	10,831	7,578	3,253
Total - Administration	<u>2,332,481</u>	<u>2,331,940</u>	<u>2,310,321</u>	<u>21,619</u>
Fiscal				
Salaries	316,404	316,404	314,729	1,675
Fringe Benefits	153,158	153,158	153,096	62
Purchased Services	20,260	18,677	16,187	2,490
Materials and Supplies	6,917	6,917	2,822	4,095
Other	525,093	525,093	500,210	24,883
Capital Outlay	3,840	3,840	3,759	81
Total - Fiscal	<u>1,025,672</u>	<u>1,024,089</u>	<u>990,803</u>	<u>33,286</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Business				
Salaries	177,009	177,009	176,744	265
Fringe Benefits	98,283	98,283	98,148	135
Purchased Services	227,101	227,071	209,240	17,831
Materials and Supplies	29,427	29,427	23,482	5,945
Other	3,283	3,283		3,283
Capital Outlay	5,138	5,138	308	4,830
Total - Business	<u>540,241</u>	<u>540,211</u>	<u>507,922</u>	<u>32,289</u>
Operation and Maintenance of Plant				
Salaries	1,232,115	1,232,115	1,192,475	39,640
Fringe Benefits	620,679	620,679	619,730	949
Purchased Services	1,754,775	1,730,170	1,219,919	510,251
Materials and Supplies	292,444	292,138	242,049	50,089
Capital Outlay	8,500	8,500	6,393	2,107
Capital Outlay Replacement	46,791	46,791	46,737	54
Total - Operation and Maintenance of Plant	<u>3,955,304</u>	<u>3,930,393</u>	<u>3,327,303</u>	<u>603,090</u>
Pupil Transportation				
Salaries	1,073,364	1,073,364	1,069,730	3,634
Fringe Benefits	580,097	580,097	579,551	546
Purchased Services	156,831	156,191	142,673	13,518
Materials and Supplies	244,780	244,780	229,155	15,625
Other	505	505	75	430
Capital Outlay	13,905	13,905	13,686	219
Capital Outlay Replacement	36,630	36,630	1,373	35,257
Total - Pupil Transportation	<u>2,106,112</u>	<u>2,105,472</u>	<u>2,036,243</u>	<u>69,229</u>
Central				
Salaries	290,949	290,949	289,378	1,571
Fringe Benefits	124,842	124,842	108,510	16,332
Purchased Services	233,652	232,344	186,181	46,163
Materials and Supplies	79,385	79,385	74,216	5,169
Other	1,732	1,732	1,548	184
Capital Outlay	80,259	80,259	80,002	257
Total - Central	<u>810,819</u>	<u>809,511</u>	<u>739,835</u>	<u>69,676</u>
Total - Support Services:	<u>13,972,600</u>	<u>13,936,444</u>	<u>13,035,528</u>	<u>900,916</u>
Operation of Non-Instructional Services:				
Community Services				
Salaries	11,000	11,000	10,083	917
Fringe Benefits	1,810	1,810	1,659	151
Purchased Services	23,000	23,000	18,153	4,847
Materials and Supplies	6,000	6,000	5,072	928
Other	25,000	25,000	7,700	17,300
Total - Community Services	<u>66,810</u>	<u>66,810</u>	<u>42,667</u>	<u>24,143</u>
Total - Operation of Non-Instructional Services:	<u>66,810</u>	<u>66,810</u>	<u>42,667</u>	<u>24,143</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Extracurricular Activities:				
Academic Oriented Activities				
Salaries	151,402	151,402	151,336	66
Fringe Benefits	27,914	27,914	27,868	46
Other	50	50		50
Total - Academic Oriented Activities	<u>179,366</u>	<u>179,366</u>	<u>179,204</u>	<u>162</u>
Sport Oriented Activities				
Salaries	517,383	517,383	496,778	20,605
Fringe Benefits	120,967	120,967	120,938	29
Total - Sport Oriented Activities	<u>638,350</u>	<u>638,350</u>	<u>617,716</u>	<u>20,634</u>
School and Public Service Co-Curricular Activities				
Salaries	26,639	26,639	17,210	9,429
Fringe Benefits	4,231	4,231	2,889	1,342
Total - School and Public Service Co-Curricular Activities	<u>30,870</u>	<u>30,870</u>	<u>20,099</u>	<u>10,771</u>
Total - Extracurricular Activities:	<u>848,586</u>	<u>848,586</u>	<u>817,019</u>	<u>31,567</u>
Total Expenditures	<u>32,219,806</u>	<u>32,183,513</u>	<u>30,819,338</u>	<u>1,364,175</u>
Excess of Revenues Over (Under) Expenditure	<u>454,199</u>	<u>1,017,575</u>	<u>2,951,933</u>	<u>1,934,358</u>
OTHER FINANCING SOURCES AND USES:				
Proceeds from Sale of Capital Assets	2,500	0	3,300	3,300
Refund of Prior Year Expenditures	2,500	1,163	1,184	21
Transfers Out	(241,580)	(241,580)	(240,600)	980
Total Other Financing Sources and Uses	<u>(236,580)</u>	<u>(240,417)</u>	<u>(236,116)</u>	<u>4,301</u>
Net Change in Fund Balances	217,619	777,158	2,715,817	1,938,659
Fund Balance (Deficit) at Beginning of Year	13,065,047	13,065,047	13,065,047	
Prior Year Encumbrances Appropriated	<u>134,912</u>	<u>134,912</u>	<u>134,912</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 13,417,578</u>	<u>\$ 13,977,117</u>	<u>\$ 15,915,776</u>	<u>\$ 1,938,659</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Property and Other Local Taxes	\$ 1,879,706	\$ 1,982,521	\$ 102,815
Intergovernmental	135,542	158,234	22,692
Total Revenues	<u>2,015,248</u>	<u>2,140,755</u>	<u>125,507</u>
EXPENDITURES:			
Debt Service:			
Principal	1,450,000	1,450,000	0
Interest	<u>533,620</u>	<u>533,620</u>	<u>0</u>
Total Expenditures	<u>1,983,620</u>	<u>1,983,620</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>31,628</u>	<u>157,135</u>	<u>125,507</u>
Net Change in Fund Balances	31,628	157,135	125,507
Fund Balance (Deficit) at Beginning of Year	<u>1,495,325</u>	<u>1,495,325</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 1,526,953</u>	<u>\$ 1,652,460</u>	<u>\$ 125,507</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Property and Other Local Taxes	\$ 562,650	\$ 508,506	\$ (54,144)
Intergovernmental	174,035	170,801	(3,234)
Interest	400	688	288
Miscellaneous	20,500	20,500	0
Total Revenues	<u>757,585</u>	<u>700,495</u>	<u>(57,090)</u>
EXPENDITURES:			
Capital Outlay:			
Site Improvement Services			
Capital Outlay	49,000	47,999	1,001
Total - Site Improvement Services	<u>49,000</u>	<u>47,999</u>	<u>1,001</u>
Architecture and Engineering Services			
Capital Outlay	30,000	30,000	0
Total - Architecture and Engineering Services	<u>30,000</u>	<u>30,000</u>	<u>0</u>
Building Improvement Services			
Capital Outlay	372,564	372,564	0
Total - Building Improvement Services	<u>372,564</u>	<u>372,564</u>	<u>0</u>
Other Facilities Acquisition and Construction			
Capital Outlay	209,000	187,109	21,891
Total - Other Facilities Acquisition and Construction	<u>209,000</u>	<u>187,109</u>	<u>21,891</u>
Total - Capital Outlay:	<u>660,564</u>	<u>637,672</u>	<u>22,892</u>
Total Expenditures	<u>660,564</u>	<u>637,672</u>	<u>22,892</u>
Excess of Revenues Over (Under) Expenditures	<u>97,021</u>	<u>62,823</u>	<u>(34,198)</u>
Net Change in Fund Balances	97,021	62,823	(34,198)
Fund Balance (Deficit) at Beginning of Year	291,389	291,389	
Prior Year Encumbrances Appropriated	30,750	30,750	
Fund Balance (Deficit) at End of Year	<u>\$ 419,160</u>	<u>\$ 384,962</u>	<u>\$ (34,198)</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Interest	\$0	\$ 159	\$ 159
Total Revenues	<u>0</u>	<u>159</u>	<u>159</u>
EXPENDITURES:			
Capital Outlay:			
Architecture and Engineering Services			
Capital Outlay	<u>395,500</u>	<u>248,920</u>	<u>146,580</u>
Total - Architecture and Engineering Services	<u>395,500</u>	<u>248,920</u>	<u>146,580</u>
Other Facilities Acquisition and Construction			
Capital Outlay	<u>5,142,930</u>	<u>0</u>	<u>5,142,930</u>
Total - Other Facilities Acquisition and Construction	<u>5,142,930</u>	<u>0</u>	<u>5,142,930</u>
Total - Capital Outlay:	<u>5,538,430</u>	<u>248,920</u>	<u>5,289,510</u>
Debt Service:			
Issuance Costs			
Bond Issuance Costs	<u>111,570</u>	<u>111,570</u>	<u>0</u>
Total - Issuance Costs	<u>111,570</u>	<u>111,570</u>	<u>0</u>
Total - Debt Service:	<u>111,570</u>	<u>111,570</u>	<u>0</u>
Total Expenditures	<u>5,650,000</u>	<u>360,490</u>	<u>5,289,510</u>
Excess of Revenues Over (Under) Expenditures	<u>(5,650,000)</u>	<u>(360,331)</u>	<u>5,289,669</u>
OTHER FINANCING SOURCES AND USES:			
Tax Anticipation Notes Issued	<u>5,650,000</u>	<u>5,650,000</u>	<u>0</u>
Total Other Financing Sources and Uses	<u>5,650,000</u>	<u>5,650,000</u>	<u>0</u>
Net Change in Fund Balances	0	5,289,669	5,289,669
Fund Balance (Deficit) at Beginning of Year	<u>7,971</u>	<u>7,971</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 7,971</u>	<u>\$ 5,297,640</u>	<u>\$ 5,289,669</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 557,278	\$ 611,640	\$ 54,362
Tuition and Fees	1,935,000	1,709,325	(225,675)
Customer Sales and Services	25,000	15,895	(9,105)
Total Revenues	<u>2,517,278</u>	<u>2,336,860</u>	<u>(180,418)</u>
EXPENDITURES:			
Current:			
Instruction:			
Special			
Salaries	364,865	363,527	1,338
Fringe Benefits	149,125	148,836	289
Purchased Services	17,755	16,543	1,212
Materials and Supplies	9,065	7,630	1,435
Capital Outlay	4,600	3,932	668
Capital Outlay Replacement	3,245	3,170	75
Total - Special	<u>548,655</u>	<u>543,638</u>	<u>5,017</u>
Vocational			
Salaries	578,290	577,582	708
Fringe Benefits	207,924	206,933	991
Purchased Services	26,266	23,779	2,487
Materials and Supplies	65,360	62,750	2,610
Other	3,747	2,933	814
Capital Outlay	26,035	25,382	653
Total - Vocational	<u>907,622</u>	<u>899,359</u>	<u>8,263</u>
Total - Instruction:	<u>1,456,277</u>	<u>1,442,997</u>	<u>13,280</u>
Support Services:			
Pupils			
Salaries	591,822	591,787	35
Fringe Benefits	271,315	271,310	5
Purchased Services	7,000	5,964	1,036
Total - Pupils	<u>870,137</u>	<u>869,061</u>	<u>1,076</u>
Instructional Staff			
Salaries	35,530	33,662	1,868
Fringe Benefits	22,314	22,158	156
Total - Instructional Staff	<u>57,844</u>	<u>55,820</u>	<u>2,024</u>
Operation and Maintenance of Plant			
Salaries	7,704	7,498	206
Fringe Benefits	5,860	5,238	622
Purchased Services	7,531	6,837	694
Materials and Supplies	1,162	1,117	45
Total - Operation and Maintenance of Plant	<u>22,257</u>	<u>20,690</u>	<u>1,567</u>
Total - Support Services:	<u>950,238</u>	<u>945,571</u>	<u>4,667</u>
Total Expenditures	<u>2,406,515</u>	<u>2,388,568</u>	<u>17,947</u>
Excess of Revenues Over (Under) Expenditures	<u>110,763</u>	<u>(51,708)</u>	<u>(162,471)</u>
Net Change in Fund Balances	110,763	(51,708)	(162,471)
Fund Balance (Deficit) at Beginning of Year	1,540,640	1,540,640	
Prior Year Encumbrances Appropriated	8,085	8,085	
Fund Balance (Deficit) at End of Year	<u>\$ 1,659,488</u>	<u>\$ 1,497,017</u>	<u>\$ (162,471)</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 54,558	\$ 63,411	\$ 8,853
Interest	1,500	150	(1,350)
Customer Sales and Services	440,500	440,147	(353)
Miscellaneous	5,000	8,568	3,568
Total Revenues	<u>501,558</u>	<u>512,276</u>	<u>10,718</u>
EXPENDITURES:			
Current:			
Operation of Non-Instructional Services:			
Food Service Operations			
Fringe Benefits	9,000	8,947	53
Purchased Services	620,566	603,108	17,458
Materials and Supplies	3,266	2,358	908
Other	1,013	1,013	0
Capital Outlay	27,980	24,895	3,085
Capital Outlay Replacement	1,000	0	1,000
Total - Food Service Operations	<u>662,825</u>	<u>640,321</u>	<u>22,504</u>
Total - Operation of Non-Instructional Services:	<u>662,825</u>	<u>640,321</u>	<u>22,504</u>
Total Expenditures	<u>662,825</u>	<u>640,321</u>	<u>22,504</u>
Excess of Revenues Over (Under) Expenditures	<u>(161,267)</u>	<u>(128,045)</u>	<u>33,221</u>
OTHER FINANCING SOURCES AND USES:			
Transfers In	150,000	150,000	0
Total Other Financing Sources and Uses	<u>150,000</u>	<u>150,000</u>	<u>0</u>
Net Change in Fund Balances	(11,267)	21,955	33,222
Fund Balance (Deficit) at Beginning of Year	10,848	10,848	
Prior Year Encumbrances Appropriated	<u>2,643</u>	<u>2,643</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 2,224</u>	<u>\$ 35,446</u>	<u>\$ 33,222</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Interest	\$ 65	\$ 5	\$ (60)
Gifts and Donations	100	0	(100)
Customer Sales and Services	<u>6,300</u>	<u>5,666</u>	<u>(634)</u>
Total Revenues	<u>6,465</u>	<u>5,671</u>	<u>(798)</u>
EXPENDITURES:			
Current:			
Support Services:			
Pupils			
Other	<u>75</u>	<u>75</u>	<u>0</u>
Total - Pupils	<u>75</u>	<u>75</u>	<u>0</u>
Fiscal			
Purchased Services	3,900	457	3,443
Other	<u>600</u>	<u>175</u>	<u>425</u>
Total - Fiscal	<u>4,500</u>	<u>632</u>	<u>3,868</u>
Total - Support Services:	<u>4,575</u>	<u>707</u>	<u>3,868</u>
Total Expenditures	<u>4,575</u>	<u>707</u>	<u>3,868</u>
Excess of Revenues Over (Under) Expenditures	<u>1,890</u>	<u>4,964</u>	<u>3,074</u>
OTHER FINANCING SOURCES AND USES:			
Transfers Out	<u>(2,500)</u>	<u>0</u>	<u>2,500</u>
Total Other Financing Sources and Uses	<u>(2,500)</u>	<u>0</u>	<u>2,500</u>
Net Change in Fund Balances	(610)	4,964	5,574
Fund Balance (Deficit) at Beginning of Year	<u>20,599</u>	<u>20,599</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 19,989</u>	<u>\$ 25,563</u>	<u>\$ 5,574</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, 2010

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

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation
For the Fiscal Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Customer Sales and Services	\$ 248,090	\$ 208,864	\$ (39,226)
Total Revenues	<u>248,090</u>	<u>208,864</u>	<u>(39,226)</u>
EXPENDITURES:			
Current:			
Instruction:			
Adult/Continuing			
Salaries	135,731	130,350	5,381
Fringe Benefits	40,872	36,992	3,880
Purchased Services	54,290	49,962	4,328
Materials and Supplies	21,139	16,169	4,970
Total - Adult/Continuing	<u>252,032</u>	<u>233,473</u>	<u>18,559</u>
Total - Instruction:	<u>252,032</u>	<u>233,473</u>	<u>18,559</u>
Total Expenditures	<u>252,032</u>	<u>233,473</u>	<u>18,559</u>
Excess of Revenues Over (Under) Expenditures	<u>(3,942)</u>	<u>(24,609)</u>	<u>(20,667)</u>
Net Change in Fund Balances	(3,942)	(24,609)	(20,667)
Fund Balance (Deficit) at Beginning of Year	51,469	51,469	
Prior Year Encumbrances Appropriated	<u>799</u>	<u>799</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 48,326</u>	<u>\$ 27,659</u>	<u>\$ (20,667)</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Gifts and Donations	\$ 21,411	\$ 14,127	\$ (7,284)
Customer Sales and Services	0	79	79
Total Revenues	<u>21,411</u>	<u>14,206</u>	<u>(7,203)</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular			
Purchased Services	9,800	4,209	5,591
Materials and Supplies	15,200	4,230	10,970
Total - Regular	<u>25,000</u>	<u>8,439</u>	<u>16,561</u>
Special			
Materials and Supplies	2,000	425	1,575
Total - Special	<u>2,000</u>	<u>425</u>	<u>1,575</u>
Total - Instruction:	<u>27,000</u>	<u>8,864</u>	<u>18,136</u>
Total Expenditures	<u>27,000</u>	<u>8,864</u>	<u>18,136</u>
Excess of Revenues Over (Under) Expenditures	<u>(5,589)</u>	<u>5,342</u>	<u>10,931</u>
Net Change in Fund Balances	(5,589)	5,342	10,931
Fund Balance (Deficit) at Beginning of Year	<u>48,761</u>	<u>48,761</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 43,172</u>	<u>\$ 54,103</u>	<u>\$ 10,931</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Customer Sales and Services	\$ 5,800	\$ 1,250	\$ (4,550)
Miscellaneous	<u>500</u>	<u>0</u>	<u>(500)</u>
Total Revenues	<u>6,300</u>	<u>1,250</u>	<u>(5,050)</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular			
Purchased Services	720	720	0
Materials and Supplies	<u>2,373</u>	<u>1,825</u>	<u>548</u>
Total - Regular	<u>3,093</u>	<u>2,545</u>	<u>548</u>
Special			
Materials and Supplies	500	500	0
Capital Outlay	<u>1,230</u>	<u>0</u>	<u>1,230</u>
Total - Special	<u>1,730</u>	<u>500</u>	<u>1,230</u>
Total - Instruction:	<u>4,823</u>	<u>3,045</u>	<u>1,778</u>
Support Services:			
Administration			
Materials and Supplies	<u>1,050</u>	<u>855</u>	<u>195</u>
Total - Administration	<u>1,050</u>	<u>855</u>	<u>195</u>
Pupil Transportation			
Materials and Supplies	<u>665</u>	<u>625</u>	<u>40</u>
Total - Pupil Transportation	<u>665</u>	<u>625</u>	<u>40</u>
Total - Support Services:	<u>1,715</u>	<u>1,480</u>	<u>235</u>
Total Expenditures	<u>6,538</u>	<u>4,525</u>	<u>2,013</u>
Excess of Revenues Over (Under) Expenditures	<u>(238)</u>	<u>(3,275)</u>	<u>(3,037)</u>
Net Change in Fund Balances	(238)	(3,275)	(3,037)
Fund Balance (Deficit) at Beginning of Year	5,767	5,767	
Prior Year Encumbrances Appropriated	<u>870</u>	<u>870</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 6,399</u>	<u>\$ 3,362</u>	<u>\$ (3,037)</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Tuition and Fees	\$ 518,000	\$ 482,641	\$ (35,359)
Customer Sales and Services	0	92	92
Miscellaneous	22,000	21,965	(35)
Total Revenues	<u>540,000</u>	<u>504,698</u>	<u>(35,302)</u>
EXPENDITURES:			
Current:			
Operation of Non-Instructional Services:			
Community Services			
Salaries	362,151	355,832	6,319
Fringe Benefits	163,083	163,053	30
Purchased Services	48,991	33,763	15,228
Materials and Supplies	26,092	21,425	4,667
Capital Outlay	4,581	3,831	750
Total - Community Services	<u>604,898</u>	<u>577,904</u>	<u>26,994</u>
Total - Operation of Non-Instructional Services:	<u>604,898</u>	<u>577,904</u>	<u>26,994</u>
Total Expenditures	<u>604,898</u>	<u>577,904</u>	<u>26,994</u>
Excess of Revenues Over (Under) Expenditures	<u>(64,898)</u>	<u>(73,206)</u>	<u>(8,308)</u>
Net Change in Fund Balances	(64,898)	(73,206)	(8,308)
Fund Balance (Deficit) at Beginning of Year	221,080	221,080	
Prior Year Encumbrances Appropriated	<u>2,799</u>	<u>2,799</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 158,981</u>	<u>\$ 150,673</u>	<u>\$ (8,308)</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Extracurricular Activities	\$ 49,000	\$ 41,807	\$ (7,193)
Gifts and Donations	0	100	100
Total Revenues	<u>49,000</u>	<u>41,907</u>	<u>(7,093)</u>
EXPENDITURES:			
Current:			
Extracurricular Activities:			
Academic Oriented Activities			
Materials and Supplies	<u>15,900</u>	<u>14,553</u>	<u>1,347</u>
Total - Academic Oriented Activities	<u>15,900</u>	<u>14,553</u>	<u>1,347</u>
Sport Oriented Activities			
Purchased Services	87,788	75,295	12,493
Materials and Supplies	42,995	41,928	1,067
Other	<u>1,600</u>	<u>1,316</u>	<u>284</u>
Total - Sport Oriented Activities	<u>132,383</u>	<u>118,539</u>	<u>13,844</u>
Total - Extracurricular Activities:	<u>148,283</u>	<u>133,092</u>	<u>15,191</u>
Total Expenditures	<u>148,283</u>	<u>133,092</u>	<u>15,191</u>
Excess of Revenues Over (Under) Expenditures	<u>(99,283)</u>	<u>(91,185)</u>	<u>8,098</u>
OTHER FINANCING SOURCES AND USES:			
Transfers In	<u>91,000</u>	<u>90,000</u>	<u>(1,000)</u>
Total Other Financing Sources and Uses	<u>91,000</u>	<u>90,000</u>	<u>(1,000)</u>
Net Change in Fund Balances	(8,283)	(1,185)	7,098
Fund Balance (Deficit) at Beginning of Year	59,846	59,846	
Prior Year Encumbrances Appropriated	<u>294</u>	<u>294</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 51,857</u>	<u>\$ 58,955</u>	<u>\$ 7,098</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 239,300	\$ 239,298	\$ (2)
Interest	0	39	39
Total Revenues	<u>239,300</u>	<u>239,337</u>	<u>37</u>
EXPENDITURES:			
Current:			
Operation of Non-Instructional Services:			
Community Services			
Salaries	112,253	111,754	499
Fringe Benefits	18,849	18,494	355
Purchased Services	114,822	105,109	9,713
Materials and Supplies	25,704	25,701	3
Capital Outlay	15,930	15,930	0
Total - Community Services	<u>287,558</u>	<u>276,988</u>	<u>10,570</u>
Total - Operation of Non-Instructional Services:	<u>287,558</u>	<u>276,988</u>	<u>10,570</u>
Total Expenditures	<u>287,558</u>	<u>276,988</u>	<u>10,570</u>
Excess of Revenues Over (Under) Expenditures	<u>(48,258)</u>	<u>(37,651)</u>	<u>10,607</u>
Net Change in Fund Balances	(48,258)	(37,651)	10,607
Fund Balance (Deficit) at Beginning of Year	25,698	25,698	
Prior Year Encumbrances Appropriated	<u>23,681</u>	<u>23,681</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 1,121</u>	<u>\$ 11,728</u>	<u>\$ 10,607</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 5,000	\$ 5,000	\$ -
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>0</u>
EXPENDITURES:			
Current:			
Support Services:			
Central			
Purchased Services	<u>5,000</u>	<u>4,000</u>	<u>1,000</u>
Total - Central	<u>5,000</u>	<u>4,000</u>	<u>1,000</u>
Total - Support Services:	<u>5,000</u>	<u>4,000</u>	<u>1,000</u>
Total Expenditures	<u>5,000</u>	<u>4,000</u>	<u>1,000</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>1,000</u>	<u>1,000</u>
Net Change in Fund Balances	0	1,000	1,000
Fund Balance (Deficit) at Beginning of Year	<u>2,000</u>	<u>2,000</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 2,000</u>	<u>\$ 3,000</u>	<u>\$ 1,000</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, 2010

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

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
One Net
For the Fiscal Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 15,000	\$ 11,432	\$ (3,568)
Total Revenues	<u>15,000</u>	<u>11,432</u>	<u>(3,568)</u>
EXPENDITURES:			
Current:			
Support Services:			
Central			
Purchased Services	<u>15,000</u>	<u>5,000</u>	<u>10,000</u>
Total - Central	<u>15,000</u>	<u>5,000</u>	<u>10,000</u>
Total - Support Services:	<u>15,000</u>	<u>5,000</u>	<u>10,000</u>
Total Expenditures	<u>15,000</u>	<u>5,000</u>	<u>10,000</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>6,432</u>	<u>6,432</u>
Net Change in Fund Balances	<u>0</u>	<u>6,432</u>	<u>6,432</u>
Fund Balance (Deficit) at Beginning of Year	<u>0</u>	<u>0</u>	
Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ 6,432</u>	<u>\$ 6,432</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 4,000	\$ -	\$ 4,000
Total Revenues	<u>4,000</u>	<u>0</u>	<u>(4,000)</u>
EXPENDITURES:			
Current:			
Support Services:			
Instructional Staff			
Purchased Services	3,000	0	3,000
Materials and Supplies	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Total - Instructional Staff	<u>4,000</u>	<u>0</u>	<u>4,000</u>
Total - Support Services:	<u>4,000</u>	<u>0</u>	<u>4,000</u>
Total Expenditures	<u>4,000</u>	<u>0</u>	<u>4,000</u>
Fund Balance (Deficit) at Beginning of Year	<u>26</u>	<u>26</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 26</u>	<u>\$ 26</u>	<u>\$ -</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
 IDEA B
 For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 485,385	\$ 485,384	\$ 1
Total Revenues	485,385	485,384	1
EXPENDITURES:			
Current:			
Instruction:			
Special			
Salaries	59,492	59,491	1
Fringe Benefits	9,787	9,784	3
Purchased Services	49,014	48,614	400
Materials and Supplies	48,554	48,554	0
Capital Outlay	7,733	7,732	1
Total - Special	174,580	174,175	405
Total - Instruction:	174,580	174,175	405
Support Services:			
Pupils			
Salaries	133,440	133,440	0
Fringe Benefits	25,238	25,238	0
Total - Pupils	158,678	158,678	0
Instructional Staff			
Salaries	40,000	40,000	0
Fringe Benefits	26,355	26,355	0
Total - Instructional Staff	66,355	66,355	0
Administration			
Salaries	11,955	11,955	0
Fringe Benefits	1,933	1,933	0
Total - Administration	13,888	13,888	0
Pupil Transportation			
Capital Outlay	76,650	76,650	0
Total - Pupil Transportation	76,650	76,650	0
Total - Support Services:	315,571	315,571	0
Operation of Non-Instructional Services:			
Community Services			
Salaries	2,182	2,182	0
Fringe Benefits	359	359	0
Total - Community Services	2,541	2,541	0
Total - Operation of Non-Instructional Services:	2,541	2,541	0
Total Expenditures	492,692	492,287	404
Excess of Revenues Over (Under) Expenditures	(7,307)	(6,903)	404
Net Change in Fund Balances	(7,307)	(6,903)	404
Fund Balance (Deficit) at Beginning of Year	4,384	4,384	
Prior Year Encumbrances Appropriated	2,925	2,925	
Fund Balance (Deficit) at End of Year	\$ 2	\$ 406	\$ 404

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title II D
For the Fiscal Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 686	\$ 686	\$ -
Total Revenues	<u>686</u>	<u>686</u>	<u>0</u>
EXPENDITURES:			
Current:			
Support Services:			
Instructional Staff			
Purchased Services	<u>628</u>	<u>628</u>	<u>0</u>
Total - Instructional Staff	<u>628</u>	<u>628</u>	<u>0</u>
Total - Support Services:	<u>628</u>	<u>628</u>	<u>0</u>
Operation of Non-Instructional Services:			
Community Services			
Purchased Services	<u>58</u>	<u>58</u>	<u>0</u>
Total - Community Services	<u>58</u>	<u>58</u>	<u>0</u>
Total - Operation of Non-Instructional Services:	<u>58</u>	<u>58</u>	<u>0</u>
Total Expenditures	<u>686</u>	<u>686</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	<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
Title III
For the Fiscal Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 16,983	\$ 16,561	\$ (422)
Total Revenues	<u>16,983</u>	<u>16,561</u>	<u>(422)</u>
EXPENDITURES:			
Current:			
Instruction:			
Special			
Salaries	13,980	13,980	0
Materials and Supplies	<u>1,139</u>	<u>1,138</u>	<u>1</u>
Total - Special	<u>15,119</u>	<u>15,118</u>	<u>1</u>
Total - Instruction:	<u>15,119</u>	<u>15,118</u>	<u>1</u>
Support Services:			
Instructional Staff			
Purchased Services	<u>732</u>	<u>547</u>	<u>185</u>
Total - Instructional Staff	<u>732</u>	<u>547</u>	<u>185</u>
Total - Support Services:	<u>732</u>	<u>547</u>	<u>185</u>
Operation of Non-Instructional Services:			
Community Services			
Salaries	986	986	0
Fringe Benefits	162	162	0
Materials and Supplies	<u>100</u>	<u>33</u>	<u>67</u>
Total - Community Services	<u>1,248</u>	<u>1,181</u>	<u>67</u>
Total - Operation of Non-Instructional Services:	<u>1,248</u>	<u>1,181</u>	<u>67</u>
Total Expenditures	<u>17,099</u>	<u>16,846</u>	<u>253</u>
Excess of Revenues Over (Under) Expenditures	<u>(116)</u>	<u>(285)</u>	<u>(169)</u>
Net Change in Fund Balances	(116)	(285)	(169)
Fund Balance (Deficit) at Beginning of Year	185	185	
Prior Year Encumbrances Appropriated	<u>100</u>	<u>100</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 169</u>	<u>\$ -</u>	<u>\$ (169)</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 102,012	\$ 96,729	\$ (5,283)
Total Revenues	<u>102,012</u>	<u>96,729</u>	<u>(5,283)</u>
EXPENDITURES:			
Current:			
Instruction:			
Special			
Salaries	80,238	74,919	5,319
Fringe Benefits	<u>13,256</u>	<u>12,225</u>	<u>1,031</u>
Total - Special	<u>93,494</u>	<u>87,144</u>	<u>6,350</u>
Total - Instruction:	<u>93,494</u>	<u>87,144</u>	<u>6,350</u>
Support Services:			
Instructional Staff			
Purchased Services	<u>4,179</u>	<u>4,179</u>	<u>0</u>
Total - Instructional Staff	<u>4,179</u>	<u>4,179</u>	<u>0</u>
Total - Support Services:	<u>4,179</u>	<u>4,179</u>	<u>0</u>
Operation of Non-Instructional Services:			
Community Services			
Purchased Services	<u>6,150</u>	<u>6,150</u>	<u>0</u>
Total - Community Services	<u>6,150</u>	<u>6,150</u>	<u>0</u>
Total - Operation of Non-Instructional Services:	<u>6,150</u>	<u>6,150</u>	<u>0</u>
Total Expenditures	<u>103,823</u>	<u>97,473</u>	<u>6,350</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,811)</u>	<u>(744)</u>	<u>1,067</u>
Net Change in Fund Balances	(1,811)	(744)	1,067
Fund Balance (Deficit) at Beginning of Year	<u>1,812</u>	<u>1,812</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 1</u>	<u>\$ 1,068</u>	<u>\$ 1,067</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
EXPENDITURES:			
Current:			
Operation of Non-Instructional Services:			
Community Services			
Materials and Supplies	\$ 98	\$ 98	\$ -
Total - Community Services	98	98	0
Total - Operation of Non-Instructional Services:	(98)	(98)	0
Total Expenditures	(98)	(98)	0
Excess of Revenues Over (Under) Expenditures	(98)	(98)	0
Net Change in Fund Balances	(98)	(98)	0
Prior Year Encumbrances Appropriated	98	98	0
Fund Balance (Deficit) at Beginning of Year	0	0	0
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
Drug Free Education (Title IV-A)
For the Fiscal Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 4,279	\$ 3,312	\$ (967)
Total Revenues	<u>4,279</u>	<u>3,312</u>	<u>(967)</u>
EXPENDITURES:			
Current:			
Support Services:			
Pupils			
Salaries	2,229	1,936	293
Fringe Benefits	254	210	44
Purchased Services	1,132	500	632
Materials and Supplies	<u>57</u>	<u>57</u>	<u>0</u>
Total - Pupils	<u>3,672</u>	<u>2,703</u>	<u>969</u>
Operation and Maintenance of Plant			
Capital Outlay	<u>855</u>	<u>855</u>	<u>0</u>
Total - Operation and Maintenance of Plant	<u>855</u>	<u>855</u>	<u>0</u>
Total - Support Services:	<u>4,527</u>	<u>3,558</u>	<u>969</u>
Operation of Non-Instructional Services:			
Community Services			
Purchased Services	198	198	0
Materials and Supplies	<u>100</u>	<u>0</u>	<u>100</u>
Total - Community Services	<u>298</u>	<u>198</u>	<u>100</u>
Total - Operation of Non-Instructional Services:	<u>298</u>	<u>198</u>	<u>100</u>
Total Expenditures	<u>4,825</u>	<u>3,756</u>	<u>1,069</u>
Excess of Revenues Over (Under) Expenditures	<u>(546)</u>	<u>(444)</u>	<u>102</u>
Net Change in Fund Balances	(546)	(444)	102
Fund Balance (Deficit) at Beginning of Year	<u>546</u>	<u>546</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ 102</u>	<u>\$ 102</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 15,876	\$ 15,876	\$ -
Total Revenues	<u>15,876</u>	<u>15,876</u>	<u>0</u>
EXPENDITURES:			
Current:			
Instruction:			
Special			
Salaries	<u>15,876</u>	<u>15,876</u>	<u>0</u>
Total - Special	<u>15,876</u>	<u>15,876</u>	<u>0</u>
Total - Instruction:	<u>15,876</u>	<u>15,876</u>	<u>0</u>
Total Expenditures	<u>15,876</u>	<u>15,876</u>	<u>0</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>\$ -</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, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 30,366	\$ 30,366	\$ -
Total Revenues	<u>30,366</u>	<u>30,366</u>	<u>0</u>
EXPENDITURES:			
Current:			
Instruction:			
Special			
Salaries	24,156	24,156	0
Fringe Benefits	<u>3,975</u>	<u>3,975</u>	<u>0</u>
Total - Special	<u>28,131</u>	<u>28,131</u>	<u>0</u>
Total - Instruction:	<u>28,131</u>	<u>28,131</u>	<u>0</u>
Operation of Non-Instructional Services:			
Community Services			
Purchased Services	<u>2,236</u>	<u>2,236</u>	<u>0</u>
Total - Community Services	<u>2,236</u>	<u>2,236</u>	<u>0</u>
Total - Operation of Non-Instructional Services:	<u>2,236</u>	<u>2,236</u>	<u>0</u>
Total Expenditures	<u>30,367</u>	<u>30,367</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	(1)	(1)	0
Net Change in Fund Balances	0	0	0
Fund Balance (Deficit) at Beginning of Year	<u>1</u>	<u>1</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Beachwood City Schools
Schedule of Revenues, Expenses and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Health Care Benefits
For the Fiscal Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
OPERATING REVENUES:			
Charges for Services	\$ 3,138,000	\$ 3,083,536	\$ (54,464)
Other Revenues	1,060,000	973,433	(86,567)
Total Operating Revenues	<u>4,198,000</u>	<u>4,056,969</u>	<u>(141,031)</u>
OPERATING EXPENSES:			
Claims	935,000	893,392	41,608
Other	3,300,000	3,226,634	73,366
Total Operating Expenses	<u>4,235,000</u>	<u>4,120,026</u>	<u>114,974</u>
Operating Income (Loss)	<u>(37,000)</u>	<u>(63,057)</u>	<u>(26,057)</u>
Income (Loss) Before Contributions and Transfers	<u>(37,000)</u>	<u>(63,057)</u>	<u>(26,057)</u>
Net Change in Net Assets	(37,000)	(63,057)	(26,057)
Net Assets(Deficit) at Beginning of Year	<u>740,560</u>	<u>740,560</u>	
Net Assets (Deficit) at End of Year	<u>\$ 703,560</u>	<u>\$ 677,503</u>	<u>\$ (26,057)</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.

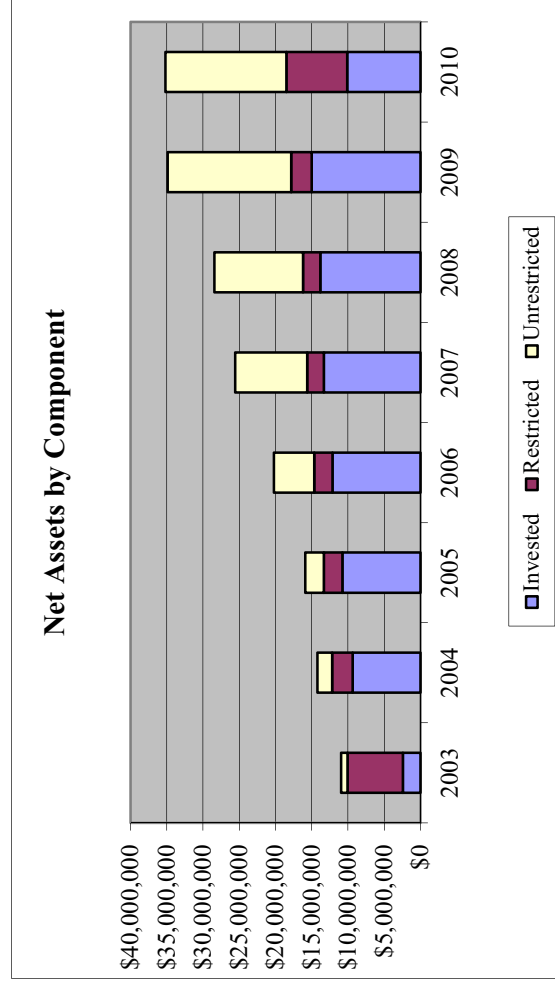
Contents	Pages
Financial Trends These schedules contain trend information to help the reader understand how the School District's financial performance and well-being has changed over time.	S3 – S11
Revenue Capacity These schedules contain information to help the reader assess the School District's most significant local revenue, the property tax.	S12-S17
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	S18 – S23
Economic and Demographic Information This schedule offers economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.	S24- S25
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	S26 – S34

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

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

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



(1) Information prior to 2003 not available

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

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

(continued)

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

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

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

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Beachwood City School District
Program Revenues by Source
Last Eight Fiscal Years (1)
 (accrual basis of accounting)

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

(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>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund				
Reserved	\$3,884,061	\$7,215,920	\$5,194,960	\$5,239,608
Unreserved	<u>14,071,498</u>	<u>11,621,225</u>	<u>8,917,023</u>	<u>5,825,245</u>
<i>Total General Fund</i>	<u>17,955,559</u>	<u>18,837,145</u>	<u>14,111,983</u>	<u>11,064,853</u>
All Other Governmental Funds				
Reserved	1,046,330	870,675	731,044	804,680
Unreserved, Undesignated, Reported in:				
Special Revenue funds	563,518	614,890	591,319	568,339
Debt Service funds	1,566,097	1,412,939	1,169,474	970,197
Capital Projects funds	<u>5,288,850</u>	<u>(14,420)</u>	<u>7,530</u>	<u>131,590</u>
Total All Other Governmental Funds	<u>8,464,795</u>	<u>2,884,084</u>	<u>2,499,367</u>	<u>2,474,806</u>
<i>Total Governmental Funds</i>	<u><u>\$26,420,354</u></u>	<u><u>\$21,721,229</u></u>	<u><u>\$16,611,350</u></u>	<u><u>\$13,539,659</u></u>

(continued)

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

2006	2005	2004	2003	2002	2001
\$4,052,527	\$4,800,334	\$4,557,332	\$3,706,404	\$3,680,936	\$2,325,915
2,134,483	(1,112,119)	(1,015,196)	(1,020,226)	157,538	1,278,414
6,187,010	3,688,215	3,542,136	2,686,178	3,838,474	3,604,329
591,542	1,130,455	1,227,655	6,497,343	2,097,283	1,738,416
575,599	484,569	412,994	324,954	91,596	271,591
1,273,916	1,036,533	997,295	837,863	497,067	736,138
126,348	39,995	261,146	(145,974)	(829,197)	3,885,555
2,567,405	2,691,552	2,899,090	7,514,186	1,856,749	6,631,700
\$8,754,415	\$6,379,767	\$6,441,226	\$10,200,364	\$5,695,223	\$10,236,029

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

	2010	2009	2008	2007	2006
General Revenues					
Property and Other Local Taxes	\$23,720,129	\$30,489,433	\$28,225,851	\$30,467,859	\$27,807,938
Intergovernmental	8,868,241	8,188,859	7,042,005	6,083,421	5,597,211
Interest	241,202	467,348	749,468	722,948	332,199
Tuition and Fees/Rent	2,576,047	3,884,672	2,936,352	2,793,748	3,015,130
Miscellaneous Revenue from Local Sources	1,582,493	1,151,158	1,180,397	1,425,357	988,963
<i>Total Revenues</i>	<u>\$36,988,112</u>	<u>\$44,181,470</u>	<u>\$40,134,073</u>	<u>\$41,493,333</u>	<u>\$37,741,441</u>
Expenditures					
Instruction	\$18,741,726	\$19,390,201	\$18,409,343	\$17,132,962	\$16,731,136
Support Services:					
Pupil	2,638,931	2,683,603	2,597,084	2,610,057	2,623,983
Instructional Staff	1,109,864	1,090,565	930,332	959,487	940,566
Board of Education	502,689	439,485	346,279	451,140	338,636
Administration	2,295,127	2,274,608	2,334,626	2,340,665	2,367,189
Fiscal	982,071	944,581	870,664	853,796	808,530
Business	485,105	450,040	475,683	499,306	485,869
Operation and Maintenance of Plant	3,310,293	3,525,969	3,638,095	3,697,130	3,482,866
Pupil Transportation	2,189,730	2,100,816	1,927,821	1,958,588	1,785,440
Central	742,267	1,013,722	1,107,131	1,397,285	1,239,852
Non-instructional	1,492,319	1,489,470	885,503	937,992	765,582
Extracurricular Activities	956,455	976,735	968,945	922,936	850,200
Capital Outlay	397,220	832,691	622,003	508,859	297,650
Debt Service:					
Principal	1,450,000	1,390,000	1,094,984	1,859,998	2,050,000
Interest	645,190	593,478	970,500	1,009,662	814,303
<i>Total Expenditures</i>	<u>37,938,987</u>	<u>39,195,964</u>	<u>37,178,993</u>	<u>37,139,863</u>	<u>35,581,802</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(950,875)</u>	<u>4,985,506</u>	<u>2,955,080</u>	<u>4,353,470</u>	<u>2,159,639</u>
Other Financing Sources/(Uses)					
Operating Transfers In	240,000	396,000	350,000	315,000	283,214
General Obligation Bonds Issued	0	0	0	0	0
Proceed from Sale of Bonds	5,650,000	0	6,244,997	0	0
Proceeds from Sale of Fixed Assets	0	0	0	18,622	11,325
Inception of Capital Lease		124,373	0	413,152	203,684
Other Financing Sources	0	0	474,279	0	0
Operating Transfers Out	(240,000)	(396,000)	(350,000)	(315,000)	(283,214)
Refund of Prior Year Expenditures/Receipts	0	0	0	0	0
Advanced Refunding of Bonds	0	0	(6,602,665)	0	0
	<u>5,650,000</u>	<u>124,373</u>	<u>116,611</u>	<u>431,774</u>	<u>215,009</u>
<i>Net Changes in Fund Balances</i>	<u>\$4,699,125</u>	<u>\$5,109,879</u>	<u>\$3,071,691</u>	<u>\$4,785,244</u>	<u>\$2,374,648</u>
Debt Services as a percentage of Noncapital expenditures	5.62%	5.25%	5.74%	7.83%	8.12%

<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$25,307,928	\$27,589,977	\$24,239,246	\$24,352,420	\$23,502,664
6,093,461	6,142,734	5,261,381	3,661,088	3,395,422
140,974	125,949	365,761	402,251	878,815
3,369,859	3,161,659	3,424,098	568,401	689,572
<u>1,003,425</u>	<u>931,549</u>	<u>793,879</u>	<u>153,875</u>	<u>280,077</u>
<u>\$35,915,647</u>	<u>\$37,951,868</u>	<u>\$34,084,365</u>	<u>\$29,138,035</u>	<u>\$28,746,550</u>
\$17,300,556	\$18,098,823	\$16,678,096	\$12,844,431	\$12,605,104
3,074,384	2,858,960	2,614,236	1,636,458	1,516,119
788,195	941,951	966,523	1,082,394	1,061,254
369,854	401,284	263,595	294,226	373,165
2,291,300	2,487,798	2,466,060	2,235,020	2,330,887
769,006	754,590	688,430	714,044	673,265
479,302	668,183	580,659	634,439	605,469
3,415,354	3,538,967	3,491,718	3,374,674	3,479,271
1,821,183	1,871,614	1,646,430	1,525,891	1,593,911
1,077,752	983,114	1,029,550	748,401	956,460
694,863	633,396	626,473	179,397	170,435
911,114	918,184	932,594	808,626	644,800
400,279	4,900,809	11,379,293	5,012,396	877,418
2,014,960	2,293,959	1,549,000	2,084,000	1,675,000
878,965	939,886	1,110,098	634,072	721,940
<u>36,287,067</u>	<u>42,291,518</u>	<u>46,022,755</u>	<u>33,808,469</u>	<u>29,284,498</u>
<u>(371,420)</u>	<u>(4,339,650)</u>	<u>(11,938,390)</u>	<u>(4,670,434)</u>	<u>(537,948)</u>
205,500	270,709	310,800	270,400	180,000
0	0	18,814,982	0	0
0	0	0	0	0
41,632	7,850	8,900	2,320	3,140
268,329	583,198	214,273	400,175	0
0	0	503,415	0	0
(205,500)	(270,709)	(315,574)	(543,267)	(450,920)
0	(10,536)	(1,666)	0	0
0	0	(3,192,846)	0	0
<u>309,961</u>	<u>580,512</u>	<u>16,342,284</u>	<u>129,628</u>	<u>(267,780)</u>
<u>(\$61,459)</u>	<u>(\$3,759,138)</u>	<u>\$4,403,894</u>	<u>(\$4,540,806)</u>	<u>(\$805,728)</u>
8.06%	8.65%	7.68%	9.44%	8.44%

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	
2010	\$713,176,220	\$2,037,646,343	\$9,694,520	\$155,112,320	\$722,870,740	\$2,192,758,663	83.90
2009	734,787,970	2,099,394,200	24,347,999	243,873,264	759,135,969	2,343,267,464	83.90
2008	737,297,970	2,106,565,629	38,242,896	245,831,783	775,540,866	2,352,397,412	82.30
2007	732,702,280	2,093,435,086	53,770,556	233,376,196	786,472,836	2,326,811,282	82.30
2006	679,670,070	1,941,914,486	64,658,652	237,250,537	744,328,722	2,179,165,023	83.50
2005	672,204,090	1,920,583,114	67,271,738	245,073,166	739,475,828	2,165,656,280	77.60
2004	670,403,030	1,915,437,229	74,355,817	274,614,423	744,758,847	2,190,051,652	77.50
2003	619,110,040	1,768,885,829	84,164,554	302,442,486	703,274,594	2,071,328,315	77.50
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

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
2009/2010	83.90	20.60	4.00	108.50	1.90	0.82	2.72
2008/2009	83.90	20.60	4.00	108.50	1.90	1.01	2.91
2007/2008	82.30	20.20	4.00	106.50	1.90	1.01	2.91
2006/2007	82.30	20.20	4.00	106.50	1.90	1.01	2.91
2005/2006	83.50	20.30	4.00	107.80	3.10	0.98	4.08
2004/2005	77.60	20.30	4.00	101.90	3.10	0.88	3.98
2003/2004	77.50	19.40	4.00	100.90	3.00	0.91	3.91
2002/2003	77.50	17.60	4.00	99.10	3.00	0.86	3.86
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

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		Delinquent Collection	Total Collection	Total Collected As a Percent of Current Levy
					Current Levy Collected	Total Collection			
2009/2010	\$31,523,485	\$10,226,335	\$41,749,820	\$28,121,306	89.21%	\$599,534	\$28,720,840	91.1%	
2008/2009	31,000,148	7,953,004	38,953,152	28,262,113	91.17%	704,361	28,966,474	93.4%	
2007/2008	30,850,329	6,565,654	37,415,983	28,112,109	91.12%	1,064,838	29,176,947	94.6%	
2006/2007	32,310,572	5,386,849	37,697,421	30,024,676	92.93%	1,017,048	31,041,724	96.1%	
2005/2006	33,716,047	3,971,944	37,687,991	31,294,524	92.82%	811,612	32,106,136	95.2%	
2004/2005	30,003,789	2,909,970	32,913,759	27,975,506	93.24%	680,095	28,655,601	95.5%	
2003/2004	29,929,660	2,286,883	32,216,543	27,572,370	92.12%	651,122	28,223,492	94.3%	
2002/2003	29,672,081	1,589,673	31,261,754	28,269,881	95.27%	696,650	28,966,531	97.6%	
2001/2002	24,886,806	2,090,958	26,977,764	23,412,034	94.07%	1,327,066	24,739,100	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%	

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, 2009 and December 31, 2000

December 31, 2009			
Name of Taxpayer	Nature of Business	Assessed Valuation	% of Total Assessed Valuation (1)
Beachwood Place Limited	Mall	\$57,858,580	15.48%
Cleveland Clinic	Health Care	47,218,900	12.64%
Hamptons Apartment	Apartments	10,995,570	2.94%
Commerce Park	Office buildings	9,800,020	2.62%
Village Green of Beachwood	Condominiums	9,180,720	2.46%
Four Seasons Apartments	Apartments	8,786,240	2.35%
Boardwalk Partners LLC	Hotel	8,423,740	2.25%
HCRI Beachwood Inc	Hotel	7,897,610	2.11%
Double Tree	Hotel	7,420,010	1.99%
Gotham King Fee Owner, LLC	Unknown	6,704,960	1.79%
		<u>\$174,286,350</u>	<u>46.64%</u>
Total Commercial Valuation		<u>\$373,704,370</u>	

December 31, 2000			
Name of Taxpayer	Nature of Business	Assessed Valuation	% of Total Assessed Valuation (1)
Beachwood Place Limited	Retail	\$30,157,650	9.34%
MBNA	Banking	14,122,430	4.38%
Hamptons Apartment	Apartments	13,811,180	4.28%
Red Lions Hotels	Hotel	10,770,100	3.34%
Village Green of Beachwood	Apartments	10,391,080	3.22%
Medical Building Invest. Co.	Investment	10,271,800	3.18%
Bracebridge Corp.	Banking	9,848,340	3.05%
Dilliards	Retail	7,272,760	2.25%
Beachwood Place	Retail	7,055,860	2.19%
Embassy Equity Development	Hotel	6,475,630	2.01%
		<u>\$120,176,830</u>	<u>37.24%</u>
Total Commercial Valuation		<u>\$322,746,760</u>	

Source: Cuyahoga County Auditor

Beachwood City School District
Principal Property Taxpayers
Tangible Personal Property Tax
December 31, 2009 and December 31, 2000

		December 31, 2009	
Name of Taxpayer	Nature of Business	Assessed Valuation	% of Total Tangible Personal Property Valuation
Saks Fifth Avenue	Retail sales	\$0	
The Higbee Company	Retail	0	
Tremco	Roofing	0	
Nordstrom Inc.	Retail	0	
Bank of America	Credit card	0	
Crestmont Cadillac	Car dealership	0	
Hexagran Inc	Retail sales	0	
Developers Diversified	Advertisement	0	
Doubletree	Hotel	0	
Crestmont Chrysler	Car dealership	0	
New Par	Unknown	0	
Central Hummer East Ltd.	Car dealership	0	
Total		\$0	0.00%
Total Tangible Personal Property Valuation		\$0	

This tax was eliminated in its entirety in 2009

		December 31, 2000	
Name of Taxpayer	Nature of Business	Assessed Valuation	% of Total Tangible Personal Property Valuation
The Higbee Company	Retail	\$6,137,340	8.36%
MBNA Ohio Properties, Inc.	Banking	4,133,450	5.63%
Nordstrom, Inc.	Retail	4,130,660	5.63%
Tremco	Roofing	3,172,440	4.32%
Saks Fifth Avenue	Retail	2,619,380	3.57%
Developers Diversified	Development	1,781,140	2.43%
Penske Logistical	Truck Leasing	1,657,760	2.26%
MBT Services	Unknown	1,420,240	1.94%
Imperial Wall Coverings	Retail	1,368,170	1.86%
Cresmont Cadillac	Car dealership	1,287,660	1.75%
Total		\$27,708,240	37.75%
Total Tangible Personal Property Valuation		\$73,392,504	

Source: Cuyahoga County Auditor

Beachwood City School District
Principal Property Taxpayers
Public Utility Tax
December 31, 2009 and December 31, 2004*

		December 31, 2009	
Name of Taxpayer	Nature of Business	Assessed Valuation	% of Total Tangible Personal Property Valuation
Cleveland Electric Illuminating	Electric Utility	\$8,567,230	88.37%
Ohio Bell	Telephone	921,450	9.50%
Total		<u>\$9,488,680</u>	<u>97.88%</u>
Total Public Utility Valuation		<u>\$9,694,520</u>	

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

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

Beachwood City School District
All Outstanding Debt
Last Ten Years

Year	Gross General Bonded Debt	Notes Outstanding	Leases	Total	Total Debt/Capita*	Debt Outstanding % Of Personal Income
2010	\$11,479,998	\$6,410,000	\$41,053	\$17,931,051	\$1,471	3.6%
2009	12,209,998	1,480,000	81,096	13,771,094	1,130	2.8%
2008	12,914,998	2,165,000	137,520	15,217,518	1,249	3.1%
2007	13,359,984	2,815,000	334,124	16,509,108	1,355	3.3%
2006	14,599,982	3,435,000	216,448	18,251,430	1,498	3.7%
2005	16,060,022	4,025,000	388,021	20,473,043	1,680	4.1%
2004	17,509,982	4,620,000	468,228	22,598,210	1,854	4.6%
2003	18,889,982	5,200,000	539,556	24,629,538	2,021	5.0%
2002	3,859,000	9,814,000	433,654	14,106,654	1,158	2.9%
2001	4,558,000	11,898,000	n/a	16,456,000	1,350	3.3%

* Population 12,186 per US census

Source: Beachwood City Schools

Beachwood City School District
 Computation of Direct and Overlapping Debt
 General Obligation
 As of December 31, 2009

<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	\$11,479,998	100.00%	\$11,479,998
<i>Overlapping Debt:</i>			
Cuyahoga County	336,472,572	2.43%	8,176,283
Regional Transit Authority	163,025,000	2.43%	3,961,508
City of Beachwood	17,485,000	99.65%	17,423,803
City of Pepper Pike	<u>9,149,686</u>	0.35%	<u>32,024</u>
Total Overlapping Debt	<u>526,132,258</u>		<u>29,593,618</u>
Total Debt	<u><u>\$537,612,256</u></u>		<u><u>\$41,073,616</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 2009 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
2010	\$11,479,998	\$1,884,167	\$9,595,831	\$722,870,740	12,186	1.33%	\$787
2009	12,209,998	2,052,047	10,157,951	759,135,969	12,186	1.34%	834
2008	12,914,998	1,626,431	11,288,567	775,540,866	12,186	1.46%	926
2007	13,359,984	1,554,189	11,805,795	786,472,836	12,186	1.50%	969
2006	14,599,982	1,738,191	12,861,791	744,328,722	12,186	1.73%	1,055
2005	16,060,022	1,710,750	14,349,272	739,475,828	12,186	1.94%	1,178
2004	17,509,982	1,638,443	15,871,539	755,137,685	12,186	2.10%	1,302
2003	18,889,982	1,305,760	17,584,222	703,274,594	12,186	2.50%	1,443
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

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Assessed Valuation	<u>\$722,870,740</u>	<u>\$759,135,969</u>	<u>\$775,540,866</u>	<u>\$786,472,836</u>
Bonded Debt Limit - 9% of Assessed Value (1)	\$65,058,367	\$68,322,237	\$69,798,678	\$70,782,555
Amount of Debt Applicable to Debt Limit:				
Bonded Debt	11,479,998	12,209,998	12,914,998	13,359,984
Less Bond Retirement Fund	1,884,167	2,052,047	1,626,431	1,554,189
Net General Bonded Debt	9,595,831	10,157,951	11,288,567	11,805,795
Voted Debt Margin	<u>\$53,578,369</u>	<u>\$56,112,239</u>	<u>\$56,883,680</u>	<u>\$57,422,571</u>
Ratio of Legal Debt Margin to Assessed Values	1.33%	1.34%	1.46%	1.50%
Bonded Debt Limit - .1% of Assessed Value (1)	\$722,871	\$759,136	\$775,541	\$786,473
Unvoted Debt Margin	<u>\$722,871</u>	<u>\$759,136</u>	<u>\$775,541</u>	<u>\$786,473</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>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<u>\$744,328,722</u>	<u>\$739,475,828</u>	<u>\$755,137,685</u>	<u>\$703,274,594</u>	<u>\$712,487,889</u>	<u>\$698,233,574</u>
\$66,989,585	\$66,552,825	\$67,962,392	\$63,294,713	\$64,123,910	\$62,841,022
14,599,982	16,060,022	17,509,982	18,814,982	19,465,000	4,320,000
1,738,191	1,710,750	1,638,443	1,305,760	955,728	1,039,085
12,861,791	14,349,272	15,871,539	17,509,222	18,509,272	3,280,915
<u>\$52,389,603</u>	<u>\$50,492,803</u>	<u>\$50,452,410</u>	<u>\$44,479,731</u>	<u>\$44,658,910</u>	<u>\$58,521,022</u>
1.73%	1.94%	2.10%	2.49%	2.60%	0.47%
\$744,329	\$739,476	\$755,138	\$703,275	\$712,488	\$698,234
<u>\$744,329</u>	<u>\$739,476</u>	<u>\$755,138</u>	<u>\$703,275</u>	<u>\$712,488</u>	<u>\$698,234</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)
2008	12,186	\$114,266	\$53,899	\$493,642,674	\$40,509	2.3%	7.1%
2007	12,186	136,606	51,742	493,642,674	40,509	2.5	6.1
2006	12,186	122,152	48,933	493,642,674	40,509	3.1	5.5
2005	12,186	129,930	45,753	493,642,674	40,509	2.7	6.1
2004	12,186	106,109	46,338	493,642,674	40,509	3.0	6.2
2003	12,186	100,111	43,738	493,642,674	40,509	3.3	6.2
2002	12,186	94,108	41,737	493,642,674	40,509	3.5	6.6
2001	12,186	91,434	42,275	493,642,674	40,509	3.8	4.6
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

Source:

- (1) 2008 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, 2009

Employer	Number of Employees	Percentage of Total
Bank of America	1,964	12.42%
Cleveland Clinic Foundation	1,182	7.48
Menorah Park Center	972	6.15
Beachwood Board of Education	599 **	3.79
Developers Diversified	533	3.37
Montefiore Hone	489	3.09
City of Beachwood	488	3.09
Rosetta Marketing Group	365	2.31
Tremco Inc.	284	1.80
Aleris Ohio Management	184	1.16
Total	<u>7,060</u>	<u>44.66%</u>
Total employment within the School District	<u>15,808</u>	

** Includes seasonal, substitutes and casual labor

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 Five Fiscal Years

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

(1) Information not available prior to 2006

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

Beachwood City School District

Per Pupil Cost
Last Ten Fiscal Years

<u>Year</u>	<u>General Fund Expenditures (1)</u>	<u>Average Daily Membership (2)</u>	<u>Per Pupil Cost</u>	<u>Percentage Change</u>
2010	\$30,722,067	1,524	\$20,159	-4.54%
2009	31,487,746	1,491	21,119	4.89%
2008	29,678,446	1,474	20,135	6.26%
2007	28,743,982	1,517	18,948	6.18%
2006	27,071,093	1,517	17,845	0.13%
2005	27,462,681	1,541	17,821	-3.76%
2004	28,498,892	1,539	18,518	1.90%
2003	27,641,345	1,521	18,173	10.91%
2002	24,922,718	1,521	16,386	6.09%
2001	25,144,577	1,628	15,445	7.58%

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>
2010	95.9%	94.3%	97.1%	83.0%
2009	95.6	94.3	98.5	84.6
2008	95.7	94.2	97.7	86.9
2007	95.0	94.1	97.1	86.1
2006	96.1	94.1	99.3	86.2
2005	96.2	94.3	97.9	85.9
2004	96.5	94.5	97.3	84.3
2003	95.6	94.5	97.2	83.9
2002	96.3	94.3	97.2	82.8
2001	96.8	93.9	97.6	81.2

Source: Ohio Department of Education Local Report Cards

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

Function/Program	2010	2009	2008	2007	2006	2005
Regular Instruction						
Preschool Classroom Teachers	2.00	3.00	3.00	3.00	3.00	3.00
Preschool Aides	2.32	3.43	3.92	2.53	2.46	3.13
Preschool After Care Instructor	-	-	0.00	0.80	0.80	0.80
Elementary Classroom Teachers	29.00	30.47	28.47	33.47	34.07	37.47
Instructional Assistants			1.80	2.07	3.26	3.56
Art/Music/PE/Technology K-12	18.66	19.66	19.67	18.38	18.38	20.90
High School/Middle School Classroom Teachers	49.07	47.10	48.05	43.10	42.00	44.90
Special Instruction						
Preschool Special Ed.	1.68	1.75	1.75	1.75	1.67	1.67
ESL	1.00	1.00	1.00	0.60	0.60	0.60
Language Delayed/Cognitive Disabilities	2.00	2.00	2.00	2.00	2.00	2.00
Multi-Disabilities	2.00	2.00	2.00	3.45	3.20	2.33
Deaf/Hard of Hearing	5.00	5.00	5.00	5.00	4.00	5.00
Intervention Specialists	14.00	14.00	13.50	13.50	11.40	14.40
Special Ed Assistants	34.05	35.00	36.80	33.40	31.50	33.50
Gifted Education Teachers	4.00	4.00	4.00	4.00	4.00	5.00
Vocational Instruction						
High School Classroom Teachers	7.00	7.00	5.25	5.00	5.00	5.00
Pupil Support Services						
Guidance Counselors	6.00	6.00	7.00	5.80	5.80	6.00
Librarians	4.00	4.00	4.00	4.00	4.00	4.00
Library Media Assistants	3.00	2.50	3.00	3.00	2.50	3.50
Psychologists	2.50	3.00	3.00	3.00	3.00	3.50
Audiologist and Speech & Lang Pathologists	4.60	5.20	5.20	5.20	5.20	5.80
Nurses	2.10	2.10	2.10	2.42	2.30	2.14
Educational Interpreters	10.00	10.00	10.34	11.60	12.00	17.00
Occupational Therapist	1.00	1.00	0.00	0.80	0.80	0.80
Tutors	2.32	5.80	3.71	3.11	4.61	1.58
Administrators						
Central Office	4.00	4.00	4.00	4.50	4.00	4.00
Elementary	2.00	2.00	2.00	3.50	3.00	4.00
MiddleSchool/High School	3.50	5.00	5.00	4.00	4.00	3.00
Supervisors	5.00	5.00	6.00	7.00	7.00	9.00
Community Education Coordinator	0.63	0.63	0.63	0.63	0.63	0.63
Administrative Support						
Administrative/Office Assistants	16.53	16.50	17.00	18.38	18.38	15.00
Operation of Plant						
Cleaners	11.00	11.00	11.00	10.75	10.75	12.00
Custodians	9.00	9.00	10.00	10.00	10.00	11.00
Maintenance/Grounds	4.00	5.00	5.00	5.00	5.00	6.00
Pupil Transportation						
Bus Drivers	18.15	20.26	21.71	23.14	21.62	24.07
Mechanics	2.00	2.00	2.00	2.00	2.00	2.00
Treasurer's Office Staff						
Technology	2.00	2.00	2.00	2.00	1.50	1.00
Food Service Program						
High School Cooks	-	-	3.00	3.00	3.00	3.00
Food Service Worker	-	-	6.48	5.66	5.26	5.71
Lunch Aides	-	-	0.00	0.00	0.00	18.00
Totals	<u>289.71</u>	<u>302.00</u>	<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 Seven Fiscal Years (1)

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

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
2010*	617	987	1,604
2009*	614	957	1,571
2008*	559	986	1,545
2007	661	915	1,576
2006	676	900	1,576
2005	725	880	1,605
2004	687	909	1,596
2003	676	902	1,578
2002	661	882	1,543
2001	779	883	1,662

* 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

School Year	Number of Test Takers	Number of Seniors	Beachwood Composite	Ohio Composite	National Composite
2010	113	139	26.1	21.8	20.9
2009	187	126	25.4	21.7	21.1
2008	226	131	25.0	21.7	21.1
2007	200	115	24.3	21.6	21.2
2006	197	116	23.6	21.5	21.1
2005	197	97	24.5	21.4	20.9
2004	198	101	25.4	21.4	20.9
2003	203	102	24.2	21.4	20.8
2002	191	89	23.3	21.4	20.8
2001	162	73	25.1	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		National		Ohio		Beachwood		Ohio		National	
		Reading/Verbal*	Math	Reading/Verbal*	Math	Reading/Verbal*	Math	Reading/Verbal*	Math	Reading/Verbal*	Math	Writing	Writing
2010	64	616	538	501	625	548	516	594	522	492			
2009	70	573	537	501	606	546	515	584	523	493			
2008	68	619	534	502	635	544	515	629	521	494			
2007	70	587	536	502	603	542	515	583	522	494			
2006	76	557	535	503	573	544	518	573	521	497			
2005	96	575	539	508	604	543	520	n/a	n/a	n/a			
2004	99	587	538	508	577	542	518	n/a	n/a	n/a			
2003	111	562	536	507	580	541	519	n/a	n/a	n/a			
2002	113	549	533	504	556	540	516	n/a	n/a	n/a			
2001	83	563	534	506	577	539	514	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 2006-2009



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
DECEMBER 30, 2010**