

Mary Taylor, CPA
Auditor of State

CITY OF BEACHWOOD
CUYAHOGA COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	1

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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

City of Beachwood
Cuyahoga County
25325 Fairmount Boulevard
Beachwood, Ohio 44122

To the Members of City Council:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Beachwood, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 21, 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 City's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

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

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

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

Compliance and Other Matters

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

We intend this report solely for the information and use of the audit committee, management, and City Council. 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

June 21, 2010



THE CITY OF BEACHWOOD OHIO
Comprehensive Annual Financial Report

C A F R

for the year ended

DECEMBER 31, 2009

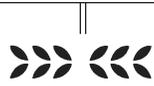
CITY OF
Beachwood

THE CITY OF BEACHWOOD OHIO
Comprehensive Annual Financial Report
for the year ended December 31, 2009



PREPARED BY : *Office of the Finance Director*
David A. Pfaff, CPA
Finance Director

INTRODUCTORY SECTION



City of Beachwood, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2009
Table of Contents

	Page
I. Introductory Section	
Table of Contents	i
Letter of Transmittal	iv
City Officials.....	x
Organizational Chart.....	xi
GFOA Certificate of Achievement	xii
 II. Financial Section	
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Assets	12
Statement of Activities.....	13
Fund Financial Statements:	
Balance Sheet – Governmental Funds	14
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	15
Statement of Revenues, Expenditures and Changes In Fund Balances – Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – General Fund	18
Statement of Fiduciary Net Assets – Fiduciary Funds.....	19
Statement of Changes in Fiduciary Net Assets – Fiduciary Fund	20
Notes to the Basic Financial Statements	21

Combining Statements and Individual Fund Schedules:

Combining Statements – Nonmajor Governmental Funds:

Fund Descriptions	45
Combining Balance Sheet – Nonmajor Governmental Funds	46
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	48

Combining Statement – Fiduciary Funds:

Fund Descriptions	50
Combining Statement of Changes in Assets and Liabilities – Agency Funds	51

Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in
Fund Balance/Equity – Budget (Non-GAAP Basis) and Actual

General Fund.....	53
Bond Retirement Fund.....	58
Capital Improvements Fund.....	59
Street Construction, Maintenance and Repair Fund	60
State Highway Fund.....	61
Mayor’s Court Improvement Fund	62
Law Enforcement Trust Fund	63
Police Pension Fund.....	64
Street Lights Fund.....	65
Paramedic Trust Fund.....	66
Leo Weiss Trust Fund.....	67

III. Statistical Section

Contents	S1
Net Assets by Component - Last Nine Years	S2
Changes in Net Assets - Last Nine Years	S4
Fund Balances, Governmental Funds - Last Ten Years.....	S6
Changes in Fund Balances, Governmental Funds - Last Ten Years.....	S8
Income Tax Revenue Base and Collections - Last Ten Years	S10
Income Tax Statistics - Current Year and Eight Years Ago	S12
Principal Income Taxpayers - Current Year and Nine Years Ago.....	S13
Legal Debt Margin - Last Ten Years	S14
Computation of Direct and Overlapping Governmental Activities Debt	S16
Ratio of General Bonded Debt to Assessed Property Values and Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita - Last Ten Years	S18
Demographic and Economic Statistics – Last Ten Years	S20

Principal Employers Current Year and Four Years AgoS22
Capital Assets Statistics by Function/Program – Last Eight YearsS24
Operating Indicators by Function/Program - Last Seven YearsS26
Full-Time Equivalent City Government Employees by Function/Program –
Last Eight YearsS28

MAYOR
MERLE S. GORDEN

June 21, 2010

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

It is our privilege to present to you the City of Beachwood's (the City) Comprehensive Annual Financial Report (CAFR). This CAFR represents the official report of the City of Beachwood's operations and financial position for the year ended December 31, 2009, and has been developed to accurately detail the status of City finances to Beachwood residents and elected officials, investment banks and underwriters, rating agencies and all other interested parties. This report enables the City to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires the cities reporting on a GAAP basis to file an unaudited annual report with the Auditor of State within 150 days of year end.

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

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

In accordance with Ohio law, independent audits are required to be performed on all financial operations of the City. Either the Auditor of the State of Ohio or, if the Auditor permits, an independent public accounting firm conducts these audits. The Beachwood City Council selected the Auditor of State's Office to perform these services for the year 2009. The independent accountant's report is presented in the Financial Section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent accountant's report and provides a narrative introduction, overview, and analysis of the basic financial statements. Management's Discussion and Analysis complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

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

The City of Beachwood covers approximately 5.25 square miles, and serves a population of 12,186. Due to factors attracting commercial interests to Beachwood it is estimated that approximately 100,000 people come to Beachwood daily to work, shop, or visit.

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

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

Beachwood residents receive water services from the City of Cleveland and sewer services from the Northeast Ohio Regional Sewer District. Beachwood safety forces are partners with other local municipalities for joint response fire and police services.

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

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

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

In accordance with State law, all funds, with the exception of agency funds, are legally required to be budgeted and appropriated. The legal level of control has been established by Council at the personal services and other object level within each fund. Modifications or amendments to control levels in the Appropriation Ordinance require Council approval; internal City financial policies permit fund transfers within control levels with approval by the Mayor and Finance Director.

Annual appropriations for the current year are determined by Council action on or before December 31.

Local Economy

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

The City currently maintains an Aaa rating with Moody's Investor Service and a AAA rating with Fitch Investors Service, two of the three largest recognized rating agencies of municipal debt. These ratings demonstrate the City's high level of performance as it relates to management and administration of government resources, effective debt management with moderate low levels, vibrant and diverse local economy, and strong finances. The City is very proud of these ratings and will strive to continue at the level of excellence required to maintain them.

The City has consistently enjoyed the benefits of a strong commercial employment base that has provided for a consistent level of withholding tax collections. This strong commercial base allows the City of Beachwood to be one of the few communities in northeast Ohio that gives a 100 percent income tax credit to its residents and has a tax rate of 1.5 percent or less. Initially implemented as a temporary measure for 1997-1998, the credit was extended indefinitely in the year 2000. This credit allows residents working in locations outside Beachwood to receive 100 percent credit for all income taxes paid to other taxing districts. This credit, in addition to the low property tax rates levied by the City, has continued to make Beachwood an attractive alternative to new homebuyers and proved to be a factor in the overall stability of the City's residential population. However, in 2009 the City was not immune to the economic downturn of the entire country as our withholding tax revenue decreased by approximately 10 percent. It is anticipated that this downward trend may continue through 2010, but will recover along with the overall economy and the opening of University Hospital's Ahuja Medical Center in late 2010. Ultimately it is anticipated that the medical center will bring approximately 750 – 1,000 jobs to the City. However, in order to continue to provide the high level of service our residents have come to expect, it is possible the City may need to explore its first income tax increase in twenty years.

The area of Beachwood known as Chagrin Highlands is the largest area of future commercial development in the City. Commercial development in this area promises to deliver a blend of custom designed corporate headquarters, multi-tenant buildings, hotels, restaurants and business service enterprises that will add to the tax base of the City. Of this 630-acre site, 408.25 acres are located in the City, the remaining acres are located in the following entities: Village of Highland Hills, Village of Orange and City of Warrensville Heights.

The Chagrin Highlands will be a focal point of future economic growth for the City. Employment projections for the next twenty years indicate that potentially 20,000 individuals will obtain jobs in Chagrin Highlands businesses.

In early 2010 LifeTime Fitness opened a new state of the art fitness center in the Chagrin Highlands. The 112,000 square foot facility has over 400 pieces of exercise equipment, a rock climbing area, two gyms, two indoor pools, an outdoor pool with tube slides, a child center and much more.

In 2006 University Hospitals announced that they will be developing a 53-acre site in the Chagrin Highlands. This development will be a state of the art campus featuring a 200 bed hospital, an ambulatory surgery center, physician offices, and community outreach and education capabilities. Construction of this facility began in 2008 and is expected to be completed by 2010.

In 2009 the City approved a tax incentive package with Eaton Corporation to build their world headquarters in the City of Beachwood. This development will take place on approximately 50 acres of land in the west side of the Chargin Highlands. It is anticipated that construction of the roadway in this area will begin in 2010, and that construction of the world headquarters will be completed sometime during 2012 in celebration of Eaton's 100th anniversary. It is anticipated that Eaton will initially employ approximately 500 people at this site and eventually grow to over 1,000 people at this site. The City feels very strongly that this development will spur other substantial development within the Chargin Highlands.

Bank of America is presently the City's largest employer. Bank of America is the nation's largest credit and debit card provider, the largest provider of checking and saving services and the leading home equity lender. However, the Cleveland Clinic Foundation has purchased the campus of five buildings previously owned by Bank of America. Bank of America continues to occupy two of these buildings and remains the City's largest employer. The Cleveland Clinic is currently the City's second largest employer and combined these two entities employed over 3,000 people in the City during 2009.

In an effort to maintain the City's strong commercial base the City created an Economic Development Department in late 2009. This department assumed the functions, including operation of the Beachwood Business Development Center, previously performed by the Beachwood Chamber of Commerce under a contract with the City. The Center, which is a partnership between the City of Beachwood and Cleveland State University, is an integral part of the City's economic development program. The Center's mission is to attract new businesses to the City and provide a comprehensive plan to help grow and nurture those businesses. Recognizing that the first year of operation is critical to small and medium-sized businesses, the Center offers support to both foreign and domestic start-up firms as well as more mature companies looking to enter the Beachwood market. The Center offers support services and resources that help accelerate the growth and success of entrepreneurial and co-located companies. Its goal is to produce successful firms that will leave the Center financially viable and freestanding. As a result, successful companies will emerge. This will create jobs, commercialize new technologies and enhance the stability of the City.

In an effort to provide the highest level of services to its residential and business community the City has spent approximately \$74,000,000 over the past ten years on City streets, facilities and recreational areas. Most of these improvements were financed with existing funds; only \$16,655,000 in general obligation debt was issued to finance these improvements.

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

Long-term financial planning and relevant financial policies

For the past ten years the City has focused on an extensive Master Plan to meet the future growth of the City. These initiatives are designed to improve the general level of operations of the City and to enhance the level of services and benefits provided to its residential and commercial residents. Since 2001, residents have benefited from construction of a new fire station, new recreational facilities, which include tennis courts, the Beachwood Family Aquatic Center, a park with walking/jogging trails, a sledding hill, and a picnic pavilion, and the expansion and remodeling of the existing Municipal Building and Community Center.

Currently the City is in the process of renovating an approximately 300,000 square foot building purchased

in 2008. This building will become the new home of the City's Service Department. In addition to the Service Department, this building may eventually become the home to the Business Development Center.

The City plans to study the future needs of the City due to general growth of the City and the development of the Chagrin Highlands area.

Additionally, on an annual basis, the City budgets for road improvement projects. These projects are generally funded out of the Capital Improvement Fund. The Capital Improvement Fund is funded by excess reserves accumulated in the General Fund that are transferred to the Capital Improvement Fund on a periodic basis.

As an informal policy, the City attempts to maintain a General Fund balance of approximately 50 percent of General Fund revenues.

Major initiatives

In addition to the renovation of the building in the Commerce Park area that will become the future location of the Service Department, the City will continue studying its future needs to determine what issues the City faces. Based on this the City will develop a new Master Plan. Part of this plan will include potential uses for three additional sites owned north of Chagrin Boulevard. Two of these sites contain existing buildings and one is a vacant parcel of land. These sites were all purchased in anticipation of the City's future needs to adequately service the area of Chagrin Highlands. With the opening of the University Hospital and proposed future world headquarters of Eaton Corporation the use of these sites will become a priority for the City.

AWARDS

GFOA Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Beachwood for its comprehensive annual financial report for the year ended December 31, 2008. This was the eleventh consecutive year that the City has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR). This report must satisfy both generally accepted accounting standards and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

GFOA Outstanding Achievement in Popular Annual Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Beachwood for its Popular Annual Financial Report for the year ended December 31, 2008. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. This was the eighth consecutive year that the City has achieved this prestigious award.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.

GFOA Distinguished Budget Presentation Award

The Government Finance Officer Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Beachwood, Ohio for its annual budget for the year beginning January 1, 2009. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for a period of one year only. This was the sixth year the City achieved the award.

ACKNOWLEDGMENTS

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

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

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

Respectfully submitted,



Merle S. Gorden
Mayor



David A. Pfaff, CPA
Director of Finance

City of Beachwood, Ohio

City Officials - as of December 31, 2009

ELECTED OFFICIALS

Mayor-Safety Director Merle S. Gorden
President of Council Mark I. Wachter

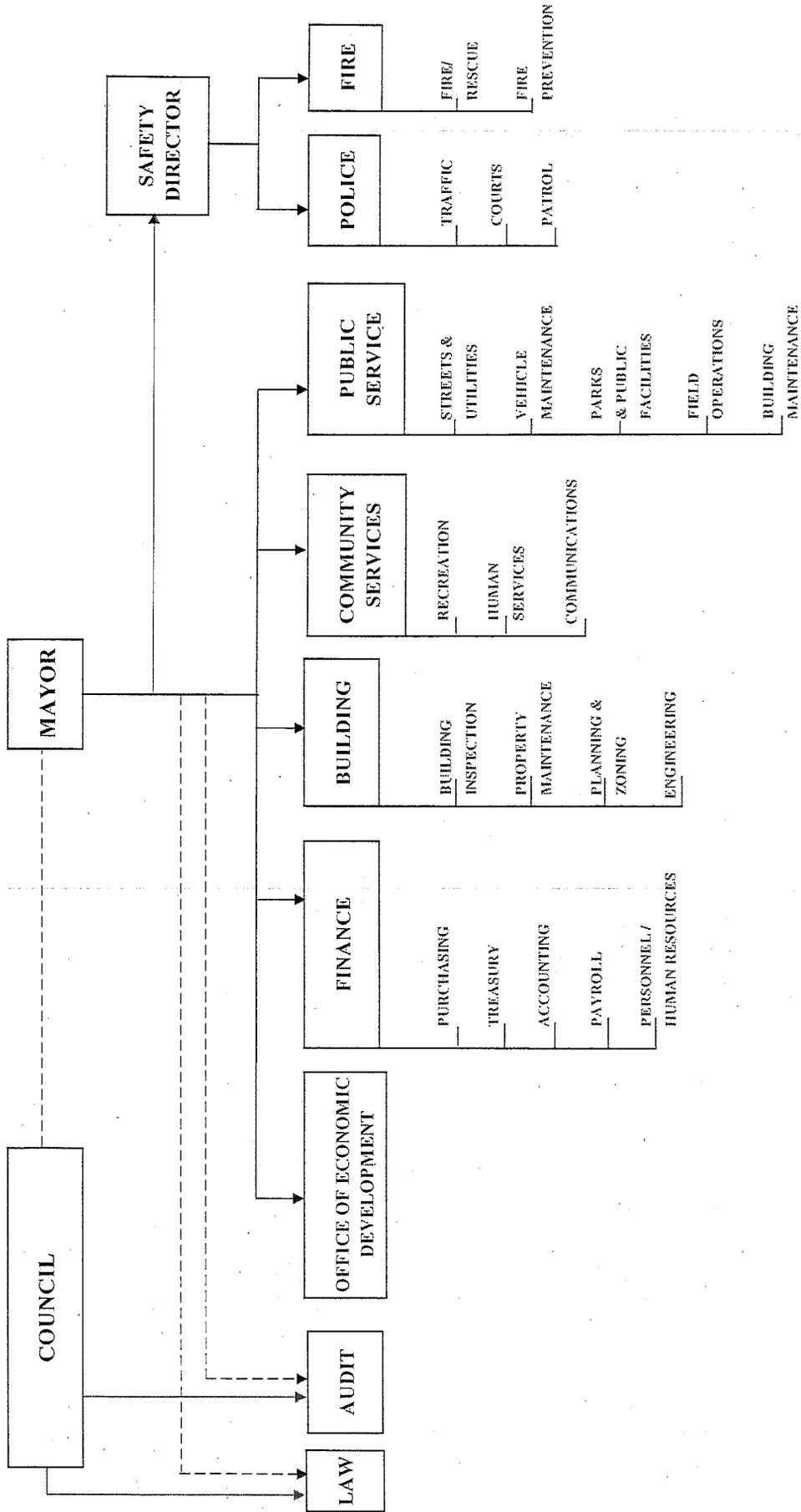
Council Member Martin D. Arsham
Council Member Saul Eisen
Council Member Fredric S. Goodman
Council Member Melvin M. Jacobs
Council Member Kenneth W. Kleinman
Council Member Mark Mintz

APPOINTED OFFICIALS

Finance Director David A. Pfaff
Police Chief Mark S. Sechrist
Fire Chief Patrick J. Kearns
Service Director Dale H. Pekarek
Building Commissioner..... William B. Griswold
Clerk of Courts Gina M. Benadum
Community Service Director Karen A. Carmen
Law Director Margaret Anne Cannon
City Auditor Harvey S. Rose
Staff Engineer Thomas S. Kreczko
Clerk of Council Karen M. Navolanic

CITY OF BEACHWOOD

Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Beachwood
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

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.



President

Executive Director

FINANCIAL SECTION





Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

City of Beachwood
Cuyahoga County
25325 Fairmount Boulevard
Beachwood, Ohio 44122

To the Members of City Council:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Beachwood, Cuyahoga County, Ohio (the City), as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City'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 City of Beachwood, Cuyahoga County, Ohio, as of December 31, 2009, and the respective changes in financial position thereof and the budgetary comparison for the General Fund 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 June 21, 2010, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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



Mary Taylor, CPA
Auditor of State

June 21, 2010

City of Beachwood, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

The discussion and analysis of the City of Beachwood's (the City) financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2009. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers are encouraged to consider the information presented here in conjunction with the transmittal letter, the basic financial statements and the accompanying notes to those financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2009 are as follows:

- In 2009, the City issued \$3,000,000 in bond anticipation notes to refinance notes that were originally issued in 2008. The original note issue was for the purchase of the new Service department building, purchased in 2008.
- Income taxes decreased significantly (10.2 percent) due to the state of the economy.
- Interest income was significantly lower than the previous year.
- Expenses increased largely due to an increase in salaries and workers compensation.

Using this Annual Financial Report

This annual report consists of a series of financial statements some of which focus on the City as a whole (government-wide) and some of which focus on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the City's accountability.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those assets. Major 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 dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

Reporting the City of Beachwood as a Whole

Statement of Net Assets and the Statement of Activities

One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question.

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

City of Beachwood, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

From the Statement of Net Assets, you can determine the City's current financial position by subtracting total liabilities (what the City owes) from total assets (what the City owns). Over time, increases or decreases in the City's net assets are one indicator of whether the City's financial health is improving or deteriorating. From the Statement of Activities, you can determine what the cost of governmental services are and how much of that cost is financed by taxpayers, where the City gets its money and how it is used, whether the City is better or worse off financially and why and will the City be able to finance services in the future. Other non-financial factors such as changes in the City's property tax base, income tax base and the condition of the City's capital assets should be considered to assess the overall financial health of the City.

Reporting on the Most Significant Funds of the City of Beachwood

Fund Financial Statements

The fund financial statements which begin on page 14, provide detailed information about the City's major funds and include the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances. These statements tell how City services charged to major funds were financed in the short-term as well as what remains for future spending. For the City of Beachwood, the most significant governmental funds are the General Fund, Bond Retirement Fund and Capital Improvements Fund.

All of the City's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are 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 City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or less financial resources that can be spent in the near future on services provided to our residents. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the fund financial statements.

The City of Beachwood as a Whole

Statement of Net Assets

As noted earlier, the Statement of Net Assets looks at the City as a whole and can prove to be a useful indicator of the City's financial position. Table 1 provides a summary of the City's net assets for 2009 and 2008.

City of Beachwood, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

Table 1
Net Assets

	Governmental Activities		
	2009	2008	Change
Assets			
Total Current and Other Assets	\$46,691,765	\$49,908,709	(\$3,216,944)
Nondepreciable Capital Assets, Net	13,476,757	13,180,236	296,521
Depreciable Capital Assets, Net	72,604,733	75,458,585	(2,853,852)
<i>Total Assets</i>	<u>132,773,255</u>	<u>138,547,530</u>	<u>(5,774,275)</u>
Liabilities			
Total Current & Other Liabilities	7,656,678	7,765,487	(108,809)
Long-Term Liabilities:			
Due Within One Year	2,275,087	2,095,911	179,176
Due Within More Than One Year	14,917,320	16,171,787	(1,254,467)
Total Liabilities	<u>24,849,085</u>	<u>26,033,185</u>	<u>(1,184,100)</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	71,402,619	72,898,821	(1,496,202)
Restricted for:			
Debt Service	4,923,226	5,618,839	(695,613)
Unclaimed Monies	13,504	14,063	(559)
Streets	998,845	828,200	170,645
Other Purposes	299,472	215,509	83,963
Unrestricted	30,286,504	32,938,913	(2,652,409)
Total Net Assets	<u>\$107,924,170</u>	<u>\$112,514,345</u>	<u>(\$4,590,175)</u>

The largest portion of the City's net assets (66.2 percent) reflects investments in capital assets (e.g. land, construction in progress, buildings, improvements, equipment, vehicles and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending.

The City's financial position decreased from 2008 to 2009 as indicated by the decrease in total net assets for governmental activities of \$4,590,175.

City of Beachwood, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

Table 2 shows the changes in net assets for fiscal year 2009 and 2008 and corresponds to the Statement of Activities.

Table 2
Change in Net Assets

	Governmental Activities		
	2009	2008	Change
Revenues			
Program Revenues			
Charges for Services	\$3,450,764	\$3,118,865	\$331,899
Operating Grants and Contributions	597,827	545,007	52,820
General Revenues			
Property Taxes	3,086,326	2,879,810	206,516
Municipal Income Tax	18,401,803	20,499,143	(2,097,340)
Admission, Lodging and Franchise Taxes	843,488	1,075,743	(232,255)
Estate Taxes	2,643,793	4,593,353	(1,949,560)
Grants and Entitlements	112,837	837,516	(724,679)
Investment Earnings	486,690	1,775,606	(1,288,916)
Gain on Sale of Capital Assets	0	7,508	(7,508)
Other	213,456	359,909	(146,453)
Total Revenues	29,836,984	35,692,460	(5,855,476)
Program Expenses			
General Government	4,875,105	4,447,184	427,921
Public Safety:			
Police	7,920,359	7,546,514	373,845
Fire	5,982,995	5,606,352	376,643
Public Services	10,531,157	10,634,883	(103,726)
Health and Welfare	539,326	637,802	(98,476)
Culture and Recreation	2,813,885	2,715,802	98,083
Building and Community Development	979,295	959,136	20,159
Interest and Fiscal Charges	785,037	788,112	(3,075)
Total Expenses	34,427,159	33,335,785	1,091,374
Change in Net Assets	(4,590,175)	2,356,675	(6,946,850)
Net Assets Beginning of Year	112,514,345	110,157,670	2,356,675
Net Assets End of Year	\$107,924,170	\$112,514,345	(\$4,590,175)

The decrease in revenues is due to a decrease in estate taxes, income taxes and investment earnings.

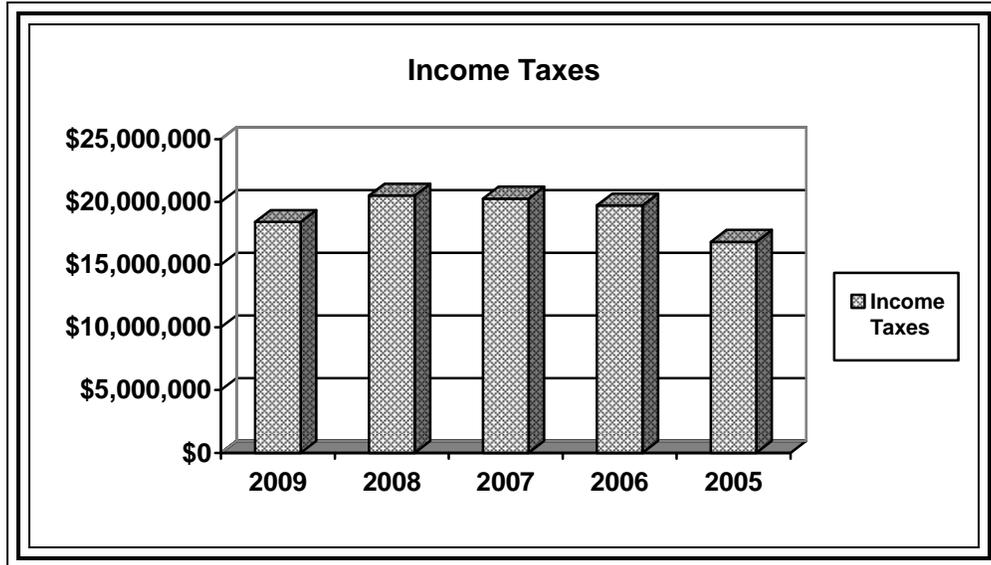
Total program expenses increased by 3.3 percent from 2008. This increase is mainly due to an increase in salaries, health benefits and workers compensation.

City of Beachwood, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

Governmental Activities

Several revenue sources fund our governmental activities with income tax revenue being the largest source. The City levies a municipal income tax of 1.5 percent on all income earned within the City as well as on income of residents earned outside of the City. The City gives a 100 percent credit for taxes paid to another municipality on income earned outside of the City. On a full accrual basis, the City received \$18,401,803 in income tax collections or 61.7 percent of total 2009 revenue. Other significant sources of revenue include property taxes and estate taxes of which the City received \$3,086,326 and \$2,643,793 respectively in 2009.

In 2009, the City saw its first significant decrease in income taxes in many years. The chart below identifies income tax receipts for the last five years.



City of Beachwood, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

Table 3 presents a summary of governmental activity expenses and the net cost of providing these services (excluding general revenues).

Table 3
Governmental Activities

	Total Cost of Services 2009	Net Cost of Services 2009	Total Cost of Services 2008	Net Cost of Services 2008
General Government	\$4,875,105	(\$4,216,487)	\$4,447,184	(\$4,166,035)
Public Safety				
Police	7,920,359	(7,589,985)	7,546,514	(7,417,758)
Fire	5,982,995	(5,205,913)	5,606,352	(4,873,856)
Public Services	10,531,157	(9,949,406)	10,634,883	(10,105,952)
Health and Welfare	539,326	(407,793)	637,802	(460,467)
Culture and Recreation	2,813,885	(1,976,898)	2,715,802	(1,935,327)
Building and				
Community Development	979,295	(247,049)	959,136	75,594
Interest and Fiscal Charges	785,037	(785,037)	788,112	(788,112)
Total	\$34,427,159	(\$30,378,568)	\$33,335,785	(\$29,671,913)

The negative amounts indicated in Table 3 should not be construed as something bad; they are merely indicative of whether a particular function of government relies on general revenues for financing or is a net contributor of resources to the general government. The total cost of services and the net cost of services increased in 2009.

Public safety expenses account for approximately 40.4 percent of total 2009 expenses. A significant portion of these expenses can be attributed to salaries, wages and employee benefits. As of December 31, 2009, the City employed 42 full time police officers and 39 full time firefighters. Other significant expenses include public service expenses which make up approximately 30.6 percent of total expenses. The majority of public services expenses include salaries, benefits and infrastructure depreciation.

The City's Funds

Information about the City's major governmental funds begins on page 14. These funds are accounted for using the modified accrual basis of accounting.

The general fund is the chief operating fund of the City. The total fund balance at December 31, 2009 and 2008 was \$21,498,231 and \$26,598,560 respectively. The decrease is largely due to a transfer to the Capital Improvement Fund and the decrease in income tax revenue.

City of Beachwood, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

The bond retirement fund is used to account for the accumulation of resources for, and the payment of, various types of debt principal, interest and related costs. The fund balance at December 31, 2009 and 2008 was \$521,467 and \$522,545 respectively. The bond retirement fund receives revenue through special assessments levied against various property owners. Additional monies are received from other financing sources such as the issuance of bonds and notes and transfers from the general fund. Expenditures are for payment of debt principal, interest and debt related costs.

The capital improvements fund is used to account for the flow of resources related to the construction, acquisition, and renovation of capital assets. This fund is funded with excess revenue from the general fund. The City strives to maintain a general fund balance which is 50 percent of general fund revenues. Any excess may be transferred to the capital improvements fund. The fund balance at December 31, 2009 and 2008 was \$8,864,937 and \$6,126,910 respectively. For 2009, the City transferred \$4,042,028 to the capital improvement fund for building renovations that are planned for 2010.

General Fund Budgeting Highlights

The City'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. The legal level of control has been established by Council at the personal services and other object level within each fund. Any budgetary modifications at this level may only be made by ordinance of City Council. During the course of 2009, the City amended its general fund budget several times. In addition to day-to-day budget monitoring, the Finance Director closely examines the budget with the preparation of the monthly financial statements and quarterly budget analysis reports.

For the general fund, original budgeted revenues were \$31,164,556; final budget amounts were \$30,715,177; and actual revenue collections were \$31,031,318. The majority of the increase in actual revenue over the final budgeted amount is due to estate taxes. Due to the unpredictable nature of estate taxes; estate taxes are always conservatively budgeted. Final budgeted appropriations were \$35,051,494 and actual expenditures were \$30,920,993. Appropriations are always conservatively budgeted on the high side. Additionally, most of the capital equipment budgeted for 2009 was not purchased due to the economy, health care expenditures were not as high as originally budgeted for and two positions budgeted for were not filled which accounts for the difference between budgeted appropriations and actual expenditures.

Debt Administration and Capital Assets

Debt

Table 4 summarizes outstanding debt at December 31, 2009 compared to December 31, 2008.

The general obligation bonds will be paid out of the debt service fund with funds transferred from the general fund. The special assessment bonds will be paid from the proceeds of special assessments levied against benefited property owners. The City issued bond anticipation notes in 2009 for the purchase of the new building. See Notes 14 and 15 to the basic financial statements for more information regarding the City's outstanding debt.

City of Beachwood, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

Table 4
Outstanding Debt at Year End

	Governmental Activities	
	2009	2008
General Obligation Bonds	\$10,894,484	\$11,454,116
Special Assessment Bonds	3,735,000	4,440,000
General Obligation Notes	3,000,000	3,000,000
<i>Totals</i>	\$17,629,484	\$18,894,116

Capital Assets

Table 5 compares capital assets as of December 31, 2009 to balances at December 31, 2008.

Table 5
Capital Assets at December 31
(Net of Depreciation)

	Governmental Activities	
	2009	2008
Land	\$13,180,236	\$13,180,236
Land Improvements	5,153,816	5,450,438
Buildings and Improvements	33,050,335	33,847,989
Furniture and Equipment	1,930,385	2,033,806
Vehicles	1,558,280	1,651,188
Construction in Progress	296,521	0
Infrastructure		
Streets	25,103,287	26,490,918
Water Lines	2,753,106	2,851,632
Sanitary Sewers	1,600,625	1,641,174
Storm Sewers	1,454,899	1,491,440
<i>Totals</i>	\$86,081,490	\$88,638,821

City of Beachwood, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

Due to the declining economy, most of the capital equipment budgeted for 2009 was not purchased. Significant capital asset additions include the following:

- Road improvements.
- Upgraded the Mobile Data Terminals (MDT's) in all fire vehicles. The new system provides for live streaming video from the fire vehicles to the station, Global Positioning System (GPS) functionality to aid in response to calls and streamlined management of the systems.
- Replaced several large pieces of equipment, vehicles and trucks. The Police department has a vehicle rotation schedule which the City adheres to. The Service department is in the process of developing a rotation schedule for trucks.

With regards to the City's infrastructure, the City engineer maintains a comprehensive listing of all streets, waterlines and sanitary and storm sewer lines. As part of the annual road maintenance program, the Engineer and the Service Director evaluate the condition of the streets and identify which roads need to be repaired or replaced the following year. Over the last five years, the City has averaged \$2.3 million a year for the road maintenance program.

See Note 6 to the basic financial statements for additional information on the City's capital assets.

Current Financial Related Activities

Due to the current economic conditions, the City has delayed purchasing most capital equipment requests. However, the City is proceeding with planned renovations for the Service Department. The City will continue to monitor the economy and make decisions that are in the best interest of its residents.

Contacting the City's Finance Department

This financial report is designed to provide a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact David A. Pfaff, CPA, Finance Director at the City of Beachwood, 25325 Fairmount Boulevard, Beachwood, Ohio 44122, 216-292-1913, or email at david.pfaff@beachwoodohio.com.

City of Beachwood, Ohio

Statement of Net Assets

December 31, 2009

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$32,423,841
Cash and Cash Equivalents in Segregated Accounts	2,501
Accounts Receivable	80,713
Estate Taxes Receivable	851,971
Admission Taxes Receivable	8,432
Lodging Taxes Receivable	32,546
Franchise Taxes Receivable	26,763
Intergovernmental Receivable	425,676
Materials and Supplies Inventory	729,410
Prepaid Items	157,154
Property Taxes Receivable	3,416,999
Income Taxes Receivable	3,753,152
Special Assessments Receivable	4,759,762
Accrued Interest Receivable	22,845
Nondepreciable Capital Assets	13,476,757
Depreciable Capital Assets, Net	<u>72,604,733</u>
<i>Total Assets</i>	<u>132,773,255</u>
Liabilities	
Accounts Payable	551,133
Retainage Payable	13,286
Accrued Wages	472,115
Intergovernmental Payable	1,008,334
Deferred Revenue	2,529,329
Accrued Interest Payable	59,304
Notes Payable	3,023,177
Long-Term Liabilities:	
Due Within One Year	2,275,087
Due In More Than One Year	<u>14,917,320</u>
<i>Total Liabilities</i>	<u>24,849,085</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	71,402,619
Restricted for:	
Debt Service	4,923,226
Unclaimed Monies	13,504
Streets	998,845
Other Purposes	299,472
Unrestricted	<u>30,286,504</u>
<i>Total Net Assets</i>	<u><u>\$107,924,170</u></u>

See accompanying notes to the basic financial statements

City of Beachwood, Ohio
Statement of Activities
For the Year Ended December 31, 2009

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
General Government	\$4,875,105	\$658,618	\$0	(\$4,216,487)
Public Safety:				
Police	7,920,359	314,298	16,076	(7,589,985)
Fire	5,982,995	777,082	0	(5,205,913)
Public Services	10,531,157	0	581,751	(9,949,406)
Health and Welfare	539,326	131,533	0	(407,793)
Culture and Recreation	2,813,885	836,987	0	(1,976,898)
Building and				
Community Development	979,295	732,246	0	(247,049)
Interest and Fiscal Charges	785,037	0	0	(785,037)
<i>Total Governmental Activities</i>	<u>\$34,427,159</u>	<u>\$3,450,764</u>	<u>\$597,827</u>	<u>(30,378,568)</u>
General Revenues:				
Property Taxes Levied for				
General Purposes				2,829,210
Police Pension				257,116
Municipal Income Taxes Levied for				
General Purposes				18,401,803
Admission, Lodging and Franchise Taxes				843,488
Estate Taxes				2,643,793
Grants and Entitlements not Restricted to Specific Programs				112,837
Investment Earnings				486,690
Other				213,456
<i>Total General Revenues</i>				<u>25,788,393</u>
Change in Net Assets				(4,590,175)
<i>Net Assets Beginning of Year</i>				<u>112,514,345</u>
<i>Net Assets End of Year</i>				<u>\$107,924,170</u>

See accompanying notes to the basic financial statements

City of Beachwood, Ohio

Balance Sheet

Governmental Funds

December 31, 2009

	General	Bond Retirement	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$18,948,764	\$521,467	\$11,897,335	\$1,042,771	\$32,410,337
Cash and Cash Equivalents In Segregated Accounts	2,501	0	0	0	2,501
Property Taxes Receivable	3,160,724	0	0	256,275	3,416,999
Income Taxes Receivable	3,753,152	0	0	0	3,753,152
Estate Taxes Receivable	851,971	0	0	0	851,971
Admission Taxes Receivable	8,432	0	0	0	8,432
Lodging Taxes Receivable	32,546	0	0	0	32,546
Franchise Taxes Receivable	26,763	0	0	0	26,763
Accounts Receivable	80,713	0	0	0	80,713
Intergovernmental Receivable	215,005	0	0	210,671	425,676
Accrued Interest Receivable	22,845	0	0	0	22,845
Materials and Supplies Inventory	729,410	0	0	0	729,410
Prepaid Items	157,154	0	0	0	157,154
Special Assessments Receivable	0	4,457,313	302,449	0	4,759,762
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	13,504	0	0	0	13,504
<i>Total Assets</i>	<u>\$28,003,484</u>	<u>\$4,978,780</u>	<u>\$12,199,784</u>	<u>\$1,509,717</u>	<u>\$46,691,765</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$545,662	\$0	\$5,471	\$0	\$551,133
Retainage Payable	5,993	0	0	7,293	13,286
Accrued Wages	472,115	0	0	0	472,115
Intergovernmental Payable	993,927	0	0	14,407	1,008,334
Deferred Revenue	4,487,556	4,457,313	302,449	398,199	9,645,517
Accrued Interest Payable	0	0	3,750	0	3,750
Notes Payable	0	0	3,023,177	0	3,023,177
<i>Total Liabilities</i>	<u>6,505,253</u>	<u>4,457,313</u>	<u>3,334,847</u>	<u>419,899</u>	<u>14,717,312</u>
Fund Balances					
Reserved for Encumbrances	973,241	0	205,532	31,663	1,210,436
Reserved for Unclaimed Monies	13,504	0	0	0	13,504
Unreserved					
Undesignated, Reported in:					
General Fund	20,511,486	0	0	0	20,511,486
Special Revenue Funds	0	0	0	1,058,155	1,058,155
Debt Service Fund	0	521,467	0	0	521,467
Capital Projects Fund	0	0	8,659,405	0	8,659,405
<i>Total Fund Balances</i>	<u>21,498,231</u>	<u>521,467</u>	<u>8,864,937</u>	<u>1,089,818</u>	<u>31,974,453</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$28,003,484</u>	<u>\$4,978,780</u>	<u>\$12,199,784</u>	<u>\$1,509,717</u>	<u>\$46,691,765</u>

See accompanying notes to the basic financial statements

City of Beachwood, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2009*

Total Governmental Fund Balances	\$31,974,453
 <i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	86,081,490
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	
Property Taxes	887,670
Intergovernmental	519,737
Special Assessments	4,759,762
Municipal Income Taxes	949,019
	7,116,188
Total	7,116,188
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental fund, an interest expenditure is reported when due.	(55,554)
Long-term liabilities, including bonds and compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	
Special Assessment Bonds	(3,735,000)
General Obligation Bonds	(10,750,000)
Premium on Bonds	(144,484)
Compensated Absences	(2,562,923)
	(17,192,407)
Total	(17,192,407)
<i>Net Assets of Governmental Activities</i>	<u><u>\$107,924,170</u></u>

See accompanying notes to the basic financial statements

City of Beachwood, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2009

	General	Bond Retirement	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	\$2,698,540	\$0	\$0	\$197,296	\$2,895,836
Municipal Income Taxes	18,325,854	0	0	0	18,325,854
Charges for Services	2,442,116	0	0	0	2,442,116
Fines, Licenses and Permits	976,022	0	0	19,309	995,331
Intergovernmental	662,313	0	0	578,244	1,240,557
Estate Taxes	2,430,800	0	0	0	2,430,800
Admission Taxes	130,552	0	0	0	130,552
Lodging Taxes	607,839	0	0	0	607,839
Franchise Taxes	105,097	0	0	0	105,097
Special Assessments	0	853,665	20,848	13,317	887,830
Interest	414,188	70,701	0	22,074	506,963
Other	213,456	0	0	0	213,456
<i>Total Revenues</i>	<u>29,006,777</u>	<u>924,366</u>	<u>20,848</u>	<u>830,240</u>	<u>30,782,231</u>
Expenditures					
Current:					
General Government	4,252,552	0	0	5,238	4,257,790
Public Safety:					
Police	7,609,256	0	0	210,856	7,820,112
Fire	5,872,364	0	0	6,730	5,879,094
Public Services	7,364,714	0	0	411,938	7,776,652
Health and Welfare	535,376	0	0	0	535,376
Culture and Recreation	2,401,030	0	0	0	2,401,030
Building and Community Development	964,252	0	0	0	964,252
Capital Outlay	0	0	1,261,144	0	1,261,144
Debt Service:					
Principal Retirement	0	1,255,000	0	0	1,255,000
Interest and Fiscal Charges	0	735,978	63,705	0	799,683
<i>Total Expenditures</i>	<u>28,999,544</u>	<u>1,990,978</u>	<u>1,324,849</u>	<u>634,762</u>	<u>32,950,133</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>7,233</u>	<u>(1,066,612)</u>	<u>(1,304,001)</u>	<u>195,478</u>	<u>(2,167,902)</u>
Other Financing Sources (Uses)					
Transfers In	0	1,065,534	4,042,028	0	5,107,562
Transfers Out	(5,107,562)	0	0	0	(5,107,562)
<i>Total Other Financing Sources (Uses)</i>	<u>(5,107,562)</u>	<u>1,065,534</u>	<u>4,042,028</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(5,100,329)</u>	<u>(1,078)</u>	<u>2,738,027</u>	<u>195,478</u>	<u>(2,167,902)</u>
<i>Fund Balances Beginning of Year</i>	<u>26,598,560</u>	<u>522,545</u>	<u>6,126,910</u>	<u>894,340</u>	<u>34,142,355</u>
<i>Fund Balances End of Year</i>	<u>\$21,498,231</u>	<u>\$521,467</u>	<u>\$8,864,937</u>	<u>\$1,089,818</u>	<u>\$31,974,453</u>

See accompanying notes to the basic financial statements

City of Beachwood, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2009*

Net Change in Fund Balances - Total Governmental Funds (\$2,167,902)

*Amounts reported for governmental activities in the
statement of activities are different because*

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital Asset Additions	2,149,956	
Capital Outlays	2,149,956	
Current Year Depreciation	(4,683,274)	
	(2,533,318)	(2,533,318)
Total		(2,533,318)

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (24,013)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property Taxes	190,490	
Intergovernmental	(337,173)	
Special Assessments	(874,513)	
Municipal Income Taxes	75,949	
	(945,247)	(945,247)
Total		(945,247)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 1,255,000

Some expenses 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.

Accrued Interest on Bonds	5,014	
Amortization of Premium	9,632	
	14,646	14,646
Total		14,646

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (189,341)

Change in Net Assets of Governmental Activities (\$4,590,175)

See accompanying notes to the basic financial statements

City of Beachwood, Ohio
*Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$2,585,805	\$2,585,805	\$2,698,540	\$112,735
Municipal Income Taxes	21,146,551	18,800,000	18,854,333	54,333
Charges for Services	1,000,000	2,400,000	2,448,680	48,680
Fines, Licenses and Permits	1,000,000	1,000,000	973,541	(26,459)
Intergovernmental	632,000	637,372	660,507	23,135
Estate Taxes	2,300,000	2,600,000	3,398,638	798,638
Admission Taxes	175,000	175,000	133,596	(41,404)
Lodgings Taxes	800,000	1,000,000	616,913	(383,087)
Franchise Taxes	120,000	120,000	103,755	(16,245)
Interest	1,145,000	1,145,000	911,480	(233,520)
Other	260,200	252,000	231,335	(20,665)
<i>Total Revenues</i>	<u>31,164,556</u>	<u>30,715,177</u>	<u>31,031,318</u>	<u>316,141</u>
Expenditures				
Current:				
General Government	5,105,272	5,295,272	4,547,010	748,262
Public Safety:				
Police	8,197,731	8,197,731	7,806,642	391,089
Fire	6,737,854	6,737,854	6,347,371	390,483
Public Services	9,678,385	9,919,785	7,978,099	1,941,686
Health and Welfare	790,196	801,196	609,952	191,244
Culture and Recreation	2,861,640	2,869,140	2,636,597	232,543
Building and Community Development	1,230,516	1,230,516	995,322	235,194
<i>Total Expenditures</i>	<u>34,601,594</u>	<u>35,051,494</u>	<u>30,920,993</u>	<u>4,130,501</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(3,437,038)	(4,336,317)	110,325	4,446,642
Other Financing Uses				
Transfers Out	(7,107,562)	(5,107,562)	(5,107,562)	0
<i>Net Change in Fund Balance</i>	(10,544,600)	(9,443,879)	(4,997,237)	4,446,642
<i>Fund Balance Beginning of Year</i>	19,680,054	19,680,054	19,680,054	0
Prior Year Encumbrances Appropriated	2,207,956	2,207,956	2,207,956	0
<i>Fund Balance End of Year</i>	<u>\$11,343,410</u>	<u>\$12,444,131</u>	<u>\$16,890,773</u>	<u>\$4,446,642</u>

See accompanying notes to the basic financial statements

City of Beachwood, Ohio
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2009

	Private Purpose Trust	Agency
Assets		
Equity in Pooled Cash and Cash Equivalents	\$1,133	\$533,328
Liabilities		
Undistributed Monies	0	\$2,553
Deposits Held and Due to Others	0	530,775
<i>Total Liabilities</i>	0	\$533,328
Net Assets		
Held in Trust for Recreation	1,133	
<i>Total Net Assets</i>	\$1,133	

See accompanying notes to the basic financial statements

City of Beachwood, Ohio
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
For the Year Ended December 31, 2009

	<u>Private Purpose Trust</u>
Additions	
Interest	\$30
Deductions	
Materials and Supplies	<u>84</u>
<i>Change in Net Assets</i>	(54)
<i>Net Assets Beginning of Year</i>	<u>1,187</u>
<i>Net Assets End of Year</i>	<u><u>\$1,133</u></u>

See accompanying notes to the basic financial statements

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 1 – Description of the City and Reporting Entity

The City was incorporated as a village in 1915 and became a city in 1960. The City of Beachwood (“The City”) is a charter municipal corporation, incorporated under the laws of the State of Ohio. The City operates under a “Mayor-Council” form of government. Elected officials include seven council members and a mayor. Council members are elected on an at-large basis at the regular municipal election in November of odd numbered years for a term of four years and serve staggered terms commencing on the first day of January after the election. The Mayor is elected every four years.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City.

The Mayor is an elected official who has a fiduciary responsibility for the collection and disbursement of Mayor’s Court fees and fines.

In addition to Mayor’s Court, the City of Beachwood provides the following services: police, fire, emergency medical and ambulance, rubbish collection and street construction, maintenance and repair.

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

The City participates in one jointly governed organization, the Northeast Ohio Public Energy Council. This organization is described in Note 13 of the Basic Financial Statements.

Note 2 - Summary of Significant Accounting Policies

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

A. Basis of Presentation

The City’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.

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Government-wide Financial Statements The Statement of Net Assets and the Statement of Activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. These statements usually distinguish between those activities of the City that are governmental and those that are considered business-type. The City, however, has no business-type activities.

The Statement of Net Assets presents the financial condition of the governmental activities of the City at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the City'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, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the City.

Fund Financial Statements During the year, the City segregates transactions related to certain City 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 City at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

B. Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. The City's funds are classified as either governmental or fiduciary.

Governmental Funds Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses 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 City's major governmental funds:

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

Bond Retirement Debt Service Fund The bond retirement debt service fund is used to account for transfers from the general fund and the collection of special assessments levied against benefited properties for the payment of special assessment and general obligation bond principal, interest and related costs.

Capital Improvements Fund The capital improvements fund accounts for transfers from the general fund and special assessments to be used for the acquisition, construction or improvement of major capital facilities.

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

The other governmental funds of the City account for grants and other resources whose use is restricted to a particular purpose.

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 City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City's trust fund is a private purpose trust which accounts for donated monies to provide funds for the Beachwood Men's Softball League. The City's agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The agency funds account for construction deposits, commercial permit taxes paid to the State, and withholdings tax collections that are due to the cities of Warrensville Heights and Cleveland.

C. 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 City are included on the Statement of Net Assets. The Statement of Activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total 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.

The private purpose trust fund is reported using the economic resources measurement focus.

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 and the statements presented for the fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis 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 year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within sixty days of year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the year in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied. (See Note 3.) Revenue from grants, entitlements and

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

donations is recognized in the 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 year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City 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 year-end: income tax, state-levied locally shared taxes (including gasoline tax and motor vehicle license fees), fines, licenses and permits, interest, grants and rentals.

Deferred Revenue Deferred 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 December 31, 2009, but which were levied to finance year 2010 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

E. Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through City records. Interest in the pool is presented as "equity in pooled cash and cash equivalents".

The City has segregated bank accounts for monies held separate from the City's central bank account. These depository accounts are presented as "Cash and Cash Equivalents in Segregated Accounts" and represent deposits.

During fiscal year 2009, investments were limited to U.S. Treasury Notes, federal home loan notes, federal farm credit bonds and STAROhio.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices or in the case of a mutual fund, the fund's current share price. Nonparticipating investment contracts such as non-negotiable certificate of deposits are reported at cost.

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on December 31, 2009.

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2009 amounted to \$414,188, which includes \$117,752 assigned from other City funds.

Investments with an original maturity of three months or less and investments of the cash management pool are presented on the financial statements as cash equivalents.

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2009, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of the purchase and the expenditure/expense in the year in which services are consumed.

G. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of expendable supplies.

H. Restricted Assets

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the general fund represent money set aside for unclaimed monies.

I. Bond Premium

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the straight line method. Bond premiums are presented as an increase of the face amount of the bonds payable. On governmental fund statements, bond premiums are receipted in the year the bonds are issued.

J. Fund Balance Reserve

The City reserves those portions of fund balance 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 encumbrances and unclaimed monies. The reserve for unclaimed monies represents cash that, under Ohio law, must remain unclaimed for five years before it becomes available for appropriation.

K. Capital Assets

The City's only capital assets are general capital assets. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of \$5,000. 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.

All capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Land Improvements	20 years
Buildings and Improvements	5 - 50 years
Furniture and Equipment	7 - 10 years
Vehicles	3 - 25 years
Infrastructure	8 - 50 years

The City's infrastructure consists of streets, water lines, sanitary sewers, and storm sewers and includes infrastructure acquired prior to December 31, 1980.

L. Compensated Absences

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the City's termination policy. The City records a liability for accumulated unused sick leave for all employees with 10 or more years of service or for employees age 50 or over regardless of years of service.

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 judgements, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

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 borrowing 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 or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for police, street lights and improvements to the Mayor's court.

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

O. Internal Activity

Transfers between governmental activities are eliminated on the government wide financial statements. Internal events that are allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Interfund payments for services provided and used are not eliminated.

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 interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

P. 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 City Administration and that are either unusual in nature or infrequent in occurrence.

Q. Estimates

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

R. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of 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 amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the personal services and other object level within each fund. For the personal service object level the Finance Director has been authorized to allocate and maintain appropriations within each department. For the other object level, the Finance Director with the approval of the Mayor, has been authorized to allocate appropriations within each department and any object level other

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

than personal services. Budgetary statements are presented beyond that legal level of control for information purposes only.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original and final budgeted amounts in the budgetary statements reflect the amounts on the certificate of estimated resources when the original and final appropriations were enacted by Council.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.

Note 3 - Receivables

Receivables at December 31, 2009, consisted primarily of municipal income taxes, property, estate, admissions, lodging, and franchise taxes, accounts, special assessments, interest, and intergovernmental receivables arising from grants, entitlements, and shared revenues. All receivables are deemed collectible in full. All receivables except property taxes and special assessments are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Special assessments expected to be collected in more than one year amount to \$4,457,313 in the Bond Retirement Fund and \$302,449 in the Capital Improvement Fund. At December 31, 2009 the amount of delinquent special assessments was \$25,729.

A. Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2009 for real and public utility property taxes represents collections of 2008 taxes.

2009 real property taxes are levied after October 1, 2009 on the assessed value as of January 1, 2009, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2009 real property taxes are collected in and intended to finance 2010.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2009 public utility property taxes which became a lien December 31, 2008, are levied after October 1, 2009, and collected in 2010 real property taxes.

The full tax rate for all City operations for the year ended December 31, 2009, was \$4.00 per 1,000 of assessed value. The assessed values of real and public utility property upon which 2009 property tax receipts were based are as follows:

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Real Property	\$739,083,970
Public Utility Property	<u>7,405,120</u>
Total Valuation	<u><u>\$746,489,090</u></u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Beachwood. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2009 and for which there is an enforceable legal claim. In the general and police pension funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2009 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while the remainder of the receivable is deferred.

B. Municipal Income Taxes

The City levies a municipal income tax of 1.5 percent on all income earned within the City as well as on income of residents earned outside of the City. In the latter case, the City allows a credit of 100 percent of the tax on the income earned outside of the City and paid to another municipality. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the Regional Income Tax Agency (RITA) at least quarterly. Corporations and other individual taxpayers are required to pay their estimated tax at least quarterly and file a final return annually. Taxes collected by RITA in one month are remitted to the City on the first and tenth business days of the following month. Income tax revenue is credited entirely to the general fund.

C. Intergovernmental Receivable

A summary of intergovernmental receivables follows:

Gasoline Tax	\$329,579
Homestead and Rollback	93,947
Other	<u>2,150</u>
Total	<u><u>\$425,676</u></u>

Note 4 - Budgetary Basis of Accounting

While the City is reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for 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 is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and the GAAP basis are:

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

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Investments reported at cost (budget) rather than fair value (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

Net Change in Fund Balance	
GAAP Basis	(\$5,100,329)
Net Adjustments for Revenue Accruals	1,533,574
Beginning Fair Value Adjustment for Investments	566,029
Ending Fair Value Adjustment for Investments	(75,062)
Net Adjustments for Expenditure Accruals	74,984
Encumbrances	<u>(1,996,433)</u>
Budget Basis	<u><u>(\$4,997,237)</u></u>

Note 5 - Deposits and Investments

The City has chosen to follow State statutes and classify monies held by the City into three categories:

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

Inactive deposits are public deposits that Council 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.

Interim monies held by the City can be deposited or 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;

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);
7. The State Treasurer's investment pool (STAROhio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

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

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest, or coupons;
3. Obligations of the City

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

Deposits

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in possession of an outside party. At year end, \$4,633,186 of the City's bank balance of \$6,280,477 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the Federal Deposit Insurance Corporation.

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

Investments are reported at fair value. As of December 31, 2009, the City had the following investments:

	Fair Value	Maturity		
		Less Than 6 Months	6-12 Months	1-5 Years
U.S. Treasury Notes	\$20,030,879	\$3,008,164	\$5,020,409	\$12,002,306
Federal Home Loan Notes	1,026,875	0	1,026,875	0
Federal Farm Credit Bonds	2,064,688	1,000,938	0	1,063,750
STAROhio	3,731,450	3,731,450	0	0
Total Investments	<u>\$26,853,892</u>	<u>\$7,740,552</u>	<u>\$6,047,284</u>	<u>\$13,066,056</u>

Interest Rate Risk As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires that operating funds be invested in short-term investments maturing within five years from the date of purchase and that the City's investment portfolio be structured so that securities mature to meet anticipated cash flow requirements.

Credit Risk STAROhio carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The Federal Home Loan Notes and the Federal Farm Credit Bonds are both rated Aaa by Moody's Investors Service. The City has no investment policy that addresses credit risk.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City 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 Notes and the Federal Farm Credit Bonds 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 City's name. The City does not have an investment policy dealing with investment custodial credit 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 or qualified trustee.

Concentration of Credit Risk The City places no limit on the amount it may invest in any one issuer. The City's investments in the U.S. Treasury Notes, Federal Home Loan Notes the Federal Farm Credit Bonds and Star Ohio represents 74.6, 3.8, 7.7 and 13.9 percent respectively, of the City's total investments.

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 6 – Capital Assets

Capital asset activity for the year ended December 31, 2009, was as follows:

	Balance 12/31/08	Additions	Deletions	Balance 12/31/09
Governmental Activities				
<i>Capital Assets, not being depreciated</i>				
Land	\$13,180,236	\$0	\$0	\$13,180,236
Construction in Progress	0	296,521	0	296,521
<i>Total Capital Assets, not being depreciated</i>	<u>13,180,236</u>	<u>296,521</u>	<u>0</u>	<u>13,476,757</u>
<i>Capital Assets, being depreciated</i>				
Land Improvements	7,278,348	66,525	0	7,344,873
Buildings and Improvements	39,661,896	7,190	0	39,669,086
Furniture and Equipment	4,776,724	224,297	0	5,001,021
Vehicles	6,056,594	223,301	(296,895)	5,983,000
Infrastructure				
Streets	54,006,217	1,332,122	(918,288)	54,420,051
Water Lines	3,785,505	0	0	3,785,505
Sanitary Sewers	2,027,430	0	0	2,027,430
Storm Sewers	1,827,042	0	0	1,827,042
<i>Total Capital Assets, being depreciated</i>	<u>119,419,756</u>	<u>1,853,435</u>	<u>(1,215,183)</u>	<u>120,058,008</u>
Less Accumulated Depreciation				
Land Improvements	(1,827,910)	(363,147)	0	(2,191,057)
Buildings and Improvements	(5,813,907)	(804,844)	0	(6,618,751)
Furniture and Equipment	(2,742,918)	(327,718)	0	(3,070,636)
Vehicles	(4,405,406)	(316,209)	296,895	(4,424,720)
Infrastructure				
Streets	(27,515,299)	(2,695,740)	894,275	(29,316,764)
Water Lines	(933,873)	(98,526)	0	(1,032,399)
Sanitary Sewers	(386,256)	(40,549)	0	(426,805)
Storm Sewers	(335,602)	(36,541)	0	(372,143)
<i>Total Accumulated Depreciation</i>	<u>(43,961,171)</u>	<u>(4,683,274)</u>	<u>1,191,170</u>	<u>(47,453,275)</u>
<i>Total Capital Assets being depreciated, Net</i>	<u>75,458,585</u>	<u>(2,829,839)</u>	<u>(24,013)</u>	<u>72,604,733</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$88,638,821</u>	<u>(\$2,533,318)</u>	<u>(\$24,013)</u>	<u>\$86,081,490</u>

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

* Depreciation expense was charged to governmental activities as follows:

General Government	\$577,811
Public Safety:	
Police	203,686
Fire	165,392
Public Services	3,304,537
Health and Welfare	3,950
Culture and Recreation	412,855
Building and Community Development	<u>15,043</u>
Total Depreciation Expense	<u><u>\$4,683,274</u></u>

Note 7 – Interfund Transfers

Transfers of \$1,065,534 and \$4,042,028 were made during calendar year 2009 from the general fund to the bond retirement fund and the capital improvement fund respectively. The transfer to the bond retirement fund was to move money for the payment of general obligation bonds. The transfer to the capital improvement fund was made to move unrestricted balances to support the capital projects of the City.

Note 8 - Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Vacation leave is earned at rates which vary depending upon length of service and standard work week. Vacation leave may be carried over from year to year in an amount up to 150 percent of the annual accrual. Employees are paid for earned, unused vacation leave at the time of termination.

City employees earn sick leave at the rate of 4.6 hours per pay period during which the employee is in active pay status, and do not accrue for additional overtime hours worked. Sick leave accrual is based on an 80 hour pay period; employees who do not record 80 hours of work, approved paid leave, or a combination thereof receive a sick leave accrual proportionate to the number of hours worked and approved paid leave hours recorded. Firefighters who are on a 103.4 hour pay period receive sick leave at a rate of 5.97 hours per pay period. Annually, any employee who has in excess of 1,500 sick leave hours will receive a lump sum cash payment of 33 1/3 percent of the hours in excess of 1,500 hours. Upon death or retirement, employees with accumulated service time of 20 years or more or who qualify for retirement, at date of termination, under the Public Employees Retirement System or the Ohio Police and Fire Pension Fund, are entitled to convert 50 percent of their unused sick leave balance into a lump sum cash payment to be included in the final payroll warrant issued to the employee.

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 9 - Contingencies

A. Grants

The City receives financial assistance from federal and state agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the overall financial position of the City at December 31, 2009.

B. Litigation

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

Note 10 – Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

Plan Description – The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability and survivor benefits and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2009, members in state and local classifications contributed 10.0 percent of covered payroll.

The City's 2009 contribution rate was 14.0 percent. For the period January 1 through March 31, a portion of the City's contribution equal to 7.0 percent of covered payroll was allocated to fund the post-employment health care plan; for the period April 1 through December 31, 2009 this amount was decreased to 5.5 percent. Employer contribution rates are actuarially determined.

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

State statute sets a maximum contribution rate for the City of 14.0 percent, except for public safety and law enforcement, where the maximum employer contribution rate is 18.1 percent.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2009, 2008, and 2007 were \$635,579, \$528,751, and \$605,927, respectively; 87.4 percent has been contributed for 2009 and 100 percent for 2008 and 2007. Contributions to the Member-Directed Plan for 2009 were \$2,146 made by the City and \$1,533 made by plan members.

B. Ohio Police and Fire Pension Fund

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – Plan members are required to contribute 10.0 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24.0 percent for firefighters. The City's contributions to OP&F for police and firefighters were \$463,927 and \$578,160 for the year ended December 31, 2009, \$427,444 and \$542,382 for the year ended December 31, 2008, and \$423,393 and \$529,824 for the year ended December 31, 2007. 73.0 percent for police and 71.9 percent for firefighters has been contributed for 2009. The full amount has been contributed for 2008 and 2007.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the Ohio Public Employees Retirement System or the Ohio Police and Fire Pension Fund are covered by Social Security. As of December 31, 2009, one member of Council is covered by Social Security. The City's liability is 6.2 percent of wages paid.

Note 11 – Post-Employment Benefits

A. Ohio Public Employees Retirement System

Plan Description – Ohio Public Employees Retirement System (OPERS) maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). State Statute requires that public employers fund post-employment health care through contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009, state and local employers contributed at a rate of 14.0 percent of covered payroll. Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The amount of employer contributions which were allocated to fund post-employment health care was 7.0 percent from January 1 through March 31, 2009, and 5.5 percent from April 1 through December 31, 2009.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The City’s contributions allocated to fund post-employment health care benefits for the years ended December 31, 2009, 2008, and 2007 were \$459,533, \$528,751, and \$400,280, respectively; 87.4 percent has been contributed for 2009 and 100 percent for 2008 and 2007.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

B. Ohio Police and Fire Pension Fund

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing multiple-employer defined post-employment health care plan administered by OP&F. OP&F provides health care benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium reimbursement and long-term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24.0 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2009, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$245,608 and \$226,237 for the year ended December 31, 2009, \$226,294 and \$212,236 for the year ended December 31, 2008, and \$224,149 and \$207,322 for the year ended December 31, 2007. 73.0 percent has been contributed for police and 71.9 percent has been contributed for firefighters for 2009. The full amount has been contributed for 2008 and 2007.

Note 12 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2009, the City contracted with Argonaut Insurance Group for various types of insurance as follows:

<u>Type</u>	<u>Coverage</u>
Employee Dishonesty	\$100,000
Law Enforcement Liability	1,000,000
Automobile - Comprehensive	1,000,000
Blanket Coverage - All Property	54,373,363
General Liability	1,000,000
Public Officials	1,000,000
Commercial Excess	10,000,000

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Settled claims have not exceeded this coverage in any of the past three years and there has not been a significant reduction in coverage from the prior year. The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Note 13 - Jointly Governed Organization

The City is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of 126 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of Beachwood did not contribute to NOPEC during 2009. Financial information can be obtained by contacting Joseph Migliorini, Board Chairman, 31320 Solon Road, Suite 20, Solon, Ohio 44139.

Note 14 – Note Debt

The City's note activity, including amounts outstanding and interest rates, is as follows:

	Balance 12/31/2008	Additions	Reductions	Balance 12/31/2009
2009 1.50%				
Building Acquisition Note	\$0	\$3,000,000	\$0	\$3,000,000
Premium on Building Acquisition Note	0	25,284	2,107	23,177
Total 2009 Building Acquisition Note	0	3,025,284	2,107	3,023,177
2008 2.25%				
Building Acquisition Note	3,000,000	0	3,000,000	0
Total Notes Payable	3,000,000	3,025,284	3,002,107	3,023,177

The notes are backed by the full faith and credit of the City and mature within one year. The note liability is reflected in the fund which received the proceeds.

In 2009, the City rolled-over the 2008 note issue of \$3,000,000. The notes were issued at a premium of \$25,284. As of December 31, 2009, \$49,387 of the proceeds have been spent.

In 2008, the City issued \$3,000,000 in bond anticipation notes for the acquisition of the Commerce Park building.

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 15 - Long-Term Obligations

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

	Outstanding 12/31/2008	Additions	(Reductions)	Outstanding 12/31/2009	Amounts Due In One Year
Special Assessment Bonds with Governmental Commitment					
\$235,000 1989 7.150%					
Meadoway Drive Improvement	\$20,000	\$0	(\$20,000)	\$0	\$0
\$4,855,000 1990 7.000%					
Various Projects	850,000	0	(410,000)	440,000	440,000
\$610,000 1994 6.750%					
Various Projects	285,000	0	(35,000)	250,000	35,000
\$2,270,000 1994 4.900%					
George Zeigler Drive Improvements	1,225,000	0	(125,000)	1,100,000	130,000
\$555,000 2000 5.400%					
Street and Sewer Improvements	410,000	0	(25,000)	385,000	25,000
\$2,150,000 2002 2.250%					
Various Projects	1,650,000	0	(90,000)	1,560,000	95,000
<i>Total Special Assessments Bonds</i>	<u>4,440,000</u>	<u>0</u>	<u>(705,000)</u>	<u>3,735,000</u>	<u>725,000</u>
General Obligation Bonds					
\$9,805,000 2004 4.600%					
City Hall Serial Bonds	2,545,000	0	(390,000)	2,155,000	400,000
City Hall Term Bonds	5,770,000	0	0	5,770,000	0
Premium on City Hall Bonds	154,116	0	(9,632)	144,484	0
Total City Hall Bonds	8,469,116	0	(399,632)	8,069,484	400,000
\$3,850,000 2002 2.250%					
Fire Station	2,985,000	0	(160,000)	2,825,000	165,000
<i>Total General Obligation Bonds</i>	<u>11,454,116</u>	<u>0</u>	<u>(559,632)</u>	<u>10,894,484</u>	<u>565,000</u>
Compensated Absences	2,373,582	230,560	(41,219)	2,562,923	985,087
<i>Total General Long-term Obligations</i>	<u>\$18,267,698</u>	<u>\$230,560</u>	<u>(\$1,305,851)</u>	<u>\$17,192,407</u>	<u>\$2,275,087</u>

General obligation bonds will be paid from the bond retirement fund from transfers from the General Fund. The special assessment bonds are backed by the full faith and credit of the City and will be paid from the proceeds of special assessments levied against benefited property owners. In the event that a property owner would fail to pay the assessment, payment would be made by the City. The compensated absences liability will be paid from the general fund.

In 2004, the City issued \$9,805,000 in general obligation bonds at interest rates varying from 2.00 percent to 5.00 percent. The bond issue included \$4,035,000 in serial bonds and \$5,770,000 in term bonds.

The term bonds maturing on December 1, 2016, December 1, 2019, and December 1, 2024 are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective amounts as follows:

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Year	Amount
2015	\$450,000
2016	475,000
2017	495,000
2018	520,000
2019	550,000
2020	600,000
2021	625,000
2022	655,000
2023	685,000
2024	715,000

The term bonds maturing on or after December 1, 2015 are subject to prior redemption at the option of the City, either in whole or in part, on any date on or after December 1, 2014, at 100 percent of par plus interest accrued to the redemption date.

The City's overall legal debt margin was \$65,152,821 at December 31, 2009. Principal and interest requirements to retire outstanding general obligation and special assessment bonds at December 31, 2009, are as follows:

General Obligation Bonds				
Year	Current Serial Bonds		Current Term Bonds	
	Principal	Interest	Principal	Interest
2010	\$565,000	\$472,922	\$0	\$0
2011	590,000	454,983	0	0
2012	605,000	435,253	0	0
2013	625,000	414,237	0	0
2014	650,000	391,462	0	0
2015-2019	1,130,000	361,603	2,490,000	1,140,150
2020-2024	815,000	80,268	3,280,000	465,980
Total	\$4,980,000	\$2,610,728	\$5,770,000	\$1,606,130

Special Assessment Bonds		
Year	Principal	Interest
2010	\$725,000	\$193,730
2011	295,000	149,363
2012	320,000	135,135
2013	335,000	119,340
2014	355,000	102,578
2015-2019	1,220,000	272,785
2020-2022	485,000	45,837
Total	\$3,735,000	\$1,018,768

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Note 16 - Change in Accounting Principles

For fiscal year 2009, the City has implemented Governmental Accounting Standard Board (GASB) Statement No. 52, "Land and Other Real Estate Held as Investments by Endowments", Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments", Statement No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments," Statement No. 56, "Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards", Statement No. 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans", and Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies".

GASB Statement No. 52 establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments are also required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. It requires governments to measure derivative instruments, with the exception of synthetic guaranteed investment contracts that are fully benefit-responsive, at fair value in their economic resources measurement focus financial statements. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB authoritative literature. The GAAP hierarchy consists of the sources of accounting principles used in the preparation of financial statements of state and local governmental entities that are presented in conformity with GAAP, and the framework for selecting those principles. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 56 incorporates accounting and financial reporting guidance previously only contained in the American Institute of Certified Public Accountants' and auditing literature into the GASB's accounting and financial reporting literature for state and local governments. The statement's guidance addresses related party transactions, going concern considerations, and subsequent events from the AICPA literature. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 57 addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). The requirements in this Statement will allow more agent employers to use the alternative measurement method to produce actuarially based information for purposes of financial reporting and clarify that OPEB measures reported by agent multiple-employer OPEB plans and their participating employers should be determined at the same minimum frequency and as of a common date to improve the consistency of reporting with regard to funded status and funding progress information. The implementation of this statement did not result in any change in the City's financial statements.

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

GASB Statement No. 58 provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The requirements in this Statement will provide more consistent recognition, measurement, display, and disclosure guidance for governments that file for Chapter 9 bankruptcy. The implementation of this statement did not result in any change in the City's financial statements.

Combining Statements and Individual Fund Schedules

Combining Statements – Nonmajor Governmental Funds

All nonmajor governmental funds are special revenue funds.

Nonmajor Special Revenue Funds

To account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) that are legally restricted to expenditures for specified purposes.

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

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

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

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

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

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

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

City of Beachwood, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2009

	Street Construction, Maintenance and Repair	State Highway	Mayor's Court Improvement
Assets			
Equity in Pooled Cash and Cash Equivalents	\$767,020	\$35,493	\$26,154
Property Taxes Receivable	0	0	0
Intergovernmental Receivable	188,384	15,241	0
<i>Total Assets</i>	<u>\$955,404</u>	<u>\$50,734</u>	<u>\$26,154</u>
Liabilities and Fund Balances			
Liabilities			
Retainage Payable	\$7,293	\$0	\$0
Intergovernmental Payable	0	0	0
Deferred Revenue	124,793	10,085	0
<i>Total Liabilities</i>	<u>132,086</u>	<u>10,085</u>	<u>0</u>
Fund Balances			
Reserved for Encumbrances	16,569	0	14,957
Unreserved, Undesignated, Reported in Special Revenue Funds	806,749	40,649	11,197
<i>Total Fund Balances</i>	<u>823,318</u>	<u>40,649</u>	<u>26,154</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$955,404</u>	<u>\$50,734</u>	<u>\$26,154</u>

Law Enforcement Trust	Police Pension	Street Lights	Paramedic Trust	Total Nonmajor Governmental Funds
\$52,761	\$49,867	\$104,746	\$6,730	\$1,042,771
0	256,275	0	0	256,275
0	7,046	0	0	210,671
<u>\$52,761</u>	<u>\$313,188</u>	<u>\$104,746</u>	<u>\$6,730</u>	<u>\$1,509,717</u>
\$0	\$0	\$0	\$0	\$7,293
0	7,677	0	6,730	14,407
0	263,321	0	0	398,199
<u>0</u>	<u>270,998</u>	<u>0</u>	<u>6,730</u>	<u>419,899</u>
0	0	137	0	31,663
<u>52,761</u>	<u>42,190</u>	<u>104,609</u>	<u>0</u>	<u>1,058,155</u>
<u>52,761</u>	<u>42,190</u>	<u>104,746</u>	<u>0</u>	<u>1,089,818</u>
<u>\$52,761</u>	<u>\$313,188</u>	<u>\$104,746</u>	<u>\$6,730</u>	<u>\$1,509,717</u>

City of Beachwood, Ohio

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2009

	Street Construction, Maintenance and Repair	State Highway	Mayor's Court Improvement
Revenues			
Property Taxes	\$0	\$0	\$0
Fines, Licenses and Permits	0	0	11,095
Intergovernmental	520,270	42,183	0
Special Assessments	0	0	0
Interest	20,273	832	0
<i>Total Revenues</i>	<u>540,543</u>	<u>43,015</u>	<u>11,095</u>
Expenditures			
Current:			
General Government	0	0	5,238
Public Safety:			
Police	0	0	0
Fire	0	0	0
Public Services	382,193	29,745	0
<i>Total Expenditures</i>	<u>382,193</u>	<u>29,745</u>	<u>5,238</u>
<i>Net Change in Fund Balances</i>	158,350	13,270	5,857
<i>Fund Balances Beginning of Year</i>	<u>664,968</u>	<u>27,379</u>	<u>20,297</u>
<i>Fund Balances End of Year</i>	<u><u>\$823,318</u></u>	<u><u>\$40,649</u></u>	<u><u>\$26,154</u></u>

Law Enforcement Trust	Police Pension	Street Lights	Paramedic Trust	Total Nonmajor Governmental Funds
\$0	\$197,296	\$0	\$0	\$197,296
8,214	0	0	0	19,309
0	15,791	0	0	578,244
0	0	13,317	0	13,317
969	0	0	0	22,074
9,183	213,087	13,317	0	830,240
0	0	0	0	5,238
870	195,091	14,895	0	210,856
0	0	0	6,730	6,730
0	0	0	0	411,938
870	195,091	14,895	6,730	634,762
8,313	17,996	(1,578)	(6,730)	195,478
44,448	24,194	106,324	6,730	894,340
\$52,761	\$42,190	\$104,746	\$0	\$1,089,818

Combining Statement - Fiduciary Funds

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 City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City's only trust fund is the Leo Weiss Private Purpose Trust fund. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Private Purpose Trust Fund

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

Agency Funds

Commercial Permits Tax Fund – This fund accounts for monies collected by the City in accordance with State Law and is remitted back to the State of Ohio.

Special Trust and Agency Fund – This fund is used to account for the receipt and disbursement of withholdings tax collections of businesses in the Chagrin Highlands development area. These taxes are distributed to the cities of Warrensville Heights and Cleveland.

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

City of Beachwood, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2009

	Beginning Balance 1/1/09	Additions	Deductions	Ending Balance 12/31/09
Commercial Permits Tax				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,095	\$16,932	\$15,474	\$2,553
Liabilities				
Undistributed Monies	\$1,095	\$16,932	\$15,474	\$2,553
Special Trust and Agency				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$523,630	\$523,630	\$0
Liabilities				
Deposits Held and Due to Others	\$0	\$523,630	\$523,630	\$0
Deposits				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$695,352	\$183,850	\$348,427	\$530,775
Liabilities				
Deposits Held and Due to Others	\$695,352	\$183,850	\$348,427	\$530,775
Total - All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$696,447	\$724,412	\$887,531	\$533,328
Liabilities				
Undistributed Monies	\$1,095	\$16,932	\$15,474	\$2,553
Deposits Held and Due to Others	695,352	707,480	872,057	530,775
<i>Total Liabilities</i>	\$696,447	\$724,412	\$887,531	\$533,328

**Individual Fund Schedules of Revenues, Expenditures/Expenses
and Changes in Fund Balance/Equity – Budget (Non-GAAP Basis) and Actual**

City of Beachwood, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$2,585,805	\$2,585,805	\$2,698,540	\$112,735
Municipal Income Taxes	21,146,551	18,800,000	18,854,333	54,333
Charges for Services	1,000,000	2,400,000	2,448,680	48,680
Fines, Licenses and Permits	1,000,000	1,000,000	973,541	(26,459)
Intergovernmental	632,000	637,372	660,507	23,135
Estate Taxes	2,300,000	2,600,000	3,398,638	798,638
Admission Taxes	175,000	175,000	133,596	(41,404)
Lodging Taxes	800,000	1,000,000	616,913	(383,087)
Franchise Taxes	120,000	120,000	103,755	(16,245)
Interest	1,145,000	1,145,000	911,480	(233,520)
Other	260,200	252,000	231,335	(20,665)
<i>Total Revenues</i>	<u>31,164,556</u>	<u>30,715,177</u>	<u>31,031,318</u>	<u>316,141</u>
Expenditures				
Current:				
General Government:				
Council:				
Personal Services	113,720	113,720	110,149	3,571
Contractual Services	16,500	16,500	7,500	9,000
Materials and Supplies	1,820	1,820	396	1,424
Capital Outlay	26,000	26,000	26,000	0
Other	60,300	60,300	52,180	8,120
Total Council	<u>218,340</u>	<u>218,340</u>	<u>196,225</u>	<u>22,115</u>
Mayor:				
Personal Services	460,349	460,349	440,285	20,064
Contractual Services	19,558	19,558	12,363	7,195
Materials and Supplies	31,175	31,175	8,494	22,681
Capital Outlay	69,378	69,378	3,442	65,936
Other	31,973	31,973	14,660	17,313
Total Mayor	<u>612,433</u>	<u>612,433</u>	<u>479,244</u>	<u>133,189</u>
Finance Director:				
Personal Services	1,216,213	1,281,213	1,269,428	11,785
Contractual Services	1,704,600	1,704,600	1,326,102	378,498
Materials and Supplies	27,422	39,422	36,855	2,567
Capital Outlay	113,232	151,232	106,034	45,198
Other	416,915	416,915	350,475	66,440
Total Finance Director	<u>\$3,478,382</u>	<u>\$3,593,382</u>	<u>\$3,088,894</u>	<u>\$504,488</u>

(continued)

City of Beachwood, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Law Department:				
Personal Services	\$275,407	\$275,407	\$255,001	\$20,406
Contractual Services	462,713	537,713	503,106	34,607
Materials and Supplies	17,200	17,200	8,469	8,731
Capital Outlay	4,788	4,788	1,119	3,669
Other	36,009	36,009	14,952	21,057
Total Law Department	796,117	871,117	782,647	88,470
Total General Government	5,105,272	5,295,272	4,547,010	748,262
Public Safety:				
Police Department:				
Personal Services	7,179,767	7,179,767	7,034,921	144,846
Contractual Services	508,604	508,604	397,319	111,285
Materials and Supplies	99,388	110,388	91,374	19,014
Capital Outlay	301,992	290,992	198,946	92,046
Other	107,980	107,980	84,082	23,898
Total Police Department	8,197,731	8,197,731	7,806,642	391,089
Fire Department:				
Personal Services	5,854,524	5,854,524	5,629,073	225,451
Contractual Services	272,056	272,056	229,887	42,169
Materials and Supplies	92,350	103,350	90,651	12,699
Capital Outlay	462,251	451,251	359,443	91,808
Other	56,673	56,673	38,317	18,356
Total Fire Department	6,737,854	6,737,854	6,347,371	390,483
Total Public Safety	14,935,585	14,935,585	14,154,013	781,572
Public Services:				
Service Department:				
Personal Services	603,275	635,275	537,653	97,622
Contractual Services	9,570	9,570	4,815	4,755
Materials and Supplies	45,291	48,291	33,035	15,256
Capital Outlay	6,271	3,271	615	2,656
Other	14,175	14,175	12,270	1,905
Total Service Department	\$678,582	\$710,582	\$588,388	\$122,194

(continued)

City of Beachwood, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Building and Grounds:				
Personal Services	\$1,113,893	\$1,113,893	\$1,051,826	\$62,067
Contractual Services	1,050,568	1,230,568	1,023,604	206,964
Materials and Supplies	227,488	238,488	194,535	43,953
Capital Outlay	117,154	126,154	119,796	6,358
Other	10,300	10,300	4,042	6,258
Total Building and Grounds	2,519,403	2,719,403	2,393,803	325,600
Fleet Maintenance:				
Personal Services	574,635	574,635	547,798	26,837
Contractual Services	208,244	208,244	173,213	35,031
Materials and Supplies	699,102	704,102	568,767	135,335
Capital Outlay	36,000	31,000	590	30,410
Other	4,200	4,200	27	4,173
Total Fleet Maintenance	1,522,181	1,522,181	1,290,395	231,786
Streets, Sidewalks, and Sewers:				
Personal Services	1,672,627	1,672,627	1,550,803	121,824
Contractual Services	332,984	332,984	273,465	59,519
Materials and Supplies	814,841	816,841	642,646	174,195
Capital Outlay	505,692	503,692	263,693	239,999
Other	5,000	5,000	1,550	3,450
Total Streets, Sidewalks, and Sewers	3,331,144	3,331,144	2,732,157	598,987
Sanitation:				
Personal Services	693,125	702,525	635,415	67,110
Contractual Services	227,233	227,233	173,120	54,113
Materials and Supplies	160,315	160,315	3,045	157,270
Capital Outlay	263,000	263,000	0	263,000
Other	1,000	1,000	446	554
Total Sanitation	1,344,673	1,354,073	812,026	542,047
Engineering Department:				
Personal Services	209,874	209,874	131,647	78,227
Contractual Services	54,606	54,606	26,461	28,145
Materials and Supplies	6,400	6,400	46	6,354
Capital Outlay	5,500	5,500	0	5,500
Other	6,022	6,022	3,176	2,846
Total Engineering Department	282,402	282,402	161,330	121,072
Total Public Services	\$9,678,385	\$9,919,785	\$7,978,099	\$1,941,686

(continued)

City of Beachwood, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Health and Welfare:				
Human Services Department:				
Personal Services	\$378,063	\$389,063	\$385,760	\$3,303
Contractual Services	283,281	283,281	149,574	133,707
Materials and Supplies	76,604	79,604	49,639	29,965
Capital Outlay	8,748	5,748	0	5,748
Other	43,500	43,500	24,979	18,521
Total Health and Welfare	790,196	801,196	609,952	191,244
Culture and Recreation				
Recreation Administration:				
Personal Services	681,979	681,979	655,859	26,120
Contractual Services	410,231	410,231	402,436	7,795
Materials and Supplies	51,219	61,919	60,044	1,875
Capital Outlay	17,284	6,584	4,798	1,786
Other	30,518	30,518	25,194	5,324
Total Recreation Administration	1,191,231	1,191,231	1,148,331	42,900
Recreation Camps:				
Personal Services	269,200	269,200	261,029	8,171
Contractual Services	191,834	190,434	154,421	36,013
Materials and Supplies	21,407	22,807	14,812	7,995
Capital Outlay	500	0	0	0
Other	2,864	3,364	2,879	485
Total Recreation Camps	485,805	485,805	433,141	52,664
Recreation Sports Programs:				
Personal Services	39,200	39,200	32,566	6,634
Contractual Services	105,361	112,361	108,687	3,674
Materials and Supplies	34,300	31,700	28,788	2,912
Capital Outlay	28,000	23,600	20,525	3,075
Other	5,758	5,758	2,450	3,308
Total Recreation Sports Programs	212,619	212,619	193,016	19,603
Recreation Other Programs:				
Personal Services	129,824	137,324	132,862	4,462
Contractual Services	108,090	109,090	88,942	20,148
Materials and Supplies	12,715	13,715	9,994	3,721
Capital Outlay	1,000	0	0	0
Other	8,000	7,000	6,750	250
Total Recreation Other Programs	\$259,629	\$267,129	\$238,548	\$28,581

(continued)

City of Beachwood, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Recreation Parks/Swimming Pools:				
Personal Services	\$322,000	\$322,000	\$299,401	\$22,599
Contractual Services	285,400	285,400	242,619	42,781
Materials and Supplies	78,444	80,544	59,929	20,615
Capital Outlay	22,216	20,116	18,409	1,707
Other	4,296	4,296	3,203	1,093
Total Recreation Parks/Swimming Pools	712,356	712,356	623,561	88,795
Total Culture and Recreation	2,861,640	2,869,140	2,636,597	232,543
Building and Community Development:				
Building Development:				
Personal Services	1,062,006	1,062,006	927,591	134,415
Contractual Services	90,452	90,452	31,225	59,227
Materials and Supplies	24,579	32,079	14,121	17,958
Capital Outlay	24,747	17,247	8,247	9,000
Other	28,732	28,732	14,138	14,594
Total Building and Community Development	1,230,516	1,230,516	995,322	235,194
<i>Total Expenditures</i>	34,601,594	35,051,494	30,920,993	4,130,501
<i>Excess of Revenues Over (Under) Expenditures</i>	(3,437,038)	(4,336,317)	110,325	4,446,642
Other Financing Uses				
Transfers Out	(7,107,562)	(5,107,562)	(5,107,562)	0
<i>Net Change in Fund Balance</i>	(10,544,600)	(9,443,879)	(4,997,237)	4,446,642
<i>Fund Balance Beginning of Year</i>	19,680,054	19,680,054	19,680,054	0
Prior Year Encumbrances Appropriated	2,207,956	2,207,956	2,207,956	0
<i>Fund Balance End of Year</i>	\$11,343,410	\$12,444,131	\$16,890,773	\$4,446,642

City of Beachwood, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Bond Retirement Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance - Positive (Negative)
Revenues			
Special Assessments	\$922,438	\$853,665	(\$68,773)
Interest	0	70,701	70,701
<i>Total Revenues</i>	<u>922,438</u>	<u>924,366</u>	<u>1,928</u>
Expenditures			
Debt Service:			
Principal Retirement	4,267,000	4,255,000	12,000
Interest and Fiscal Charges	812,500	803,290	9,210
<i>Total Expenditures</i>	<u>5,079,500</u>	<u>5,058,290</u>	<u>21,210</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(4,157,062)</u>	<u>(4,133,924)</u>	<u>23,138</u>
Other Financing Sources			
Bond Anticipation Notes Issued	3,000,000	3,000,000	0
Premium on Bond Anticipation Notes Issued	0	25,284	25,284
Transfers In	1,107,562	1,107,562	0
<i>Total Other Financing Sources</i>	<u>4,107,562</u>	<u>4,132,846</u>	<u>25,284</u>
<i>Net Change in Fund Balance</i>	(49,500)	(1,078)	48,422
<i>Fund Balance Beginning of Year</i>	<u>522,545</u>	<u>522,545</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$473,045</u></u>	<u><u>\$521,467</u></u>	<u><u>\$48,422</u></u>

City of Beachwood, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Improvements Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance - Positive (Negative)
Revenues			
Special Assessments	\$0	\$20,848	\$20,848
Expenditures			
Capital Outlay:			
Contractual Services	566,606	558,663	7,943
Capital Outlay	6,532,429	1,014,222	5,518,207
Other	1,000	206	794
<i>Total Expenditures</i>	7,100,035	1,573,091	5,526,944
<i>Excess of Revenues Under Expenditures</i>	(7,100,035)	(1,552,243)	5,547,792
Other Financing Sources			
Transfers In	4,000,000	4,000,000	0
<i>Net Change in Fund Balance</i>	(3,100,035)	2,447,757	5,547,792
<i>Fund Balance Beginning of Year</i>	8,938,539	8,938,539	0
Prior Year Encumbrances Appropriated	300,035	300,035	0
<i>Fund Balance End of Year</i>	\$6,138,539	\$11,686,331	\$5,547,792

City of Beachwood, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2009*

	Final Budget	Actual	Variance - Positive (Negative)
Revenues			
Intergovernmental	\$460,000	\$526,869	\$66,869
Interest	25,000	20,273	(4,727)
<i>Total Revenues</i>	<u>485,000</u>	<u>547,142</u>	<u>62,142</u>
Expenditures			
Current:			
Public Services:			
Streets, Sidewalks, and Maintenance:			
Contractual Services	38,730	10,472	28,258
Capital Outlay	749,614	399,929	349,685
<i>Total Expenditures</i>	<u>788,344</u>	<u>410,401</u>	<u>377,943</u>
<i>Net Change in Fund Balance</i>	(303,344)	136,741	440,085
<i>Fund Balance Beginning of Year</i>	575,366	575,366	0
Prior Year Encumbrances Appropriated	<u>38,344</u>	<u>38,344</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$310,366</u></u>	<u><u>\$750,451</u></u>	<u><u>\$440,085</u></u>

City of Beachwood, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2009*

	Final Budget	Actual	Variance - Positive (Negative)
Revenues			
Intergovernmental	\$29,000	\$42,720	\$13,720
Interest	3,000	832	(2,168)
<i>Total Revenues</i>	<u>32,000</u>	<u>43,552</u>	<u>11,552</u>
Expenditures			
Current:			
Public Services:			
Streets, Sidewalks, and Maintenance:			
Contractual Services	10,602	5,084	5,518
Materials and Supplies	5,000	0	5,000
Capital Outlay	60,188	47,492	12,696
<i>Total Expenditures</i>	<u>75,790</u>	<u>52,576</u>	<u>23,214</u>
<i>Net Change in Fund Balance</i>	(43,790)	(9,024)	34,766
<i>Fund Balance Beginning of Year</i>	12,728	12,728	0
Prior Year Encumbrances Appropriated	31,789	31,789	0
<i>Fund Balance End of Year</i>	<u><u>\$727</u></u>	<u><u>\$35,493</u></u>	<u><u>\$34,766</u></u>

City of Beachwood, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Mayor's Court Improvement Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance - Positive (Negative)
Revenues			
Fines, Licenses and Permits	\$9,500	\$11,095	\$1,595
Expenditures			
Current:			
General Government:			
Mayor:			
Materials and Supplies	1,000	541	459
Capital Outlay	28,200	19,654	8,546
<i>Total Expenditures</i>	29,200	20,195	9,005
<i>Net Change in Fund Balance</i>	(19,700)	(9,100)	10,600
<i>Fund Balance Beginning of Year</i>	15,597	15,597	0
Prior Year Encumbrances Appropriated	4,700	4,700	0
<i>Fund Balance End of Year</i>	\$597	\$11,197	\$10,600

City of Beachwood, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Trust Fund
For the Year Ended December 31, 2009*

	Final Budget	Actual	Variance - Positive (Negative)
Revenues			
Fines, Licenses and Permits	\$1,500	\$8,214	\$6,714
Interest	100	969	869
<i>Total Revenues</i>	<u>1,600</u>	<u>9,183</u>	<u>7,583</u>
Expenditures			
Current:			
Public Safety:			
Police Department:			
Materials and Supplies	1,000	870	130
Capital Outlay	39,500	0	39,500
Other	3,674	0	3,674
<i>Total Expenditures</i>	<u>44,174</u>	<u>870</u>	<u>43,304</u>
<i>Net Change in Fund Balance</i>	(42,574)	8,313	50,887
<i>Fund Balance Beginning of Year</i>	43,774	43,774	0
Prior Year Encumbrances Appropriated	<u>675</u>	<u>675</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,875</u></u>	<u><u>\$52,762</u></u>	<u><u>\$50,887</u></u>

City of Beachwood, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 2009*

	Final Budget	Actual	Variance - Positive (Negative)
Revenues			
Property Taxes	\$196,660	\$197,296	\$636
Intergovernmental	13,000	15,791	2,791
<i>Total Revenues</i>	<u>209,660</u>	<u>213,087</u>	<u>3,427</u>
Expenditures			
Current:			
Public Safety:			
Police Department:			
Personal Services	269,137	264,337	4,800
Other	200	92	108
<i>Total Expenditures</i>	<u>269,337</u>	<u>264,429</u>	<u>4,908</u>
<i>Net Changes in Fund Balance</i>	(59,677)	(51,342)	8,335
<i>Fund Balance Beginning of Year</i>	24,194	24,194	0
Prior Year Encumbrances Appropriated	<u>69,338</u>	<u>69,338</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$33,855</u></u>	<u><u>\$42,190</u></u>	<u><u>\$8,335</u></u>

City of Beachwood, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Lights Fund
For the Year Ended December 31, 2009*

	Final Budget	Actual	Variance - Positive (Negative)
Revenues			
Special Assessments	\$12,600	\$13,318	\$718
Expenditures			
Current:			
Public Safety:			
Police:			
Contractual Services	14,950	14,900	50
Other	250	132	118
<i>Total Expenditures</i>	15,200	15,032	168
<i>Net Change in Fund Balance</i>	(2,600)	(1,714)	886
<i>Fund Balance Beginning of Year</i>	106,324	106,324	0
<i>Fund Balance End of Year</i>	\$103,724	\$104,610	\$886

City of Beachwood, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Paramedic Trust Fund
For the Year Ended December 31, 2009

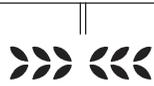
	Final Budget	Actual	Variance - Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures			
Current:			
Public Safety:			
Fire Department:			
Capital Outlay	6,730	6,730	0
<i>Net Change in Fund Balance</i>	(6,730)	(6,730)	0
<i>Fund Balance Beginning of Year</i>	6,730	6,730	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

City of Beachwood, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Leo Weiss Trust Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance - Positive (Negative)
Revenues			
Interest	\$30	\$30	\$0
Expenses			
Materials and Supplies	142	84	58
<i>Net Change in Fund Equity</i>	(112)	(54)	58
<i>Fund Equity Beginning of Year</i>	1,145	1,145	0
Prior Year Encumbrances Appropriated	42	42	0
<i>Fund Equity End of Year</i>	<u>\$1,075</u>	<u>\$1,133</u>	<u>\$58</u>

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STATISTICAL SECTION



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Statistical Section

This part of the City of Beachwood, Ohio'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 City's overall financial health.

Contents	Page(s)
Financial Trends	S2-S9
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	S10-S13
These schedules contain information to help the reader assess the City's most significant local revenue, the municipal income tax.	
Debt Capacity	S14-S19
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt in the future.	
Economic and Demographic Information	S20-S22
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	S23-S27
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented GASB Statement No. 34 in 2001; schedules presenting government-wide information begin in that year.

City of Beachwood, Ohio
Net Assets by Component
Last Nine Years
(Accrual Basis of Accounting)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006 (1)</u>
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$71,402,619	\$72,898,821	\$66,483,124	\$63,860,050
Restricted	6,235,047	6,676,611	8,360,297	8,891,783
Unrestricted	<u>30,286,504</u>	<u>32,938,913</u>	<u>35,314,249</u>	<u>35,014,581</u>
<i>Total Governmental Activities</i>				
<i>Net Assets</i>	<u>\$107,924,170</u>	<u>\$112,514,345</u>	<u>\$110,157,670</u>	<u>\$107,766,414</u>

(1) Reflects restated amount due to reclassification of unclaimed monies.

(2) Reflects restated amount due to restatement of capital assets and special assessment receivables

<u>2005</u>	<u>2004 (2)</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$60,100,268	\$56,465,096	\$57,272,685	\$47,734,116	\$44,084,204
9,868,110	10,731,005	8,656,948	9,455,579	8,006,037
<u>36,479,619</u>	<u>40,762,268</u>	<u>40,861,854</u>	<u>47,742,886</u>	<u>48,303,428</u>
<u>\$106,447,997</u>	<u>\$107,958,369</u>	<u>\$106,791,487</u>	<u>\$104,932,581</u>	<u>\$100,393,669</u>

City of Beachwood, Ohio
Changes in Net Assets
Last Nine Years
(Accrual Basis of Accounting)

	2009	2008	2007	2006 (1)	2005
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government (5)	\$658,618	\$281,149	\$75,862	\$35,719	\$15,762
Public Safety					
Police	314,298	112,680	377,134	335,521	208,424
Fire (3)	777,082	732,496	689,301	628,159	643,882
Public Services	0	0	0	0	0
Health and Welfare	131,533	177,335	0	0	0
Culture and Recreation	836,987	780,475	886,887	913,943	909,491
Building and Community Development	732,246	1,034,730	740,961	610,309	563,345
Operating Grants and Contributions	597,827	545,007	516,739	515,601	488,834
Capital Grants and Assessments	0	0	1,213,633	14,950	572,750
<i>Total Governmental Activities</i>					
<i>Program Revenues</i>	4,048,591	3,663,872	4,500,517	3,054,202	3,402,488
Expenses					
Governmental Activities:					
General Government	4,875,105	4,447,184	4,362,750	4,459,785	3,748,490
Public Safety					
Police	7,920,359	7,546,514	7,410,128	6,955,837	6,833,161
Fire	5,982,995	5,606,352	5,273,184	4,993,303	4,893,094
Public Services	10,531,157	10,634,883	9,630,170	9,862,993	9,522,260
Health and Welfare	539,326	637,802	557,151	558,952	548,302
Culture and Recreation	2,813,885	2,715,802	2,564,886	2,193,222	2,182,972
Building and Community Development	979,295	959,136	839,848	878,959	1,018,644
Interest and Fiscal Charges	785,037	788,112	836,927	882,345	930,269
<i>Total Governmental Activities Expenses</i>	34,427,159	33,335,785	31,475,044	30,785,396	29,677,192
<i>Total Primary Government Net Expense</i>	(30,378,568)	(29,671,913)	(26,974,527)	(27,731,194)	(26,274,704)
General Revenues and Other Changes in Net Assets					
Governmental Activities:					
Property and Other Local Taxes Levied For:					
General Purposes	2,829,210	2,715,452	3,859,866	3,682,048	3,550,016
Police Pension	257,116	164,358	224,698	210,604	204,686
Municipal Income Taxes Levied					
For General Purposes	18,401,803	20,499,143	20,258,412	19,722,442	16,810,393
Admission, Lodging, and Franchise Taxes (4)	843,488	1,075,743	n/a	n/a	n/a
Estate Taxes (4)	2,643,793	4,593,353	n/a	n/a	n/a
Grants and Entitlements not Restricted to					
Specific Programs	112,837	837,516	2,744,132	3,378,904	3,029,826
Investment Earnings	486,690	1,879,351	2,102,503	1,767,181	1,016,236
Gain on Sale of Capital Assets	0	7,508	0	0	0
Other	213,456	256,164	176,172	288,432	153,175
<i>Total Governmental Activities</i>	25,788,393	32,028,588	29,365,783	29,049,611	24,764,332
<i>Total Primary Government</i>					
<i>Change in Net Assets</i>	(\$4,590,175)	\$2,356,675	\$2,391,256	\$1,318,417	(\$1,510,372)

(1) Reflects restated amount due to reclassification of unclaimed monies.

(2) Reflects restated amount due to restatement of capital assets and special assessment receivables

(3) The increase in charges for services from 2004 to 2005 is due to the fact that the City starting charging fees for EMS services in 2005

(4) 2008 was the first year that franchise, lodging, admission and estate taxes were broken out.

(5) The increase in general government charges for services is due to rental income the City started receiving in 2009.

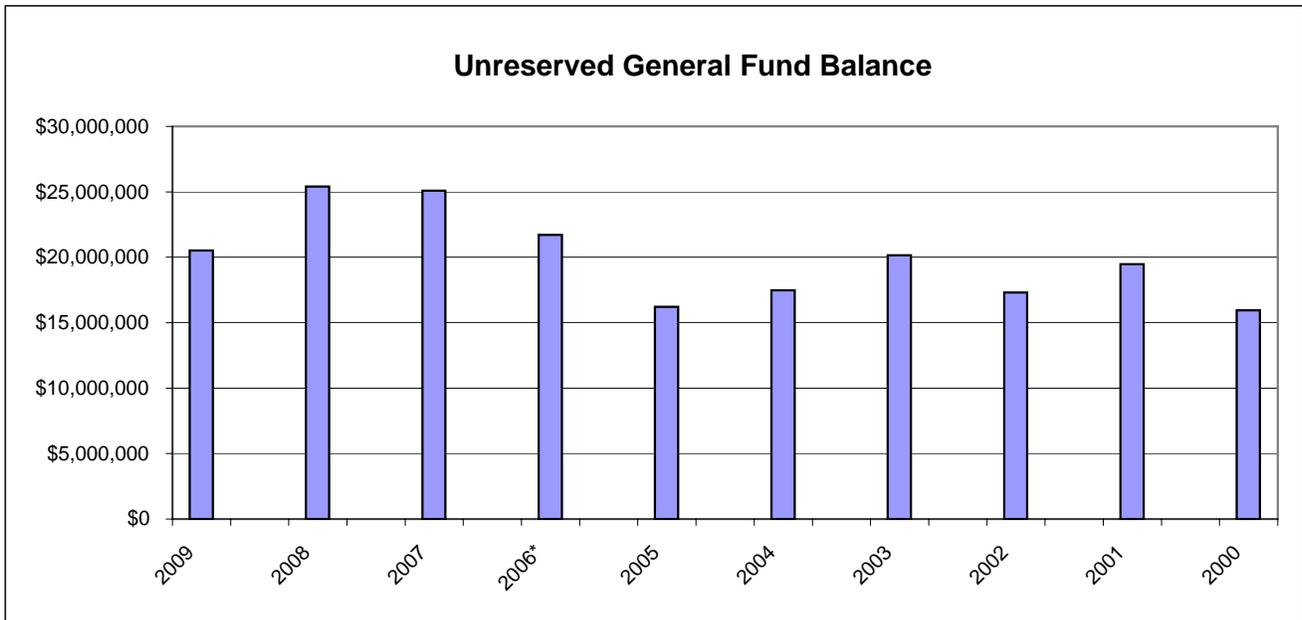
In December, 2008, the City purchased a building that had tenants in it. During the course of 2009, several tenants left the building. As of December 31, 2009, there are two tenants remaining.

2004 (2)	2003	2002	2001
\$10,670	\$95,684	\$76,201	\$353,533
270,094	239,440	84,811	21,346
0	0	3,040	3,610
0	0	206,990	10,288
0	0	0	107,322
785,183	758,189	648,638	414,229
505,957	514,950	511,037	619,997
429,669	408,346	330,391	335,413
20,287	505,530	2,179,686	69,119
2,021,860	2,522,139	4,040,794	1,934,857
2,511,715	4,028,788	2,695,883	2,644,334
6,225,921	6,009,450	5,875,828	5,627,976
4,453,299	4,531,561	4,078,613	4,465,052
10,242,815	9,264,750	8,147,093	8,367,104
474,014	513,502	482,859	371,027
2,128,733	1,010,747	1,295,346	1,724,729
1,043,557	1,031,733	986,127	925,213
709,870	610,840	584,774	529,908
27,789,924	27,001,371	24,146,523	24,655,343
(25,768,064)	(24,479,232)	(20,105,729)	(22,720,486)
3,357,014	3,241,615	3,259,792	3,275,885
190,840	190,773	195,475	189,039
16,689,510	15,489,199	15,334,871	15,532,281
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
3,193,163	6,155,914	3,182,728	4,617,259
562,074	1,012,572	2,454,536	3,084,949
0	2,500	7,206	20,469
149,053	245,565	210,033	380,164
24,141,654	26,338,138	24,644,641	27,100,046
(\$1,626,410)	\$1,858,906	\$4,538,912	\$4,379,560

City of Beachwood, Ohio
Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2009	2008	2007	2006*
General Fund				
Reserved	\$986,745	\$1,201,553	\$1,357,644	\$898,602
Unreserved	20,511,486	25,397,007	25,095,256	21,718,004
<i>Total General Fund</i>	<u>21,498,231</u>	<u>26,598,560</u>	<u>26,452,900</u>	<u>22,616,606</u>
All Other Governmental Funds				
Reserved	237,195	345,633	897,851	1,755,138
Undesignated, Reported in:				
Special Revenue Funds	1,058,155	848,257	1,508,792	983,548
Debt Service Fund	521,467	522,545	540,880	473,828
Capital Projects Fund	8,659,405	5,827,360	8,202,838	10,794,608
<i>Total All Other Governmental Funds</i>	<u>10,476,222</u>	<u>7,543,795</u>	<u>11,150,361</u>	<u>14,007,122</u>
<i>Total Governmental Funds</i>	<u>\$31,974,453</u>	<u>\$34,142,355</u>	<u>\$37,603,261</u>	<u>\$36,623,728</u>

*Reflects restated amount due to reclassification of unclaimed monies.



2005	2004	2003	2002	2001	2000
\$1,494,421	\$995,081	\$1,079,978	\$1,200,590	\$877,051	\$700,286
16,226,771	17,489,029	20,150,935	17,302,884	19,461,647	15,941,298
17,721,192	18,484,110	21,230,913	18,503,474	20,338,698	16,641,584
4,510,983	2,989,800	11,499,399	7,330,762	3,205,668	3,690,544
1,146,771	957,874	508,767	387,982	653,809	710,186
513,283	479,498	504,219	456,726	644,905	712,680
14,135,185	19,295,899	8,234,572	22,260,528	20,648,932	20,671,838
20,306,222	23,723,071	20,746,957	30,435,998	25,153,314	25,785,248
\$38,027,414	\$42,207,181	\$41,977,870	\$48,939,472	\$45,492,012	\$42,426,832

City of Beachwood, Ohio
Changes in Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2009	2008	2007	2006	2005
Revenues					
Property and Other Taxes	\$2,895,836	\$2,792,537	\$3,952,150	\$3,740,957	\$3,617,531
Municipal Income Taxes	18,325,854	20,440,036	20,277,253	19,773,905	16,546,653
Charges for Services	2,442,116	1,782,627	1,643,737	1,605,704	1,551,729
Fines, Licenses, and Permits	995,331	1,324,213	1,113,312	885,269	764,600
Intergovernmental	1,240,557	939,868	3,532,681	3,904,940	3,760,230
Estate Taxes (1)	2,430,800	4,593,353	n/a	n/a	n/a
Admission Taxes (1)	130,552	143,979	n/a	n/a	n/a
Lodging Taxes (1)	607,839	809,102	n/a	n/a	n/a
Franchise Taxes (1)	105,097	122,662	n/a	n/a	n/a
Special Assessments	887,830	1,025,493	1,060,132	984,691	1,080,198
Interest	506,963	1,879,351	2,102,503	1,767,181	1,016,236
Other	213,456	256,164	176,172	239,406	153,175
<i>Total Revenues</i>	<u>30,782,231</u>	<u>36,109,385</u>	<u>33,857,940</u>	<u>32,902,053</u>	<u>28,490,352</u>
Expenditures					
Current:					
General Government	4,257,790	4,017,322	3,879,282	4,016,348	3,583,744
Public Safety (2)					
Police	7,820,112	7,807,378	7,202,251	6,864,212	6,483,602
Fire	5,879,094	5,648,187	5,113,246	4,762,553	4,664,119
Public Services	7,776,652	8,122,295	7,456,227	7,144,377	6,616,107
Health and Welfare	535,376	624,426	547,248	584,270	535,182
Culture and Recreation	2,401,030	2,301,474	2,154,243	1,871,385	1,855,756
Building and Community Development	964,252	960,151	893,314	865,529	1,005,214
Capital Outlay	1,261,144	8,036,268	3,581,446	6,188,929	5,866,548
Debt Service:					
Principal Retirement	1,255,000	1,250,000	1,200,000	1,161,000	1,116,000
Interest and Fiscal Charges	799,683	802,790	851,150	896,162	943,847
<i>Total Expenditures</i>	<u>32,950,133</u>	<u>39,570,291</u>	<u>32,878,407</u>	<u>34,354,765</u>	<u>32,670,119</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,167,902)</u>	<u>(3,460,906)</u>	<u>979,533</u>	<u>(1,452,712)</u>	<u>(4,179,767)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	0	0	0	0	0
General Obligation Notes Issued	0	0	0	0	0
Premium on Notes	0	0	0	0	0
General Obligation Bonds Issued	0	0	0	0	0
Special Assessment Bonds Issued	0	0	0	0	0
Premium on Bonds	0	0	0	0	0
Transfers In	5,107,562	5,036,263	1,044,988	1,051,258	3,046,720
Transfers Out	(5,107,562)	(5,036,263)	(1,044,988)	(1,051,258)	(3,046,720)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u><u>(\$2,167,902)</u></u>	<u><u>(\$3,460,906)</u></u>	<u><u>\$979,533</u></u>	<u><u>(\$1,452,712)</u></u>	<u><u>(\$4,179,767)</u></u>
Debt Service as a Percentage of Noncapital Expenditures	6.48%	6.90%	7.18%	7.42%	7.68%

(1) Starting in 2008, Admission, Lodging and Franchise Taxes were broken out of Property Taxes and Estate Taxes were broken out from Intergovernmental revenues.

(2) Starting in 2001, Public Safety expenditures were broken out between Police and Fire.

2004	2003	2002	2001	2000
\$3,556,398	\$3,376,597	\$3,447,868	\$3,439,087	\$3,337,248
16,952,888	15,889,265	15,456,366	15,805,371	15,733,023
857,811	841,764	715,656	684,746	556,452
754,228	762,430	732,896	845,579	637,602
3,668,755	6,592,396	3,346,547	4,927,390	4,369,859
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
936,559	997,060	463,543	500,461	1,085,235
562,074	1,012,572	2,454,536	3,084,949	3,052,504
149,053	245,565	210,033	380,164	68,649
27,437,766	29,717,649	26,827,445	29,667,747	28,840,572
3,392,026	3,021,551	2,447,651	2,360,436	2,280,102
6,318,172	6,059,303	5,761,739	5,390,781	8,672,783
4,460,482	4,267,579	3,788,238	3,834,322	n/a
5,897,243	6,385,038	6,146,724	5,931,831	n/a
460,894	508,654	461,467	412,988	6,333,048
1,812,889	1,603,876	1,386,484	1,277,910	338,744
1,024,899	1,037,271	939,157	903,246	1,175,955
12,438,315	12,499,069	5,371,032	5,533,568	909,417
721,000	676,000	446,000	2,461,000	9,746,101
680,179	620,910	574,025	542,799	2,431,000
37,206,099	36,679,251	27,322,517	28,648,881	531,908
(9,768,333)	(6,961,602)	(495,072)	1,018,866	32,419,058
0	0	0	20,469	(3,578,486)
0	0	0	2,000,000	22,150
0	0	0	12,620	2,000,000
9,805,000	0	3,850,000	0	0
0	0	2,150,000	0	0
192,644	0	0	0	555,000
5,389,130	2,839,783	7,000,000	5,000,000	0
(5,389,130)	(2,839,783)	(7,000,000)	(5,000,000)	7,000,000
9,997,644	0	6,000,000	2,033,089	(7,000,000)
\$229,311	(\$6,961,602)	\$5,504,928	\$3,051,955	2,577,150
5.66%	5.36%	4.65%	12.99%	(\$1,001,336)

City of Beachwood, Ohio
Income Tax Revenue Base and Collections
Last Ten Years

Tax Year	Tax Rate (1)	Total Tax Collected (2)	Taxes From Withholding	Percentage of Taxes From Withholding	Taxes From Net Profits
2009	1.50%	\$18,401,803	\$14,905,460	81.00%	\$2,208,216
2008	1.50	20,499,143	16,255,820	79.30	2,254,906
2007	1.50	20,258,412	16,684,828	82.36	2,301,356
2006	1.50	19,722,442	15,817,398	80.20	2,169,469
2005	1.50	16,810,393	14,016,506	83.38	1,613,798
2004	1.50	16,689,510	13,937,410	83.51	1,625,558
2003	1.50	15,489,199	13,158,075	84.95	1,274,761
2002	1.50	15,334,871	12,464,183	81.28	1,768,111
2001	1.50	15,532,281	12,927,517	83.23	1,539,249
2000	1.50	15,733,023	12,831,854	81.56	1,785,698

(1) The City's basic income tax rate may only be increased by a majority vote of the City's residents.

(2) Total tax collected is on a full accrual basis from 2001 - 2009. 2000 is on a modified accrual basis.

Percentage of Taxes From Net Profits	Taxes From Individuals	Percentage of Taxes From Individuals
12.00%	\$1,288,126	7.00%
11.00	1,988,417	9.70
11.36	1,272,228	6.28
11.00	1,735,575	8.80
9.60	1,180,089	7.02
9.74	1,126,542	6.75
8.23	1,056,363	6.82
11.53	1,102,577	7.19
9.91	1,065,515	6.86
11.35	1,115,471	7.09

City of Beachwood, Ohio
Income Tax Statistics
Current Year and Eight Years Ago

2009

Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
\$0-\$24,999	1,308	34.76%	\$354,686	0.10%
\$25,000-\$49,999	558	14.83	20,729,855	5.74
\$50,000-\$74,999	435	11.56	26,937,421	7.46
\$75,000-\$99,999	322	8.56	27,747,099	7.69
Over \$100,000	1,140	30.29	285,251,837	79.01
Total	3,763		\$361,020,898	

2001 (1)

Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
\$0-\$24,999	1,371	35.17%	\$8,868,213	2.71%
\$25,000-\$49,999	646	16.57	23,585,757	7.20
\$50,000-\$74,999	451	11.57	27,986,180	8.55
\$75,000-\$99,999	382	9.80	31,211,150	9.53
Over \$100,000	1,048	26.89	235,788,580	72.01
Total	3,898		\$327,439,880	

(1) Information prior to 2001 is not available.

City of Beachwood, Ohio
Principal Income Taxpayers
Current Year and Nine Years Ago (Cash Basis)

The following are the principal income taxpayers in the City, ranked in order of payroll withholding.

2009	
Taxpayer	Ranking
Bank of America	1
Cleveland Clinic Foundation	2
Menorah Park Center	3
Beachwood Board of Education	4
Developers Diversified	5
Montefire Home	6
City of Beachwood	7
Rosetta Marketing Group	8
Tremco Inc.	9
Aleris Ohio Management	10

2000 (1)	
Taxpayer	Ranking
MBNA Marketing Services Inc.	1
Menorah Park Center	2
Beachwood Board of Education	3
Christian and Timbers Inc.	4
Imperial Home Decor Group	5
Lamson & Sessions Company	6
Tremco Inc.	7
Penske Logistics Inc.	8
Montefire Home	9
Credit General Insurance Company	10

Due to legal restrictions and confidentiality requirements, the City cannot disclose the amount of withholdings by taxpayer.

Source: Regional Income Tax Agency

(1) Information prior to 2000 is not available.

City of Beachwood, Ohio

Legal Debt Margin

Last Ten Years

	2009	2008	2007	2006
Total Assessed Property Value	<u>\$746,489,090</u>	<u>\$771,255,529</u>	<u>\$788,302,216</u>	<u>\$797,623,826</u>
General Bonded Debt Outstanding:				
General Obligation Bonds	\$10,750,000	\$11,300,000	\$11,830,000	\$12,355,000
Bond Anticipation Notes	3,000,000	3,000,000	0	0
Special Assessment Bonds	<u>3,735,000</u>	<u>4,440,000</u>	<u>5,160,000</u>	<u>5,835,000</u>
Total Gross Indebtedness	17,485,000	18,740,000	16,990,000	18,190,000
Less:				
Special Assessment Bonds	(3,735,000)	(4,440,000)	(5,160,000)	(5,835,000)
Debt Service Fund Balance	<u>(521,467)</u>	<u>(522,545)</u>	<u>(540,880)</u>	<u>(473,828)</u>
Total Net Debt Applicable to Debt Limit	<u>13,228,533</u>	<u>13,777,455</u>	<u>11,289,120</u>	<u>11,881,172</u>
Overall Legal Debt Limit (10 1/2% of Assessed Valuation)	<u>78,381,354</u>	<u>80,981,831</u>	<u>82,771,733</u>	<u>83,750,502</u>
Legal Debt Margin within 10 1/2% Limitation	<u>\$65,152,821</u>	<u>\$67,204,376</u>	<u>\$71,482,613</u>	<u>\$71,869,330</u>
Legal Debt Margin as a Percentage of the Debt Limit	83.12%	82.99%	86.36%	85.81%
Unvoted Debt Limitation 5 1/2% of Assessed Valuation	<u>\$41,056,900</u>	<u>\$42,419,054</u>	<u>\$43,356,622</u>	<u>\$43,869,310</u>
Total Gross Indebtedness	17,485,000	18,740,000	16,990,000	18,190,000
Less:				
Special Assessment Bonds	(3,735,000)	(4,440,000)	(5,160,000)	(5,835,000)
Debt Service Fund Balance	<u>(521,467)</u>	<u>(522,545)</u>	<u>(540,880)</u>	<u>(473,828)</u>
Net Debt within 5 1/2% Limitation	<u>13,228,533</u>	<u>13,777,455</u>	<u>11,289,120</u>	<u>11,881,172</u>
Unvoted Legal Debt Margin within 5 1/2% Limitation	<u>\$27,828,367</u>	<u>\$28,641,599</u>	<u>\$32,067,502</u>	<u>\$31,988,138</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	67.78%	67.52%	73.96%	72.92%

Source: City Financial Records

2005	2004	2003	2002	2001	2000
<u>\$755,070,022</u>	<u>\$749,966,828</u>	<u>\$755,137,685</u>	<u>\$716,923,271</u>	<u>\$713,817,941</u>	<u>\$704,187,234</u>
\$12,875,000	\$13,380,000	\$3,715,000	\$3,850,000	\$0	\$0
0	0	0	0	6,000,000	2,000,000
<u>6,476,000</u>	<u>7,087,000</u>	<u>7,668,000</u>	<u>8,209,000</u>	<u>6,505,000</u>	<u>6,966,000</u>
19,351,000	20,467,000	11,383,000	12,059,000	12,505,000	8,966,000
(6,476,000)	(7,087,000)	(7,668,000)	(8,209,000)	(6,505,000)	(6,966,000)
<u>(513,283)</u>	<u>(479,498)</u>	<u>(504,219)</u>	<u>(456,726)</u>	<u>0</u>	<u>(712,780)</u>
<u>12,361,717</u>	<u>12,900,502</u>	<u>3,210,781</u>	<u>3,393,274</u>	<u>6,000,000</u>	<u>1,287,220</u>
<u>79,282,352</u>	<u>78,746,517</u>	<u>79,289,457</u>	<u>75,276,943</u>	<u>74,950,884</u>	<u>73,939,660</u>
<u>\$66,920,635</u>	<u>\$65,846,015</u>	<u>\$76,078,676</u>	<u>\$71,883,669</u>	<u>\$68,950,884</u>	<u>\$72,652,440</u>
84.41%	83.62%	95.95%	95.49%	91.99%	98.26%
<u>\$41,528,851</u>	<u>\$41,248,176</u>	<u>\$41,532,573</u>	<u>\$39,430,780</u>	<u>\$39,259,987</u>	<u>\$38,730,298</u>
19,351,000	20,467,000	11,383,000	12,059,000	12,505,000	8,966,000
(6,476,000)	(7,087,000)	(7,668,000)	(8,209,000)	(6,505,000)	(6,966,000)
<u>(513,283)</u>	<u>(479,498)</u>	<u>(504,219)</u>	<u>(456,726)</u>	<u>0</u>	<u>(712,780)</u>
<u>12,361,717</u>	<u>12,900,502</u>	<u>3,210,781</u>	<u>3,393,274</u>	<u>6,000,000</u>	<u>1,287,220</u>
<u>\$29,167,134</u>	<u>\$28,347,674</u>	<u>\$38,321,792</u>	<u>\$36,037,506</u>	<u>\$33,259,987</u>	<u>\$37,443,078</u>
70.23%	68.72%	92.27%	91.39%	84.72%	96.68%

City of Beachwood, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2009

	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Beachwood
Direct - City of Beachwood, Ohio			
General Obligation Bonds	\$10,894,484	100.00%	\$10,894,484
Special Assessment Bonds	3,735,000	100.00%	3,735,000
Bond Anticipation Notes	3,000,000	100.00%	3,000,000
<i>Total Direct</i>	<u>17,629,484</u>		<u>17,629,484</u>
Overlapping			
Cuyahoga County			
Cuyahoga County	336,472,572	2.52%	8,479,109
Beachwood City Schools			
General Obligation Bonds	12,916,640	100.00%	12,916,640
Notes Payable	1,480,000	100.00%	1,480,000
Capital Leases	81,096	100.00%	81,096
Regional Transit Authority			
General Obligation Bonds	167,835,390	2.52%	4,229,452
Loans Payable	3,040,281	2.52%	76,615
<i>Total Overlapping</i>	<u>521,825,979</u>		<u>27,262,912</u>
<i>Totals</i>	<u><u>\$539,455,463</u></u>		<u><u>\$44,892,396</u></u>

Source: Cuyahoga County, Ohio; County Auditor

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

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City of Beachwood, Ohio
*Ratio of General Bonded Debt to Assessed
Property Values and Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years*

Year	General Bonded Debt	Total Assessed Property Value	Percentage of Assessed Property Value	Per Capita (1)
2009	\$10,894,484	\$746,489,090	1.46%	\$894
2008	11,454,116	771,255,529	1.49	940
2007	11,993,748	788,302,216	1.52	984
2006	12,528,380	797,623,826	1.57	1,028
2005	13,058,012	755,070,022	1.73	1,072
2004	13,572,644	749,966,828	1.81	1,114
2003	3,715,000	755,137,685	0.49	305
2002	3,850,000	716,923,271	0.54	316
2001	0	713,817,941	0.00	0
2000	0	704,187,234	0.00	0

(1) See Schedule on S20 for personal income and population data.

Other Governmental Activities Debt				
Special Assessment Bonds	Bond Anticipation Notes	Total Debt	Percentage of Personal Income (1)	Per Capita (1)
\$3,735,000	\$3,000,000	\$17,629,484	3.57%	\$1,447
4,440,000	3,000,000	18,894,116	3.83	1,550
5,160,000	0	17,153,748	3.47	1,408
5,835,000	0	18,363,380	3.72	1,507
6,476,000	0	19,534,012	3.96	1,603
7,087,000	0	20,659,644	4.19	1,695
7,668,000	0	11,383,000	2.31	934
8,209,000	0	12,059,000	2.44	990
6,505,000	2,000,000	8,505,000	1.72	698
6,966,000	2,000,000	8,966,000	1.82	736

City of Beachwood, Ohio
Demographic and Economic Statistics
Last Ten Years

Year	Population (1)	Total Personal Income (3)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)
2009	12,186	\$493,642,674	\$40,509	\$65,406	51.6
2008	12,186	493,642,674	40,509	65,406	51.6
2007	12,186	493,642,674	40,509	65,406	51.6
2006	12,186	493,642,674	40,509	65,406	51.6
2005	12,186	493,642,674	40,509	65,406	51.6
2004	12,186	493,642,674	40,509	65,406	51.6
2003	12,186	493,642,674	40,509	65,406	51.6
2002	12,186	493,642,674	40,509	65,406	51.6
2001	12,186	493,642,674	40,509	65,406	51.6
2000	12,186	493,642,674	40,509	65,406	51.6

(1) Source: U.S. Census

(2) Source: Beachwood City Schools

(3) Computation of per capita personal income multiplied by population.

(4) Ohio Labor Market Website: www.lmi.state.oh.us

(5) Source: Cuyahoga County Auditor's Office

School Enrollment (2)	Educational Attainment: Bachelor's Degree or Higher (1)	Cuyahoga County Unemployment Rate (4)	Average Sales Price of Residential Property (5)	Total Assessed Property Value
1,598	50.9%	9.2%	\$276,796	\$746,489,090
1,571	50.9	7.1	269,676	771,255,529
1,545	50.9	6.1	290,728	788,302,216
1,541	50.9	5.5	282,835	797,623,826
1,541	50.9	6.1	302,735	755,070,022
1,539	50.9	6.6	296,751	749,966,828
1,521	50.9	6.2	277,111	755,137,685
1,521	50.9	6.6	264,818	716,923,271
1,628	50.9	4.6	249,356	713,817,941
1,574	50.9	4.5	266,900	704,187,234

City of Beachwood, Ohio
Principal Employers
Current Year and Four Years Ago

2009		
Employer	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
Montefire Home	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 City	<u>15,808</u>	

2005 (1)		
Employer	Employees	Percentage of Total
MBNA Marketing Services Inc.	3,061	13.47%
Menorah Park Center	1,407	6.19
Developers Diversified	539	2.37
Cleveland Clinic Foundation	479	2.11
Beachwood Board of Education	403	1.77
Tremco Inc.	293	1.29
Lamson & Sessions Company	196	0.86
Brulant Inc.	183	0.81
Medical Mutual of Ohio	181	0.80
National City Bank Corp	138	0.61
Total	<u>6,880</u>	<u>30.28%</u>
Total Employment within the City	<u>22,720</u>	

Source: Regional Income Tax Agency
 (1) Information prior to 2005 is not available.

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City of Beachwood, Ohio
Capital Assets Statistics by Function/Program
Last Eight Years (1)

Function/Program	2009	2008	2007	2006
General Government				
Square Footage Occupied (2)	70,786	70,786	70,786	70,786
Vehicles	2	2	2	2
Police				
Stations	1	1	1	1
Square Footage of Building	72,254	72,254	72,254	72,254
Vehicles	31	31	31	32
Fire Station				
Stations	2	2	2	2
Square Footage of Fire Station #1	21,970	21,970	21,970	21,970
Square Footage of Fire Station #2	5,472	5,472	5,472	5,472
Vehicles	11	11	11	11
Public Service				
Streets (miles)	46	46	46	46
Vehicles	56	56	56	55
Square Footage of Building	41,285	41,285	41,285	41,285
Health and Welfare				
Vehicles	3	3	3	3
Culture and Recreation				
Number of Parks	2	2	2	2
Number of Pools	1	1	1	1
Vehicles	2	2	2	1
Square Footage of Community Center (3)	14,000	14,000	14,000	14,000
Building and Community Development				
Vehicles	8	8	8	8

(1) Information prior to 2002 is not available.

(2) In 2005, the City completed a major remodel/expansion of City Hall.

(3) In 2006, the City completed a major remodel/expansion of the Community Center

Source: City Hall records

2005	2004	2003	2002
70,786	37,206	37,206	37,206
2	2	2	2
1	1	1	1
72,254	68,170	68,170	68,170
31	30	30	29
2	2	2	2
21,970	21,970	21,970	21,970
5,472	5,472	5,472	5,472
10	10	10	11
46	46	46	46
55	55	55	52
41,285	41,285	41,285	41,285
2	2	2	2
2	2	1	1
1	1	1	1
1	1	1	1
8,000	8,000	8,000	8,000
7	7	7	7

City of Beachwood, Ohio
Operating Indicators by Function/Program
Last Seven Years (1)

Function/Program	2009	2008	2007	2006
General Government				
Number of Ordinances and Resolutions	160	186	183	160
Number of non-payroll checks processed	4,693	5,321	4,937	4,962
Number of purchase orders issued	4,496	4,787	4,253	4,225
Public Safety				
Police				
Total arrests	650	631	666	609
Drug arrests	25	14	16	11
OVI arrests (formally DUI)	67	71	73	71
Warrants served	140	153	154	160
Total complaints	4,541	4,925	4,634	3,654
Fire				
Total EMS and Fire responses	4,087	4,038	3,832	3,613
Total Fire responses	1,138	1,068	1,132	1,049
Total EMS responses	2,949	2,970	2,700	2,564
Routine fire safety inspections	1,105	1,403	1,169	881
Re-inspections	860	942	581	725
New construction inspections	145	203	207	182
Public Services				
Tons of rubbish picked up	3,933	4,208	4,946	4,843
Tons of leaves collected for recycling	3,195	3,564	3,447	3,007
Number of trees planted	270	201	329	353
Number of catch basins cleaned and repaired	443	374	373	297
Tons of cold patch used	37	55	40	24
Yards of concrete poured and finished	450	507	565	279
Tons of salt purchased	7,178	12,712	11,229	4,695
Health and Welfare				
Number of senior trips taken	66	64	53	50
Culture and Recreation				
Total attendance at Aquatic Center (2)	53,262	54,001	58,588	56,855
Building and Community Development				
Number of permits issued	167	210	292	264

(1) Information prior to 2003 is not available.

(2) The Beachwood Family Aquatic Center opened in July of 2003

Source: City records

2005	2004	2003
149	172	171
4,823	4,901	5,092
4,278	4,158	4,338
576	633	636
21	36	30
53	86	69
243	236	288
3,725	3,832	3,903
3,701	3,495	3,240
1,150	1,088	1,031
2,551	2,407	2,209
908	711	1,174
481	388	396
103	27	115
4,836	5,192	5,085
2,588	1,631	1,404
251	198	505
381	347	312
66	26	29
423	606	794
13,908	8,803	9,648
48	59	56
76,526	67,561	46,536
248	265	245

City of Beachwood, Ohio

Full-Time Equivalent City Government Employees by Function/Program

Last Eight Years (1)

	2009	2008	2007	2006
General Government				
Council	7.0	7.0	7.0	7.0
Mayor's Office	3.0	3.0	5.0	5.0
Finance	15.0	12.0	10.0	12.0
Law	3.0	3.0	3.0	4.0
Public Safety				
Police Administration	3.0	3.0	4.0	4.0
Police Officers	43.0	42.0	42.0	42.0
Dispatchers	12.0	12.0	12.0	12.0
Police - Correction Officers	9.0	8.0	8.5	8.5
Police - Crossing Guards	7.0	7.0	7.0	7.0
Fire Administration	5.0	5.0	4.5	4.5
Fire Fighters	42.0	39.0	39.0	39.0
Public Service				
Administration	11.0	11.0	11.0	11.0
Buildings and Grounds	11.5	11.5	13.5	11.5
Fleet Maintenance	5.0	5.0	6.0	5.0
Streets, Sidewalks & Sewers	17.0	17.0	18.0	16.0
Sanitation	12.0	12.5	12.0	11.0
Culture and Recreation				
Human Services	6.0	6.0	6.0	8.5
Recreation Administration	7.0	7.0	7.0	5.0
Recreation Camps	37.0	38.0	33.0	37.0
Recreation Sports	14.0	14.0	14.0	13.5
Recreation Other	15.0	15.0	17.0	17.0
Pool and Parks	41.0	40.0	41.0	42.0
Building and Community Development				
Building Department	11.0	11.0	11.0	11.0
Total	<u>336.5</u>	<u>329.0</u>	<u>331.5</u>	<u>333.5</u>

Source: City of Beachwood records

Method: Using 1.0 for each full-time employee and 0.50 for each part time and seasonal employee.

Counts are as of December 31 of each year.

(1) Information prior to 2002 is not available

2005	2004	2003	2002
7.0	7.0	7.0	7.0
4.5	4.0	4.0	4.0
12.0	10.0	12.0	10.0
4.0	4.0	4.0	4.0
3.0	3.0	3.0	3.0
40.0	40.0	42.0	42.0
11.0	11.0	11.0	11.0
9.0	8.0	8.0	8.0
6.5	6.0	6.0	6.0
4.5	3.5	3.5	4.0
39.0	39.0	36.0	36.0
10.0	13.0	13.0	13.0
11.0	12.0	16.0	15.0
6.0	7.0	7.0	7.0
17.0	17.0	15.0	15.0
13.0	14.5	17.5	11.5
6.5	6.5	6.0	5.5
5.0	5.0	5.0	5.0
44.5	44.0	35.0	34.5
13.0	14.5	12.5	7.5
14.5	14.5	13.5	13.5
45.0	43.5	46.0	29.5
12.0	12.0	13.0	13.0
338.0	339.0	336.0	305.0



Mary Taylor, CPA
Auditor of State

CITY OF BEACHWOOD

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 12, 2010**